

The BOS SHELF / SAIPEM / STAR GULF Consortium

Date: 26 February, 2015

Ref: SAIBOS-BPSD-103-L-0218

BP Exploration (Shah Deniz) Ltd.
45A Khagani str., Landmark Building III
4th FLOOR, AZ1010, Baku Azerbaijan

Attention: [REDACTED]

SHAH DENIZ 2 PROJECT

CAS-MA-017

**CALL OFF No. 1 (SD-C-103) – FABRICATION OF
JACKETS, PILES AND SUBSEA ASSETS**

SUBJECT: ONGOING REJECTION OF MAINTENANCE MANHOURS IN MONTHLY VALUATIONS

Dear Sir,

Reference is made to letter BPSD-SAIBOS-103-L-0224 dated 19 February 2015, in connection with the above subject.

Having considered the conclusion reached therein, it is apparent that instead of working with CONTRACTOR to find a mutually acceptable outcome to the current impasse on Maintenance manhours (and by so doing alleviate cash flow difficulties), COMPANY appears content to continually re-define the nature of the deliverable which is required as a condition for sanctioning payment of the Maintenance manhour charges included in Valuations as from November 2014.

With the intention of promoting an improved understanding of the background to the current situation:

- Prior to November 2014, COMPANY were approving Maintenance manhours on the basis of the data being produced by the APPROVED timekeeping system. Such approach being entirely consistent with the "back to COP" philosophy introduced by SOCAR/COMPANY.
- Without any prior notification of its intention, COMPANY rejected the Maintenance manhours included within the November 2014 Valuation, on the premise that a Maintenance Plan was required. Having provided this deliverable during January 2015, CONTRACTOR reasonably expected that previously withheld amounts would be released.
- It is now the viewpoint of COMPANY that a signed dedicated maintenance report, which details maintenance activities covered in the period, is deliverable required to facilitate approval of Maintenance related charges in monthly Valuations. By requesting an enhanced level of reporting, COMPANY are

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increasing CONTRACTOR's administrative burden at a time when cost cutting, to reflect a difficult financial environment, is the order of the day.

CONTRACTOR requests that consideration be given to the points made herein, in order to progress towards a mutually satisfactory resolution.

Yours faithfully,

A redacted signature block consisting of a grid of grey and white squares, obscuring the name and any handwritten notes or dates.