

Financial and Operating Information 2004-2008



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Cautionary statement to US investors

The US Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this document, such as 'reserves', that the SEC's guidelines strictly prohibit us from including in our filings with the SEC. US investors are urged to consider closely the disclosure in our Form 20 F, SEC file No. 1 6262, available from BP at 1 St James's Square, London SW1Y 4PD. You can also obtain this form from the SEC by calling 1 800 SEC 0330.

This is BP

Interactive resources

Visit www.bp.com/investortools to chart our key financial and operating information for the past five years, on an annual or quarterly basis, for the BP group as a whole or by business segment.

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.

BP is a leader in our industry and that position is reflected in our standards of social responsibility, corporate governance and financial and sustainability reporting, of which this document is part. For a complete view of BP's performance, this document should be read in conjunction with *BP Annual Report and Accounts 2008*, *BP Annual Report on Form 20-F 2008* and *BP Sustainability Review 2008*. Copies may be obtained free of charge (see page 71).



For more information
www.bp.com/investors

These yellow boxes highlight sources of information you might find helpful. They refer to other general BP content available online, which does not form part of *Financial and Operating Information 2004-2008*.

BP is one of the world's largest oil and gas companies, supplying millions of customers in more than 90 countries across six continents. Our business segments are Exploration and Production and Refining and Marketing. Through these business segments, we provide fuel for transportation, retail brands and energy for heat and light.

BP's three priorities are safety, people and performance. We have great positions in many of the major hydrocarbon basins of the world. We also have great market positions in the key economies and are preparing for the future by building a new low-carbon energy business.

Overview

BP history at a glance

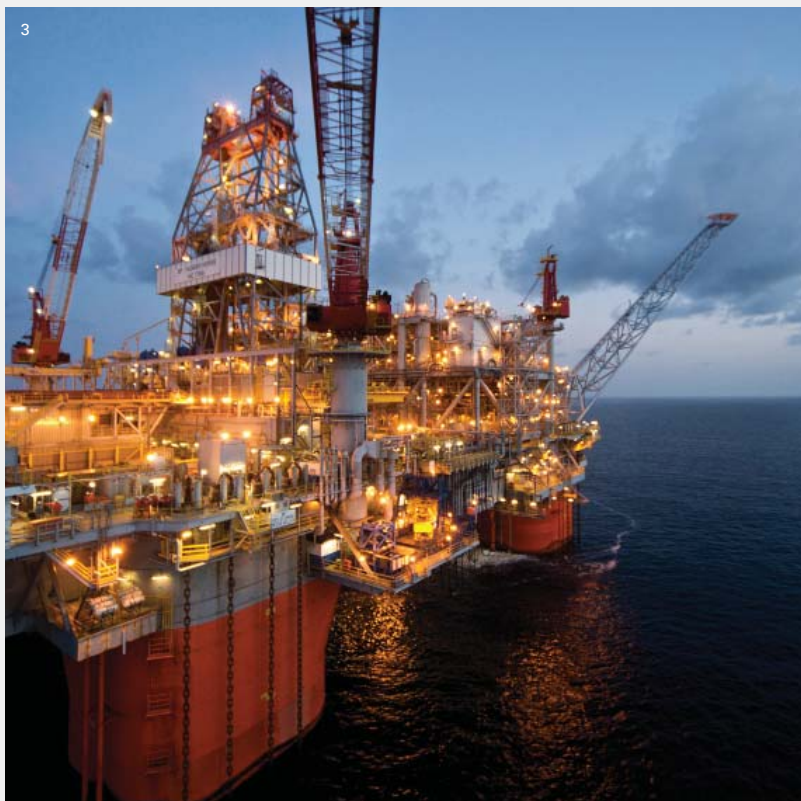


1. Anglo-Persian Oil Company

BP was incorporated in 1909 as the Anglo-Persian Oil Company. This followed several years of very demanding exploration, including the test drilling shown in this photograph at Chiah Siurkh, Persia in 1902.

2. Alaska

250 miles north of the Arctic Circle, our Endicott field was the world's first offshore Arctic oilfield.



3. Thunder Horse

On 14 June 2008 the world's largest floating platform processed oil for the first time.

1909

The company is incorporated in England as the Anglo-Persian Oil Company Limited. The incorporation focuses on the commercialization of Masjid-i-Suleiman in Iran, the first commercial oil discovery in the Middle East.

1920s-1930s

The Anglo-Persian Oil Company Limited becomes the pre-eminent oil producer in the Middle East. The company enters into international marketing in continental Europe, Africa and Australia.

1922

After eight years of majority share ownership, the British government begins offering ordinary shares of Anglo-Persian Oil Company stock for sale to the public.

1954

The company name becomes The British Petroleum Company Limited. Marketing activities extend to New Zealand, parts of Africa and more countries in Europe. A consortium agreement for Iranian oil gives BP a 40% stake.

1969

BP enters North America with its discovery and major share of the Prudhoe Bay oil field on Alaska's North Slope. This leads in the following year to BP's taking a sizeable interest in Standard Oil of Ohio.

1978

BP gains a majority interest in Standard Oil. The company acquires the chemicals and plastics interests in Europe of Union Carbide and, in 1979, of Monsanto.

1987

Privatization of BP shares is completed. Following periodic public offerings of a minority of its shareholdings over the previous 65 years, the British government disposes of nearly all the remaining 32% shareholding in BP. In December, BP makes an offer to purchase Standard Oil and the deal is completed the following year.

1997

In response to mounting evidence and concern regarding greenhouse gas emissions and the rising temperature of the earth, BP becomes the first in its industry to state publicly the need for precautionary action on climate change.

1998

BP merges with Amoco, the world's largest industrial merger at the time, becoming one of three leaders in the oil and gas industry. The merger gives the combined companies the opportunity to compete through a highly distinctive set of people, assets and market positions.

2000

ARCO joins the BP group in a \$34-billion transaction that provides coast-to-coast coverage of the US fuels market. BP's acquisition of Burmah Castrol strengthens BP's market-facing business with one of the world's great brands.

2002

Acquisition of Veba's retail and refining assets in Germany and central Europe makes BP the market leader in Germany and Austria. BP markets under the Aral brand in Germany.

2003

TNK-BP, the joint venture between BP and AAR (the Alfa Group and Access-Renova), operating in Russia, is finalized. The venture gives BP a major stake in one of the world's great hydrocarbon provinces.

2005

BP sells its Innovene business, including its olefins and derivatives business and refineries in Grangemouth, UK and Lavéra, France, for \$8.3 billion cash. BP Alternative Energy, a new business dedicated to generating low carbon power, is launched.

2007

Tony Hayward succeeds Lord Browne as group chief executive. BP's deepwater projects – Atlantis in the Gulf of Mexico, and Greater Plutonio in Angola – start up. BP buys out the minority shareholding of its refinery in Rotterdam in the Netherlands from Chevron and sells its refinery in Coryton, UK.

2008

Thunder Horse – the largest semi submersible facility in the world – comes onstream, and BP achieves resource replacement of more than 200% and reported reserves replacement of more than 100% in 2008. This is 15th consecutive year reserves replacement has exceeded 100%.

Basis of financial information

To the greatest extent possible, the information in this book has been presented on the basis that BP will report its financial information in 2009.

Adoption of International Financial Reporting Standards

The group adopted International Financial Reporting Standards (IFRS) with effect from 1 January 2005. Financial information for 2004 has been restated to reflect the adoption of IFRS. BP chose not to adopt International Accounting Standard No. 39 'Financial Instruments: Recognition and Measurement' (IAS 39) until 1 January 2005, and so financial assets and liabilities, including derivatives, are reported on the basis of UK generally accepted accounting practice (UK GAAP) for 2004. The balance sheet at 1 January 2005 is also presented to show the effect of adopting IAS 39 and this is highlighted in yellow on pages 21 and 22.

Oil and natural gas reserves estimates

At the end of 2006, BP adopted the SEC rules for estimating oil and natural gas reserves instead of the UK accounting rules contained in the Statement of Recommended Practice 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' (UK SORP). This change in accounting estimate had a direct impact on the amount of depreciation, depletion and amortization (DD&A) charged in the income statement in respect of oil and natural gas properties, which are depreciated on a unit-of-production basis. The change in estimate was applied prospectively, with no restatement of prior periods' results. The group's actual DD&A charge for 2006 was \$9,128 million, whereas the charge based on UK SORP reserves would have been \$9,057 million, i.e. an increase of \$71 million due to the change in reserves estimates that was used to calculate DD&A for the last three months of 2006. For 2007, it was estimated that the DD&A charge would increase by approximately \$400 million to \$500 million as a result of the change. No estimate has been made in respect of 2008. Over the life of a field this change would have no overall effect on DD&A. The main differences between the UK SORP and SEC rules relate to the SEC requirement to use year-end prices and costs, the application of SEC interpretations of SEC regulations relating to the use of technology (mainly seismic) to estimate reserves in the reservoir away from wellbores and the reporting of fuel gas (i.e. gas used for fuel in operations) within proved reserves. Consequently, reserves quantities under SEC rules differ from those that would be reported under application of the UK SORP. The change to SEC reserves in 2006 represented a simplification of the group's reserves reporting, as only one set of reserves estimates is disclosed. In addition, the use of SEC reserves for accounting purposes makes our results more comparable with those of our major competitors.

BP estimates proved reserves for reporting purposes in accordance with SEC rules and relevant guidance. As currently required, these proved reserves estimates are based on prices and costs as of the date the estimate is made. There was a rapid and substantial decline in oil prices in the fourth quarter of 2008 that was not matched by a similar reduction in operating costs by the end of the year. BP does not expect that these economic conditions will continue. However, our 2008 reserves are calculated on the basis of operating activities that would be undertaken were year-end prices and costs to persist.

On 31 December 2008, the SEC published a revised set of rules for the estimation of reserves. These revised rules will be used for the 2009 year-end estimation of reserves and have not been used for the determination of reserves for year-end 2008.

Geographical analysis of financial information

As of 1 January 2009, BP has chosen to reduce the geographical analysis of financial information from four regions (UK, Rest of Europe, US and Rest of World) to two regions (US and Non-US). Comparative data has been revised to reflect this change, which has no impact on group totals.

Revised deferred tax liability

Subsequent to releasing our preliminary announcement of the fourth quarter 2008 results on 3 February 2009, an adjustment has been made to correct for a \$560 million overstatement of the deferred tax liability in the balance sheet as at 31 December 2008 with a corresponding adjustment to the foreign currency translation reserve in equity. There was no impact on profit for the year.

Group information

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Group information



Financial performance

Highlights

	2004	2005	2006	2007	2008
Replacement cost profit for the year (\$ million)	15,946	20,168	22,222	18,370	25,593
per ordinary share (cents)	73.07	95.46	110.95	95.85	136.20
per American depositary share (dollars) ^a	4.38	5.73	6.66	5.75	8.17

^a One American depositary share (ADS) is equivalent to six 25-cent ordinary shares.

External environment

	2004	2005	2006	2007	2008
BP average liquids realizations (\$ per barrel (\$/bbl)) ^a	35.39	48.51	59.23	67.45	90.20
BP average natural gas realizations (\$ per thousand cubic feet (\$/mcf))	3.86	4.90	4.72	4.53	6.00
Global Indicator Refining Margin (\$/bbl) ^b	6.31	8.60	8.39	9.94	6.50

^a Crude oil and natural gas liquids (NGLs).

^b The Global Indicator Refining Margin (GIM) is the average of regional industry indicator margins, which we weight for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The refining margins are industry-specific rather than BP-specific measures, which we believe are useful to investors in analysing trends in the industry and their impact on our results. The margins are calculated by BP based on published crude oil and product prices and take account of fuel utilization and catalyst costs. No account is taken of BP's other cash and non-cash costs of refining, such as wages and salaries and plant depreciation. The indicator margin may not be representative of the margins achieved by BP in any period because of BP's particular refining configurations and crude and product slate.



Group income statement

For the year ended 31 December

	\$ million				
	2004	2005	2006	2007	2008
Sales and other operating revenues	192,024	239,792	265,906	284,365	361,143
Earnings from jointly controlled entities – after interest and tax	1,818	3,083	3,553	3,135	3,023
Earnings from associates – after interest and tax	462	460	442	697	798
Interest and other income	615	613	701	754	736
Gains on sale of businesses and fixed assets	1,685	1,538	3,714	2,487	1,353
Total revenues and other income	196,604	245,486	274,316	291,438	367,053
Purchases	(128,055)	(163,026)	(187,183)	(200,766)	(266,982)
Production and manufacturing expenses	(17,330)	(21,092)	(23,793)	(25,915)	(29,183)
Production and similar taxes	(2,149)	(3,010)	(3,621)	(4,013)	(6,526)
Depreciation, depletion and amortization	(8,529)	(8,771)	(9,128)	(10,579)	(10,985)
Impairment and losses on sale of businesses and fixed assets	(1,390)	(468)	(549)	(1,679)	(1,733)
Exploration expense	(637)	(684)	(1,045)	(756)	(882)
Distribution and administration expenses ^a	(12,768)	(13,706)	(14,447)	(15,371)	(15,412)
Fair value gain (loss) on embedded derivatives	–	(2,047)	608	(7)	(111)
Profit before interest and taxation from continuing operations	25,746	32,682	35,158	32,352	35,239
Finance costs	(768)	(874)	(986)	(1,393)	(1,547)
Net finance income (expense) relating to pensions and other post-retirement benefits	(12)	113	470	652	591
Profit before taxation from continuing operations	24,966	31,921	34,642	31,611	34,283
Taxation	(7,082)	(9,473)	(12,331)	(10,442)	(12,617)
Profit from continuing operations	17,884	22,448	22,311	21,169	21,666
Profit (loss) from Innovene operations	(622)	184	(25)	–	–
Profit for the year	17,262	22,632	22,286	21,169	21,666
Attributable to					
BP shareholders	17,075	22,341	22,000	20,845	21,157
Minority interest	187	291	286	324	509
Earnings per ordinary share – cents					
Profit attributable to BP shareholders					
Basic	78.24	105.74	109.84	108.76	112.59
Diluted	76.87	104.52	109.00	107.84	111.56
Replacement cost results^{b,c}					
Profit for the year	17,075	22,341	22,000	20,845	21,157
Inventory holding (gains) losses, net of tax	(1,129)	(2,173)	222	(2,475)	4,436
Replacement cost profit for the year	15,946	20,168	22,222	18,370	25,593
^a Research and development expenditure amounted to	300	374	395	566	595

^b Replacement cost profit reflects the replacement cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses and their associated tax effect. Inventory holding gains and losses represent the difference between the cost of sales calculated using the average cost to BP of supplies incurred during the period and the cost of sales calculated on the first-in first-out (FIFO) method including any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which we use for IFRS reporting, the cost of inventory charged to the income statement is based on the historic cost of acquisition or manufacture rather than the current replacement cost. In volatile energy markets, this can have a significant distorting effect on reported income. The amounts disclosed represent the difference between the charge to the income statement on a FIFO basis (and any related movements in net realizable value provisions) and the charge that would arise using average cost of supplies incurred during the period. For this purpose, average cost of supplies incurred during the period is calculated by dividing the total cost of inventory purchased in the period by the number of barrels acquired. The amounts disclosed are not separately reflected in the financial statements as a gain or loss. No adjustment is made in respect of the cost of inventories held as part of a trading position and certain other temporary inventory positions. Management believes this information is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due principally to changes in oil prices as well as changes to underlying inventory levels.

In order for investors to understand the operating performance of the group excluding the impact of oil price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, BP's management believes it is helpful to disclose this information.

^c Profit attributable to BP shareholders.

Summarized group income statement by quarter

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
Replacement cost results										
Replacement cost profit before interest and tax ^a										
By business										
Exploration and Production	4,443	4,455	4,843	5,236	18,977	6,843	5,888	6,819	6,758	26,308
Refining and Marketing	886	1,643	1,271	1,220	5,020	1,360	1,244	1,883	(245)	4,242
Other businesses and corporate	1,140	(246)	(389)	(121)	384	(66)	76	(458)	(454)	(902)
Consolidation adjustments										
Unrealized profit in inventory	(57)	(95)	(91)	59	(184)	(154)	(5)	(274)	296	(137)
Net profit on transactions between continuing and Innovene operations	26	42	89	31	188	96	159	144	128	527
Replacement cost profit before interest and tax from continuing operations	6,438	5,799	5,723	6,425	24,385	8,079	7,362	8,114	6,483	30,038
Finance costs	(172)	(171)	(174)	(251)	(768)	(234)	(195)	(207)	(238)	(874)
Net finance income (expense) relating to pensions and other post-retirement benefits	2	4	(5)	(13)	(12)	32	32	26	23	113
Replacement cost profit before taxation from continuing operations	6,268	5,632	5,544	6,161	23,605	7,877	7,199	7,933	6,268	29,277
Taxation	(1,712)	(1,584)	(1,393)	(1,952)	(6,641)	(2,200)	(2,109)	(2,069)	(2,350)	(8,728)
Replacement cost profit from continuing operations	4,556	4,048	4,151	4,209	16,964	5,677	5,090	5,864	3,918	20,549
Replacement cost profit from Innovene operations	(51)	4	(21)	(763)	(831)	183	124	(737)	340	(90)
Replacement cost profit for the period	4,505	4,052	4,130	3,446	16,133	5,860	5,214	5,127	4,258	20,459
Attributable to										
BP shareholders	4,471	4,010	4,078	3,387	15,946	5,799	5,145	5,059	4,165	20,168
Minority interest	34	42	52	59	187	61	69	68	93	291
Replacement cost profit for the period	4,505	4,052	4,130	3,446	16,133	5,860	5,214	5,127	4,258	20,459
Earnings on replacement cost profit										
per ordinary share – cents	20.24	18.31	18.81	15.71	73.07	27.05	24.19	24.11	20.11	95.46
per ADS – dollars	1.21	1.10	1.13	0.94	4.38	1.62	1.45	1.45	1.21	5.73
Replacement cost profit for the period	4,505	4,052	4,130	3,446	16,133	5,860	5,214	5,127	4,258	20,459
Inventory holding gains (losses), net of tax	441	325	740	(377)	1,129	803	446	1,404	(480)	2,173
Profit (loss) for the period	4,946	4,377	4,870	3,069	17,262	6,663	5,660	6,531	3,778	22,632
Earnings on profit (loss)										
per ordinary share – cents										
Basic	22.24	19.79	22.21	14.00	78.24	30.79	26.30	30.75	17.90	105.74
Diluted	21.77	19.39	21.96	13.75	76.87	30.36	25.94	30.54	17.68	104.52
per ADS – dollars										
Basic	1.33	1.19	1.33	0.84	4.69	1.85	1.58	1.84	1.07	6.34
Diluted	1.31	1.16	1.32	0.82	4.61	1.82	1.56	1.83	1.06	6.27
Earnings on profit (loss) from continuing operations										
per ordinary share – cents										
Basic	22.12	19.55	21.85	17.57	81.09	29.37	25.81	33.87	15.82	104.87
Diluted	21.65	19.16	21.59	17.26	79.66	28.97	25.45	33.62	15.62	103.66
per ADS – dollars										
Basic	1.33	1.17	1.31	1.06	4.87	1.76	1.55	2.03	0.95	6.29
Diluted	1.30	1.15	1.29	1.04	4.78	1.74	1.53	2.01	0.94	6.22

^a Replacement cost profit is before inventory holding gains and losses – see page 7 for more information.

