



exploration and production

Activities: Present in 25 countries;
production operations in 21 countries
Daily production: 1.93 million barrels of crude oil and
7.6 billion cubic feet of natural gas (60% oil, 40% gas)
Discoveries: 33 giant finds 1996-2000 (>250mmboe)
Reserves: 15.2 billion barrels of oil equivalent
(50% oil, 50% gas)
Reserve replacement ratio: 160%
Reserve replacement exceeded production in 2000
for the seventh consecutive year

gas and power

Activities: Gas sales contracts in 24 countries
Gas sales volumes: 14.5 billion cubic feet a day
Power: 1,900MW power generation projects under
development or construction

refining and marketing

Refineries (wholly or partly owned): 24
Refinery throughput: 2.9 million barrels of crude oil a day
Oil product marketing sales: 3.8 million barrels a day
Service stations: 29,000

chemicals

Sites worldwide: 55
Production: 22.1 million tonnes a year
Revenues: \$11.2 billion a year

BP Amoco p.l.c. is the parent company of the BP group of companies.

The term 'shareholders' in this review means, unless the context otherwise requires, investors in the equity capital of BP Amoco p.l.c., both direct and/or indirect.

This Annual Review (summary financial statement) is only a summary of BP's annual accounts and the directors' report. It does not contain sufficient information to allow a full understanding of BP's results and the state of affairs of the company. For further information, the full annual accounts, the auditors' report on those accounts and the directors' report should be consulted. Shareholders may obtain a copy of BP's full Annual Report and Accounts 2000 on request, free of charge (see page 33). The report and accounts are of the financial year ending on 31 December 2000. Unless otherwise stated, the text does not distinguish between the activities and operations of the parent company and those of its subsidiary undertakings.

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Registered in England and Wales No. 102498

Stock exchange symbol 'BP'

BP's Annual Report and Accounts 2000 is available in the form of one integrated document as a download from www.bp.com/downloads/annualreport2000

No other material on the BP corporate website, except that found at the cited URL, forms any part of the Annual Report and Accounts 2000.

view online

Find regular updates, latest video footage, downloads, investment calculator and much more on our website



Investment calculator



Audio footage



Video footage



Downloads



FAQs



www.bp.com

1 basics

Describing the fundamentals of BP's business, with a letter from the chairman, a look back at 2000's key events and a series of measures reporting both financial and non-financial performance.

- 1 Introduction
- 2 Performance highlights
- 4 The year at a glance
- 6 Chairman's letter

welcome

BP today is a diverse enterprise of some 100,000 people working together in more than 100 countries around the world to provide the energy and choices a growing global population needs to develop and prosper in the 21st century.

Every day we serve millions of customers with products intrinsic to their lives – fuel for transport, energy for heat and light, solar power, and petrochemicals for plastics.

At all times we try to look beyond traditional ways of doing business; to find new ways to deliver outstanding performance. The test of our success must always be our ability to generate strongly competitive returns for our shareholders in a sustainable manner and to touch the life of every individual our business reaches in a distinctive and positive way.

This annual review for 2000 sets out our performance against objectives during the past 12 months and explains our plans for the year to come.

8 objectives

Group chief executive Sir John Browne explains the market context for BP's operations and outlines our strategy for 2001 and beyond.

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Reporting our performance not only in financial terms but also against our commitments on health, safety, environmental care and social investment.

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Explains the work of the board of directors and the company's relationship with its shareholders.

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performance highlights

BP's results in 2000 reflect the inclusion of ARCO and Burmah Castrol and the full consolidation of the European refining and marketing joint venture from 14 April, 7 July and 1 August 2000 respectively.

In 2000, we are reporting a new business stream, Gas and Power, which is responsible for our worldwide gas marketing activities and all business development opportunities in natural gas, including gas-fired power stations.

Owing to the significant acquisitions that took place in 2000, in addition to its reported result BP is presenting pro forma results, adjusted for special items, in order to enable shareholders to assess current performance in the context of our past performance and against that of our competitors. The pro forma result, adjusted for special items, has been derived from our UK GAAP accounting information but is not in itself a recognized UK or US GAAP measure. References within the Annual Review to 'operating result' and 'result' are to pro forma results, adjusted for special items. References to 'fixed assets', 'capital employed', 'operating capital employed' and 'net debt plus equity' are to these measures on a pro forma basis which excludes the fixed asset revaluation adjustment and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. Return, return on average capital employed and the net debt ratio (net debt/net debt plus equity) refer to ratios calculated using these measures. References to 'capital expenditure and acquisitions' and 'acquisitions' exclude the cost of the ARCO acquisition.

key financials

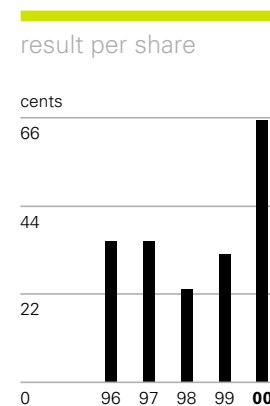
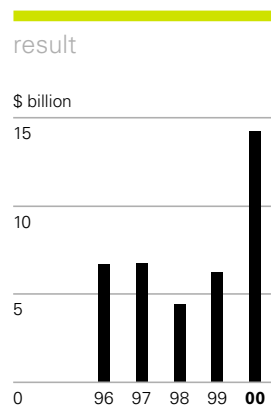
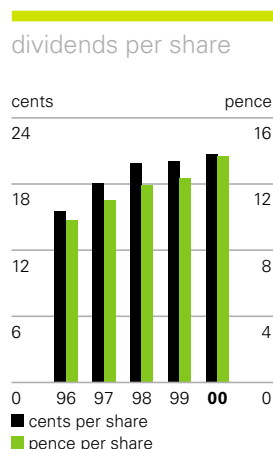
\$ million	2000	1999
Pro forma result adjusted for special items	14,203	6,206
Replacement cost profit before exceptional items	11,214	5,330
Replacement cost profit after exceptional items	11,142	3,280
Historical cost profit after exceptional items	11,870	5,008
Per ordinary share – cents		
Pro forma result adjusted for special items	65.63	32.00
Replacement cost profit before exceptional items	51.82	27.48
Dividends per ordinary share – cents	20.50	20.00
– pence	13.791	12.339
Dividends per ADS – dollars	1.23	1.20

reconciliation of reported profit/loss to pro forma result adjusted for special items

\$ million	Reported	Acquisition amortization ^a	Special items ^b	2000	1999
				Pro forma result adjusted for special items	
Exploration and Production	14,012	1,174	524	15,710	7,282
Gas and Power	186	–	–	186	211
Refining and Marketing	3,908	440	595	4,943	2,082
Chemicals	760	–	276	1,036	933
Other businesses and corporate	(1,110)	–	488	(622)	(428)
Replacement cost operating profit	17,756	1,614	1,883	21,253	10,080
Interest expense	(1,770)	–	111	(1,659)	(1,292)
Taxation	(4,680)	–	(540)	(5,220)	(2,444)
Minority shareholders' interest	(92)	(79)	–	(171)	(138)
RC profit before exceptional items	11,214	1,535	1,454	14,203	6,206

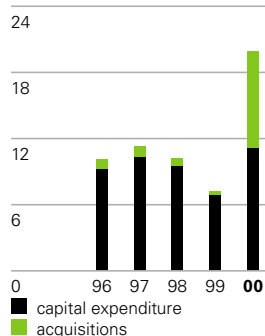
^a Acquisition amortization for 2000 refers to depreciation relating to the fixed asset revaluation adjustment and amortization of goodwill consequent upon the ARCO and Burmah Castrol acquisitions. There was no acquisition amortization in 1999.

^b The special items refer to non-recurring charges and credits. The special items in 2000 primarily comprise ARCO, Vastar and Burmah Castrol integration costs, rationalization costs following the merger of BP and Amoco, a provision against the group's chemicals investment in Indonesia, environmental charges and asset write-downs.



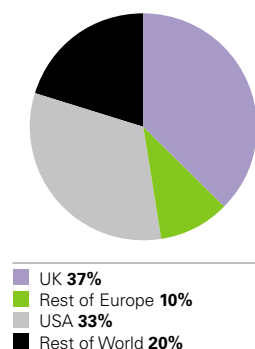
capital expenditure and acquisitions

\$ billion



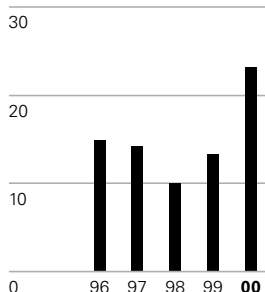
capital expenditure and acquisitions 2000

\$ billion

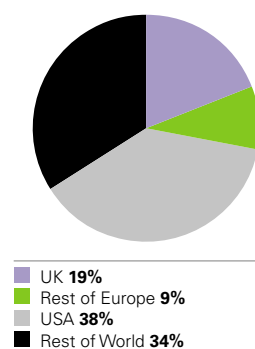


return on average capital employed

%



operating capital employed 2000



environmental emissions

	2000		1999
	BP	Underlying ^a	BP
Greenhouse gas emissions (million tonnes) ^b	80.7	72.2^c	79.8
Hydrocarbon emissions to air ('000 tonnes)	688	636	845
Discharges to water ('000 tonnes)	58	52	46
Number of spills reaching land or water (>1 barrel) ^d	503	413	732

^a BP operations excluding ARCO and Burmah Castrol.

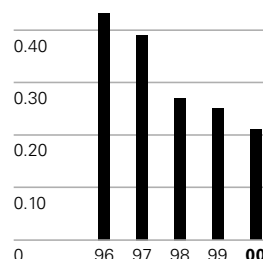
^b BP share of emissions of carbon dioxide and methane, expressed as an equivalent mass of carbon dioxide.

^c 9.5% decrease from 1999 comprises 3% in respect of continuing operations and 6.5% due to asset divestment and other changes.

^d 1 barrel = 159 litres = 42 US gallons.

workforce days away from work case frequency^a

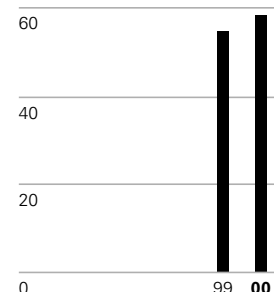
0.50



^a An injury or illness that results in a person being unable to work for a day (shift) or more. The frequency is per 200,000 hours. Workforce includes employees and contractors.

employee satisfaction index^a

%



^a The index is calculated using responses to the People Assurance Survey sent annually to BP staff worldwide, covering leadership, diversity, staff development and recognition.

community investment

\$ million

	2000	1999
By region		
UK	15.4	10.4
(including UK charities)	4.1	5.3
Rest of Europe	5.3	3.5
USA	46.0	36.4
Rest of World	14.9	17.1
Total	81.6	67.4
By theme		
Community development	28.2	29.5
Education	21.3	14.8
Environment	8.3	4.7
Arts and culture	15.0	11.0
Other	8.8	7.4
Total	81.6	67.4

the year at a glance

2000 was an exciting year for BP, with the purchase of ARCO and Burmah Castrol, together with activity in all our businesses and functions worldwide.

1 Sailing by

The new VLCC, *British Pioneer*, sails down the River Thames in London, England.

2 Serving customers

The ARCO acquisition brings coast-to-coast US market access.

3 Expansion in Trinidad

\$1 billion is being invested to expand our liquefied natural gas production in Trinidad.

