

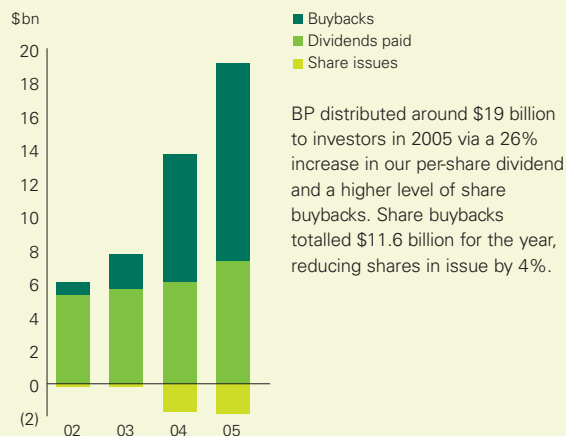


Maintaining our strategy, maximizing our returns

“2005 was a very good year not just because of the year’s performance, but also because we were able to confirm the foundation for even better years to come ... We expect to continue to distribute substantial amounts of cash to shareholders through buybacks and dividends.”

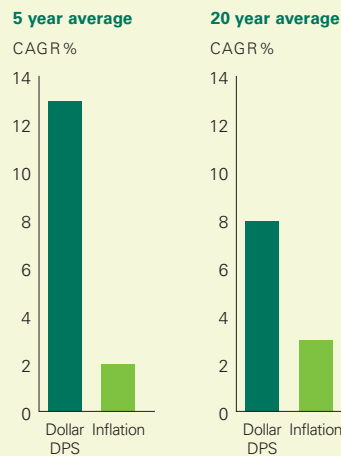
- John Browne, BP Group Chief Executive

Shareholder distributions



We remain committed to distributing 100% of all excess free cash flows in excess of investment and dividend needs to investors ... we are well positioned for further substantial share buybacks during 2006.

Historical dividend



We have paid out a total of \$29.1 billion of dividends over the last five years. During this period, the cumulative average growth rate (CAGR) was 13%. For the last 20 years, CAGR was around 8%.

Cautionary Statement: This fact sheet contains forward-looking statements, including those regarding share buybacks, dividends and other distributions to shareholders, production growth, cash costs reduction, return on average capital employed, capital spend, asset portfolio, divestments, operating environment, the progress and timing of projects, statements regarding strategy found under the headings “Strategy for the future” and statements regarding the business of BP Alternative Energy found under the headings “alternativenenergy”; “The power of alternatives”; “—Solar”; “—Hydrogen”; “—Wind” and “—Power Marketing and Trading”. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed in this fact sheet and in BP’s Annual Report and Accounts and in BP Annual Report on Form 20-F. The factors set forth above are important factors, although not exhaustive, and other factors may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

For additional background information on financial statements, go to www.bp.com. Supplementary information, including definitions of BP’s terminology and performance measures and reconciliations of non-GAAP financial measures to GAAP financial measures, is also provided on www.bp.com.

BP p.l.c. is the parent company of the BP group of companies. Unless otherwise stated, the text does not distinguish between the activities and operations of the parent company and those of its subsidiaries.



John Browne
BP Group
Chief Executive

Strategy for the future

Our core objective is to grow sustainable free cash flow* and to distribute it so as to grow shareholder returns. In order to underpin delivery, we have a five-point business plan:

- We expect to grow production by about 4% a year to 2010 in a \$40 per barrel price environment. In terms of oil and gas production, BP has consistently been the fastest growing supermajor with oil and gas production growth averaging 4.4% per year for the period 2000 through 2005. We are directly involved in oil fields which are expected to contribute almost half the

growth in non-OPEC production over the medium term.

- We will keep a sharp eye on cost control, aiming for cash costs growing at less than general inflation. Some cost efficiency programs are already underway, such as the one started in 4Q 2005 by Refining and Marketing in Europe. These programs are expected to reduce costs on a sustainable basis by \$0.5 billion a year in 2008.
- Building on our track record, we expect to deliver further improvements in Return on Average Capital Employed relative to our peer group.
- We plan to maintain the total capital spend to around \$15 billion in 2006 and grow it at about \$0.5 billion a year to 2008.
- We expect to continue to high-grade our portfolio and expect divestments to be at an ongoing rate of around \$3 billion a year, half our historic level.

Our dividend policy remains unchanged. It is to grow the dividend per share progressively. We are committed to return to shareholders all free cash flows in excess of investment and dividend needs, all other factors being appropriate.

The near term operating environment for the Group looks very favorable. We have considerable momentum going forward and our strong incumbent resource and asset base underpins our distinctive growth prospects.

Our focus is on translating this strong environment and growth into cash delivery which we intend to return to shareholders. We remain focused on executing our established strategy, maintaining capital and cost discipline, strengthening operational excellence and continuing to high-grade our portfolio.

* Free cash flow is net cash provided by operating activities less net cash used in investing activities.

