



Environmental Statement - 2006

BP Decatur

Foreword

The management of the BP Decatur Works is committed to effective management of health, safety, security, and environmental (HSSE) issues and responsible stewardship of the environment and natural resources.

Locally, this commitment is demonstrated through the day-to-day emphasis on employee safety and protection of the environment, implementation of an Environmental Management System (EMS), adherence to the BP “Getting HSSE Right” guidelines, and widespread communication of BP’s vision of “no accidents, no harm to people and no damage to the environment”.

Introduction

The BP Decatur Works has an Environmental Policy. This policy is a broad statement of BP's commitment to outstanding HSE performance and is the foundation of the HSE philosophy employed at the Decatur Works. The Health, Safety, and Environmental Policy has been endorsed by the Decatur Works General Manager.

The Environmental Management System, or EMS, is the key element in tracking, controlling, and improving environmental performance. The BP Decatur Works' Environmental Management System has been externally certified against the requirements of the ISO 14001 international standard and has also been designed to comply with the thirteen elements of the BP "getting HSE right" (GHSER) program. The System details the responsibilities of management, employees, and contractors for environmental performance. The overall responsibility for environmental management lies with the Works General Manager, while the Area Manager of HSSE is responsible for oversight of the EMS. As is made clear in the Environmental Management System documentation, *all employees and contractors working at the BP Decatur Works are directly responsible for environmental performance*. Both ISO14001 and GHSER follow the continual improvement cycle of "Plan, Perform, Measure and Improve", sometimes known as "Plan, Do, Check, Act":



The EMS requires that all employees, whether administrative, manufacturing, or support staff, understand the potential environmental impacts and legal requirements of their particular jobs and what they do to minimize impacts and deliver compliance. This understanding is achieved through education, training,

and experience, and is supported by environmental and operational procedures, monitoring and measuring, and auditing. The efficacy of these systems is verified through internal and external audits.

It is through these EMS programs that BP tries to minimize its environmental impacts to Air, Land, and Water and to the extent possible is discussed within this report.

Decatur Works
Environmental Policy

Decatur Works is committed to producing quality chemical products with minimal impacts to the environment and natural resources. Therefore, we commit to continually improve our environmental effectiveness and performance by:

- ◆ **Driving down the environmental impacts of our operations by reducing waste, emissions, discharges and energy consumption.**
- ◆ **Complying fully with all applicable environmental laws and regulations produced by federal, state, and local agencies.**
- ◆ **Ensuring that all employees, contractors and others are informed, trained, engaged and committed to the environmental improvement process.**
- ◆ **Developing environmental objectives and targets utilizing the planning process.**
- ◆ **Incorporating environmental provisions into business decisions, including expansion, renovation, and acquisition activities.**
- ◆ **Maintaining public confidence in the integrity of our operations by openly reporting our performance and consulting with people outside the company to improve our understanding of external and internal environmental issues associated with our operations.**

/s/ Dave Harness

10/09/06

Dave Harness
Works General Manager

DATE

ISO 14001

Certificate of Registration

ERM Certification and
Verification Services

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London W1G 0ER
Tel: +44 (0)20 7465 7281
Fax: +44 (0)20 7465 7233
Email post@ermcvs.com

This is to certify that

BP Chemical Decatur Works

at

*1401 Finley Island Road
Decatur, Alabama 35601*

has been registered to ISO 14001:2004 for

*the manufacture of all chemical products and all
support functions associated with production and
distribution, including the Decatur Works' Wildlife Habitat
and Wetlands Edge Environmental Center. Exclusion:
Calpine Cogeneration Facility.*

Signed on behalf of ERM CVS by:



Brian Kraus
Chief Executive Officer

ERM CVS

Certificate Number: 157
Original Issue Date: 18 July 2001
Reissue Date: 18 July 2007
Expiry Date: 17 July 2010



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ERM CVS as set out above.

ERM CVS is an independent member
of the world-wide Environmental
Resources Management Group of
Companies

Description of our operations

Built in the mid -1960's, the Decatur Works lies on the southern banks of the Tennessee River in northern Alabama. Of the 1,000 acres owned by the facility, approximately 475 acres have been developed for production, and the remainder has been set aside as a wildlife habitat.

We manufacture Purified Terephthalic Acid (PTA) and its basic raw material, Para-xylene (PX) at Decatur. PTA is the preferred intermediate used in the manufacture of polyester resin for fibers, films, and packaging. The facility also produces Dimethyl 2, 6 Naphthalene DiCarboxylate (NDC), an advanced monomer and the foundation for a new generation of versatile, high performance polyesters and specialty resins. These resins offer performance advantages in applications ranging from food and medical packaging to videotapes. At this time, Decatur Works is the world's only commercial producer of NDC.