4 Asian chemicals

We have commissioned a world-scale acetic acid plant in Malaysia.

January

The millennium bug fails to bite. A group-wide greenhouse gases emissions trading system begins. *British Pioneer*, the company's first purpose-built VLCC (very large crude carrier) in 25 years, completes her maiden voyage. Chemicals' European customer service centre at Sunbury, England, becomes operational. The North Everest platform in the North Sea receives an award for outstanding safety management.

February

An alliance is formed with Bovis Lend Lease to build 1,300 new service stations in 15 countries over the next five years. Pipeline construction commences on the Northstar project in the Beaufort Sea, off Alaska. We supply lubricants and fuel to a tractor that breaks the world ploughing record in France. Agreement is reached to proceed with the \$2.5-billion In Salah gas development in Algeria.

March

A company-wide effort raises funds for victims of the Mozambique floods. *bpamoco.alive* makes its debut on the company's website. A \$1-billion expansion of Trinidad's Atlantic LNG (liquefied natural gas) terminal project wins government approval. Larry Fuller retires as co-chairman.

April

ARCO joins the group in a \$34-billion deal. Alaskan operations owned by ARCO are sold for around \$7 billion. We sell our common interest in Altura Energy. A new paraxylene plant starts in Geel, Belgium. We become the first

venture, Germany.

We purchase an 18.5% share in *GreenMountain.com*, the leading US consumer marketer of green energy.

June

Three operational incidents in a month cause problems at



non-Spanish company to win customers in Spain's newly deregulated gas market. BP buys a 2.2% stake in PetroChina for \$578 million.

May

We sign an understanding with the US Agency for International Development to improve welfare and health in Angola. Agreement in principle is reached to acquire Bayer's 50% share in the Erdölchemie joint

the Grangemouth complex, Scotland. We announce new oil finds offshore Angola. BP and Repsol make a major natural gas find offshore Trinidad. Auckland Lubricants Production Centre in New Zealand achieves 10 years without a day-away-from-work injury.



July

A new global corporate identity is launched. The acquisition of Burmah Castrol is completed. We take over as single operator at Alaska's Prudhoe Bay field. We agree an innovative 20-year \$2.5-billion LNG sale to the Dominican Republic. At an analysts' briefing group chief executive Sir John Browne outlines new growth targets. Two books are published: the third volume of BP's history, covering 1950-75, and, in the USA, a history of Amoco between 1973 and 1998.

August

Preliminary agreement is reached with the US Environmental Protection Agency to move beyond currently regulated levels of air emissions at US refineries. Construction of an LNG-receiving

terminal, power plant and regasification facility in northern Spain is sanctioned. We order two new LNG ships worth more than \$300 million. A new computer system is installed on 55,000 workstations across the group.

September

A company-sponsored yacht, *BP Explorer*, starts the round-the-world BT Global Challenge race. Panels made by BP Solar power the athletes' village at the Sydney Olympics. Oil touches \$37 a barrel – a 10-year high. We buy out the minority interest in Vastar Resources. The Alliance refinery in Louisiana, USA, is sold. BP makes the largest gas find in Caribbean history off Trinidad. Our chemicals business announces expansion plans in China. The Gemlik lubricants plant in Turkey celebrates eight years without a day-away-from-work incident. In Indonesia the PT Peni plant passes 13 million man-hours without a lost-time accident. Three double-hull oil tankers are ordered for \$630 million.

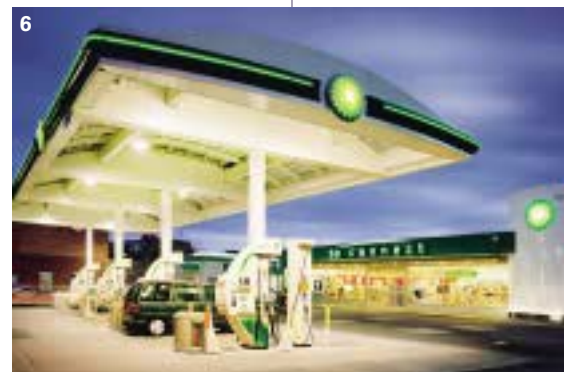
October

We invest \$416 million in the Sinopec (China Petroleum & Chemical Corporation) share offering. Support is increased for the BP Portrait Award at London's National Portrait Gallery. We commit \$15 million to a Princeton University study of methods to mitigate carbon dioxide emissions. Drilling operations offshore the Faeroes in 2001 are outlined. We announce plans to install a new gas-fired power and steam co-generation plant at the Texas City and Chocolate Bayou refining and chemicals sites in the USA.

November

A ground-breaking ceremony for the group's largest inland investment in China – a \$408-million PTA plant – is held in Zhuhai. Our first gender issues conference is held in London. A world-scale acetic acid plant is commissioned in Malaysia. ATOFINA and BP agree to dissolve their polypropylene venture, Appryl. The Chairman's Awards competition, which

recognizes outstanding achievements in health, safety and environmental performance, attracts 285 entries. Former South African president Nelson Mandela gives the inaugural speech of a series of BP Annual Lectures at the British Museum in London.



December

The first BP Connect rebranded retail site in Europe opens in west London. After six years of negotiation, agreements are signed for a \$1.5-billion integrated gas project in Vietnam. A proposed deal with Solvay of Belgium strengthens our polyolefins position. Chemicals unveils a new technology for PTA. By the end of the year, a total of 2.7 million tonnes of greenhouse gases have been traded internally.



- 5 A brand for the future**
A new corporate identity for the new group.
- 6 Only Connect**
Customers in London experience our new-style service station.
- 7 Leading lubricants**
Burmah Castrol joined the group in July.



dear shareholder

BP has had another very successful year, as you will see when you read this annual report, with a record result and dividend and the accomplishment of highly ambitious targets.

It has also been a memorable year in historic terms. The coming together of BP with ARCO, Vastar and Burmah Castrol is now complete, and has been achieved in a harmonious and positive spirit. The new group is agreed on its common objectives, and each part understands its role in achieving these objectives. As a result, we enter the new millennium as one of the world's truly international companies. We have always been a significant oil company, but now we are in a different league.

This brings new responsibilities as well as opportunities. In welcoming new shareholders to BP, I assure all our investors that the protection and enhancement of long-term shareholder value remains our fundamental objective. Shareholder value is the yardstick against which all our decisions are tested.

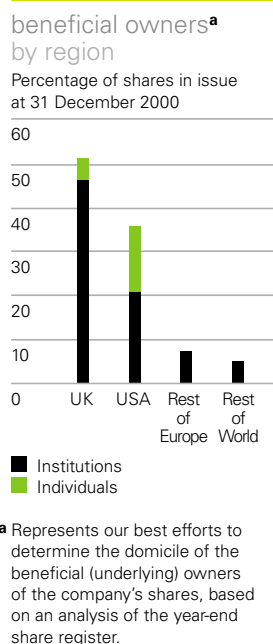
How this is achieved is not just a matter of superior commercial performance. It depends upon a multitude of judgements over a wide area of policy. While such judgements must lie with the group chief executive and his team, they remain subject to the policies agreed by the board that govern the whole of our operations.

The board, in turn, is accountable to you, our shareholders, who are located throughout the world. Indeed, we now have at least as many shareholders outside the United Kingdom as within it. The days have long passed when we could assemble the majority of our shareholders under one roof and in one country. We now have the dual challenge of increasing the value of your investment in BP and of ensuring that we account for our decisions to the totality of our shareholders, wherever they may live.

Equally, our company attracts much greater scrutiny from society as a whole, in recognition of the wider economic, social and political impact of our decisions. In all cases, our policies require that this impact should be beneficial, but how this is achieved can cause disagreement. For example, in order to secure the long-term interests of our shareholders we must sometimes engage in operations over which, at least in the early years of a project or investment, we do not have full control. The obligation to develop our business demands that we do not shirk difficult choices.

There is nothing new about this. What is different is the growing complexity of the decisions that must be taken on your behalf. Our investment judgements must comprise a full understanding of the social and environmental sphere in which they are to be implemented, and over a long period. It is often a considerable time before the benefits of our investments come to fruition. That is why so many of our judgements assume a much longer perspective than some observers of our industry will allow. But this is in the nature of our industry, and cannot be avoided.

One of my roles is to ensure that the executive management of your company has the freedom to compete in a fast-moving world, while at the same time paying full regard to the complexities I have just described.

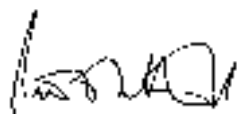


Of course, the people who manage your company remain fundamental to its success, which explains why one of the most important responsibilities of your board, and of the group chief executive, is to ensure that we have in place a top-quality cadre of leaders capable of taking BP into the future. My non-executive directors and I regard this as a fundamental responsibility – to ensure that the quality of our senior executives is of the highest calibre, and that the right structure exists in which to recognize and reward that talent.

Essentially, this can only be done in two ways. The financial rewards BP offers must be highly competitive, but equally driven by performance criteria that are transparent and demanding. Secondly, we must ensure that leadership is given to those with the appetite and capacity to accept it. In BP, these matters are entirely under the management of the board. Ultimately, it is our overriding responsibility to ensure, on your behalf, that BP is a company that attracts the most able and committed people in whatever sphere is vital to it.

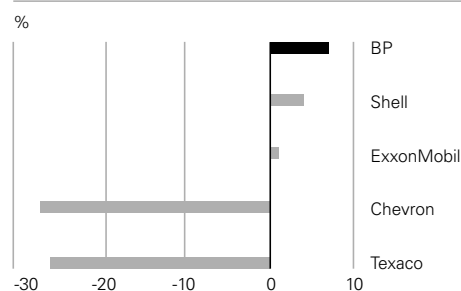
This annual general meeting will see the departure from the board of the Lord Wright of Richmond, a non-executive director of BP for 10 years, Ruth Block, who came to us in 1998, having served as a non-executive director on Amoco's board since 1986, and Dr Chris Gibson-Smith, who has been an executive director since 1997, having joined BP in 1970. They will be greatly missed, and I express our appreciation for their service over so many years. Bryan Sanderson retired in September after nine years as an executive director. We thank him for his contribution to what BP is today. Dr Byron Grote has succeeded him as head of our chemicals operations, and we welcome him to the board.

In conclusion, I turn to our staff. More and more is expected of them, and the pressures under which they work grow in intensity. As always, they have responded magnificently throughout the past year, and remain the foundation of your company's success.



Peter Sutherland
Chairman
13 February 2001

shareholder returns relative to the market 1998–2000



Shareholder returns comprise annual share price movements, with dividends reinvested, for investments held over the period shown.

Shareholder returns relative to the market reflect the returns generated above or below returns from equivalent investments in the overall market.

objectives

Group chief executive Sir John Browne explains the market context for our operations and outlines our strategy for the next year and beyond.

2000 was a year of great success for BP. Record results were delivered, targets were met and a new group was established, bringing together the people and assets of a number of different businesses – including ARCO, Vastar and Burmah Castrol, as well as BP itself. Each element strengthens our portfolio and helps us to fulfil the strategic objectives we have been pursuing for the last five years.

All these steps have created a group that possesses significant strengths, with a global spread of activity in oil, gas and petrochemicals and a team of people, each with a track record of success and personal achievement. Bringing these activities and people together is an important step in itself, but it is only the beginning. The real potential lies in what we can now aim to achieve. →

Strategy webcasts

Objectives downloads

@ www.bp.com/objectives



→ Hydrocarbons are crucial to the economic success of the world. Demand for oil and gas is growing. Renewable energy, from solar power or hydrogen, holds great long-term potential and we continue our research and development work, which is producing excellent results. For the moment, however, there are no viable substitutes for hydrocarbons.

