Scrip dividend programme: FAQs for ADS holders

If you have any questions about the programme which are not addressed within this document, please contact:

BP Shareowner Services

P.O. Box 43304

Providence, RI 02940-3304

Toll-free in the US and Canada: 1-877-638-5672

For outside the US and Canada: 1-651-306-4383

For the hearing impaired: 1-800- 952-9245

Information on signing up to BP's scrip dividend program

Joining the program

If you are a registered ADS holder, to join the program please contact BP Shareowner Services on the details below . If you hold your ADSs through a broker or other nominee, an instruction to participate in the program must be made through that nominee. Please read the terms and conditions at www.bp.com/scrip carefully before making any election decisions.

What is the deadline for joining (or leaving) the program for a particular dividend?

For your notice to be valid it must be received by BP Shareowner Services by 5.00 p.m. (Eastern Time) by the election deadline to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date. If you hold your ADSs through a broker or other nominee, you will need to instruct your nominee by the deadline it establishes in respect of a scrip dividend.

What happens if I sell/buy ADSs after I elect to participate in the programme?

If you have sold some of your ADSs before an ADS record date for a dividend, the program will apply to the shares underlying the remainder of your ADSs. If you have bought any additional ADSs and hold the ADSs as a registered holder prior to the ADS record date for any dividend to which you are entitled, the shares underlying your additional ADSs will be covered by your existing scrip election. If you are unclear as to whether you are entitled to the dividend on those ADSs, you are advised to contact BP Shareowner Services or the broker or agent through whom the purchase was made.

ADSs acquired through the scrip dividend program

If I elect to receive ADSs instead of a cash dividend, will the cash value of my ADSs be the same as the cash dividend that I would have received?

The number of ADSs that you receive will reflect a deduction that does not apply to a cash dividend. This is a deduction for an ADS issuance fee of US$0.05 per ADS payable to the Depositary under the terms of the Deposit Agreement governing your ADSs. The value of the ADSs that you receive instead of cash may increase or decrease depending on the change in market value of the ADSs between the date the reference share price is

announced, which is when the number of ADSs you will receive is determined, and the date you receive your ADSs.

What about stamp duty reserve tax deductions?

Previously, the number of ADSs that you received would also reflect a deduction of UK stamp duty reserve tax ('SDRT') of 1.5%, but following a tax tribunal decision in 2012, HM Revenue & Customs will no longer seek to impose 1.5% SDRT on issues of UK shares and securities to non-EU clearance services and depositary receipt systems. Further information on SDRT is available below.

How many new ADSs will I receive?

Your entitlement to new ADSs will be based on the amount of cash dividend to which you are entitled less the deduction for the ADS issuance fee described above.

What will you do with any fractions?

If you are a registered holder, fractional ADSs will be issued in respect of your scrip dividend election and will be reflected as part of the total book-entry ADS entitlement that will be credited to you. That fractional interest will be combined with any other fractional interests that you acquire in connection with future scrip dividend elections, and you will remain entitled to such fractional interests if you cancel your scrip dividend election for future dividends or where BP modifies, suspends or terminates the program. Fractional interests will be taken into account for purposes of calculating your future dividend and voting entitlements. However, if you hold your ADSs through a bank, broker, common depositary (e.g. DTC) or other intermediary, there may be different procedures relating to fractional interests.

Are my new ADSs included in the next scrip dividend?

Yes. All new ADSs issued in connection with scrip dividends will automatically increase your ADS holding on which the next entitlement to a scrip dividend will be calculated.

When will I receive confirmation of my new ADSs?

The Depositary will distribute new ADSs in book-entry form to those electing to receive a scrip dividend. Statements reflecting the new ADSs will be mailed to registered ADS holders within one week of receipt of the underlying shares by the Depositary, and an ADS holder can, if they so desire, request an ADS certificate from the Depositary. Trading in the new ADSs is expected to begin on the dividend payment date.

Can I elect to receive ordinary shares instead of ADSs?

Under the program, you can elect ordinary shares only if you hold ordinary shares directly at the time of your election and complete and submit the ordinary share scrip dividend election form or provide a Verbal Instruction. If you hold ADSs, then you may only elect to receive ADSs, not ordinary shares.

Cancelling a scrip election

Can I cancel my instructions?