										\$ million				
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
7,126	8,244	10,078	5,578	31,026	6,306	7,119	6,307	7,870	27,602	10,072	10,771	12,709	4,756	38,308
1,498	1,858	1,480	325	5,161	804	2,742	371	(1,296)	2,621	1,249	539	1,972	416	4,176
(89)	(177)	(225)	(350)	(841)	(98)	(173)	(511)	(427)	(1,209)	(213)	(314)	(16)	(680)	(1,223)
(24)	(260)	436	(87)	65	42	(98)	103	(267)	(220)	(784)	(221)	838	633	466
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8,511	9,665	11,769	5,466	35,411	7,054	9,590	6,270	5,880	28,794	10,324	10,775	15,503	5,125	41,727
(254)	(222)	(238)	(272)	(986)	(331)	(317)	(337)	(408)	(1,393)	(406)	(381)	(391)	(369)	(1,547)
111	115	121	123	470	160	162	164	166	652	160	160	153	118	591
8,368	9,558	11,652	5,317	34,895	6,883	9,435	6,097	5,638	28,053	10,078	10,554	15,265	4,874	40,771
(2,810)	(3,056)	(4,824)	(1,672)	(12,362)	(2,357)	(2,882)	(1,982)	(2,138)	(9,359)	(3,729)	(3,696)	(5,099)	(2,145)	(14,669)
5,558	6,502	6,828	3,645	22,533	4,526	6,553	4,115	3,500	18,694	6,349	6,858	10,166	2,729	26,102
(103)	78	—	—	(25)	—	—	—	—	—	—	—	—	—	—
5,455	6,580	6,828	3,645	22,508	4,526	6,553	4,115	3,500	18,694	6,349	6,858	10,166	2,729	26,102
5,384	6,503	6,765	3,570	22,222	4,444	6,488	4,043	3,395	18,370	6,231	6,746	10,029	2,587	25,593
71	77	63	75	286	82	65	72	105	324	118	112	137	142	509
5,455	6,580	6,828	3,645	22,508	4,526	6,553	4,115	3,500	18,694	6,349	6,858	10,166	2,729	26,102
26.24	32.18	34.06	18.47	110.95	22.93	33.75	21.27	17.90	95.85	33.01	35.83	53.43	13.93	136.20
1.57	1.93	2.04	1.11	6.66	1.38	2.03	1.28	1.07	5.75	1.98	2.15	3.21	0.84	8.17
5,455	6,580	6,828	3,645	22,508	4,526	6,553	4,115	3,500	18,694	6,349	6,858	10,166	2,729	26,102
239	763	(534)	(690)	(222)	220	888	363	1,004	2,475	863	2,612	(1,980)	(5,931)	(4,436)
5,694	7,343	6,294	2,955	22,286	4,746	7,441	4,478	4,504	21,169	7,212	9,470	8,186	(3,202)	21,666
27.40	35.94	31.46	15.04	109.84	24.06	38.37	23.18	23.15	108.76	37.58	49.70	42.93	(17.62)	112.59
27.13	35.59	31.40	14.88	109.00	23.94	38.18	23.07	22.65	107.84	37.25	49.23	42.56	(17.62)	111.56
1.64	2.16	1.89	0.90	6.59	1.44	2.30	1.39	1.39	6.52	2.25	2.98	2.58	(1.06)	6.75
1.63	2.14	1.88	0.89	6.54	1.44	2.29	1.38	1.36	6.47	2.24	2.95	2.55	(1.06)	6.69
27.90	35.57	31.46	15.04	109.97	24.06	38.37	23.18	23.15	108.76	37.58	49.70	42.93	(17.62)	112.59
27.63	35.21	31.40	14.88	109.12	23.94	38.18	23.07	22.65	107.84	37.25	49.23	42.56	(17.62)	111.56
1.67	2.13	1.89	0.90	6.59	1.44	2.30	1.39	1.39	6.52	2.25	2.98	2.58	(1.06)	6.75
1.66	2.11	1.88	0.89	6.54	1.44	2.29	1.38	1.36	6.47	2.24	2.95	2.55	(1.06)	6.69

Replacement cost profit before interest and tax by business and geographical area

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
By business										
Exploration and Production										
US	1,760	1,836	1,934	1,691	7,221	2,167	2,478	2,434	3,039	10,118
Non-US	2,683	2,619	2,909	3,545	11,756	4,676	3,410	4,385	3,719	16,190
	4,443	4,455	4,843	5,236	18,977	6,843	5,888	6,819	6,758	26,308
Refining and Marketing										
US	442	957	587	846	2,832	999	360	531	353	2,243
Non-US	444	686	684	374	2,188	361	884	1,352	(598)	1,999
	886	1,643	1,271	1,220	5,020	1,360	1,244	1,883	(245)	4,242
Other businesses and corporate										
US	(157)	(153)	(242)	(199)	(751)	(5)	4	(326)	(11)	(338)
Non-US	1,297	(93)	(147)	78	1,135	(61)	72	(132)	(443)	(564)
	1,140	(246)	(389)	(121)	384	(66)	76	(458)	(454)	(902)
Unrealized profit in inventory	6,469	5,852	5,725	6,335	24,381	8,137	7,208	8,244	6,059	29,648
	(57)	(95)	(91)	59	(184)	(154)	(5)	(274)	296	(137)
Net profit on transactions between continuing and Innovene operations	26	42	89	31	188	96	159	144	128	527
Total for continuing operations	6,438	5,799	5,723	6,425	24,385	8,079	7,362	8,114	6,483	30,038
Innovene operations										
US	(8)	(14)	(14)	(362)	(398)	90	42	(258)	(127)	(253)
Non-US	(13)	90	122	(609)	(410)	292	289	(482)	439	538
	(21)	76	108	(971)	(808)	382	331	(740)	312	285
Net profit on transactions between continuing and Innovene operations	(26)	(42)	(89)	(31)	(188)	(96)	(159)	(144)	(128)	(527)
Total for Innovene operations	(47)	34	19	(1,002)	(996)	286	172	(884)	184	(242)
Total for period	6,391	5,833	5,742	5,423	23,389	8,365	7,534	7,230	6,667	29,796
By geographical area										
US	1,988	2,545	2,188	2,254	8,975	3,028	2,841	2,376	3,643	11,888
Non-US	4,450	3,254	3,535	4,171	15,410	5,051	4,521	5,738	2,840	18,150
Total for continuing operations	6,438	5,799	5,723	6,425	24,385	8,079	7,362	8,114	6,483	30,038

\$ million														
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
2,500	2,476	3,958	1,068	10,002	1,731	2,183	1,775	2,240	7,929	3,085	3,601	3,739	1,299	11,724
4,626	5,768	6,120	4,510	21,024	4,575	4,936	4,532	5,630	19,673	6,987	7,170	8,970	3,457	26,584
7,126	8,244	10,078	5,578	31,026	6,306	7,119	6,307	7,870	27,602	10,072	10,771	12,709	4,756	38,308
636	750	388	(416)	1,358	129	966	(522)	(1,805)	(1,232)	154	(401)	338	(735)	(644)
862	1,108	1,092	741	3,803	675	1,776	893	509	3,853	1,095	940	1,634	1,151	4,820
1,498	1,858	1,480	325	5,161	804	2,742	371	(1,296)	2,621	1,249	539	1,972	416	4,176
(98)	(27)	58	(342)	(409)	(133)	(128)	(363)	(336)	(960)	(152)	(185)	(288)	(277)	(902)
9	(150)	(283)	(8)	(432)	35	(45)	(148)	(91)	(249)	(61)	(129)	272	(403)	(321)
(89)	(177)	(225)	(350)	(841)	(98)	(173)	(511)	(427)	(1,209)	(213)	(314)	(16)	(680)	(1,223)
8,535	9,925	11,333	5,553	35,346	7,012	9,688	6,167	6,147	29,014	11,108	10,996	14,665	4,492	41,261
(24)	(260)	436	(87)	65	42	(98)	103	(267)	(220)	(784)	(221)	838	633	466
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8,511	9,665	11,769	5,466	35,411	7,054	9,590	6,270	5,880	28,794	10,324	10,775	15,503	5,125	41,727
7	(6)	—	15	16	—	—	—	—	—	—	—	—	—	—
(103)	(82)	—	(15)	(200)	—	—	—	—	—	—	—	—	—	—
(96)	(88)	—	—	(184)	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(96)	(88)	—	—	(184)	—	—	—	—	—	—	—	—	—	—
8,415	9,577	11,769	5,466	35,227	7,054	9,590	6,270	5,880	28,794	10,324	10,775	15,503	5,125	41,727
3,071	2,932	4,784	230	11,017	1,756	2,933	983	(91)	5,581	2,621	3,267	4,419	371	10,678
5,440	6,733	6,985	5,236	24,394	5,298	6,657	5,287	5,971	23,213	7,703	7,508	11,084	4,754	31,049
8,511	9,665	11,769	5,466	35,411	7,054	9,590	6,270	5,880	28,794	10,324	10,775	15,503	5,125	41,727

Non-operating items by business

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
Exploration and Production										
Impairment and gain (loss) on sale of businesses and fixed assets	25	(274)	32	(196)	(413)	1,003	17	(108)	61	973
Environmental charges and other provisions	—	—	—	—	—	—	—	6	—	6
Restructuring, integration and rationalization costs	—	—	—	—	—	—	—	—	—	—
Fair value gain (loss) on embedded derivatives	—	—	—	—	—	(143)	(769)	27	(981)	(1,866)
Other	—	—	(35)	8	(27)	—	25	12	(240)	(203)
	25	(274)	(3)	(188)	(440)	860	(727)	(63)	(1,160)	(1,090)
Refining and Marketing										
Impairment and gain (loss) on sale of businesses and fixed assets	(165)	57	(18)	(334)	(460)	(27)	71	(14)	50	80
Environmental charges and other provisions	—	—	(206)	—	(206)	—	—	(140)	—	(140)
Restructuring, integration and rationalization costs	—	—	—	(32)	(32)	—	—	—	—	—
Fair value gain (loss) on embedded derivatives	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	(733)	—	—	(733)
	(165)	57	(224)	(366)	(698)	(27)	(662)	(154)	50	(793)
Other businesses and corporate										
Impairment and gain (loss) on sale of businesses and fixed assets	1,266	(70)	(37)	9	1,168	—	38	4	(25)	17
Environmental charges and other provisions	—	—	(283)	—	(283)	—	22	(296)	(4)	(278)
Restructuring, integration and rationalization costs	1	—	(18)	(85)	(102)	(43)	(28)	(6)	(57)	(134)
Fair value gain (loss) on embedded derivatives	—	—	—	—	—	21	148	19	(369)	(181)
Other	—	—	—	66	66	—	3	—	265	268
	1,267	(70)	(338)	(10)	849	(22)	183	(279)	(190)	(308)
Total before taxation for continuing operations	1,127	(287)	(565)	(564)	(289)	811	(1,206)	(496)	(1,300)	(2,191)
Taxation credit (charge) ^a	(308)	81	142	179	94	(226)	353	129	488	744
Total after taxation for continuing operations	819	(206)	(423)	(385)	(195)	585	(853)	(367)	(812)	(1,447)
Innovene operations										
Impairment and gain (loss) on sale of businesses and fixed assets	(4)	—	1	(1,109)	(1,112)	(24)	—	(35)	3	(56)
Restructuring, integration and rationalization costs	(1)	—	(1)	(5)	(7)	—	—	—	—	—
Other	—	—	—	—	—	—	—	(724)	133	(591)
Total before taxation for Innovene operations ^b	(5)	—	—	(1,114)	(1,119)	(24)	—	(759)	136	(647)
Taxation credit (charge)	2	—	—	251	253	10	—	167	190	367
Total after taxation for Innovene operations	(3)	—	—	(863)	(866)	(14)	—	(592)	326	(280)
Total after taxation	816	(206)	(423)	(1,248)	(1,061)	571	(853)	(959)	(486)	(1,727)

^a Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

^b Includes the loss on remeasurement to fair value of \$184 million in 2006 and \$591 million in 2005, recognized as an \$88-million loss in the second quarter of 2006, a \$96-million loss in the first quarter of 2006, a \$724-million loss in the third quarter of 2005 and a \$133-million gain in the fourth quarter of 2005. Also includes impairment charges of \$24 million and \$35 million in the first and third quarters of 2005 respectively and a gain on disposal of \$3 million in the fourth quarter of 2005.

\$ million														
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
9	329	1,897	175	2,410	605	102	1	149	857	21	111	33	(1,180)	(1,015)
–	–	(17)	–	(17)	–	–	(12)	–	(12)	–	(5)	(7)	–	(12)
–	–	–	–	–	–	–	–	(186)	(186)	(44)	–	(6)	(7)	(57)
(450)	256	501	296	603	152	276	21	(449)	–	(684)	(2,082)	1,098	1,505	(163)
–	–	–	(433)	(433)	–	–	–	(168)	(168)	331	–	–	(74)	257
(441)	585	2,381	38	2,563	757	378	10	(654)	491	(376)	(1,976)	1,118	244	(990)
563	112	–	51	726	(179)	767	105	(728)	(35)	814	(13)	114	(114)	801
–	–	(33)	–	(33)	–	–	(138)	–	(138)	–	–	(62)	(2)	(64)
–	–	–	–	–	–	–	–	(118)	(118)	(205)	(86)	(52)	(104)	(447)
–	–	–	–	–	–	–	–	–	–	–	–	–	57	57
–	(576)	(400)	(104)	(1,080)	(50)	–	(311)	(300)	(661)	–	–	–	–	–
563	(464)	(433)	(53)	(387)	(229)	767	(344)	(1,146)	(952)	609	(99)	–	(163)	347
2	21	(8)	14	29	31	(15)	(7)	(23)	(14)	50	(42)	(8)	(166)	(166)
–	–	96	(2)	94	–	–	(35)	–	(35)	–	–	(76)	(41)	(117)
–	–	–	–	–	–	–	–	(34)	(34)	(58)	(75)	(30)	(91)	(254)
8	5	(8)	–	5	3	7	(7)	(10)	(7)	(6)	1	–	–	(5)
–	–	–	(200)	(200)	–	–	(152)	(20)	(172)	(67)	(7)	(14)	(3)	(91)
10	26	80	(188)	(72)	34	(8)	(201)	(87)	(262)	(81)	(123)	(128)	(301)	(633)
132	147	2,028	(203)	2,104	562	1,137	(535)	(1,887)	(723)	152	(2,198)	990	(220)	(1,276)
(44)	(47)	(840)	64	(867)	(192)	(347)	174	715	350	(56)	770	(331)	97	480
88	100	1,188	(139)	1,237	370	790	(361)	(1,172)	(373)	96	(1,428)	659	(123)	(796)
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(96)	(88)	–	–	(184)	–	–	–	–	–	–	–	–	–	–
(96)	(88)	–	–	(184)	–	–	–	–	–	–	–	–	–	–
(7)	–	–	–	(7)	–	–	–	–	–	–	–	–	–	–
(103)	(88)	–	–	(191)	–	–	–	–	–	–	–	–	–	–
(15)	12	1,188	(139)	1,046	370	790	(361)	(1,172)	(373)	96	(1,428)	659	(123)	(796)

Non-operating items by geographical area

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
Exploration and Production										
US	(19)	(117)	31	(267)	(372)	(1)	18	(101)	(121)	(205)
Non-US	44	(157)	(34)	79	(68)	861	(745)	38	(1,039)	(885)
	25	(274)	(3)	(188)	(440)	860	(727)	(63)	(1,160)	(1,090)
Refining and Marketing										
US	(5)	7	(143)	89	(52)	5	(634)	(96)	118	(607)
Non-US	(160)	50	(81)	(455)	(646)	(32)	(28)	(58)	(68)	(186)
	(165)	57	(224)	(366)	(698)	(27)	(662)	(154)	50	(793)
Other businesses and corporate										
US	(126)	(70)	(251)	100	(347)	(4)	11	(284)	(7)	(284)
Non-US	1,393	–	(87)	(110)	1,196	(18)	172	5	(183)	(24)
	1,267	(70)	(338)	(10)	849	(22)	183	(279)	(190)	(308)
Total before taxation for continuing operations	1,127	(287)	(565)	(564)	(289)	811	(1,206)	(496)	(1,300)	(2,191)
Taxation credit (charge) ^a	(308)	81	142	179	94	(226)	353	129	488	744
Total after taxation for continuing operations	819	(206)	(423)	(385)	(195)	585	(853)	(367)	(812)	(1,447)
Innovene operations										
US	–	–	–	(355)	(355)	–	–	(208)	(51)	(259)
Non-US	(5)	–	–	(759)	(764)	(24)	–	(551)	187	(388)
Total before taxation for Innovene operations ^b	(5)	–	–	(1,114)	(1,119)	(24)	–	(759)	136	(647)
Taxation credit (charge)	2	–	–	251	253	10	–	167	190	367
Total after taxation for Innovene operations	(3)	–	–	(863)	(866)	(14)	–	(592)	326	(280)
Total after taxation	816	(206)	(423)	(1,248)	(1,061)	571	(853)	(959)	(486)	(1,727)

^aTaxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

^bIncludes the loss on remeasurement to fair value of \$184 million in 2006 and \$591 million in 2005, recognized as an \$88-million loss in the second quarter of 2006, a \$96-million loss in the first quarter of 2006, a \$724-million loss in the third quarter of 2005 and a \$133-million gain in the fourth quarter of 2005. Also includes impairment charges of \$24 million and \$35 million in the first and third quarters of 2005 respectively and a gain on disposal of \$3 million in the fourth quarter of 2005.

										\$ million				
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
2	8	2,021	(269)	1,762	(7)	178	(15)	213	369	(8)	(8)	3	(318)	(331)
(443)	577	360	307	801	764	200	25	(867)	122	(368)	(1,968)	1,115	562	(659)
(441)	585	2,381	38	2,563	757	378	10	(654)	491	(376)	(1,976)	1,118	244	(990)
96	(446)	(266)	25	(591)	(58)	170	(316)	(977)	(1,181)	774	(16)	13	43	814
467	(18)	(167)	(78)	204	(171)	597	(28)	(169)	229	(165)	(83)	(13)	(206)	(467)
563	(464)	(433)	(53)	(387)	(229)	767	(344)	(1,146)	(952)	609	(99)	–	(163)	347
9	10	107	(199)	(73)	6	7	(195)	(57)	(239)	(49)	(33)	(105)	(115)	(302)
1	16	(27)	11	1	28	(15)	(6)	(30)	(23)	(32)	(90)	(23)	(186)	(331)
10	26	80	(188)	(72)	34	(8)	(201)	(87)	(262)	(81)	(123)	(128)	(301)	(633)
132	147	2,028	(203)	2,104	562	1,137	(535)	(1,887)	(723)	152	(2,198)	990	(220)	(1,276)
(44)	(47)	(840)	64	(867)	(192)	(347)	174	715	350	(56)	770	(331)	97	480
88	100	1,188	(139)	1,237	370	790	(361)	(1,172)	(373)	96	(1,428)	659	(123)	(796)
7	(6)	–	15	16	–	–	–	–	–	–	–	–	–	–
(103)	(82)	–	(15)	(200)	–	–	–	–	–	–	–	–	–	–
(96)	(88)	–	–	(184)	–	–	–	–	–	–	–	–	–	–
(7)	–	–	–	(7)	–	–	–	–	–	–	–	–	–	–
(103)	(88)	–	–	(191)	–	–	–	–	–	–	–	–	–	–
(15)	12	1,188	(139)	1,046	370	790	(361)	(1,172)	(373)	96	(1,428)	659	(123)	(796)



Fair value accounting effects

BP uses derivative instruments to manage the economic exposure relating to inventories above normal operating requirements of crude oil, natural gas and petroleum products as well as certain contracts to supply physical volumes at future dates. Under IFRS, these inventories and contracts are recorded at historic cost and on an accruals basis respectively. The related derivative instruments, however, are required to be recorded at fair value with gains and losses recognized in income because hedge accounting is either not permitted or not followed, principally due to the impracticality of effectiveness testing requirements. Therefore, measurement differences in relation to recognition of gains and losses occur. Gains and losses on these inventories and contracts are not recognized until the commodity is sold in a subsequent accounting period. Gains and losses on the related derivative commodity contracts are recognized in the income statement from the time the derivative commodity contract is entered into on a fair value basis using forward prices consistent with the contract maturity.

IFRS requires that inventory held for trading be recorded at its fair value using period end spot prices whereas any related derivative commodity instruments are required to be recorded at values based on forward prices consistent with the contract maturity. Depending on market conditions,

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
By business										
Exploration and Production										
Unrecognized gains (losses) brought forward from previous period	–	–	–	–	–	147	181	250	411	147
Unrecognized (gains) losses carried forward	–	–	–	–	–	(181)	(250)	(411)	(123)	(123)
Favourable (unfavourable) impact relative to management's measure of performance	–	–	–	–	–	(34)	(69)	(161)	288	24
Refining and Marketing										
Unrecognized gains (losses) brought forward from previous period	–	–	–	–	–	(61)	(61)	(57)	(171)	(61)
Unrecognized (gains) losses carried forward	–	–	–	–	–	61	57	171	(283)	(283)
Favourable (unfavourable) impact relative to management's measure of performance	–	–	–	–	–	–	(4)	114	(454)	(344)
Taxation ^a	–	–	–	–	–	(34)	(73)	(47)	(166)	(320)
	–	–	–	–	–	9	21	12	62	104
	–	–	–	–	–	(25)	(52)	(35)	(104)	(216)
By geographical area										
Exploration and Production										
US	–	–	–	–	–	5	(107)	(51)	121	(32)
Non-US	–	–	–	–	–	(39)	38	(110)	167	56
	–	–	–	–	–	(34)	(69)	(161)	288	24
Refining and Marketing										
US	–	–	–	–	–	2	41	73	(336)	(220)
Non-US	–	–	–	–	–	(2)	(45)	41	(118)	(124)
	–	–	–	–	–	–	(4)	114	(454)	(344)

^a Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

Total of non-operating items and fair value accounting effects

	Q1	Q2	Q3	Q4	2004	Q1	Q2	Q3	Q4	2005
Exploration and Production										
US	(19)	(117)	31	(267)	(372)	4	(89)	(152)	–	(237)
Non-US	44	(157)	(34)	79	(68)	822	(707)	(72)	(872)	(829)
	25	(274)	(3)	(188)	(440)	826	(796)	(224)	(872)	(1,066)
Refining and Marketing										
US	(5)	7	(143)	89	(52)	7	(593)	(23)	(218)	(827)
Non-US	(160)	50	(81)	(455)	(646)	(34)	(73)	(17)	(186)	(310)
	(165)	57	(224)	(366)	(698)	(27)	(666)	(40)	(404)	(1,137)
Other businesses and corporate										
US	(126)	(70)	(251)	100	(347)	(4)	11	(284)	(7)	(284)
Non-US	1,393	–	(87)	(110)	1,196	(18)	172	5	(183)	(24)
	1,267	(70)	(338)	(10)	849	(22)	183	(279)	(190)	(308)
Total before taxation for continuing operations	1,127	(287)	(565)	(564)	(289)	777	(1,279)	(543)	(1,466)	(2,511)
Taxation credit (charge) ^a	(308)	81	142	179	94	(217)	374	141	550	848
Total after taxation for continuing operations	819	(206)	(423)	(385)	(195)	560	(905)	(402)	(916)	(1,663)
Innovene operations										
US	–	–	–	(355)	(355)	–	–	(208)	(51)	(259)
Non-US	(5)	–	–	(759)	(764)	(24)	–	(551)	187	(388)
Total before taxation for Innovene operations	(5)	–	–	(1,114)	(1,119)	(24)	–	(759)	136	(647)
Taxation credit (charge)	2	–	–	251	253	10	–	167	190	367
Total after taxation for Innovene operations	(3)	–	–	(863)	(866)	(14)	–	(592)	326	(280)
Total after taxation for period	816	(206)	(423)	(1,248)	(1,061)	546	(905)	(994)	(590)	(1,943)

^a Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

these forward prices can be either higher or lower than spot prices, resulting in measurement differences.

