BP 4Q 2007 and Full-Year Results

5 February 2008

Cautionary Statement

Forward-Looking Statements Cautionary Statement

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February 2008

Tony Hayward

Group Chief Executive

Agenda

- 2007 performance in context
- Safety
- Forward agenda
  - Restoring momentum
  - Reducing complexity
  - Exploration & Production: 2007 strategic progress
  - Refining & Marketing: closing the performance gap
- 4Q07 financial results
- 2008 guidance
- Financial framework
- Q&A

Safety: our progress

- 2007 performance
- Baker Panel response
- Operating Management System

Closing the competitive gap
Forward Agenda: restoring momentum

4Q07

- Start-up of six upstream projects: Atlantis, King Subsea Pump, Greater Plutonio, Mango, Cashima, Denise
- Whiting: available distillation capacity of 300mb/d
- Texas City: recommissioned three units
- US settlements

2008

- Whiting: full crude capacity and flexibility in 1H08
- Texas City:
  - Available distillation capacity of 400mb/d by end 1Q
  - Most of economic capability restored by mid-2008
- Thunder Horse start-up by end 2008

Closing the competitive gap
Forward agenda: reducing complexity

Reducing complexity

- Fewer business segments
- Fewer layers of management: greater spans of control
- Smaller corporate infrastructure
- Centralised corporate functions

Outcomes

- Overall workforce reduction of 5,000 by mid-2009 + 9,500 in US Retail
- Corporate overhead reduction of 15-20%
- Restructuring costs around $1bn in 2008
- Benefits 2009+

Exploration & Production
2007 strategic milestones

- Exploration success continues:
  - Azerbaijan, Egypt and Angola
- Nine new project start-ups
- New access secured:
  - Oman, Libya, Canadian Heavy Oil
- Reserve replacement ratio more than 100% at year end prices
  - More than 120% excluding year-end price effects
  - 14th consecutive year above 100%*

* *Reported reserves replacement ratio on a combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and disposals*

Refining & Marketing
Closing the performance gap

- Safe and reliable refining operations
- Integrated fuel value chains
- Focus marketing footprint
  - US retail
  - Lubricants and aviation
- Reduction in overhead

Byron Grote

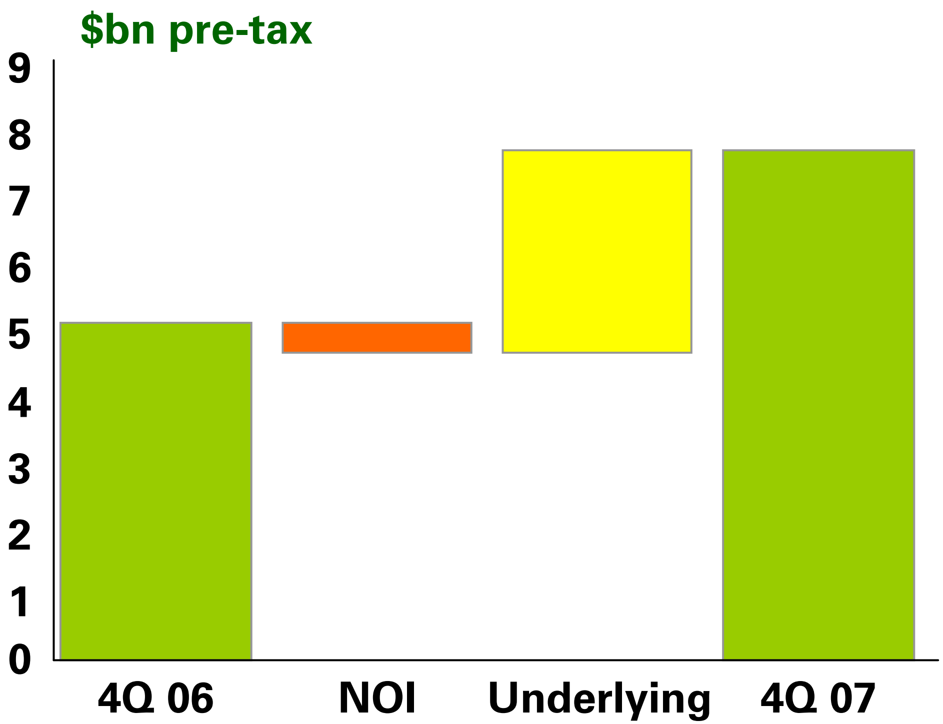
Chief Financial Officer

Financial results

Results for the fourth quarter	$bn	Change vs. 4Q 2006 %	Change vs. 4Q 2006 % per share
• Underlying replacement cost profit	**4.0**	(1)	1
• Net cash provided by operating activities	**4.3**	(14)	(12)
	¢/ share		
• Dividend to be paid next quarter	**13.525**	31 %	

