

# Financial and Operating Information 2005-2009



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## What's inside?

### 2 Overview

### 4 Group information

- 4 Financial performance
- 5 Group income statement
- 6 Summarized group income statement by quarter
- 8 Replacement cost profit before interest and tax by business and geographical area
- 10 Non-operating items by business
- 12 Non-operating items by geographical area
- 14 Fair value accounting effects
- 14 Total of non-operating items and fair value accounting effects
- 16 Sales and other operating revenues
- 17 Production and similar taxes
- 17 Taxation
- 18 Depreciation, depletion and amortization
- 19 Group balance sheet
- 20 Operating capital employed
- 21 Non-current assets – property, plant and equipment
- 22 Working capital
- 23 Group cash flow statement
- 24 Movement in net debt
- 25 Capital expenditure, acquisitions and disposals
- 26 Employee numbers
- 27 Ratios
- 28 BP shareholding information
- 29 BP share data
- 30 Information for earnings per share

### 31 Exploration and Production

### 59 Refining and Marketing

### 69 Other businesses and corporate

### 72 Miscellaneous terms

### 74 More information

### 75 Reports and publications

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*BP Financial and Operating Information 2005-2009* contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'plans', 'we see' or similar expressions. In particular, among other statements, certain statements in this document with regard to our strategy and ability to grow oil and gas production are all forward looking in nature.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields onstream; future levels of industry product supply, demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; actions by regulators; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering the actions of competitors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this document. For more information you should refer to *BP Annual Report and Accounts 2009* and *BP Annual Report on Form 20-F 2009* filed with the US Securities and Exchange Commission (SEC).

**Cautionary statement to US investors**

We use certain terms in this presentation, such as 'resources' that the SEC's rules prohibit us from including in our filings with the SEC. US investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at [www.bp.com](http://www.bp.com). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at [www.sec.gov](http://www.sec.gov).

# This is BP

## Interactive resources

Visit [www.bp.com/investortools](http://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 2009*, *BP Annual Report on Form 20-F 2009* and *BP Sustainability Report 2009* online. Copies may be obtained free of charge (see page 75).

BP is one of the world's leading international oil and gas companies on the basis of market capitalization, proved reserves and production. We operate in more than 80 countries, providing our customers with fuel for transportation, energy for heat and light, retail services and petrochemicals products for everyday items.

We use world-class assets, technology, capability and know-how to meet energy needs and deliver long-term value.

The ingenuity and determination of our people have brought new resilience to BP. From deep beneath the ocean to complex refining environments, from remote tropical islands to next-generation biofuels – a revitalized BP is driving greater efficiency, sustained momentum and business growth.



**For more information**  
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These green arrows highlight sources of information you might find helpful. They refer to other general BP content available online, which does not form part of *BP Financial and Operating Information 2005-2009*.

## Overview

# BP history at a glance

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.

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. The deal is completed the following year.

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.

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.



#### Images

- 1 A BP geologist surveying in Persia, 1926.
- 2 Whinstanes terminal, Australia.
- 3 Atlantis platform, Gulf of Mexico.

### 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.

### 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.

### 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.



### 2009

Carl-Henric Svanberg succeeds Peter Sutherland as chairman. BP announce the Tiber discovery, the deepest oil and gas discovery well ever drilled. Production also starts from Atlantis Phase 2, Dorado and King South. This is the 17th consecutive year reported reserves replacement has exceeded 100%.

## Group information



### Financial performance

#### Highlights

	2005	2006	2007	2008	2009
Replacement cost profit for the year (\$ million)	20,168	22,222	18,370	25,593	<b>13,955</b>
per ordinary share (cents)	95.46	110.95	95.85	136.20	<b>74.49</b>
per American depositary share (dollars) <sup>a</sup>	5.73	6.66	5.75	8.17	<b>4.47</b>

<sup>a</sup> One American depositary share (ADS) is equivalent to six 25-cent ordinary shares.

#### External environment

	2005	2006	2007	2008	2009
BP average liquids realizations (\$ per barrel (\$/bbl)) <sup>a b</sup>	48.51	59.23	67.45	90.20	<b>56.26</b>
BP average natural gas realizations (\$ per thousand cubic feet (\$/mcf)) <sup>b</sup>	4.90	4.72	4.53	6.00	<b>3.25</b>
Global indicator refining margin (\$/bbl) <sup>c</sup>	8.60	8.39	9.94	6.50	<b>4.00</b>

<sup>a</sup> Crude oil and natural gas liquids (NGLs).

<sup>b</sup> Realizations are based on sales of consolidated subsidiaries only, which excludes equity-accounted entities.

<sup>c</sup> The global indicator refining margin (GIM) is the average of regional industry indicator margins weighted 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 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				
	2005	2006	2007	2008	2009
Sales and other operating revenues	239,792	265,906	284,365	361,143	<b>239,272</b>
Earnings from jointly controlled entities – after interest and tax	3,083	3,553	3,135	3,023	<b>1,286</b>
Earnings from associates – after interest and tax	460	442	697	798	<b>2,615</b>
Interest and other income	613	701	754	736	<b>792</b>
Gains on sale of businesses and fixed assets	1,538	3,714	2,487	1,353	<b>2,173</b>
Total revenues and other income	245,486	274,316	291,438	367,053	<b>246,138</b>
Purchases	(163,026)	(187,183)	(200,766)	(266,982)	<b>(163,772)</b>
Production and manufacturing expenses	(19,964)	(22,230)	(24,225)	(26,756)	<b>(23,202)</b>
Production and similar taxes	(4,138)	(5,184)	(5,703)	(8,953)	<b>(3,752)</b>
Depreciation, depletion and amortization	(8,771)	(9,128)	(10,579)	(10,985)	<b>(12,106)</b>
Impairment and losses on sale of businesses and fixed assets	(468)	(549)	(1,679)	(1,733)	<b>(2,333)</b>
Exploration expense	(684)	(1,045)	(756)	(882)	<b>(1,116)</b>
Distribution and administration expenses <sup>a</sup>	(13,706)	(14,447)	(15,371)	(15,412)	<b>(14,038)</b>
Fair value gain (loss) on embedded derivatives	(2,047)	608	(7)	(111)	<b>607</b>
Profit before interest and taxation from continuing operations	32,682	35,158	32,352	35,239	<b>26,426</b>
Finance costs	(874)	(986)	(1,393)	(1,547)	<b>(1,110)</b>
Net finance income (expense) relating to pensions and other post-retirement benefits	113	470	652	591	<b>(192)</b>
Profit before taxation from continuing operations	31,921	34,642	31,611	34,283	<b>25,124</b>
Taxation	(9,473)	(12,331)	(10,442)	(12,617)	<b>(8,365)</b>
Profit from continuing operations	22,448	22,311	21,169	21,666	<b>16,759</b>
Profit (loss) from Innovene operations	184	(25)	–	–	<b>–</b>
Profit for the year	22,632	22,286	21,169	21,666	<b>16,759</b>
Attributable to					
BP shareholders	22,341	22,000	20,845	21,157	<b>16,578</b>
Minority interest	291	286	324	509	<b>181</b>
	22,632	22,286	21,169	21,666	<b>16,759</b>
Earnings per share – cents					
Profit for the year attributable to BP shareholders					
Basic	105.74	109.84	108.76	112.59	<b>88.49</b>
Diluted	104.52	109.00	107.84	111.56	<b>87.54</b>
Replacement cost results <sup>b,c</sup>					
Profit for the year	22,341	22,000	20,845	21,157	<b>16,578</b>
Inventory holding (gains) losses, net of tax	(2,173)	222	(2,475)	4,436	<b>(2,623)</b>
Replacement cost profit for the year	20,168	22,222	18,370	25,593	<b>13,955</b>
<sup>a</sup> Research and development expenditure amounted to	374	395	566	595	<b>587</b>

<sup>b</sup> 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 International Financial Reporting Standards (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.

<sup>c</sup> Profit attributable to BP shareholders.





## Summarized group income statement by quarter

	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Replacement cost results</b>										
Replacement cost profit (loss) before interest and tax <sup>a</sup>										
By business										
Exploration and Production	6,843	5,888	6,819	6,758	<b>26,308</b>	7,126	8,244	10,078	5,578	<b>31,026</b>
Refining and Marketing	1,360	1,244	1,883	(245)	<b>4,242</b>	1,498	1,858	1,480	325	<b>5,161</b>
Other businesses and corporate	(66)	76	(458)	(454)	<b>(902)</b>	(89)	(177)	(225)	(350)	<b>(841)</b>
Consolidation adjustments										
Unrealized profit in inventory	(154)	(5)	(274)	296	<b>(137)</b>	(24)	(260)	436	(87)	<b>65</b>
Net profit on transactions between continuing and Innovene operations	96	159	144	128	<b>527</b>	–	–	–	–	<b>–</b>
Replacement cost profit before interest and tax from continuing operations	8,079	7,362	8,114	6,483	<b>30,038</b>	8,511	9,665	11,769	5,466	<b>35,411</b>
Finance costs and net finance income (expense) relating to pensions and other post-retirement benefits	(202)	(163)	(181)	(215)	<b>(761)</b>	(143)	(107)	(117)	(149)	<b>(516)</b>
Replacement cost profit before taxation from continuing operations	7,877	7,199	7,933	6,268	<b>29,277</b>	8,368	9,558	11,652	5,317	<b>34,895</b>
Taxation on a replacement cost basis	(2,200)	(2,109)	(2,069)	(2,350)	<b>(8,728)</b>	(2,810)	(3,056)	(4,824)	(1,672)	<b>(12,362)</b>
Replacement cost profit from continuing operations	5,677	5,090	5,864	3,918	<b>20,549</b>	5,558	6,502	6,828	3,645	<b>22,533</b>
Replacement cost profit (loss) from Innovene operations	183	124	(737)	340	<b>(90)</b>	(103)	78	–	–	<b>(25)</b>
Replacement cost profit for the period	5,860	5,214	5,127	4,258	<b>20,459</b>	5,455	6,580	6,828	3,645	<b>22,508</b>
Attributable to										
BP shareholders	5,799	5,145	5,059	4,165	<b>20,168</b>	5,384	6,503	6,765	3,570	<b>22,222</b>
Minority interest	61	69	68	93	<b>291</b>	71	77	63	75	<b>286</b>
Replacement cost profit for the period	5,860	5,214	5,127	4,258	<b>20,459</b>	5,455	6,580	6,828	3,645	<b>22,508</b>
Earnings on replacement cost profit										
per ordinary share – cents	27.05	24.19	24.11	20.11	<b>95.46</b>	26.24	32.18	34.06	18.47	<b>110.95</b>
per ADS – dollars	1.62	1.45	1.45	1.21	<b>5.73</b>	1.57	1.93	2.04	1.11	<b>6.66</b>
Replacement cost profit for the period	5,860	5,214	5,127	4,258	<b>20,459</b>	5,455	6,580	6,828	3,645	<b>22,508</b>
Inventory holding gains (losses), net of tax	803	446	1,404	(480)	<b>2,173</b>	239	763	(534)	(690)	<b>(222)</b>
Profit (loss) for the period	6,663	5,660	6,531	3,778	<b>22,632</b>	5,694	7,343	6,294	2,955	<b>22,286</b>
Earnings on profit (loss)										
per ordinary share – cents										
Basic	30.79	26.30	30.75	17.90	<b>105.74</b>	27.40	35.94	31.46	15.04	<b>109.84</b>
Diluted	30.36	25.94	30.54	17.68	<b>104.52</b>	27.13	35.59	31.40	14.88	<b>109.00</b>
per ADS – dollars										
Basic	1.85	1.58	1.84	1.07	<b>6.34</b>	1.64	2.16	1.89	0.90	<b>6.59</b>
Diluted	1.82	1.56	1.83	1.06	<b>6.27</b>	1.63	2.14	1.88	0.89	<b>6.54</b>
Earnings on profit (loss) from continuing operations										
per ordinary share – cents										
Basic	29.37	25.81	33.87	15.82	<b>104.87</b>	27.90	35.57	31.46	15.04	<b>109.97</b>
Diluted	28.97	25.45	33.62	15.62	<b>103.66</b>	27.63	35.21	31.40	14.88	<b>109.12</b>
per ADS – dollars										
Basic	1.76	1.55	2.03	0.95	<b>6.29</b>	1.67	2.13	1.89	0.90	<b>6.59</b>
Diluted	1.74	1.53	2.01	0.94	<b>6.22</b>	1.66	2.11	1.88	0.89	<b>6.54</b>

<sup>a</sup>Replacement cost profit is before inventory holding gains and losses. See page 5 for more information.



\$ million														
Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
6,306	7,119	6,307	7,870	<b>27,602</b>	10,072	10,771	12,709	4,756	<b>38,308</b>	4,320	5,046	6,929	8,505	<b>24,800</b>
804	2,742	371	(1,296)	<b>2,621</b>	1,249	539	1,972	416	<b>4,176</b>	1,090	680	916	(1,943)	<b>743</b>
(98)	(173)	(511)	(427)	<b>(1,209)</b>	(213)	(314)	(16)	(680)	<b>(1,223)</b>	(761)	(583)	(586)	(392)	<b>(2,322)</b>
42	(98)	103	(267)	<b>(220)</b>	(784)	(221)	838	633	<b>466</b>	(405)	76	104	(492)	<b>(717)</b>
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7,054	9,590	6,270	5,880	<b>28,794</b>	10,324	10,775	15,503	5,125	<b>41,727</b>	4,244	5,219	7,363	5,678	<b>22,504</b>
(171)	(155)	(173)	(242)	<b>(741)</b>	(246)	(221)	(238)	(251)	<b>(956)</b>	(368)	(321)	(311)	(302)	<b>(1,302)</b>
6,883	9,435	6,097	5,638	<b>28,053</b>	10,078	10,554	15,265	4,874	<b>40,771</b>	3,876	4,898	7,052	5,376	<b>21,202</b>
(2,357)	(2,882)	(1,982)	(2,138)	<b>(9,359)</b>	(3,729)	(3,696)	(5,099)	(2,145)	<b>(14,669)</b>	(1,454)	(1,714)	(2,052)	(1,846)	<b>(7,066)</b>
4,526	6,553	4,115	3,500	<b>18,694</b>	6,349	6,858	10,166	2,729	<b>26,102</b>	2,422	3,184	5,000	3,530	<b>14,136</b>
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4,526	6,553	4,115	3,500	<b>18,694</b>	6,349	6,858	10,166	2,729	<b>26,102</b>	2,422	3,184	5,000	3,530	<b>14,136</b>
4,444	6,488	4,043	3,395	<b>18,370</b>	6,231	6,746	10,029	2,587	<b>25,593</b>	2,387	3,140	4,981	3,447	<b>13,955</b>
82	65	72	105	<b>324</b>	118	112	137	142	<b>509</b>	35	44	19	83	<b>181</b>
4,526	6,553	4,115	3,500	<b>18,694</b>	6,349	6,858	10,166	2,729	<b>26,102</b>	2,422	3,184	5,000	3,530	<b>14,136</b>
22.93	33.75	21.27	17.90	<b>95.85</b>	33.01	35.83	53.43	13.93	<b>136.20</b>	12.75	16.76	26.59	18.38	<b>74.49</b>
1.38	2.03	1.28	1.07	<b>5.75</b>	1.98	2.15	3.21	0.84	<b>8.17</b>	0.77	1.01	1.60	1.10	<b>4.47</b>
4,526	6,553	4,115	3,500	<b>18,694</b>	6,349	6,858	10,166	2,729	<b>26,102</b>	2,422	3,184	5,000	3,530	<b>14,136</b>
220	888	363	1,004	<b>2,475</b>	863	2,612	(1,980)	(5,931)	<b>(4,436)</b>	175	1,245	355	848	<b>2,623</b>
4,746	7,441	4,478	4,504	<b>21,169</b>	7,212	9,470	8,186	(3,202)	<b>21,666</b>	2,597	4,429	5,355	4,378	<b>16,759</b>
24.06	38.37	23.18	23.15	<b>108.76</b>	37.58	49.70	42.93	(17.62)	<b>112.59</b>	13.69	23.41	28.48	22.90	<b>88.49</b>
23.94	38.18	23.07	22.65	<b>107.84</b>	37.25	49.23	42.56	(17.62)	<b>111.56</b>	13.54	23.16	28.18	22.64	<b>87.54</b>
1.44	2.30	1.39	1.39	<b>6.52</b>	2.25	2.98	2.58	(1.06)	<b>6.75</b>	0.82	1.40	1.71	1.37	<b>5.31</b>
1.44	2.29	1.38	1.36	<b>6.47</b>	2.24	2.95	2.55	(1.06)	<b>6.69</b>	0.81	1.39	1.69	1.36	<b>5.25</b>
24.06	38.37	23.18	23.15	<b>108.76</b>	37.58	49.70	42.93	(17.62)	<b>112.59</b>	13.69	23.41	28.48	22.90	<b>88.49</b>
23.94	38.18	23.07	22.65	<b>107.84</b>	37.25	49.23	42.56	(17.62)	<b>111.56</b>	13.54	23.16	28.18	22.64	<b>87.54</b>
1.44	2.30	1.39	1.39	<b>6.52</b>	2.25	2.98	2.58	(1.06)	<b>6.75</b>	0.82	1.40	1.71	1.37	<b>5.31</b>
1.44	2.29	1.38	1.36	<b>6.47</b>	2.24	2.95	2.55	(1.06)	<b>6.69</b>	0.81	1.39	1.69	1.36	<b>5.25</b>



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

	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>By business</b>										
Exploration and Production										
US	2,167	2,478	2,434	3,039	<b>10,118</b>	2,500	2,476	3,958	1,068	<b>10,002</b>
Non-US	4,676	3,410	4,385	3,719	<b>16,190</b>	4,626	5,768	6,120	4,510	<b>21,024</b>
	6,843	5,888	6,819	6,758	<b>26,308</b>	7,126	8,244	10,078	5,578	<b>31,026</b>
Refining and Marketing										
US	999	360	531	353	<b>2,243</b>	636	750	388	(416)	<b>1,358</b>
Non-US	361	884	1,352	(598)	<b>1,999</b>	862	1,108	1,092	741	<b>3,803</b>
	1,360	1,244	1,883	(245)	<b>4,242</b>	1,498	1,858	1,480	325	<b>5,161</b>
Other businesses and corporate										
US	(5)	4	(326)	(11)	<b>(338)</b>	(98)	(27)	58	(342)	<b>(409)</b>
Non-US	(61)	72	(132)	(443)	<b>(564)</b>	9	(150)	(283)	(8)	<b>(432)</b>
	(66)	76	(458)	(454)	<b>(902)</b>	(89)	(177)	(225)	(350)	<b>(841)</b>
	8,137	7,208	8,244	6,059	<b>29,648</b>	8,535	9,925	11,333	5,553	<b>35,346</b>
Consolidation adjustments										
Unrealized profit in inventory	(154)	(5)	(274)	296	<b>(137)</b>	(24)	(260)	436	(87)	<b>65</b>
Net profit on transactions between continuing and Innovene operations	96	159	144	128	<b>527</b>	–	–	–	–	<b>–</b>
Total for continuing operations	8,079	7,362	8,114	6,483	<b>30,038</b>	8,511	9,665	11,769	5,466	<b>35,411</b>
Innovene operations										
US	90	42	(258)	(127)	<b>(253)</b>	7	(6)	–	15	<b>16</b>
Non-US	292	289	(482)	439	<b>538</b>	(103)	(82)	–	(15)	<b>(200)</b>
	382	331	(740)	312	<b>285</b>	(96)	(88)	–	–	<b>(184)</b>
Net profit on transactions between continuing and Innovene operations	(96)	(159)	(144)	(128)	<b>(527)</b>	–	–	–	–	<b>–</b>
Total for Innovene operations	286	172	(884)	184	<b>(242)</b>	(96)	(88)	–	–	<b>(184)</b>
Total for period	8,365	7,534	7,230	6,667	<b>29,796</b>	8,415	9,577	11,769	5,466	<b>35,227</b>
<b>By geographical area</b>										
US	3,028	2,841	2,376	3,643	<b>11,888</b>	3,071	2,932	4,784	230	<b>11,017</b>
Non-US	5,051	4,521	5,738	2,840	<b>18,150</b>	5,440	6,733	6,985	5,236	<b>24,394</b>
Total for continuing operations	8,079	7,362	8,114	6,483	<b>30,038</b>	8,511	9,665	11,769	5,466	<b>35,411</b>

\$ million														
Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
1,731	2,183	1,775	2,240	<b>7,929</b>	3,085	3,601	3,739	1,299	<b>11,724</b>	1,143	1,161	1,864	2,517	<b>6,685</b>
4,575	4,936	4,532	5,630	<b>19,673</b>	6,987	7,170	8,970	3,457	<b>26,584</b>	3,177	3,885	5,065	5,988	<b>18,115</b>
6,306	7,119	6,307	7,870	<b>27,602</b>	10,072	10,771	12,709	4,756	<b>38,308</b>	4,320	5,046	6,929	8,505	<b>24,800</b>
129	966	(522)	(1,805)	<b>(1,232)</b>	154	(401)	338	(735)	<b>(644)</b>	308	(326)	(229)	(2,331)	<b>(2,578)</b>
675	1,776	893	509	<b>3,853</b>	1,095	940	1,634	1,151	<b>4,820</b>	782	1,006	1,145	388	<b>3,321</b>
804	2,742	371	(1,296)	<b>2,621</b>	1,249	539	1,972	416	<b>4,176</b>	1,090	680	916	(1,943)	<b>743</b>
(133)	(128)	(363)	(336)	<b>(960)</b>	(152)	(185)	(288)	(277)	<b>(902)</b>	(279)	(129)	(179)	(141)	<b>(728)</b>
35	(45)	(148)	(91)	<b>(249)</b>	(61)	(129)	272	(403)	<b>(321)</b>	(482)	(454)	(407)	(251)	<b>(1,594)</b>
(98)	(173)	(511)	(427)	<b>(1,209)</b>	(213)	(314)	(16)	(680)	<b>(1,223)</b>	(761)	(583)	(586)	(392)	<b>(2,322)</b>
7,012	9,688	6,167	6,147	<b>29,014</b>	11,108	10,996	14,665	4,492	<b>41,261</b>	4,649	5,143	7,259	6,170	<b>23,221</b>
42	(98)	103	(267)	<b>(220)</b>	(784)	(221)	838	633	<b>466</b>	(405)	76	104	(492)	<b>(717)</b>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,054	9,590	6,270	5,880	<b>28,794</b>	10,324	10,775	15,503	5,125	<b>41,727</b>	4,244	5,219	7,363	5,678	<b>22,504</b>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,054	9,590	6,270	5,880	<b>28,794</b>	10,324	10,775	15,503	5,125	<b>41,727</b>	4,244	5,219	7,363	5,678	<b>22,504</b>
1,756	2,933	983	(91)	<b>5,581</b>	2,621	3,267	4,419	371	<b>10,678</b>	854	730	1,516	(294)	<b>2,806</b>
5,298	6,657	5,287	5,971	<b>23,213</b>	7,703	7,508	11,084	4,754	<b>31,049</b>	3,390	4,489	5,847	5,972	<b>19,698</b>
7,054	9,590	6,270	5,880	<b>28,794</b>	10,324	10,775	15,503	5,125	<b>41,727</b>	4,244	5,219	7,363	5,678	<b>22,504</b>



## Non-operating items by business

	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Exploration and Production</b>										
Impairment and gain (loss) on sale of businesses and fixed assets	1,003	17	(108)	61	<b>973</b>	9	329	1,897	175	<b>2,410</b>
Environmental and other provisions	–	–	6	–	<b>6</b>	–	–	(17)	–	<b>(17)</b>
Restructuring, integration and rationalization costs	–	–	–	–	–	–	–	–	–	–
Fair value gain (loss) on embedded derivatives	(143)	(769)	27	(981)	<b>(1,866)</b>	(450)	256	501	296	<b>603</b>
Other	–	25	12	(240)	<b>(203)</b>	–	–	–	(433)	<b>(433)</b>
	<b>860</b>	<b>(727)</b>	<b>(63)</b>	<b>(1,160)</b>	<b>(1,090)</b>	<b>(441)</b>	<b>585</b>	<b>2,381</b>	<b>38</b>	<b>2,563</b>
<b>Refining and Marketing</b>										
Impairment and gain (loss) on sale of businesses and fixed assets <sup>a</sup>	(27)	71	(14)	50	<b>80</b>	563	112	–	51	<b>726</b>
Environmental and other provisions	–	–	(140)	–	<b>(140)</b>	–	–	(33)	–	<b>(33)</b>
Restructuring, integration and rationalization costs	–	–	–	–	–	–	–	–	–	–
Fair value gain (loss) on embedded derivatives	–	–	–	–	–	–	–	–	–	–
Other	–	(733)	–	–	<b>(733)</b>	–	(576)	(400)	(104)	<b>(1,080)</b>
	<b>(27)</b>	<b>(662)</b>	<b>(154)</b>	<b>50</b>	<b>(793)</b>	<b>563</b>	<b>(464)</b>	<b>(433)</b>	<b>(53)</b>	<b>(387)</b>
<b>Other businesses and corporate</b>										
Impairment and gain (loss) on sale of businesses and fixed assets	–	38	4	(25)	<b>17</b>	2	21	(8)	14	<b>29</b>
Environmental and other provisions	–	22	(296)	(4)	<b>(278)</b>	–	–	96	(2)	<b>94</b>
Restructuring, integration and rationalization costs	(43)	(28)	(6)	(57)	<b>(134)</b>	–	–	–	–	–
Fair value gain (loss) on embedded derivatives	21	148	19	(369)	<b>(181)</b>	8	5	(8)	–	<b>5</b>
Other	–	3	–	265	<b>268</b>	–	–	–	(200)	<b>(200)</b>
	<b>(22)</b>	<b>183</b>	<b>(279)</b>	<b>(190)</b>	<b>(308)</b>	<b>10</b>	<b>26</b>	<b>80</b>	<b>(188)</b>	<b>(72)</b>
Total before taxation for continuing operations	811	(1,206)	(496)	(1,300)	<b>(2,191)</b>	132	147	2,028	(203)	<b>2,104</b>
Taxation credit (charge) <sup>b</sup>	(226)	353	129	488	<b>744</b>	(44)	(47)	(840)	64	<b>(867)</b>
Total after taxation for continuing operations	<b>585</b>	<b>(853)</b>	<b>(367)</b>	<b>(812)</b>	<b>(1,447)</b>	<b>88</b>	<b>100</b>	<b>1,188</b>	<b>(139)</b>	<b>1,237</b>
<b>Innovene operations</b>										
Impairment and gain (loss) on sale of businesses and fixed assets	(24)	–	(35)	3	<b>(56)</b>	–	–	–	–	–
Other	–	–	(724)	133	<b>(591)</b>	(96)	(88)	–	–	<b>(184)</b>
Total before taxation for Innovene operations <sup>c</sup>	(24)	–	(759)	136	<b>(647)</b>	(96)	(88)	–	–	<b>(184)</b>
Taxation credit (charge)	10	–	167	190	<b>367</b>	(7)	–	–	–	<b>(7)</b>
Total after taxation for Innovene operations	(14)	–	(592)	326	<b>(280)</b>	(103)	(88)	–	–	<b>(191)</b>
Total after taxation	<b>571</b>	<b>(853)</b>	<b>(959)</b>	<b>(486)</b>	<b>(1,727)</b>	<b>(15)</b>	<b>12</b>	<b>1,188</b>	<b>(139)</b>	<b>1,046</b>

<sup>a</sup> Includes the impairment of goodwill allocated to the US West Coast fuels value chain of \$1,579 million in the fourth quarter of 2009.