BP enters into contracts for pipelines and storage capacity that, under IFRS, are recorded on an accruals basis. These contracts are risk-managed using a variety of derivative instruments that are fair valued under IFRS. This results in measurement differences in relation to recognition of gains and losses.

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table below.

\$ million														
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
123	226	376	399	123	155	124	198	234	155	107	366	739	642	107
(226)	(376)	(399)	(155)	(155)	(124)	(198)	(234)	(107)	(107)	(366)	(739)	(642)	(389)	(389)
(103)	(150)	(23)	244	(32)	31	(74)	(36)	127	48	(259)	(373)	97	253	(282)
283	406	332	(252)	283	72	611	274	367	72	429	328	489	(147)	429
(406)	(332)	252	(72)	(72)	(611)	(274)	(367)	(429)	(429)	(328)	(489)	147	82	82
(123)	74	584	(324)	211	(539)	337	(93)	(62)	(357)	101	(161)	636	(65)	511
(226)	(76)	561	(80)	179	(508)	263	(129)	65	(309)	(158)	(534)	733	188	229
76	24	(232)	25	(107)	174	(80)	42	(25)	111	58	187	(245)	(83)	(83)
(150)	(52)	329	(55)	72	(334)	183	(87)	40	(198)	(100)	(347)	488	105	146
(117)	(147)	14	191	(59)	(6)	(71)	(19)	19	(77)	(142)	(236)	136	11	(231)
14	(3)	(37)	53	27	37	(3)	(17)	108	125	(117)	(137)	(39)	242	(51)
(103)	(150)	(23)	244	(32)	31	(74)	(36)	127	48	(259)	(373)	97	253	(282)
(97)	26	315	(231)	13	(165)	174	(142)	(32)	(165)	95	53	174	(91)	231
(26)	48	269	(93)	198	(374)	163	49	(30)	(192)	6	(214)	462	26	280
(123)	74	584	(324)	211	(539)	337	(93)	(62)	(357)	101	(161)	636	(65)	511

\$ million														
Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008
(115)	(139)	2,035	(78)	1,703	(13)	107	(34)	232	292	(150)	(244)	139	(307)	(562)
(429)	574	323	360	828	801	197	8	(759)	247	(485)	(2,105)	1,076	804	(710)
(544)	435	2,358	282	2,531	788	304	(26)	(527)	539	(635)	(2,349)	1,215	497	(1,272)
(1)	(420)	49	(206)	(578)	(223)	344	(458)	(1,009)	(1,346)	869	37	187	(48)	1,045
441	30	102	(171)	402	(545)	760	21	(199)	37	(159)	(297)	449	(180)	(187)
440	(390)	151	(377)	(176)	(768)	1,104	(437)	(1,208)	(1,309)	710	(260)	636	(228)	858
9	10	107	(199)	(73)	6	7	(195)	(57)	(239)	(49)	(33)	(105)	(115)	(302)
1	16	(27)	11	1	28	(15)	(6)	(30)	(23)	(32)	(90)	(23)	(186)	(331)
10	26	80	(188)	(72)	34	(8)	(201)	(87)	(262)	(81)	(123)	(128)	(301)	(633)
(94)	71	2,589	(283)	2,283	54	1,400	(664)	(1,822)	(1,032)	(6)	(2,732)	1,723	(32)	(1,047)
32	(23)	(1,072)	89	(974)	(18)	(427)	216	690	461	2	957	(576)	14	397
(62)	48	1,517	(194)	1,309	36	973	(448)	(1,132)	(571)	(4)	(1,775)	1,147	(18)	(650)
7	(6)	—	15	16	—	—	—	—	—	—	—	—	—	—
(103)	(82)	—	(15)	(200)	—	—	—	—	—	—	—	—	—	—
(96)	(88)	—	—	(184)	—	—	—	—	—	—	—	—	—	—
(7)	—	—	—	(7)	—	—	—	—	—	—	—	—	—	—
(103)	(88)	—	—	(191)	—	—	—	—	—	—	—	—	—	—
(165)	(40)	1,517	(194)	1,118	36	973	(448)	(1,132)	(571)	(4)	(1,775)	1,147	(18)	(650)



Sales and other operating revenues

	\$ million				
	2004	2005	2006	2007	2008
By business					
Exploration and Production	49,600	61,893	67,950	65,740	86,170
Refining and Marketing	163,092	212,930	232,386	250,221	320,039
Other businesses and corporate	6,123	11,118	3,372	3,698	4,634
	218,815	285,941	303,708	319,659	410,843
Less: sales between businesses ^a					
Exploration and Production	18,866	25,718	32,608	32,083	45,931
Refining and Marketing	3,438	11,336	3,935	1,914	1,918
Other businesses and corporate	4,487	9,095	1,259	1,297	1,851
	26,791	46,149	37,802	35,294	49,700
Third party sales and other operating revenues					
Exploration and Production	30,734	36,175	35,342	33,657	40,239
Refining and Marketing	159,654	201,594	228,451	248,307	318,121
Other businesses and corporate	1,636	2,023	2,113	2,401	2,783
Total third party sales and other operating revenues	192,024	239,792	265,906	284,365	361,143
By geographical area^b					
US			99,935	105,120	130,142
Non-US			185,079	201,816	267,246
			285,014	306,936	397,388
Less: sales between areas			19,108	22,571	36,245
			265,906	284,365	361,143

^a Sales between businesses includes sales between continuing operations and Innovene for 2004 and 2005.

^b Data is not available for 2004 and 2005.



Production and similar taxes

					\$ million
	2004	2005	2006	2007	2008
Production and similar taxes provided for					
US	477	610	887	1,260	2,602
Non-US	1,672	2,400	2,734	2,753	3,924
	2,149	3,010	3,621	4,013	6,526
Production and similar taxes paid					
US	472	591	565	1,302	2,735
Non-US	1,735	2,376	3,392	2,893	4,130
	2,207	2,967	3,957	4,195	6,865



Taxation

					\$ million
	2004	2005	2006	2007	2008
Tax on profit from continuing operations					
Current tax charge	6,861	8,624	11,800	9,835	13,383
Deferred tax charge	221	849	531	607	(766)
Total tax on profit from continuing operations	7,082	9,473	12,331	10,442	12,617
Tax on inventory holdings (gains) losses	(441)	(745)	31	(1,083)	2,052
Tax on replacement cost profit from continuing operations	6,641	8,728	12,362	9,359	14,669
Effective tax rates on					
Replacement cost profit for the year	28%	30%	35%	33%	36%
Profit for the year	28%	30%	36%	33%	37%
Income taxes paid	6,388	9,028	13,733	9,072	12,824



Depreciation, depletion and amortization

	\$ million				
	2004	2005	2006	2007	2008
By business					
Exploration and Production					
US	2,473	2,505	2,336	2,365	3,012
Non-US	3,267	3,688	4,353	5,491	5,428
	5,740	6,193	6,689	7,856	8,440
Refining and Marketing					
US	1,237	1,081	1,047	1,076	825
Non-US ^a	1,288	1,296	1,192	1,345	1,383
	2,525	2,377	2,239	2,421	2,208
Other businesses and corporate					
US	222	218	76	117	132
Non-US	525	395	124	185	205
	747	613	200	302	337
By geographical area					
US	3,932	3,804	3,459	3,558	3,969
Non-US	5,080	5,379	5,669	7,021	7,016
Total ^a	9,012	9,183	9,128	10,579	10,985
Innovene operations	(483)	(412)	–	–	–
Continuing operations	8,529	8,771	9,128	10,579	10,985

^a Excludes impairments, which are included in non-operating items.

Group balance sheet

At 31 December

						\$ million
	2004	Post-IAS 39 at 1 January 2005 ^a	2005	2006	2007	2008
Non-current assets						
Property, plant and equipment	93,092	93,092	85,947	90,999	97,989	103,200
Goodwill	10,857	10,857	10,371	10,780	11,006	9,878
Intangible assets	4,205	4,205	4,772	5,246	6,652	10,260
Investments in jointly controlled entities	14,556	14,556	13,556	15,074	18,113	23,826
Investments in associates	5,486	5,486	6,217	5,975	4,579	4,000
Other investments	394	738	967	1,697	1,830	855
Fixed assets	128,590	128,934	121,830	129,771	140,169	152,019
Loans	811	811	821	817	999	995
Other receivables	429	429	770	862	968	710
Derivative financial instruments	898	1,625	3,909	3,025	3,741	5,054
Prepayments	354	354	1,012	1,034	1,083	1,338
Defined benefit pension plan surpluses	2,105	2,105	3,282	6,753	8,914	1,738
	133,187	134,258	131,624	142,262	155,874	161,854
Current assets						
Loans	193	193	132	141	165	168
Inventories	15,645	15,645	19,760	18,915	26,554	16,821
Trade and other receivables	37,099	37,097	40,902	38,692	38,020	29,261
Derivative financial instruments	5,317	5,995	10,056	10,373	6,321	8,510
Prepayments	1,671	1,671	1,268	3,006	3,589	3,050
Current tax receivable	159	159	212	544	705	377
Cash and cash equivalents	1,359	1,359	2,960	2,590	3,562	8,197
	61,443	62,119	75,290	74,261	78,916	66,384
Assets classified as held for sale	–	–	–	1,078	1,286	–
	61,443	62,119	75,290	75,339	80,202	66,384
Total assets	194,630	196,377	206,914	217,601	236,076	228,238
Current liabilities						
Trade and other payables	38,540	38,540	42,136	42,236	43,152	33,644
Derivative financial instruments	5,074	5,716	10,036	9,424	6,405	8,977
Accruals	4,482	4,482	5,017	6,147	6,640	6,743
Finance debt	10,184	10,184	8,932	12,924	15,394	15,740
Current tax payable	4,131	4,131	4,274	2,635	3,282	3,144
Provisions	715	715	1,102	1,932	2,195	1,545
	63,126	63,768	71,497	75,298	77,068	69,793
Liabilities directly associated with the assets classified as held for sale	–	–	–	54	163	–
	63,126	63,768	71,497	75,352	77,231	69,793
Non-current liabilities						
Other payables	3,581	3,581	1,935	1,430	1,251	3,080
Derivative financial instruments	158	1,471	5,871	4,203	5,002	6,271
Accruals	699	699	989	961	959	784
Finance debt	12,907	13,054	10,230	11,086	15,651	17,464
Deferred tax liabilities	16,701	16,589	16,443	18,116	19,215	16,198
Provisions	8,884	8,884	9,954	11,712	12,900	12,108
Defined benefit pension plan and other post-retirement benefit plan deficits	10,339	10,339	9,230	9,276	9,215	10,431
	53,269	54,617	54,652	56,784	64,193	66,336
Total liabilities	116,395	118,385	126,149	132,136	141,424	136,129
Net assets	78,235	77,992	80,765	85,465	94,652	92,109
Equity						
Share capital	5,403	5,403	5,185	5,385	5,237	5,176
Reserves	71,489	71,246	74,791	79,239	88,453	86,127
BP shareholders' equity	76,892	76,649	79,976	84,624	93,690	91,303
Minority interest	1,343	1,343	789	841	962	806
Total equity	78,235	77,992	80,765	85,465	94,652	92,109

^a BP elected not to adopt IAS 39 until 1 January 2005, and so financial assets and liabilities, including derivatives, are reported on the basis of UK GAAP for 2004. The balance sheet at 1 January 2005 is also presented to show the effect of adopting IAS 39.

Operating capital employed^a

	\$ million					
	2004	Post-IAS 39 at 1 January 2005 ^b	2005	2006	2007	2008
By business						
Exploration and Production						
US	25,773	25,914	27,555	27,687	30,341	35,807
Non-US	43,141	42,545	45,330	49,601	54,278	56,950
	68,914	68,459	72,885	77,288	84,619	92,757
Refining and Marketing						
US	15,040	15,040	16,968	16,527	17,748	15,904
Non-US	23,161	23,355	22,764	24,611	30,163	25,295
	38,201	38,395	39,732	41,138	47,911	41,199
Other businesses and corporate						
US	(1,605)	(1,630)	(3,070)	(3,303)	(1,903)	(2,505)
Non-US	6,184	6,261	1,292	4,504	6,785	3,247
	4,579	4,631	(1,778)	1,201	4,882	742
Consolidation adjustment	(552)	(552)	(778)	(725)	(929)	(298)
	111,142	110,933	110,061	118,902	136,483	134,400
By geographical area						
US	38,656	38,772	40,722	40,234	45,369	49,056
Non-US	72,486	72,161	69,339	78,668	91,114	85,344
Total operating capital employed	111,142	110,933	110,061	118,902	136,483	134,400
Liabilities for current and deferred taxation	(20,673)	(20,560)	(20,505)	(20,207)	(21,792)	(18,965)
Goodwill	10,857	10,857	10,371	10,780	11,006	9,878
Capital employed	101,326	101,230	99,927	109,475	125,697	125,313
Financed by						
Finance debt	23,091	23,238	19,162	24,010	31,045	33,204
Minority interest	1,343	1,343	789	841	962	806
BP shareholders' equity	76,892	76,649	79,976	84,624	93,690	91,303
Capital employed	101,326	101,230	99,927	109,475	125,697	125,313

^a Operating capital employed is total assets (excluding goodwill) less total liabilities, excluding finance debt and current and deferred taxation.

^b BP elected not to adopt International Accounting Standard No. 39 'Financial Instruments: Recognition and Measurement' (IAS 39) until 1 January 2005, and so financial assets and liabilities, including derivatives, are reported on the basis of UK generally accepted accounting practice (UK GAAP) for 2004. The balance sheet at 1 January 2005 is also presented to show the effect of adopting IAS 39.

Non-current assets – property, plant and equipment

					\$ million
	2004	2005	2006	2007	2008
Net book amount by business					
Exploration and Production					
US	26,290	27,499	28,996	31,555	35,369
Non-US	31,684	33,310	36,629	39,274	40,439
	57,974	60,809	65,625	70,829	75,808
Refining and Marketing					
US	10,760	10,320	10,247	9,440	10,608
Non-US	14,153	12,342	12,901	15,030	14,016
	24,913	22,662	23,148	24,470	24,624
Other businesses and corporate					
US	3,568	1,411	922	1,248	1,659
Non-US	6,637	1,065	1,304	1,442	1,109
	10,205	2,476	2,226	2,690	2,768
Net book amount by geographical area					
US	40,618	39,230	40,165	42,243	47,636
Non-US	52,474	46,717	50,834	55,746	55,564
	93,092	85,947	90,999	97,989	103,200
Cost and accumulated depreciation^a					
Exploration and Production					
Cost		131,634	140,620	152,486	165,626
Accumulated depreciation		(70,825)	(74,995)	(81,657)	(89,818)
		60,809	65,625	70,829	75,808
Refining and Marketing					
Cost		43,496	45,397	48,590	47,289
Accumulated depreciation		(20,834)	(22,249)	(24,120)	(22,665)
		22,662	23,148	24,470	24,624
Other businesses and corporate					
Cost		3,578	3,262	4,015	4,194
Accumulated depreciation		(1,102)	(1,036)	(1,325)	(1,426)
		2,476	2,226	2,690	2,768
Group					
Cost		178,708	189,279	205,091	217,109
Accumulated depreciation		(92,761)	(98,280)	(107,102)	(113,909)
		85,947	90,999	97,989	103,200

^aData is not available for 2004.

Working capital

	\$ million				
	2004	2005	2006	2007	2008
Inventories, receivables and payables					
Inventories	11,837	16,321	16,301	23,040	13,821
Supplies	911	919	1,222	1,517	1,588
	12,748	17,240	17,523	24,557	15,409
Trading inventories	2,897	2,520	1,392	1,997	1,412
	15,645	19,760	18,915	26,554	16,821
Current receivables					
Trade receivables	30,657	33,565	32,460	33,012	22,869
Amounts receivable from jointly controlled entities	886	1,345	830	888	1,035
Amounts receivable from associates	210	186	268	380	219
Current tax receivable	159	212	544	705	377
Other current receivables	12,527	17,262	18,654	13,815	16,866
	44,439	52,570	52,756	48,800	41,366
Non-current receivables					
Amounts receivable from associates	23	–	–	–	–
Other non-current receivables	2,469	6,512	5,738	6,791	8,097
	2,492	6,512	5,738	6,791	8,097
Current payables					
Trade payables	27,471	28,614	28,319	30,735	20,129
Amounts payable to jointly controlled entities	637	251	119	66	292
Amounts payable to associates	865	627	273	650	295
Production and similar taxes	517	763	852	803	445
Current tax payable	4,131	4,274	2,635	3,282	3,144
Dividends	1	1	1	1	1
Other current payables	18,605	26,933	28,243	23,942	28,202
	52,227	61,463	60,442	59,479	52,508
Non-current payables					
Amount payable to jointly controlled entities	–	–	–	–	2,255
Amount payable to associates	5	–	–	–	–
Production and similar taxes	1,520	1,281	899	765	538
Other non-current payables	2,913	7,514	5,695	6,447	7,342
	4,438	8,795	6,594	7,212	10,135

Group cash flow statement

	\$ million				
	2004	2005	2006	2007	2008
Operating activities					
Profit before taxation from continuing operations	24,966	31,921	34,642	31,611	34,283
Adjustments to reconcile profit before taxation to net cash provided by operating activities					
Exploration expenditure written off	274	305	624	347	385
Depreciation, depletion and amortization	8,529	8,771	9,128	10,579	10,985
Impairment and (gain) loss on sale of businesses and fixed assets	(295)	(1,070)	(3,165)	(808)	380
Earnings from jointly controlled entities and associates	(2,280)	(3,543)	(3,995)	(3,832)	(3,821)
Dividends received from jointly controlled entities and associates	2,199	2,833	4,495	2,473	3,728
Interest receivable	(284)	(479)	(473)	(489)	(407)
Interest received	331	401	500	500	385
Finance costs	768	874	986	1,393	1,547
Interest paid	(698)	(1,127)	(1,242)	(1,363)	(1,291)
Net finance income (expense) relating to pensions and other post-retirement benefits	12	(113)	(470)	(652)	(591)
Share-based payments	224	278	416	420	459
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(84)	(435)	(261)	(404)	(173)
Net charge for provisions, less payments	(110)	600	340	(92)	(298)
(Increase) decrease in inventories	(3,182)	(6,638)	995	(7,255)	9,010
(Increase) decrease in other current and non-current assets	(10,225)	(16,427)	3,596	5,210	2,439
Increase (decrease) in other current and non-current liabilities	10,290	18,628	(4,211)	(3,857)	(6,101)
Income taxes paid	(6,388)	(9,028)	(13,733)	(9,072)	(12,824)
Net cash provided by operating activities of continuing operations	24,047	25,751	28,172	24,709	38,095
Net cash provided by (used in) operating activities of Innovene operations	(669)	970	–	–	–
Net cash provided by operating activities	23,378	26,721	28,172	24,709	38,095
Investing activities					
Capital expenditure	(12,286)	(12,281)	(15,125)	(17,830)	(22,658)
Acquisitions, net of cash acquired	(1,503)	(60)	(229)	(1,225)	(395)
Investment in jointly controlled entities	(1,648)	(185)	(37)	(428)	(1,009)
Investment in associates	(942)	(619)	(570)	(187)	(81)
Proceeds from disposal of fixed assets	4,236	2,803	5,963	1,749	918
Proceeds from disposal of businesses, net of cash disposed	725	8,397	291	2,518	11
Proceeds from loan repayments	87	123	189	192	647
Other	–	93	–	374	(200)
Net cash used in investing activities	(11,331)	(1,729)	(9,518)	(14,837)	(22,767)
Financing activities					
Net repurchase of shares	(7,208)	(11,315)	(15,151)	(7,113)	(2,567)
Proceeds from long-term financing	2,675	2,475	3,831	8,109	7,961
Repayments of long-term financing	(2,204)	(4,820)	(3,655)	(3,192)	(3,821)
Net increase (decrease) in short-term debt	(24)	(1,457)	3,873	1,494	(1,315)
Dividends paid					
BP shareholders	(6,041)	(7,359)	(7,686)	(8,106)	(10,342)
Minority interest	(33)	(827)	(283)	(227)	(425)
Net cash used in financing activities	(12,835)	(23,303)	(19,071)	(9,035)	(10,509)
Currency translation differences relating to cash and cash equivalents	91	(88)	47	135	(184)
Increase (decrease) in cash and cash equivalents	(697)	1,601	(370)	972	4,635
Cash and cash equivalents at beginning of year	2,056	1,359	2,960	2,590	3,562
Cash and cash equivalents at end of year	1,359	2,960	2,590	3,562	8,197



Movement in net debt

	\$ million				
	2004	2005	2006	2007	2008
Opening balance					
Finance debt	22,325	23,091	19,162	24,010	31,045
Less: cash and cash equivalents	2,056	1,359	2,960	2,590	3,562
Less: fair value asset (liability) of hedges related to finance debt	–	–	(171)	298	666
Opening net debt	20,269	21,732	16,373	21,122	26,817
Closing balance					
Finance debt	23,091	19,162	24,010	31,045	33,204
Less: cash and cash equivalents	1,359	2,960	2,590	3,562	8,197
Less: fair value asset (liability) of hedges related to finance debt	–	(171)	298	666	(34)
Closing net debt	21,732	16,373	21,122	26,817	25,041
	(1,463)	5,359	(4,749)	(5,695)	1,776
Movement in cash and cash equivalents	(788)	1,689	(417)	837	4,819
Net cash (inflow) outflow from financing (excluding share capital)	(431)	3,803	(4,049)	(6,411)	(2,825)
Adoption of IAS 39	–	(147)	–	–	–
Debt acquired	–	–	(13)	–	–
Other movements	68	146	(145)	(134)	(136)
Movement in net debt before exchange effects	(1,151)	5,491	(4,624)	(5,708)	1,858
Exchange adjustments	(312)	(132)	(125)	13	(82)
	(1,463)	5,359	(4,749)	(5,695)	1,776

Capital expenditure, acquisitions and disposals

	\$ million				
	2004	2005	2006	2007	2008
By business					
Exploration and Production					
US ^a	3,963	3,932	4,655	5,096	10,359
Non-US ^{b c}	7,449	6,466	8,597	9,111	11,868
	11,412	10,398	13,252	14,207	22,227
Refining and Marketing					
US ^d	1,314	1,226	1,339	1,872	4,297
Non-US ^e	1,669	1,619	1,788	3,623	2,337
	2,983	2,845	3,127	5,495	6,634
Other businesses and corporate ^f					
US	728	311	598	519	1,390
Non-US	1,528	595	254	420	449
	2,256	906	852	939	1,839
By geographical area					
US ^{a d}	6,005	5,469	6,592	7,487	16,046
Non-US ^{b c e}	10,646	8,680	10,639	13,154	14,654
	16,651	14,149	17,231	20,641	30,700
Included above					
Acquisitions and asset exchanges ^{c d e f}	2,841	211	321	1,447	2,514
Innovene operations ^f	1,915	497	–	–	–
Disposals	4,961	11,200	6,254	4,267	929

^a 2008 included \$3,667 million for the purchase of all of Chesapeake Energy Corporation's interest in the Arkoma basin Woodford Shale assets and a 25% interest in Chesapeake's Fayetteville Shale assets.

