



BP 2Q 2009 Results

28th July 2009



Tony Hayward

Group Chief Executive



Cautionary Statement

Forward Looking Statements - Cautionary Statement

This presentation and the associated slides and discussion contain forward looking statements, particularly those regarding global economic recovery; GDP growth; effective tax rate; improved efficiency and effectiveness across the Fuels Value Chains; expected quarterly charges; production growth and impact of seasonal turnarounds; costs; capital expenditure; disposal proceeds; capital efficiency in the upstream; continuing downstream turnaround; refocus and simplification of Alternative Energy; continuing corporate efficiency; dividend payments; investments and use of balance sheet capacity. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation.

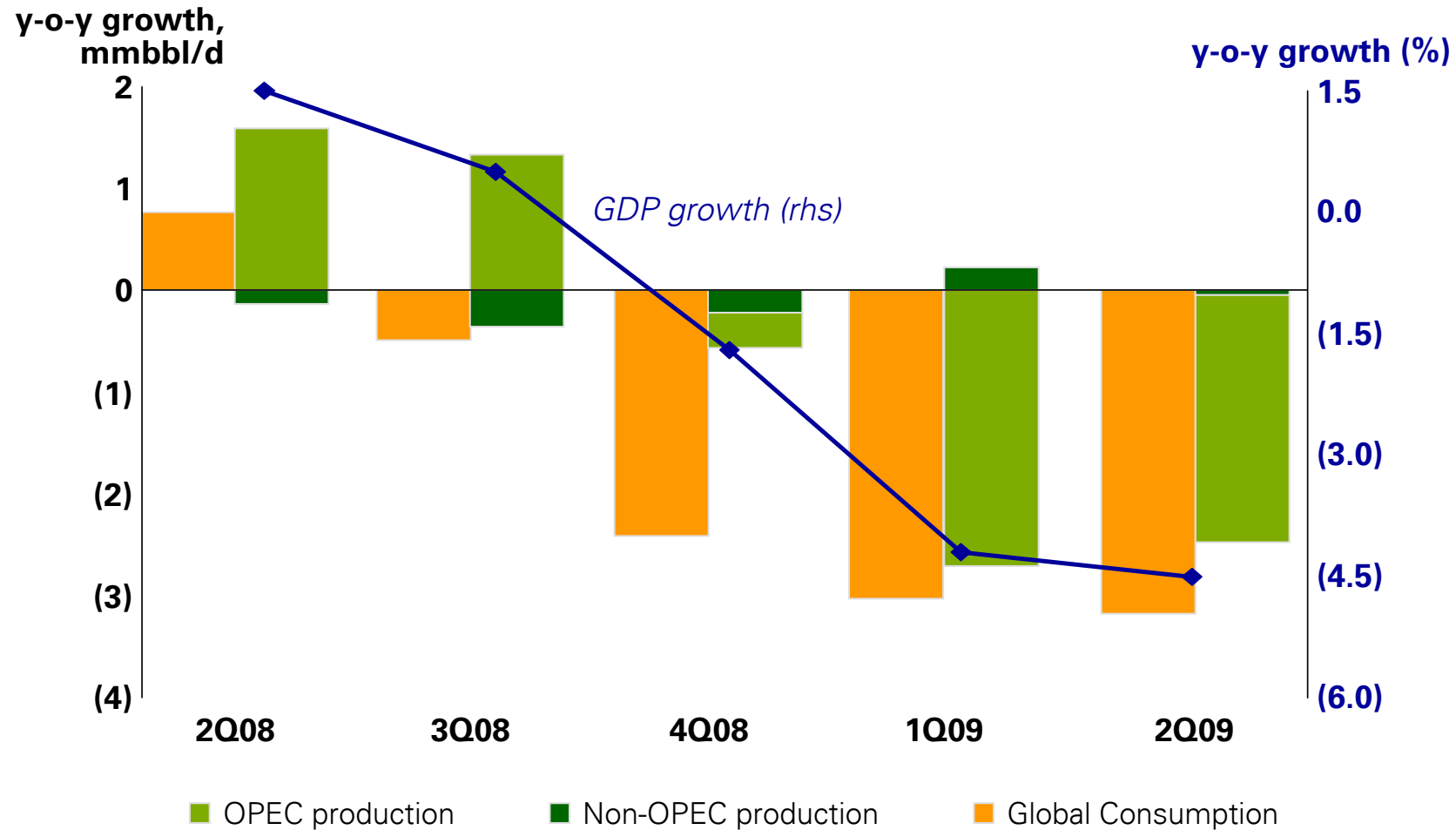
Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com