<sup>b</sup> Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations, except in the case of goodwill impairment in Refining and Marketing in the fourth quarter of 2009 where no tax credit has been calculated because this item is not tax deductible.

<sup>c</sup> 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	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
605	102	1	149	<b>857</b>	21	111	33	(1,180)	<b>(1,015)</b>	73	359	72	1,070	<b>1,574</b>
–	–	(12)	–	<b>(12)</b>	–	(5)	(7)	–	<b>(12)</b>	–	–	3	–	<b>3</b>
–	–	–	(186)	<b>(186)</b>	(44)	–	(6)	(7)	<b>(57)</b>	(1)	(6)	1	(4)	<b>(10)</b>
152	276	21	(449)	–	(684)	(2,082)	1,098	1,505	<b>(163)</b>	243	154	370	(103)	<b>664</b>
–	–	–	(168)	<b>(168)</b>	331	–	–	(74)	<b>257</b>	(4)	–	25	13	<b>34</b>
757	378	10	(654)	<b>491</b>	(376)	(1,976)	1,118	244	<b>(990)</b>	311	507	471	976	<b>2,265</b>
(179)	767	105	(728)	<b>(35)</b>	814	(13)	114	(114)	<b>801</b>	(21)	(52)	(13)	(1,518)	<b>(1,604)</b>
–	–	(138)	–	<b>(138)</b>	–	–	(62)	(2)	<b>(64)</b>	–	–	(190)	(29)	<b>(219)</b>
–	–	–	(118)	<b>(118)</b>	(205)	(86)	(52)	(104)	<b>(447)</b>	(263)	(114)	(38)	(492)	<b>(907)</b>
–	–	–	–	–	–	–	–	57	<b>57</b>	(57)	–	–	–	<b>(57)</b>
(50)	–	(311)	(300)	<b>(661)</b>	–	–	–	–	<b>–</b>	(9)	–	–	193	<b>184</b>
(229)	767	(344)	(1,146)	<b>(952)</b>	609	(99)	–	(163)	<b>347</b>	(350)	(166)	(241)	(1,846)	<b>(2,603)</b>
31	(15)	(7)	(23)	<b>(14)</b>	50	(42)	(8)	(166)	<b>(166)</b>	(108)	(1)	(14)	(7)	<b>(130)</b>
–	–	(35)	–	<b>(35)</b>	–	–	(76)	(41)	<b>(117)</b>	(75)	–	(16)	16	<b>(75)</b>
–	–	–	(34)	<b>(34)</b>	(58)	(75)	(30)	(91)	<b>(254)</b>	(71)	(37)	(28)	(47)	<b>(183)</b>
3	7	(7)	(10)	<b>(7)</b>	(6)	1	–	–	<b>(5)</b>	–	–	–	–	<b>–</b>
–	–	(152)	(20)	<b>(172)</b>	(67)	(7)	(14)	(3)	<b>(91)</b>	(67)	(1)	(6)	(27)	<b>(101)</b>
34	(8)	(201)	(87)	<b>(262)</b>	(81)	(123)	(128)	(301)	<b>(633)</b>	(321)	(39)	(64)	(65)	<b>(489)</b>
562	1,137	(535)	(1,887)	<b>(723)</b>	152	(2,198)	990	(220)	<b>(1,276)</b>	(360)	302	166	(935)	<b>(827)</b>
(192)	(347)	174	715	<b>350</b>	(56)	770	(331)	97	<b>480</b>	135	(106)	(48)	(221)	<b>(240)</b>
370	790	(361)	(1,172)	<b>(373)</b>	96	(1,428)	659	(123)	<b>(796)</b>	(225)	196	118	(1,156)	<b>(1,067)</b>
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
370	790	(361)	(1,172)	<b>(373)</b>	96	(1,428)	659	(123)	<b>(796)</b>	(225)	196	118	(1,156)	<b>(1,067)</b>

## Non-operating items by geographical area

	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
Exploration and Production										
US	(1)	18	(101)	(121)	<b>(205)</b>	2	8	2,021	(269)	<b>1,762</b>
Non-US	861	(745)	38	(1,039)	<b>(885)</b>	(443)	577	360	307	<b>801</b>
	860	(727)	(63)	(1,160)	<b>(1,090)</b>	(441)	585	2,381	38	<b>2,563</b>
Refining and Marketing										
US <sup>a</sup>	5	(634)	(96)	118	<b>(607)</b>	96	(446)	(266)	25	<b>(591)</b>
Non-US	(32)	(28)	(58)	(68)	<b>(186)</b>	467	(18)	(167)	(78)	<b>204</b>
	(27)	(662)	(154)	50	<b>(793)</b>	563	(464)	(433)	(53)	<b>(387)</b>
Other businesses and corporate										
US	(4)	11	(284)	(7)	<b>(284)</b>	9	10	107	(199)	<b>(73)</b>
Non-US	(18)	172	5	(183)	<b>(24)</b>	1	16	(27)	11	<b>1</b>
	(22)	183	(279)	(190)	<b>(308)</b>	10	26	80	(188)	<b>(72)</b>
Total before taxation for continuing operations	811	(1,206)	(496)	(1,300)	<b>(2,191)</b>	132	147	2,028	(203)	<b>2,104</b>
Taxation credit (charge) <sup>b</sup>	(226)	353	129	488	<b>744</b>	(44)	(47)	(840)	64	<b>(867)</b>
Total after taxation for continuing operations	585	(853)	(367)	(812)	<b>(1,447)</b>	88	100	1,188	(139)	<b>1,237</b>
Innovene operations										
US	–	–	(208)	(51)	<b>(259)</b>	7	(6)	–	15	<b>16</b>
Non-US	(24)	–	(551)	187	<b>(388)</b>	(103)	(82)	–	(15)	<b>(200)</b>
Total before taxation for Innovene operations <sup>c</sup>	(24)	–	(759)	136	<b>(647)</b>	(96)	(88)	–	–	<b>(184)</b>
Taxation credit (charge)	10	–	167	190	<b>367</b>	(7)	–	–	–	<b>(7)</b>
Total after taxation for Innovene operations	(14)	–	(592)	326	<b>(280)</b>	(103)	(88)	–	–	<b>(191)</b>
Total after taxation	571	(853)	(959)	(486)	<b>(1,727)</b>	(15)	12	1,188	(139)	<b>1,046</b>

<sup>a</sup> Includes the impairment of goodwill allocated to the US West Coast fuels value chain of \$1,579 million in the fourth quarter of 2009.

<sup>b</sup> Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations, except in the case of goodwill impairment in Refining and Marketing in the fourth quarter of 2009 where no tax credit has been calculated because this item is not tax deductible.

<sup>c</sup> 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	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
(7)	178	(15)	213	<b>369</b>	(8)	(8)	3	(318)	<b>(331)</b>	71	118	(65)	21	<b>145</b>
764	200	25	(867)	<b>122</b>	(368)	(1,968)	1,115	562	<b>(659)</b>	240	389	536	955	<b>2,120</b>
757	378	10	(654)	<b>491</b>	(376)	(1,976)	1,118	244	<b>(990)</b>	311	507	471	976	<b>2,265</b>
(58)	170	(316)	(977)	<b>(1,181)</b>	774	(16)	13	43	<b>814</b>	(134)	(27)	(179)	(1,697)	<b>(2,037)</b>
(171)	597	(28)	(169)	<b>229</b>	(165)	(83)	(13)	(206)	<b>(467)</b>	(216)	(139)	(62)	(149)	<b>(566)</b>
(229)	767	(344)	(1,146)	<b>(952)</b>	609	(99)	–	(163)	<b>347</b>	(350)	(166)	(241)	(1,846)	<b>(2,603)</b>
6	7	(195)	(57)	<b>(239)</b>	(49)	(33)	(105)	(115)	<b>(302)</b>	(116)	(33)	(29)	14	<b>(164)</b>
28	(15)	(6)	(30)	<b>(23)</b>	(32)	(90)	(23)	(186)	<b>(331)</b>	(205)	(6)	(35)	(79)	<b>(325)</b>
34	(8)	(201)	(87)	<b>(262)</b>	(81)	(123)	(128)	(301)	<b>(633)</b>	(321)	(39)	(64)	(65)	<b>(489)</b>
562	1,137	(535)	(1,887)	<b>(723)</b>	152	(2,198)	990	(220)	<b>(1,276)</b>	(360)	302	166	(935)	<b>(827)</b>
(192)	(347)	174	715	<b>350</b>	(56)	770	(331)	97	<b>480</b>	135	(106)	(48)	(221)	<b>(240)</b>
370	790	(361)	(1,172)	<b>(373)</b>	96	(1,428)	659	(123)	<b>(796)</b>	(225)	196	118	(1,156)	<b>(1,067)</b>
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
370	790	(361)	(1,172)	<b>(373)</b>	96	(1,428)	659	(123)	<b>(796)</b>	(225)	196	118	(1,156)	<b>(1,067)</b>



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

	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>By business</b>										
Exploration and Production	(34)	(69)	(161)	288	<b>24</b>	(103)	(150)	(23)	244	<b>(32)</b>
Refining and Marketing	–	(4)	114	(454)	<b>(344)</b>	(123)	74	584	(324)	<b>211</b>
	(34)	(73)	(47)	(166)	<b>(320)</b>	(226)	(76)	561	(80)	<b>179</b>
Taxation credit (charge) <sup>a</sup>	9	21	12	62	<b>104</b>	76	24	(232)	25	<b>(107)</b>
	(25)	(52)	(35)	(104)	<b>(216)</b>	(150)	(52)	329	(55)	<b>72</b>
<b>By geographical area</b>										
Exploration and Production										
US	5	(107)	(51)	121	<b>(32)</b>	(117)	(147)	14	191	<b>(59)</b>
Non-US	(39)	38	(110)	167	<b>56</b>	14	(3)	(37)	53	<b>27</b>
	(34)	(69)	(161)	288	<b>24</b>	(103)	(150)	(23)	244	<b>(32)</b>
Refining and Marketing										
US	2	41	73	(336)	<b>(220)</b>	(97)	26	315	(231)	<b>13</b>
Non-US	(2)	(45)	41	(118)	<b>(124)</b>	(26)	48	269	(93)	<b>198</b>
	–	(4)	114	(454)	<b>(344)</b>	(123)	74	584	(324)	<b>211</b>

<sup>a</sup> 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	2005	Q1	Q2	Q3	Q4	2006
<b>Exploration and Production</b>										
US	4	(89)	(152)	–	<b>(237)</b>	(115)	(139)	2,035	(78)	<b>1,703</b>
Non-US	822	(707)	(72)	(872)	<b>(829)</b>	(429)	574	323	360	<b>828</b>
	826	(796)	(224)	(872)	<b>(1,066)</b>	(544)	435	2,358	282	<b>2,531</b>
<b>Refining and Marketing</b>										
US	7	(593)	(23)	(218)	<b>(827)</b>	(1)	(420)	49	(206)	<b>(578)</b>
Non-US	(34)	(73)	(17)	(186)	<b>(310)</b>	441	30	102	(171)	<b>402</b>
	(27)	(666)	(40)	(404)	<b>(1,137)</b>	440	(390)	151	(377)	<b>(176)</b>
<b>Other businesses and corporate</b>										
US	(4)	11	(284)	(7)	<b>(284)</b>	9	10	107	(199)	<b>(73)</b>
Non-US	(18)	172	5	(183)	<b>(24)</b>	1	16	(27)	11	<b>1</b>
	(22)	183	(279)	(190)	<b>(308)</b>	10	26	80	(188)	<b>(72)</b>
Total before taxation for continuing operations	777	(1,279)	(543)	(1,466)	<b>(2,511)</b>	(94)	71	2,589	(283)	<b>2,283</b>
Taxation credit (charge) <sup>a</sup>	(217)	374	141	550	<b>848</b>	32	(23)	(1,072)	89	<b>(974)</b>
Total after taxation for continuing operations	560	(905)	(402)	(916)	<b>(1,663)</b>	(62)	48	1,517	(194)	<b>1,309</b>
<b>Innovene operations</b>										
US	–	–	(208)	(51)	<b>(259)</b>	7	(6)	–	15	<b>16</b>
Non-US	(24)	–	(551)	187	<b>(388)</b>	(103)	(82)	–	(15)	<b>(200)</b>
Total before taxation for Innovene operations	(24)	–	(759)	136	<b>(647)</b>	(96)	(88)	–	–	<b>(184)</b>
Taxation credit (charge)	10	–	167	190	<b>367</b>	(7)	–	–	–	<b>(7)</b>
Total after taxation for Innovene operations	(14)	–	(592)	326	<b>(280)</b>	(103)	(88)	–	–	<b>(191)</b>
Total after taxation for period	546	(905)	(994)	(590)	<b>(1,943)</b>	(165)	(40)	1,517	(194)	<b>1,118</b>

<sup>a</sup> Taxation is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations, except in the case of goodwill impairment in Refining and Marketing in the fourth quarter of 2009 where no tax credit has been calculated because this item is not tax deductible.

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 for consolidated entities 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	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
31	(74)	(36)	127	<b>48</b>	(259)	(373)	97	253	<b>(282)</b>	158	135	180	446	<b>919</b>
(539)	337	(93)	(62)	<b>(357)</b>	101	(161)	636	(65)	<b>511</b>	(109)	(126)	86	(112)	<b>(261)</b>
(508)	263	(129)	65	<b>(309)</b>	(158)	(534)	733	188	<b>229</b>	49	9	266	334	<b>658</b>
174	(80)	42	(25)	<b>111</b>	58	187	(245)	(83)	<b>(83)</b>	(18)	(3)	(77)	(115)	<b>(213)</b>
(334)	183	(87)	40	<b>(198)</b>	(100)	(347)	488	105	<b>146</b>	31	6	189	219	<b>445</b>
(6)	(71)	(19)	19	<b>(77)</b>	(142)	(236)	136	11	<b>(231)</b>	208	92	169	218	<b>687</b>
37	(3)	(17)	108	<b>125</b>	(117)	(137)	(39)	242	<b>(51)</b>	(50)	43	11	228	<b>232</b>
31	(74)	(36)	127	<b>48</b>	(259)	(373)	97	253	<b>(282)</b>	158	135	180	446	<b>919</b>
(165)	174	(142)	(32)	<b>(165)</b>	95	53	174	(91)	<b>231</b>	65	(46)	6	(9)	<b>16</b>
(374)	163	49	(30)	<b>(192)</b>	6	(214)	462	26	<b>280</b>	(174)	(80)	80	(103)	<b>(277)</b>
(539)	337	(93)	(62)	<b>(357)</b>	101	(161)	636	(65)	<b>511</b>	(109)	(126)	86	(112)	<b>(261)</b>

\$ million														
Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
(13)	107	(34)	232	<b>292</b>	(150)	(244)	139	(307)	<b>(562)</b>	279	210	104	239	<b>832</b>
801	197	8	(759)	<b>247</b>	(485)	(2,105)	1,076	804	<b>(710)</b>	190	432	547	1,183	<b>2,352</b>
788	304	(26)	(527)	<b>539</b>	(635)	(2,349)	1,215	497	<b>(1,272)</b>	469	642	651	1,422	<b>3,184</b>
(223)	344	(458)	(1,009)	<b>(1,346)</b>	869	37	187	(48)	<b>1,045</b>	(69)	(73)	(173)	(1,706)	<b>(2,021)</b>
(545)	760	21	(199)	<b>37</b>	(159)	(297)	449	(180)	<b>(187)</b>	(390)	(219)	18	(252)	<b>(843)</b>
(768)	1,104	(437)	(1,208)	<b>(1,309)</b>	710	(260)	636	(228)	<b>858</b>	(459)	(292)	(155)	(1,958)	<b>(2,864)</b>
6	7	(195)	(57)	<b>(239)</b>	(49)	(33)	(105)	(115)	<b>(302)</b>	(116)	(33)	(29)	14	<b>(164)</b>
28	(15)	(6)	(30)	<b>(23)</b>	(32)	(90)	(23)	(186)	<b>(331)</b>	(205)	(6)	(35)	(79)	<b>(325)</b>
34	(8)	(201)	(87)	<b>(262)</b>	(81)	(123)	(128)	(301)	<b>(633)</b>	(321)	(39)	(64)	(65)	<b>(489)</b>
54	1,400	(664)	(1,822)	<b>(1,032)</b>	(6)	(2,732)	1,723	(32)	<b>(1,047)</b>	(311)	311	432	(601)	<b>(169)</b>
(18)	(427)	216	690	<b>461</b>	2	957	(576)	14	<b>397</b>	117	(109)	(125)	(336)	<b>(453)</b>
36	973	(448)	(1,132)	<b>(571)</b>	(4)	(1,775)	1,147	(18)	<b>(650)</b>	(194)	202	307	(937)	<b>(622)</b>
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
36	973	(448)	(1,132)	<b>(571)</b>	(4)	(1,775)	1,147	(18)	<b>(650)</b>	(194)	202	307	(937)	<b>(622)</b>



## Sales and other operating revenues

	\$ million				
	2005	2006	2007	2008	2009
<b>By business</b>					
Exploration and Production	61,893	67,950	65,740	86,170	<b>57,626</b>
Refining and Marketing	212,930	232,386	250,221	320,039	<b>213,050</b>
Other businesses and corporate	11,118	3,372	3,698	4,634	<b>2,843</b>
	<b>285,941</b>	<b>303,708</b>	<b>319,659</b>	<b>410,843</b>	<b>273,519</b>
Less: sales between businesses <sup>a</sup>					
Exploration and Production	25,718	32,608	32,083	45,931	<b>32,540</b>
Refining and Marketing	11,336	3,935	1,914	1,918	<b>821</b>
Other businesses and corporate	9,095	1,259	1,297	1,851	<b>886</b>
	<b>46,149</b>	<b>37,802</b>	<b>35,294</b>	<b>49,700</b>	<b>34,247</b>
Third party sales and other operating revenues					
Exploration and Production	36,175	35,342	33,657	40,239	<b>25,086</b>
Refining and Marketing	201,594	228,451	248,307	318,121	<b>212,229</b>
Other businesses and corporate	2,023	2,113	2,401	2,783	<b>1,957</b>
Total third party sales and other operating revenues	<b>239,792</b>	<b>265,906</b>	<b>284,365</b>	<b>361,143</b>	<b>239,272</b>
<b>By geographical area<sup>b</sup></b>					
US		99,935	105,120	130,142	<b>87,283</b>
Non-US		185,079	201,816	267,246	<b>173,822</b>
		<b>285,014</b>	<b>306,936</b>	<b>397,388</b>	<b>261,105</b>
Less: sales between areas		19,108	22,571	36,245	<b>21,833</b>
		<b>265,906</b>	<b>284,365</b>	<b>361,143</b>	<b>239,272</b>

<sup>a</sup> Sales between businesses include sales between continuing operations and Innovene for 2005.

<sup>b</sup> Data is not available for 2005.



## Production and similar taxes

	\$ million				
	2005	2006	2007	2008	2009
Production and similar taxes provided for					
US	610	887	1,260	2,602	<b>649</b>
Non-US <sup>a</sup>	3,528	4,297	4,443	6,351	<b>3,103</b>
	4,138	5,184	5,703	8,953	<b>3,752</b>
Production and similar taxes paid					
US	591	565	1,302	2,735	<b>766</b>
Non-US <sup>a</sup>	3,436	4,937	4,545	6,681	<b>3,219</b>
	4,027	5,502	5,847	9,416	<b>3,985</b>

<sup>a</sup> Comparative figures have been restated to include amounts previously reported as production and manufacturing expenses amounting to \$2,427 million for 2008, \$1,690 million for 2007, \$1,563 million for 2006 and \$1,128 million for 2005, which we believe are more appropriately classified as production taxes. There was no effect on the group profit or the group balance sheet.



## Taxation

	\$ million				
	2005	2006	2007	2008	2009
Tax on profit from continuing operations					
Current tax charge	8,624	11,800	9,835	13,383	<b>5,745</b>
Deferred tax charge (credit)	849	531	607	(766)	<b>2,620</b>
Total tax on profit from continuing operations	9,473	12,331	10,442	12,617	<b>8,365</b>
Tax on inventory holdings (gains) losses	(745)	31	(1,083)	2,052	<b>(1,299)</b>
Tax on replacement cost profit from continuing operations	8,728	12,362	9,359	14,669	<b>7,066</b>
Effective tax rates on					
Replacement cost profit for the year	30%	35%	33%	36%	<b>33%</b>
Profit for the year	30%	36%	33%	37%	<b>33%</b>
Income taxes paid	9,028	13,733	9,072	12,824	<b>6,324</b>



## Depreciation, depletion and amortization

	\$ million				
	2005	2006	2007	2008	2009
<b>By business</b>					
Exploration and Production <sup>a</sup>					
US	2,505	2,336	2,365	3,012	<b>4,150</b>
Non-US	3,688	4,353	5,491	5,428	<b>5,407</b>
	6,193	6,689	7,856	8,440	<b>9,557</b>
Refining and Marketing					
US	1,081	1,047	1,076	825	<b>919</b>
Non-US	1,296	1,192	1,345	1,383	<b>1,317</b>
	2,377	2,239	2,421	2,208	<b>2,236</b>
Other businesses and corporate					
US	218	76	117	132	<b>136</b>
Non-US	395	124	185	205	<b>177</b>
	613	200	302	337	<b>313</b>
<b>By geographical area</b>					
US	3,804	3,459	3,558	3,969	<b>5,205</b>
Non-US	5,379	5,669	7,021	7,016	<b>6,901</b>
Total	9,183	9,128	10,579	10,985	<b>12,106</b>
Innovene operations	(412)	—	—	—	<b>—</b>
Continuing operations	8,771	9,128	10,579	10,985	<b>12,106</b>

<sup>a</sup> 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 was 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 then applicable related 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 differed 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 now disclosed. In addition, the use of SEC reserves for accounting purposes makes our results more comparable with those of our major competitors.