Those companies that can supply the resources the world needs, and do so in ways that meet public concern about the environment, are well placed to deliver exceptional returns to their shareholders. I believe the steps BP has taken over the last three years give us a rare and distinctive opportunity to deliver sustained performance growth.

Integration of the different strands has been completed ahead of schedule. Thanks to that, we have been able to deliver outstanding results.

At \$14,203 million, including contributions from ARCO and Burmah Castrol, our result for the year was a record and represented a return on average capital employed of 23%, up from 13% in 1999. On a reported basis, replacement cost profit before exceptional items was \$11,214 million, compared with \$5,330 million a year ago.

The strong trading environment, together with improvements in underlying performance,

“Successful integration of the new group enabled us to deliver on our targets for performance improvement.”

produced this outstanding result, with each of the businesses contributing to this success, even when – as for chemicals – the environment was not particularly favourable.

Successful integration of the new group enabled us to deliver on our targets for performance improvement. We have already

captured substantial efficiencies, and we expect more to follow in 2001. We have continued to bring the combined business into line with our strategic objectives – focusing investment and disposing of non-core assets. To mark the launch of the new group we have a new brand, which expresses in a simple but exciting form our values and potential.

Having established a new base, we have started to look ahead. In July we set out our initial goals for the new group. Our aim is to deliver growth in our result, with an increase in our result per share, adjusted to mid-cycle business conditions, of around 10% a year from a disciplined increase in capital expenditure and from productivity in all its forms. That growth would be achieved within the rigour of our established financial framework. Mid-cycle conditions are our best estimate of likely average prices and margins over the long term.

We aim to maintain a prudent ratio of net debt to net debt plus equity of around 20-30%. The out-turn at the end of 2000 was 27%.

Our dividend policy is to return to shareholders around 50% of our result adjusted to mid-cycle business conditions. This policy was reflected in the dividend increase during 2000, putting the dividend 52% above its 1995 level.

Capital expenditure for continuing operations, which excludes significant one-off cash investments, was \$11 billion, and is expected to rise in 2001. During the last eight months of the year we repurchased more than 222 million shares at a cost of \$2 billion, in fulfilment of our pledge to return surplus funds to shareholders.

Our strategy is founded on the track record developed through the 1990s. Our intention is to build on an already strong competitive position. We aim to hold significant shares of larger oil and gas fields where our costs can be fully competitive, providing both attractive margins and some protection against price volatility.

Over the last year we made major discoveries in Trinidad, the deepwater of the Gulf of Mexico, USA, and Angola. We added 1.8 billion barrels of oil equivalent through revisions, extensions, discoveries and improved recovery, of which 60% was from discoveries and extensions. We have

objectives

group chief executive's review

agreed to proceed with the development of four major new deepwater fields in the Gulf of Mexico – King, King's Peak, Nakika and Horn Mountain.

We also aim to be a leading player in the development of natural gas as an energy source around the world. Gas now represents about 40% of our current daily hydrocarbon production.

We continue to upgrade our refinery portfolio, concentrating investment in locations where we can develop uniquely advantaged sites – linking supplies, processing and market demand. We completed the sale of our Alliance refinery in Louisiana and announced our intention to sell three additional US refineries and our interest in the Singapore refinery. In retailing we aim to use the new brand to develop our offer to customers, including cleaner fuels and non-oil products.

We are continuing to develop our chemicals portfolio, concentrating on areas where we have the strongest competitive advantage, including purified terephthalic acid (PTA), acetic acid and major polymers.

Two key factors run through every element of BP's strategy.

First, we believe in the principle of mutual advantage as the foundation of secure and successful relationships. In China, for instance, where energy demand is growing as the economy expands, we have established partnerships during the last year with both PetroChina and Sinopec – two of Asia's largest oil and natural gas companies. Our ability to work with them offers exciting opportunities for the future – in the natural gas business, in the retail sector and in petrochemicals.

Secondly, the growth potential of our business arises from our ability to apply innovative technology. Technology units are widely embedded within the organization and work to identify opportunities and improve efficiency. Advances in drilling technology are allowing us to explore and develop new fields in water depths of more than 2,100 metres (7,000 feet) in the Gulf of Mexico and Angola. New control systems allow us to integrate and optimize refinery and petrochemicals facilities. Communications technology helps us link the teams in 150 business units worldwide to

share knowledge and learn from each other on a continuous basis.

Safety continues to be a top priority. Last year we recorded our best-ever safety performance, reducing the number of incidents resulting in injuries to our workers. Despite this, there were 23 fatalities in 2000, compared with 30 in the previous year. We remain fully committed to improving our safety performance – next year and every year.

We are also determined to continue to improve our environmental performance. During 2000 we saw a further 3% decrease in emissions towards our greenhouse gas reduction target. In addition, we introduced a number of initiatives to reduce our impact on the natural environment.

But there is more to do, in order to demonstrate that we can both deliver the energy the world needs without doing damage and also maintain the trust of the communities in which we operate.

2000 was a year of great progress – none of which would have been possible without the efforts of the BP team across the world. Mergers and acquisitions have strengthened that team, and provided a welcome new diversity of talent and skills. This report is a record of the achievement of all the people who work for us, and a tribute to their energy, resilience, imagination and commitment.

Those strengths give me great confidence in the company's future. We achieved a great deal in 2000 but this is only continuing the story. The steps we have taken give us the strength to face volatility, in terms of both oil prices and economic activity, and to excel in an industry where restructuring has intensified competition. Above all they offer us the potential for sustained growth – in production and in returns. That is the agenda for 2001.



Sir John Browne
Group Chief Executive
13 February 2001

group chief executive's committee

Sir John Browne,
group chief executive

R F Chase, deputy
group chief executive

Dr J G S Buchanan,
chief financial officer

W D Ford, chief executive,
refining and marketing

Dr C S Gibson-Smith,
executive director,
policies and technology

Dr B E Grote,
chief executive, chemicals

R L Olver, chief executive,
exploration and production

Dr D C Allen,
group chief of staff and
executive vice president

P B P Bevan,
group general counsel and
executive vice president

L R Flury, chief executive,
gas and power, and
executive vice president

performance

Putting a year of progress in context for the future.

The market conditions facing BP over the last year have continued to be volatile. This has been true of crude oil prices, US natural gas prices and margins in both refining and chemicals. Further uncertainty has emerged in recent months as the US economy has slowed after its sustained period of rapid growth. BP has performed very strongly and we have increased confidence in our ability to grow profitably in the future, even through periods of adverse market conditions.

The immediate future is one of change as most of the markets in which we operate are in a process of adjustment and a period of below-trend world economic growth looks likely. Through this period, and over the longer term, we will continue to operate and plan using conservative assumptions about future market conditions.

BP is planning for profitable growth: in production volumes and in sales, especially in fast-growing areas of the world. Energy growth brings many challenges. It is a challenge in terms of technology and in costs of both production and transportation. Our successes of recent years in reducing costs and introducing innovative technologies, especially in deepwater areas, give us great confidence in our ability to deliver and to lead the industry.

There is a long-term future for hydrocarbons in society. However, carbon emissions are an additional challenge – both for BP as a company and for national economies in aggregate. Our initiatives in clean fuels globally are helping to raise living standards, coupled with cleaner air. As a company we remain committed to reducing our own emissions. Our internal carbon trading scheme is contributing to low-cost carbon emission reduction in our operations around the world. National economies are only just beginning to address the issue of carbon. With our commitment to grow gas volumes disproportionately rapidly, we are making another important contribution. This is the beginning of a long road towards the development and emergence of a low-carbon world, one in which BP intends to be a leading player. →



Investment calculator



Current quarterly investor supplements



Guide to health, safety, environmental and social reporting



www.bp.com/financial_performance
www.bp.com/hse_performance
www.bp.com/social_performance



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financial and business operating review

→ 2000 proved to be a record-breaking start to the new millennium for the company. BP's record result reflects the strong trading environment, together with the benefits of recent integration and restructuring and productivity improvements. Included in the group's result for the year are estimated amounts of \$2,600 million in respect of ARCO, \$200 million in respect of Burmah Castrol and \$180 million in respect of the purchased interest in the European fuels joint venture, representing their respective operating results since their dates of acquisition.

Reductions in the combined cost structure of BP, ARCO and Burmah Castrol are proceeding according to plan, with the achievement of \$2 billion year-on-year reductions in 2000.

The trading environment was strong in 2000, with high oil and gas prices and robust refining margins being partly offset by pressure on marketing margins from higher product prices and the weaker chemicals environment, owing to high feedstock costs and a weak euro.

The overall trading environment is expected to remain generally positive, notwithstanding less favourable economic conditions than those experienced in 2000. Oil and gas prices are likely to remain volatile, in a trading range below the peaks seen during 2000. Refining margins should continue to be supported by tightness in product stocks in the near term, while marketing margins are likely to reflect competitive pressures after recent falls in the oil price. The chemicals' trading environment is likely to come under further pressure from a moderation in economic growth and increasing supply capacity.

The result for the year was \$14,203 million, compared with \$6,206 million in 1999. The result per share was 65.63 cents, compared with 32.00 cents a year ago, an increase of 105%. The replacement cost operating result was \$21,253 million (1999 \$10,080 million). On a reported basis, replacement cost profit before exceptional items was \$11,214 million, compared with \$5,330 million a year ago.

The return on average capital employed (ROACE) was 23%, up 10 percentage points on 1999.

financial highlights

\$ million	2000	1999
Pro forma result adjusted for special items	14,203	6,206
Replacement cost profit before exceptional items	11,214	5,330
Historical cost profit after exceptional items	11,870	5,008
Per ordinary share – cents		
Pro forma result adjusted for special items	65.63	32.00
Replacement cost profit before exceptional items	51.82	27.48
Capital expenditure and acquisitions	20,107	7,345
Dividends per ordinary share – cents	20.50	20.00
– pence	13.791	12.339
Dividends per ADS – dollars	1.23	1.20

external environment

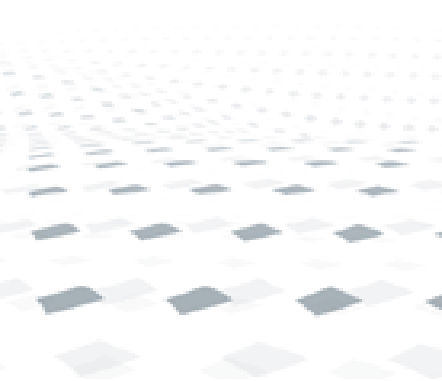
	2000	1999
BP average oil realizations (\$/barrel)	26.63	16.74
Brent oil price (\$/barrel)	28.44	17.92
BP average natural gas realizations (\$/thousand cubic feet)	2.91	1.92
Henry Hub gas price (\$/thousand cubic feet)	3.90	2.27
Global indicator refining margin (\$/barrel)	4.22	1.31
Chemicals indicator margin (\$/tonne)	121^a	114

^a Provisional.

special items

\$ million	2000	1999
Restructuring, integration and rationalization costs		
BP	624	903
ARCO (including Vastar)	633	–
Burmah Castrol	151	–
	1,408	903
Provision against the group's chemicals investment in Indonesia	181	–
Asset write-downs	61	223
Litigation	63	60
Environmental charges	170	–
	1,883	1,186
Interest – bond redemption charges	111	24
Total special items before tax	1,994	1,210

Includes special items of \$624 million and \$118 million incurred directly by ARCO and Burmah Castrol respectively.