^b 2008 included \$2,822 million relating to the formation of an integrated North American Oil Sands business with Husky Energy Inc. 2006 included \$1 billion for the purchase of shares in Rosneft.

^c 2004 included \$1,354 million relating to the incorporation into TNK-BP of the Alfa Group and Access-Renova's 50% interest in Slavneft.

^d 2008 included an asset exchange of \$1,909 million relating to the formation of an integrated North American oil sands business with Husky Energy Inc.

^e 2007 included the acquisition of Chevron's Netherlands manufacturing company for \$1,132 million.

^f 2004 included \$1,391 million for the acquisition of Solvay's interest in the BP Solvay joint venture.



Employee numbers

	Year end			
	2004	2005	2006	2007 ^a
By business				
Exploration and Production	17,500	18,900	21,400	21,800
Refining and Marketing (excluding service station staff)	41,100	42,000	41,900	42,700
Other businesses and corporate	16,400	7,500	7,600	9,100
	75,000	68,400	70,900	73,600
Service station staff	27,900	27,800	26,100	24,500
	102,900	96,200	97,000	98,100
By geographical area				
US	36,900	34,400	33,700	33,000
Non-US	66,000	61,800	63,300	65,100
	102,900	96,200	97,000	98,100

^a A minor amendment has been made to the 2007 figures to correct headcount data, including classification of service station staff.

Ratios^a

	\$ million				
	2004	2005	2006	2007	2008
Return on average capital employed					
Replacement cost profit	15,946	20,168	22,222	18,370	25,593
Interest expense ^b	286	400	467	722	752
Minority interest	187	291	286	324	509
Adjusted replacement cost profit	16,419	20,859	22,975	19,416	26,854
Non-operating items after taxation	1,061	1,727	(1,046)	373	796
Adjusted replacement cost profit excluding non-operating items	17,480	22,586	21,929	19,789	27,650
Average capital employed (including goodwill)	96,958	100,627	104,701	117,587	125,506
Return on average capital employed (including goodwill and non-operating items)	16.9%	20.7%	21.9%	16.5%	21.4%
Average capital employed (excluding goodwill)	86,233	90,013	94,125	106,694	115,064
Return on average capital employed (excluding goodwill and non-operating items)	20.3%	25.1%	23.3%	18.5%	24.0%
Pre-tax cash returns					
Replacement cost profit before interest and tax	23,389	29,796	35,227	28,794	41,727
Equity-accounted interest and tax	1,328	1,628	2,315	1,942	2,006
Non-operating items	1,408	2,838	(1,920)	723	1,276
Depreciation, depletion and amortization	9,012	9,183	9,128	10,579	10,985
Pre-tax cash returns numerator	35,137	43,445	44,750	42,038	55,994
Capital employed	101,326	99,927	109,475	125,697	125,313
Liabilities for current and deferred taxation	20,673	20,505	20,207	21,792	18,965
Goodwill	(10,857)	(10,371)	(10,780)	(11,006)	(9,878)
Operating capital employed	111,142	110,061	118,902	136,483	134,400
Average operating capital employed	106,270	110,602	114,481	127,693	135,442
Pre-tax cash return	33%	39%	39%	33%	41%
Debt ratios					
Gross debt	23,091	19,162	24,010	31,045	33,204
Less: fair value asset (liability) of hedges related to finance debt	–	(171)	298	666	(34)
	23,091	19,333	23,712	30,379	33,238
Cash and cash equivalents	1,359	2,960	2,590	3,562	8,197
Net debt	21,732	16,373	21,122	26,817	25,041
Equity	78,235	80,765	85,465	94,652	92,109
Debt to debt-plus-equity ratio	23%	19%	22%	24%	27%
Debt to equity ratio	30%	24%	28%	32%	36%
Net debt to net debt-plus-equity ratio	22%	17%	20%	22%	21%
Net debt to equity ratio	28%	20%	25%	28%	27%

^a The ratios are defined on page 69.

^b Calculated on a post-tax basis using a deemed tax rate equal to the US statutory tax rate.

BP shareholding information

Register of members holding BP ordinary shares as at 31 December 2008

	Number of share-holders	Percentage of total share-holders	Percentage of total share capital
Range of holdings			
1–200	57,617	18.22	0.01
201–1,000	120,017	37.94	0.31
1,001–10,000	124,970	39.51	1.83
10,001–100,000	11,837	3.74	1.17
100,001–1,000,000	1,089	0.34	1.95
Over 1,000,000 ^a	790	0.25	94.73
	316,320	100.00	100.00

^a Includes JPMorgan Chase Bank, holding 27.48% of the total ordinary issued share capital (excluding shares held in treasury) as the approved depository for ADSs, a breakdown of which is shown in the table below.

Register of holders of ADSs as at 31 December 2008^a

	Number of ADS holders	Percentage of total ADS holders	Percentage of total ADSs
Range of holdings			
1–200	73,569	53.88	0.50
201–1,000	38,781	28.40	2.16
1,001–10,000	22,656	16.59	7.12
10,001–100,000	1,505	1.10	3.04
100,001–1,000,000	23	0.02	0.47
Over 1,000,000 ^b	2	0.01	86.71
	136,536	100.00	100.00

At 31 December 2008, there were also 1,622 preference shareholders.

^a One ADS represents six 25-cent ordinary shares.

^b One of the holders of ADSs represents some 818,000 underlying holders.

Beneficial owners as at 31 December 2008^{a,b}

	Percentage of shares in issue		
	Institutions	Individuals	Total
By principal area			
UK	35	7	42
US	23	15	38
Rest of Europe	9	–	9
Rest of World	6	–	6
Miscellaneous ^c	5	–	5
	78	22	100

^a Reflects the beneficial (underlying) ownership of the shares.

^b Represents BP's best efforts to determine the domicile of the beneficial (underlying) owners of the group's shares, based on analysis of the year-end share register. Note that institutions include custodians, market makers, delivery by value, brokerage, stocklending, clearing and non-American depository receipt arbitrage.

^c Miscellaneous represents shareholders below the 100,000-share threshold and unidentified shares. Unidentified shares represent holdings that are awaiting confirmation of the identity of the beneficial holder and the nature of their interest in the shares following enquiries made under Section 793 of the Companies Act 2006.

BP share data

	2004	2005	2006	2007	2008
Share price and dividends					
Share price (pence per ordinary share)					
High	561.00	686.00	723.00	640.00	657.25
Low	407.75	499.00	558.50	504.50	370.00
End year	508.00	619.00	567.50	615.00	526.00
Dividends paid (pence per ordinary share)					
First quarter	3.674	4.522	5.288	5.258	6.813
Second quarter	3.807	4.450	5.251	5.151	6.830
Third quarter	3.860	5.119	5.324	5.278	7.039
Fourth quarter	3.910	5.061	5.241	5.308	8.705
	15.251	19.152	21.104	20.995	29.387
Dividends paid (cents per ordinary share)					
First quarter	6.75	8.500	9.375	10.325	13.525
Second quarter	6.75	8.500	9.375	10.325	13.525
Third quarter	7.10	8.925	9.825	10.825	14.000
Fourth quarter	7.10	8.925	9.825	10.825	14.000
	27.70	34.850	38.400	42.300	55.050
ADS price (US dollars per ADS)					
High	62.10	72.75	76.85	79.77	77.69
Low	46.65	56.60	63.52	58.62	37.57
End year	58.40	64.22	67.10	73.17	46.74
Dividends paid (US dollars per ADS)					
First quarter	0.4050	0.5100	0.5625	0.6195	0.8115
Second quarter	0.4050	0.5100	0.5625	0.6195	0.8115
Third quarter	0.4260	0.5355	0.5895	0.6495	0.8400
Fourth quarter	0.4260	0.5355	0.5895	0.6495	0.8400
	1.6620	2.0910	2.3040	2.5380	3.3030
Dividend payout ratio					
Based on replacement cost profit for the year	38%	36%	35%	44%	40%
Based on profit for the year	35%	33%	35%	39%	49%
Dividend cover					
Dividend cover out of income ^a	2.64	2.74	2.89	2.27	2.47
Dividend cover out of cash flow ^b	3.87	3.63	3.67	3.05	3.68

^a Based on replacement cost profit for the year.

^b Net cash provided by operating activities, divided by gross dividends paid. The calculation is based on the assumption that all dividends are paid in cash.



Information for earnings per share

	\$ million				
	2004	2005	2006	2007	2008
Results for the period					
Profit for the year attributable to BP shareholders	17,075	22,341	22,000	20,845	21,157
Less: preference dividend	2	2	2	2	2
Profit for the year attributable to BP ordinary shareholders	17,073	22,339	21,998	20,843	21,155
Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP (net of tax)	64	40	16	–	–
Diluted profit for the year attributable to BP ordinary shareholders	17,137	22,379	22,014	20,843	21,155
Profit for the year attributable to BP ordinary shareholders, as above	17,073	22,339	21,998	20,843	21,155
Inventory holding (gains) losses, net of tax	(1,129)	(2,173)	222	(2,475)	4,436
Replacement cost profit attributable to ordinary shareholders	15,944	20,166	22,220	18,368	25,591
Average number of shares					
Basic weighted average number of shares outstanding (thousand) ^a	21,820,525	21,125,902	20,027,527	19,163,389	18,789,827
– ADS equivalent (thousand) ^a	3,636,754	3,520,984	3,337,921	3,193,898	3,131,638
Diluted weighted average number of shares outstanding (thousand) ^a	22,292,536	21,411,447	20,195,458	19,326,875	18,962,517
– ADS equivalent (thousand) ^a	3,715,423	3,568,575	3,365,910	3,221,146	3,160,412
Shares in issue at year end (thousand) ^a	21,525,978	20,657,045	19,510,496	18,932,143	18,716,098
– ADS equivalent (thousand) ^a	3,587,663	3,442,841	3,251,749	3,155,357	3,119,350
Shares repurchased in the year (thousand)	827,240	1,059,707	1,334,363	663,150	269,957

^a Excludes treasury shares and the shares held by the Employee Share Ownership Plans and includes certain shares that will be issuable in the future under employee share plans.

Exploration and Production

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Exploration and Production

Exploration and Production

BP's Exploration and Production business finds, produces and transports oil and gas to market. We operate in 29 countries and employ more than 20,000 people. Our strategy is to invest to grow production efficiently by:

- Focusing on accessing, finding and developing the largest fields in the world's most prolific hydrocarbon basins.
- Building leadership positions in these areas.
- Using technology to improve productivity and support new access.
- Managing the decline of existing producing assets.

Upstream activities involve oil and natural gas exploration and field development and production. In 2008, BP participated in three of the 14 major discoveries reported globally. We strengthened our position in a number of our core growth areas, including the Gulf of Mexico, Egypt and Angola. Exploration success also played a significant role in the renewal of our more mature areas, with two discoveries in the UK North Sea. Progressing these discoveries into projects and then start-ups will enable us to maintain our track record of reserves replacement. We also extended our track record of major project start-ups, with nine new major projects coming onstream, including Thunder Horse in the Gulf of Mexico and our Deepwater Gunashli platform in Azerbaijan.



E&P major projects in more detail
www.bp.com/upstreammajorprojects



These maps illustrate our Exploration and Production operations around the world. For more information on Exploration and Production major projects, simply click on the relevant hyperlink. The links will take you to content on *bp.com* that does not form part of *Financial and Operating Information 2004-2008*.

Key indicators^a

	2004	2005	2006	2007	2008
Result and oil price					
Replacement cost profit before interest and tax (\$ billion) ^b	18.98	26.31	31.03	27.60	38.31
BP average liquids realizations (\$/bbl) ^c	35.39	48.51	59.23	67.45	90.20
Finding and development costs (\$ per barrel of oil equivalent (\$/boe), five-year rolling average) ^d	4.65	5.79	8.76	13.64	16.41
Finding costs (\$/boe, five-year rolling average) ^d	0.81	0.92	1.53	2.33	3.56
Lifting costs (\$/boe)	3.41	4.28	5.31	6.63	6.68
Cost of supply (\$/boe) ^e	9.54	10.44	12.51	14.81	15.46
Net income per barrel of oil equivalent (\$/boe)					
BP subsidiaries and equity-accounted entities (\$/boe)	8.40	12.51	11.91	12.62	17.67
BP subsidiaries and equity-accounted entities excluding TNK-BP (\$/boe)	9.46	14.26	13.26	14.43	21.14
Range of other oil majors					
Maximum (\$/boe)	10.81	15.32	16.96	17.14	23.23
Minimum (\$/boe)	7.31	9.74	11.24	12.35	17.68
Reserves replacement					
BP subsidiaries (%) ^f	106	71	34	44	116^g
BP subsidiaries and equity-accounted entities (%) ^f	110	100	113	112	121^g
Range of other oil majors					
Maximum (%)	125	129	128	119	139
Minimum (%)	35	13	20	15	29

^a Except where indicated, all the data in this table relates to BP subsidiaries only.

^b Includes equity-accounted entities.

^c Crude oil and NGLs.

^d Reserves calculated on an SEC basis.

^e Cost of supply comprises exploration expense, lifting costs and depreciation, depletion and amortization.

^f Reserves replacement for 2006, 2007 and 2008 calculated on an SEC basis.

^g Under current SEC rules, BP's proved reserves estimates are based on prices and costs as of the date the estimate is made. There was a rapid and substantial decline in oil prices in the fourth quarter of 2008 that was not matched by a similar reduction in operating costs by the end of the year. BP does not expect that these economic conditions will continue. However, our 2008 reserves are calculated on the basis of operating activities that would be undertaken were year-end prices and costs to persist.

Financial statistics

	\$ million				
	2004	2005	2006	2007	2008
Replacement cost profit before interest and tax					
US	7,221	10,118	10,002	7,929	11,724
Non-US	11,756	16,190	21,024	19,673	26,584
	18,977	26,308	31,026	27,602	38,308
Operating capital employed					
US	25,773	27,555	27,687	30,341	35,807
Non-US	43,141	45,330	49,601	54,278	56,950
	68,914	72,885	77,288	84,619	92,757
Sales and other operating revenues	49,600	61,893	67,950	65,740	86,170
Capital expenditure and acquisitions					
US	3,963	3,932	4,655	5,096	10,359
Non-US	7,449	6,466	8,597	9,111	11,868
	11,412	10,398	13,252	14,207	22,227
Employee numbers at year end	17,500	18,900	21,400	21,800	21,400
BP average realizations					
BP average liquids realizations (\$/bbl) ^a	35.39	48.51	59.23	67.45	90.20
BP average natural gas realizations (\$/mcf)	3.86	4.90	4.72	4.53	6.00
Marker prices					
Brent oil (\$/bbl)	38.27	54.48	65.14	72.39	97.26
Alaskan North Slope oil (\$/bbl)	38.96	53.55	63.57	71.68	98.86
West Texas Intermediate (\$/bbl)	41.49	56.58	66.02	72.20	100.06
Mars oil (\$/bbl)	n/a ^b	50.12	58.90	66.58	93.95
Henry Hub gas price (\$ per million British thermal units) ^c	6.13	8.65	7.24	6.86	9.04

^a Crude oil and NGLs.

^b Data not available for 2004.

^c Henry Hub First of Month Index.

TNK-BP operational and financial information

Production (BP share, net of royalties)

	2004	2005	2006	2007	2008
Crude oil (thousand barrels per day)	830	911	876	832	826
Natural gas (million cubic feet per day)	463	482	544	451	564
Total hydrocarbons (thousand barrels of oil equivalent per day (mboe/d)) ^a	910	994	970	910	923

Income statement (BP share)

	\$ million				
Profit before interest and tax	2,421	3,817	4,616	3,743	3,588
Finance costs*	(101)	(128)	(192)	(264)	(275)
Taxation	(675)	(976)	(1,467)	(993)	(882)
Minority interest	(43)	(104)	(193)	(215)	(169)
Profit for the year ^b	1,602	2,609	2,764	2,271	2,262
*Excludes unwinding of discount on deferred consideration	91	57	23	—	—

Balance sheet

Investment in jointly controlled entities	8,294	8,089	8,353	8,817	8,939
Deferred consideration					
Due within one year	1,227	1,227	—	—	—
Due after more than one year	1,194	—	—	—	—
	2,421	1,227	—	—	—

Cash flow

Acquisition of investment in TNK-BP joint venture	(1,250)	—	—	—	—
Dividends received	1,760	1,950	3,271	1,300	2,140
Dividends receivable ^c	—	771	—	—	—

Average oil marker prices

	\$ per barrel				
	2004	2005	2006	2007	2008
Urals (NWE – cif)	34.08	50.29	61.22	69.16	94.83
Russian domestic oil	20.61	28.77	34.39	39.81	45.59

^a Natural gas is converted to oil equivalent at 5.8 billion cubic feet (bcf) = 1 million barrels.

^b 2005 includes a net gain of \$270 million on the disposal of non-core producing assets in the Saratov region, along with the Orsk refinery. 2006 includes a net gain of \$892 million on the disposal of the Udmurtneft assets.

^c 2006 includes a \$771-million dividend declared in 2005.

Oil and natural gas exploration and production activities^a

	\$ million							
	2004							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Capitalized costs at 31 December								
Gross capitalized costs								
Proved properties	30,639	4,691	43,011	10,450	2,892	10,401	–	3,834
Unproved properties	300	170	1,395	456	1,240	526	119	105
	30,939	4,861	44,406	10,906	4,132	10,927	119	3,939
Accumulated depreciation	20,780	2,794	19,713	5,546	1,350	5,573	–	1,014
Net capitalized costs	10,159	2,067	24,693	5,360	2,782	5,354	119	2,925

The group's share of jointly controlled entities' and associates' net capitalized costs at 31 December 2004 was \$11,013 million.

Costs incurred for year ended 31 December

Acquisition of properties								
Proved	–	–	–	–	–	–	–	–
Unproved	2	–	58	5	–	13	–	78
	2	–	58	5	–	13	–	78
Exploration and appraisal costs ^b	51	17	423	199	85	142	113	1,039
Development costs	679	262	3,247	527	88	1,460	–	1,007
Total costs	732	279	3,728	731	173	1,615	113	1,016

The group's share of jointly controlled entities' and associates' costs incurred in 2004 was \$1,102 million: in Russia \$773 million and Rest of Americas \$329 million.