## Group balance sheet

At 31 December

### Non-current assets

Property, plant and equipment
Goodwill
Intangible assets
Investments in jointly controlled entities
Investments in associates
Other investments

\$ million				
2005	2006	2007	2008	2009
85,947	90,999	97,989	103,200	<b>108,275</b>
10,371	10,780	11,006	9,878	<b>8,620</b>
4,772	5,246	6,652	10,260	<b>11,548</b>
13,556	15,074	18,113	23,826	<b>15,296</b>
6,217	5,975	4,579	4,000	<b>12,963</b>
967	1,697	1,830	855	<b>1,567</b>
121,830	129,771	140,169	152,019	<b>158,269</b>
821	817	999	995	<b>1,039</b>
770	862	968	710	<b>1,729</b>
3,909	3,025	3,741	5,054	<b>3,965</b>
1,012	1,034	1,083	1,338	<b>1,407</b>
–	–	–	–	<b>516</b>
3,282	6,753	8,914	1,738	<b>1,390</b>
131,624	142,262	155,874	161,854	<b>168,315</b>

### Current assets

Loans
Inventories
Trade and other receivables
Derivative financial instruments
Prepayments
Current tax receivable
Cash and cash equivalents

132	141	165	168	<b>249</b>
19,760	18,915	26,554	16,821	<b>22,605</b>
40,902	38,692	38,020	29,261	<b>29,531</b>
10,056	10,373	6,321	8,510	<b>4,967</b>
1,268	3,006	3,589	3,050	<b>1,753</b>
212	544	705	377	<b>209</b>
2,960	2,590	3,562	8,197	<b>8,339</b>

### Assets classified as held-for-sale

75,290	74,261	78,916	66,384	<b>67,653</b>
–	1,078	1,286	–	<b>–</b>
75,290	75,339	80,202	66,384	<b>67,653</b>

### Total assets

206,914	217,601	236,076	228,238	<b>235,968</b>
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### Current liabilities

Trade and other payables
Derivative financial instruments
Accruals
Finance debt
Current tax payable
Provisions

42,136	42,236	43,152	33,644	<b>35,204</b>
10,036	9,424	6,405	8,977	<b>4,681</b>
5,017	6,147	6,640	6,743	<b>6,202</b>
8,932	12,924	15,394	15,740	<b>9,109</b>
4,274	2,635	3,282	3,144	<b>2,464</b>
1,102	1,932	2,195	1,545	<b>1,660</b>

### Liabilities directly associated with the assets classified as held-for-sale

71,497	75,298	77,068	69,793	<b>59,320</b>
–	54	163	–	<b>–</b>
71,497	75,352	77,231	69,793	<b>59,320</b>

### Non-current liabilities

Other payables
Derivative financial instruments
Accruals
Finance debt
Deferred tax liabilities
Provisions
Defined benefit pension plan and other post-retirement benefit plan deficits

1,935	1,430	1,251	3,080	<b>3,198</b>
5,871	4,203	5,002	6,271	<b>3,474</b>
989	961	959	784	<b>703</b>
10,230	11,086	15,651	17,464	<b>25,518</b>
16,443	18,116	19,215	16,198	<b>18,662</b>
9,954	11,712	12,900	12,108	<b>12,970</b>
9,230	9,276	9,215	10,431	<b>10,010</b>

### Total liabilities

54,652	56,784	64,193	66,336	<b>74,535</b>
126,149	132,136	141,424	136,129	<b>133,855</b>

### Net assets

80,765	85,465	94,652	92,109	<b>102,113</b>
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### Equity

Share capital
Reserves
BP shareholders' equity
Minority interest

5,185	5,385	5,237	5,176	<b>5,179</b>
74,791	79,239	88,453	86,127	<b>96,434</b>
79,976	84,624	93,690	91,303	<b>101,613</b>
789	841	962	806	<b>500</b>

### Total equity

80,765	85,465	94,652	92,109	<b>102,113</b>
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## Operating capital employed

	\$ million				
	2005	2006	2007	2008	2009
<b>By business</b>					
Exploration and Production					
US	27,555	27,687	30,341	35,807	<b>39,209</b>
Non-US	45,330	49,601	54,278	56,950	<b>61,945</b>
	72,885	77,288	84,619	92,757	<b>101,154</b>
Refining and Marketing					
US	16,968	16,527	17,748	15,904	<b>20,114</b>
Non-US	22,764	24,611	30,163	25,295	<b>26,387</b>
	39,732	41,138	47,911	41,199	<b>46,501</b>
Other businesses and corporate					
US	(3,070)	(3,303)	(1,903)	(2,505)	<b>(2,773)</b>
Non-US	1,292	4,504	6,785	3,247	<b>4,655</b>
	(1,778)	1,201	4,882	742	<b>1,882</b>
Consolidation adjustment	(778)	(725)	(929)	(298)	<b>(1,016)</b>
	110,061	118,902	136,483	134,400	<b>148,521</b>
<b>By geographical area</b>					
US	40,722	40,234	45,369	49,056	<b>55,826</b>
Non-US	69,339	78,668	91,114	85,344	<b>92,695</b>
Total operating capital employed	110,061	118,902	136,483	134,400	<b>148,521</b>
Liabilities for current and deferred taxation	(20,505)	(20,207)	(21,792)	(18,965)	<b>(20,401)</b>
Goodwill	10,371	10,780	11,006	9,878	<b>8,620</b>
Capital employed	99,927	109,475	125,697	125,313	<b>136,740</b>
Financed by					
Finance debt	19,162	24,010	31,045	33,204	<b>34,627</b>
Minority interest	789	841	962	806	<b>500</b>
BP shareholders' equity	79,976	84,624	93,690	91,303	<b>101,613</b>
Capital employed	99,927	109,475	125,697	125,313	<b>136,740</b>



## Non-current assets – property, plant and equipment

	\$ million				
	2005	2006	2007	2008	2009
<b>Net book amount by business</b>					
Exploration and Production					
US	27,499	28,996	31,555	35,369	<b>36,361</b>
Non-US	33,310	36,629	39,274	40,439	<b>42,583</b>
	60,809	65,625	70,829	75,808	<b>78,944</b>
Refining and Marketing					
US	10,320	10,247	9,440	10,608	<b>12,497</b>
Non-US	12,342	12,901	15,030	14,016	<b>14,616</b>
	22,662	23,148	24,470	24,624	<b>27,113</b>
Other businesses and corporate					
US	1,411	922	1,248	1,659	<b>1,385</b>
Non-US	1,065	1,304	1,442	1,109	<b>833</b>
	2,476	2,226	2,690	2,768	<b>2,218</b>
<b>Net book amount by geographical area</b>					
US	39,230	40,165	42,243	47,636	<b>50,243</b>
Non-US	46,717	50,834	55,746	55,564	<b>58,032</b>
	85,947	90,999	97,989	103,200	<b>108,275</b>
<b>Cost and accumulated depreciation</b>					
Exploration and Production					
Cost	131,634	140,620	152,486	165,626	<b>176,332</b>
Accumulated depreciation	(70,825)	(74,995)	(81,657)	(89,818)	<b>(97,388)</b>
	60,809	65,625	70,829	75,808	<b>78,944</b>
Refining and Marketing					
Cost	43,496	45,397	48,590	47,289	<b>51,276</b>
Accumulated depreciation	(20,834)	(22,249)	(24,120)	(22,665)	<b>(24,163)</b>
	22,662	23,148	24,470	24,624	<b>27,113</b>
Other businesses and corporate					
Cost	3,578	3,262	4,015	4,194	<b>3,650</b>
Accumulated depreciation	(1,102)	(1,036)	(1,325)	(1,426)	<b>(1,432)</b>
	2,476	2,226	2,690	2,768	<b>2,218</b>
Group					
Cost	178,708	189,279	205,091	217,109	<b>231,258</b>
Accumulated depreciation	(92,761)	(98,280)	(107,102)	(113,909)	<b>(122,983)</b>
	85,947	90,999	97,989	103,200	<b>108,275</b>



## Working capital

	\$ million				
	2005	2006	2007	2008	2009
<b>Inventories, receivables and payables</b>					
Inventories	16,321	16,301	23,040	13,821	<b>18,679</b>
Supplies	919	1,222	1,517	1,588	<b>1,661</b>
	17,240	17,523	24,557	15,409	<b>20,340</b>
Trading inventories	2,520	1,392	1,997	1,412	<b>2,265</b>
	19,760	18,915	26,554	16,821	<b>22,605</b>
<b>Current receivables</b>					
Trade receivables	33,565	32,460	33,012	22,869	<b>22,604</b>
Amounts receivable from jointly controlled entities	1,345	830	888	1,035	<b>1,317</b>
Amounts receivable from associates	186	268	380	219	<b>417</b>
Current tax receivable	212	544	705	377	<b>209</b>
Other current receivables	17,262	18,654	13,815	16,866	<b>12,162</b>
	52,570	52,756	48,800	41,366	<b>36,709</b>
<b>Non-current receivables</b>					
Amounts receivable from jointly controlled entities	–	–	–	–	<b>11</b>
Amounts receivable from associates	–	–	–	–	<b>298</b>
Other non-current receivables	6,512	5,738	6,791	8,097	<b>7,831</b>
	6,512	5,738	6,791	8,097	<b>8,140</b>
<b>Current payables</b>					
Trade payables	28,614	28,319	30,735	20,129	<b>22,886</b>
Amounts payable to jointly controlled entities	251	119	66	292	<b>304</b>
Amounts payable to associates	627	273	650	295	<b>692</b>
Production and similar taxes	763	852	803	445	<b>757</b>
Current tax payable	4,274	2,635	3,282	3,144	<b>2,464</b>
Dividends	1	1	1	1	<b>1</b>
Other current payables	26,933	28,243	23,942	28,202	<b>21,447</b>
	61,463	60,442	59,479	52,508	<b>48,551</b>
<b>Non-current payables</b>					
Amounts payable to jointly controlled entities	–	–	–	2,255	<b>2,419</b>
Amounts payable to associates	–	–	–	–	<b>298</b>
Production and similar taxes	1,281	899	765	538	<b>286</b>
Other non-current payables	7,514	5,695	6,447	7,342	<b>4,372</b>
	8,795	6,594	7,212	10,135	<b>7,375</b>



## Group cash flow statement

	\$ million				
	2005	2006	2007	2008	2009
<b>Operating activities</b>					
Profit before taxation from continuing operations	31,921	34,642	31,611	34,283	<b>25,124</b>
Adjustments to reconcile profit before taxation to net cash provided by operating activities					
Exploration expenditure written off	305	624	347	385	<b>593</b>
Depreciation, depletion and amortization	8,771	9,128	10,579	10,985	<b>12,106</b>
Impairment and (gain) loss on sale of businesses and fixed assets	(1,070)	(3,165)	(808)	380	<b>160</b>
Earnings from jointly controlled entities and associates	(3,543)	(3,995)	(3,832)	(3,821)	<b>(3,901)</b>
Dividends received from jointly controlled entities and associates	2,833	4,495	2,473	3,728	<b>3,003</b>
Interest receivable	(479)	(473)	(489)	(407)	<b>(258)</b>
Interest received	401	500	500	385	<b>203</b>
Finance costs	874	986	1,393	1,547	<b>1,110</b>
Interest paid	(1,127)	(1,242)	(1,363)	(1,291)	<b>(909)</b>
Net finance (income) expense relating to pensions and other post-retirement benefits	(113)	(470)	(652)	(591)	<b>192</b>
Share-based payments	278	416	420	459	<b>450</b>
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(435)	(261)	(404)	(173)	<b>(887)</b>
Net charge for provisions, less payments	600	340	(92)	(298)	<b>650</b>
(Increase) decrease in inventories	(6,638)	995	(7,255)	9,010	<b>(5,363)</b>
(Increase) decrease in other current and non-current assets	(16,427)	3,596	5,210	2,439	<b>7,595</b>
Increase (decrease) in other current and non-current liabilities	18,628	(4,211)	(3,857)	(6,101)	<b>(5,828)</b>
Income taxes paid	(9,028)	(13,733)	(9,072)	(12,824)	<b>(6,324)</b>
Net cash provided by operating activities of continuing operations	25,751	28,172	24,709	38,095	<b>27,716</b>
Net cash provided by operating activities of Innovene operations	970	—	—	—	<b>—</b>
Net cash provided by operating activities	26,721	28,172	24,709	38,095	<b>27,716</b>
<b>Investing activities</b>					
Capital expenditure	(12,281)	(15,125)	(17,830)	(22,658)	<b>(20,650)</b>
Acquisitions, net of cash acquired	(60)	(229)	(1,225)	(395)	<b>1</b>
Investment in jointly controlled entities	(185)	(37)	(428)	(1,009)	<b>(578)</b>
Investment in associates	(619)	(570)	(187)	(81)	<b>(164)</b>
Proceeds from disposal of fixed assets	2,803	5,963	1,749	918	<b>1,715</b>
Proceeds from disposal of businesses, net of cash disposed	8,397	291	2,518	11	<b>966</b>
Proceeds from loan repayments	123	189	192	647	<b>530</b>
Other	93	—	374	(200)	<b>47</b>
Net cash used in investing activities	(1,729)	(9,518)	(14,837)	(22,767)	<b>(18,133)</b>
<b>Financing activities</b>					
Net issue (repurchase) of shares	(11,315)	(15,151)	(7,113)	(2,567)	<b>207</b>
Proceeds from long-term financing	2,475	3,831	8,109	7,961	<b>11,567</b>
Repayments of long-term financing	(4,820)	(3,655)	(3,192)	(3,821)	<b>(6,021)</b>
Net increase (decrease) in short-term debt	(1,457)	3,873	1,494	(1,315)	<b>(4,405)</b>
Dividends paid					
BP shareholders	(7,359)	(7,686)	(8,106)	(10,342)	<b>(10,483)</b>
Minority interest	(827)	(283)	(227)	(425)	<b>(416)</b>
Net cash used in financing activities	(23,303)	(19,071)	(9,035)	(10,509)	<b>(9,551)</b>
Currency translation differences relating to cash and cash equivalents	(88)	47	135	(184)	<b>110</b>
Increase (decrease) in cash and cash equivalents	1,601	(370)	972	4,635	<b>142</b>
Cash and cash equivalents at beginning of year	1,359	2,960	2,590	3,562	<b>8,197</b>
Cash and cash equivalents at end of year	2,960	2,590	3,562	8,197	<b>8,339</b>



## Movement in net debt

	\$ million				
	2005	2006	2007	2008	2009
Opening balance					
Finance debt	23,091	19,162	24,010	31,045	<b>33,204</b>
Less: Cash and cash equivalents	1,359	2,960	2,590	3,562	<b>8,197</b>
Less: Fair value asset (liability) of hedges related to finance debt	–	(171)	298	666	<b>(34)</b>
Opening net debt	21,732	16,373	21,122	26,817	<b>25,041</b>
Closing balance					
Finance debt	19,162	24,010	31,045	33,204	<b>34,627</b>
Less: Cash and cash equivalents	2,960	2,590	3,562	8,197	<b>8,339</b>
Less: Fair value asset (liability) of hedges related to finance debt	(171)	298	666	(34)	<b>127</b>
Closing net debt	16,373	21,122	26,817	25,041	<b>26,161</b>
Decrease (increase) in net debt	5,359	(4,749)	(5,695)	1,776	<b>(1,120)</b>
Movement in cash and cash equivalents (excluding exchange adjustments)	1,689	(417)	837	4,819	<b>32</b>
Net cash (inflow) outflow from financing (excluding share capital)	3,803	(4,049)	(6,411)	(2,825)	<b>(1,141)</b>
Adoption of IAS 39	(147)	–	–	–	<b>–</b>
Debt acquired	–	(13)	–	–	<b>–</b>
Other movements	146	(145)	(134)	(136)	<b>(61)</b>
Movement in net debt before exchange effects	5,491	(4,624)	(5,708)	1,858	<b>(1,170)</b>
Exchange adjustments	(132)	(125)	13	(82)	<b>50</b>
Decrease (increase) in net debt	5,359	(4,749)	(5,695)	1,776	<b>(1,120)</b>

## Capital expenditure, acquisitions and disposals

	\$ million				
	2005	2006	2007	2008	2009
<b>By business</b>					
Exploration and Production					
US <sup>a</sup>	3,932	4,655	5,096	10,359	<b>6,169</b>
Non-US <sup>b c</sup>	6,466	8,597	9,111	11,868	<b>8,727</b>
	10,398	13,252	14,207	22,227	<b>14,896</b>
Refining and Marketing					
US <sup>b</sup>	1,226	1,339	1,872	4,297	<b>2,625</b>
Non-US <sup>d</sup>	1,619	1,788	3,623	2,337	<b>1,489</b>
	2,845	3,127	5,495	6,634	<b>4,114</b>
Other businesses and corporate					
US <sup>e</sup>	311	598	519	1,390	<b>1,071</b>
Non-US	595	254	420	449	<b>228</b>
	906	852	939	1,839	<b>1,299</b>
<b>By geographical area</b>					
US <sup>a b e</sup>	5,469	6,592	7,487	16,046	<b>9,865</b>
Non-US <sup>b c d</sup>	8,680	10,639	13,154	14,654	<b>10,444</b>
	14,149	17,231	20,641	30,700	<b>20,309</b>
Included above					
Acquisitions and asset exchanges <sup>b d</sup>	211	321	1,447	2,514	<b>308</b>
Innovene operations	497	–	–	–	<b>–</b>
Disposals	11,200	6,254	4,267	929	<b>2,681</b>

<sup>a</sup> 2008 included \$3,667 million in Exploration and Production 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.

<sup>b</sup> 2008 included capital expenditure of \$2,822 million in Exploration and Production and an asset exchange of \$1,909 million in Refining and Marketing relating to the formation of an integrated North American oil sands business with Husky Energy Inc.

<sup>c</sup> 2006 included \$1 billion for the purchase of shares in Rosneft.

<sup>d</sup> 2007 included the acquisition of Chevron's Netherlands manufacturing company for \$1,132 million.

<sup>e</sup> 2009 included capital expenditure of \$440 million related to wind turbines for post-2009 projects.



## Employee numbers

at 31 December				
	2005	2006	2007	2008
<b>2009</b>				
<b>By business</b>				
Exploration and Production	18,900	21,400	21,800	21,400
Refining and Marketing (excluding Retail site staff)	42,000	41,900	42,700	40,300
Other businesses and corporate	7,500	7,600	9,100	9,100
	68,400	70,900	73,600	70,800
Retail site staff	27,800	26,100	24,500	21,200
	96,200	97,000	98,100	92,000
<b>By geographical area</b>				
US	34,400	33,700	33,000	29,300
Non-US	61,800	63,300	65,100	62,700
	96,200	97,000	98,100	92,000



## Ratios<sup>a</sup>

	\$ million				
	2005	2006	2007	2008	2009
<b>Return on average capital employed</b>					
Replacement cost profit	20,168	22,222	18,370	25,593	<b>13,955</b>
Interest expense <sup>b</sup>	400	467	722	752	<b>467</b>
Minority interest	291	286	324	509	<b>181</b>
Adjusted replacement cost profit	20,859	22,975	19,416	26,854	<b>14,603</b>
Non-operating items after taxation	1,727	(1,046)	373	796	<b>1,067</b>
Adjusted replacement cost profit excluding non-operating items	22,586	21,929	19,789	27,650	<b>15,670</b>
Average capital employed (including goodwill)	100,627	104,701	117,587	125,506	<b>131,027</b>
Return on average capital employed (including goodwill and non-operating items)	20.7%	21.9%	16.5%	21.4%	<b>11.1%</b>
Average capital employed (excluding goodwill)	90,013	94,125	106,694	115,064	<b>121,778</b>
Return on average capital employed (excluding goodwill and non-operating items)	25.1%	23.3%	18.5%	24.0%	<b>12.9%</b>
<b>Debt ratios</b>					
Gross debt	19,162	24,010	31,045	33,204	<b>34,627</b>
Less: fair value asset (liability) of hedges related to finance debt	(171)	298	666	(34)	<b>127</b>
Cash and cash equivalents	19,333	23,712	30,379	33,238	<b>34,500</b>
Net debt	2,960	2,590	3,562	8,197	<b>8,339</b>
Equity	16,373	21,122	26,817	25,041	<b>26,161</b>
Debt to debt-plus-equity ratio	80,765	85,465	94,652	92,109	<b>102,113</b>
Debt to equity ratio	19%	22%	24%	27%	<b>25%</b>
Net debt to net debt-plus-equity ratio	24%	28%	32%	36%	<b>34%</b>
Net debt to equity ratio	17%	20%	22%	21%	<b>20%</b>
	20%	25%	28%	27%	<b>26%</b>

<sup>a</sup> The ratios are defined on page 72.

<sup>b</sup> 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 2009

Range of holdings	Number of ordinary share-holders	Percentage of total ordinary share-holders	Percentage of total ordinary share capital
1–200	57,927	18.43	0.02
201–1,000	116,624	37.11	0.30
1,001–10,000	126,034	40.10	1.83
10,001–100,000	11,867	3.77	1.17
100,001–1,000,000	1,065	0.34	1.85
Over 1,000,000 <sup>a</sup>	777	0.25	94.83
Totals	314,294	100.00	100.00

<sup>a</sup> Includes JPMorgan Chase Bank holding 27.74% 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 American depositary shares (ADSs) as at 31 December 2009<sup>a</sup>

Range of holdings	Number of ADS holders	Percentage of total ADS holders	Percentage of total ADSs
1–200	72,272	54.22	0.48
201–1,000	37,695	28.28	2.08
1,001–10,000	21,893	16.42	6.80
10,001–100,000	1,417	1.06	2.81
100,001–1,000,000	22	0.02	0.43
Over 1,000,000 <sup>b</sup>	1	0.00	87.40
Totals	133,300	100.00	100.00

<sup>a</sup> One ADS represents six 25-cent ordinary shares.

<sup>b</sup> One of the holders of ADSs represents some 698,373 underlying shareholders.

As at 31 December 2009, there were also 1,660 preference shareholders.

### Beneficial owners as at 31 December 2009<sup>a b</sup>

By principal area	Percentage of shares in issue		
	Institutions	Individuals	Total
UK	33	7	40
US	25	14	39
Rest of Europe	10	–	10
Rest of World	7	–	7
Miscellaneous <sup>c</sup>	4	–	4
	79	21	100

<sup>a</sup> Reflects the beneficial (underlying) ownership of the shares.

<sup>b</sup> 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.

<sup>c</sup> 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

	2005	2006	2007	2008	2009
<b>Share price and dividends</b>					
Share price (pence per ordinary share)					
High	686.00	723.00	640.00	657.25	<b>613.40</b>
Low	499.00	558.50	504.50	370.00	<b>400.00</b>
End year	619.00	567.50	615.00	526.00	<b>600.00</b>
Dividends paid (pence per ordinary share)					
First quarter	4.522	5.288	5.258	6.813	<b>9.818</b>
Second quarter	4.450	5.251	5.151	6.830	<b>9.584</b>
Third quarter	5.119	5.324	5.278	7.039	<b>8.503</b>
Fourth quarter	5.061	5.241	5.308	8.705	<b>8.512</b>
	<b>19.152</b>	<b>21.104</b>	<b>20.995</b>	<b>29.387</b>	<b>36.417</b>
Dividends paid (cents per ordinary share)					
First quarter	8.500	9.375	10.325	13.525	<b>14.000</b>
Second quarter	8.500	9.375	10.325	13.525	<b>14.000</b>
Third quarter	8.925	9.825	10.825	14.000	<b>14.000</b>
Fourth quarter	8.925	9.825	10.825	14.000	<b>14.000</b>
	<b>34.850</b>	<b>38.400</b>	<b>42.300</b>	<b>55.050</b>	<b>56.000</b>
ADS price (US dollars per ADS)					
High	72.75	76.85	79.77	77.69	<b>60.00</b>
Low	56.60	63.52	58.62	37.57	<b>33.71</b>
End year	64.22	67.10	73.17	46.74	<b>57.97</b>
Dividends paid (US dollars per ADS)					
First quarter	0.5100	0.5625	0.6195	0.8115	<b>0.8400</b>
Second quarter	0.5100	0.5625	0.6195	0.8115	<b>0.8400</b>
Third quarter	0.5355	0.5895	0.6495	0.8400	<b>0.8400</b>
Fourth quarter	0.5355	0.5895	0.6495	0.8400	<b>0.8400</b>
	<b>2.0910</b>	<b>2.3040</b>	<b>2.5380</b>	<b>3.3030</b>	<b>3.3600</b>
Dividend payout ratio					
Based on replacement cost profit for the year	36%	35%	44%	40%	<b>75%</b>
Based on profit for the year	33%	35%	39%	49%	<b>63%</b>
Dividend cover					
Dividend cover out of income <sup>a</sup>	2.74	2.89	2.27	2.47	<b>1.33</b>
Dividend cover out of cash flow <sup>b</sup>	3.63	3.67	3.05	3.68	<b>2.64</b>

<sup>a</sup> Based on replacement cost profit for the year.