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July 2009



The economy and oil supply/demand



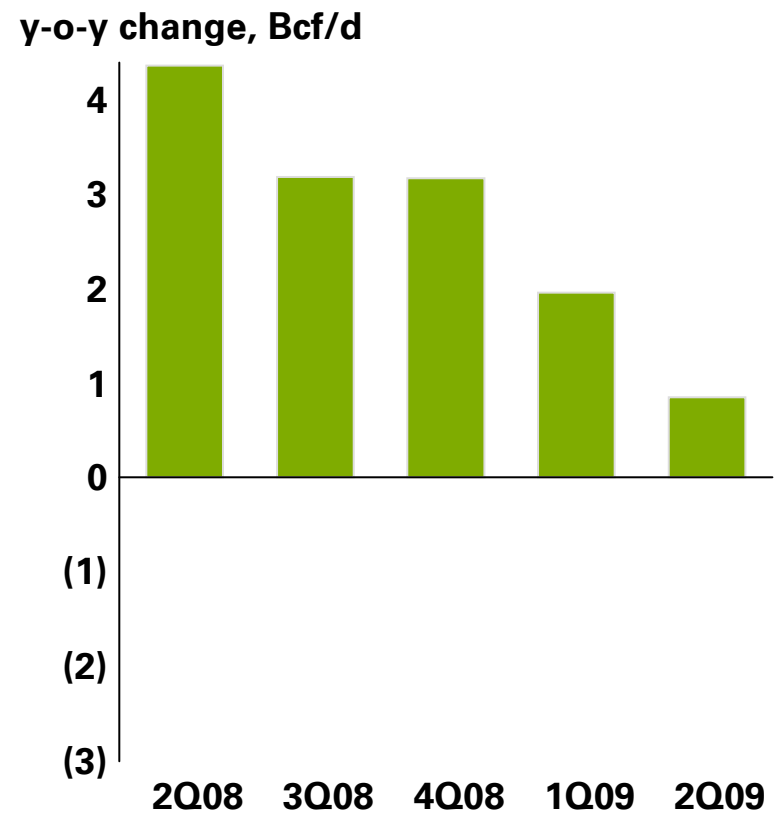
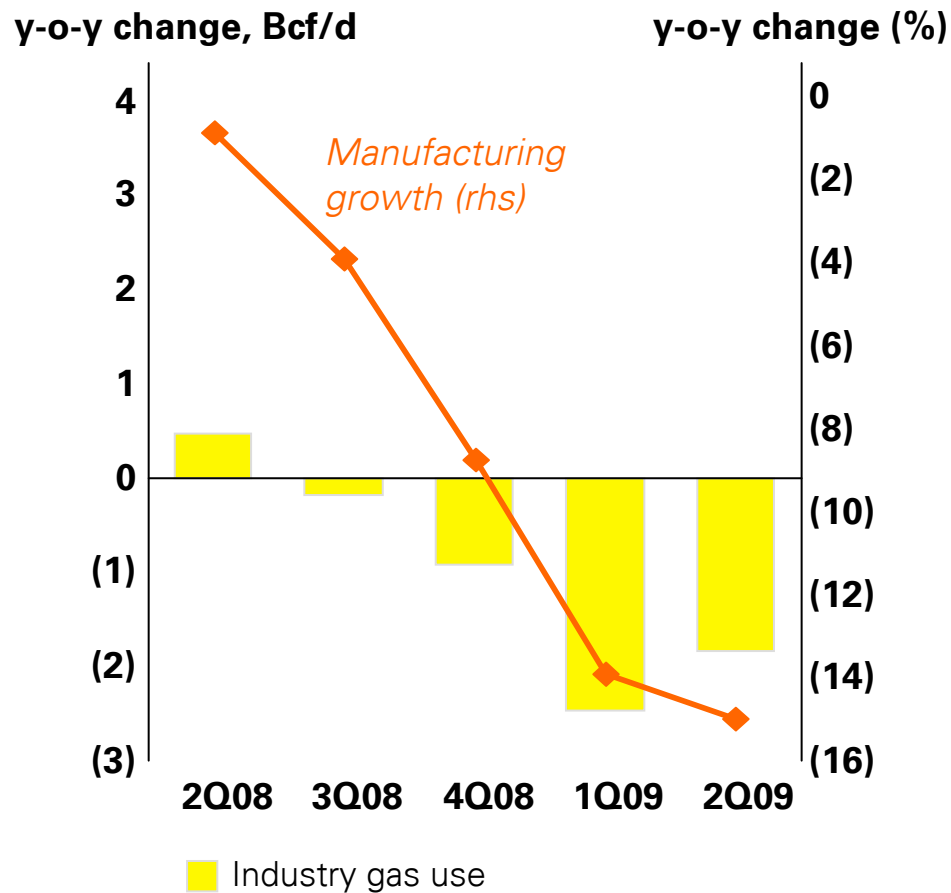
Source: IEA for oil demand, JP Morgan for GDP growth