Results of operations for year ended 31 December

Sales and other operating revenues								
Third parties	3,458	626	1,735	1,776	977	492	5	403
Sales between businesses	2,424	609	11,794	2,556	530	1,439	–	2,912
	5,882	1,235	13,529	4,332	1,507	1,931	5	3,315
Exploration expenditure	26	25	361	141	14	45	17	8
Production costs	901	117	1,428	535	142	323	–	131
Production taxes	273	30	477	239	45	–	–	1,023
Other costs (income) ^c	(211)	38	1,884	458	96	122	(3)	1,380
Depreciation, depletion and amortization	1,524	172	2,268	611	174	287	–	121
Impairments and (gains) losses on sale of businesses and fixed assets	21	1	344	(55)	113	48	–	(3)
	2,534	383	6,762	1,929	584	825	14	2,660
Profit (loss) before taxation ^d	3,348	852	6,767	2,403	923	1,106	(9)	655
Allocable taxes	1,242	534	2,103	859	(4)	441	2	150
Results of operations	2,106	318	4,664	1,544	927	665	(11)	505

The group's share of jointly controlled entities' and associates' results of operations (including the group's share of total TNK-BP results) in 2004 was a profit of \$1,814 million after deducting interest of \$189 million, taxation of \$969 million and minority interest of \$43 million.

Exploration and Production segment replacement cost profit before interest and tax

Exploration and production activities								
Group (as above)	3,348	852	6,767	2,403	923	1,106	(9)	655
Equity-accounted entities after interest and tax	–	–	–	113	36	–	1,665	–
Midstream activities	194	(55)	455	560	(53)	(19)	–	36
Total replacement cost profit before interest and tax	3,542	797	7,222	3,076	906	1,087	1,656	691

^aThis note contains information relating to oil and natural gas exploration and production activities. Midstream activities relating to the management and ownership of crude oil and natural gas pipelines, processing and export terminals and liquefied natural gas (LNG) processing facilities and transportation are excluded. In addition, our midstream activities of marketing and trading of natural gas, power and NGLs in the US, Canada, UK and Europe are excluded. The most significant midstream pipeline interests include the Trans-Alaska Pipeline System, the Forties Pipeline System, the Central Area Transmission System pipeline and the Baku-Tbilisi-Ceyhan pipeline. Major LNG activities are located in Trinidad, Indonesia and Australia.

The group's share of jointly controlled entities' and associates' activities are excluded from the tables and included in the footnotes with the exception of the Abu Dhabi operations, which are included in the results of operations above.

^bIncludes exploration and appraisal drilling expenditures, which are capitalized within intangible fixed assets, and geological and geophysical exploration costs, which are charged to income as incurred.

^cIncludes the value of royalty oil sold on behalf of others where royalty is payable in cash, property taxes and other government take.

^dExcludes the unwinding of the discount on provisions and payables amounting to \$120 million, which is included in finance costs in the group income statement.

Oil and natural gas exploration and production activities^a continued

	\$ million							
	2005							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Capitalized costs at 31 December								
Gross capitalized costs								
Proved properties	31,552	4,608	46,288	9,585	2,922	12,183	–	5,184
Unproved properties	276	135	1,547	583	1,124	656	185	155
	31,828	4,743	47,835	10,168	4,046	12,839	185	5,339
Accumulated depreciation	22,302	2,949	22,016	4,919	1,508	6,112	–	1,200
Net capitalized costs	9,526	1,794	25,819	5,249	2,538	6,727	185	4,139

The group's share of jointly controlled entities' and associates' net capitalized costs at 31 December 2005 was \$10,670 million.

Costs incurred for year ended 31 December

Acquisition of properties								
Proved	–	–	–	–	–	–	–	–
Unproved	–	–	29	34	–	–	–	63
	–	–	29	34	–	–	–	63
Exploration and appraisal costs ^b	51	7	606	133	11	264	126	68
Development costs	790	188	2,965	681	186	1,691	–	1,177
Total costs	841	195	3,600	848	197	1,955	126	1,245

The group's share of jointly controlled entities' and associates' costs incurred in 2005 was \$1,205 million: in Russia \$845 million and Rest of Americas \$360 million.

Results of operations for year ended 31 December

Sales and other operating revenues								
Third parties	4,667	635	2,048	2,260	1,045	1,350	–	690
Sales between businesses	2,458	976	14,842	2,863	782	2,402	–	4,796
	7,125	1,611	16,890	5,123	1,827	3,752	–	5,486
Exploration expenditure	32	1	426	84	6	81	37	17
Production costs	1,082	118	1,814	578	159	460	–	180
Production taxes	485	33	610	281	54	–	–	1,536
Other costs (income) ^c	1,857	(55)	2,200	537	170	98	8	2,042
Depreciation, depletion and amortization	1,548	220	2,288	675	162	542	–	193
Impairments and (gains) losses on sale of businesses and fixed assets	44	(1,038)	232	(133)	–	–	2	–
	5,048	(721)	7,570	2,022	551	1,181	47	3,968
Profit (loss) before taxation ^d	2,077	2,332	9,320	3,101	1,276	2,571	(47)	1,518
Allocable taxes	405	880	3,377	1,390	447	1,043	(1)	409
Results of operations	1,672	1,452	5,943	1,711	829	1,528	(46)	1,109

The group's share of jointly controlled entities' and associates' results of operations (including the group's share of total TNK-BP results) in 2005 was a profit of \$3,029 million after deducting interest of \$226 million, taxation of \$1,250 million and minority interest of \$104 million.

Exploration and Production segment replacement cost profit before interest and tax

Exploration and production activities								
Group (as above)	2,077	2,332	9,320	3,101	1,276	2,571	(47)	1,518
Equity-accounted entities after interest and tax	–	–	–	309	35	–	2,685	–
Midstream activities	46	(76)	799	466	(105)	(18)	(1)	20
Total replacement cost profit before interest and tax	2,123	2,256	10,119	3,876	1,206	2,553	2,637	1,538

^aThis note contains information relating to oil and natural gas exploration and production activities. Midstream activities of natural gas gathering and distribution and the operation of the main pipelines and tankers are excluded. In addition, our midstream activities of marketing and trading of natural gas, power and NGLs in the US, Canada, UK and Europe are excluded. The main midstream activities are the Alaskan transportation facilities, the Forties Pipeline system and the Central Area Transmission System. The group's share of jointly controlled entities' and associates' activities is excluded from the tables and included in the footnotes with the exception of the Abu Dhabi operations, which are included in the income and expenditure items above.

^bIncludes exploration and appraisal drilling expenditures, which are capitalized within intangible fixed assets, and geological and geophysical exploration costs, which are charged to income as incurred.

^cIncludes the value of royalty oil sold on behalf of others where royalty is payable in cash, property taxes, other government take, the fair value loss on embedded derivatives of \$1,668 million and a \$265-million charge incurred on the cancellation of an intragroup gas supply contract. The UK region includes a \$530-million charge offset by corresponding gains primarily in the US, relating to the group's self-insurance programme.

^dExcludes the unwinding of the discount on provisions and payables amounting to \$122 million, which is included in finance costs in the group income statement.

Oil and natural gas exploration and production activities^a continued

	\$ million							
	2006							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Capitalized costs at 31 December								
Gross capitalized costs								
Proved properties	32,528	4,951	44,856	9,404	3,569	15,516	–	6,278
Unproved properties	423	116	1,443	379	1,155	936	1	137
	32,951	5,067	46,299	9,783	4,724	16,452	1	6,415
Accumulated depreciation	22,908	3,175	19,724	4,618	1,709	6,944	–	1,708
Net capitalized costs	10,043	1,892	26,575	5,165	3,015	9,508	1	4,707

The group's share of jointly controlled entities' and associates' net capitalized costs at 31 December 2006 was \$10,870 million.

Costs incurred for year ended 31 December

Acquisition of properties								
Proved	–	–	–	–	–	–	–	–
Unproved	–	–	74	8	2	70	–	154
	–	–	74	8	2	70	–	154
Exploration and appraisal costs ^b	132	26	838	135	45	434	73	1,765
Development costs	794	214	3,579	820	238	2,356	–	1,108
Total costs	926	240	4,491	963	285	2,860	73	1,190

The group's share of jointly controlled entities' and associates' costs incurred in 2006 was \$1,688 million: in Russia \$1,109 million, Rest of Americas \$424 million, Asia Pacific \$16 million and other \$139 million.

Results of operations for year ended 31 December

Sales and other operating revenues								
Third parties	5,378	628	1,381	2,196	1,159	1,647	–	768
Sales between businesses	2,329	1,024	14,572	3,229	807	2,875	–	7,640
	7,707	1,652	15,953	5,425	1,966	4,522	–	8,408
Exploration expenditure	20	(1)	634	132	11	132	17	100
Production costs	1,312	145	2,311	638	155	509	–	238
Production taxes	492	38	887	295	63	–	–	2,079
Other costs (income) ^c	(867)	90	2,561	478	154	104	32	3,121
Depreciation, depletion and amortization	1,612	213	2,083	685	175	865	–	510
Impairments and (gains) losses on sale of businesses and fixed assets	(450)	(57)	(1,880)	42	(99)	(31)	–	–
	2,119	428	6,596	2,270	459	1,579	49	6,048
Profit (loss) before taxation ^d	5,588	1,224	9,357	3,155	1,507	2,943	(49)	2,360
Allocable taxes	2,567	793	3,136	1,443	472	1,328	3	737
Results of operations	3,021	431	6,221	1,712	1,035	1,615	(52)	1,623

The group's share of jointly controlled entities' and associates' results of operations (including the group's share of total TNK-BP results) in 2006 was a profit of \$3,302 million after deducting interest of \$324 million, taxation of \$1,804 million and minority interest of \$193 million.

Exploration and Production segment replacement cost profit before interest and tax

Exploration and production activities								
Group (as above)	5,588	1,224	9,357	3,155	1,507	2,943	(49)	2,360
Equity-accounted entities after interest and tax	–	–	1	535	33	1	2,730	2
Midstream activities	519	143	643	503	(196)	37	(24)	14
Total replacement cost profit before interest and tax	6,107	1,367	10,001	4,193	1,344	2,981	2,657	2,376

^a This note contains information relating to oil and natural gas exploration and production activities. Midstream activities of natural gas gathering and distribution and the operation of the main pipelines and tankers are excluded. In addition, our midstream activities of marketing and trading of natural gas, power and NGLs in the US, Canada, UK and Europe are excluded. The main midstream activities are the Alaskan transportation facilities, the Forties Pipeline System and the Central Area Transmission System. The group's share of jointly controlled entities' and associates' activities are excluded from the tables and included in the footnotes with the exception of the Abu Dhabi operations, which are included in the results of operations above.

^b Includes exploration and appraisal drilling expenditures, which are capitalized within intangible fixed assets, and geological and geophysical exploration costs, which are charged to income as incurred.

^c Includes the value of royalty oil sold on behalf of others where royalty is payable in cash, property taxes, other government take and the fair value gain on embedded derivatives of \$515 million.

^d Excludes the unwinding of the discount on provisions and payables amounting to \$153 million, which is included in finance costs in the group income statement.

Oil and natural gas exploration and production activities^a continued

	\$ million							
	2007							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Capitalized costs at 31 December								
Gross capitalized costs								
Proved properties	34,774	4,925	53,079	10,627	3,528	18,333	–	7,596
Unproved properties	606	–	1,660	297	1,188	1,533	4	349
	35,380	4,925	54,739	10,924	4,716	19,866	4	7,945
Accumulated depreciation	25,515	2,925	25,500	5,528	1,508	8,315	–	2,553
Net capitalized costs	9,865	2,000	29,239	5,396	3,208	11,551	4	5,392

The group's share of jointly controlled entities' and associates' net capitalized costs at 31 December 2007 was \$11,787 million.

Costs incurred for year ended 31 December

Acquisition of properties								
Proved	–	–	245	–	–	–	–	232
Unproved	–	–	54	16	–	321	–	126
	–	–	299	16	–	321	–	358
Exploration and appraisal costs ^b	209	16	646	72	51	677	119	102
Development costs	804	443	3,861	1,057	333	2,634	–	1,021
Total costs	1,013	459	4,806	1,145	384	3,632	119	1,481

The group's share of jointly controlled entities' and associates' costs incurred in 2007 was \$2,552 million: in Russia \$1,787 million, Rest of Americas \$569 million, Asia Pacific \$17 million and other \$179 million.

Results of operations for year ended 31 December

Sales and other operating revenues								
Third parties	4,503	434	1,436	2,142	1,148	2,219	–	921
Sales between businesses	2,260	902	14,353	3,142	970	3,223	–	9,983
	6,763	1,336	15,789	5,284	2,118	5,442	–	10,904
Exploration expenditure	46	–	252	134	11	183	116	14
Production costs	1,658	147	2,782	770	190	637	2	344
Production taxes	227	3	1,260	273	56	–	–	2,224
Other costs (income) ^c	(419)	123	2,505	395	378	200	169	3,018
Depreciation, depletion and amortization	1,569	207	2,118	822	205	1,372	–	995
Impairments and (gains) losses on sale of businesses and fixed assets	112	(534)	(413)	(43)	–	(76)	–	–
	3,193	(54)	8,504	2,351	840	2,316	287	6,595
Profit (loss) before taxation ^d	3,570	1,390	7,285	2,933	1,278	3,126	(287)	4,309
Allocable taxes	1,664	611	2,560	1,202	321	1,462	3	1,079
Results of operations	1,906	779	4,725	1,731	957	1,664	(290)	3,230

The group's share of jointly controlled entities' and associates' results of operations (including the group's share of total TNK-BP results) in 2007 was a profit of \$2,704 million after deducting interest of \$401 million, taxation of \$1,355 million and minority interest of \$215 million.

Exploration and Production segment replacement cost profit before interest and tax

Exploration and production activities								
Group (as above)	3,570	1,390	7,285	2,933	1,278	3,126	(287)	4,309
Equity-accounted entities after interest and tax	–	–	1	381	21	–	2,292	9
Midstream activities	15	12	643	639	(108)	96	(112)	109
Total replacement cost profit before interest and tax	3,585	1,402	7,929	3,953	1,191	3,222	1,893	4,427

^aThis note contains information relating to oil and natural gas exploration and production activities. Midstream activities relating to the management and ownership of crude oil and natural gas pipelines, processing and export terminals and LNG processing facilities and transportation are excluded. In addition, our midstream activities of marketing and trading of natural gas, power and NGLs in the US, Canada, UK and Europe are excluded. The most significant midstream pipeline interests include the Trans-Alaska Pipeline System, the Forties Pipeline System, the Central Area Transmission System pipeline and the Baku-Tbilisi-Ceyhan pipeline. Major LNG activities are located in Trinidad, Indonesia and Australia. The group's share of jointly controlled entities' and associates' activities are excluded from the tables and included in the footnotes with the exception of the Abu Dhabi operations, which are included in the results of operations above.

^bIncludes exploration and appraisal drilling expenditures, which are capitalized within intangible fixed assets, and geological and geophysical exploration costs, which are charged to income as incurred.

^cIncludes property taxes, other government take and the fair value gain on embedded derivatives of \$47 million. The UK region includes a \$409-million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme.

^dExcludes the unwinding of the discount on provisions and payables amounting to \$179 million, which is included in finance costs in the group income statement.

Oil and natural gas exploration and production activities^a continued

	\$ million							
	2008							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Capitalized costs at 31 December								
Gross capitalized costs								
Proved properties	34,614	5,507	59,918	11,451	4,720	21,563	–	8,550
Unproved properties	626	–	5,006	299	1,019	2,011	–	464
	35,240	5,507	64,924	11,750	5,739	23,574	–	9,014
Accumulated depreciation	26,564	3,125	28,511	6,358	2,181	10,451	–	3,159
Net capitalized costs	8,676	2,382	36,413	5,392	3,558	13,123	–	5,855

The group's share of jointly controlled entities' and associates' net capitalized costs at 31 December 2008 was \$13,393 million.

Costs incurred for year ended 31 December

Acquisition of properties								
Proved	–	–	1,374	2	–	–	–	136
Unproved	4	–	2,942	–	–	–	–	41
	4	–	4,316	2	–	–	–	177
Exploration and appraisal costs ^b	137	–	862	123	79	838	12	239
Development costs	907	695	4,914	1,077	465	2,966	–	743
Total costs	1,048	695	10,092	1,202	544	3,804	12	1,159

The group's share of jointly controlled entities' and associates' costs incurred in 2008 was \$3,259 million: in Russia \$1,921 million, Rest of Americas \$1,039 million, Asia Pacific \$24 million and other \$275 million.

Results of operations for year ended 31 December

Sales and other operating revenues								
Third parties	3,865	105	8,010	3,573	1,410	3,745	–	549
Sales between businesses	4,374	1,416	15,610	3,755	1,420	6,022	–	11,087
	8,239	1,521	23,620	7,328	2,830	9,767	–	11,636
Exploration expenditure	121	1	305	62	41	213	14	125
Production costs	1,357	150	3,002	718	213	875	18	334
Production taxes	503	–	2,603	360	110	–	–	3,083
Other costs (income) ^c	(28)	(43)	3,440	541	309	245	196	4,041
Depreciation, depletion and amortization	1,049	199	2,729	911	251	2,120	–	624
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	308	6	219	8	–	–
	3,002	307	12,387	2,598	1,143	3,461	228	8,207
Profit (loss) before taxation ^d	5,237	1,214	11,233	4,730	1,687	6,306	(228)	3,429
Allocable taxes	2,280	883	3,857	2,423	618	2,672	(36)	879
Results of operations	2,957	331	7,376	2,307	1,069	3,634	(192)	2,550

The group's share of jointly controlled entities' and associates' results of operations (including the group's share of total TNK-BP results) in 2008 was a profit of \$2,793 million after deducting interest of \$355 million, taxation of \$1,217 million and minority interest of \$169 million.

Exploration and Production segment replacement cost profit before interest and tax

Exploration and production activities								
Group (as above)	5,237	1,214	11,233	4,730	1,687	6,306	(228)	3,429
Equity-accounted entities after interest and tax	(1)	–	1	344	48	(1)	2,259	143
Midstream activities ^e	743	16	490	947	(228)	112	–	(173)
Total replacement cost profit before interest and tax	5,979	1,230	11,724	6,021	1,507	6,417	2,031	3,399

^a This note contains information relating to oil and natural gas exploration and production activities. Midstream activities relating to the management and ownership of crude oil and natural gas pipelines, processing and export terminals and LNG processing facilities and transportation are excluded. In addition, our midstream activities of marketing and trading of natural gas, power and NGLs in the US, Canada, UK and Europe are excluded. The most significant midstream pipeline interests include the Trans-Alaska Pipeline System, the Forties Pipeline System, the Central Area Transmission System pipeline and the Baku-Tbilisi-Ceyhan pipeline. Major LNG activities are located in Trinidad, Indonesia and Australia and BP is also investing in the LNG business in Angola. The group's share of jointly controlled entities' and associates' activities are excluded from the tables and included in the footnotes with the exception of the Abu Dhabi operations, which are included in the results of operations above.

^b Includes exploration and appraisal drilling expenditures, which are capitalized within intangible fixed assets, and geological and geophysical exploration costs, which are charged to income as incurred.

^c Includes property taxes, other government take and the fair value loss on embedded derivatives of \$102 million. The UK region includes a \$499-million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme.

^d Excludes the unwinding of the discount on provisions and payables amounting to \$285 million, which is included in finance costs in the group income statement.

^e Includes a \$517-million write-down of our investment in Rosneft based on its quoted market price at the end of the year.

Movements in estimated net proved reserves – crude oil^a

BP estimates proved reserves for reporting purposes in accordance with SEC rules and relevant guidance (see page 4). As currently required, these proved reserve estimates are based on prices and costs as of the date the estimate is made. There was a rapid and substantial decline in oil prices in the fourth quarter of 2008 that was not matched by a similar reduction in operating costs by the end of the year. BP does not expect that these economic conditions will continue. However, our 2008 reserves are calculated on the basis of operating activities that would be undertaken were year-end prices and costs to persist.

	million barrels							
	2004							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	697	236	1,902	385	82	190	–	73
Undeveloped	245	127	1,499	354	81	632	–	711
	942	363	3,401	739	163	822	–	784
Changes attributable to								
Revisions of previous estimates	(133)	1	(44)	(92)	2	19	–	(192)
Purchases of reserves-in-place	–	–	–	–	–	–	–	–
Discoveries and extensions	24	–	74	5	8	48	–	213
Improved recovery	57	4	55	31	–	6	–	3
Production ^b	(121)	(28)	(217)	(63)	(17)	(48)	–	(21)
Sales of reserves-in-place	–	–	(17)	(10)	(6)	–	–	–
	(173)	(23)	(149)	(129)	(13)	25	–	3
At 31 December ^c								
Developed	559	231	2,041	311	65	204	–	62
Undeveloped	210	109	1,211	299	85	643	–	725
	769	340	3,252 ^d	610	150	847	–	787
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	206	1	–	1,384	705
Undeveloped	–	–	–	134	–	–	410	27
	–	–	–	340	1	–	1,794	732
Changes attributable to								
Revisions of previous estimates	–	–	–	(5)	–	–	382	15
Purchases of reserves-in-place	–	–	–	–	–	–	252	–
Discoveries and extensions	–	–	–	2	–	–	–	–
Improved recovery	–	–	–	17	–	–	37	–
Production	–	–	–	(25)	–	–	(304)	(55)
Sales of reserves-in-place	–	–	–	–	–	–	(4)	–
	–	–	–	(11)	–	–	363	(40)
At 31 December ^e								
Developed	–	–	–	204	1	–	1,863	592
Undeveloped	–	–	–	125	–	–	294	100
	–	–	–	329	1	–	2,157	692
Total group and BP share of equity-accounted entities	769	340	3,252	939	151	847	2,157	1,479
								9,934

^a Crude oil includes NGLs and condensate. Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Excludes NGLs from processing plants in which an interest is held of 58 thousand barrels per day.

