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28 April 2014

Mr Barnaby Pace
Oil Campaign
Global Witness
6th Floor, Buchanan House
30 Holborn
London, EC1N 2HS

Dear Mr Pace,

I am responding to your letter of 14 April 2014 regarding payments made by members of the "Contractor Group" in respect of Block 20, offshore Angola. I believe that my letter of 15 February 2012 to Dr. Gavin Hayman of Global Witness addressed some of the issues you have raised. Below is an update to this letter.

You have asked why BP's payments for Block 20 have increased. BP increased its participation in the Block by 50% through the acquisition of the 10% interest originally held by China Sonangol. The increased payments correspond directly to the increased interest. The overall contractual payments by the Contractor Group, however, remain unchanged.


You have also asked about the planned Sonangol Research and Technology Center (SRTC) to be created and run using bonus payments earmarked for that purpose. In Angola, as in other countries, grantees of exploration rights are either asked to implement social or educational projects or to provide funds for that purpose. The latter is the case with the SRTC.

Sonangol has informed BP that the SRTC is still in planning stage. We support the concept of the SRTC as a way to build capacity in Angola. As you may be aware, we have recently sponsored a post-graduate programme in oil and gas law and business which has been very successful in training Angolan professionals. We hope the SRTC will do the same on a larger scale and with wider scope.

As stated in my 2012 letter, all the relevant payments are made in compliance with the Petroleum Activities Law which requires that they "revert in full in favour of the State through the Treasury Single Account". As a state company, Sonangol is legally subject to review by government auditors.

We share with Global Witness the desire to see Angola's oil revenues contribute to Angola's development. We are proud of our record in terms of our social, health and educational projects toward that end. Our Angola Sustainability Report describes some of the projects that BP has sponsored over the years.

Yours sincerely

A handwritten signature in blue ink, consisting of several fluid, connected strokes. The signature is positioned to the right of the typed name.

Dev S. Sanyal