

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

300 North LaSalle Street
Chicago, Illinois 60654

John T. Hickey, Jr., P.C.
To Call Writer Directly:
(312) 862-2348
john.hickey@kirkland.com

(312) 862-2000

www.kirkland.com

Facsimile:
(312) 862-2200

July 15, 2010

Via E-Mail and U.S. Mail

Louis P. Selig
Selig ADR
The Caroline Center for Dispute Resolution
5009 Caroline Street, Suite 100
Houston, Texas 77004-5750

Re: *Deepwater Horizon*

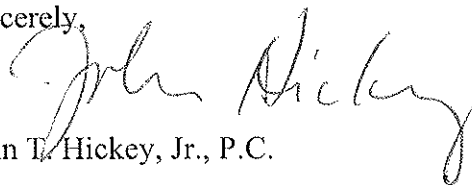
Dear Mr. Selig:

Thank you for your letter of July 14 informing me of a mediation on July 17 of the wrongful death claims of the family of a Transocean employee.

While BP is committed to the just and prompt resolution of the death and serious injury claims arising out of the April 20 incident on the Deepwater Horizon, we do not think it appropriate to attend the mediation this Saturday. Article 21 of the Drilling Contract with Transocean provides, inter alia, that Transocean shall indemnify BP from all claims by Transocean employees for personal injury or death that are related to work performed under the Drilling Contract. BP has tendered the defense of these claims to Transocean.

To be clear, it is BP's position, consistent with this indemnification, that any settlement between Transocean and any of its injured or deceased employees must include a full release of all BP entities from any and all claims or liability in connection with the Deepwater Horizon incident. And, to address a specific inquiry made by Mr. Gordon in recent correspondence, this full release of all BP entities would indeed bar any subsequent claims against the fund being established by BP and the claims facility that will be administered by Mr. Feinberg. While BP believes the victims of the Deepwater Horizon incident should be fully compensated, they should not be fully compensated more than once.

Sincerely,



John T. Hickey, Jr., P.C.

JTH/cab

KIRKLAND & ELLIS LLP

Louis P. Selig
July 15, 2010
Page 2

cc: Steve Gordon
Steve Roberts