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1 Flying start

For staff on our offshore drilling platforms, taking the helicopter shuttle to work is a way of life.

2 Brand new down under

Customers flock to a reimagined service station in Australia. We plan to open 300 new Connect convenience stores worldwide during 2001.

3 Expanding capacity

One of the main control rooms at BP's Grangemouth petrochemicals facility in Scotland, which manufactures more than 1.8 million tonnes of chemicals products each year. A major expansion of the site's capacity is well under way.

4. Shareholder value

The annual general meeting forms an important part of BP's communications with shareholders.

Exceptional items of \$220 million before tax (1999 \$2,280 million loss) related mainly to disposal profits from assets divested as part of the asset divestment programme put in place in 1999 following the BP and Amoco merger.

Interest expense was \$1,659 million, compared with \$1,292 million in 1999, after adjusting for special charges of \$111 million and \$24 million respectively. The increase in group interest expense in 2000 reflected higher debt and interest rates.

Corporate tax expense was \$4,972 million (1999 \$1,880 million), representing an effective tax rate on replacement cost profit before exceptional items of 29%. The effective tax rate on the pro forma result, adjusted for special items, was 27%, compared with 28% a year ago.

Historical cost profit was \$11,870 million, after the exceptional loss after tax of \$72 million and stock holding gains of \$728 million. The corresponding figures for 1999 were \$5,008 million profit, \$2,050 million loss and \$1,728 million gains respectively.

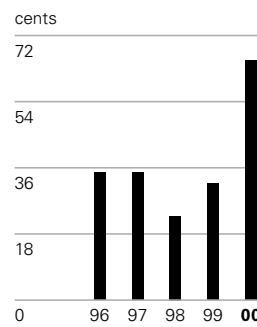
Capital expenditure and acquisitions amounted to \$20,107 million. Excluding the cost of significant one-off cash investments and expenditure by acquired businesses, capital expenditure was \$8,937 million compared with \$6,945 million in 1999. Capital expenditure in 1999 reflected curtailed investment at the time of the BP and Amoco merger. Capital expenditure in 2001 is likely to be around \$12-13 billion.

Net cash inflow for the year was \$3,743 million, compared with an outflow of \$82 million in 1999. This results from an almost doubling of operating cash flow at \$20,416 million, partially offset by higher tax payments and net cash outflows from capital expenditure, acquisitions and disposals.

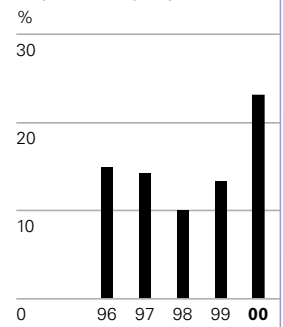
Disposal proceeds amounted to \$11,362 million, including \$6,803 million from the divestment of ARCO's Alaskan business and certain pipeline interests in the Lower 48.

The group's net debt, that is debt less cash and liquid resources, was \$19,359 million at the end of 2000, an increase of \$6,366 million over the year. Net debt of \$6,579 million was acquired with ARCO and Burmah Castrol. Following the

result per share



return on average capital employed



capital expenditure and acquisitions

\$ million		2000
BP as reported		20,107
Significant one-off cash investments		8,936
Continuing operations:		
Expenditure by acquired businesses		2,234
Ongoing expenditure		8,937
Continuing operations		11,171

acquisitions, the group repurchased \$960 million of outstanding debt in order to provide greater financing flexibility for the future. The net debt ratio was 27%, compared with 23% a year ago. We expect to keep this ratio in the range of 20-30%. On a reported basis, the respective percentages were 21% and 23%.

Dividends

The total dividends announced for 2000 were \$4,625 million, against \$3,884 million in 1999. Dividends per share for 2000 were 20.50 cents, compared with 20.00 cents per share in 1999, an increase of 2.5%. The company intends to continue to pay dividends in the future of around 50% of our result adjusted to mid-cycle business conditions. The company also intends to continue the operation of the Dividend Reinvestment Plan (DRIP) for shareholders who wish to receive their dividend in the form of shares rather than cash. The BP Amoco Direct Access Plan for US and Canadian investors also includes a dividend reinvestment feature.



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Share repurchases

After approval at the annual general meeting in April 2000 for the company to repurchase its own shares, a total of 222 million shares were repurchased and cancelled at a cost of \$2 billion. Further repurchases may be made during the first quarter of 2001. The company will seek approval from shareholders at the April 2001 annual general meeting to continue repurchasing shares. The approval will allow shares to be bought back as and when the group's funding position permits.

The euro

BP's commercial and financial processes were successfully adapted to allow its European operations to undertake transactions in the euro and capture competitive advantage offered by the new currency, from 1 January 1999. In common with experience generally across Europe, the actual level of transactions in euros for our businesses continues to be low. The currency of accounting records and the related systems are now being converted to euros. The capability to conduct business in the former national currencies will be retained as long as necessary. The costs associated with the euro programme are estimated at \$100 million, of which some \$60 million had been incurred and expensed by the end of 2000.

Business results

At the operating level, the pre-tax business results were as follows:

business operating results		
\$ million	2000	1999
Exploration and Production	15,710	7,282
Gas and Power	186	211
Refining and Marketing	4,943	2,082
Chemicals	1,036	933

Every part of our business contributed to the achievements of 2000.

- **Exploration and production** produced a record result. Hydrocarbon production was also at record levels, with the year up 4%. Higher underlying gas production and the ARCO

operating statistics

	2000		1999	
	BP	Underlying ^a	BP	Underlying ^a
Oil production (thousand b/d)	1,928	1,703	2,061	1,782
Gas production (million cf/d)	7,609	5,996	6,067	5,922
Total production (thousand boe/d)	3,240	2,737	3,107	2,803
Gas sales (million cf/d)	14,471	11,041	8,930	8,930
Refinery throughputs (thousand b/d)	2,916	2,241	2,522	2,272
Marketing sales (thousand b/d)	3,756	3,255	3,186	3,186
Chemicals production (thousand tonnes)	22,065	22,065	21,853	21,853

^a Excludes the net impact of major acquisitions and divestments.

acquisition more than offset lower oil production caused by the disposal of our common interest in Altura Energy and other non-core properties and the effect of a reduced capital spending programme in 1999. Upstream capital expenditure rose substantially in 2000 and totalled \$6.4 billion for the year. Reserve replacement exceeded production for the seventh consecutive year, with 1.8 billion barrels of oil equivalent added to proved reserves through revisions, extensions, discoveries and improved recovery. This represents a reserve replacement ratio of 160%. Finding and development costs were \$3.29 per barrel of oil equivalent, against our ceiling of \$3.50 per barrel. Unit lifting costs were reduced by 5% compared with 1999. During the year there were several developments in support of future hydrocarbon volume growth. In the North Sea we announced a \$500-million oil-recovery project at Magnus. In the deepwater Gulf of Mexico, the developments of King, King's Peak, Nakika and Horn Mountain were approved and industrial capacity of around \$3 billion was secured for fabrication and installation of additional developments. In Vietnam key elements of the \$1.5-billion gas project were signed. In Alaska a joint feasibility study for a pipeline to transport gas to the rest of the USA and Canada was agreed.

- **Gas and power** made an improved operating contribution that partly offset increased business development costs. Increased gas sales in North America, the UK and Spain contributed to total



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performance

financial and business
operating review

1 Made in Texas

The Chocolate Bayou chemicals plant, Texas, is a major producer of olefins and polymers, used to make modern essentials such as plastics, packaging and automotive parts.

2 Out of Africa

As demand for gasoline accelerates in South Africa, BP and Shell's jointly owned Sapref refinery in Durban is increasing production but reducing emissions.

3 Gas expansion

The Akita 55 rig drills for natural gas at Grande Prairie in Alberta, Canada. 40% of our global daily hydrocarbon production is now gas, meeting escalating demand, particularly in North America.

4 Longer life

A \$500-million oil-recovery project at our Magnus field in the North Sea will help extend its productive life beyond 2015.

5 Tomorrow's world

BP and the automobile industry are working together to create and evaluate new and cleaner-burning fuels for the 21st century. Scientists at our Naperville research center, Illinois, monitor emissions from an innovative gas/electric hybrid vehicle.

main fields in development

		BP % interest
Alaska	Northstar	98
Gulf of Mexico	Crosby	50
	King, King's Peak	100
	Horn Mountain	67
	Nakika	50
Angola	Girassol	17
Azerbaijan	ACG	34
Egypt	Temsah	25
Trinidad	Corallita/Lantana	100

crude oil production

thousand b/d

Oil and NGL ^a	BP % interest end-2000	BP share of production	
		2000	1999
UK			
Forties	96.1	53	66
Magnus	85.0	47	48
Harding	70.0	57	58
Foinaven	72.0	64	56
Other	Various	313	352
Total UK		534	580
Rest of Europe	Various	90	100
USA			
Prudhoe Bay	26.3	146	202
Kuparuk	39.2	81	90
Alaska other	Various	87	113
Lower 48 onshore	Various	218	260
Gulf of Mexico	Various	197	139
Total USA		729	804
Egypt	Various	108	130
Canada	Various	19	56
Colombia	Various	52	66
Trinidad	100.0	47	49
Venezuela	Various	46	31
Other	Various	118	75
Total Rest of World		390	407
Sub-total		1,743	1,891
Associated undertakings (equity interest)			
Abu Dhabi	Various	127	113
Other	Various	58	57
Total BP^b		1,928	2,061

b/d = barrels a day.

^a Natural gas liquid.^b Includes NGL from downstream processing plants in which an interest is held of 41,000 b/d for 2000 and 54,000 b/d for 1999.

natural gas production

million cf/d

Natural gas	BP % interest end-2000	BP share of production	
		2000	1999
UK			
Bruce	37.0	201	175
West Sole	100.0	89	97
Marnock	62.1	148	79
Other	Various	1,214	950
Total UK		1,652	1,301
Rest of Europe	Various	136	164
USA			
San Juan Coal	Various	563	427
Hugoton	Various	170	162
Arkoma	Various	94	111
Tuscaloosa	Various	171	175
Other Lower 48 onshore	Various	1,163	819
Alaska	Various	9	10
Gulf of Mexico	Various	884	571
Total USA		3,054	2,275
Rest of World			
Canada	Various	582	689
Trinidad			
Mahogany	100.0	530	367
Immortelle	100.0	232	207
Other	100.0	123	207
Australia	16.7	205	215
Sharjah			
Sajaa	40.0	145	168
Other	40.0	39	38
Indonesia			
Pagerungan	100.0	199	103
Other	Various	174	-
Other Rest of World	Various	275	69
Total Rest of World		2,504	2,063
Sub-total		7,346	5,803
Associated undertakings (equity interest)			
	Various	263	264
Total BP		7,609	6,067

cf/d = cubic feet a day.



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sales of 14.5 billion cf/d. We became the first non-Spanish company to win customers in Spain's newly deregulated gas market. Work began on the liquefied natural gas (LNG) regasification terminal and gas-fired power station at Bilbao, Spain, and we agreed a 20-year \$2.5-billion sale of LNG to power plants in the Dominican Republic. In North America acquisitions improved our wholesale and marketing capabilities. We invested in *GreenMountain.com*, the leading US consumer marketer of green energy. We reached agreement with PetroChina to establish a gas marketing joint venture in eastern China.