^c Includes 724 million barrels of NGLs. Also includes 40 million barrels of crude oil in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Proved reserves in the Prudhoe Bay field in Alaska include an estimated 77 million barrels on which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^e Includes 27 million barrels of NGLs. Also includes 127 million barrels of crude oil in respect of the 5.9% minority interest in TNK-BP.

Movements in estimated net proved reserves – crude oil^a continued

	million barrels							
	2005							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	559	231	2,041	311	65	204	–	62
Undeveloped	210	109	1,211	299	85	643	–	725
	769	340	3,252	610	150	847	–	787
Changes attributable to								
Revisions of previous estimates	(31)	(8)	103	(21)	21	(190)	–	(148)
Purchases of reserves-in-place	–	–	2	–	–	–	–	–
Discoveries and extensions	11	–	40	3	11	83	–	–
Improved recovery	32	21	217	1	–	2	–	7
Production ^b	(101)	(27)	(200)	(53)	(17)	(64)	–	(34)
Sales of reserves-in-place	–	(15)	(1)	(39)	–	–	–	–
	(89)	(29)	161	(109)	15	(169)	–	(175)
At 31 December ^c								
Developed	496	225	1,984	215	70	142	–	69
Undeveloped	184	86	1,429	286	95	536	–	543
	680	311	3,413 ^d	501	165	678	–	612
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	204	1	–	1,863	592
Undeveloped	–	–	–	125	–	–	294	100
	–	–	–	329	1	–	2,157	692
Changes attributable to								
Revisions of previous estimates	–	–	–	1	–	–	319	119
Purchases of reserves-in-place	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	2	–	–	–	–
Improved recovery	–	–	–	25	–	–	–	–
Production	–	–	–	(26)	–	–	(333)	(57)
Sales of reserves-in-place	–	–	–	–	–	–	(24)	–
	–	–	–	2	–	–	(38)	62
At 31 December ^c								
Developed	–	–	–	207	1	–	1,688	590
Undeveloped	–	–	–	124	–	–	431	164
	–	–	–	331	1	–	2,119	754
Total group and BP share of equity-accounted entities	680	311	3,413	832	166	678	2,119	1,366

^a Crude oil includes NGLs and condensate. Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Excludes NGLs from processing plants in which an interest is held of 58 thousand barrels per day.

^c Includes 818 million barrels of NGLs. Also includes 29 million barrels of crude oil in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Proved reserves in the Prudhoe Bay field in Alaska include an estimated 77 million barrels on which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^e Includes 33 million barrels of NGLs. Also includes 95 million barrels of crude oil in respect of the 4.47% minority interest in TNK-BP.

Movements in estimated net proved reserves – crude oil^a continued

	million barrels								
	2006								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other	Total
Subsidiaries									
At 1 January									
Developed	496	225	1,984	215	70	142	–	69	3,201
Undeveloped	184	86	1,429	286	95	536	–	543	3,159
	680	311	3,413	501	165	678	–	612	6,360
Changes attributable to									
Revisions of previous estimates	(3)	(11)	(108)	(9)	–	2	–	16	(113)
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	3	–	48	–	1	67	–	–	119
Improved recovery	26	9	95	13	4	22	–	–	169
Production ^b	(92)	(23)	(178)	(39)	(17)	(64)	–	(58)	(471)
Sales of reserves-in-place	(10)	–	(62)	(99)	–	–	–	–	(171)
	(76)	(25)	(205)	(134)	(12)	27	–	(42)	(467)
At 31 December ^c									
Developed	458	189	1,916	130	67	193	–	88	3,041
Undeveloped	146	97	1,292	237	86	512	–	482	2,852
	604	286	3,208 ^d	367	153	705	–	570	5,893
Equity-accounted entities (BP share)									
At 1 January									
Developed	–	–	–	207	1	–	1,688	590	2,486
Undeveloped	–	–	–	124	–	–	431	164	719
	–	–	–	331	1	–	2,119	754	3,205
Changes attributable to									
Revisions of previous estimates	–	–	–	(2)	–	–	1,215	(8)	1,205
Purchases of reserves-in-place	–	–	–	28	–	–	–	–	28
Discoveries and extensions	–	–	–	1	–	–	–	–	1
Improved recovery	–	–	–	34	–	–	–	–	34
Production	–	–	–	(28)	–	–	(320)	(63)	(411)
Sales of reserves-in-place	–	–	–	(4)	–	–	(170)	–	(174)
	–	–	–	29	–	–	725	(71)	683
At 31 December ^e									
Developed	–	–	–	221	1	–	2,200	520	2,942
Undeveloped	–	–	–	139	–	–	644	163	946
	–	–	–	360	1	–	2,844	683	3,888
Total group and BP share of equity-accounted entities	604	286	3,208	727	154	705	2,844	1,253	9,781

^a Crude oil includes NGLs and condensate. Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Excludes NGLs from processing plants in which an interest is held of 55 thousand barrels per day.

^c Includes 779 million barrels of NGLs. Also includes 23 million barrels of crude oil in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Proved reserves in the Prudhoe Bay field in Alaska include an estimated 77 million barrels on which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^e Includes 28 million barrels of NGLs. Also includes 179 million barrels of crude oil in respect of the 6.29% minority interest in TNK-BP.

Movements in estimated net proved reserves – crude oil^a continued

	million barrels							
	2007							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	458	189	1,916	130	67	193	–	88
Undeveloped	146	97	1,292	237	86	512	–	482
	604	286	3,208	367	153	705	–	570
Changes attributable to								
Revisions of previous estimates	(1)	(25)	18	(29)	(7)	(133)	–	(27)
Purchases of reserves-in-place	–	–	25	–	–	–	–	8
Discoveries and extensions	–	31	60	1	2	93	–	–
Improved recovery	7	1	99	6	5	12	–	1
Production ^b	(73)	(19)	(169)	(27)	(15)	(71)	–	(80)
Sales of reserves-in-place	–	–	(94)	–	–	–	–	–
	(67)	(12)	(61)	(49)	(15)	(99)	–	(98)
At 31 December ^c								
Developed	414	105	1,882	115	61	256	–	104
Undeveloped	123	169	1,265	203	77	350	–	368
	537	274	3,147 ^d	318	138	606	–	472
Equity-accounted entities (BP share)^e								
At 1 January								
Developed	–	–	–	221	1	–	2,200	520
Undeveloped	–	–	–	139	–	–	644	163
	–	–	–	360	1	–	2,844	683
Changes attributable to								
Revisions of previous estimates	–	–	–	178	–	–	413	167
Purchases of reserves-in-place	–	–	–	–	–	–	16	–
Discoveries and extensions	–	–	–	2	–	–	283	–
Improved recovery	–	–	–	59	–	–	–	1
Production	–	–	–	(28)	–	–	(304)	(73)
Sales of reserves-in-place	–	–	–	–	–	–	(21)	–
	–	–	–	211	–	–	387	95
At 31 December ^f								
Developed	–	–	–	328	1	–	2,094	573
Undeveloped	–	–	–	243	–	–	1,137	205
	–	–	–	571	1	–	3,231	778
Total group and BP share of equity-accounted entities	537	274	3,147	889	139	606	3,231	1,250
								10,073

^a Crude oil includes NGLs and condensate. Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Excludes NGLs from processing plants in which an interest is held of 54 thousand barrels per day.

^c Includes 739 million barrels of NGLs. Also includes 20 million barrels of crude oil in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Proved reserves in the Prudhoe Bay field in Alaska include an estimated 98 million barrels on which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^e The BP group holds interests, through associates, in onshore and offshore concessions in Abu Dhabi, expiring in 2014 and 2018 respectively. During the second quarter of 2007, we updated our reporting policy in Abu Dhabi to be consistent with general industry practice and as a result have started reporting production and reserves there gross of production taxes. This change resulted in an increase in our reserves of 153 million barrels and in our production of 33 thousand barrels per day.

^f Includes 26 million barrels of NGLs. Also includes 210 million barrels of crude oil in respect of the 6.51% minority interest in TNK-BP.

Movements in estimated net proved reserves – crude oil^a continued

million barrels								
2008								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	414	105	1,882	115	61	256	–	104
Undeveloped	123	169	1,265	203	77	350	–	368
	537	274	3,147	318	138	606	–	472
Changes attributable to								
Revisions of previous estimates	16	(11)	(212)	8	16	264	–	183
Purchases of reserves-in-place	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	64	5	–	173	–	–
Improved recovery	39	28	182	8	6	18	–	40
Production ^b	(63)	(16)	(191)	(26)	(14)	(101)	–	(44)
Sales of reserves-in-place	–	–	–	(199)	–	–	–	–
	(8)	1	(157)	(204)	8	354	–	179
At 31 December ^c								
Developed	410	81	1,717	58	77	464	–	174
Undeveloped	119	194	1,273	56	69	496	–	477
	529	275	2,990 ^d	114	146	960	–	651
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	328	1	–	2,094	573
Undeveloped	–	–	–	243	–	–	1,137	205
	–	–	–	571	1	–	3,231	778
Changes attributable to								
Revisions of previous estimates	–	–	–	(3)	–	11	217	(1)
Purchases of reserves-in-place	–	–	–	199	–	–	–	–
Discoveries and extensions	–	–	–	13	–	–	26	–
Improved recovery	–	–	–	62	–	–	–	–
Production	–	–	–	(34)	–	–	(302)	(80)
Sales of reserves-in-place	–	–	–	–	–	–	(1)	–
	–	–	–	237	–	11	(60)	(81)
At 31 December ^e								
Developed	–	–	–	399	1	–	2,227	498
Undeveloped	–	–	–	409	–	11	944	199
	–	–	–	808	1	11	3,171	697
Total group and BP share of equity-accounted entities	529	275	2,990	922	147	971	3,171	1,348
								10,353

^a Crude oil includes NGLs and condensate. Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Excludes NGLs from processing plants in which an interest is held of 19 thousand barrels per day.

^c Includes 807 million barrels of NGLs. Also includes 21 million barrels of crude oil in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Proved reserves in the Prudhoe Bay field in Alaska include an estimated 54 million barrels on which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^e Includes 36 million barrels of NGLs. Also includes 216 million barrels of crude oil in respect of the 6.80% minority interest in TNK-BP.

Movements in estimated net proved reserves – natural gas^a

BP estimates proved reserves for reporting purposes in accordance with SEC rules and relevant guidance (see page 4). As currently required, these proved reserve estimates are based on prices and costs as of the date the estimate is made. There was a rapid and substantial decline in oil prices in the fourth quarter of 2008 that was not matched by a similar reduction in operating costs by the end of the year. BP does not expect that these economic conditions will continue. However, our 2008 reserves are calculated on the basis of operating activities that would be undertaken were year-end prices and costs to persist.

	billion cubic feet								
	2004								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other	Total
Subsidiaries									
At 1 January									
Developed	2,996	262	11,482	4,212	1,976	640	–	255	21,823
Undeveloped	1,095	1,255	3,337	11,531	3,026	2,188	–	900	23,332
	4,091	1,517	14,819	15,743	5,002	2,828	–	1,155	45,155
Changes attributable to									
Revisions of previous estimates	(210)	28	(438)	(1,081)	106	16	–	558	(1,021)
Purchases of reserves-in-place	–	–	3	2	–	–	–	–	5
Discoveries and extensions	127	–	140	991	2,478	233	–	3	3,972
Improved recovery	134	4	870	76	–	29	–	38	1,151
Production ^b	(461)	(47)	(1,111)	(875)	(296)	(102)	–	(76)	(2,968)
Sales of reserves-in-place	–	–	(202)	(92)	(247)	(103)	–	–	(644)
	(410)	(15)	(738)	(979)	2,041	73	–	523	495
At 31 December ^c									
Developed	2,498	248	10,811	4,101	1,624	1,015	–	282	20,579
Undeveloped	1,183	1,254	3,270	10,663	5,419	1,886	–	1,396	25,071
	3,681	1,502	14,081	14,764	7,043	2,901	–	1,678	45,650
Equity-accounted entities (BP share)									
At 1 January									
Developed	–	–	–	1,591	136	–	46	58	1,831
Undeveloped	–	–	–	916	80	–	14	28	1,038
	–	–	–	2,507	216	–	60	86	2,869
Changes attributable to									
Revisions of previous estimates	–	–	–	(12)	(17)	–	341	–	312
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	–	–	–	–	–
Improved recovery	–	–	–	23	–	–	–	–	23
Production ^b	–	–	–	(144)	(23)	–	(177)	(3)	(347)
Sales of reserves-in-place	–	–	–	–	–	–	–	–	–
	–	–	–	(133)	(40)	–	164	(3)	(12)
At 31 December ^d									
Developed	–	–	–	1,397	107	–	214	60	1,778
Undeveloped	–	–	–	977	69	–	10	23	1,079
	–	–	–	2,374	176	–	224	83	2,857
Total group and BP share of equity-accounted entities ^d	3,681	1,502	14,081	17,138	7,219	2,901	224	1,761	48,507

^a Net proved reserves of natural gas exclude production royalties due to others, whether royalty is payable in cash or in kind.

^b Includes 190bcf of natural gas consumed in operations, 165bcf in subsidiaries and 25bcf in equity-accounted entities.

^c Includes 4,064bcf of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Includes 13bcf of natural gas in respect of the 5.9% minority interest in TNK-BP.

Year-end estimated net proved reserves – crude oil and natural gas

	million barrels oil equivalent ^a								
	2004								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other	Total
Total developed and undeveloped oil and natural gas reserves									
Subsidiaries	1,404	599	5,680	3,156	1,364	1,347	–	1,076	14,626
Equity-accounted entities (BP share)	–	–	–	738	31	–	2,196	706	3,671
Total group and BP share of equity-accounted entities	1,404	599	5,680	3,894	1,395	1,347	2,196	1,782	18,297

^a 5.8bcf of natural gas = 1 million boe.

Movements in estimated net proved reserves – natural gas^a continued

	billion cubic feet								
	2005								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other	Total
Subsidiaries									
At 1 January									
Developed	2,498	248	10,811	4,101	1,624	1,015	–	282	20,579
Undeveloped	1,183	1,254	3,270	10,663	5,419	1,886	–	1,396	25,071
	3,681	1,502	14,081	14,764	7,043	2,901	–	1,678	45,650
Changes attributable to									
Revisions of previous estimates	(102)	11	447	104	(133)	152	–	15	494
Purchases of reserves-in-place	–	–	66	2	–	–	–	–	68
Discoveries and extensions	21	19	47	225	204	44	–	–	560
Improved recovery	111	19	1,773	87	–	–	–	10	2,000
Production ^b	(425)	(44)	(1,018)	(888)	(280)	(163)	–	(80)	(2,898)
Sales of reserves-in-place	–	(1,182)	(14)	(230)	–	–	–	–	(1,426)
	(395)	(1,177)	1,301	(700)	(209)	33	–	(55)	(1,202)
At 31 December ^c									
Developed	2,382	245	11,184	3,560	1,459	934	–	281	20,045
Undeveloped	904	80	4,198	10,504	5,375	2,000	–	1,342	24,403
	3,286	325	15,382	14,064	6,834	2,934	–	1,623	44,448
Equity-accounted entities (BP share)									
At 1 January									
Developed	–	–	–	1,397	107	–	214	60	1,778
Undeveloped	–	–	–	977	69	–	10	23	1,079
	–	–	–	2,374	176	–	224	83	2,857
Changes attributable to									
Revisions of previous estimates	–	–	–	26	(81)	–	1,337	102	1,384
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	28	–	–	–	–	28
Improved recovery	–	–	–	66	–	–	–	–	66
Production ^b	–	–	–	(154)	(19)	–	(184)	(3)	(360)
Sales of reserves-in-place	–	–	–	–	–	–	(119)	–	(119)
	–	–	–	(34)	(100)	–	1,034	99	999
At 31 December ^d									
Developed	–	–	–	1,492	50	–	1,089	130	2,761
Undeveloped	–	–	–	848	26	–	169	52	1,095
	–	–	–	2,340	76	–	1,258	182	3,856
Total group and BP share of equity-accounted entities	3,286	325	15,382	16,404	6,910	2,934	1,258	1,805	48,304

^a Net proved reserves of natural gas exclude production royalties due to others, whether royalty is payable in cash or in kind.

^b Includes 174bcf of natural gas consumed in operations, 147bcf in subsidiaries and 27bcf in equity-accounted entities.

^c Includes 3,812bcf of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Includes 57bcf of natural gas in respect of the 4.47% minority interest in TNK-BP.

Year-end estimated net proved reserves – crude oil and natural gas continued

	million barrels oil equivalent ^a								
	2005								
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other	Total
Total developed and undeveloped oil and natural gas reserves									
Subsidiaries	1,247	367	6,065	2,926	1,343	1,184	–	892	14,024
Equity-accounted entities (BP share)	–	–	–	734	14	–	2,336	785	3,869
Total group and BP share of equity-accounted entities	1,247	367	6,065	3,660	1,357	1,184	2,336	1,677	17,893

^a 5.8bcf of natural gas = 1 million boe.

Movements in estimated net proved reserves – natural gas^a continued

	billion cubic feet							
	2006							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	2,382	245	11,184	3,560	1,459	934	–	281
Undeveloped	904	80	4,198	10,504	5,375	2,000	–	1,342
	3,286	325	15,382	14,064	6,834	2,934	–	1,623
Changes attributable to								
Revisions of previous estimates	(343)	11	(922)	(291)	(92)	(69)	–	33
Purchases of reserves-in-place	–	–	–	–	–	–	–	–
Discoveries and extensions	101	–	116	–	21	5	–	2
Improved recovery	144	–	1,755	344	71	6	–	9
Production ^b	(370)	(38)	(941)	(982)	(273)	(169)	–	(82)
Sales of reserves-in-place	(25)	–	(292)	(9)	–	–	–	–
	(493)	(27)	(284)	(938)	(273)	(227)	–	(38)
At 31 December ^c								
Developed	1,968	242	10,438	3,932	1,359	1,032	–	331
Undeveloped	825	56	4,660	9,194	5,202	1,675	–	1,254
	2,793	298	15,098	13,126	6,561	2,707	–	1,585
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	1,492	50	–	1,089	130
Undeveloped	–	–	–	848	26	–	169	52
	–	–	–	2,340	76	–	1,258	182
Changes attributable to								
Revisions of previous estimates	–	–	–	7	13	–	217	47
Purchases of reserves-in-place	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	23	–	–	–	–
Improved recovery	–	–	–	73	1	–	–	–
Production ^b	–	–	–	(171)	(15)	–	(204)	(7)
Sales of reserves-in-place	–	–	–	(77)	–	–	–	–
	–	–	–	(145)	(1)	–	13	40
At 31 December ^d								
Developed	–	–	–	1,460	52	–	1,087	170
Undeveloped	–	–	–	735	23	–	184	52
	–	–	–	2,195	75	–	1,271	222
Total group and BP share of equity-accounted entities ^d	2,793	298	15,098	15,321	6,636	2,707	1,271	1,807
								45,931

^a Net proved reserves of natural gas exclude production royalties due to others, whether royalty is payable in cash or in kind.

^b Includes 178bcf of natural gas consumed in operations, 147bcf in subsidiaries and 31bcf in equity-accounted entities and excludes 8.3bcf of produced non-hydrocarbon components that meet regulatory requirements for sale.

^c Includes 3,537bcf of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Includes 99bcf of natural gas in respect of the 7.77% minority interest in TNK-BP.

Year-end estimated net proved reserves – crude oil and natural gas continued

	million barrels oil equivalent ^a							
	2006							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Total developed and undeveloped oil and natural gas reserves								
Subsidiaries	1,086	337	5,812	2,630	1,284	1,172	–	843
Equity-accounted entities (BP share)	–	–	–	738	13	–	3,063	722
Total group and BP share of equity-accounted entities	1,086	337	5,812	3,368	1,297	1,172	3,063	1,565
								17,700

^a 5.8bcf of natural gas = 1 million boe.

Movements in estimated net proved reserves – natural gas^a continued

	billion cubic feet							
	2007							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	1,968	242	10,438	3,932	1,359	1,032	–	331
Undeveloped	825	56	4,660	9,194	5,202	1,675	–	1,254
	2,793	298	15,098	13,126	6,561	2,707	–	1,585
Changes attributable to								
Revisions of previous estimates	93	(37)	744	(276)	140	(146)	–	(21)
Purchases of reserves-in-place	–	–	23	–	–	–	–	109
Discoveries and extensions	–	293	95	249	88	17	–	–
Improved recovery	15	1	326	32	111	9	–	5
Production ^b	(299)	(14)	(879)	(1,047)	(261)	(187)	–	(114)
Sales of reserves-in-place	–	(68)	(32)	(7)	–	–	–	–
	(191)	175	277	(1,049)	78	(307)	–	(21)
At 31 December ^c								
Developed	2,049	63	10,670	3,683	1,822	990	–	583
Undeveloped	553	410	4,705	8,394	4,817	1,410	–	981
	2,602	473	15,375	12,077	6,639	2,400	–	1,564
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	1,460	52	–	1,087	170
Undeveloped	–	–	–	735	23	–	184	52
	–	–	–	2,195	75	–	1,271	222
Changes attributable to								
Revisions of previous estimates	–	–	–	73	(2)	–	61	11
Purchases of reserves-in-place	–	–	–	–	–	–	8	–
Discoveries and extensions	–	–	–	22	–	–	–	–
Improved recovery	–	–	–	195	16	–	–	–
Production ^b	–	–	–	(176)	(13)	–	(179)	(9)
Sales of reserves-in-place	–	–	–	–	–	–	–	–
	–	–	–	114	1	–	(110)	2
At 31 December ^d								
Developed	–	–	–	1,478	39	–	808	148
Undeveloped	–	–	–	831	37	–	353	76
	–	–	–	2,309	76	–	1,161	224
Total group and BP share of equity-accounted entities ^d	2,602	473	15,375	14,386	6,715	2,400	1,161	1,788
								44,900

^a Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Includes 202bcf of natural gas consumed in operations, 161bcf in subsidiaries, 41bcf in equity-accounted entities and excludes 10.9bcf of produced non-hydrocarbon components that meet regulatory requirements for sales.