The facility consists of three Purified Terephthalic Acid (PTA) units, two Para-xylene (PX) units, and one Dimethyl 2, 6 Naphthalene DiCarboxylate (NDC) unit. Support areas include a utilities unit, a wastewater treatment unit, a dock loading/unloading unit, a PX railcar loading facility, maintenance facilities, and an on-site lab for quality and environmental analyses, as well as, other support function areas. Barges and railcars serve as transportation conduits to bring feedstocks and other materials to the site and to transport finished product to customers.

We have always seen the plant in the context of its natural setting. Prior to completion of a 550-mile xylene pipeline from the Whiting (Indiana) refinery to Decatur, we depended almost exclusively on the Tennessee River waterway for barges to bring feedstock supplies. Because of this dependence on the river, our policy has been to ensure the safety and "health" of the river. To accomplish this, our environmental and operating policies require that we use care in every aspect of our operations. In addition, we have state-of-the-art protective methods including:

- our wastewater treatment systems unique anaerobic reactor removes a large percentage of incoming carbon compounds meeting federal water quality standards
- spill-prevention plans which include proactive equipment integrity inspections,
- an emergency response team that are all trained extensively off site at well renowned emergency response centers.

Our policy has always been to be a good neighbor. Decatur Works is a prime example of a first-class manufacturing facility in harmony with its ecological and civic responsibilities. We pride ourselves in living BP's four brand values: **Green, Performance, Progressive, and Innovation.**

Community Involvement

BP and its employees strive to maintain the facility's reputation as a responsible neighbor. Employees volunteer their time with a variety of community outreach

programs. These include educational and environmental activities, as well as support of local charitable organizations. BP complements these efforts with targeted financial support and equipment donations in support of education.

Wetlands Edge Environmental Center (WEEC) is a partnership formed between BP and Decatur City Schools (DCS) in Decatur, Alabama. WEEC provides hands-on environmental educational opportunities across the K-12 curriculum to all DCS students. Located on BP's 500+ acres of Federally Accredited Certified Wildlife Habitat, WEEC offers a brand new opportunity to explore the natural world in a setting that combines native species and natural beauty.

The Center hosted its first class on February 22, 2002, offering programs in two classrooms/labs with numerous live displays, including two floor- touch tanks, a 1650-gallon marine tank, and a 780-gallon freshwater ecosystem. In addition, more than two miles of trails traverse the habitat enabling visitors to see several diverse ecosystems including a swamp, a marsh, a pond, bottomland hardwoods, upland species, young pines, and an old oak grove climax community. Since its opening, thousands of area students, teachers and other community members have visited the facility.

The Program Goals for WEEC are as follows:

- To create an understanding of the natural environment and the interrelationships among living things
- To promote sound stewardship and wise management of our natural resources for the welfare of man and all living things
- To create an awareness of global, national, and local environmental problems and foster sound decision making regarding their solutions
- To enrich, vitalize, extend, complement and culminate all content areas of the K-12 school curriculum by means of firsthand observation and direct experience outside the classroom
- To develop programs which are constructivist, meeting students where they are, inquiry based, and directly correlated to the National Science Standards, Hands on Activity Science Program (HASP), and the Alabama Course of Study and High School Graduation Exam requirements
- To emphasize the concept of biodiversity, a global issue with far-reaching implications that encompasses sustainable development, corporate and social environmental accountability and relationships with local and indigenous communities.

OUR IMPACTS & ENVIRONMENTAL PERFORMANCE 2006

Environmental performance can be measured in many ways. We have included in this report the important metrics of SARA emissions and reportable releases, greenhouse gas emissions (GHG), recycling, and a new compliance task tracking metrics.