- **Refining and marketing** had an outstanding year, with record results and a highly competitive 22% return on fixed assets, calculated after adjusting to a full deferred tax basis. Refining benefited from significantly higher margins and we saw strong growth in convenience sales, coupled with a strong oil trading performance and cost reductions. The acquisition of ARCO gave us coast-to-coast market access in the USA and Burmah Castrol transformed our lubricants presence. Since unveiling our new global brand, sites in the USA and Europe are preparing for conversion during 2001. In emerging markets fuel sales rose by 22% and we opened 75 new retail sites in Latin America, Poland, Russia and Africa. Growth in aviation fuel sales was strong. We purchased ExxonMobil's 30% interest in the European fuels joint venture for \$1.5 billion.

- **Chemicals'** demand was firm in the first half of the year, but then weakened in the final two quarters as the global economy slowed. Annual production rose 1% to 22.1 million tonnes, despite operational difficulties at Grangemouth, Scotland. Several initiatives to promote cost and capital efficiency helped offset pressure on margins that were close to cyclical lows, as high oil and gas prices boosted feedstock costs. The weakness of the euro added pressure on margins in our European operations. Our return on sales was a competitive 8% in 2000, compared with 9% in 1999, reflecting the difficult trading environment. Our PTA business strengthened its global leadership position with the announcement of new plant investments for

China and Taiwan and expansions in the USA, Belgium and Malaysia. We announced several related deals with Solvay of Belgium, involving assets with a combined turnover of \$2.6 billion.

Our **solar energy** business increased production and shipments by 31% compared with 1999, selling a total of 42MW of solar panel generating capacity. High-profile projects included the USA's largest solar housing project in Los Angeles and installation of solar panels to power apartments in the athletes' village at the Sydney Olympic Games. We completed the conversion of 200 service stations worldwide to solar power.

Overall, our year was underpinned by **performance gains** in productivity, knowledge sharing and innovation. Synergies from the acquisitions of ARCO and Burmah Castrol contributed significantly to the \$2-billion reduction in the combined cost structure of the enlarged group. Added to the \$2.7 billion delivered in 1999, this is keeping us well on track to meet our overall target for the enlarged group of \$5.8 billion by the end of 2001.

We recorded significant **exploration success**. Progress in the Gulf of Mexico deepwater continued with the discovery of Crazy Horse North which, with the adjacent Crazy Horse, discovered in 1999, has increased estimated recoverable resources in this complex to in excess of 1.5 billion boe gross (BP 75%). In the Gulf of Mexico deepwater, potential resources are now estimated to be more than 3.5 billion barrels (BP share). In Angola we made seven offshore discoveries, including two in the BP-operated Block 18, bringing the total of successes to 23 out of 26 wells drilled since 1996. Discovered resources in Angola now exceed 1 billion barrels (BP share). We made two large gas finds offshore Trinidad, one of them the largest-ever in the Caribbean region.

Advances in technology sharpened our performance. Upstream, we applied new fibre-optic sensors in many wells to monitor pumps, pressures and flow rates, so reducing operating costs and boosting production capacities. We added capability to our seismic imaging tools, allowing us to discern the shape of hydrocarbon reservoirs more clearly, and worked with suppliers



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1 Taking off

Refuelling operations at Wilson Air Center, Memphis, Tennessee, one of 1,400 airports in more than 90 countries serviced by Air BP. The company now sells almost 8 billion gallons of fuel a year worldwide.

2 Deepwater discoveries

The *Ocean Confidence* drilling vessel operates in the Gulf of Mexico, where our deepwater potential resources are estimated to be more than 3.5 billion barrels.

3 Sahara seismic survey

A 3-D seismic survey in harsh desert conditions and temperatures of up to 47°C has yielded more than 1,000 sq km of data, enabling gas and condensate reservoirs to be mapped in Algeria's In Amenas region.

4 Electrifying deal

500,000 US residential customers benefit from a retail licensing agreement between BP and GreenMountain to produce electricity from a combination of clean-burning natural gas and renewable energy such as wind and solar power.

5 Cleaner fuels

The Texas City refinery is spearheading our drive to reduce levels of sulphur in gasoline. It shares its 500-hectare site in south Houston with our Texas City chemicals plant, a world-class producer of chemicals intermediates.

to develop a high-strength steel to reduce the cost of gas pipelines. In chemicals we introduced new PTA technology that lowers the costs of units and reduces most emissions by two-thirds, as well as cost-advantaged proprietary technology for the manufacture of butanediol.

This sustained emphasis on **creativity** produced other firsts. The group became the first oil and gas company to purchase new-build LNG vessels not tied to a single gas source or customer. We were the first to secure rights to manage the air emissions credits of another UK company. We supplied hydrogen fuel for prototypes of new zero-emission fuel-cell vehicles. Downstream we commercialized a novel process to remove sulphur from gasoline and diesel at low cost and with no loss of octane. This is helping to advance the rate at which we introduce new clean fuels. By the end of 2000, cleaner fuels had gone on sale in 56 cities worldwide, against a target of 40.

The spread of **e-business** across the group is starting to produce quality improvements and lower costs. During 2000, we acquired an equity stake in ChemConnect, the world's largest Internet exchange for chemicals and plastics. BP Marine created *ocean.com*, a standalone e-business. We joined several online exchanges, including *Trade-Ranger* and *Intercontinental Exchange*, to hone efficiency, cut the cost of commodity trading and reduce procurement charges in goods and services for the energy industry.

Capital expenditure increased from the lower levels of 1999, which reflected curtailed investment at the time of the BP and Amoco merger. Rises in upstream capital expenditure were largely attributable to increases in development drilling in the North American gas business, the Northstar project, Egypt gas development and projects in the Gulf of Mexico deepwater.

Our Bulwer Island refinery in Queensland, Australia, commissioned a new hydrocracker complex three months ahead of schedule. We completed a project at Sines, Portugal, to develop a liquefied petroleum gas storage cavern, and progressed a similar project at Ningbo on the Chinese coast. A major

programme of UK investment continued with the successful commissioning of polypropylene and polyethylene units at Grangemouth.

Other **chemicals** activities focused on areas of distinctive advantage. We reached agreement in principle to acquire Bayer's 50% shareholding in the Erdölchemie joint venture in Germany. Our polypropylene joint venture with ATOFINA was dissolved, giving us full control of assets at Grangemouth and a 50% share of production in Lavéra, France. We commissioned a world-scale acetic acid plant in Malaysia and made progress on planning a \$2.5-billion ethylene and derivatives joint venture near Shanghai in China. In November construction began of a \$360-million PTA plant at Zhuhai in southern China, and another PTA plant was announced in Taiwan.

Our **strategic plans** to upgrade the portfolio continued with the acquisition of the minority interest in Vastar and the sale of BP's common interest in Altura Energy. We also agreed with partners to realign our oil and gas interests in Prudhoe Bay, allowing us to optimize operations and strengthen our gas position significantly. Downstream we completed the sale of the Alliance refinery in Louisiana. We announced our intention to sell three additional US refineries and our interest in the Singapore refinery and to sell Burmah Castrol's chemicals assets in 2001.

During 2001 many **new projects** are expected to come on stream, including six major oil and gas fields in the Gulf of Mexico, Alaska, Angola, Egypt and Norway. Deepwater production in the Gulf of Mexico is set to more than double by 2004. More than 300 BP Connect convenience retail sites sporting the new helios brand mark are planned to open worldwide as part of a longer-term reimagining plan. We also plan to have the new brand in place on more than 5,000 sites by the end of 2001. Petrochemicals capacity is to be increased at Grangemouth and Hull in the UK. In Canada, production of linear alpha-olefins is scheduled to begin at a new world-scale facility, while in Alaska we are to start construction of a revolutionary gas-to-liquids test facility at Nikiski.



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environmental and social review

Financial performance must be accompanied by high standards of environmental and social performance. Our new brand symbolizes our commitment to performance in all these dimensions, while our business policies, renewed at the brand launch during the summer, set out our aspirations in detail. They include commitments on ethical conduct, employees, relationships, health, safety and environmental performance. They apply to all BP employees, and every BP business, throughout the world.

Ethical conduct

We updated our ethical conduct policy during the year to bring greater clarity to our policy expectations in the light of experience. We also revised the underlying Guidelines on Business Conduct to take account of feedback.

Our approach to ethical conduct emphasizes policy understanding, consultation and sound judgement. It is important that employees both understand the policy and feel able to discuss its implementation openly. Workshops are an important route towards developing employee understanding and some 75 events have been held in 2000.

All employees in positions of responsibility personally attest that they and their teams have complied with the ethical conduct policy. Any areas of doubt or non-compliance are highlighted and appropriate actions are developed.

We have introduced an ethical conduct website to aid the attestation process. Employees can also use e-mail or access a confidential telephone hotline to register any ethical concern, or to seek guidance.

We did not make political contributions in the UK in 2000. Group companies outside the UK may have made political contributions in the countries in which they operate – but only if they were lawful, of modest size in local terms, properly recorded in the accounts and approved in advance by senior management.

Employees

We believe that aligned and committed people help create competitive advantage. Our commitment to employees specifies what each employee may expect to receive from the company, in relation to the principal aspects of the employment relationship.

Line managers remain responsible for ensuring they meet these commitments, and a staff feedback survey measures our progress annually. This year's results (*see employee satisfaction index on page 3*) show that overall the company is moving in the right direction. Staff feel increasingly positive about BP and their opportunities within it. The feedback is used to identify areas where more focus is required, and appropriate action is taken.

To help create further dialogue, people are involved in employee communications forums in our European operations. In all areas, our strategy and business plans are widely shared with employees.

Staff are encouraged to become shareholders through our employee share ownership schemes, and a significant number participate in these programmes.

During the year, we set up two committees made up of senior executives to shape our strategy for improvement in the areas of diversity

1 Good neighbours

Volunteers from our operations in Houston give up time to renovate and repaint houses for older residents.

2 A better way

We support a mentoring and tutoring project to rehabilitate young offenders in Singapore.

3 Back to nature

A major habitat reserve is being created in downtown Calgary, thanks to financial support from BP and hard work by our staff.

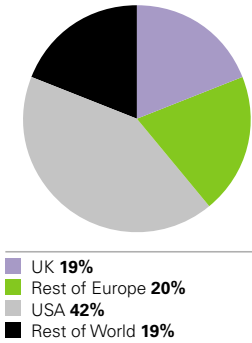
4 Worthy winner

An innovative concept for service stations in Madrid, featuring solar power, wind energy and car wash water recycling, together with a tree-planting scheme for customers, was the worthy supreme winner in BP's 2000 Chairman's Awards competition.



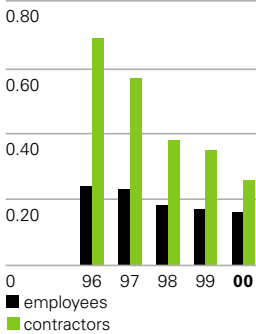


geographical data for location of employees^a
by region %



^a Average number of employees in 2000.

days away from work case frequency^a



^a An injury or illness that results in a person being unable to work for a day (shift) or more. The frequency is per 200,000 hours.

and staff development. Other initiatives used to support our employee commitments were:

- performance targets and measures for appraisal, development and training
- creation and initial implementation of our diversity strategy
- assessment and development processes for our current leaders and high-potential staff, together with the outline of a new development programme for our 'first-line leaders'
- specially designed programmes for our top leaders at some of the world's leading universities and business schools.