^c Includes 3,211bcf of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Includes 68bcf of natural gas in respect of the 5.88% minority interest in TNK-BP.

Year-end estimated net proved reserves – crude oil and natural gas continued

	million barrels oil equivalent ^a							
	2007							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Total developed and undeveloped oil and natural gas reserves								
Subsidiaries	986	356	5,798	2,400	1,282	1,020	–	741
Equity-accounted entities (BP share)	–	–	–	969	14	–	3,431	817
Total group and BP share of equity-accounted entities	986	356	5,798	3,369	1,296	1,020	3,431	1,558
								17,814

^a 5.8bcf of natural gas = 1 million boe.

Movements in estimated net proved reserves – natural gas^a continued

	billion cubic feet							
	2008							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Subsidiaries								
At 1 January								
Developed	2,049	63	10,670	3,683	1,822	990	–	583
Undeveloped	553	410	4,705	8,394	4,817	1,410	–	981
	2,602	473	15,375	12,077	6,639	2,400	–	1,564
Changes attributable to								
Revisions of previous estimates	23	(8)	(2,063)	(405)	326	142	–	35
Purchases of reserves-in-place	–	–	183	–	–	–	–	–
Discoveries and extensions	–	–	549	1,073	–	82	–	37
Improved recovery	77	9	1,322	175	56	6	–	54
Production ^b	(298)	(11)	(834)	(1,040)	(264)	(198)	–	(150)
Sales of reserves-in-place	–	–	–	(3)	–	–	–	–
	(198)	(10)	(843)	(200)	118	32	–	(24)
At 31 December ^c								
Developed	1,822	61	9,059	3,975	2,482	1,050	–	507
Undeveloped	582	402	5,473	7,902	4,275	1,382	–	1,033
	2,404	463	14,532	11,877	6,757	2,432	–	1,540
Equity-accounted entities (BP share)								
At 1 January								
Developed	–	–	–	1,478	39	–	808	148
Undeveloped	–	–	–	831	37	–	353	76
	–	–	–	2,309	76	–	1,161	224
Changes attributable to								
Revisions of previous estimates	–	–	–	(96)	(2)	182	1,273	–
Purchases of reserves-in-place	–	–	–	3	–	–	–	–
Discoveries and extensions	–	–	–	192	–	–	–	–
Improved recovery	–	–	–	301	11	–	–	–
Production ^b	–	–	–	(188)	(12)	–	(221)	(10)
Sales of reserves-in-place	–	–	–	–	–	–	–	–
	–	–	–	212	(3)	182	1,052	(10)
At 31 December ^d								
Developed	–	–	–	1,498	37	–	1,560	139
Undeveloped	–	–	–	1,023	36	182	653	75
	–	–	–	2,521	73	182	2,213	214
Total group and BP share of equity-accounted entities^d	2,404	463	14,532	14,398	6,830	2,614	2,213	1,754
								45,208

^a Proved reserves exclude royalties due to others, whether royalty is payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b Includes 193bcf of natural gas consumed in operations, 149bcf in subsidiaries, 44bcf in equity-accounted entities and excludes 16.9bcf of produced non-hydrocarbon components that meet regulatory requirements for sales.

^c Includes 3,108bcf of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

^d Includes 131bcf of natural gas in respect of the 5.92% minority interest in TNK-BP.

Year-end estimated net proved reserves – crude oil and natural gas continued

	million barrels oil equivalent ^a							
	2008							
	UK	Rest of Europe	US	Rest of Americas	Asia Pacific	Africa	Russia	Other
Total developed and undeveloped oil and natural gas reserves								
Subsidiaries	943	355	5,496	2,162	1,311	1,379	–	916
Equity-accounted entities (BP share)	–	–	–	1,243	14	42	3,553	733
Total group and BP share of equity-accounted entities	943	355	5,496	3,405	1,325	1,421	3,553	1,649
								18,147

^a 5.8bcf of natural gas = 1 million boe.

Group production interests – crude oil (includes NGLs and condensate)

		BP net share of production ^a thousand barrels per day						
		Field	Interest%	2004	2005	2006	2007	2008
US								
Alaska								
		Prudhoe Bay ^b	26.4	97	89	71	74	72
		Kuparuk	Various	68	62	57	52	48
		Northstar ^b	98.6	49	46	38	28	22
		Milne Point ^b	Various	44	37	31	28	27
		Other	Various	37	34	27	27	28
Lower 48 onshore ^c		Various	Various	142	130	125	108	97
Gulf of Mexico ^c		Na Kika ^b	Various	27	44	41	32	29
		Thunder Horse ^b	75.0	–	–	–	–	24
		Horn Mountain ^b	100.0	41	26	23	18	18
		King ^b	100.0	26	24	28	22	23
		Mars	28.5	35	21	19	30	28
		Mad Dog ^b	60.5	–	13	17	25	31
		Atlantis ^b	56.0	–	–	–	2	42
		Other	Various	100	86	70	67	49
				666	612	547	513	538
Europe								
Netherlands ^c								
		Various	Various	1	1	1	–	–
Norway		Valhall ^b	28.1	25	25	21	17	14
		Draugen	18.4	27	20	15	14	13
		Ula ^b	80.0	16	17	14	12	8
		Other	Various	8	12	10	8	8
UK – offshore ^c		ETAP ^d	Various	55	49	49	32	27
		Foinaven ^b	Various	48	39	37	37	26
		Magnus ^b	85.0	34	30	30	16	18
		Schiehallion/Loyal ^b	Various	39	28	26	20	18
		Clair ^b	28.6	–	4	7	9	13
		Harding ^b	70.0	27	22	17	14	11
		Andrew ^b	62.8	12	12	7	8	7
		Other	Various	89	71	62	50	37
UK – onshore		Wytch Farm ^b	67.8	26	22	18	15	16
				407	352	314	252	216
Rest of World								
Angola								
		Dalia	16.7	–	–	–	31	34
		Girassol	16.7	31	34	17	14	6
		Greater Plutonio ^b	50.0	–	–	–	12	69
		Kizomba A	26.7	16	56	54	36	15
		Kizomba B	26.7	–	28	58	35	16
		Other	Various	24	10	4	12	62
Australia		Various	15.8	36	36	34	34	29
Azerbaijan		ACG (Azeri-Chirag-Gunashli) ^b	34.1	39	76	145	200	97
		Shah Deniz ^b	25.5	–	–	–	5	8
Canada ^c		Various ^b	Various	11	10	8	8	9
Colombia		Various ^b	Various	48	41	34	28	24
Egypt		Various	Various	57	47	42	43	57
Trinidad & Tobago		Various ^b	100.0	59	40	40	30	37
Venezuela ^c		Various	Various	55	55	26	16	4
Other ^c		Various	Various	31	26	28	35	42
				407	459	490	539	509
Total group ^e				1,480	1,423	1,351	1,304	1,263
Equity-accounted entities (BP share)								
		Abu Dhabi ^f	Various	142	148	163	192	210
		Argentina – Pan American Energy	Various	64	67	69	69	70
		Russia – TNK-BP ^c	Various	831	911	876	832	826
		Other ^c	Various	14	13	16	17	32
Total equity-accounted entities				1,051	1,139	1,124	1,110	1,138
Total group and BP share of equity-accounted entities				2,531	2,562	2,475	2,414	2,401

^a Production excludes royalties due to others whether payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b BP-operated.

^c In 2008, BP concluded the migration of the Cerro Negro operations to an incorporated joint venture with Petróleos de Venezuela, S.A. (PDVSA) while retaining its equity position and TNK-BP disposed of some non-core interests. In 2007, BP divested its producing properties in the Netherlands and some producing properties in the US Lower 48 and Canada. TNK-BP disposed of its interests in several non-core properties. In 2006, BP divested its producing properties on the Outer Continental Shelf of the Gulf of Mexico and its interest in the Statfjord oil and gas field in the UK. Our interests in the Boqueron, Desarrollo Zulia Occidental (DZO) and Jusepin projects in Venezuela were reduced following a decision by the Venezuelan government. TNK-BP disposed of its non-core interests in the Udmurtneft assets.

^d Volumes relate to six BP-operated fields within ETAP. BP has no interests in the remaining three ETAP fields, which are operated by Shell.

^e Includes 19 net mboe/d of NGLs from processing plants in which BP has an interest (2007 54mboe/d, 2006 55mboe/d, 2005 58mboe/d and 2004 67mboe/d).

^f The BP group holds interests, through associates, in onshore and offshore concessions in Abu Dhabi, expiring in 2014 and 2018 respectively. During the second quarter of 2007, we updated our reporting policy in Abu Dhabi to be consistent with general industry practice and as a result have started reporting production and reserves there gross of production taxes.

Group production interests – natural gas

			BP net share of production ^a million cubic feet per day				
	Field	Interest%	2004	2005	2006	2007	2008
US							
Lower 48 onshore ^b	San Juan ^c	Various	772	753	765	694	682
	Arkoma ^c	Various	183	198	225	204	240
	Hugoton ^c	Various	158	151	137	123	91
	Tuscaloosa ^c	Various	96	111	86	78	65
	Wamsutter ^c	66.6	105	110	113	120	136
	Jonah ^c	Various	114	97	133	173	221
	Other	Various	514	465	461	458	451
Gulf of Mexico ^b	Na Kika ^c	51.9	133	133	97	50	62
	Marlin ^c	78.2	43	52	16	13	46
	Other	Various	553	395	276	206	122
Alaska	Various	Various	78	81	67	55	41
			2,749	2,546	2,376	2,174	2,157
Europe							
Netherlands ^b	P/18-2	48.7	34	25	23	–	–
	Other	Various	46	37	33	3	–
Norway	Various	Various	45	46	35	26	23
UK – offshore ^b	Braes ^d	Various	147	165	101	69	75
	Bruce ^c	37.0	163	161	107	72	65
	West Sole ^c	100.0	67	55	56	55	51
	Marnock ^c	62.1	70	47	42	25	24
	Britannia	9.0	54	46	42	37	30
	Shearwater	27.5	76	37	31	19	17
	Armada	18.2	50	30	28	16	16
	Other	Various	547	549	529	475	481
			1,299	1,198	1,027	797	782
Rest of World							
Australia	Various	15.8	308	367	364	376	380
Canada ^b	Various ^c	Various	349	307	282	255	245
China	Yacheng ^c	34.3	99	98	102	85	91
Egypt	Ha'py ^c	50.0	80	106	99	108	94
	Other	Various	115	83	172	206	278
Indonesia	Sanga-Sanga (direct) ^c	26.3	137	110	84	75	69
	Other ^c	46.0	144	128	80	81	98
Sharjah	Sajaa ^c	40.0	103	113	111	83	65
	Other	40.0	14	10	9	9	8
Azerbaijan	Shah Deniz ^c	25.5	–	–	–	73	143
Trinidad & Tobago	Kapok ^c	100.0	553	1,005	946	984	619
	Mahogany ^c	100.0	453	303	321	454	323
	Amherstia ^c	100.0	408	289	176	155	288
	Parang ^c	100.0	137	154	120	–	–
	Immortelle ^c	100.0	172	132	219	153	136
	Cassia ^c	100.0	85	83	30	25	5
	Other ^c	100.0	111	21	453	663	1,075
Other ^b	Various	Various	308	459	441	466	421
			3,576	3,768	4,009	4,251	4,338
Total group ^e			7,624	7,512	7,412	7,222	7,277
Equity-accounted entities (BP share)							
Argentina – Pan American Energy	Various	Various	317	343	362	379	385
Russia – TNK-BP ^b	Various	Various	458	482	544	451	564
Other ^b	Various	Various	104	87	99	91	108
Total equity-accounted entities ^e			879	912	1,005	921	1,057
Total group and BP share of equity-accounted entities ^e			8,503	8,424	8,417	8,143	8,334

^a Production excludes royalties due to others whether payable in cash or in kind where the royalty owner has a direct interest in the underlying production and the option and ability to make lifting and sales arrangements independently.

^b In 2008, BP concluded the migration of the Cerro Negro operations to an incorporated joint venture with PDVSA while retaining its equity position and TNK-BP disposed of some non-core interests. In 2007, BP divested its producing properties in the Netherlands and some producing properties in the US Lower 48 and Canada. TNK-BP disposed of its interests in several non-core properties.

In 2006, BP divested its producing properties on the Outer Continental Shelf of the Gulf of Mexico and its interest in the Statfjord oil and gas field in the UK. Our interests in the Boqueron, Desarollo Zulia Occidental (DZO) and Jusepin projects in Venezuela were reduced following a decision by the Venezuelan government. TNK-BP disposed of its non-core interests in the Udmurtneft assets.

^c BP-operated.

^d Includes four million and seven million cubic feet per day of natural gas received as in-kind tariff payments in 2005 and 2004 respectively.

^e Natural gas production volumes exclude gas consumed in operations within the lease boundaries of the producing field, but the related reserves are included in the group's reserves.

Group production interests – oil and natural gas

Oil and natural gas production (net of royalty)

	thousand barrels oil equivalent per day				
	2004	2005	2006	2007	2008
US	1,142	1,051	957	888	910
Europe	631	559	491	389	351
Russia	910	994	970	910	923
Rest of World	1,314	1,410	1,508	1,631	1,654
Total group including equity-accounted entities	3,997	4,014	3,926	3,818	3,838

BP average liquids realizations^a

	\$ per barrel				
US	35.41	47.83	57.25	64.18	89.22
Europe	36.25	50.88	62.03	69.42	90.60
Rest of World	34.51	47.56	59.54	69.56	91.05
BP average	35.39	48.51	59.23	67.45	90.20

^a Crude oil and NGLs.

BP average natural gas realizations

	\$ thousand cubic feet				
US	5.11	6.78	5.74	5.43	6.77
Europe	4.28	5.47	6.35	6.38	8.37
Rest of World	2.74	3.46	3.70	3.71	5.19
BP average	3.86	4.90	4.72	4.53	6.00



Exploration interests

By geographical area

At 31 December

	Oil and natural gas acreage thousand acres											
At 31 December	Undeveloped ^a		2004 Developed		Undeveloped ^a		2005 Developed		Undeveloped ^a		2006 Developed	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
UK	2,484	1,329	507	222	2,325	1,232	500	218	2,100	1,154	433	203
Rest of Europe	2,972	1,120	138	46	1,668	618	138	46	1,053	339	138	44
US	7,524	5,388	7,211	4,844	7,169	5,136	7,059	4,738	6,809	4,797	7,392	4,725
Rest of Americas	23,506	12,804	2,410	1,272	13,893	6,913	2,728	1,304	12,436	5,861	3,161	1,470
Asia Pacific	9,615	3,794	671	208	7,977	3,020	1,072	262	7,765	2,939	1,072	262
Africa	10,203	5,318	231	131	16,917	10,237	534	235	16,215	9,764	477	211
Russia	13,810	5,715	4,151	1,821	13,783	5,702	4,206	1,848	13,778	5,694	3,991	1,728
Others	14,822	3,305	1,590	156	13,455	2,445	1,860	417	18,684	7,677	1,865	419
	84,936	38,773	16,909	8,700	77,187	35,303	18,097	9,068	78,840	38,225	18,529	9,062

	Oil and natural gas acreage thousand acres							
	Undeveloped ^a		2007 Developed		Undeveloped ^a		2008 Developed	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
UK	1,696	967	428	201	1,615	916	390	193
Rest of Europe	505	227	143	34	519	234	64	18
US	6,451	4,574	7,414	4,742	7,733	5,332	7,657	4,783
Rest of Americas	11,529	5,912	2,793	1,310	15,586	9,081	3,151	1,414
Asia Pacific	7,450	2,782	1,235	319	7,433	2,782	1,251	327
Africa	15,759	9,755	541	225	21,524	16,009	500	212
Russia	13,821	5,777	4,071	1,768	10,079	4,544	4,072	1,768
Others	14,412	5,969	1,870	690	14,832	6,098	1,876	692
	71,623	35,963	18,495	9,289	79,321	44,996	18,961	9,407

^a Undeveloped acreage includes leases and concessions.



Exploration and development wells

	2004		2005		2006		2007		2008	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Productive wells drilled										
Exploration										
US	4	2.1	24	10.7	7	2.9	6	4.1	7	2.4
Europe	—	—	2	1.3	2	0.2	4	1.6	5	0.8
Rest of World	49	20.2	45	18.8	59	21.7	60	25.4	50	22.3
	53	22.3	71	30.8	68	24.8	70	31.1	62	25.5
Development										
US	979	513.3	836	473.9	984	418.8	842	401.2	735	379.8
Europe	33	10.3	48	14.1	17	6.5	7	1.2	15	7.1
Rest of World	790	342.5	977	417.2	1,025	431.9	720	336.9	518	219.3
	1,802	866.1	1,861	905.2	2,026	857.2	1,569	739.3	1,268	606.2
Dry wells drilled										
Exploration										
US	5	3.2	10	6.4	11	7.4	2	0.7	2	0.9
Europe	—	—	1	0.3	—	—	1	—	1	0.5
Rest of World	23	9.8	17	7.8	20	9.0	25	12.5	58	27.0
	28	13.0	28	14.5	31	16.4	28	13.2	61	28.4
Development										
US	4	3.0	10	5.0	8	4.5	8	4.2	2	1.1
Europe	1	0.1	1	0.3	—	—	2	0.6	1	0.2
Rest of World	34	14.9	46	22.7	60	27.0	30	18.3	65	26.9
	39	18.0	57	28.0	68	31.5	40	23.1	68	28.2

Number of productive wells at 31 December 2008

	US	Europe	Rest of World	Total
Oil wells^a				
Gross	5,960	354	26,227	32,541
Net	2,120	172	11,446	13,738
Natural gas wells^b				
Gross	20,913	310	3,069	24,292
Net	11,948	142	1,719	13,809

^a Includes approximately 966 gross (255 net) multiple completion wells (more than one formation producing into the same well bore).

^b Includes approximately 2,631 gross (1,737 net) multiple completion wells. If one of the multiple completions in a well is an oil completion, the well is classified as an oil well.

Drilling and production activities in progress at 31 December 2008^a

	US	Europe	Rest of World	Total
Exploratory				
Gross	27	2	20	49
Net	12.8	0.2	10.9	23.9
Development				
Gross	480	10	90	580
Net	291.5	5.3	38.5	335.3

^a Includes suspended development and exploratory wells.

Liquefied natural gas projects

Liquefaction project participation

Country	Project/train	Gross capacity (mtpa)	BP % equity	BP net capacity (mtpa)	Market served
Trinidad & Tobago	Atlantic LNG Train 1	3.3	34.0	1.1	US, Spain
	Atlantic LNG Trains 2-3	6.7	42.5	2.8	US, Spain
	Atlantic LNG Train 4	5.2	37.8	2.0	US, Dominican Republic
	North West Shelf Trains 1-5	16.3	16.7	2.7	Japan, China, Korea
Australia	ADGAS Trains 1-3	5.8	10.0	0.6	Japan
Abu Dhabi					
Total		37.3		9.2	

Regasification terminal participation

Country	Facility	Gross capacity (million standard cubic feet/d)	BP % equity	BP net ownership (million standard cubic feet/d)	BP capacity rights (million standard cubic feet/d)
Spain	Bahia de Bizkaia (Bilbao)	700	25.0	175	54
China	Dapeng LNG (Guangdong)	860	30.0	258	—
US	Cove Point	720	—	—	240
	Elba Island	440	—	—	160
UK	Isle of Grain	450	—	—	225
Total		3,170		433	679

Equity gas production into LNG plant

	Trinidad & Tobago Atlantic LNG Trains 1-4	Australia North West Shelf Trains 1-5	Indonesia Bontang Tangguh Ph1	Egypt SEGAS Train 1	BP total (million standard cubic feet/d)
2004	1,155	224	182	—	1,561
2005	1,159	283	139	—	1,581
2006	1,490	281	110	—	1,881
2007	1,594	281	98	—	1,973
2008	1,605	353	152	48	2,158

LNG shipping^a

Vessel name	Status	Ownership	Delivery date	Capacity (m ³)
British Trader	Operational	Operating lease	4Q 2002	138,000
British Innovator	Operational	Operating lease	1Q 2003	138,000
British Merchant	Operational	Operating lease	3Q 2003	138,000
British Emerald	Operational	Operating lease	3Q 2007	155,000
British Ruby	Operational	Operating lease	3Q 2008	155,000
British Sapphire	Operational	Operating lease	3Q 2008	155,000
British Diamond	Operational	Operating lease	4Q 2008	155,000
LNG Ebisu	Operational	Two-year time-charter	3Q 2008	147,200
Total				1,181,200

^a Excludes shipping owned and operated within joint-venture projects.

