

and fees of
\$2 a barrel
earned on the
incremental oil

production
.

"We are pleased to have this opportunity to work with the people of
Iraq
to develop one of the world's great oilfields and we see this as the beginning of a long-term relationship with
Iraq
," said BP's chief executive Tony Hayward.

"We are also pleased to have the opportunity to help Iraq rebuild its economy after years of war and sanctions. The investment in Rumaila will support Iraq in achieving its ambition of becoming a major player in global oil markets once again and will catalyze training and development opportunities for the many thousands of Iraqi workers on Rumaila," Hayward added.

The Rumaila Field Operating Organisation (ROO) will manage the rehabilitation and expansion project. ROO will be staffed mainly by employees from South Oil Company and will contain a small number of technical experts and managers from BP and CNPC.

BP has already gained
information about

the
Rumaila
field
through a
three year memorandum of understanding to provide technical assistance from 2005
and
historically
has

knowledge of the field's geology da
ting back to discovery in 1953.

BP and its partners
intend to
use
their
reservoir management
expertise to
boost recovery and increase production from the Rumaila field, focussing initially on
waterflood
and gas reinjection
optimization.

Further enquiries:

BP
press office - tel: +44 (0)20 7496 4

076

- ENDS -

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: 03 November 2009

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