BP's employment policies and practices include specific requirements for compliance with the law and for the selection, training, placement and advancement of employees on the basis of merit. We are committed to supporting job and workplace structures to accommodate the needs of all employees, including disabled employees. BP was a founding member of, and provides financial support to, Employment Opportunities for People with Disabilities in the UK and similar institutions in other parts of the world.

Relationships

In 2000, we undertook social impact studies in several locations and maintained dialogue with community and other stakeholders. Highlights included a seminar in London on the oil industry for international non-governmental organizations, the launch of the UN Global Compact, for which we have pledged our support, and a new set of voluntary guidelines on the provision of security and protection of human rights, developed with the UK and US governments and human rights organizations. We explored new approaches to social investment in a series of meetings around the world and initiated a global employee community engagement strategy.

Health, safety and environmental performance (HSE)

Environmental leadership, good HSE performance and the quality of life of our workforce, customers and neighbours are keys to our success, now and for the long term. Our performance continued to improve in 2000 and more progress was made towards our goals of no accidents, no harm to people and no damage to the environment.

The most important HSE commitments for the group in 2000 were to improve our safety performance and reduce our greenhouse gas emissions. We challenged ourselves with firm targets and exceeded our expectations on these two commitments. However, we still have scope to improve our performance and aim to set even tougher goals for the years ahead.

Our safety initiatives are continuing to reduce the risks of harmful incidents, making the workplace safer for everyone who works for us. This is evidenced by achieving the best safety performance in our history, supported by practices such as advanced safety auditing techniques and formal incident investigations to discover the underlying cause and avoid recurrence. The worst incidents result in, or have the potential for, fatalities. Given that any fatal accident is unacceptable to us, we regret to report 23 workforce fatalities during 2000, compared with 30 in the previous year.

During the year we established the world's first global emissions trading system as a step towards meeting our greenhouse gas reduction target. Greenhouse gas allowances of 2.7 million tonnes were traded between our sites and independent specialists audited our emissions. In striving to reduce emissions across BP, several abatement projects have also delivered savings in operational costs.

As part of our contribution to sustainability of the environment, we have worked closely with Fauna and Flora International and others to develop a new approach to biodiversity. Initially we have selected 12 sites around the world to pilot the initiative by developing action plans to protect the variety and richness of species in the local environment.



Video location reports



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Audio reports



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worldwide

The performance of our company is built on the efforts and achievements of many people working in a huge variety of circumstances. Through special studies we aim to offer insight into these realities, providing comprehensive accounts of the operational, environmental and social performance of our businesses in different parts of the world. Each includes an independently researched account of the views of employees, local community representatives and others and is subject to challenge as part of our attestation process. This year we are updating the information on Scotland and Texas, first published in March 2000. New studies from China, South Africa and Australia are being brought on stream. These studies, which are separate from the Annual Report and Accounts 2000, are available on our website www.bp.com/location_reports



Scotland BP has had a presence in Scotland for around 80 years. Our North Sea exploration business is managed from Aberdeen and our petrochemicals complex at Grangemouth is one of the largest in Europe.

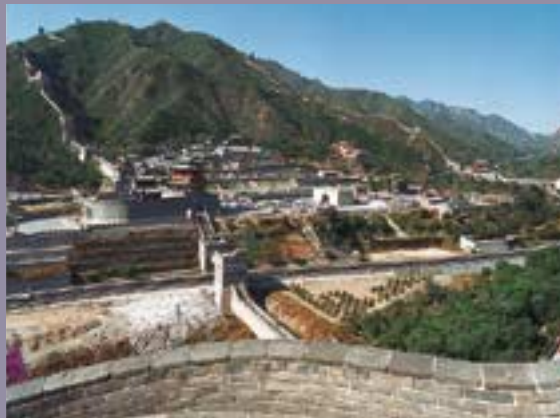


Texas Our operations in Texas and the Gulf of Mexico add up to one of the largest concentrations of group assets in the world. Exploration and production, refining and marketing, gas and power, and chemicals are all represented here.

Australia BP Australia sees this study as a first step towards regular in-country reporting of financial, social and environmental performance, backed by an ongoing process of stakeholder engagement.



China We believe our operations in China can make a real contribution to development and the alleviation of poverty, as well as achieving exciting business growth.



South Africa The transformation of South African society continues apace and we are playing our part. Employment equity and economic empowerment are key preoccupations for the business community.



Summary group income statement

				\$ million	
For the year ended 31 December		Note	2000	1999	
		Continuing operations			
		Acquisitions	Total		
Group turnover		131,559	16,503	148,062	83,566
Group replacement cost operating profit	3	15,669	487	16,156	7,736
Share of profits of joint ventures		688	120	808	555
Share of profits of associated undertakings		773	19	792	603
Total replacement cost operating profit	4	17,130	626	17,756	8,894
Profit (loss) on sale of businesses	5	132	–	132	363
Profit (loss) on sale of fixed assets	5	88	–	88	(700)
Restructuring costs	5	–	–	–	(1,943)
Replacement cost profit before interest and tax		17,350	626	17,976	6,614
Stock holding gains (losses)		807	(79)	728	1,728
Historical cost profit before interest and tax		18,157	547	18,704	8,342
Interest expense				1,770	1,316
Profit before taxation				16,934	7,026
Taxation				4,972	1,880
Profit after taxation				11,962	5,146
Minority shareholders' interest				92	138
Profit for the year				11,870	5,008
Distribution to shareholders	6			4,625	3,884
Retained profit for the year				7,245	1,124
Earnings per ordinary share – cents					
Basic	7			54.85	25.82
Diluted	7			54.48	25.68

Replacement cost results

Historical cost profit for the year		11,870	5,008
Stock holding (gains) losses		(728)	(1,728)
Replacement cost profit for the year	2	11,142	3,280
Exceptional items, net of tax	5	72	2,050
Replacement cost profit before exceptional items		11,214	5,330
Earnings per ordinary share – cents			
On replacement cost profit before exceptional items	7	51.82	27.48

Directors' emoluments

Total emoluments received by BP directors were \$29,584,000 (\$20,903,000). Total emoluments comprise fees paid to the non-executive chairman and non-executive directors and, for executive directors, salary and benefits earned during the relevant financial year plus bonuses awarded for the year and amounts awarded under the Long Term Performance Plan. For 2000 this was in respect of the 1997-99 performance period and for 1999 this was in respect of the 1996-98 performance period.

The summary financial statement on pages 1 to 26 was approved by a duly appointed and authorized committee of the board of directors on 13 February 2001 and signed on its behalf by:

Peter Sutherland, Director

Summary group balance sheet

	\$ million	
At 31 December	2000	1999
Fixed assets		
Intangible assets	16,893	3,344
Tangible assets	75,173	52,631
Investments	11,753	10,109
	103,819	66,084
Current assets		
Business held for resale	636	–
Stocks	9,234	5,124
Debtors	28,418	16,802
Investments	661	220
Cash at bank and in hand	1,170	1,331
	40,119	23,477
Creditors – amounts falling due within one year		
Finance debt	6,418	4,900
Other creditors	30,729	18,375
Net current assets	2,972	202
Total assets less current liabilities	106,791	66,286
Creditors – amounts falling due after more than one year		
Finance debt	14,772	9,644
Other creditors	5,223	2,245
Provisions for liabilities and charges	12,795	10,055
Net assets	74,001	44,342
Minority shareholders' interest – equity	585	1,061
BP shareholders' interest	73,416	43,281
Represented by capital and reserves		
Called up share capital	5,653	4,892
Reserves	67,763	38,389
	73,416	43,281
Movement in BP shareholders' interest		
At 31 December 1999		43,281
Profit for the period		11,870
Distribution to shareholders		(4,625)
Currency translation differences		(2,508)
Employee share schemes		267
Share buyback		(2,001)
ARCO acquisition		27,427
Stamp duty reserve tax		(295)
At 31 December 2000		73,416

Summary group cash flow statement

	\$ million	
For the year ended 31 December	2000	1999
Net cash inflow from operating activities ^a	20,416	10,290
Dividends from joint ventures	645	949
Dividends from associated undertakings	394	219
Net cash outflow from servicing of finance and returns on investments	(892)	(1,003)
Tax paid	(6,198)	(1,260)
Net cash outflow for capital expenditure and financial investment	(7,072)	(5,385)
Net cash inflow for acquisitions and disposals	865	243
Equity dividends paid	(4,415)	(4,135)
Net cash inflow (outflow)	3,743	(82)
Financing	3,413	(954)
Management of liquid resources	452	(93)
Increase (decrease) in cash	(122)	965
	3,743	(82)

^a Reconciliation of historical cost profit before interest and tax to net cash inflow from operating activities

	\$ million	
For the year ended 31 December	2000	1999
Historical cost profit before interest and tax	18,704	8,342
Depreciation and amounts provided	7,449	4,965
Exploration expenditure written off	264	304
Share of profits of joint ventures and associated undertakings	(1,853)	(1,704)
Interest and other income	(360)	(217)
(Profit) loss on sale of businesses and fixed assets	(196)	379
Increase in working capital and other items	(3,592)	(1,779)
Net cash inflow from operating activities	20,416	10,290

Notes on accounts

1 Presentation of the accounts

These summarized financial statements represent an abridged version of the financial statements of the BP group. For 2000 the group has adopted new UK accounting standards for 'Tangible Fixed Assets' and 'Current Tax'.

2 Replacement cost operating profit

Replacement cost profits reflect the current cost of supplies. The replacement cost profit is arrived at by excluding from the historical cost profit stock holding gains and losses.

	\$ million	
3 Other income	2000	1999
Group replacement cost operating profit includes:		
Income from other fixed asset investments	202	66
Other interest and miscellaneous income	603	348

4 Analysis of total replacement cost operating profit

	\$ million		\$ million		
By business	2000	1999	By geographical area	2000	1999
Exploration and Production	14,012	6,983	UK	3,773	2,111
Gas and Power	186	211	Rest of Europe	2,013	1,167
Refining and Marketing	3,908	1,840	USA	7,296	3,001
Chemicals	760	686	Rest of World	4,674	2,615
Other businesses and corporate	(1,110)	(826)			
	17,756	8,894		17,756	8,894

5 Exceptional items

	\$ million	
5 Exceptional items	2000	1999
Exceptional items comprise profit (loss) on sale of businesses and fixed assets and restructuring costs as follows:		
Profit on sale of businesses – Group	341	427
– Joint ventures	–	42
Loss on sale of businesses – Group	(209)	(106)
	132	363
Profit on sale of fixed assets – Group	535	84
– Joint ventures	24	–
Loss on sale of fixed assets – Group	(471)	(784)
	220	(337)
Restructuring costs – Group	–	(1,900)
Restructuring costs – Joint ventures	–	(43)
Exceptional items	220	(2,280)
Taxation credit (charge):		
Sale of businesses	(181)	(21)
Sale of fixed assets	(111)	(29)
Restructuring costs	–	280
Exceptional items, net of tax	(72)	(2,050)

Sale of businesses The profit on the sale of businesses during 2000 is attributable primarily to the divestment by the group of its common interest in Altura Energy. For 1999 the profit related mainly to the divestment by the group of its Canadian oil properties and certain chemicals businesses. The profit on sale of businesses by joint ventures in 1999 was mainly attributable to the disposal by the BP/Mobil joint venture of its retail network in Hungary.