SARA Emissions

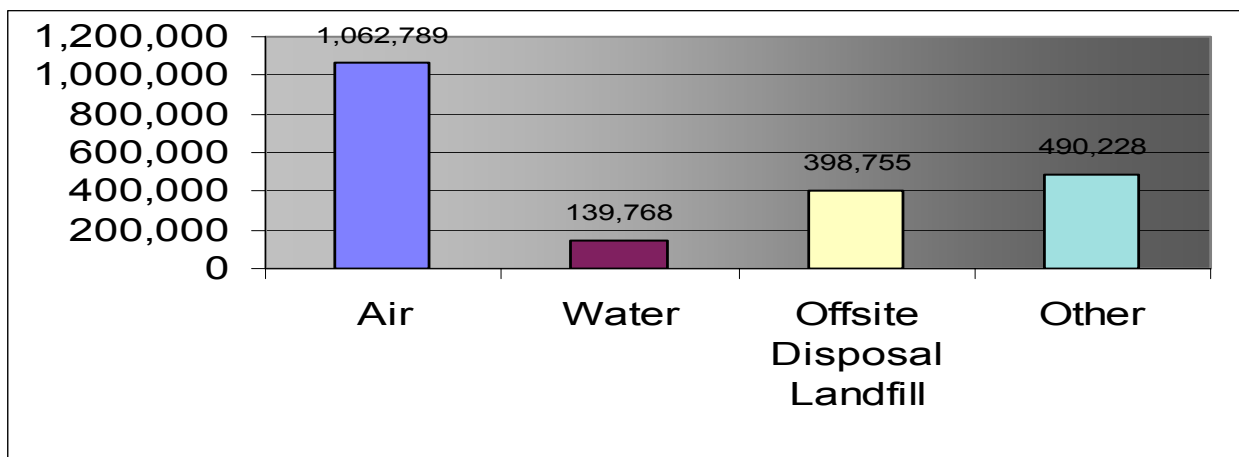
The Superfund Amendments and Reauthorization Act (SARA) of 1986 reauthorized the Comprehensive Environmental Response Compensation & Liability Act (CERCLA) to continue the environmental cleanup activities around the country. Several site-specific amendments, definitions, clarifications, and technical requirements were added to the legislation, including additional enforcement authorities. Title III of SARA also authorized the Emergency Planning and Community Right-to-Know Act (EPCRA).

SARA, EPCRA, and TRI (Toxic Release Inventory) are all sources of information that help monitor chemicals that may be affecting the environment. The TRI, published by the U.S. EPA, is a valuable source of information regarding chemicals that are being used, manufactured, treated, transported, or released into the environment.

Two statutes, Section 313 of the Emergency Planning and Community Right-To-Know Act (EPCRA) and the Pollution Prevention Act (PPA), mandate that a publicly accessible toxic chemical database be developed and maintained by US EPA. This database, known as the Toxics Release Inventory (TRI), contains information concerning waste management activities and the release of chemicals by regulated facilities that manufacture, process, or otherwise use these materials. Using this information, citizens, businesses, and governments can work together to protect the quality of their land, air and water.

Facilities subject to SARA 313 reporting are required to use best available means to estimate releases. The BP Decatur Works site continues to refine emission estimates to present the most accurate accounting of emissions. Increased emphasis on developing actual analytical data has led to a comprehensive VOC monitoring program at the PTA operations which in turn is used in the SARA 313 report.

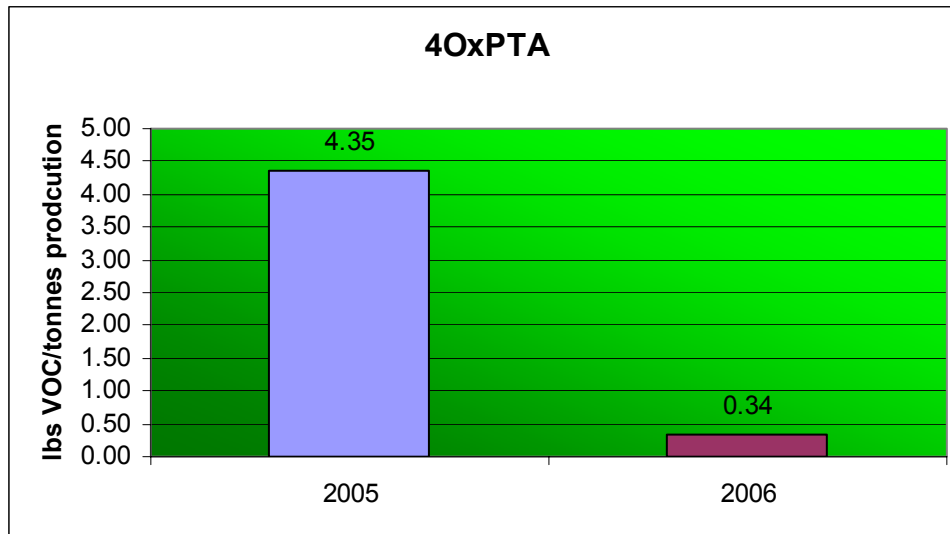
2006 SARA-TRI Emissions (lbs)



SARA Air emissions were down ~690,000 lbs in 2006 compared to the last statement reporting period in 2004. This drop in SARA emissions during 2006 is attributable to the successful implementation of new azeotropic distillation processes at the No. 3 and No. 4 PTA units which recovers more organics back to the process. Some of the reduction is also due to No. 5 PTA unit not operating in 2006.