Results for the year	$bn	Change vs. 2006 %	Change vs. 2006 % per share
• Underlying replacement cost profit	**17.6**	(17)	(13)
• Net cash provided by operating activities	**24.7**	(12)	(8)

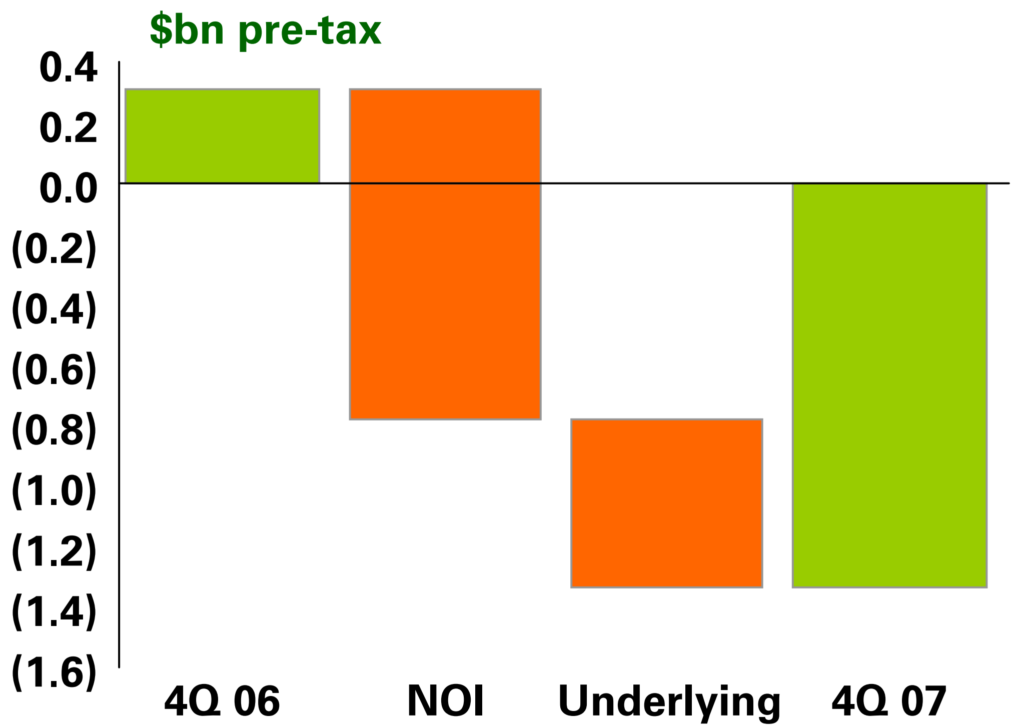
Exploration & Production



5,240	Underlying result $m	8,264
(177)	Non-operating items $m	(616)
5,063	Total result $m	7,648

- Higher realizations
- Higher production
- Sector-specific inflation
- Greater start-up costs
- Higher DD&A
- TNK-BP tax lag benefit (approx 4Q'07 $250m, FY 2007 $600m)
- Non-operating items (NOI)
  - Embedded derivatives
  - Restructuring costs