For 2000 the loss on sale of businesses relates to the subvention of bank loans to its paraxylene joint venture in Singapore. The loss during 1999 arose from the closure of this joint venture.

Sale of fixed assets The profit on the sale of fixed assets in 2000 includes the profit from the disposal of the Alliance refinery, located in Belle Chasse, Louisiana, the profit from the divestment of a 10% interest in certain exploration and production interests in Trinidad and the profit from the sale of other exploration and production interests, mainly in the UK and USA. For 1999 the sale of fixed assets included the Federal Trade Commission-mandated sale of distribution terminals and service stations in the USA; the divestment by the group of its interest in an olefins cracker at Wilton in the UK; and the sale and leaseback of US railcars.

For 2000 the loss on sale of fixed assets relates principally to the divestment by the group of its interests in the Quiriquire and Guarapiche fields in Venezuela. The major element of the loss in 1999 was the disposal by the group of its interest in the Pedernales oil field in Venezuela.

Restructuring costs These costs arose from restructuring activity across the group following the merger of BP and Amoco at the end of 1998 and relate predominantly to the group's US operations. The major elements of the restructuring charges comprise employee severance costs (\$1,212 million) and provisions to cover future rental payments on surplus leasehold office accommodation and other property (\$297 million).

Notes on accounts continued

	pence per share		cents per share		\$ million	
	2000	1999	2000	1999	2000	1999
6 Distribution to shareholders						
Preference dividends (non-equity)					2	2
Dividends per ordinary share: First quarterly	3.220	3.069	5.00	5.00	1,133	970
Second quarterly	3.352	3.112	5.00	5.00	1,128	970
Third quarterly	3.602	3.033	5.25	5.00	1,185	971
Fourth quarterly	3.617	3.125	5.25	5.00	1,177	971
	13.791	12.339	20.50	20.00	4,625	3,884

7 Earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders, i.e. profit for the year less preference dividends, related to the weighted average number of ordinary shares in issue during the year. The profit attributable to ordinary shareholders is \$11,868 million (\$5,006 million). The average number of shares outstanding excludes the shares held by the Employee Share Ownership Plans.

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders as for basic earnings per share. However, the number of shares outstanding is adjusted to show the potential dilution if employee share options are converted into ordinary shares.

In addition to earnings per share based on the historical cost profit for the year, a further measure, based on replacement cost profit before exceptional items, is provided as it is considered that this measure gives an indication of underlying performance.

8 Capital expenditure and acquisitions

	\$ million			\$ million	
By business	2000	1999	By geographical area	2000	1999
Exploration and Production	6,383	4,194	UK	7,438	1,518
Gas and Power	279	18	Rest of Europe	2,041	831
Refining and Marketing	8,750	1,634	USA ^a	34,037	2,963
Chemicals	1,585	1,215	Rest of World	4,097	2,033
Other businesses and corporate ^a	30,616	284			
	47,613	7,345		47,613	7,345

^a 2000 includes \$27,506 million for the acquisition of ARCO.

Report of the auditors

To the Members of BP Amoco p.l.c.

We have examined the summary financial statement set out on pages 1-26.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the *Annual Review*. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the *Annual Review* with the full annual report and accounts and directors' report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the *Annual Review* and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In our opinion the summary financial statement is consistent with the full annual report and accounts and directors' report of BP Amoco p.l.c. for the year ended 31 December 2000 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

Ernst & Young

Registered Auditor
London
13 February 2001

The auditors have issued an unqualified audit report on the annual accounts containing no statement under section 237 (2) or section 237 (3) of the Companies Act 1985.

United States accounting principles

The following is a summary of adjustments to profit for the year and to BP shareholders' interest which would be required if generally accepted accounting principles in the USA (US GAAP) had been applied instead of those generally accepted in the United Kingdom (UK GAAP). The results are stated using the first-in first-out method of stock valuation.

	\$ million	
	2000	1999
Profit for the year	11,870	5,008
Adjustments:		
Depreciation charge ^a	(772)	(81)
Decommissioning and environmental expense	(338)	(165)
Onerous property leases	(42)	133
Interest expense	189	110
Sale and leaseback of fixed assets	–	(37)
Deferred taxation ^a	(619)	(378)
Other	58	6
Profit for the year as adjusted	10,346	4,596
Per ordinary share – cents		
Basic	47.81	23.70
Diluted	47.50	23.56
Per American depositary share^b – cents		
Basic	286.86	142.20
Diluted	285.00	141.36

	\$ million	
	2000	1999
BP shareholders' interest	73,416	43,281
Adjustments:		
Fixed assets ^a	9,479	1,237
Ordinary shares held for future awards to employees	(360)	(456)
Sale and leaseback of Chicago office building	(413)	(413)
Decommissioning and environmental provisions	(921)	(499)
Onerous property leases	105	139
Deferred taxation ^a	(16,097)	(6,082)
Fourth quarterly dividend	1,178	972
Pension liability adjustment	(145)	(144)
Other	(128)	(197)
BP shareholders' interest as adjusted	66,114	37,838

^a Under UK GAAP, provision for deferred taxation is made where timing differences are expected to reverse in the foreseeable future. Under US GAAP, deferred taxation is provided on a full liability basis on all temporary differences as defined in US Statement of Financial Accounting Standard No. 109. As required by this standard assets and liabilities of acquired businesses have been adjusted from a net-of-tax to a pre-tax basis.

^b One American depositary share is equivalent to six 25 cent ordinary shares.

Glossary

Term used in BP Annual Report and Accounts	US equivalent or definition
Accounts	Financial statements
Acquisition accounting	Purchase accounting
Called up share capital	Ordinary shares, capital stock or common stock issued and fully paid
Cash at bank	Cash
Creditors	Accounts payable and accrued liabilities
Creditors: amounts falling due within one year	Current liabilities
Creditors: amounts falling due after more than one year	Long-term liabilities
Debtors: amounts falling due after more than one year	Other non-current assets
Decommissioning	Dismantlement, restoration and abandonment
Employee share schemes	Employee stock benefit plans
Financial year	Fiscal year
Fixed asset investment	Non-current investments
Interest payable	Interest expense
Interest receivable	Interest income
Merger accounting	Pooling of interests accounting
Profit	Income or earnings
Profit and loss account (statement)	Income statement
Profit for year	Net income
Profit on sale of fixed assets or business	Gain on disposal of properties or long-term investments
Provision for doubtful debts	Allowance for doubtful accounts
Provisions	Non-current liabilities other than debt and specific accounts payable
Redundancy charges	Severance costs
Reserves	Retained earnings
Scrip dividend	Stock dividend
Shareholders' funds	Shareholders' equity
Stocks	Inventories
Tangible fixed assets	Property, plant and equipment
Turnover	Sales and other operating revenue

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governance & policy

Explains the work of the board of directors
and the company's relationship with its shareholders.

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corporate governance

The board has four governance policies covering its relationship with shareholders, the conduct by the board of its own affairs and its relationship with the group chief executive.

Relationship with shareholders

The governance policies stress the paramount importance of the relationship between the board and the shareholders. The board acknowledges that its role is to represent and promote the interests of shareholders. The governance policies recognize that the board is accountable to shareholders for the performance and activities of the group. The board has committed itself to be proactive in obtaining an understanding of shareholder preferences and to evaluate systematically the economic, political, social and other matters which may influence or affect the interests of its shareholders.

To ensure that shareholders have the regular opportunity to reassess their choice of directors, directors are required to retire every three years and stand for re-election. The deputy chairman, Sir Ian Prosser, holds the role of senior independent non-executive director required by the Combined Code on Corporate Governance and is the director whom shareholders may contact if they feel their concerns are not being addressed through the normal channels.

Board process

The governance policy for board process covers the conduct of members at meetings; the cycle of board activities and the setting of agendas; board officers and their roles; board committees, their tasks and composition; qualifications for board membership and the process of the Nomination Committee; the remuneration of non-executive directors; the appointment and role of the company secretary; and the process for directors to obtain independent advice and the assessment of the board's performance. The board process policy places responsibility for training of directors on the chairman.

The board process policy recognizes that the board has a separate and unique role as the link in the chain of authority between the shareholders and the group chief executive. In addition, it acknowledges in a number of ways the dual role played under the unitary board system by executive directors, as both members of the board and leaders of the executive management.

First, it requires a majority of the board to be composed of non-executive directors. Secondly, it delegates all aspects of the relationship between the board and the group chief executive to the non-executive directors. Thirdly, it requires the chairman and deputy chairman to be non-executive directors. Following the retirement of co-chairman Mr Fuller on 31 March 2000, the office of chairman has been held by a non-executive director, Mr Sutherland. Finally, it establishes that the company secretary reports to the non-executive chairman and is not part of the executive management.

The board process policy recognizes that the board's capacity, as a group, is limited. It therefore reserves to the board the making of broad policy decisions, delegating the more detailed considerations involved in meeting its stated policies either to its committees and officers, in the case of its own processes, or to the group chief executive, in the case of the management of the company's business activity. The relationship between the board and the group chief executive is critical to the board's work. The policy allocates the tasks of monitoring executive actions and assessing reward to the following committees:

- **Chairman's Committee** (chairman and all non-executive directors) – organization and succession planning and overall performance assessment
- **Audit Committee** (six non-executive directors) – monitoring all reporting, accounting, control and the financial aspects of the executive management's activities
- **Ethics and Environment Assurance Committee** (five non-executive directors) – monitoring the non-financial aspects of the executive management's activities
- **Remuneration Committee** (six non-executive directors) – determining performance contracts and targets and the structure of the rewards for the group chief executive and the executive directors.

In addition there is a Nomination Committee which comprises the non-executive chairman, the group chief executive and three non-executive directors.

The qualification for membership of the board includes a requirement that non-executive directors be free from any relationship with the executive management of the company that could materially interfere with the exercise of their independent judgement. In the board's view, all non-executive directors fulfil this requirement.

Board/Executive relationship

The board/executive relationship policy sets out how the board delegates authority to the group chief executive and the extent of that authority. In its goals policy, the board states the long-term outcome it expects the group chief executive to deliver. The restrictions on the manner in which the group chief executive may achieve the required results are set out in the executive limitations policy, which addresses ethics, health, safety, the environment, financial distress, internal control, risk preferences, treatment of employees and political considerations. On all these matters, the board's role is to set general policy and to monitor the implementation of its policy by the group chief executive.

The board/executive relationship policy also sets out how the group chief executive's performance will be monitored and recognizes that, in the multitude of changing circumstances, judgement is always involved. The group chief executive is required through dialogue and systematic review to discuss with the board all material matters currently or prospectively affecting the company and its performance and all strategic projects or developments. This dialogue is a key feature of the relationship and an important aspect of board work.

Finally, a significant part of the board/executive relationship is the remuneration of the group chief executive and the other executive directors. The Remuneration Committee undertakes this with the advice and assistance of the company secretary and outside advisers who are independent of the executive management.

Compliance

During 2000, BP has complied with the requirements of the Combined Code on Corporate Governance, including the guidance for directors on internal control, with two exceptions relating to director training and the membership of the Nomination Committee. The full statement on BP's compliance with the Code may be found in the Annual Report and Accounts 2000.

board of directors

R S Block

Non-Executive Director

Ruth Block (70) joined Amoco's board in 1986.