<sup>b</sup> 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				
	2005	2006	2007	2008	2009
<b>Results for the period</b>					
Profit for the year attributable to BP shareholders	22,341	22,000	20,845	21,157	<b>16,578</b>
Less: preference dividend	2	2	2	2	<b>2</b>
Profit for the year attributable to BP ordinary shareholders	22,339	21,998	20,843	21,155	<b>16,576</b>
Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP (net of tax)	40	16	–	–	<b>–</b>
Diluted profit for the year attributable to BP ordinary shareholders	22,379	22,014	20,843	21,155	<b>16,576</b>
Profit for the year attributable to BP ordinary shareholders, as above	22,339	21,998	20,843	21,155	<b>16,576</b>
Inventory holding (gains) losses, net of tax	(2,173)	222	(2,475)	4,436	<b>(2,623)</b>
Replacement cost profit attributable to ordinary shareholders	20,166	22,220	18,368	25,591	<b>13,953</b>
<b>Average number of shares</b>					
Basic weighted average number of shares outstanding (thousand) <sup>a</sup>	21,125,902	20,027,527	19,163,389	18,789,827	<b>18,732,459</b>
ADS equivalent (thousand) <sup>a</sup>	3,520,984	3,337,921	3,193,898	3,131,638	<b>3,122,077</b>
Diluted weighted average number of shares outstanding (thousand) <sup>a</sup>	21,411,447	20,195,458	19,326,875	18,962,517	<b>18,935,691</b>
ADS equivalent (thousand) <sup>a</sup>	3,568,575	3,365,910	3,221,146	3,160,412	<b>3,155,949</b>
Shares in issue at year end (thousand) <sup>a</sup>	20,657,045	19,510,496	18,932,143	18,716,098	<b>18,755,378</b>
ADS equivalent (thousand) <sup>a</sup>	3,442,841	3,251,749	3,155,357	3,119,350	<b>3,125,896</b>
Shares repurchased in the year (thousand)	1,059,707	1,334,363	663,150	269,957	<b>–</b>

<sup>a</sup> 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

34	Key indicators	53	Group production interests – crude oil (includes NGLs and condensate)
34	Financial statistics	54	Group production interests – natural gas
35	TNK-BP operational and financial information	55	Group production interests – oil and natural gas
36	Oil and natural gas information	56	Exploration interests
42	Movements in estimated net proved reserves	57	Exploration and development wells
43	Movements in estimated net proved reserves – crude oil	58	Liquefied natural gas projects
48	Movements in estimated net proved reserves – natural gas		
48	Year-end estimated net proved reserves – crude oil and natural gas		

# Exploration and Production

BP's Exploration and Production business finds, develops and produces oil and gas, and transports it to market. We operate in 30 countries and employ approximately 21,500 people. Our strategy is to invest to grow production safely, reliably and efficiently by:

- Strengthening our portfolio of leadership positions in the world's most prolific hydrocarbon basins, enabled by the development and application of technology and strong relationships based on mutual advantage.
- Sustainably driving cost and capital efficiency in accessing, finding, developing and producing resources, enabled by deep technical capability and a culture of continuous improvement.

2009 was another successful year. Reported production grew by 4% and unit production costs were down by 12%.

It was the 17th consecutive year that we replaced more reserves of oil and gas than we produced, delivering reported reserves replacement of 129%.

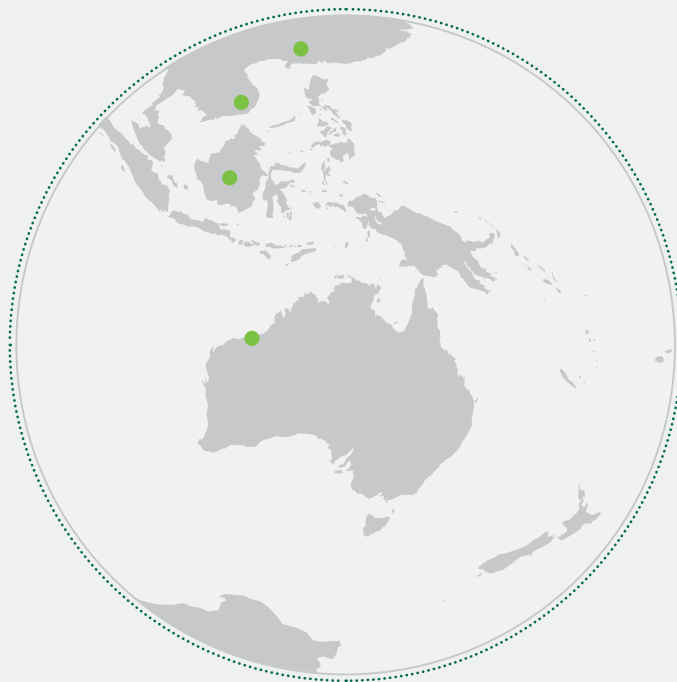
Our exploration track record continued with the Tiber discovery in the deepwater Gulf of Mexico, three further discoveries in the ultra deepwater Block 31 in Angola, and in Canada, where we discovered natural gas with the Ellice J27 well.

We were also successful in accessing substantial new resource opportunities in Iraq, Egypt, the Gulf of Mexico, Indonesia and Jordan.

In 2009 we brought onstream the Tangguh LNG project in Indonesia plus six other major projects, including three start-ups ahead of schedule in the deepwater Gulf of Mexico and two projects in TNK-BP in Russia.



● BP subsidiary  
● Equity-accounted entity



These maps illustrate major areas of production in 2009. For more information on Exploration and Production projects, click on the relevant hyperlink. The links will take you to content on [www.bp.com](http://www.bp.com) that does not form part of *BP Financial and Operating Information 2005-2009*.



## Key indicators<sup>a</sup>

	2005	2006	2007	2008	2009
Result and oil price					
Replacement cost profit before interest and tax (\$ billion) <sup>b</sup>	26.31	31.03	27.60	38.31	<b>24.80</b>
BP average liquids realizations (\$/bbl) <sup>c,d</sup>	48.51	59.23	67.45	90.20	<b>56.26</b>
Finding and development costs (\$ per barrel of oil equivalent (\$/boe), five-year rolling average) <sup>e,f</sup>	5.79	8.76	13.64	16.41	<b>16.32</b>
Finding costs (\$/boe, five-year rolling average) <sup>e,g</sup>	0.92	1.53	2.33	3.56	<b>5.31</b>
Production costs (\$/boe) <sup>h</sup>	4.53	5.65	7.14	7.24	<b>6.39</b>
Cost of supply (\$/boe) <sup>i</sup>	11.03	13.30	15.94	16.75	<b>16.66</b>
Net income per barrel of oil equivalent (\$/boe)					
BP subsidiaries and equity-accounted entities (\$/boe)	12.51	11.91	12.62	17.67	<b>9.80</b>
BP subsidiaries and equity-accounted entities excluding TNK-BP (\$/boe)	14.26	13.26	14.43	21.14	<b>11.08</b>
Range of other oil majors					
Maximum (\$/boe)	15.32	16.96	17.14	23.23	<b>11.80</b>
Minimum (\$/boe)	9.74	11.24	12.35	17.68	<b>7.20</b>
Reserves replacement					
BP subsidiaries (%) <sup>j</sup>	71	34	44	116	<b>112</b>
BP subsidiaries and equity-accounted entities (%) <sup>j</sup>	100	113	112	121	<b>129</b>
Range of other oil majors <sup>k</sup>					
Maximum (%)	129	128	119	139	<b>252</b>
Minimum (%)	13	20	15	29	<b>70</b>

<sup>a</sup> Except where indicated, all the data in this table relates to BP subsidiaries only.

<sup>b</sup> Includes equity-accounted entities.

<sup>c</sup> Crude oil and NGLs.

<sup>d</sup> Realizations are based on sales of consolidated subsidiaries only, which excludes equity-accounted entities.

<sup>e</sup> Reserves calculated on an SEC basis.

<sup>f</sup> Finding costs are defined in footnote g. Development costs include expenditure on construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including service and unsuccessful development wells, that is capitalized within property, plant and equipment.

<sup>g</sup> Finding costs includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as expensed.

<sup>h</sup> Production costs are costs incurred to operate and maintain wells and related equipment and facilities. Amounts do not include ad valorem and severance taxes.

<sup>i</sup> Cost of supply comprises exploration expenditure, production costs and depreciation, depletion and amortization.

<sup>j</sup> Reserves replacement for 2006, 2007, 2008 and 2009 calculated on an SEC basis.

<sup>k</sup> BP estimates of reserves replacement of other oil majors, which exclude one-time booking of oil sands and fuel gas.



## Financial statistics

	\$ million				
	2005	2006	2007	2008	2009
Replacement cost profit before interest and tax					
US	10,118	10,002	7,929	11,724	<b>6,685</b>
Non-US	16,190	21,024	19,673	26,584	<b>18,115</b>
	26,308	31,026	27,602	38,308	<b>24,800</b>
Operating capital employed					
US	27,555	27,687	30,341	35,807	<b>39,209</b>
Non-US	45,330	49,601	54,278	56,950	<b>61,945</b>
	72,885	77,288	84,619	92,757	<b>101,154</b>
Sales and other operating revenues	61,893	67,950	65,740	86,170	<b>57,626</b>
Capital expenditure and acquisitions					
US	3,932	4,655	5,096	10,359	<b>6,169</b>
Non-US	6,466	8,597	9,111	11,868	<b>8,727</b>
	10,398	13,252	14,207	22,227	<b>14,896</b>
Employee numbers at year end	18,900	21,400	21,800	21,400	<b>21,500</b>
BP average realizations					
BP average liquids realizations (\$/bbl) <sup>a</sup>	48.51	59.23	67.45	90.20	<b>56.26</b>
BP average natural gas realizations (\$/mcf)	4.90	4.72	4.53	6.00	<b>3.25</b>
Marker prices					
Brent oil (\$/bbl)	54.48	65.14	72.39	97.26	<b>61.67</b>
Alaska North Slope oil (\$/bbl)	53.55	63.57	71.68	98.86	<b>62.49</b>
West Texas Intermediate (\$/bbl)	56.58	66.02	72.20	100.06	<b>61.92</b>
Mars oil (\$/bbl)	50.12	58.90	66.58	93.95	<b>60.50</b>
Henry Hub gas price (\$ per million British thermal units) <sup>b</sup>	8.65	7.24	6.86	9.04	<b>3.99</b>

<sup>a</sup> Crude oil and NGLs.

<sup>b</sup> Henry Hub First of Month Index.



## TNK-BP operational and financial information

	2005	2006	2007	2008	2009
<b>Production (BP share, net of royalties)</b>					
Crude oil (thousand barrels per day)	911	876	832	826	<b>840</b>
Natural gas (million cubic feet per day)	482	544	451	564	<b>601</b>
Total hydrocarbons (thousand barrels of oil equivalent per day (mboe/d)) <sup>a</sup>	994	970	910	923	<b>944</b>
<b>Income statement (BP share)</b>					
Profit before interest and tax	3,817	4,616	3,743	3,588	<b>3,178</b>
Finance costs <sup>b</sup>	(128)	(192)	(264)	(275)	<b>(220)</b>
Taxation	(976)	(1,467)	(993)	(882)	<b>(871)</b>
Minority interest	(104)	(193)	(215)	(169)	<b>(139)</b>
Profit for the year <sup>c</sup>	2,609	2,764	2,271	2,262	<b>1,948</b>
<sup>b</sup> Excludes unwinding of discount on deferred consideration	57	23	–	–	<b>–</b>
<b>Balance sheet</b>					
Investment in jointly controlled entities	8,089	8,353	8,817	8,939	<b>–</b>
Investment in associates	–	–	–	–	<b>9,141</b>
Deferred consideration – due within one year	1,227	–	–	–	<b>–</b>
<b>Cash flow</b>					
Dividends received <sup>d</sup>	1,950	3,271	1,300	2,140	<b>1,656</b>
Dividends receivable	771	–	–	–	<b>–</b>
<b>Average oil marker prices</b>					
	\$ per barrel				
	2005	2006	2007	2008	2009
Urals (NWE – cif)	50.29	61.22	69.16	94.83	<b>61.15</b>
Russian domestic oil	28.77	34.39	39.81	45.59	<b>31.32</b>

Our investment in TNK-BP was reclassified from a jointly controlled entity to an associate with effect from 9 January 2009, the date that BP finalized a revised shareholder agreement with its Russian partners in TNK-BP, Alfa Access-Renova (AAR). The formerly evenly-balanced main board structure has been replaced by one with four representatives each from BP and AAR, plus three independent directors. The change in accounting classification from a jointly controlled entity to an associate reflected the ability of the independent directors of TNK-BP to decide on certain matters in the event of disagreement between the shareholder representatives on the board. The group's investment continues to be accounted for using the equity method.

<sup>a</sup> Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

<sup>c</sup> 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. 2009 includes a net gain of \$102 million related to the sale of TNK-BP's oil field services enterprises to Weatherford International.

<sup>d</sup> 2006 includes a \$771-million dividend declared in 2005.



## Oil and natural gas information

The regional analysis presented below, on pages 36 to 52, is on a continent basis, with separate disclosure for countries that contain 15% or more of the total proved reserves (for subsidiaries plus equity-accounted entities), in accordance with revised SEC and FASB requirements. The comparative information for 2008, 2007, 2006 and 2005 is also presented on this basis. For 2009, where relevant, information for equity-accounted entities is provided in the same level of detail as for subsidiaries. Also for 2009, proved reserves are based on revised SEC definitions. For details on BP's proved reserves and production compliance processes, see page 42.

### Oil and natural gas exploration and production activities

	\$ million								
	2005								
	Europe		North America		South America	Africa	Asia	Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia	
<b>Subsidiaries<sup>a</sup></b>									
<b>Capitalized costs at 31 December<sup>b</sup></b>									
Gross capitalized costs									
Proved properties	31,552	4,608	46,288	2,751	6,834	12,183	–	6,463	112,322
Unproved properties	276	135	1,547	177	406	656	185	330	4,661
	31,828	4,743	47,835	2,928	7,240	12,839	185	6,793	116,983
Accumulated depreciation	22,302	2,949	22,016	1,658	3,261	6,112	–	1,724	61,006
Net capitalized costs	9,526	1,794	25,819	1,270	3,979	6,727	185	5,069	55,977

The group's share of equity-accounted entities' net capitalized costs at 31 December 2005 was \$10,670 million.

### Costs incurred for the year ended 31 December<sup>b</sup>

Acquisition of properties <sup>c</sup>									
Proved	–	–	–	–	–	–	–	–	–
Unproved	–	–	29	34	–	–	–	–	63
	–	–	29	34	–	–	–	–	63
Exploration and appraisal costs <sup>d</sup>	51	7	606	48	85	264	126	69	1,266
Development	790	188	2,965	189	492	1,691	–	1,191	7,678
Total costs	841	195	3,600	271	577	1,955	126	1,260	9,007

The group's share of equity-accounted entities' costs incurred in 2005 was \$1,205 million: in Russia \$845 million and South America \$360 million.

### Results of operations for the year ended 31 December

Sales and other operating revenues <sup>e</sup>									
Third parties	4,667	635	2,048	87	2,173	1,350	–	1,577	12,695
Sales between businesses	2,458	976	14,842	1,242	1,621	2,402	–	4,538	29,119
	7,125	1,611	16,890	1,329	3,794	3,752	–	6,115	41,814
Exploration expenditure	32	1	426	37	47	81	37	17	684
Production costs	1,082	118	1,814	189	389	460	–	285	4,391
Production taxes <sup>f</sup>	485	33	610	2	279	–	–	2,664	4,127
Other costs (income) <sup>g</sup>	1,857	(55)	2,200	306	231	98	8	935	5,729
Depreciation, depletion and amortization	1,548	220	2,288	186	489	542	–	260	5,628
Impairments and (gains) losses on sale of businesses and fixed assets	44	(1,038)	232	(32)	(101)	–	2	–	(893)
	5,048	(721)	7,570	688	1,334	1,181	47	4,161	19,666
Profit before taxation <sup>h</sup>	2,077	2,332	9,320	641	2,460	2,571	(47)	1,954	22,148
Allocable taxes	405	880	3,377	190	1,200	1,043	(1)	602	7,950
Results of operations	1,672	1,452	5,943	451	1,260	1,528	(46)	1,352	14,198

The group's share of equity-accounted entities' 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									
Subsidiaries (as above)	2,077	2,332	9,320	641	2,460	2,571	(47)	1,954	22,148
Equity-accounted entities	–	–	–	2	307	–	2,685	35	3,029
Midstream activities <sup>i</sup>	46	(76)	799	(38)	504	(18)	(1)	(107)	1,131
Total replacement cost profit before interest and tax	2,123	2,256	10,119	605	3,271	2,553	2,637	1,882	26,308

<sup>a</sup>These tables contain 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 equity-accounted entities' 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.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Comparative figures have been restated to include in Production taxes amounts previously reported within Other costs (income) amounting to \$1,128 million.

<sup>g</sup>Includes the value of royalty oil sold on behalf of others where royalty is payable in cash, property taxes, other government take, the fair value gain 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 self-insurance programme.

<sup>h</sup>Excludes the unwinding of the discount on provisions and payables amounting to \$122 million, which is included in finance costs in the group income statement.

<sup>i</sup>Midstream activities exclude inventory holding gains and losses.



## Oil and natural gas exploration and production activities continued

	\$ million									
	2006									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries <sup>a</sup>										
Capitalized costs at 31 December <sup>b</sup>										
Gross capitalized costs										
Proved properties	32,528	4,951	44,856	3,001	6,403	15,516	–	7,877	1,970	117,102
Unproved properties	423	116	1,443	171	208	936	1	311	981	4,590
	32,951	5,067	46,299	3,172	6,611	16,452	1	8,188	2,951	121,692
Accumulated depreciation	22,908	3,175	19,724	1,813	2,805	6,944	–	2,346	1,071	60,786
Net capitalized costs	10,043	1,892	26,575	1,359	3,806	9,508	1	5,842	1,880	60,906

The group's share of equity-accounted entities' net capitalized costs at 31 December 2006 was \$10,870 million.

### Costs incurred for the year ended 31 December<sup>b</sup>

Acquisition of properties <sup>c</sup>										
Proved	–	–	–	–	–	–	–	–	–	–
Unproved	–	–	74	8	–	70	–	2	–	154
	–	–	74	8	–	70	–	2	–	154
Exploration and appraisal costs <sup>d</sup>	132	26	838	29	106	434	73	90	37	1,765
Development	794	214	3,579	250	570	2,356	–	1,139	207	9,109
Total costs	926	240	4,491	287	676	2,860	73	1,231	244	11,028

The group's share of equity-accounted entities' costs incurred in 2006 was \$1,688 million: in Russia \$1,109 million, South America \$424 million, Rest of Asia \$155 million.

### Results of operations for the year ended 31 December

Sales and other operating revenues <sup>e</sup>										
Third parties	5,378	628	1,381	74	2,122	1,647	–	1,697	230	13,157
Sales between businesses	2,329	1,024	14,572	1,052	2,177	2,875	–	7,334	1,113	32,476
	7,707	1,652	15,953	1,126	4,299	4,522	–	9,031	1,343	45,633
Exploration expenditure	20	(1)	634	24	108	132	17	105	6	1,045
Production costs	1,312	145	2,311	230	408	509	–	339	54	5,308
Production taxes <sup>f</sup>	492	38	887	1	294	–	–	3,642	63	5,417
Other costs (income) <sup>f,g</sup>	(867)	90	2,561	290	188	432 <sup>h</sup>	32	1,234	150	4,110
Depreciation, depletion and amortization	1,612	213	2,083	176	509	865	–	590	95	6,143
Impairments and (gains) losses on sale of businesses and fixed assets	(450)	(57)	(1,880)	–	42	(31)	–	(99)	–	(2,475)
	2,119	428	6,596	721	1,549	1,907	49	5,811	368	19,548
Profit before taxation <sup>i</sup>	5,588	1,224	9,357	405	2,750	2,615	(49)	3,220	975	26,085
Allocable taxes	2,567	793	3,136	87	1,356	1,328	3	937	272	10,479
Results of operations	3,021	431	6,221	318	1,394	1,287	(52)	2,283	703	15,606

The group's share of equity-accounted entities' 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										
Subsidiaries (as above)	5,588	1,224	9,357	405	2,750	2,615	(49)	3,220	975	26,085
Equity-accounted entities	–	–	1	–	535	1	2,730	35	–	3,302
Midstream activities <sup>j</sup>	519	143	643	(41)	544	37	(24)	(191)	9	1,639
Total replacement cost profit before interest and tax	6,107	1,367	10,001	364	3,829	2,653	2,657	3,064	984	31,026

<sup>a</sup>These tables contain 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 equity-accounted entities' 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.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Comparative figures have been restated to include in Production taxes amounts previously reported within Other costs (income) amounting to \$1,563 million.

<sup>g</sup>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.

<sup>h</sup>Includes \$328 million previously reported within the 'Other' region.

<sup>i</sup>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.

<sup>j</sup>Midstream activities exclude inventory holding gains and losses.

## Oil and natural gas exploration and production activities continued

	\$ million								
	2007								
	Europe		North America		South America	Africa	Asia	Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia	
Subsidiaries <sup>a</sup>									
Capitalized costs at 31 December <sup>b</sup>									
Gross capitalized costs									
Proved properties	34,774	4,925	53,079	3,261	7,366	18,333	–	9,629	1,495
Unproved properties	606	–	1,660	182	115	1,533	4	536	1,001
	35,380	4,925	54,739	3,443	7,481	19,866	4	10,165	2,496
Accumulated depreciation	25,515	2,925	25,500	1,968	3,560	8,315	–	3,638	423
Net capitalized costs	9,865	2,000	29,239	1,475	3,921	11,551	4	6,527	2,073

The group's share of equity-accounted entities' net capitalized costs at 31 December 2007 was \$11,787 million.

Costs incurred for the year ended 31 December <sup>b</sup>									
Acquisition of properties <sup>c</sup>									
Proved	–	–	245	–	–	–	–	232	–
Unproved	–	–	54	16	–	321	–	126	–
	–	–	299	16	–	321	–	358	–
Exploration and appraisal costs <sup>d</sup>	209	16	646	40	32	677	119	118	35
Development	804	443	3,861	240	817	2,634	–	1,109	245
Total costs	1,013	459	4,806	296	849	3,632	119	1,585	280

The group's share of equity-accounted entities' costs incurred in 2007 was \$2,552 million: in Russia \$1,787 million, South America \$569 million and Rest of Asia \$196 million.