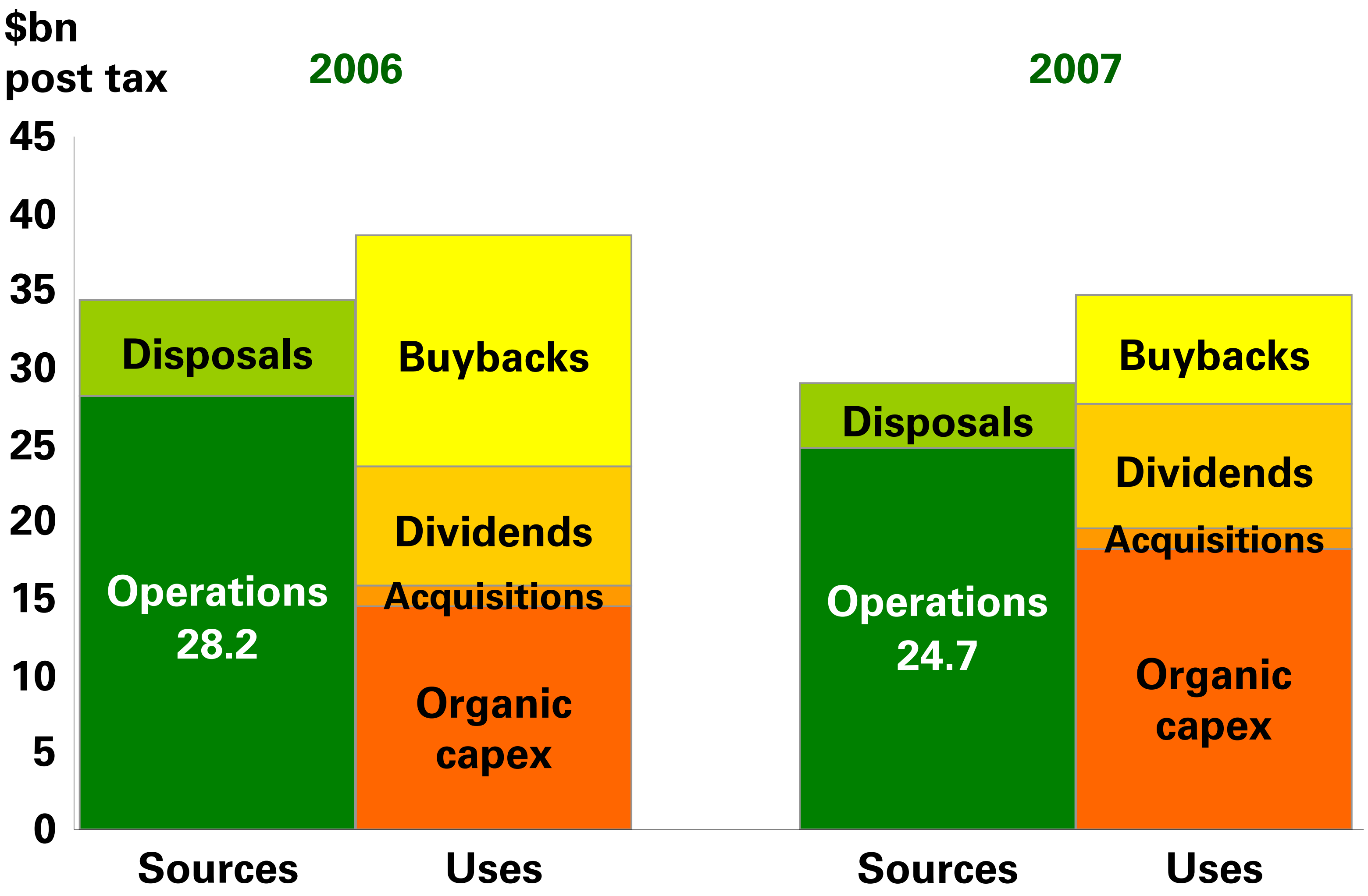
Refining & Marketing



4Q 06		4Q 07
365	Underlying result $m	(191)
(53)	Non-operating items $m	(1,146)
312	Total result $m	(1,337)

- Lower US refining margins
- Lower supply optimization
- US refining operations
  - Greater integrity and repair spend
  - Turnarounds
- Fair value accounting effect
- Non-operating items (NOI)
  - US convenience retail impairment
  - Restructuring costs