Key dates for BP investors

March 14, 2006
Annual Report published
(Provisional Date)

April 6, 2006
Sustainability Report published

April 20, 2006
Financial & Operating Information
Report published

April 20, 2006
Annual General Meeting

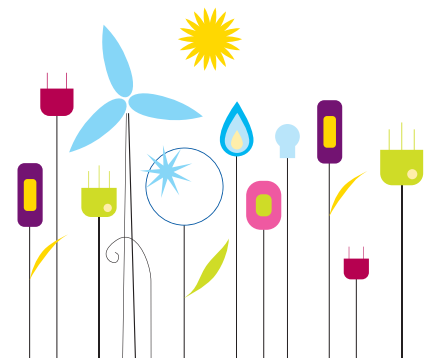
April 25, 2006
First-quarter results announced

June 14, 2006
Statistical Review of World
Energy published

www.bp.com/investors

alternativenergy

Powered by BP



In November 2005, we announced our plans to invest \$8 billion over 10 years in a single business called BP Alternative Energy. This new business aims to lead the market in low-carbon power generated from the sun, wind, natural gas and hydrogen, as well as utilizing our skilled trading teams to boost our wholesale marketing of cleaner electricity worldwide.

Over the next three years, BP Alternative Energy plans to increase our sales of solar products three-fold, start construction of two of the world's first, industrial-scale hydrogen power stations, build new gas-fired power co-generation capacity and develop a significant wind power business.

Over a decade BP Alternative Energy aims to grow five to ten-fold. We estimate that this business will help reduce forecast greenhouse gas emissions by 24 million tonnes a year in 2015, the equivalent of making a city the size of Berlin emissions free.

The power of alternatives



“We have called our new business “BP Alternative Energy” for very good reason: because we believe it will offer a real alternative to the world in the generation of power with low-carbon emissions.”

- Vivienne Cox, Chief Executive, Gas Power and Renewables

Solar As part of BP Alternative Energy, our solar business plans to increase sales of solar panels from 110 megawatt (MW) of capacity in 2005 to 300MW in 2008. Our plan is to ensure that BP Alternative Energy remains one of the largest solar manufacturers and marketers. We aim to be a leader in the drive to reduce the costs of providing solar energy to levels at which it can compete strongly with oil, gas, coal and nuclear in the generation of electricity as it does today in some retail markets such as California.

Hydrogen The first hydrogen power plant, planned for Peterhead, Scotland, would use natural gas from a North Sea field to create hydrogen and CO₂. The hydrogen would be used to generate 350MW of electricity a year, enough power for more than half a million UK homes while the CO₂ would be transported offshore and injected more than three kilometers under the seabed into the Miller field reservoir, potentially extending its life by 15-20 years. The project would also capture and permanently store about 1.3 million tonnes of CO₂ each year.

We have begun the front-end engineering design stage, addressing significant technical challenges which we believe BP and our partners are well-placed to manage. At the same time, we are keeping under constant review the project's

schedule and its commercial viability – which is dependent on clarification of an appropriate regulatory regime.

A second hydrogen power plant, planned for Carson, California, in the US, would use petroleum coke, as feedstock, demonstrating how low-carbon energy can be generated from coal, which is plentiful in the US. Once operational, the Carson project would produce 500MW of low-carbon electricity, enough to power about 325,000 Southern California homes. The facility would also capture and permanently store about 4 million tonnes of CO₂ a year. BP and our partner, Edison Mission Group, hope to complete detailed engineering and commercial studies for the Carson project in 2006, finalize project investment decisions in 2008 and bring the new power plant online by 2011.

Wind BP Alternative Energy aims to enter the wind power business at a large scale, growing BP's wind business from 30MW to 450MW in 2008. We aim to become a major wind operator by 2015. We have begun feasibility studies at several US sites with a view to building new wind farms five to 10 times the size of our European sites.

Natural Gas Power Business Over the next three years, BP Alternative Energy plans to advance development and start

construction on new co-generation facilities totaling over 700MW. BP already owns, operates or contracts for 12GW of gas-fired power capacity, enough to power more than 10 million homes on average each year. These include plants in the US, Vietnam, Spain and South Korea. The plants use combined cycle gas turbine (CCGT) technology which is not only better for the environment than coal technologies, but more efficient. CCGT has an energy conversion efficiency of 50% compared with 45% for the latest coal power technologies. CCGT plants are also more flexible – they can perform both base load and peaking duty while coal plants are best suited to base load duty. A gas plant also takes half as long to build as a coal one.