Refining and Marketing

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Key indicators

	2004	2005	2006	2007	2008
Results and refining margin					
Replacement cost profit before interest and tax (\$ billion)	5.02	4.24	5.16	2.62	4.18
GIM ^a (\$/bbl)	6.31	8.60	8.39	9.94	6.50
Refining availability ^b (%)	95.4	92.9	82.5	82.9	88.8

^a See below for more information on the GIM.

^b Refining availability represents Solomon Associates' operational availability, which is defined as the percentage of the year that a unit is available for processing after subtracting the annualized time lost due to turnaround activity and all planned mechanical, process and regulatory maintenance downtime.

Financial statistics

	\$ million				
	2004	2005	2006	2007	2008
Replacement cost profit (loss) before interest and tax					
US	2,832	2,243	1,358	(1,232)	(644)
Non-US	2,188	1,999	3,803	3,853	4,820
	5,020	4,242	5,161	2,621	4,176
Operating capital employed					
US	15,040	16,968	16,527	17,748	15,904
Non-US	23,161	22,764	24,611	30,163	25,295
	38,201	39,732	41,138	47,911	41,199
Sales and other operating revenues	163,092	212,930	232,386	250,221	320,039
Property, plant and equipment (net book value)					
US	10,760	10,320	10,247	9,440	10,608
Non-US	14,153	12,342	12,901	15,030	14,016
	24,913	22,662	23,148	24,470	24,624
Capital expenditure and acquisitions					
US	1,314	1,226	1,339	1,872	4,297
Non-US	1,669	1,619	1,788	3,623	2,337
	2,983	2,845	3,127	5,495	6,634
Employee numbers at year end					
Excluding service station staff	41,100	42,000	41,900	42,700 ^a	40,300
Service station staff	27,900	27,800	26,100	24,500 ^a	21,200
	69,000	69,800	68,000	67,200 ^a	61,500

Global Indicator Refining Margin^b

	\$ per barrel				
	2004	2005	2006	2007	2008
NWE	4.28	5.47	3.92	4.99	6.72
USGC	7.15	11.40	12.00	13.48	6.78
USMW	5.08	8.19	9.14	12.81	5.17
USWC	11.27	13.49	14.84	15.05	7.42
Singapore	4.94	5.56	4.22	5.29	6.30
BP average	6.31	8.60	8.39	9.94	6.50

^a A minor amendment has been made to the 2007 figures to correct the classification of service station staff.

^b The Global Indicator Refining Margin (GIM) is the average of regional industry indicator margins, which we weight for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The refining margins are industry-specific rather than BP-specific measures, which we believe are useful to investors in analysing trends in the industry and their impact on our results. The margins are calculated by BP based on published crude oil and product prices and take account of fuel utilization and catalyst costs. No account is taken of BP's other cash and non-cash costs of refining, such as wages and salaries and plant depreciation. The indicator margin may not be representative of the margins achieved by BP in any period because of BP's particular refining configurations and crude and product slate.

Major chemicals plant capacities by site

Aromatics and acetyls

Geographical area	Site	Product	BP share of capacity at end of 2008 thousand tonnes per year	
US				
	Cooper River	PTA	1,342	
	Decatur	PTA	1,043	
		paraxylene	1,101	
		NDC	29	
	Texas City	acetic acid	546 ^a	
		paraxylene	1,272	
		metaxylene	122	
Europe				
UK	Hull	acetic acid	544	
		acetic anhydride	154	
		EDAC	4	
Belgium	Geel	PTA	1,075	
		paraxylene	622	
Rest of World				
China	Chongqing	acetic acid	215	(51% of YARACO) ^b
		esters	51	(51% of YARACO) ^b
	Zhuhai	PTA	1,554	
Indonesia	Merak	PTA	254	(50% of PT Ami) ^c
Korea	Ulsan	acetic acid	248	(51% of SS-BP) ^d
		VAM	56	(34% of ASACCO) ^e
Malaysia	Kertih	acetic acid	389	(70% of BPPA) ^f
	Kuantan	PTA	626	
Taiwan	Kaohsiung	PTA	853	(61% of CAPCO) ^g
	Taichung	PTA	476	(61% of CAPCO) ^g
	Mai Liao	acetic acid	178	(50% of FBPC) ^h
			12,754	

^a Sterling Chemicals plant, the output of which is marketed by BP.

^b Yangtze River Acetyls Company.

^c PT Amoco Mitsui Indonesia.

^d Samsung-BP Chemicals Ltd.

^e Asian Acetyls Company Ltd.

^f BP Petronas Acetyls Sdn Bhd.

^g China American Petrochemical Company Ltd.

^h Formosa BP Chemicals Corporation.

ⁱ Ruhr Oel GmbH.

^j Shanghai SECCO Petrochemicals Company Limited.

^k Polyethylene Malaysia Sdn Bhd.

^l Ethylene Malaysia Sdn Bhd.

Olefins and derivatives

Geographical area	Site	Product	BP share of capacity at end of 2008 thousand tonnes per year	
Europe				
Germany	Gelsenkirchen	ethylene	672	(61% of ROG) ^j
		propylene	347	(57% of ROG) ^j
		benzene	155	(50% of ROG) ^j
		cumene	274	(50% of ROG) ^j
		cyclohexane	73	(50% of ROG) ^j
	Mülheim	solvents	108	(50% of ROG) ^j
Rest of World				
China	Caojing	acrylonitrile	153	(50% of SECCO) ^j
		ethylene	515	(50% of SECCO) ^j
		HDPE	359	(50% of SECCO) ^j
		polypropylene	141	(50% of SECCO) ^j
		polystyrene	164	(50% of SECCO) ^j
		styrene	274	(50% of SECCO) ^j
		other	684	(50% of SECCO) ^j
Malaysia	Kertih	polyethylene	191	(60% of PEMSB) ^k
		ethylene	66	(15% of EMSB) ^l
			4,176	

Chemicals production^a

		thousand tonnes			
		2004	2005	2006	2007
By geographical area					
US		4,643	3,891	3,464	4,328
Europe		4,491	4,322	4,146	3,617
Rest of World		4,224	5,863	6,454	6,083
		13,358	14,076	14,064	14,028

^a Production of aromatics and acetyls, and olefins and derivatives.

		thousand tonnes			
		2004	2005	2006	2007
By geographical area					
US		4,643	3,891	3,464	4,328
Europe		4,491	4,322	4,146	3,617
Rest of World		4,224	5,863	6,454	6,083
		13,358	14,076	14,064	14,028

Crude oil sales

	thousand barrels per day				
	2004	2005	2006	2007	2008
US	352	554	244	410	203
Europe	1,063	1,160	1,083	1,123	946
Rest of World	897	750	783	352	540
	2,312	2,464	2,110	1,885	1,689

Refinery throughputs and utilization

Refinery throughputs^a

	thousand barrels per day				
	2004	2005	2006	2007	2008
US	1,373	1,255	1,110	1,064	1,121
Europe	892	847	813	758	739
Rest of World	342	297	275	305	295
	2,607	2,399	2,198	2,127	2,155
Crude distillation capacity at 31 December	2,823	2,832	2,823	2,769	2,678
Crude distillation capacity utilization ^b	93%	87%	76%	72%	78%

^a Includes actual crude oil and other feedstock input both for BP and third parties.

^b Crude distillation capacity utilization is defined as the percentage utilization of capacity per calendar day over the year after making allowance for average annual shutdowns at BP refineries (i.e. net rated capacity).

Crude oil input

	%				
	2004	2005	2006	2007	2008
Low sulphur crude	47	52	45	41	31
High sulphur crude	53	48	55	59	69

Refinery yield^a

	thousand barrels per day				
	2004	2005	2006	2007	2008
Aviation fuels	241	241	216	231	268
Gasolines	1,025	940	874	788	757
Middle distillates	717	715	626	607	631
Fuel oil	144	133	136	115	127
Other products	534	474	432	390	414
	2,661	2,503	2,284	2,131	2,197

^a Refinery yields exceed throughputs because of volumetric expansion.



Refineries

Refinery capacities

		thousand barrels per day														
		Crude distillation capacities ^a								Major upgrading plant capacities ^b						
Wholly and partly owned refineries at 31 December 2008		Group interest % ^c	Total	BP share	Vacuum distillation	Fluid catalytic cracking	Hydro-cracking	Catalytic reforming	Alkylation	Hydro-treating 232°C & lighter	Hydro-treating 232°C & heavier	Vis-breaking	Coker	Isomerization	Lubes	Nelson Complexity Index ^d
US																
California	Carson*	100.0	266	266	140	103	50	52	17	87	95	–	71	23	–	12.07
Washington	Cherry Point*	100.0	234	234	106	–	61	66	–	84	37	–	58	26	–	9.59
Indiana	Whiting*	100.0	405	405	191	165	–	64	25	125	206	–	35	26	–	9.73
Ohio	Toledo ^f	50.0	155	78	36	26	16	22	6	20	33	–	17	–	–	10.66
Texas	Texas City*	100.0	475	475	237	175	130	138	35	224	243	–	33	–	–	11.41
			1,535	1,458	710	469	257	342	83	540	614	–	214	75	–	10.73
Europe																
Germany	Bayernoil	22.5	215	48	16	10	9	9	–	15	19	3	–	–	–	7.20
	Gelsenkirchen*	50.0	266	133	55	15	29	16	–	46	46	10	16	9	–	8.44
	Karlsruhe	12.0	323	39	16	10	–	7	2	12	28	–	4	2	–	9.33
	Lingen*	100.0	93	93	43	–	28	30	–	31	45	–	23	9	–	10.77
	Schwedt	18.8	226	42	29	11	–	7	2	18	32	9	–	3	–	10.43
Netherlands	Rotterdam*	100.0	386	386	85	59	–	30	9	168	99	36	–	–	3	5.29
Spain	Castellón*	100.0	110	110	47	30	–	17	3	82	44	–	–	19	–	10.58
			1,619	851	291	135	66	116	16	372	313	58	43	42	–	7.55
Rest of World																
Australia	Bulwer*	100.0	102	102	39	23	21	16	3	14	49	–	–	–	–	7.21
	Kwinana*	100.0	137	137	22	35	–	24	4	44	49	–	–	15	–	7.70
New Zealand	Whangarei	23.7	102	24	10	–	8	9	–	12	7	–	–	–	–	8.12
Kenya	Mombasa ^g	17.1	94	16	–	–	–	2	–	6	–	–	–	–	–	2.64
South Africa	Durban	50.0	180	90	28	19	–	17	1	30	32	14	–	4	2	8.44
			615	369	99	77	29	68	8	106	137	14	–	19	2	7.61
			3,769	2,678	1,100	681	352	526	107	1,018	1,064	72	257	136	2	9.30

*Indicates refineries operated by BP.

^a Crude distillation capacity is gross rated capacity, which is defined as the maximum achievable utilization of capacity (24-hour assessment) based on standard feed.

^b These are shown as BP share of capacities; BP has varying interests.

^c BP share of equity, which is not necessarily the same as BP share of processing entitlements.

^d Other consists of ethyl and methyl tertiary butyl ether units.

^e Nelson Complexity Index is calculated based on the type and capacity of all the process units within a refinery. In general, the higher a refinery's Nelson Complexity Index, the greater that refinery's ability to make higher-value products from a given feedstock.

^f On 31 March 2008, we completed a deal with Husky Energy Inc. to create an integrated North American oil sands business by means of two separate joint ventures, one of which entailed Husky taking a 50% interest in BP's Toledo refinery. The Toledo refinery is intended to be expanded to process approximately 170 mb/d of heavy oil and bitumen by 2015.

^g On 15 January 2008, it was announced that Essar Energy Overseas Ltd, a subsidiary of Essar Oil Ltd, had entered into an agreement to acquire 50% of Kenya Petroleum Refineries Ltd. The transaction was initially expected to be finalized in 2008, but has since been delayed in negotiations.

Regional refining distillation capacity

		thousand barrels per day				
		2004	2005	2006	2007	2008
USGC		470	475	475	475	475
USMW		560	560	560	560	483
USWC		492	492	497	500	500
Total US		1,522	1,527	1,532	1,535	1,458
Europe		934	939	922	866	851
Rest of World		367	366	369	368	369
Total		2,823	2,832	2,823	2,769	2,678

Service stations^{a b}

	at 31 December				
	2004	2005	2006	2007	2008
US (excluding jobbers) ^c	3,900	3,100	2,700	2,500	2,500
US jobbers	10,300	9,700	9,600	9,700	9,200
Europe	9,300	9,200	9,000	8,600	8,600
Rest of World	3,000	2,600	2,600	2,500	2,300
	26,500	24,600	23,900	23,300	22,600

^a Includes all sites operated under a BP brand. Changes in the number of sites over time are affected by, among other things, dealer/jobber-owned sites that move to or from the BP brand as their fuel supply agreements expire and are renegotiated in the normal course of business.

^b Excludes our interest in equity-accounted entities. Comparative information has been amended to this basis.

^c On 15 November 2007, BP announced that it would sell all its company-owned and company-operated convenience stores in the US. At the end of 2008 sales of 293 sites has been successfully completed.

Petroleum product sales

Regional marketing sales volumes^a

	thousand barrels per day				
	2004	2005	2006	2007	2008
US					
Aviation fuels	219	196	176	165	178
Gasolines	1,093	1,044	1,049	1,052	1,015
Middle distillates	333	307	296	260	201
Fuel oil	26	30	31	28	33
Other products	11	57	43	28	33
	1,682	1,634	1,595	1,533	1,460
Europe					
Aviation fuels	201	215	218	223	220
Gasolines	434	417	409	384	337
Middle distillates	765	751	741	711	719
Fuel oil	148	170	196	202	180
Other products	134	156	132	113	110
	1,682	1,709	1,696	1,633	1,566
Rest of World					
Aviation fuels	74	88	94	102	103
Gasolines	148	142	145	136	148
Middle distillates	157	127	133	148	135
Fuel oil	169	179	161	199	247
Other products	90	63	48	55	52
	638	599	581	640	685
Product totals					
Aviation fuels	494	499	488	490	501
Gasolines	1,675	1,603	1,603	1,572	1,500
Middle distillates	1,255	1,185	1,170	1,119	1,055
Fuel oil	343	379	388	429	460
Other products	235	276	223	196	195
Total marketing sales ^b	4,002	3,942	3,872	3,806	3,711
Trading/supply sales ^c	2,396	1,946	1,929	1,818	1,987
Total oil product sales	6,398	5,888	5,801	5,624	5,698

Petroleum product sales by geographical area^a

	\$ million				
	2004	2005	2006	2007	2008
US	54,400	63,363	71,175	76,898	93,764
Europe	50,668	69,956	79,327	87,719	114,522
Rest of World	19,390	21,779	27,493	30,362	40,275
	124,458	155,098	177,995	194,979	248,561

^a Excludes sales to other BP businesses and sales of Aromatics and Acetyls products.

^b Marketing sales are sales to service stations, end-consumers, bulk buyers and jobbers (i.e. third parties who own networks of a number of service stations and small resellers).

^c Trading/supply sales are sales to large unbranded resellers and other oil companies.

Other businesses and corporate

66 Financial statistics

67 Innovene

68 Alternative Energy



Financial statistics

Other businesses and corporate comprises the Alternative Energy business, Shipping, Treasury, the group's aluminium asset and corporate activities worldwide. Also included are the group's investments in PetroChina and Sinopec (both divested in early 2004).

	\$ million				
	2004	2005	2006	2007	2008
Replacement cost profit (loss) before interest and tax					
US	(751)	(338)	(409)	(960)	(902)
Non-US	1,135	(564)	(432)	(249)	(321)
	384	(902)	(841)	(1,209)	(1,223)
Operating capital employed					
US	(1,605)	(3,070)	(3,303)	(1,903)	(2,505)
Non-US	6,184	1,292	4,504	6,785	3,247
	4,579	(1,778)	1,201	4,882	742
Sales and other operating revenues	6,123	11,118	3,372	3,698	4,634
Capital expenditure and acquisitions					
US	728	311	598	519	1,390
Non-US	1,528	595	254	420	449
	2,256	906	852	939	1,839
Employee numbers at year end	16,400	7,500	7,600	9,100 ^a	9,100

^a A minor amendment has been made to the 2007 figures to correct headcount data.

Innovene

BP announced on 7 October 2005 its intention to sell Innovene, its olefins, derivatives and refining group, to INEOS. The transaction became unconditional on 9 December 2005 on receipt of European Commission clearance and was completed on 16 December 2005. The transaction included all Innovene's manufacturing sites, markets and technologies. The equity-accounted investments in China and Malaysia that were part of the Olefins and Derivatives business remain with BP and are now included in Refining and Marketing.

Gross proceeds received amounted to \$8,477 million. In 2005, there were selling costs of \$120 million and initial closing adjustments of \$43 million. In 2006, there was a final closing adjustment of \$34 million. The remeasurement to fair value less costs to sell resulted in a loss of \$775 million before tax (\$591 million recognized in 2005 and \$184 million in 2006).

Financial information for the Innovene operations after group eliminations is presented below.

					\$ million
	2004	2005	2006	2007	2008
Total revenues and other income	11,327	12,441	–	–	–
Expenses	12,041	11,709	–	–	–
Profit (loss) before interest and taxation	(714)	732	–	–	–
Net finance income (expense) relating to pensions and other post-retirement benefits	(17)	3	–	–	–
Profit (loss) before taxation and loss recognized on remeasurement to fair value less costs to sell	(731)	735	–	–	–
Loss recognized on the remeasurement to fair value less costs to sell and on disposal	–	(591)	(184)	–	–
Profit (loss) before taxation from Innovene operations	(731)	144	(184)	–	–
Tax (charge) credit					
On profit (loss) before loss recognized on remeasurement to fair value less costs to sell and on disposal	109	(306)	166	–	–
On loss recognized on the remeasurement to fair value less costs to sell and on disposal	–	346	(7)	–	–
Profit (loss) from Innovene operations	(622)	184	(25)	–	–
Earnings (loss) per share from Innovene operations – cents					
Basic	(2.85)	0.87	(0.13)	–	–
Diluted	(2.79)	0.86	(0.12)	–	–
The cash flows of Innovene operations are presented below					
Net cash provided by (used in) operating activities	(669)	970	–	–	–
Net cash used in investing activities	(1,731)	(524)	–	–	–
Net cash provided by (used in) financing activities	2,400	(446)	–	–	–



Alternative Energy

	megawatts				
	2004	2005	2006	2007	2008
Wind capacity ^a					
US	–	–	11	100	322
Non-US	23	32	32	72	110
	23	32	43	172	432
Solar sales ^b	101	103	97	115	162

^aWind capacity is the sum of the rated capacities of the assets/turbines that have entered into commercial operation, including BP's share of equity-accounted entities.

The equivalent capacities on a gross-joint-venture basis (which includes 100% of the capacity of equity-accounted entities where BP has partial ownership) were 785 megawatts (MW) in 2008, 373MW in 2007, 43MW in 2006, 32MW in 2005 and 23MW in 2004.

^bSolar sales are the total sales of solar modules to third-party customers, expressed in MW. Previously we reported the theoretical cell production capacity of our in-house solar manufacturing facilities. Reporting sales volumes operating data brings us into line with the broader solar industry.

Definitions

Debt to debt-plus-equity ratio

The ratio of finance debt (borrowings, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, plus obligations under finance leases) to the total of finance debt plus shareholders' interest.

Debt to equity ratio

The ratio of finance debt (borrowings, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, plus obligations under finance leases) to shareholders' interest.

Dividend cover

The dividend cover out of income is calculated as the replacement cost profit for the period, divided by the dividend paid in the period.

The dividend cover out of cash is calculated as the net cash provided by operating activities divided by the gross dividends paid. The calculation is based on the assumption that all dividends are paid in cash.

Dividend payout ratio

The ratio of dividend paid for the period to replacement cost profit, expressed as a percentage.

Earnings per share

The profit in cents attributable to each equity share, based on the appropriate consolidated profit of the period after tax and after deducting minority interests and preference dividends, divided by the weighted average number of equity shares in issue during the period.

Effective tax rate

The ratio of the tax charge to the profit after interest expense but before tax.

Net debt

Net debt equals finance debt, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, for which hedge accounting is claimed, less cash and cash equivalents.

Pre-tax cash returns

The ratio of replacement cost profit before interest and tax and excluding equity-accounted interest and tax, non-operating items and depreciation, depletion and amortization to the average operating capital employed (which excludes goodwill).

Return on average capital employed

The ratio of replacement cost profit before interest expense and minority interest but after tax to the average of opening and closing capital employed.

Capital employed is BP shareholders' interest plus finance debt and minority interest.

Another return on average capital employed measure is presented based on average capital employed after deducting goodwill from the denominator in the calculation and excluding non-operating items from the numerator.

More information

Although this publication of financial and operating information is unaudited, much of the information it contains is derived from the BP group's audited accounts.

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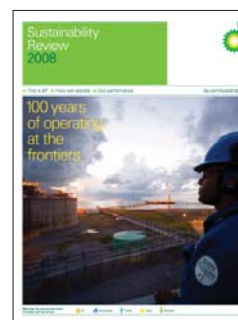
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Annual Report and Accounts

Read details of our financial and operating performance in *BP Annual Report and Accounts 2008* in print or online.
www.bp.com/annualreport



Sustainability Review

Read the summary *BP Sustainability Review 2008* in print or read more online from April 2009.
www.bp.com/sustainability

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