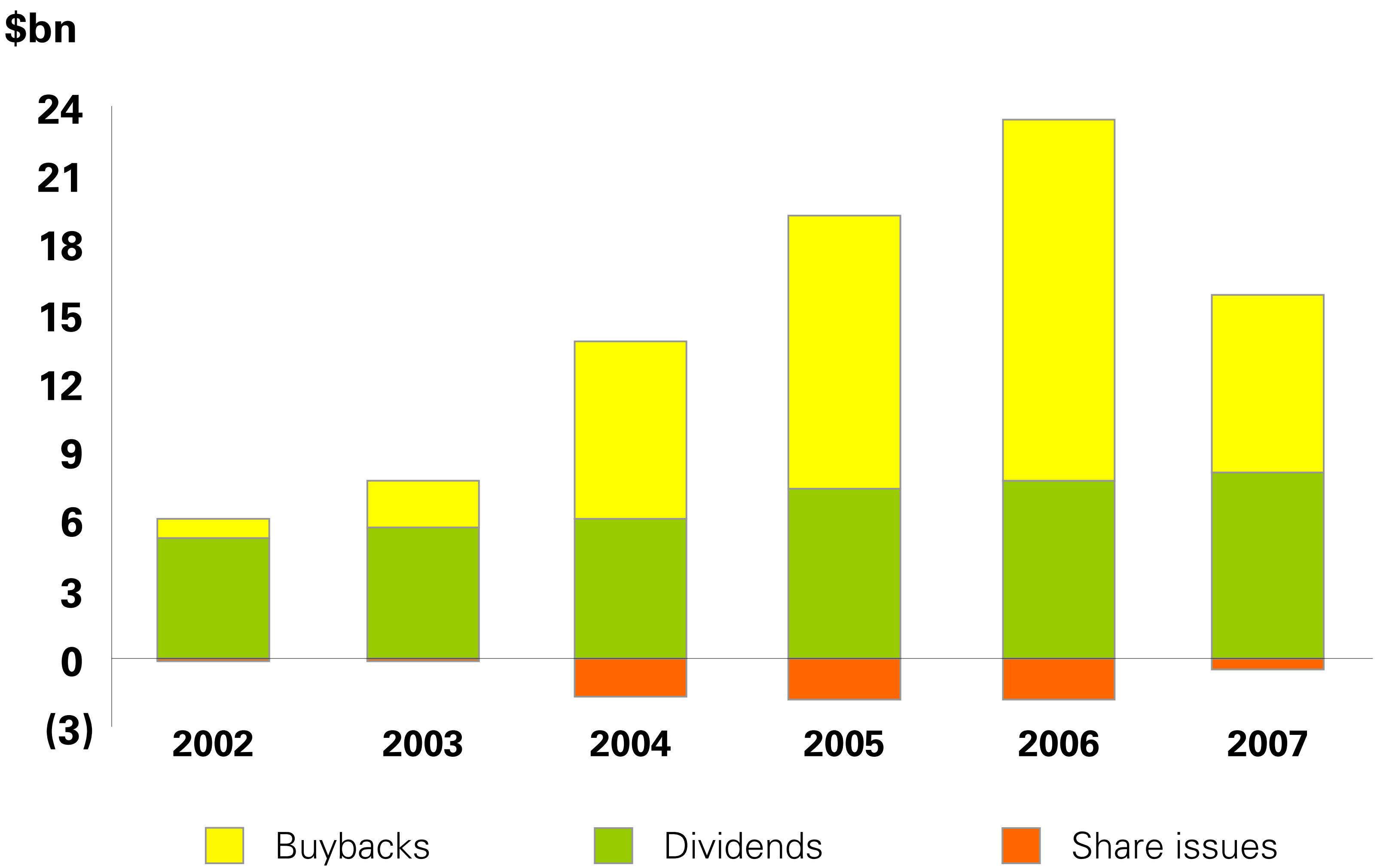
Sources and uses of cash



2008 guidance
Production, capital spending, DD&A and costs

- Production: growth vs. 2007
- Capital expenditure
  - Organic capex: $21-$22bn
  - JVs with Husky Energy (Sunrise/Toledo)
  - Lower divestments
- Higher DD&A of around $1.5bn
- Cash costs
  - Total group costs expected to grow below sector inflation
  - Restructuring charges of around $1bn

Shareholder distributions



Financial framework update: context

- Confidence in stronger upstream environment
- Revenue restoration on track
- Buybacks have reduced shares outstanding by 16% since 2000

Financial framework: response

- Increased capex to support growth
- Target gearing band unchanged at 20-30%
- Rebalance proportion of free cash flow distributed via dividends and buybacks
  - Step up in per share dividend (31% higher year-on-year)
  - Continued, but lower level of buybacks

Conclusion

- Building operational momentum
- Reducing complexity
- Strong assets: reserve replacement ratio above 100% for 14th consecutive year
- Alternative Energy creating options for future low carbon economy
- Updated financial framework and increased dividend

Q&A

Tony Hayward

Group Chief Executive

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