Power Marketing and Trading As well as producing lower-carbon power, BP Alternative Energy is planning to expand the marketing and trading business that helps us bring this electricity to market. This business sends cleaner electricity to places where it meets the needs of the local market, known in the industry as 'dispatching'. We currently provide electricity to a number of large customers and we are a major electricity consumer at our own facilities. We understand energy both as a customer and a supplier and are already among the top power marketers in North America. Our marketing and trading business also plans to promote increased trade activity which encourages the emerging markets to use CO₂ credits which are traded as part of emission trading systems such as that operating in the European Union.

www.bpalternativenergy.com

Financial Results

Full Year 2005



For the full year 2005, BP's replacement cost profit was \$19,314 million compared with \$15,432 in 2004, up 25%. Strong operating cash flows and proceeds from disposals have enabled record distributions to shareholders. The dividend to be paid in March is 9.375 cents per ordinary share (\$0.5625 per ADS). For the full year 2005, the dividend paid showed an increase of 26% over 2004.

Chief Financial Officer Byron Grote stated: "During 2005 we returned around \$19 billion to investors via a 26% increase in our per-share dividend and a higher level of share buybacks. Share buybacks totalled \$11.6 billion for the year, reducing issued shares by 4%, and we accelerated the pace of buybacks during the second half. ... we are well positioned for further substantial share buybacks during 2006."

Highlights of our performance in 2005:

- A record result of \$19.3 billion, up 25% over last year
- An operating cash flow of \$26.7 billion, compared with \$23.4 billion a year ago
- The ratio of net debt to net debt plus equity was 17% compared with 22% a year ago
- And full year dollar dividends paid of \$2.09 per ADS up 26% on 2004

Segment highlights

Exploration and Production: The replacement cost profit before interest and tax for the year at \$25,491 million was a record, up 41% on a year ago. This reflects higher realizations, partly offset by costs associated with the hurricanes and Thunder Horse, and higher operating and revenue investment costs. The result included fair value losses on embedded derivatives of \$1,688 million and net gains on sales of assets of \$1,159 million, mainly from the sale of Ormen Lange. Total production for the year was 4,014 mboe/d, compared with 3,997 mboe/d in 2004.

Refining and Marketing: The replacement cost profit before interest and tax for the year was \$4,405 million compared with \$5,240 million in 2004. The result was impacted by the shutdown of the Texas City refinery, along with storm-related supply disruptions to a number of our US-based businesses. Additionally, it reflected adverse impacts related to fair value accounting and costs associated with rationalization and efficiency programmes mainly across our marketing activities in Europe. Also included in the 2005 result is \$700 million in respect of fatality and personal injury claims associated with the Texas City incident.

Gas, Power and Renewables: The replacement cost profit before interest and tax for the year was \$1,009 million compared with \$915 million a year ago. The increase reflects higher margins from the gas marketing and trading and NGLs businesses. Included in the result is fair value losses on embedded derivatives of \$546 million and \$265 million compensation received on the cancellation of an intra-group gas supply contract. Our solar and power businesses continued to grow profitably.



Performance highlights

	\$ million	
	2005	2004
Exploration and Production	25,491	18,077
Refining and Marketing	4,405	5,240
Gas, Power and Renewables	1,009	915
Other businesses and corporate	(1,186)	156
Consolidation adjustments		
Unrealized profit in inventory	(208)	(191)
Net profit to transactions between continuing and Innovene operations ^a	527	188
RC profit before interest and tax	30,038	24,385
Finance costs and other finance expense	(761)	(780)
Taxation	(9,473)	(7,082)
Minority interest	(291)	(187)
RC profit for continuing operations attributable to BP shareholders ^b	19,513	16,336
Inventory holding gains (losses) for continuing operations	2,644	1,361
Profit for the period for continuing operations attributable to BP shareholders	22,157	17,697
Profit (loss) for the period from Innovene operations	184	(622)
Profit for the period attributable to BP shareholders	22,341	17,075
RC profit for continuing operations attributable to BP shareholders	19,513	16,336
RC profit for Innovene operations	(199)	(904)
Replacement cost profit	19,314	15,432

BP's businesses and brands

BP's main businesses are exploration and production; refining and marketing; and gas, power and renewables. Serving more than 13 million customers in more than 100 countries across six continents, BP is the second-largest oil and gas company based on market capitalization and the largest producer of oil and natural gas in the US. BP p.l.c. is the parent company of the BP group of companies, which includes such familiar brands as BP, Amoco, Aral, ARCO and Castrol.



IFRS For all periods up to and including December 31, 2004, BP prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). From January 1, 2005 BP is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Information for 2004 has been restated and is based on IFRS, except that financial assets and financial liabilities are accounted for on the basis of UK GAAP (IFRS 1 'First-time Adoption of International Financial Reporting' Standards contains an exemption whereby comparative information in respect of financial instruments is not required). BP has produced an explanatory note setting out its accounting policies under IFRS, the major differences between UK GAAP and IFRS for BP, and reconciliations of UK GAAP to IFRS. This information can be found at the Investor Centre www.bp.com.

^a In the circumstances of discontinued operations, IFRS requires that the profits earned by the discontinued operation, in this case the Innovene operations, on sales to the continuing operations be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations and vice versa.

^b Replacement cost profit reflects the current cost of supplies. Replacement cost profit is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure.