

100 years
of operating
at the
frontiers



Annual General Meeting

Thursday 16 April 2009



Tony Hayward
Group Chief Executive

2009 Annual General Meeting

2008 full year results and realisations



Results for the year	\$bn	Change vs. 2007
		%
• Replacement cost profit	25.6	39
• Profit including inventory gains/losses	21.2	1
• Net cash provided by operating activities	38.1	54
Dividend ¢/share	55.05	30
Average realizations	\$	
• Liquids \$/bbl	90.2	34
• Natural gas \$/mcf	6.0	32
• Total hydrocarbons \$/boe	62.6	33
Refining indicator margin \$/bbl	6.5	(35)



2008 operational momentum

Upstream growth

- Growth in line with guidance
- 5% underlying, excluding PSC entitlement effects
- Major project start-up volumes ahead of plan
- Cost increases below sector inflation
- Strong reported reserve replacement and resource growth

Downstream turnaround

- Restoring refining availability – Whiting and Texas City
- Six integrated Fuels Value Chains established
- Strong International Businesses performance
- Simplified marketing footprint

Corporate simplification

- Headcount reduction of 3000 by end-2008
- 20% of senior positions removed

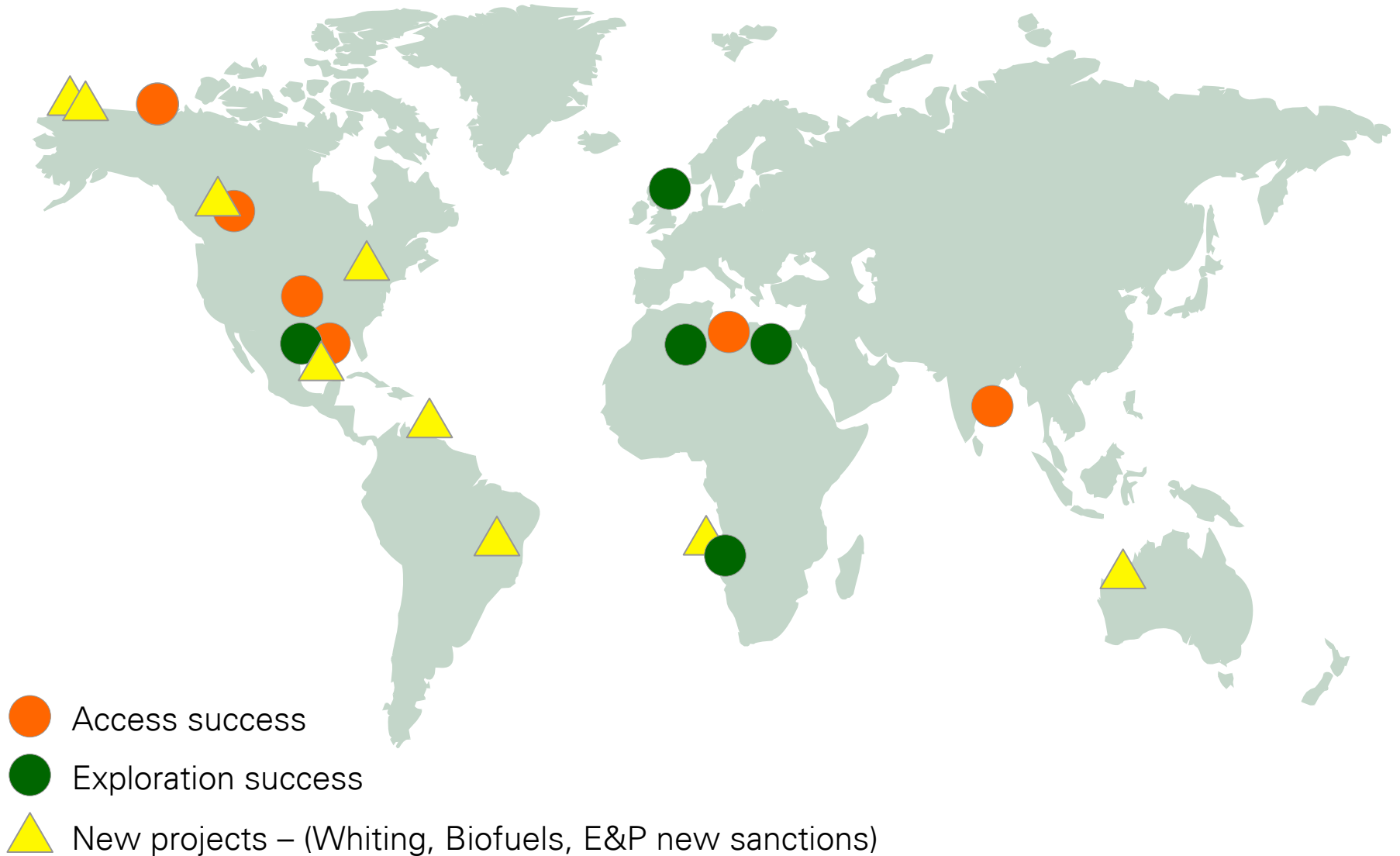
2008 financial momentum



	bp	EXXON	Shell	Chevron	TOTAL
Underlying ⁽¹⁾ Net Income (\$bn)	26.2	43.7	28.4	22.8	20.5
<i>Year on Year %</i>	<i>39%</i>	<i>10%</i>	<i>12%</i>	<i>30%</i>	<i>22%</i>
Cash from operations (\$bn)	38.1	59.7	43.9	29.6	27.5
<i>Year on Year %</i>	<i>54%</i>	<i>15%</i>	<i>27%</i>	<i>19%</i>	<i>13%</i>
Reported volumes (mboed)	3838	3921	3248	2530	2341
<i>Year on Year %</i>	<i>1%</i>	<i>-6%</i>	<i>-2%</i>	<i>-3%</i>	<i>-2%</i>

(1) For BP underlying net income is replacement cost for the year adjusted for non-operating items and fair value accounting effects. For other companies, underlying includes adjustments for all identified non-recurring items to put on consistent basis.