The majority of our emissions are to the air, even after many control and recovery devices. In 2006, approximately 51% of our emissions were to the air, 7% to water 19% to landfill and 23% in the "Other" category which includes waste shipments sent off-site for energy recovery, recycling or treatment.

In keeping with the principals of Decatur's Environmental Management system, new technologies are being developed and implemented to reduce environmental impacts. As mentioned above in the SARA air emissions discussion, one example of reducing volatile organic compounds (VOCs) and TRI to the air in 2006 can be seen by the successful implementation of capital projects like the new azeotropic distillation process that allows the 4 Ox PTA unit to recover organics that would otherwise be lost to the environment. The next chart illustrates normalized reductions in VOC / TRI for the periods of 2005 and 2006 as a result of azeotropic distillation at the 4Ox PTA unit.



Azeotropic distillation has also been previously implemented at the 30xPTA unit with similar VOC / TRI reductions.

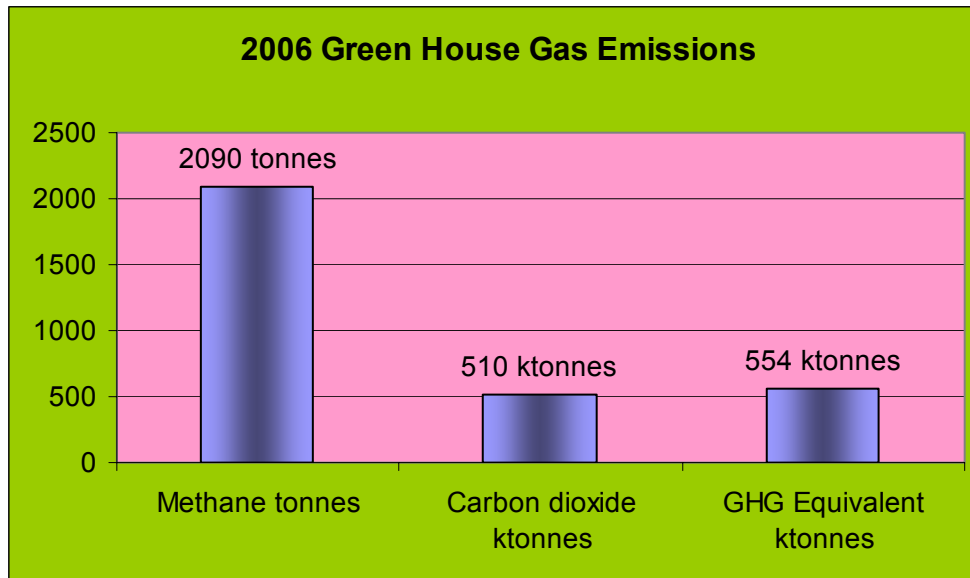
Reportable Releases

There were no spills /releases to the environment during 2006 at Decatur that required federal release reporting under the reportable quantity (RQ) guidelines. Achieving this goal is in line with Decatur's commitment to "No Harm to the Environment" and was achieved through environmental management programs such as environmental training and awareness and 2006 capital projects to lower spill potential such as:

- Reduced handling and eliminated storage of sump catch basin water at docks by routing directly to the API separator at the PX unit.
- Replaced buried underground hydrocarbon piping per plan at PX units

Green House Gas (GHG)

The prospect of global climate change is a matter of genuine public concern. We share this concern. Atmospheric concentrations of carbon dioxide (CO₂) are increasing and given the uncertainty regarding the impacts of these increases, Decatur takes prudent action to reduce energy where ever possible and thus reducing its overall carbon foot print. An example of a project completed during 2006 which saved energy and reduced GHG was the #3 PTA Re-Slurry Preheat project. This project will eliminate an estimated 1.5 kilo-tonnes of GHG associated with boiler steam production.



A tonne = 2205 pounds

Recycling Activities

BP Decatur strives to reduce its solid waste. In 2006, Decatur was able to recycle or find alternative use for approximately 42% of its total generated waste such as BACA (by-product aromatic carboxylic acid), scrap metal, used oil, and other materials that would have otherwise been disposed.