Results of operations for the year ended 31 December									
Sales and other operating revenues <sup>e</sup>									
Third parties	4,503	434	1,436	147	1,995	2,219	–	1,388	681
Sales between businesses	2,260	902	14,353	868	2,274	3,223	–	10,137	816
	6,763	1,336	15,789	1,015	4,269	5,442	–	11,525	1,497
Exploration expenditure	46	–	252	57	77	183	116	18	7
Production costs	1,658	147	2,782	267	503	637	2	470	64
Production taxes <sup>f</sup>	227	3	1,260	1	272	–	–	3,914	56
Other costs (income) <sup>g</sup>	(419)	123	2,505	237	158	224 <sup>h</sup>	169	1,316	366
Depreciation, depletion and amortization	1,569	207	2,118	169	653	1,372	–	1,148	52
Impairments and (gains) losses on sale of businesses and fixed assets	112	(534)	(413)	(38)	(5)	(76)	–	–	–
	3,193	(54)	8,504	693	1,658	2,340	287	6,866	545
Profit before taxation <sup>i</sup>	3,570	1,390	7,285	322	2,611	3,102	(287)	4,659	952
Allocable taxes	1,664	611	2,560	35	1,167	1,462	3	1,133	267
Results of operations	1,906	779	4,725	287	1,444	1,640	(290)	3,526	685

The group's share of equity-accounted entities' 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									
Subsidiaries (as above)	3,570	1,390	7,285	322	2,611	3,102	(287)	4,659	952
Equity-accounted entities	–	–	1	(33)	414	–	2,292	30	–
Midstream activities <sup>j</sup>	15	12	643	626	13	96	(112)	38	(37)
Total replacement cost profit before interest and tax	3,585	1,402	7,929	915	3,038	3,198	1,893	4,727	915

<sup>a</sup>These tables contain 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, the South Caucasus Pipeline and the Baku-Tbilisi-Ceyhan pipeline. Major LNG activities are located in Trinidad, Indonesia and Australia. The group's share of equity-accounted entities' 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.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Comparative figures have been restated to include in Production taxes amounts previously reported within Other costs (income) amounting to \$1,690 million.

<sup>g</sup>Includes 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.

<sup>h</sup>Includes \$24 million previously reported within the 'Other' region.

<sup>i</sup>Excludes the unwinding of the discount on provisions and payables amounting to \$179 million, which is included in finance costs in the group income statement.

<sup>j</sup>Midstream activities exclude inventory holding gains and losses.



## Oil and natural gas exploration and production activities continued

	\$ million									
	2008									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries <sup>a</sup>										
Capitalized costs at 31 December <sup>b</sup>										
Gross capitalized costs										
Proved properties	34,614	5,507	59,918	3,517	7,934	21,563	–	10,689	2,581	146,323
Unproved properties	626	–	5,006	165	134	2,011	–	465	1,018	9,425
	35,240	5,507	64,924	3,682	8,068	23,574	–	11,154	3,599	155,748
Accumulated depreciation	26,564	3,125	28,511	2,141	4,217	10,451	–	4,395	945	80,349
Net capitalized costs	8,676	2,382	36,413	1,541	3,851	13,123	–	6,759	2,654	75,399

The group's share of equity-accounted entities' net capitalized costs at 31 December 2008 was \$13,393 million.

### Costs incurred for the year ended 31 December<sup>b</sup>

Acquisition of properties <sup>c</sup>										
Proved	–	–	1,374	2	–	–	–	136	–	1,512
Unproved	4	–	2,942	–	–	–	–	41	–	2,987
	4	–	4,316	2	–	–	–	177	–	4,499
Exploration and appraisal costs <sup>d</sup>	137	–	862	33	90	838	12	269	49	2,290
Development	907	695	4,914	309	768	2,966	–	859	349	11,767
Total costs	1,048	695	10,092	344	858	3,804	12	1,305	398	18,556

The group's share of equity-accounted entities' costs incurred in 2008 was \$3,259 million: in Russia \$1,921 million, South America \$1,039 million and Rest of Asia \$299 million.

### Results of operations for the year ended 31 December

Sales and other operating revenues <sup>e</sup>										
Third parties	3,865	105	8,010	147	3,339	3,745	–	1,186	860	21,257
Sales between businesses	4,374	1,416	15,610	1,237	2,605	6,022	–	11,249	1,171	43,684
	8,239	1,521	23,620	1,384	5,944	9,767	–	12,435	2,031	64,941
Exploration expenditure	121	1	305	32	30	213	14	140	26	882
Production costs	1,357	150	3,002	289	429	875	18	485	62	6,667
Production taxes <sup>f</sup>	503	–	2,603	2	358	–	–	5,510	110	9,086
Other costs (income) <sup>f,g</sup>	(28)	(43)	3,440	343	198	(122) <sup>h</sup>	196	2,064	226	6,274
Depreciation, depletion and amortization	1,049	199	2,729	181	730	2,120	–	788	87	7,883
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	308	2	4	8	–	219	–	541
	3,002	307	12,387	849	1,749	3,094	228	9,206	511	31,333
Profit before taxation <sup>i</sup>	5,237	1,214	11,233	535	4,195	6,673	(228)	3,229	1,520	33,608
Allocable taxes	2,280	883	3,857	205	2,218	2,672	(36)	984	513	13,576
Results of operations	2,957	331	7,376	330	1,977	4,001	(192)	2,245	1,007	20,032

The group's share of equity-accounted entities' 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										
Subsidiaries (as above)	5,237	1,214	11,233	535	4,195	6,673	(228)	3,229	1,520	33,608
Equity-accounted entities	(1)	–	1	40	304	(1)	2,259	191	–	2,793
Midstream activities <sup>j,k</sup>	743	16	490	673	274	112	–	(272)	(129)	1,907
Total replacement cost profit before interest and tax	5,979	1,230	11,724	1,248	4,773	6,784	2,031	3,148	1,391	38,308

<sup>a</sup>These tables contain 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, the South Caucasus 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 equity-accounted entities' activities are excluded from the tables and included in the footnotes, with the exception of the Abu Dhabi production taxes, which are included in the results of operations above.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Comparative figures have been restated to include in Production taxes amounts previously reported within Other costs (income) amounting to \$2,427 million.

<sup>g</sup>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.

<sup>h</sup>Includes \$367 million previously reported within the 'Other' region.

<sup>i</sup>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.

<sup>j</sup>Includes a \$517-million write-down of our investment in Rosneft based on its quoted market price at the end of the year.

<sup>k</sup>Midstream activities exclude inventory holding gains and losses.

## Oil and natural gas exploration and production activities continued

	\$ million									
	2009									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries <sup>a</sup>										
Capitalized costs at 31 December <sup>b</sup>										
Gross capitalized costs										
Proved properties	35,096	6,644	64,366	3,967	8,346	24,476	–	10,900	2,894	156,689
Unproved properties	752	–	5,464	147	198	2,377	–	733	1,039	10,710
	35,848	6,644	69,830	4,114	8,544	26,853	–	11,633	3,933	167,399
Accumulated depreciation	26,794	3,306	31,728	2,309	4,837	12,492	–	4,798	1,038	87,302
Net capitalized costs	9,054	3,338	38,102	1,805	3,707	14,361	–	6,835	2,895	80,097
Costs incurred for the year ended 31 December <sup>b</sup>										
Acquisition of properties <sup>c</sup>										
Proved	179	–	(17)	–	–	–	–	306	–	468
Unproved	(1)	–	370	1	–	18	–	–	10	398
	178	–	353	1	–	18	–	306	10	866
Exploration and appraisal costs <sup>d</sup>	183	–	1,377	79	78	712	8	315	53	2,805
Development	751	1,054	4,208	386	453	2,707	–	560	277	10,396
Total costs	1,112	1,054	5,938	466	531	3,437	8	1,181	340	14,067
Results of operations for the year ended 31 December										
Sales and other operating revenues <sup>e</sup>										
Third parties	2,239	68	4,759	99	1,525	1,846	–	636	785	11,957
Sales between businesses	2,482	809	11,313	484	1,409	5,313	–	6,257	726	28,793
	4,721	877	16,072	583	2,934	7,159	–	6,893	1,511	40,750
Exploration expenditure	59	–	663	80	16	219	8	49	22	1,116
Production costs	1,243	164	2,821	284	395	908	15	361	70	6,261
Production taxes	(3)	–	649	1	220	–	–	2,854	72	3,793
Other costs (income) <sup>f</sup>	(1,259)	51	2,353	145	184	144	76	967	178	2,839
Depreciation, depletion and amortization	1,148	185	3,857	170	697	2,041	–	757	96	8,951
Impairments and (gains) losses on sale of businesses and fixed assets	(122)	(7)	(208)	–	(11)	(1)	–	(702) <sup>g</sup>	–	(1,051)
	1,066	393	10,135	680	1,501	3,311	99	4,286	438	21,909
Profit before taxation <sup>h</sup>	3,655	484	5,937	(97)	1,433	3,848	(99)	2,607	1,073	18,841
Allocable taxes	1,568	76	1,902	(58)	916	1,517	(25)	682	2	6,580
Results of operations	2,087	408	4,035	(39)	517	2,331	(74)	1,925	1,071	12,261
Exploration and Production segment replacement cost profit before interest and tax										
Exploration and production activities – subsidiaries (as above)	3,655	484	5,937	(97)	1,433	3,848	(99)	2,607	1,073	18,841
Midstream activities – subsidiaries <sup>i</sup>	925	17	719	833	17	(27)	(37)	518	(315)	2,650
Equity-accounted entities <sup>j</sup>	–	5	29	134	630	56	1,924	531	–	3,309
Total replacement cost profit before interest and tax	4,580	506	6,685	870	2,080	3,877	1,788	3,656	758	24,800

<sup>a</sup>These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries. 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, the South Caucasus 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.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Includes property taxes, other government take and the fair value gain on embedded derivatives of \$663 million. The UK region includes a \$783-million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme.

<sup>g</sup>Includes the gain on disposal of upstream assets associated with the sale of our 46% stake in LukArco.

<sup>h</sup>Excludes the unwinding of the discount on provisions and payables amounting to \$308 million, which is included in finance costs in the group income statement.

<sup>i</sup>Midstream activities exclude inventory holding gains and losses.

<sup>j</sup>The profits of equity-accounted entities are included after interest and tax.



## Oil and natural gas exploration and production activities continued

	\$ million							
	2009							
	Europe		North America		South America	Africa	Asia	Australasia
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia
Equity-accounted entities (BP share) <sup>a</sup>								
Capitalized costs at 31 December <sup>b</sup>								
Gross capitalized costs								
Proved properties	–	–	–	–	5,789	–	13,266	2,259
Unproved properties	–	–	–	1,378	197	–	737	–
Accumulated depreciation	–	–	–	1,378	5,986	–	14,003	2,259
Net capitalized costs	–	–	–	1,378	3,902	–	8,453	520
Costs incurred for the year ended 31 December <sup>b</sup>								
Acquisition of properties <sup>c</sup>								
Proved	–	–	–	–	–	–	–	–
Unproved	–	–	–	–	31	–	10	–
Exploration and appraisal costs <sup>d</sup>	–	–	–	–	21	–	77	3
Development	–	–	–	30	538	–	1,182	246
Total costs	–	–	–	30	590	–	1,269	249
Results of operations for the year ended 31 December								
Sales and other operating revenues <sup>e</sup>								
Third parties	–	–	–	–	1,977	–	4,919	351
Sales between businesses	–	–	–	–	–	–	2,838	–
Exploration expenditure	–	–	–	–	23	–	37	–
Production costs	–	–	–	–	354	–	1,428	159
Production taxes	–	–	–	–	702	–	2,597	–
Other costs (income)	–	–	–	–	(69)	–	12	(2)
Depreciation, depletion and amortization	–	–	–	–	281	–	1,073	274
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	–	–	–	–	72	–
Profit before taxation	–	–	–	–	1,291	–	5,219	431
Allocable taxes	–	–	–	–	686	–	2,538	(80)
Results of operations	–	–	–	–	270	–	501	–
Exploration and Production segment replacement cost profit before interest and tax	–	–	–	–	416	–	2,037	(80)
Exploration and production activities – equity-accounted entities (as above)	–	–	–	–	416	–	2,037	(80)
Midstream and other activities after tax <sup>f</sup>	–	5	29	134	214	56	(113)	611
Total replacement cost profit after interest and tax	–	5	29	134	630	56	1,924	531

<sup>a</sup>These tables contain information relating to oil and natural gas exploration and production activities of equity-accounted entities. 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 as well as downstream activities of TNK-BP are excluded. The amounts reported for equity-accounted entities exclude the corresponding amounts for their equity-accounted entities.

<sup>b</sup>Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

<sup>c</sup>Includes costs capitalized as a result of asset exchanges.

<sup>d</sup>Includes exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred.

<sup>e</sup>Presented net of transportation costs, purchases and sales taxes.

<sup>f</sup>Includes interest, minority interest and the net results of equity-accounted entities of equity-accounted entities.



## Movements in estimated net proved reserves

### Compliance

IFRSs do not provide specific guidance on reserves disclosures. BP estimates proved reserves in accordance with SEC Rule 4-10 (a) of Regulation S-X and relevant Compliance and Disclosure Interpretations (C&DI) and Staff Accounting Bulletins as issued by the SEC staff. On 31 December 2008, the SEC published a revision of Rule 4-10 (a) of Regulation S-X for the estimation of reserves. These revised rules form the basis of the 2009 year-end estimation of proved reserves and the application of the technical aspects resulted in an immaterial increase of less than 1% to BP's total proved reserves. The reasons for the increase are primarily due to the application of reliable technologies and inclusion of proved reserves more than one spacing away from existing penetrations as discussed below.

By their nature, there is always some risk involved in the ultimate development and production of proved reserves, including, but not limited to, final regulatory approval, the installation of new or additional infrastructure as well as changes in oil and gas prices, changes in operating and development costs and the continued availability of additional development capital. All the group's proved reserves held in subsidiaries and equity-accounted entities are estimated by the group's petroleum engineers.

Our proved reserves are associated with both concessions (tax and royalty arrangements) and agreements where the group is exposed to the upstream risks and rewards of ownership, but where title to the hydrocarbons is not conferred, such as production-sharing agreements (PSAs). In a concession, the consortium of which we are a part is entitled to the proved reserves that can be produced over the licence period, which may be the life of the field. In a PSA, we are entitled to recover volumes that equate to costs incurred to develop and produce the proved reserves and an agreed share of the remaining volumes or the economic equivalent. As part of our entitlement is driven by the monetary amount of costs to be recovered, price fluctuations will have an impact on both production volumes and reserves. Fourteen percent of our proved reserves are associated with PSAs. The main countries in which we operate under PSAs are Algeria, Angola, Azerbaijan, Egypt, Indonesia and Vietnam.

We disclose our share of proved reserves held in equity-accounted entities (jointly controlled entities and associates), although we do not control these entities or the assets held by such entities.





## Movements in estimated net proved reserves – crude oil<sup>a</sup>

million barrels										
										2005
Europe		North America		South America	Africa	Asia		Australasia	Total	
UK	Rest of Europe	US <sup>b</sup>	Rest of North America			Russia	Rest of Asia			
<b>Subsidiaries</b>										
At 1 January 2005										
Developed	559	231	2,041	21	290	204	–	80	47	3,473
Undeveloped	210	109	1,211	1	298	643	–	730	80	3,282
	769	340	3,252	22	588	847	–	810	127	6,755
Changes attributable to										
Revisions of previous estimates	(31)	(8)	103	(8)	(13)	(190)	–	(145)	18	(274)
Improved recovery	32	21	217	1	–	2	–	7	–	280
Purchases of reserves-in-place	–	–	2	–	–	–	–	–	–	2
Discoveries and extensions	11	–	40	–	3	83	–	–	11	148
Production <sup>c</sup>	(101)	(27)	(200)	(4)	(49)	(64)	–	(38)	(13)	(496)
Sales of reserves-in-place	–	(15)	(1)	–	(39)	–	–	–	–	(55)
	(89)	(29)	161	(11)	(98)	(169)	–	(176)	16	(395)
At 31 December 2005 <sup>d</sup>										
Developed	496	225	1,984	10	205	142	–	85	54	3,201
Undeveloped	184	86	1,429	1	285	536	–	549	89	3,159
	680	311	3,413	11	490	678	–	634	143	6,360
<b>Equity-accounted entities (BP share)<sup>e</sup></b>										
At 1 January 2005										
Developed	–	–	–	–	204	–	1,863	593	–	2,660
Undeveloped	–	–	–	–	125	–	294	100	–	519
	–	–	–	–	329	–	2,157	693	–	3,179
Changes attributable to										
Revisions of previous estimates	–	–	–	–	1	–	319	119	–	439
Improved recovery	–	–	–	–	25	–	–	–	–	25
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	2	–	–	–	–	2
Production	–	–	–	–	(26)	–	(333)	(57)	–	(416)
Sales of reserves-in-place	–	–	–	–	–	–	(24)	–	–	(24)
	–	–	–	–	2	–	(38)	62	–	26
At 31 December 2005 <sup>f</sup>										
Developed	–	–	–	–	207	–	1,688	591	–	2,486
Undeveloped	–	–	–	–	124	–	431	164	–	719
	–	–	–	–	331	–	2,119	755	–	3,205
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2005										
Developed	559	231	2,041	21	494	204	1,863	673	47	6,133
Undeveloped	210	109	1,211	1	423	643	294	830	80	3,801
	769	340	3,252	22	917	847	2,157	1,503	127	9,934
At 31 December 2005										
Developed	496	225	1,984	10	412	142	1,688	676	54	5,687
Undeveloped	184	86	1,429	1	409	536	431	713	89	3,878
	680	311	3,413	11	821	678	2,119	1,389	143	9,565

<sup>a</sup>Crude oil includes NGLs and condensate. Proved reserves exclude 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.

<sup>b</sup>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.

<sup>c</sup>Excludes NGLs from processing plants in which an interest is held of 58 thousand barrels a day.

<sup>d</sup>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.

<sup>e</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>f</sup>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<sup>a</sup> continued

	million barrels									
	Europe		North America		South America	Africa	Asia		Australasia	2006 Total
	UK	Rest of Europe	US <sup>b</sup>	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>										
At 1 January 2006										
Developed	496	225	1,984	10	205	142	–	85	54	3,201
Undeveloped	184	86	1,429	1	285	536	–	549	89	3,159
	680	311	3,413	11	490	678	–	634	143	6,360
Changes attributable to										
Revisions of previous estimates	(3)	(11)	(108)	6	(15)	2	–	16	–	(113)
Improved recovery	26	9	95	3	10	22	–	4	–	169
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	3	–	48	–	–	67	–	–	1	119
Production <sup>c</sup>	(92)	(23)	(178)	(3)	(36)	(64)	–	(63)	(12)	(471)
Sales of reserves-in-place	(10)	–	(62)	–	(99)	–	–	–	–	(171)
	(76)	(25)	(205)	6	(140)	27	–	(43)	(11)	(467)
At 31 December 2006 <sup>d</sup>										
Developed	458	189	1,916	15	115	193	–	104	51	3,041
Undeveloped	146	97	1,292	2	235	512	–	487	81	2,852
	604	286	3,208	17	350	705	–	591	132	5,893
<b>Equity-accounted entities (BP share)<sup>e</sup></b>										
At 1 January 2006										
Developed	–	–	–	–	207	–	1,688	591	–	2,486
Undeveloped	–	–	–	–	124	–	431	164	–	719
	–	–	–	–	331	–	2,119	755	–	3,205
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(2)	–	1,215	(8)	–	1,205
Improved recovery	–	–	–	–	34	–	–	–	–	34
Purchases of reserves-in-place	–	–	–	–	28	–	–	–	–	28
Discoveries and extensions	–	–	–	–	1	–	–	–	–	1
Production	–	–	–	–	(28)	–	(320)	(63)	–	(411)
Sales of reserves-in-place	–	–	–	–	(4)	–	(170)	–	–	(174)
	–	–	–	–	29	–	725	(71)	–	683
At 31 December 2006 <sup>f</sup>										
Developed	–	–	–	–	221	–	2,200	521	–	2,942
Undeveloped	–	–	–	–	139	–	644	163	–	946
	–	–	–	–	360	–	2,844	684	–	3,888
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2006										
Developed	496	225	1,984	10	412	142	1,688	676	54	5,687
Undeveloped	184	86	1,429	1	409	536	431	713	89	3,878
	680	311	3,413	11	821	678	2,119	1,389	143	9,565
At 31 December 2006										
Developed	458	189	1,916	15	336	193	2,200	625	51	5,983
Undeveloped	146	97	1,292	2	374	512	644	650	81	3,798
	604	286	3,208	17	710	705	2,844	1,275	132	9,781

<sup>a</sup>Crude oil includes NGLs and condensate. Proved reserves exclude 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.

<sup>b</sup>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.

<sup>c</sup>Excludes NGLs from processing plants in which an interest is held of 55 thousand barrels a day.

<sup>d</sup>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.

<sup>e</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>f</sup>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<sup>a</sup> continued

million barrels										
2007										
	Europe	North America	South America	Africa	Asia	Australasia	Total			
	UK	Rest of Europe	US <sup>b</sup>	Rest of North America		Russia	Rest of Asia			
Subsidiaries										
At 1 January 2007										
Developed	458	189	1,916	15	115	193	–	104	51	3,041
Undeveloped	146	97	1,292	2	235	512	–	487	81	2,852
	604	286	3,208	17	350	705	–	591	132	5,893
Changes attributable to										
Revisions of previous estimates	(1)	(25)	18	–	(29)	(133)	–	(29)	(5)	(204)
Improved recovery	7	1	99	–	6	12	–	6	–	131
Purchases of reserves-in-place	–	–	25	–	–	–	–	8	–	33
Discoveries and extensions	–	31	60	–	1	93	–	–	2	187
Production <sup>c</sup>	(73)	(19)	(169)	(3)	(24)	(71)	–	(83)	(12)	(454)
Sales of reserves-in-place	–	–	(94)	–	–	–	–	–	–	(94)
	(67)	(12)	(61)	(3)	(46)	(99)	–	(98)	(15)	(401)
At 31 December 2007 <sup>d</sup>										
Developed	414	105	1,882	13	102	256	–	121	44	2,937
Undeveloped	123	169	1,265	1	202	350	–	372	73	2,555
	537	274	3,147	14	304	606	–	493	117	5,492
Equity-accounted entities (BP share) <sup>e,f</sup>										
At 1 January 2007										
Developed	–	–	–	–	221	–	2,200	521	–	2,942
Undeveloped	–	–	–	–	139	–	644	163	–	946
	–	–	–	–	360	–	2,844	684	–	3,888
Changes attributable to										
Revisions of previous estimates	–	–	–	–	178	–	413	167	–	758
Improved recovery	–	–	–	–	59	–	–	1	–	60
Purchases of reserves-in-place	–	–	–	–	–	–	16	–	–	16
Discoveries and extensions	–	–	–	–	2	–	283	–	–	285
Production	–	–	–	–	(28)	–	(304)	(73)	–	(405)
Sales of reserves-in-place	–	–	–	–	–	–	(21)	–	–	(21)
	–	–	–	–	211	–	387	95	–	693
At 31 December 2007 <sup>g</sup>										
Developed	–	–	–	–	328	–	2,094	574	–	2,996
Undeveloped	–	–	–	–	243	–	1,137	205	–	1,585
	–	–	–	–	571	–	3,231	779	–	4,581
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2007										
Developed	458	189	1,916	15	336	193	2,200	625	51	5,983
Undeveloped	146	97	1,292	2	374	512	644	650	81	3,798
	604	286	3,208	17	710	705	2,844	1,275	132	9,781
At 31 December 2007										
Developed	414	105	1,882	13	430	256	2,094	695	44	5,933
Undeveloped	123	169	1,265	1	445	350	1,137	577	73	4,140
	537	274	3,147	14	875	606	3,231	1,272	117	10,073

<sup>a</sup>Crude oil includes NGLs and condensate. Proved reserves exclude 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.

<sup>b</sup>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.

<sup>c</sup>Excludes NGLs from processing plants in which an interest is held of 54 thousand barrels a day.

<sup>d</sup>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.

<sup>e</sup>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 33mb/d.