Member of the Chairman's Committee and Ethics and Environment Assurance Committee and during 2000 was a member of the Remuneration Committee

Sir John Browne, FREng

Group Chief Executive

Sir John (52) was appointed an executive director of BP in 1991 and group chief executive in 1995.

Member of the Nomination Committee

J H Bryan

Non-Executive Director

John Bryan (64) joined Amoco's board in 1982.

Member of the Chairman's Committee and Audit Committee

Dr J G S Buchanan

Chief Financial Officer

John Buchanan (57) was appointed an executive director of BP in 1996.

R F Chase

Deputy Group Chief Executive

Rodney Chase (57) was appointed an executive director of BP in 1992.

E B Davis, Jr

Non-Executive Director

Erroll B Davis, Jr (56) joined Amoco's board in 1991.

Member of the Chairman's Committee, Audit Committee and Remuneration Committee

R J Ferris

Non-Executive Director

Richard Ferris (64) joined Amoco's board in 1981.

Member of the Chairman's Committee and Remuneration Committee

W D Ford

Chief Executive, Refining and Marketing

Doug Ford (57) was appointed an executive director of BP in January 2000.

Dr C S Gibson-Smith

Executive Director, Policies and Technology

Chris Gibson-Smith (55) was appointed an executive director of BP in 1997.

Dr B E Grote

Chief Executive, Chemicals

Byron Grote (52) was appointed an executive director of BP in August 2000.

C F Knight

Non-Executive Director

Charles Knight (65) joined BP's board in 1987.

Member of the Chairman's Committee and Remuneration Committee

F A Maljers

Non-Executive Director

Floris Maljers (67) joined Amoco's board in 1994.

Member of the Chairman's Committee and Ethics and Environment Assurance Committee

Dr W E Massey

Non-Executive Director

Walter Massey (62) rejoined Amoco's board in 1993, having previously been a director from 1983 to 1991.

Member of the Chairman's Committee and chairman of the Ethics and Environment Assurance Committee

H M P Miles, OBE

Non-Executive Director

Michael Miles (64) joined BP's board in 1994.

Member of the Chairman's Committee, Audit Committee and Ethics and Environment Assurance Committee

Sir Robin Nicholson, F Eng, FRS

Non-Executive Director

Sir Robin (66) joined BP's board in 1987.

Member of the Chairman's Committee and from January 2001 of the Remuneration Committee, of which he will be chairman from May 2001 on the retirement of the Lord Wright of Richmond

R L Olver

Chief Executive, Exploration and Production

Dick Olver (54) was appointed an executive director of BP in 1998.

Sir Ian Prosser

Non-Executive Deputy Chairman

Sir Ian (57) joined BP's board in 1997.

Member of the Chairman's Committee and Remuneration Committee and chairman of the Audit Committee

P D Sutherland, SC

Non-Executive Chairman

Peter Sutherland (54) rejoined BP's board in 1995, having previously been a non-executive director from 1990 to 1993. He was appointed chairman in 1997.

Chairman of the Chairman's Committee and chairman of the Nomination Committee

M H Wilson

Non-Executive Director

Michael Wilson (63) joined Amoco's board in 1993.

Member of the Chairman's Committee and Audit Committee

Sir Robert Wilson, KCMG

Non-Executive Director

Sir Robert (57) joined BP's board in 1998.

Member of the Chairman's Committee, Audit Committee and Ethics and Environment Assurance Committee

The Lord Wright of Richmond, GCMG

Non-Executive Director

Lord Wright (69) joined BP's board in 1991.

Member of the Chairman's Committee and chairman of the Remuneration Committee and during 2000 was a member of the Ethics and Environment Assurance Committee

Changes to the board

Mr H L Fuller retired as executive co-chairman on 31 March 2000.

Dr B E Grote was appointed an executive director with effect from 3 August 2000.

Mr B K Sanderson retired as an executive director on 30 September 2000.

Mrs R S Block will retire as a non-executive director on 19 April 2001.

Dr C S Gibson-Smith will retire as an executive director on 19 April 2001.

The Lord Wright of Richmond will retire as a non-executive director on 30 April 2001.

annual general meeting and information for shareholders

Annual General Meeting

The 2001 annual general meeting will be held on Thursday 19 April 2001 at 11.00 a.m. at the Royal Festival Hall, Belvedere Road, London SE1 8XX, UK. The notice convening the meeting is sent to shareholders separately with this Review, together with an explanation of the items of special business to be considered at the meeting.

All substantive resolutions will be decided on a poll. Voting on a show of hands is reserved solely for procedural matters and the efficient running of the meeting.

Share price information

BP's shares are primarily traded in two forms – 'ordinary shares' and 'American Depositary Shares' (ADSs). One ADS represents six ordinary shares. Ordinary shares are traded on stock exchanges in the UK, France, Germany, Switzerland and Japan. ADSs are traded in North America on the New York, Chicago, Pacific and Toronto stock exchange.

Details of trading activity and share price information are published in the share tables of most daily newspapers and on our website at www.bp.com/investors

ordinary share market price range

pence	2000		1999	
	High	Low	High	Low
1st Quarter	622.50	444.50	539.50	411.00
2nd Quarter	649.00	506.00	595.50	504.75
3rd Quarter	671.00	564.50	642.50	532.50
4th Quarter	646.50	517.50	643.50	538.00

ADS market price range

US\$	2000		1999	
	High	Low	High	Low
1st Quarter	60.63	43.13	52.66	40.19
2nd Quarter	59.31	46.98	57.69	47.00
3rd Quarter	58.38	50.50	61.16	52.50
4th Quarter	57.31	45.13	62.63	51.38

The figures in these tables have been adjusted to reflect the subdivision of ordinary share capital on 4 October 1999.

Burmah Castrol shareholders

Former Burmah Castrol shareholders who have not yet requested payment of the consideration due to them should make written application, accompanied by relevant share certificates, to the BP Registrar (*see page 33 for contact details*).

Information for unexchanged Amoco or Atlantic Richfield Company (ARCO) common shareholders

Any Amoco or ARCO shareholders who have not yet exchanged their holdings into the form of BP ADSs should immediately contact the Exchange Agent at Morgan Guaranty Trust Company of New York, Corporate Reorganization, PO Box 842007, Boston, MA 02284-2007, USA (telephone toll-free +1 877 272 4321).

Until their Amoco or ARCO shares have been exchanged, former Amoco and ARCO shareholders do not have the right to receive dividends, vote or receive reports from the company. Under US regulations, any accrued dividend income is taxable and will continue to be reported for the year in which the dividend is payable.

Dividend information

BP announces the dividends on ordinary shares in US dollars and at the same time states an equivalent UK sterling and Canadian dollar dividend.

cash dividends in pence per ordinary share

Period ^a	1Q	2Q	3Q	4Q	Total
1996	2.125	2.500	2.500	2.625	9.750
1997	2.625	2.750	2.750	2.875	11.000
1998	2.875	3.000	3.000	3.059	11.934
1999	3.069	3.112	3.033	3.125	12.339
2000	3.220	3.352	3.602	3.617	13.791

cash dividends in US dollars per ADS

Period ^a	1Q	2Q	3Q	4Q	Total
1996	0.203	0.246	0.262	0.273	0.984
1997	0.271	0.286	0.294	0.299	1.150
1998	0.305	0.311	0.319	0.300	1.235
1999	0.300	0.300	0.300	0.300	1.200
2000	0.300	0.300	0.315	0.315	1.230

cash dividends in Canadian dollars per ADS

Period ^a	1Q	2Q	3Q	4Q	Total
1996	0.277	0.338	0.350	0.369	1.334
1997	0.374	0.394	0.412	0.429	1.609
1998	0.437	0.470	0.491	0.449	1.847
1999	0.438	0.451	0.438	0.436	1.763
2000	0.447	0.448	0.482	0.479	1.856

The figures in these tables have been adjusted to reflect the subdivision of ordinary share capital on 4 October 1999.

proposed key dates for dividends to be announced in 2001 on ordinary shares and American Depositary Shares

Period ^a	4Q 2000	1Q 2001	2Q 2001	3Q 2001
Announcement	13 Feb 01	8 May 01	7 Aug 01	6 Nov 01
Ex-dividend ^b	21 Feb 01	16 May 01	15 Aug 01	14 Nov 01
Record or qualifying ^c	23 Feb 01	18 May 01	17 Aug 01	16 Nov 01
Payment	19 Mar 01	11 Jun 01	10 Sep 01	10 Dec 01

^a Dividend payments are identified by reference to the quarterly earnings to which they relate.

^b This is also the date by which holders of ADSs must notify Morgan Guaranty of any change in dividend election between cash and reinvestment.

^c This is also the date by which holders of ordinary shares must notify the BP Registrar of any change in dividend election between cash and reinvestment.

further information

Administration

If you have any queries about the administration of shareholdings such as change of address, change of ownership, dividend payments, the dividend reinvestment plan or the ADS direct access plan, please contact the Registrar or ADS Depository:

UK – Registrar's Office

The BP Registrar
Lloyds TSB Registrars
The Causeway, Worthing, West Sussex BN99 6DA
Telephone: +44 (0)121 415 7005
Freephone in UK: 0800 701107 Fax: +44 (0)1903 833371

USA – ADS Administration

Morgan Guaranty Trust Company of New York
PO Box 842006, Boston, MA 02284-2006
Telephone: +1 781 575 3346
Toll-free in USA and Canada: +1 877 638 5672

Canada – ADS Administration

CIBC Mellon Trust Company, 199 Bay Street
Commerce Court West, Securities Level, Toronto, Ontario M5L 1G9
Telephone: +1 416 643 5500 Toll-free in Canada: +1 800 387 0825

Japan

The Mitsubishi Trust and Banking Corporation
7-7 Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo 171
Telephone: +81 3 5391 7029 Fax: +81 3 5391 1911

Other queries

Any other queries can be addressed to offices in the following countries:

UK

BP Shareholder Services
Britannic House, 1 Finsbury Circus, London EC2M 7BA
Telephone: +44 (0)20 7496 5200 Fax: +44 (0)20 7496 5702
Switchboard: +44 (0)20 7496 4000
E-mail: shareholderuk@bp.com

USA

BP Shareholder Services
PO Box 87703, Chicago, IL 60680-0703
Switchboard: +1 312 856 6111
Toll-free in USA and Canada: +1 800 638 5672
Fax: +1 312 856 4883
E-mail: shareholderus@bp.com

Other published information

Publications

Copies of reports filed by the company with the US Securities and Exchange Commission, together with a range of other publications, such as *BP Business Policies*, *BP Environmental and Social Review 2000*, *BP Financial and Operating Information 1996-2000* and *BP Statistical Review of World Energy*, can be obtained in the USA and Canada from BP Shareholder Services in Chicago (*address above*) and in the rest of the world from the following address:

BP Distribution Services
Suite 2, Lansdowne Place
17 Holderhurst Road, Bournemouth, Dorset BH8 8EW, UK
Telephone: +44 (0)870 241 3269
Fax: +44 (0)1202 299893
E-mail: bp-bpds@ed-youth.com

Internet

BP's website is at www.bp.com

Cassettes for visually impaired shareholders

Highlights from the BP Annual Report are available on audio cassette. Copies can be obtained, free of charge, in the USA and Canada from BP Shareholder Services, Chicago, and in the rest of the world from BP Distribution Services, UK.

Registered Office

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