2008 strategic momentum

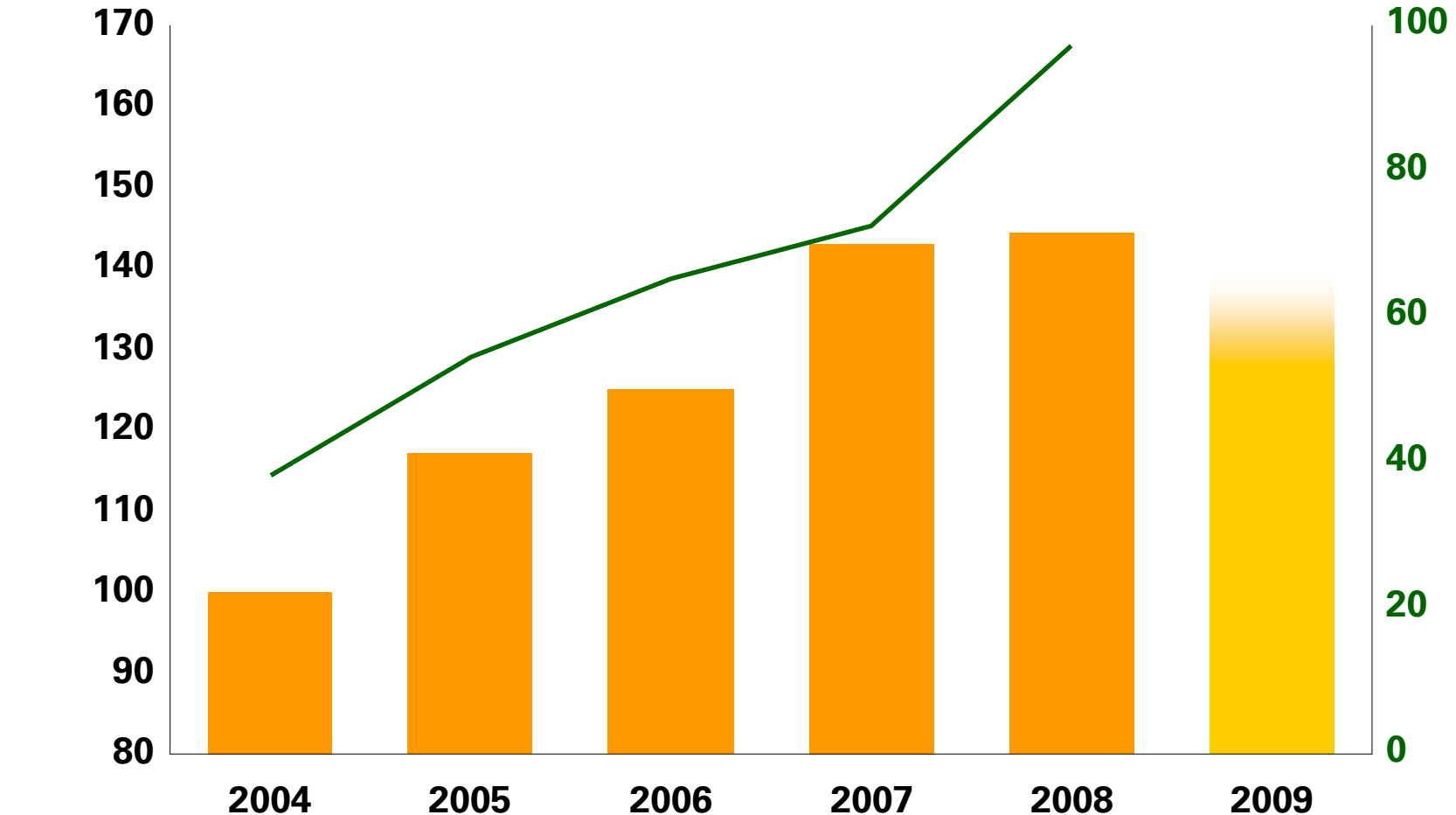


Oil price and costs



**BP cash
cost index**

**Brent oil price
(\$/bbl)**





A challenging environment

Our response

- Immediate priorities
 - Safe and reliable operations
 - Dividend
 - Rapid cost reduction: drive deflation into our business
- Strengths
 - Cost momentum: ‘every dollar counts, every seat counts’
 - Operational momentum: production, refining
 - Strong balance sheet
 - Deep technology focus
 - Low exposure to high-cost upstream assets (tar sands, gas to liquids)

An enduring strategy

Safety : People : Performance



- **Safe, compliant and reliable operations:** our No. 1 priority
- **Strategy in progress**
 - Upstream growth
 - Downstream turnaround
 - Alternative Energy: focused, disciplined
 - Corporate simplification