<sup>f</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>g</sup>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<sup>a</sup> continued

	million barrels									
	Europe		North America		South America	Africa	Asia		Australasia	2008 Total
	UK	Rest of Europe	US <sup>b</sup>	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>										
At 1 January 2008										
Developed	414	105	1,882	13	102	256	–	121	44	2,937
Undeveloped	123	169	1,265	1	202	350	–	372	73	2,555
	537	274	3,147	14	304	606	–	493	117	5,492
Changes attributable to										
Revisions of previous estimates	16	(11)	(212)	1	7	264	–	194	5	264
Improved recovery	39	28	182	–	8	18	–	43	3	321
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	64	–	5	173	–	–	–	242
Production <sup>c</sup>	(63)	(16)	(191)	(3)	(23)	(101)	–	(47)	(11)	(455)
Sales of reserves-in-place	–	–	–	–	(199)	–	–	–	–	(199)
	(8)	1	(157)	(2)	(202)	354	–	190	(3)	173
At 31 December 2008 <sup>d</sup>										
Developed	410	81	1,717	11	47	464	–	195	56	2,981
Undeveloped	119	194	1,273	1	55	496	–	488	58	2,684
	529	275	2,990	12	102	960	–	683	114	5,665
<b>Equity-accounted entities (BP share)<sup>e</sup></b>										
At 1 January 2008										
Developed	–	–	–	–	328	–	2,094	574	–	2,996
Undeveloped	–	–	–	–	243	–	1,137	205	–	1,585
	–	–	–	–	571	–	3,231	779	–	4,581
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(3)	11	217	(1)	–	224
Improved recovery	–	–	–	–	62	–	–	–	–	62
Purchases of reserves-in-place	–	–	–	–	199	–	–	–	–	199
Discoveries and extensions	–	–	–	–	13	–	26	–	–	39
Production	–	–	–	–	(34)	–	(302)	(80)	–	(416)
Sales of reserves-in-place	–	–	–	–	–	–	(1)	–	–	(1)
	–	–	–	–	237	11	(60)	(81)	–	107
At 31 December 2008 <sup>f</sup>										
Developed	–	–	–	–	399	–	2,227	499	–	3,125
Undeveloped	–	–	–	–	409	11	944	199	–	1,563
	–	–	–	–	808	11	3,171	698	–	4,688
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2008										
Developed	414	105	1,882	13	430	256	2,094	695	44	5,933
Undeveloped	123	169	1,265	1	445	350	1,137	577	73	4,140
	537	274	3,147	14	875	606	3,231	1,272	117	10,073
At 31 December 2008										
Developed	410	81	1,717	11	446	464	2,227	694	56	6,106
Undeveloped	119	194	1,273	1	464	507	944	687	58	4,247
	529	275	2,990	12	910	971	3,171	1,381	114	10,353

<sup>a</sup>Crude oil includes NGLs and condensate. Proved reserves exclude 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.

<sup>b</sup>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.

<sup>c</sup>Excludes NGLs from processing plants in which an interest is held of 19 thousand barrels a day.

<sup>d</sup>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.

<sup>e</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>f</sup>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 – crude oil<sup>a</sup> continued

	million barrels									
	Europe		North America		South America	Africa	Asia		Australasia	2009 Total
	UK	Rest of Europe	US <sup>b</sup>	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>										
At 1 January 2009										
Developed	410	81	1,717	11	47	464	–	195	56	2,981
Undeveloped	119	194	1,273	1	55	496	–	488	58	2,684
	529	275	2,990	12	102	960	–	683	114	5,665
Changes attributable to										
Revisions of previous estimates	7	(1)	165	2	18	(121)	–	(128)	3	(55)
Improved recovery	42	7	82	–	7	32	–	31	2	203
Purchases of reserves-in-place	1	–	–	–	–	–	–	1	–	2
Discoveries and extensions	184	–	73	–	–	114	–	–	7	378
Production <sup>c</sup>	(61)	(14)	(237)	(2)	(22)	(109)	–	(45)	(11)	(501)
Sales of reserves-in-place	(8)	–	–	–	–	–	–	(26)	–	(34)
	165	(8)	83	–	3	(84)	–	(167)	1	(7)
At 31 December 2009 <sup>d</sup>										
Developed	403	83	1,862	11	49	422	–	182	58	3,070
Undeveloped	291	184	1,211	1	56	454	–	334	57	2,588
	694	267	3,073	12	105	876	–	516	115	5,658
<b>Equity-accounted entities (BP share)<sup>e</sup></b>										
At 1 January 2009										
Developed	–	–	–	–	399	–	2,227	499	–	3,125
Undeveloped	–	–	–	–	409	11	944	199	–	1,563
	–	–	–	–	808	11	3,171	698	–	4,688
Changes attributable to										
Revisions of previous estimates	–	–	–	–	2	(2)	590	(28)	–	562
Improved recovery	–	–	–	–	50	–	8	–	–	58
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	3	–	87	–	–	90
Production	–	–	–	–	(37)	–	(307)	(71)	–	(415)
Sales of reserves-in-place	–	–	–	–	(14)	–	–	(116)	–	(130)
	–	–	–	–	4	(2)	378	(215)	–	165
At 31 December 2009 <sup>f</sup>										
Developed	–	–	–	–	407	–	2,351	363	–	3,121
Undeveloped	–	–	–	–	405	9	1,198	120	–	1,732
	–	–	–	–	812	9	3,549	483	–	4,853
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2009										
Developed	410	81	1,717	11	446	464	2,227	694	56	6,106
Undeveloped	119	194	1,273	1	464	507	944	687	58	4,247
	529	275	2,990	12	910	971	3,171	1,381	114	10,353
At 31 December 2009										
Developed	403	83	1,862	11	456	422	2,351	545	58	6,191
Undeveloped	291	184	1,211	1	461	463	1,198	454	57	4,320
	694	267	3,073	12	917	885	3,549	999	115	10,511

<sup>a</sup>Crude oil includes NGLs and condensate. Proved reserves exclude 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.

<sup>b</sup>Proved reserves in the Prudhoe Bay field in Alaska include an estimated 68 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.

<sup>c</sup>Excludes NGLs from processing plants in which an interest is held of 26 thousand barrels a day.

<sup>d</sup>Includes 819 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.

<sup>e</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>f</sup>Includes 20 million barrels of NGLs. Also includes 243 million barrels of crude oil in respect of the 6.86% minority interest in TNK-BP.

## Movements in estimated net proved reserves – natural gas<sup>a</sup>

billion cubic feet									
									2005
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>									
At 1 January 2005									
Developed	2,498	248	10,811	874	3,227	1,015	–	995	20,579
Undeveloped	1,183	1,254	3,270	58	10,605	1,886	–	2,130	25,071
	3,681	1,502	14,081	932	13,832	2,901	–	3,125	45,650
Changes attributable to									
Revisions of previous estimates	(102)	11	447	(110)	214	152	–	(186)	494
Improved recovery	111	19	1,773	87	–	–	–	10	2,000
Purchases of reserves-in-place	–	–	66	2	–	–	–	–	68
Discoveries and extensions	21	19	47	5	220	44	–	–	560
Production <sup>b</sup>	(425)	(44)	(1,018)	(118)	(770)	(163)	–	(226)	(2,898)
Sales of reserves-in-place	–	(1,182)	(14)	(4)	(226)	–	–	–	(1,426)
	(395)	(1,177)	1,301	(138)	(562)	33	–	(402)	(1,202)
At 31 December 2005 <sup>c</sup>									
Developed	2,382	245	11,184	700	2,860	934	–	838	20,045
Undeveloped	904	80	4,198	94	10,410	2,000	–	1,885	24,403
	3,286	325	15,382	794	13,270	2,934	–	2,723	44,448
<b>Equity-accounted entities (BP share)<sup>d</sup></b>									
At 1 January 2005									
Developed	–	–	–	–	1,397	–	214	167	1,778
Undeveloped	–	–	–	–	977	–	10	92	1,079
	–	–	–	–	2,374	–	224	259	2,857
Changes attributable to									
Revisions of previous estimates	–	–	–	–	26	–	1,337	21	1,384
Improved recovery	–	–	–	–	66	–	–	–	66
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	28	–	–	–	28
Production <sup>b</sup>	–	–	–	–	(154)	–	(184)	(22)	(360)
Sales of reserves-in-place	–	–	–	–	–	–	(119)	–	(119)
	–	–	–	–	(34)	–	1,034	(1)	999
At 31 December 2005 <sup>e</sup>									
Developed	–	–	–	–	1,492	–	1,089	180	2,761
Undeveloped	–	–	–	–	848	–	169	78	1,095
	–	–	–	–	2,340	–	1,258	258	3,856
<b>Total subsidiaries and equity-accounted entities (BP share)</b>									
At 1 January 2005									
Developed	2,498	248	10,811	874	4,624	1,015	214	1,162	22,357
Undeveloped	1,183	1,254	3,270	58	11,582	1,886	10	2,222	26,150
	3,681	1,502	14,081	932	16,206	2,901	224	3,384	48,507
At 31 December 2005									
Developed	2,382	245	11,184	700	4,352	934	1,089	1,018	22,806
Undeveloped	904	80	4,198	94	11,258	2,000	169	1,963	25,498
	3,286	325	15,382	794	15,610	2,934	1,258	2,981	48,304

<sup>a</sup> Proved reserves exclude 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.

<sup>b</sup> Includes 174 billion cubic feet of natural gas consumed in operations, 147 billion cubic feet in subsidiaries and 27 billion cubic feet in equity-accounted entities.

<sup>c</sup> Includes 3,812 billion cubic feet of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

<sup>d</sup> Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>e</sup> Includes 57 billion cubic feet 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

million barrels oil equivalent <sup>a</sup>									
									2005
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Total developed and undeveloped oil and natural gas reserves</b>									
<b>Subsidiaries</b>									
	1,247	367	6,065	148	2,778	1,184	–	1,103	14,024
<b>Equity-accounted entities (BP share)</b>									
	–	–	–	–	734	–	2,336	799	3,869
	1,247	367	6,065	148	3,512	1,184	2,336	1,902	17,893

<sup>a</sup> 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.



## Movements in estimated net proved reserves – natural gas<sup>a</sup> continued

billion cubic feet										
										2006
Europe		North America		South America	Africa	Asia		Australasia	Total	
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia			
<b>Subsidiaries</b>										
At 1 January 2006										
Developed	2,382	245	11,184	700	2,860	934	–	838	902	20,045
Undeveloped	904	80	4,198	94	10,410	2,000	–	1,885	4,832	24,403
	3,286	325	15,382	794	13,270	2,934	–	2,723	5,734	44,448
Changes attributable to										
Revisions of previous estimates	(343)	11	(922)	(77)	(214)	(69)	–	4	(63)	(1,673)
Improved recovery	144	–	1,755	328	16	6	–	80	–	2,329
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	101	–	116	–	–	5	–	2	21	245
Production <sup>b</sup>	(370)	(38)	(941)	(108)	(874)	(169)	–	(220)	(135)	(2,855)
Sales of reserves-in-place	(25)	–	(292)	–	(9)	–	–	–	–	(326)
	(493)	(27)	(284)	143	(1,081)	(227)	–	(134)	(177)	(2,280)
At 31 December 2006 <sup>c</sup>										
Developed	1,968	242	10,438	627	3,305	1,032	–	808	882	19,302
Undeveloped	825	56	4,660	310	8,884	1,675	–	1,781	4,675	22,866
	2,793	298	15,098	937	12,189	2,707	–	2,589	5,557	42,168
<b>Equity-accounted entities (BP share)<sup>d</sup></b>										
At 1 January 2006										
Developed	–	–	–	–	1,492	–	1,089	180	–	2,761
Undeveloped	–	–	–	–	848	–	169	78	–	1,095
	–	–	–	–	2,340	–	1,258	258	–	3,856
Changes attributable to										
Revisions of previous estimates	–	–	–	–	7	–	217	60	–	284
Improved recovery	–	–	–	–	73	–	–	1	–	74
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	23	–	–	–	–	23
Production <sup>b</sup>	–	–	–	–	(171)	–	(204)	(22)	–	(397)
Sales of reserves-in-place	–	–	–	–	(77)	–	–	–	–	(77)
	–	–	–	–	(145)	–	13	39	–	(93)
At 31 December 2006 <sup>e</sup>										
Developed	–	–	–	–	1,460	–	1,087	222	–	2,769
Undeveloped	–	–	–	–	735	–	184	75	–	994
	–	–	–	–	2,195	–	1,271	297	–	3,763
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2006										
Developed	2,382	245	11,184	700	4,352	934	1,089	1,018	902	22,806
Undeveloped	904	80	4,198	94	11,258	2,000	169	1,963	4,832	25,498
	3,286	325	15,382	794	15,610	2,934	1,258	2,981	5,734	48,304
At 31 December 2006										
Developed	1,968	242	10,438	627	4,765	1,032	1,087	1,030	882	22,071
Undeveloped	825	56	4,660	310	9,619	1,675	184	1,856	4,675	23,860
	2,793	298	15,098	937	14,384	2,707	1,271	2,886	5,557	45,931

<sup>a</sup>Proved reserves exclude 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.

<sup>b</sup>Includes 178 billion cubic feet of natural gas consumed in operations, 147 billion cubic feet in subsidiaries, 31 billion cubic feet in equity-accounted entities and excludes 8.3 billion cubic feet of produced non-hydrocarbon components which meet regulatory requirements for sales.

<sup>c</sup>Includes 3,537 billion cubic feet of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

<sup>d</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>e</sup>Includes 99 billion cubic feet 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 <sup>a</sup>										
										2006
Europe		North America		South America	Africa	Asia		Australasia	Total	
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia			
<b>Total developed and undeveloped oil and natural gas reserves</b>										
<b>Subsidiaries</b>										
Equity-accounted entities (BP share)	1,086	337	5,812	179	2,452	1,172	–	1,037	1,089	13,164
	–	–	–	–	738	–	3,063	735	–	4,536
	1,086	337	5,812	179	3,190	1,172	3,063	1,772	1,089	17,700

<sup>a</sup>5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

## Movements in estimated net proved reserves – natural gas<sup>a</sup> continued

billion cubic feet									
									2007
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>									
At 1 January 2007									
Developed	1,968	242	10,438	627	3,305	1,032	–	808	19,302
Undeveloped	825	56	4,660	310	8,884	1,675	–	1,781	22,866
	2,793	298	15,098	937	12,189	2,707	–	2,589	42,168
Changes attributable to									
Revisions of previous estimates	93	(37)	744	(72)	(204)	(146)	–	(21)	497
Improved recovery	15	1	326	32	–	9	–	100	499
Purchases of reserves-in-place	–	–	23	–	–	–	–	109	132
Discoveries and extensions	–	293	95	237	12	17	–	–	742
Production <sup>b</sup>	(299)	(14)	(879)	(98)	(949)	(187)	–	(238)	(2,801)
Sales of reserves-in-place	–	(68)	(32)	(7)	–	–	–	–	(107)
	(191)	175	277	92	(1,141)	(307)	–	(50)	(1,038)
At 31 December 2007 <sup>c</sup>									
Developed	2,049	63	10,670	608	3,075	990	–	1,270	19,860
Undeveloped	553	410	4,705	421	7,973	1,410	–	1,269	21,270
	2,602	473	15,375	1,029	11,048	2,400	–	2,539	41,130
<b>Equity-accounted entities (BP share)<sup>d</sup></b>									
At 1 January 2007									
Developed	–	–	–	–	1,460	–	1,087	222	2,769
Undeveloped	–	–	–	–	735	–	184	75	994
	–	–	–	–	2,195	–	1,271	297	3,763
Changes attributable to									
Revisions of previous estimates	–	–	–	–	73	–	61	9	143
Improved recovery	–	–	–	–	195	–	–	16	211
Purchases of reserves-in-place	–	–	–	–	–	–	8	–	8
Discoveries and extensions	–	–	–	–	22	–	–	–	22
Production <sup>b</sup>	–	–	–	–	(176)	–	(179)	(22)	(377)
Sales of reserves-in-place	–	–	–	–	–	–	–	–	–
	–	–	–	–	114	–	(110)	3	7
At 31 December 2007 <sup>e</sup>									
Developed	–	–	–	–	1,478	–	808	187	2,473
Undeveloped	–	–	–	–	831	–	353	113	1,297
	–	–	–	–	2,309	–	1,161	300	3,770
<b>Total subsidiaries and equity-accounted entities (BP share)</b>									
At 1 January 2007									
Developed	1,968	242	10,438	627	4,765	1,032	1,087	1,030	22,071
Undeveloped	825	56	4,660	310	9,619	1,675	184	1,856	23,860
	2,793	298	15,098	937	14,384	2,707	1,271	2,886	45,931
At 31 December 2007									
Developed	2,049	63	10,670	608	4,553	990	808	1,457	22,333
Undeveloped	553	410	4,705	421	8,804	1,410	353	1,382	22,567
	2,602	473	15,375	1,029	13,357	2,400	1,161	2,839	44,900

<sup>a</sup> Proved reserves exclude 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.

<sup>b</sup> Includes 202 billion cubic feet of natural gas consumed in operations, 161 billion cubic feet in subsidiaries, 41 billion cubic feet in equity-accounted entities and excludes 10.9 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

<sup>c</sup> Includes 3,211 billion cubic feet of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

<sup>d</sup> Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>e</sup> Includes 68 billion cubic feet 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 <sup>a</sup>									
									2007
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Total developed and undeveloped oil and natural gas reserves</b>									
<b>Subsidiaries</b>									
Developed	986	356	5,798	191	2,209	1,020	–	930	12,583
Undeveloped	–	–	–	–	969	–	3,431	831	5,231
	986	356	5,798	191	3,178	1,020	3,431	1,761	17,814
<b>Equity-accounted entities (BP share)</b>									
Developed	–	–	–	–	–	–	–	–	–
Undeveloped	–	–	–	–	–	–	–	–	–

<sup>a</sup> 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.





## Movements in estimated net proved reserves – natural gas<sup>a</sup> continued

	billion cubic feet									
	Europe		North America		South America	Africa	Asia		Australasia	2008 Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>										
At 1 January 2008										
Developed	2,049	63	10,670	608	3,075	990	–	1,270	1,135	19,860
Undeveloped	553	410	4,705	421	7,973	1,410	–	1,269	4,529	21,270
	2,602	473	15,375	1,029	11,048	2,400	–	2,539	5,664	41,130
Changes attributable to										
Revisions of previous estimates	23	(8)	(2,063)	51	(456)	142	–	–	361	(1,950)
Improved recovery	77	9	1,322	16	159	6	–	108	2	1,699
Purchases of reserves-in-place	–	–	183	–	–	–	–	–	–	183
Discoveries and extensions	–	–	549	125	948	82	–	37	–	1,741
Production <sup>b</sup>	(298)	(11)	(834)	(94)	(946)	(198)	–	(274)	(140)	(2,795)
Sales of reserves-in-place	–	–	–	–	(3)	–	–	–	–	(3)
	(198)	(10)	(843)	98	(298)	32	–	(129)	223	(1,125)
At 31 December 2008 <sup>c</sup>										
Developed	1,822	61	9,059	659	3,316	1,050	–	1,102	1,887	18,956
Undeveloped	582	402	5,473	468	7,434	1,382	–	1,308	4,000	21,049
	2,404	463	14,532	1,127	10,750	2,432	–	2,410	5,887	40,005
<b>Equity-accounted entities (BP share)<sup>d</sup></b>										
At 1 January 2008										
Developed	–	–	–	–	1,478	–	808	187	–	2,473
Undeveloped	–	–	–	–	831	–	353	113	–	1,297
	–	–	–	–	2,309	–	1,161	300	–	3,770
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(96)	182	1,273	(2)	–	1,357
Improved recovery	–	–	–	–	301	–	–	11	–	312
Purchases of reserves-in-place	–	–	–	–	3	–	–	–	–	3
Discoveries and extensions	–	–	–	–	192	–	–	–	–	192
Production <sup>b</sup>	–	–	–	–	(188)	–	(221)	(22)	–	(431)
Sales of reserves-in-place	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	212	182	1,052	(13)	–	1,433
At 31 December 2008 <sup>e</sup>										
Developed	–	–	–	–	1,498	–	1,560	176	–	3,234
Undeveloped	–	–	–	–	1,023	182	653	111	–	1,969
	–	–	–	–	2,521	182	2,213	287	–	5,203
<b>Total subsidiaries and equity-accounted entities (BP share)</b>										
At 1 January 2008										
Developed	2,049	63	10,670	608	4,553	990	808	1,457	1,135	22,333
Undeveloped	553	410	4,705	421	8,804	1,410	353	1,382	4,529	22,567
	2,602	473	15,375	1,029	13,357	2,400	1,161	2,839	5,664	44,900
At 31 December 2008										
Developed	1,822	61	9,059	659	4,814	1,050	1,560	1,278	1,887	22,190
Undeveloped	582	402	5,473	468	8,457	1,564	653	1,419	4,000	23,018
	2,404	463	14,532	1,127	13,271	2,614	2,213	2,697	5,887	45,208

<sup>a</sup>Proved reserves exclude 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.

<sup>b</sup>Includes 193 billion cubic feet of natural gas consumed in operations, 149 billion cubic feet in subsidiaries, 44 billion cubic feet in equity-accounted entities and excludes 17 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

<sup>c</sup>Includes 3,108 billion cubic feet of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

<sup>d</sup>Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>e</sup>Includes 131 billion cubic feet 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 <sup>a</sup>									
	Europe		North America		South America	Africa	Asia		Australasia	2008 Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Total developed and undeveloped oil and natural gas reserves</b>										
Subsidiaries	943	355	5,496	206	1,955	1,379	–	1,099	1,129	12,562
Equity-accounted entities (BP share)	–	–	–	–	1,243	42	3,553	747	–	5,585
	943	355	5,496	206	3,198	1,421	3,553	1,846	1,129	18,147

<sup>a</sup>5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

## Movements in estimated net proved reserves – natural gas<sup>a</sup> continued

billion cubic feet									
									2009
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Subsidiaries</b>									
At 1 January 2009									
Developed	1,822	61	9,059	659	3,316	1,050	–	1,102	18,956
Undeveloped	582	402	5,473	468	7,434	1,382	–	1,308	21,049
	2,404	463	14,532	1,127	10,750	2,432	–	2,410	40,005
Changes attributable to									
Revisions of previous estimates	(114)	(8)	549	43	322	270	–	(231)	853
Improved recovery	34	–	550	5	322	49	–	82	1,117
Purchases of reserves-in-place	159	–	–	–	–	–	–	31	190
Discoveries and extensions	150	–	496	94	105	59	–	–	1,435
Production <sup>b</sup>	(243)	(9)	(907)	(100)	(929)	(249)	–	(241)	(2,867)
Sales of reserves-in-place	(118)	–	(4)	–	–	–	–	(223)	(345)
	(132)	(17)	684	42	(180)	129	–	(582)	383
At 31 December 2009 <sup>c</sup>									
Developed	1,602	49	9,583	716	3,177	1,107	–	1,579	21,032
Undeveloped	670	397	5,633	453	7,393	1,454	–	249	19,356
	2,272	446	15,216	1,169	10,570	2,561	–	1,828	40,388
<b>Equity-accounted entities (BP share)<sup>d</sup></b>									
At 1 January 2009									
Developed	–	–	–	–	1,498	–	1,560	176	3,234
Undeveloped	–	–	–	–	1,023	182	653	111	1,969
	–	–	–	–	2,521	182	2,213	287	5,203
Changes attributable to									
Revisions of previous estimates	–	–	–	–	(26)	(17)	204	(19)	142
Improved recovery	–	–	–	–	314	–	1	4	319
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	6	–	23	–	29
Production <sup>b</sup>	–	–	–	–	(165)	–	(219)	(25)	(409)
Sales of reserves-in-place	–	–	–	–	(388)	–	–	(154)	(542)
	–	–	–	–	(259)	(17)	9	(194)	(461)
At 31 December 2009 <sup>e</sup>									
Developed	–	–	–	–	1,252	–	1,703	80	3,035
Undeveloped	–	–	–	–	1,010	165	519	13	1,707
	–	–	–	–	2,262	165	2,222	93	4,742
<b>Total subsidiaries and equity-accounted entities (BP share)</b>									
At 1 January 2009									
Developed	1,822	61	9,059	659	4,814	1,050	1,560	1,278	22,190
Undeveloped	582	402	5,473	468	8,457	1,564	653	1,419	23,018
	2,404	463	14,532	1,127	13,271	2,614	2,213	2,697	45,208
At 31 December 2009									
Developed	1,602	49	9,583	716	4,429	1,107	1,703	1,659	24,067
Undeveloped	670	397	5,633	453	8,403	1,619	519	262	21,063
	2,272	446	15,216	1,169	12,832	2,726	2,222	1,921	45,130

<sup>a</sup> Proved reserves exclude 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.

<sup>b</sup> Includes 195 billion cubic feet of natural gas consumed in operations, 164 billion cubic feet in subsidiaries, 31 billion cubic feet in equity-accounted entities and excludes 16 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

<sup>c</sup> Includes 3,068 billion cubic feet of natural gas in respect of the 30% minority interest in BP Trinidad and Tobago LLC.

<sup>d</sup> Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

<sup>e</sup> Includes 131 billion cubic feet of natural gas in respect of the 5.79% minority interest in TNK-BP.

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

million barrels oil equivalent <sup>a</sup>									
									2009
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>Total developed and undeveloped oil and natural gas reserves</b>									
Subsidiaries	1,086	344	5,696	214	1,926	1,318	–	831	12,621
Equity-accounted entities (BP share)	–	–	–	–	1,203	37	3,932	499	5,671
	1,086	344	5,696	214	3,129	1,355	3,932	1,330	18,292

<sup>a</sup> 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.



