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Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

|X|

press release

October 7, 2010

BP AND SOCAR SIGN SHAFAG-ASIMAN PSA

BP and SOCAR (the State Oil Company of the Republic of Azerbaijan) announced today they had signed a new production sharing agreement (PSA) on joint exploration and development of the Shafag-Asiman structure in the Azerbaijan sector of the Caspian Sea.

The PSA was signed today in Baku by Rovnag Abdullayev, President of SOCAR, and Rashid Javanshir, BP Azerbaijan President, in the presence of BP's visiting Group Chief Executive Officer (CEO) Robert Dudley.

Speaking at the event Mr Dudley said: "This is an important day for Azerbaijan and BP as it marks the beginning of our bilateral cooperation in exploration and development of a new offshore block. With SOCAR and our partners BP has helped to establish Azerbaijan as a world scale oil and gas producer, and I believe the significant remaining potential will continue to make it relevant for decades to come."

"We in BP very much hope that the combination of our leading technology and expertise with Azerbaijan's experience and potential will lead to new discoveries in the Caspian," Dudley added.

The signing of the PSA follows the earlier concluded Heads of Agreement (HOA) which defined the basic commercial principles of the contract. Under the PSA, which is for 30 years, BP Exploration Caspian Sea Limited will be the operator with 50 per cent interest while SOCAR will hold the remaining 50 per cent equity.

The block lies some 125 kilometers (78 miles) to the SE of Baku. It covers an area of some 1100 square kilometers and has never been explored before. It is located in a deepwater section of about 650-800 meters with reservoir depth of about 7000 meters.

For further information please contact:

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 07 October, 2010

/s/ D. J. PEARL
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D. J. PEARL
Deputy Company Secretary