BP Decatur's overall regulatory waste generation status qualified as a Small Quantity Generator (SQG) for approximately half the year, however all waste was continually managed under Large Quantity Generator (LQG) standards.

Compliance Tasking Management System (Project Emerald)

BP Decatur Works implemented a comprehensive compliance tasking management system in 2006. The system takes regulatory requirements for Air, Water, and Waste as well as other safety and health programs and breaks them into traceable task. During the implementation phase of the project during 2006, the site ended the year with a percent compliance task completed on time of 66%. Future goals will be established for subsequent years to improve upon this initial benchmark.

Other Information

In 2006 Decatur started the plant Environmental Committee. The committee is a cross functional group of management, operations, maintenance, and environmental personnel that meet monthly to address current and future environmental priorities and to assign action where appropriate to address environmental concerns.

Contact Information

This document was prepared by the Environmental Department at the BP Decatur Business Unit.

Our address is:

Decatur Works.

BP America Inc.

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Telephone: (256) 340-5200

Feedback

Tell us what you think. Are our statements easy to understand, not detailed enough or perhaps too complicated?

Is there any further information in which you are interested? Let us know what you thinking so we can improve our environmental reporting. If you have any queries about this report or general operations, please write or telephone us and we will be happy to assist.

Telephone: (256) 340-5238

Fax: (256) 340-5291

Email: mark.stone@bp.com

ERM CVS Independent Assurance Statement

Scope

ERM CVS was commissioned by BP Amoco Chemical Company to provide independent limited assurance over the reliability of data and information presented in its Environmental Statement BP Decatur Works for the calendar year 2006.

The preparation of the Environmental Statement, and the data and information held within it, is the responsibility of BP Decatur Works management. ERM CVS is responsible for testing the data and information, using defined procedures, to determine whether it presents a complete and accurate picture of the company's environmental performance.

Our Approach

ERM CVS verification procedures and methodologies have been developed with due regard to the requirements of international standards governing environmental management systems and general principles of auditing. Our verification approach is customised for each client and involves detailed challenge of principles, selected document review, random chain of custody audits for data, selected interrogation of source data and consolidated data, interviews with management and operational staff at all levels of the organisation. We based our work on BP's internal reporting guidelines for environmental data.

The verification process was conducted through the use of site tours and a series of meetings with a variety of staff at the plant, including those responsible for data management, collation and presentation. The verification included sampling of data and information - from source to collated data, a review of the data collation processes and a review of the claims contained in the Statement. Substantiation of a sample of statements and claims made in the Statement has been undertaken and evidence sought where deemed appropriate.

The scope of our work included all operations conducted at the Decatur site under direct control of BP Decatur Works.

Opinion

In our opinion and based on the assurance activities undertaken, the information presented and the statements made with respect to environmental performance, the data and information presented in BP Amoco Chemical Company's Environmental Statement is represent an appropriate presentation the company's environmental performance during 2006. We are not aware of any material errors, omissions or misstatements in relation to the information.

Recommendations

Without impacting on our opinion above, we have the following observations which could help improve the effectiveness of BP Amoco Chemical Company's reporting of environmental information in future years:

- Presentation of data (adjusted for any methodology or boundary changes) over a three year period for key metrics will help the report to present a clear picture of trends in environmental performance;
- Development and implementation of data collection and reporting procedures that minimise manual data handling will reduce the risks of human error in the data reporting process;
- Greater consistency and detail in the presentation of data will improve the clarity of the report, particularly in relation to reported total greenhouse gas emissions and spill data.



Leigh Lloyd – Managing Director

January 2008

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Our Independence

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and training programmes related to auditing techniques and approaches. Our processes are designed to ensure that the work we undertake with clients is totally free from bias and conflict of interest. Independence was ensured through the selection of an assurance team that have had no other involvement with BP Amoco Chemical Company. Our assurance team has been drawn from staff based in the USA and UK. ERM CVS and the staff that have undertaken work on this assurance exercise provide no other services to BP Amoco Chemical Company in any respect.

Glossary

PTA	Purified Terephthalic Acid
PX	Para-Xylene
NDC	Dimethyl 2,6 Naphthalene DiCarboxylate
HSSE	Health, Safety Security, and Environment
EMS	Environmental Management System
GHSER	Getting HSE right
GHG	Green House Gas
VOC	Volatile Organic Carbon
BACA	By-Product Aromatic Carboxylic Acid
SQG	Small Quantity Generator (SQG)
LQG	Large Quantity Generator (LQG)