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

	BP net share of production <sup>a</sup> thousand barrels per day					
	Field or area	2005	2006	2007	2008	2009
UK <sup>b</sup>	ETAP <sup>c</sup>	49	49	32	27	34
	Foinaven <sup>d</sup>	39	37	37	26	29
	Other	189	167	132	120	105
Total UK		277	253	201	173	168
Norway	Various	74	60	51	43	40
Netherlands	Various	1	1	–	–	–
Total Rest of Europe	Various	75	61	51	43	40
Total Europe		352	314	252	216	208
Alaska	Prudhoe Bay <sup>d</sup>	89	71	74	72	69
	Kuparuk	62	57	52	48	45
	Milne Point <sup>d</sup>	37	31	28	27	24
	Other	80	65	55	50	43
Total Alaska		268	224	209	197	181
Lower 48 onshore <sup>b</sup>	Various	130	125	108	97	97
Gulf of Mexico deepwater	Thunder Horse <sup>d</sup>	–	–	–	24	133
	Atlantis <sup>d</sup>	–	–	2	42	54
	Mad Dog <sup>d</sup>	13	17	25	31	35
	Mars	21	19	30	28	29
	Na Kika <sup>d</sup>	44	41	32	29	27
	Horn Mountain <sup>d</sup>	26	23	18	18	25
	King <sup>d</sup>	24	28	22	23	22
	Other	86	70	67	49	62
Total Gulf of Mexico deepwater		214	198	196	244	387
Total US		612	547	513	538	665
Canada <sup>b</sup>	Various <sup>d</sup>	10	8	8	9	8
Total Rest of North America		10	8	8	9	8
Total North America		622	555	521	547	673
Colombia	Various <sup>d</sup>	41	34	28	24	23
Trinidad & Tobago	Various <sup>d</sup>	40	40	30	38	38
Venezuela <sup>b</sup>	Various	55	26	16	4	–
Total South America		136	100	74	66	61
Angola	Greater Plutonio <sup>d</sup>	–	–	12	69	70
	Kizomba C Dev	–	–	–	30	43
	Dalia	–	–	31	34	32
	Girassol FPSO	34	17	20	22	22
	Other	94	116	77	46	44
Total Angola		128	133	140	201	211
Egypt	Gupco	45	34	36	41	55
	Other	2	8	7	16	16
Total Egypt		47	42	43	57	71
Algeria	Various	–	3	12	19	22
Total Africa		175	178	195	277	304
Azerbaijan	Azeri-Chirag-Gunashli <sup>d</sup>	76	145	200	97	94
	Other	–	–	5	8	7
Total Azerbaijan		76	145	205	105	101
Western Indonesia <sup>b</sup>	Various	8	8	7	7	5
Other	Various	18	17	16	16	17
Total Rest of Asia <sup>b</sup>		102	170	228	128	123
Total Asia		102	170	228	128	123
Australia	Various	36	34	34	29	31
Total Australasia		36	34	34	29	31
Total subsidiaries <sup>e</sup>		1,423	1,351	1,304	1,263	1,400
Equity-accounted entities (BP share)						
Russia – TNK-BP <sup>b</sup>	Various	911	876	832	826	840
Total Russia		911	876	832	826	840
Abu Dhabi <sup>f</sup>	Various	148	163	192	210	182
Other	Various	10	8	9	10	12
Total Rest of Asia <sup>b</sup>		158	171	201	220	194
Total Asia		1,069	1,047	1,033	1,046	1,034
Argentina	Various	67	69	69	70	75
Venezuela <sup>b</sup>	Various	–	4	6	19	25
Bolivia <sup>b</sup>	Various	3	4	2	3	1
Total South America		70	77	77	92	101
Total equity-accounted entities		1,139	1,124	1,110	1,138	1,135
Total subsidiaries and equity-accounted entities		2,562	2,475	2,414	2,401	2,535

<sup>a</sup> 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.

<sup>b</sup> In 2009, BP assumed operatorship of the Mirpurkhas and Khipro blocks in Pakistan, swapped a number of assets with BG Group plc in the UK sector of the North Sea, divested some minor interests in the US Lower 48, divested its holdings in Indonesia's Offshore Northwest Java to Pertamina, divested its interests in LukArco to Lukoil and the Bolivian government nationalized, with compensation payable, Pan American Energy's shares of Chaco. 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.

<sup>c</sup> Volumes relate to six BP-operated fields within ETAP. BP has no interests in the remaining three ETAP fields, which are operated by Shell.

<sup>d</sup> BP-operated.

<sup>e</sup> Includes 26 net mboe/d of NGLs from processing plants in which BP has an interest (2008 19mboe/d, 2007 54mboe/d, 2006 55mboe/d and 2005 58mboe/d).

<sup>f</sup> 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 we report production and reserves there gross of production taxes.



## Group production interests – natural gas

	BP net share of production <sup>a</sup> million cubic feet per day					
	Field or area	2005	2006	2007	2008	2009
UK <sup>b</sup>	Bruce/Rhum <sup>c</sup>	162	170	161	165	110
	Brae East	109	84	60	71	62
	Other	819	682	547	523	446
		1,090	936	768	759	618
	Various	62	56	3	–	–
	Various	46	35	26	23	16
		108	91	29	23	16
		1,198	1,027	797	782	634
	San Juan <sup>c</sup>	753	765	694	682	659
	Jonah <sup>c</sup>	97	133	173	221	227
	Arkoma <sup>c</sup>	198	225	204	240	194
	Wamsutter <sup>c</sup>	110	113	120	136	146
	Hugoton <sup>c</sup>	151	137	123	91	102
	Tuscaloosa <sup>c</sup>	111	86	78	65	65
	Other	465	461	458	451	562
		1,885	1,920	1,850	1,886	1,955
	Thunder Horse <sup>c</sup>	–	–	–	11	83
	Other	580	389	269	219	220
		580	389	269	230	303
	Various	81	67	55	41	58
		2,546	2,376	2,174	2,157	2,316
	West Central	77	77	63	63	69
	Other <sup>c</sup>	230	205	192	182	194
		307	282	255	245	263
		307	282	255	245	263
		2,853	2,658	2,429	2,402	2,579
	Mango <sup>c</sup>	–	–	22	471	664
	Cashima/NEQB <sup>c</sup>	–	–	6	375	571
	Kapok <sup>c</sup>	1,036	946	984	619	540
	Cannonball <sup>c</sup>	–	504	628	336	225
	Amherstia <sup>c</sup>	298	176	155	288	197
	Other <sup>c</sup>	653	639	638	357	233
		1,987	2,265	2,433	2,446	2,430
	Various	85	92	104	84	62
	Various	4	5	6	2	–
		2,076	2,362	2,543	2,532	2,492
	Temsah	5	70	118	109	118
	Ha'py <sup>c</sup>	106	99	108	94	94
	Taurt <sup>c</sup>	–	–	–	24	73
	Other	78	102	89	145	177
		189	271	315	372	462
	Various	234	159	153	112	159
		423	430	468	484	621
	Various <sup>c</sup>	88	88	121	162	173
	Various <sup>c</sup>	–	–	73	143	126
	Sanga-Sanga	110	84	75	69	71
	Other	83	80	81	97	35
		193	164	156	166	106
	Yacheng	98	102	85	91	83
	Various <sup>c</sup>	93	97	82	61	63
	Various <sup>c</sup>	123	120	92	73	59
		595	571	609	696	610
		595	571	609	696	610
	Perseus/Athena	120	114	193	229	142
	Goodwyn	112	108	107	74	139
	Angel	–	–	–	6	120
	Other	135	142	76	71	39
		367	364	376	380	440
	Tangguh <sup>c</sup>	–	–	–	1	74
		367	364	376	381	514
		7,512	7,412	7,222	7,277	7,450
	Various	482	544	451	564	601
		482	544	451	564	601
	Various	46	37	33	31	31
	Various	7	8	8	8	11
		53	45	41	39	42
		535	589	492	603	643
	Various	343	370	369	385	378
	Various	34	46	60	63	11
	Various	–	–	–	6	3
		377	416	429	454	392
		912	1,005	921	1,057	1,035
		8,424	8,417	8,143	8,334	8,485

<sup>a</sup> 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.

<sup>b</sup> In 2009, BP assumed operatorship of the Mirpurkhas and Khipro blocks in Pakistan, swapped a number of assets with BG Group plc in the UK sector of the North Sea, divested some minor interests in the US Lower 48, divested its holdings in Indonesia's Offshore Northwest Java to Pertamina, divested its interests in LukArco to Lukoil and the Bolivian government nationalized, with compensation payable, Pan American Energy's shares of Chaco. 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 Statford oil and gas field in the UK. Our interests in the Boqueron, 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.

<sup>c</sup> BP-operated.

<sup>d</sup> 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				
	2005	2006	2007	2008	2009
US	1,051	957	888	910	<b>1,064</b>
Europe	559	491	389	351	<b>317</b>
Russia	994	970	910	923	<b>944</b>
Rest of World	1,411	1,508	1,631	1,654	<b>1,673</b>
Total group including equity-accounted entities	4,014	3,926	3,818	3,838	<b>3,998</b>

Because of roundings, some totals may not agree exactly with the sum of their component parts.

### BP average liquids realizations<sup>a</sup>

	\$ per barrel				
US	47.83	57.25	64.18	89.22	<b>53.68</b>
Europe	49.83	62.09	69.42	90.61	<b>61.91</b>
Rest of World	47.56	59.54	69.56	91.05	<b>57.29</b>
BP average	48.51	59.23	67.45	90.20	<b>56.26</b>

<sup>a</sup>Crude oil and NGLs.

### BP average natural gas realizations

	\$ thousand cubic feet				
US	6.78	5.74	5.43	6.77	<b>3.07</b>
Europe	5.47	6.48	6.38	8.37	<b>4.75</b>
Rest of World	3.46	3.70	3.71	5.19	<b>3.14</b>
BP average	4.90	4.72	4.53	6.00	<b>3.25</b>



## Exploration interests

### By geographical area

At 31 December		Oil and natural gas acreage thousand acres									
		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>2009</b>											
Developed	– gross	366	65	7,587	1,186	1,740	539	4,123	2,191	200	17,997
	– net	201	19	4,609	850	470	222	1,794	842	39	9,046
Undeveloped <sup>a</sup>	– gross	1,602	486	7,985	6,967	7,361	21,979	10,357	15,191	4,109	76,037
	– net	919	226	4,979	5,009	3,471	16,463	4,683	6,597	911	43,258
<b>2008</b>											
Developed	– gross	390	64	7,657	1,170	1,981	500	4,072	2,416	711	18,961
	– net	193	18	4,783	844	570	212	1,768	906	113	9,407
Undeveloped <sup>a</sup>	– gross	1,615	519	7,733	7,842	7,744	21,524	10,079	18,760	3,505	79,321
	– net	916	234	5,332	5,501	3,580	16,009	4,544	7,996	884	44,996
<b>2007</b>											
Developed	– gross	428	143	7,414	1,156	1,637	541	4,071	2,410	695	18,495
	– net	201	34	4,742	836	474	225	1,768	904	105	9,289
Undeveloped <sup>a</sup>	– gross	1,696	505	6,451	6,297	5,232	15,759	13,821	18,341	3,521	71,623
	– net	967	227	4,574	3,941	1,971	9,755	5,777	7,867	884	35,963
<b>2006</b>											
Developed	– gross	433	138	7,392	1,133	2,028	477	3,991	2,243	694	18,529
	– net	203	44	4,725	830	640	211	1,728	576	105	9,062
Undeveloped <sup>a</sup>	– gross	2,100	1,053	6,809	6,387	6,049	16,215	13,778	22,775	3,674	78,840
	– net	1,154	339	4,797	4,026	1,835	9,764	5,694	9,708	908	38,225
<b>2005</b>											
Developed	– gross	500	138	7,059	1,105	1,623	534	4,206	2,237	695	18,097
	– net	218	46	4,738	816	488	235	1,848	574	105	9,068
Undeveloped <sup>a</sup>	– gross	2,325	1,668	7,169	6,430	7,463	16,917	13,783	17,758	3,674	77,187
	– net	1,232	618	5,136	4,020	2,893	10,237	5,702	4,557	908	35,303

<sup>a</sup> Undeveloped acreage includes leases and concessions.



## Exploration and development wells<sup>a</sup>

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
<b>2009</b>											
<b>Exploratory</b>	<b>Productive</b>	<b>0.1</b>	<b>–</b>	<b>47.2</b>	<b>–</b>	<b>3.0</b>	<b>4.5</b>	<b>7.0</b>	<b>5.3</b>	<b>0.6</b>	<b>67.7</b>
	<b>Dry</b>	<b>0.2</b>	<b>–</b>	<b>4.2</b>	<b>–</b>	<b>–</b>	<b>1.4</b>	<b>4.5</b>	<b>6.0</b>	<b>0.2</b>	<b>16.5</b>
<b>Development</b>	<b>Productive</b>	<b>9.3</b>	<b>1.5</b>	<b>403.8</b>	<b>17.9</b>	<b>135.4</b>	<b>20.8</b>	<b>293.0</b>	<b>45.8</b>	<b>1.6</b>	<b>929.1</b>
	<b>Dry</b>	<b>–</b>	<b>–</b>	<b>3.3</b>	<b>–</b>	<b>–</b>	<b>0.5</b>	<b>4.0</b>	<b>0.4</b>	<b>0.6</b>	<b>8.8</b>
2008											
Exploratory	Productive	0.8	–	2.4	–	4.4	4.3	12.5	0.5	0.6	25.5
	Dry	–	0.5	0.9	0.1	0.4	2.6	23.0	0.5	0.4	28.4
Development	Productive	6.6	0.5	379.8	28.3	112.5	18.6	10.0	45.4	4.5	606.2
	Dry	0.2	–	1.1	0.9	2.9	1.5	19.5	2.1	–	28.2
2007											
Exploratory	Productive	1.6	–	4.1	0.5	–	6.1	16.0	1.7	1.1	31.1
	Dry	–	–	0.7	0.5	–	1.6	9.0	1.4	–	13.2
Development	Productive	0.4	0.8	401.2	36.0	10.0	15.3	246.0	27.5	2.1	739.3
	Dry	0.6	–	4.2	8.8	–	–	9.5	–	–	23.1
2006											
Exploratory	Productive	0.1	0.1	2.9	0.5	–	3.2	15.6	1.8	0.6	24.8
	Dry	–	–	7.4	–	1.0	0.5	5.7	1.6	0.2	16.4
Development	Productive	4.9	1.6	418.8	42.4	111.6	23.8	227.2	26.1	0.8	857.2
	Dry	–	–	4.5	3.0	2.0	–	20.8	1.0	0.2	31.5
2005											
Exploratory	Productive	0.5	0.8	10.7	1.0	1.0	2.0	14.5	–	0.3	30.8
	Dry	0.3	–	6.4	1.0	–	1.3	5.2	–	0.3	14.5
Development	Productive	10.6	3.5	473.9	37.2	114.5	17.9	212.8	34.8	–	905.2
	Dry	–	0.3	5.0	3.1	0.2	1.0	17.7	0.7	–	28.0

<sup>a</sup>Number of net productive and dry exploratory and development oil and natural gas wells completed or abandoned in the years indicated by the group and its equity-accounted entities. Productive wells include wells in which hydrocarbons were encountered and the drilling or completion of which, in the case of exploratory wells, has been suspended pending further drilling or evaluation. A dry well is one found to be incapable of producing hydrocarbons in sufficient quantities to justify completion.

### Number of productive wells at 31 December 2009

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Oil wells <sup>a</sup>	Gross	<b>282</b>	<b>83</b>	<b>5,793</b>	<b>197</b>	<b>3,650</b>	<b>668</b>	<b>20,593</b>	<b>1,657</b>	<b>13</b>	<b>32,936</b>
	Net	<b>151</b>	<b>26</b>	<b>2,090</b>	<b>76</b>	<b>2,045</b>	<b>529</b>	<b>8,750</b>	<b>303</b>	<b>2</b>	<b>13,972</b>
Gas wells <sup>b</sup>	Gross	<b>279</b>	<b>–</b>	<b>21,974</b>	<b>1,852</b>	<b>487</b>	<b>104</b>	<b>46</b>	<b>563</b>	<b>68</b>	<b>25,373</b>
	Net	<b>133</b>	<b>–</b>	<b>12,359</b>	<b>1,236</b>	<b>171</b>	<b>47</b>	<b>23</b>	<b>258</b>	<b>15</b>	<b>14,242</b>

<sup>a</sup>Includes approximately 3,982 gross (1,750 net) multiple completion wells (more than one formation producing into the same well bore).

<sup>b</sup>Includes approximately 2,834 gross (1,841 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 2009<sup>a</sup>

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Exploratory	Gross	<b>–</b>	<b>–</b>	<b>112.0</b>	<b>4.0</b>	<b>–</b>	<b>5.0</b>	<b>8.0</b>	<b>3.0</b>	<b>–</b>	<b>132.0</b>
	Net	<b>–</b>	<b>–</b>	<b>30.2</b>	<b>1.8</b>	<b>–</b>	<b>2.6</b>	<b>4.0</b>	<b>2.0</b>	<b>–</b>	<b>40.6</b>
Development	Gross	<b>4.0</b>	<b>1.0</b>	<b>366.0</b>	<b>30.0</b>	<b>15.0</b>	<b>23.0</b>	<b>45.0</b>	<b>16.0</b>	<b>–</b>	<b>500.0</b>
	Net	<b>2.7</b>	<b>0.3</b>	<b>176.9</b>	<b>19.8</b>	<b>9.2</b>	<b>7.5</b>	<b>20.0</b>	<b>3.4</b>	<b>–</b>	<b>239.8</b>

<sup>a</sup>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)	Markets served
Trinidad & Tobago	Atlantic LNG Train 1	3.3	34.0	1.1	US, Spain
	Atlantic LNG Trains 2-3	3.7	42.5	1.6	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	6.0	10.0	0.6	Japan
Abu Dhabi	Tangguh Trains 1-2	7.6	37.2	2.8	Mexico, China, Korea
Indonesia					
<b>Total</b>		<b>42.1</b>		<b>10.8</b>	

### 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	n/a
China	Dapeng LNG (Guangdong)	860	30.0	258	n/a
US	Cove Point	960	—	—	320
	Elba Island	440	36.4	—	160
UK	Isle of Grain	450	—	—	225
Italy	Adriatic LNG (Rovigo)	800	—	—	100
<b>Total</b>		<b>4,210</b>		<b>433</b>	<b>805</b>

### 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)
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
2009	1,605	346	197	73	2,221

### LNG shipping<sup>a</sup>

Vessel name	Status	Ownership	Delivery date	Capacity (m <sup>3</sup> )
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
<b>Total</b>				<b>1,181,200</b>

<sup>a</sup> Excludes shipping owned and operated within joint-venture projects.



# Refining and Marketing

62 Key indicators

62 Financial statistics

63 Petrochemicals production capacities

64 Petrochemicals production

65 Refinery throughputs and utilization

66 Refineries

67 Retail sites

67 Oil sales volumes

## Refining and Marketing

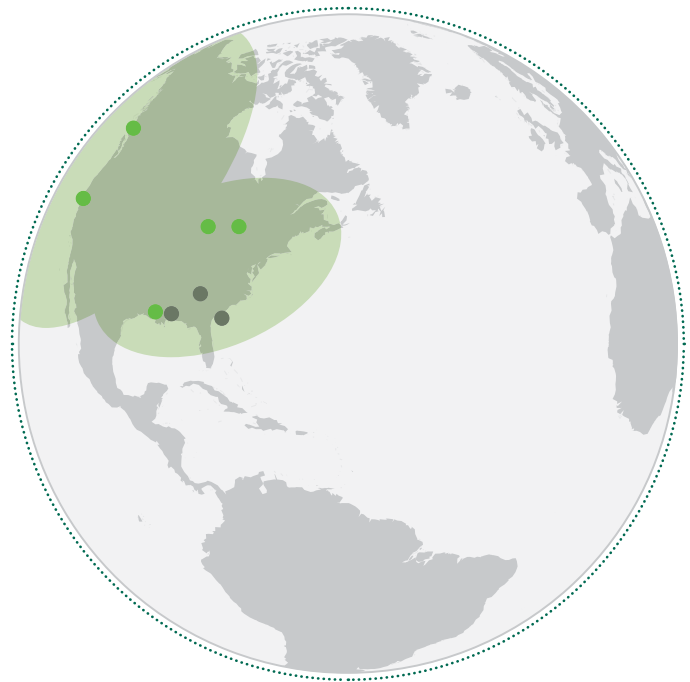
BP's Refining and Marketing business is responsible for the supply and trading, refining, manufacturing, marketing and transportation of crude oil, petroleum and petrochemicals products and related services to wholesale and retail customers.

We have significant operations in Europe and North America and also manufacture and market our products across Australasia, in China and other parts of Asia, Africa and Central and South America.

Our organization is managed through two main business groupings: fuels value chains (FVCs) and international businesses (IBs). The FVCs integrate the activities of refining, logistics, marketing and supply and trading on a regional basis. This provides the opportunity to optimize our activities from crude oil purchases to end-consumer sales through our physical assets (refineries, terminals, pipelines and retail stations). The IBs include the manufacturing, supply and marketing of lubricants, petrochemicals, aviation fuels and liquefied petroleum gas.

Our purpose is to be the product and service-led arm of BP, focused on fuels, lubricants, petrochemicals products and related services. We aim to be excellent in the markets we choose to be in – those that allow BP to serve the major energy markets of the world. We are in pursuit of competitive returns and enduring growth, as we serve customers and promote BP and our brands through quality products.

We believe that key to our continued success in Refining and Marketing is holding a portfolio of quality, integrated, efficient positions and accessing available market growth in emerging markets.

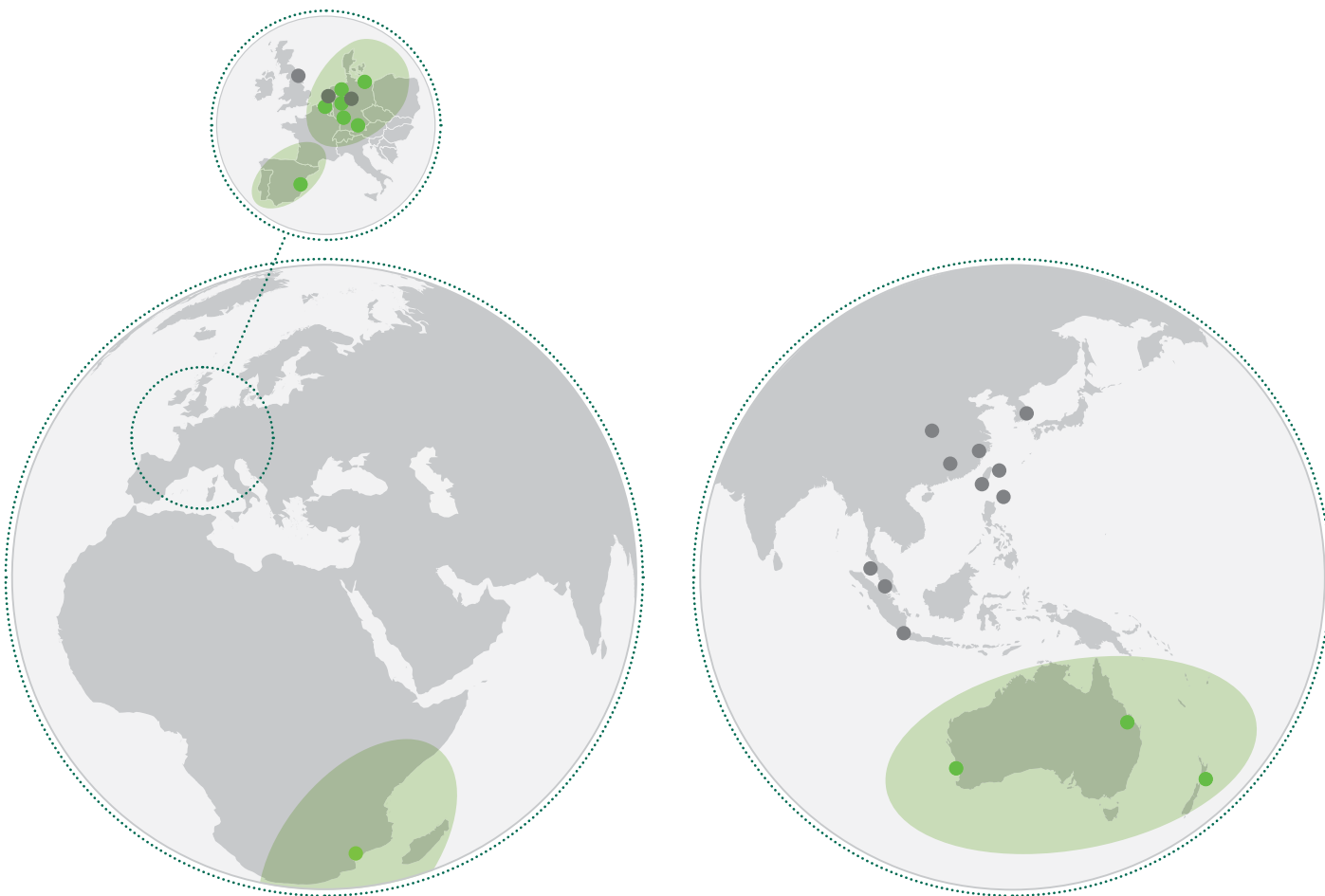


- BP refinery (wholly or partly owned)
- Petrochemicals plant

The green shading indicates the approximate coverage of BP's integrated fuels value chains.