The US gas market



US manufacturing and gas consumption

US gas production





1H 2009: Financial results

- Replacement cost profit \$5.5bn
- Post-tax operating cash flow \$12.3bn
- Organic capex* of \$9.4bn
- Divestments of \$1bn
- Dividend
 - 28 cents per share
 - \$5.2bn

* Organic capital expenditure, excluding acquisitions and asset exchanges



Operational momentum

Safe and reliable operations

- 50 entities now on our Operating Management System (OMS)
- Continuous improvement

Building capability

- Right people, right place, right skills
- Deepening expertise
- Reward for performance

Upstream growth

- Volumes up by more than 3% in 1H09

Downstream turnaround

- Refining availability 93% in 1H09, up by more than 4%

Strategic delivery

Upstream growth



- New access for future growth
 - Iraq: Rumaila
 - Egypt: new acreage awarded
 - Indonesia: coal bed methane JV
 - Azerbaijan – memorandum of understanding signed with SOCAR
- Continued exploration and appraisal success
 - Angola – 17th/18th discoveries
 - Gulf of Mexico – Mad Dog South
- Major project start-ups
 - Tangguh
 - King South/Dorado, Thunder Horse ramp-up
 - Uvat, Kamennoye
- Sanctioned developments
 - Angola – Block 15 Clochas Mavacola
 - Trinidad – Serette new field development

Strategic delivery

Downstream turnaround



- Safe operations and OMS
- Behaviours and core processes
 - Refocused R&M head office
 - Spain/Portugal back office go-live
- Restoring missing revenues
 - Refining availability at highest level since 1Q05
 - Texas City is running at full economic capability
- Business simplification
 - Exited US convenience retail operations
 - Sale of Greek ground fuels marketing
- Repositioning cost efficiency
 - Cash costs in 1H more than 15% below 1H08

Strategic delivery

Alternative Energy



Simplified to four core businesses:

- Biofuels
 - Biofuels production in Brazil
 - Verenium JV on ligno-cellulosic biofuels technology
 - Biobutanol molecule development
- Wind
 - >1GW of gross* wind capacity
 - Cashflow positive from 2010
- Solar
 - Focused business
 - Repositioned manufacturing
- Carbon Capture & Sequestration
 - Department of Energy support for a 400MW project

* Gross wind capacity includes 100% of the capacity of equity-accounted entities where BP has partial ownership. BP's net share of generating capacity was 0.7GW at 1H09

Strategic delivery

Corporate efficiency



- Restructuring and delayering
 - More than 5,000 reduction in headcount
- Organization
 - Deepening expertise
 - Embedded functional model
- Cash costs down by more than \$2bn in 1H09



Byron Grote

Chief Financial Officer

Financial highlights

All earnings figures are adjusted for non-operating items and fair value accounting effects

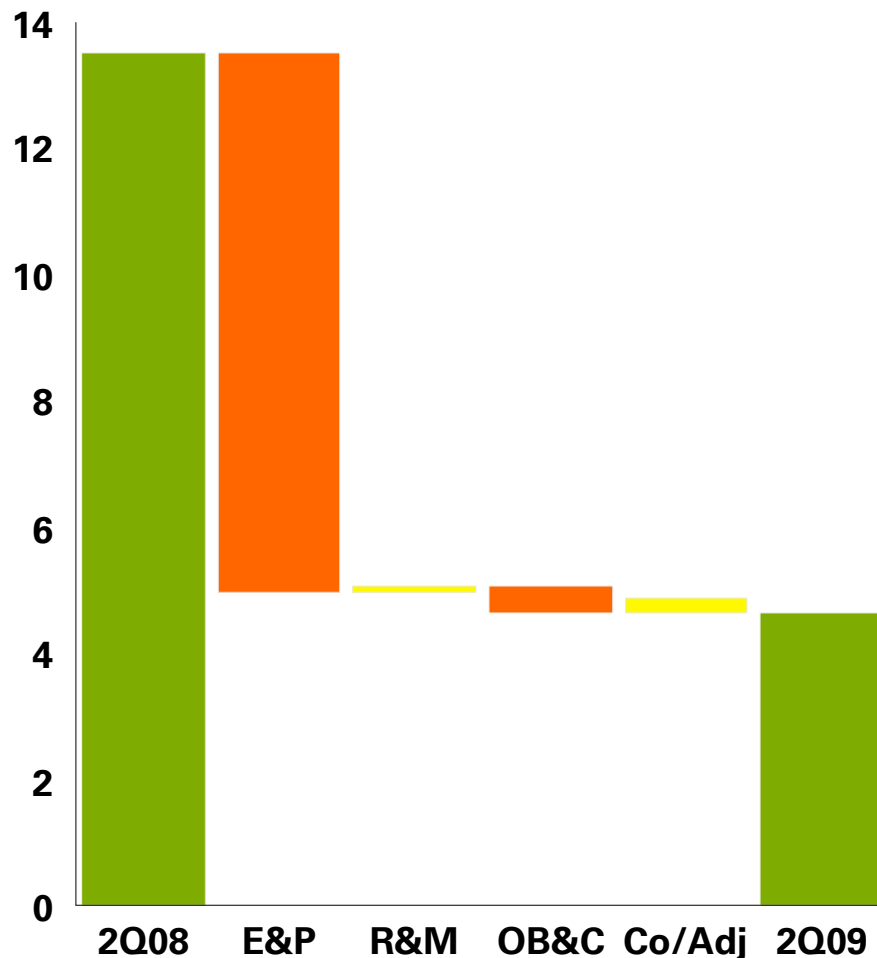


(\$bn)	2Q'08	2Q'09
Exploration & Production	13.1	4.4
Refining & Marketing	0.8	1.0
Other businesses & corporate	(0.2)	(0.5)
Consolidation Adjustment	(0.2)	0.1
Replacement cost profit before interest and tax	13.5	4.9
Interest & minority interest	(0.3)	(0.4)
Tax	(4.7)	(1.6)
Replacement cost profit	8.5	2.9

Earnings per share (\$c)	45.3	15.7
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Cash from operations (\$bn)	6.7	6.8
Share buybacks (\$bn)	1.0	-
Dividend (\$bn)	2.5	2.6
Dividend per share (\$c)	14.0	14.0
Capital expenditure excl acquisitions (\$bn)	5.5	4.8

Replacement cost profit before interest and tax
2Q09 vs 2Q08 (\$bn)

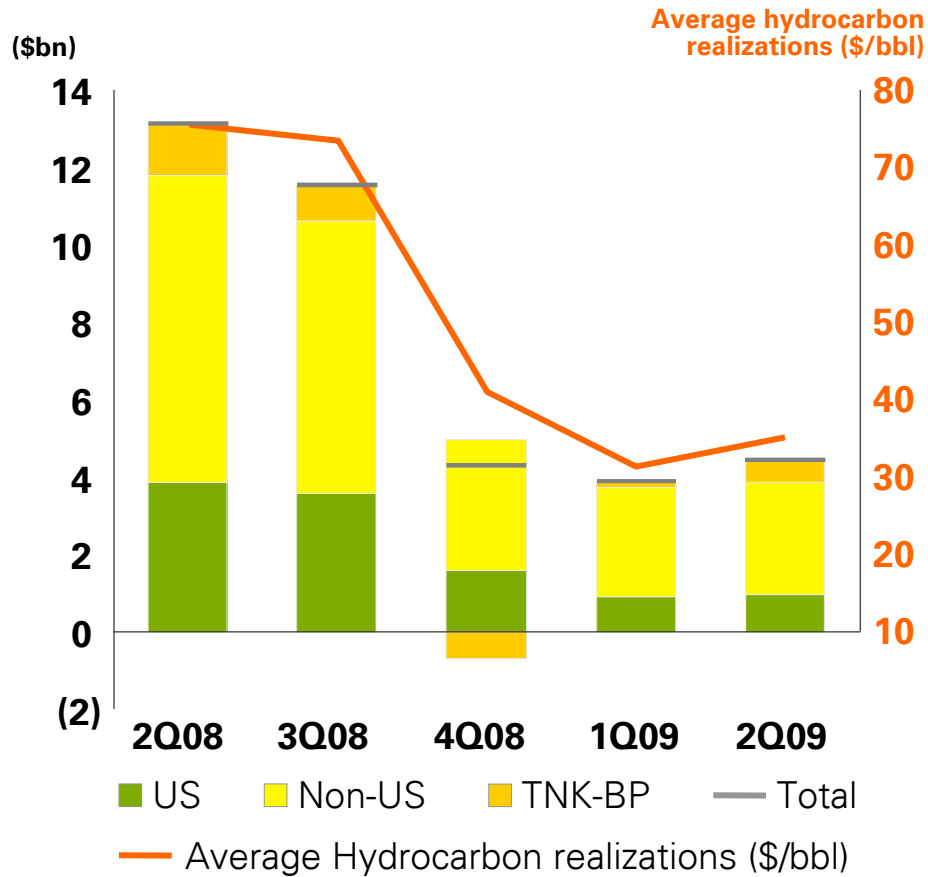




Exploration & Production

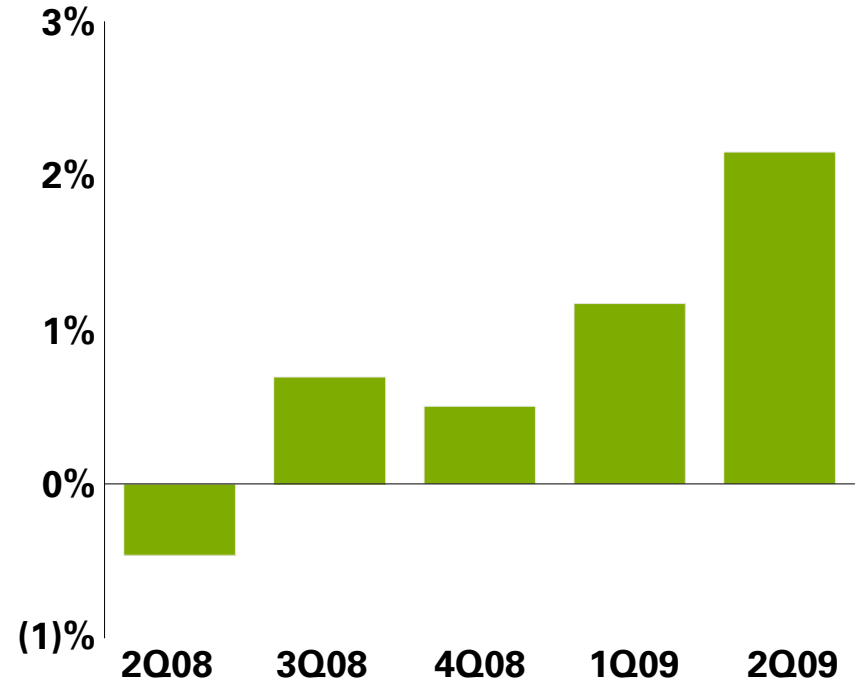
Pre-tax replacement cost profit

Adjusted for non-operating items and fair value accounting effects



Production growth YoY

(4 quarter rolling average)



- Weaker environment
- Production growth

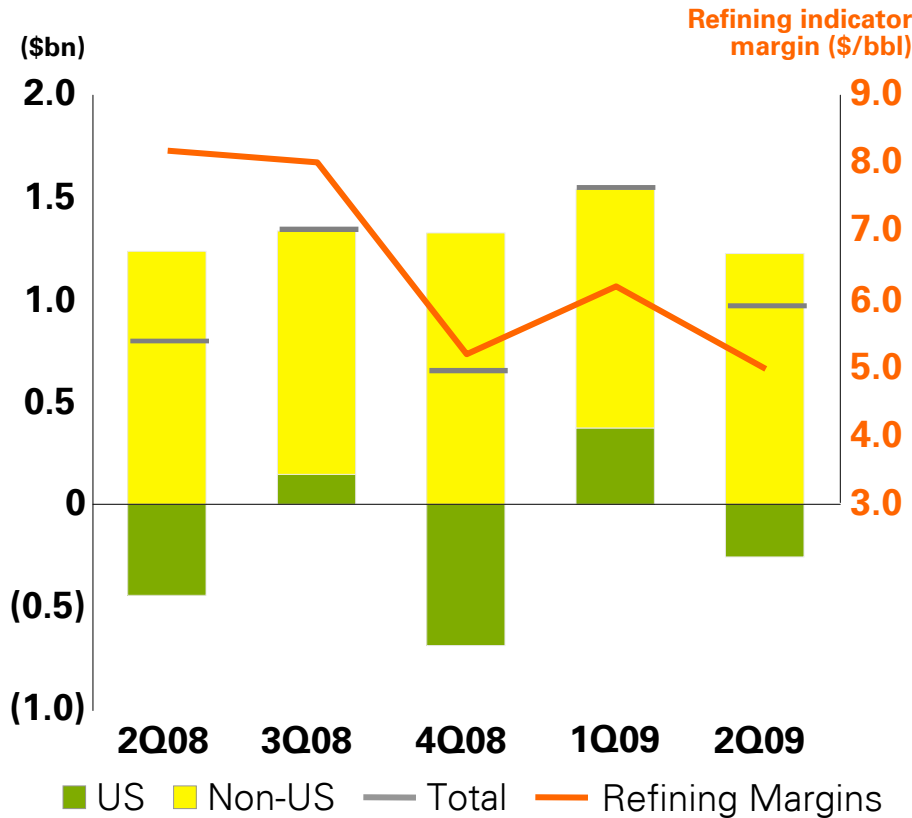
- Lower costs
- Higher DD&A



Refining & Marketing

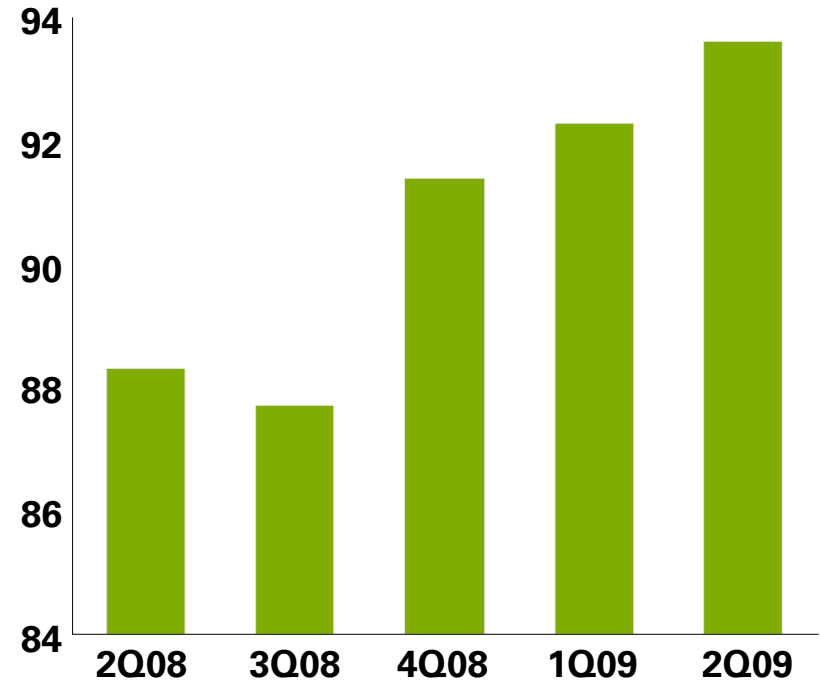
Pre-tax replacement cost profit

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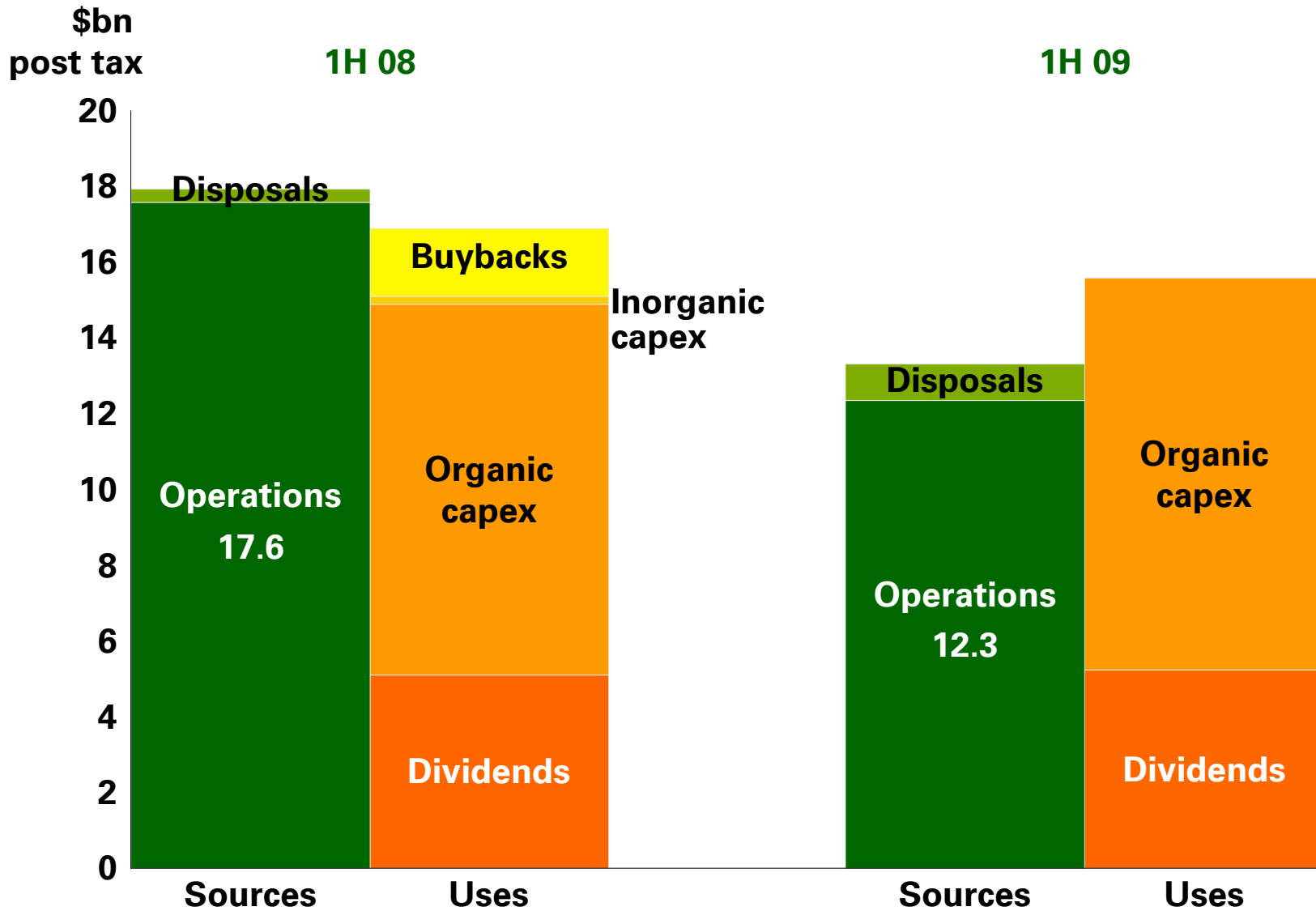
Refining availability

Solomon availability (%)



- Weaker refining environment
- Significantly improved refinery operations
- Lower costs

Sources & uses of cash



2009 Outlook



	2009 guidance	1H 09
Production*	Growth	More than 3%
Refining availability*	Higher	More than 4%
Cash cost reduction*	More than \$3bn	More than \$2bn
Capex**	Below \$20bn	\$9.4bn
Divestments	Around \$2-3bn	\$1.0bn

* Change versus 2008

** Organic capital expenditure, excluding acquisitions and asset exchanges



Tony Hayward

Group Chief Executive



BP strategy

- **Upstream** profit growth, cost and capital efficiency
- **Downstream** turnaround, cost efficiency
- **Alternative Energy**; focused and disciplined
- **Corporate** efficiency

Q&A



Tony Hayward
Group Chief Executive



Byron Grote
Chief Financial Officer



Andy Inglis
Chief Executive
Exploration & Production



Iain Conn
Chief Executive
Refining & Marketing