Yes, you may cancel your election at any time. However, notice of cancellation must be given to BP Shareowner Services by 5.00p.m. (Eastern Time) on the election deadline to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date, for it to be effective for that dividend. Any notice of cancellation must be provided to BP Shareowner Services using one of the following options:

By mail:

BP Shareowner Services

Computershare
P.O. Box 43304

Providence, RI 02940-3304

By overnight courier or hand delivery:

BP Shareowner Services

Computershare 150 Royall Street, Suite 101
Canton, MA 02021

By phone:

BP Shareowner Services

Toll-free in the US and Canada: 1-877-638-5672
For outside the US and Canada: 1-651-306-4383
For the hearing impaired: 1-800- 952-9245

Your election will be deemed to be cancelled if you sell or otherwise transfer your ADSs to another person but only with effect from the registration of the relevant sale or transfer.

Can BP change or cancel the program?

Yes, the operation of the program is always subject to the directors' decision to make an offer of new shares in respect of any particular dividend. The directors' may also, after such an offer is made, revoke the offer generally at any time prior to the issue of new ordinary shares under the program. The program may be modified, suspended or terminated at any time at the discretion of the directors' without notice to shareholders individually. In the case of any modification, existing elections (unless otherwise specified by the board of directors) will be deemed to remain valid under the modified arrangements unless and until BP Shareowner Services receives a cancellation from you in writing or by phone. In the case of termination of the program, existing elections will be deemed to have been cancelled as at the date of such termination. If the BP board of directors' revokes an offer (or otherwise suspends or terminates the program), ADS holders will receive their dividends in cash on or as soon as possible after the dividend payment date. Any announcement of any cancellation or modification of the terms of the program will be made available on the company's website.

Stamp duty reserve tax ('SDRT')

What is SDRT?

HM Revenue & Customs ('HMRC'), the UK tax authority, levies a charge to stamp duty at a rate of 0.5% on the transfer of shares in UK companies. This charge applies only to the purchase of the underlying shares. US shareholders of UK companies hold shares in the form of American Depository Receipts (ADRs) which represent a number of underlying shares but are not themselves shares in the UK company. It is the ADR, not the underlying share, that is traded on the US stock exchange.

The transfer of ADRs is not liable to stamp duty; the underlying shares remain with the custodian. In place of a charge to stamp duty, HMRC has previously levied a charge to SDRT at a rate of 1.5% on the initial issue of underlying ordinary shares into a Depositary. There is no further charge to stamp duty or SDRT when ADRs are bought and sold.

What has changed in relation to SDRT?

In accordance with HM Revenue & Customs' current view of United Kingdom legislation, the Depositary will account for UK stamp duty reserve tax of 1.5% in respect of the new ADSs. Prior to the 2012 first quarter dividend payment stamp duty reserve tax of 1.5% was deducted from this calculation, but following a tax tribunal decision in 2012, HM Revenue & Customs will no longer seek to impose 1.5% SDRT on issues of UK shares and securities to non-EU clearance services and depositary receipt systems.

What is nature of the Tax Tribunal judgment?

The EU Capital Duty Directive prohibits imposition of a charge to tax such as SDRT on the issue of capital including placing shares into clearance and depositary systems. The legality of the charge to SDRT on the issue of shares into an EU clearance system has been successfully challenged in the European Court of Justice by HSBC on the bank's acquisition of its French subsidiary ('HSBC Holdings plc and Vidacos Nominees Limited v Commissioners for HMRC (C-569-07)').The Capital Duty Directive applies to the issue of all shares, including those that are placed into US as well as EU depositary systems.

How will the judgment affect BP ADS holders' choices through the scrip dividend process?

When BP ADS holders choose whether or not to participate in the scrip dividend program and take their dividends in the form of ADSs (rather than cash), going forward the conversion price at which they make this election will no longer be calculated subject to the 1.5% SDRT. This change will be to the benefit of those investors, who previously have been marginally disadvantaged, if they have opted to take scrip dividends, relative to the ordinary shareholders who are able to take BP ordinary shares directly.

General

Does the program apply to ADSs held in joint names?

Yes, but all joint ADS holders will need to sign the Form of Scrip Election or Revocation.

What happens if I have more than one account?

If your ADSs are registered in more than one account, you will need to complete a separate Form of Scrip Election or Revocation or provide a Verbal Instruction for each account.

Can I participate in the program in respect of part of my account?

No, your Form of Scrip Election or Revocation or a Verbal Instruction will only be accepted in relation to the whole of your ADS account.