**R&M operations in more detail**  
[bp.com/operations](http://bp.com/operations)



These maps illustrate our Refining and Marketing operations around the world. For more information on our refineries and petrochemicals plants, click on the relevant hyperlink. The links will take you to content on [www.bp.com](http://www.bp.com) that does not form part of *BP Financial and Operating Information 2005-2009*.

## Key indicators

	2005	2006	2007	2008	2009
Result and refining margin					
Replacement cost profit before interest and tax (\$ billion)	4.24	5.16	2.62	4.18	<b>0.74</b>
Global indicator refining margin <sup>a</sup> (\$/bbl)	8.60	8.39	9.94	6.50	<b>4.00</b>
Refining availability <sup>b</sup> (%)	92.9	82.5	82.9	88.8	<b>93.6</b>

### Global indicator refining margin by region<sup>a</sup>

	2005	2006	2007	2008	2009
NWE	5.47	3.92	4.99	6.72	<b>3.26</b>
Med	5.54	4.87	5.17	6.00	<b>2.11</b>
USGC	11.40	12.00	13.48	6.78	<b>4.63</b>
USMW	8.19	9.14	12.81	5.17	<b>5.43</b>
USWC	13.49	14.84	15.05	7.42	<b>5.88</b>
Singapore	5.56	4.22	5.29	6.30	<b>0.21</b>
BP average	8.60	8.39	9.94	6.50	<b>4.00</b>

<sup>a</sup>The global indicator refining margin is the average of regional industry indicator margins, weighted 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 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.

<sup>b</sup>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

	2005	2006	2007	2008	2009
Replacement cost profit (loss) before interest and tax					
US	2,243	1,358	(1,232)	(644)	<b>(2,578)</b>
Non-US	1,999	3,803	3,853	4,820	<b>3,321</b>
	4,242	5,161	2,621	4,176	<b>743</b>
Operating capital employed					
US	16,968	16,527	17,748	15,904	<b>20,114</b>
Non-US	22,764	24,611	30,163	25,295	<b>26,387</b>
	39,732	41,138	47,911	41,199	<b>46,501</b>
Sales and other operating revenues	212,930	232,386	250,221	320,039	<b>213,050</b>
Property, plant and equipment (net book value)					
US	10,320	10,247	9,440	10,608	<b>12,497</b>
Non-US	12,342	12,901	15,030	14,016	<b>14,616</b>
	22,662	23,148	24,470	24,624	<b>27,113</b>
Capital expenditure and acquisitions					
US	1,226	1,339	1,872	4,297	<b>2,625</b>
Non-US	1,619	1,788	3,623	2,337	<b>1,489</b>
	2,845	3,127	5,495	6,634	<b>4,114</b>
Employee numbers at year end					
Non-retail site staff	42,000	41,900	42,700	40,300	<b>37,700</b>
Retail site staff <sup>a</sup>	27,800	26,100	24,500	21,200	<b>13,900</b>
	69,800	68,000	67,200	61,500	<b>51,600</b>

<sup>a</sup>Retail site staff are those employed directly by BP at BP-owned retail sites. It excludes staff at BP-branded sites operated by dealers, jobbers and franchisees.



## Petrochemicals production capacities<sup>a</sup>

### Aromatics and acetyls

Geographical area	Site	Product	Group interest %	BP share of capacity thousand tonnes per year	Joint venture/associate
<b>US</b>					
	Cooper River	Purified terephthalic acid (PTA)	100.0	1,342	
	Decatur	PTA	100.0	1,043	
		Paraxylene (PX)	100.0	1,101	
		Naphthalene dicarboxylate	100.0	29	
	Texas City	Acetic acid	100.0	583 <sup>b</sup>	
		PX	100.0	1,272	
		Metaxylene	100.0	122	
				<b>5,492</b>	
<b>Europe</b>					
UK	Hull	Acetic acid	100.0	532	
		Acetic anhydride	100.0	154	
		Ethylidene diacetate	100.0	4	
Belgium	Geel	PTA	100.0	1,330	
		PX	100.0	624	
				<b>2,644</b>	
<b>Rest of World</b>					
China	Chongqing	Acetic acid	51.0	215	Yangtze River Acetyls Company Ltd
		Esters	51.0	52	Yangtze River Acetyls Company Ltd
	Zhuhai	PTA	85.0	1,524 <sup>c</sup>	
Indonesia	Merak	PTA	50.0	253	PT Amoco Mitsui Indonesia
Korea	Ulsan	Acetic acid	51.0	250	Samsung BP Chemicals Company Ltd
		Vinyl acetate monomer	34.0	56	Asian Acetyls Company Ltd
Malaysia	Kertih	Acetic acid	70.0	391	BP Petronas Acetyls Sdn Bhd
	Kuantan	PTA	100.0	609	
Taiwan	Kaohsiung	PTA	61.4	847	China American Petrochemical Company Ltd
	Taichung	PTA	61.4	471	China American Petrochemical Company Ltd
	Mai Liao	Acetic acid	50.0	179	Formosa BP Chemicals Corporation
				<b>4,847</b>	
				<b>12,983</b>	

### Olefins and derivatives (O&D)

<b>Europe</b>					
Germany	Gelsenkirchen	Ethylene	61.0	672	Ruhr Oel GmbH
		Propylene	57.0	347	Ruhr Oel GmbH
		Benzene	50.0	155	Ruhr Oel GmbH
		Cumene	50.0	274	Ruhr Oel GmbH
		Cyclohexane	50.0	73	Ruhr Oel GmbH
	Mülheim	Solvents	50.0	108	Ruhr Oel GmbH
				<b>1,629</b>	
<b>Rest of World</b>					
China	Caojing	Ethylene	50.0	653	Shanghai SECCO Petrochemical Company Ltd
		Propylene	50.0	395	Shanghai SECCO Petrochemical Company Ltd
		Styrene	50.0	356	Shanghai SECCO Petrochemical Company Ltd
		Polyethylene	50.0	385	Shanghai SECCO Petrochemical Company Ltd
		Polypropylene	50.0	143	Shanghai SECCO Petrochemical Company Ltd
		Polystyrene	50.0	164	Shanghai SECCO Petrochemical Company Ltd
		Acrylonitrile	50.0	153	Shanghai SECCO Petrochemical Company Ltd
		Butadiene	50.0	64	Shanghai SECCO Petrochemical Company Ltd
		Other	50.0	647	Shanghai SECCO Petrochemical Company Ltd
Malaysia	Kertih	Polyethylene	60.0	191	Polyethylene Malaysia Sdn Bhd
		Ethylene	15.0	66	Ethylene Malaysia Sdn Bhd
				<b>3,217</b>	
				<b>4,846</b>	

Total BP share of capacity at 31 December 2009

**17,829**

<sup>a</sup>Petrochemicals production capacity is the proven maximum sustainable daily rate (MSDR) multiplied by the number of days in the respective period, where MSDR is the highest average daily rate ever achieved over a sustained period.

<sup>b</sup>Sterling Chemicals plant, 100% of the output of which is marketed by BP.

<sup>c</sup>BP Zhuhai Chemical Company Ltd is a subsidiary of BP, the capacity of which is shown above at 100%.



## Petrochemicals production capacities<sup>a</sup> continued

### Petrochemicals production capacities summary

By geographical area	BP share of capacity thousand tonnes per year					Total
	PTA	PX	Acetic acid	Other	O&D	
US	2,385	2,373	583	151	–	<b>5,492</b>
Europe	1,330	624	532	158	1,629	<b>4,273</b>
Rest of World	3,704	–	1,035	108	3,217	<b>8,064</b>
Total BP share of capacity at 31 December 2009	<b>7,419</b>	<b>2,997</b>	<b>2,150</b>	<b>417</b>	<b>4,846</b>	<b>17,829</b>

<sup>a</sup> Petrochemicals production capacity is the proven maximum sustainable daily rate (MSDR) multiplied by the number of days in the respective period, where MSDR is the highest average daily rate ever achieved over a sustained period.



## Petrochemicals production<sup>a</sup>

By geographical area	thousand tonnes				
	2005	2006	2007	2008	2009
US	3,891	3,464	4,328	3,487	<b>3,110</b>
Europe	4,322	4,146	3,617	3,257	<b>3,455</b>
Rest of World	5,863	6,454	6,083	5,774	<b>5,826</b>
	<b>14,076</b>	<b>14,064</b>	<b>14,028</b>	<b>12,518</b>	<b>12,391</b>

<sup>a</sup> Comprises actual production in respect of the products listed in the capacity table above.



## Refinery throughputs and utilization

### Refinery throughputs<sup>a</sup>

	thousand barrels per day				
	2005	2006	2007	2008	2009
US	1,255	1,110	1,064	1,121	<b>1,238</b>
Europe	847	813	758	739	<b>755</b>
Rest of World	297	275	305	295	<b>294</b>
	<b>2,399</b>	<b>2,198</b>	<b>2,127</b>	<b>2,155</b>	<b>2,287</b>
Crude distillation capacity at 31 December	2,832	2,823	2,769	2,678	<b>2,666</b>
Refinery capacity utilization <sup>b</sup>	85%	78%	77%	81%	<b>86%</b>

<sup>a</sup> Refinery throughputs reflect crude and other feedstock volumes.

<sup>b</sup> Refinery utilization is annual throughput divided by crude distillation capacity, expressed as a percentage.

### Crude oil input

					%
	2005	2006	2007	2008	2009
Low sulphur crude	52	45	41	31	<b>34</b>
High sulphur crude	48	55	59	69	<b>66</b>

### Refinery yield<sup>a</sup>

	thousand barrels per day				
	2005	2006	2007	2008	2009
Aviation fuels	241	216	231	268	<b>276</b>
Gasolines	940	874	788	757	<b>818</b>
Middle distillates	715	626	607	631	<b>674</b>
Fuel oil	133	136	115	127	<b>123</b>
Other products	474	432	390	414	<b>447</b>
	<b>2,503</b>	<b>2,284</b>	<b>2,131</b>	<b>2,197</b>	<b>2,338</b>

<sup>a</sup> Refinery yields exceed throughputs because of volumetric expansion.



## Refineries

### Refinery capacities

		thousand barrels per day															
		Crude distillation capacities <sup>a</sup>										Major upgrading plant capacities <sup>b</sup>					
		Group interest % <sup>c</sup>	Total	BP share	Vacuum distillation	Fluid catalytic cracking	Hydro-cracking	Catalytic reforming	Alkylation and polymerization	Hydrotreating gasolene and naphtha	Hydrotreating jet dist and heavier	Visbreaking	Coker	Aromatics and isomerization	Asphalt	Hydrogen	Other <sup>d</sup> Nelson Complexity Index <sup>e</sup>
Wholly and partly owned refineries at 31 December 2009																	
US																	
California	Carson <sup>f</sup>	100.0	265	265	140	103	50	52	17	106	136	–	71	31	–	133	– 13.3
Washington	Cherry Point <sup>f</sup>	100.0	234	234	106	–	65	65	–	97	48	–	58	24	–	134	– 10.1
Indiana	Whiting <sup>f</sup>	100.0	405	405	190	165	–	64	25	121	205	–	34	26	30	59	– 9.5
Ohio	Toledo <sup>f</sup>	50.0	160	80	36	27	16	22	6	20	33	–	17	–	5	28	– 10.5
Texas	Texas City <sup>f</sup>	100.0	475	475	237	209	130	138	55	161	243	–	43	95	–	60	– 14.7
			1,539	1,459	709	504	261	341	103	505	665	–	223	176	35	414	– 12.0
Europe																	
Germany	Bayernoil	22.5	215	48	18	11	10	9	–	17	21	3	–	–	–	44	1 8.6
	Gelsenkirchen <sup>f</sup>	50.0	266	133	80	14	29	16	–	36	51	10	16	10	8	105	– 9.3
	Karlsruhe	12.0	323	39	16	10	–	7	2	12	29	–	4	2	–	–	1 9.1
	Lingen <sup>f</sup>	100.0	93	93	43	–	28	31	–	33	45	–	23	25	–	128	– 14.4
	Schwedt	18.8	226	42	29	11	–	7	2	17	35	10	–	5	1	8	1 11.2
Netherlands	Rotterdam <sup>f</sup>	100.0	386	386	87	60	–	30	9	64	272	36	–	–	–	14	3 5.6
Spain	Castellón <sup>f</sup>	100.0	110	110	47	30	–	16	3	55	84	–	20	19	–	86	– 12.2
			1,619	851	320	136	67	116	16	234	537	59	63	61	9	385	6 8.6
Rest of World																	
Australia	Bulwer <sup>f</sup>	100.0	102	102	39	23	20	16	3	20	43	–	–	–	3	35	– 7.3
	Kwinana <sup>f</sup>	100.0	137	137	22	35	–	24	6	49	49	–	–	15	2	–	– 7.6
New Zealand	Whangarei	23.7	112	27	9	–	7	6	–	10	10	–	–	–	1	14	– 7.0
South Africa	Durban	50.0	180	90	28	19	–	17	1	24	43	–	–	5	–	18	2 8.1
			531	356	98	77	27	63	10	103	145	–	–	20	6	67	2 7.6
			3,689	2,666	1,127	717	355	520	129	842	1,347	59	286	257	50	866	8 10.3

<sup>a</sup>Crude distillation capacity is gross-rated capacity, as defined by Solomon Associates – the highest average sustained unit rate for a consecutive 30-day period.

<sup>b</sup>These are shown as BP share of capacities; BP has varying interests.

<sup>c</sup>BP share of equity, which is not necessarily the same as BP share of processing entitlements.

<sup>d</sup>Other consists of ethyl, methyl tertiary butyl ether and lubricants units.

<sup>e</sup>Nelson Complexity Index is calculated as defined by the *Oil and Gas Journal* survey 2010. 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.

<sup>f</sup>Indicates refineries operated by BP.

### Regional refining distillation capacity

		thousand barrels per day				
		2005	2006	2007	2008	2009
USGC		475	475	475	475	475
USMW		560	560	560	483	485
USWC		492	497	500	500	499
Total US		1,527	1,532	1,535	1,458	1,459
Europe		939	922	866	851	851
Rest of World		366	369	368	369	356
Total		2,832	2,823	2,769	2,678	2,666





## Retail sites<sup>a,b</sup>

	at 31 December				
	2005	2006	2007	2008	2009
US	12,800	12,300	12,200	11,700	<b>11,500</b>
Europe	9,200	9,000	8,600	8,600	<b>8,600</b>
Rest of World	2,600	2,600	2,500	2,300	<b>2,300</b>
	<b>24,600</b>	<b>23,900</b>	<b>23,300</b>	<b>22,600</b>	<b>22,400</b>

<sup>a</sup>The number of retail sites includes sites not operated by BP but instead operated by dealers, jobbers, franchisees or brand licencees that operate under a BP brand. These may move to or from the BP brand as their fuel supply or brand licence agreements expire and are renegotiated in the normal course of business.

<sup>b</sup>Excludes our interest in equity-accounted entities that are dual branded.



## Oil sales volumes<sup>a</sup>

	thousand barrels per day				
	2005	2006	2007	2008	2009
Refined product marketing sales volumes by region					
US					
Aviation fuels	196	176	165	178	<b>173</b>
Gasolines	1,044	1,049	1,052	1,015	<b>1,010</b>
Middle distillates	307	296	260	201	<b>186</b>
Fuel oil	30	31	28	33	<b>30</b>
Other products	57	43	28	33	<b>27</b>
	<b>1,634</b>	<b>1,595</b>	<b>1,533</b>	<b>1,460</b>	<b>1,426</b>
Europe					
Aviation fuels	215	218	223	220	<b>231</b>
Gasolines	417	409	384	337	<b>324</b>
Middle distillates	751	741	711	719	<b>670</b>
Fuel oil	170	196	202	180	<b>158</b>
Other products	156	132	113	110	<b>121</b>
	<b>1,709</b>	<b>1,696</b>	<b>1,633</b>	<b>1,566</b>	<b>1,504</b>
Rest of World					
Aviation fuels	88	94	102	103	<b>91</b>
Gasolines	142	145	136	148	<b>110</b>
Middle distillates	127	133	148	135	<b>156</b>
Fuel oil	179	161	199	247	<b>230</b>
Other products	63	48	55	52	<b>43</b>
	<b>599</b>	<b>581</b>	<b>640</b>	<b>685</b>	<b>630</b>
Total marketing sales volumes by product					
Aviation fuels	499	488	490	501	<b>495</b>
Gasolines	1,603	1,603	1,572	1,500	<b>1,444</b>
Middle distillates	1,185	1,170	1,119	1,055	<b>1,012</b>
Fuel oil	379	388	429	460	<b>418</b>
Other products	276	223	196	195	<b>191</b>
Total marketing sales <sup>b</sup>	<b>3,942</b>	<b>3,872</b>	<b>3,806</b>	<b>3,711</b>	<b>3,560</b>
Trading/supply sales <sup>c</sup>	<b>1,946</b>	<b>1,929</b>	<b>1,818</b>	<b>1,987</b>	<b>2,327</b>
Total refined product sales	<b>5,888</b>	<b>5,801</b>	<b>5,624</b>	<b>5,698</b>	<b>5,887</b>
Crude oil sales	<b>2,464</b>	<b>2,110</b>	<b>1,885</b>	<b>1,689</b>	<b>1,824</b>
Total oil sales	<b>8,352</b>	<b>7,911</b>	<b>7,509</b>	<b>7,387</b>	<b>7,711</b>

### Sales and other operating revenues from marketing sales of refined product

	\$ million				
	2005	2006	2007	2008	2009
US	63,363	71,175	76,898	93,764	<b>63,442</b>
Europe	69,956	79,327	87,719	114,522	<b>71,189</b>
Rest of World	21,779	27,493	30,362	40,275	<b>31,457</b>
	<b>155,098</b>	<b>177,995</b>	<b>194,979</b>	<b>248,561</b>	<b>166,088</b>

<sup>a</sup>Excludes sales to other BP businesses and sales of petrochemicals products.

<sup>b</sup>Marketing sales are sales of refined products 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).

<sup>c</sup>Trading/supply sales are sales of refined products to large unbranded resellers and other oil companies.



# Other businesses and corporate

70 Financial statistics

71 Alternative Energy



## Financial statistics

Other businesses and corporate comprises the Alternative Energy business, Shipping, Treasury, the group's aluminium asset and corporate activities worldwide.

	\$ million				
	2005	2006	2007	2008	2009
Replacement cost profit (loss) before interest and tax					
US	(338)	(409)	(960)	(902)	<b>(728)</b>
Non-US	(564)	(432)	(249)	(321)	<b>(1,594)</b>
	(902)	(841)	(1,209)	(1,223)	<b>(2,322)</b>
Operating capital employed					
US	(3,070)	(3,303)	(1,903)	(2,505)	<b>(2,773)</b>
Non-US	1,292	4,504	6,785	3,247	<b>4,655</b>
	(1,778)	1,201	4,882	742	<b>1,882</b>
Sales and other operating revenues	11,118	3,372	3,698	4,634	<b>2,843</b>
Capital expenditure and acquisitions					
US	311	598	519	1,390	<b>1,071</b>
Non-US	595	254	420	449	<b>228</b>
	906	852	939	1,839	<b>1,299</b>
Employee numbers at year end	7,500	7,600	9,100	9,100	<b>7,200</b>



## Alternative Energy

Alternative Energy comprises BP's low-carbon businesses and future growth options outside oil and gas. It focuses on four key businesses with the potential to be viable, large-scale and long-term – biofuels, wind, solar, and hydrogen power and carbon capture and storage.

	megawatts				
	2005	2006	2007	2008	2009
Wind capacity <sup>a</sup>					
US	–	11	100	322	<b>679</b>
Non-US	32	32	72	110	<b>32</b>
	32	43	172	432	<b>711</b>
Solar sales <sup>b</sup>	103	97	115	162	<b>203</b>

<sup>a</sup>Wind 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 1,237 megawatts (MW) in 2009, 785MW in 2008, 373MW in 2007, 43MW in 2006 and 32MW in 2005.

<sup>b</sup>Solar sales are the total sales of solar modules to third-party customers, expressed in MW.

## Miscellaneous terms

In this document, unless the context otherwise requires, the following terms shall have the meaning set out below.

### ADR

American depositary receipt.

### ADS

American depositary share.

### AGM

Annual general meeting.

### Amoco

The former Amoco Corporation and its subsidiaries.

### Atlantic Richfield

Atlantic Richfield Company and its subsidiaries.

### Associate

An entity, including an unincorporated entity such as a partnership, over which the group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to part in the financial and operating policy decisions of an entity but is not control or joint control over those policies.

### Barrel

42 US gallons.

### b/d

barrels per day.

### boe

barrels of oil equivalent.

### BP, BP group or the group

BP p.l.c. and its subsidiaries.

### Burmah Castrol

Burmah Castrol PLC and its subsidiaries.

### Cent or c

One-hundredth of the US dollar.

### The company

BP p.l.c.

### 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.

### Dollar or \$

The US dollar.

### 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.

### EU

European Union.

### Gas

Natural gas.

### Hydrocarbons

Crude oil and natural gas.

### IFRS

International Finance Reporting Standards.

### Joint control

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

### Joint venture

A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

### Jointly controlled asset

A joint venture where the venturers jointly control, and often have a direct ownership interest in, the assets of the venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred.

### Jointly controlled entity

A joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. A contractual arrangement between the venturers establishes joint control over the economic activity of the entity.

### Liquids

Crude oil, condensate and natural gas liquids.

### LNG

Liquefied natural gas.

### London Stock Exchange or LSE

London Stock Exchange plc.

### LPG

Liquefied petroleum gas.

### mb/d

thousand barrels per day.

### mboe/d

thousand barrels of oil equivalent per day.

### mmBtu

million British thermal units.

---

**mmboe**

million barrels of oil equivalent.

---

**mmcf**

million cubic feet.

---

**mmcf/d**

million cubic feet per day.

---

**MTBE**

Methyl tertiary butyl ether.

---

**MW**

Megawatt.

---

**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.

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**NGLs**

Natural gas liquids.

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**OPEC**

Organization of Petroleum Exporting Countries.

---

**Ordinary shares**

Ordinary fully paid shares in BP p.l.c. of 25c each.

---

**Pence or p**

One-hundredth of a pound sterling.

---

**Pound sterling or £**

The pound sterling.

---

**Preference shares**

Cumulative First Preference Shares and Cumulative Second Preference Shares in BP p.l.c. of £1 each.

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**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).

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**PSA**

A production-sharing agreement (PSA) is an arrangement through which an oil company bears the risks and costs of exploration, development and production. In return, if exploration is successful, the oil company receives entitlement to variable physical volumes of hydrocarbons, representing recovery of the costs incurred and a stipulated share of the production remaining after such cost recovery.

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**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.

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**SEC**

The United States Securities and Exchange Commission.

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**Subsidiary**

An entity that is controlled by the BP group. Control is the power to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

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**Tonne**

2,204.6 pounds.

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**UK**

United Kingdom of Great Britain and Northern Ireland.

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**US**

United States of America.



**Full glossary of terms**  
[bp.com/investorsglossary](http://bp.com/investorsglossary)

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## 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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### Acknowledgements

**Design** [sasdesign.co.uk](http://sasdesign.co.uk)

**Typesetting** Orb Solutions, London

**Photography** Marc Morrison, Aaron Tait

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