

Financial and Operating Information 2008-2012

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Cautionary statement

BP Financial and Operating Information 2008-2012 contains certain forward-looking statements – that is, statements related to future, not past events – 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’, ‘anticipates’, ‘plans’, ‘we see’ or similar expressions. 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 receipt of relevant third party and/or government approvals; the timing of bringing new fields onstream; the timing of certain disposals; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA effects; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought; the actions of prosecutors, regulatory authorities and courts; the actions of the Claims Administrator appointed under the Economic and Property Damages Settlement; the actions of all parties to the Deepwater Horizon oil spill-related litigation at various phases of the litigation; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors; the actions of contractors; 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 in the *BP Annual Report and Form 20-F 2012* filed with the US Securities and Exchange Commission (SEC), including under ‘Risk factors’ on [pages 38-44](#) therein (the 20-F Risk Factors). In addition to factors set forth in the 20-F Risk Factors, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. For more information you should refer to the *BP Annual Report and Form 20-F 2012* filed with the SEC.

Cautionary statement to US investors

We use certain terms in this report, 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 the *BP Annual Report and Form 20-F 2012*, SEC File No.1-06262. This form is available on our website at bp.com/annualreport. 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.

Statements regarding competitive position

Statements referring to BP’s competitive position are based on the company’s belief and, in some cases, rely on a range of sources, including investment analysts’ reports, independent market studies and BP’s internal assessments of market share based on publicly available information about the financial results and performance of market participants.

Introduction

We aim to create value for shareholders by helping to meet growing demand for energy in a responsible way.

Our activities also generate jobs, investment, infrastructure and revenues for governments and local communities. We operate in over 80 countries.

Our priorities are to enhance safety and risk management, earn back trust and grow value. We strive to be a safety leader in our industry, a world-class operator, a responsible corporate citizen and a good employer.

We are working to build a stronger, safer BP that plays to its distinctive strengths and capabilities: exploration, operations in deep water, the managing of giant fields and gas value chains, and our downstream business. Innovative technology and strong relationships with governments, partners and communities around the world underpin our activities.

We have two main business segments: Upstream and Downstream. Through these, our activities are focused on finding, developing and producing essential sources of energy, and turning these sources into products that people need. We provide our customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make everyday items as diverse as paints, clothes and packaging. We also invest in renewable energy sources, which we believe will be an increasing source of value for BP. Our activities are focused on biofuels and wind. These are managed through our Alternative Energy business, which is reported in Other businesses and corporate.



For more information,
see bp.com/investors

Interactive resources

Visit 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 Form 20-F 2012* and *BP Sustainability Report 2012*. Copies may be obtained free of charge (see [page 88](#)).

BP history at a glance



Upstream: BP has been in Azerbaijan since 1992 and is the largest foreign investor in the country. We have an active exploration and appraisal programme and Azerbaijan is one of our principal areas of production. We operate two production-sharing agreements – Azeri-Chirag-Gunashli and Shah Deniz – and other exploration leases.



Downstream: Our global aviation business, Air BP, is one of the world's largest and best-known aviation fuels suppliers, serving many major commercial airlines as well as the general aviation and military sectors. In the second quarter of 2012, we completed the acquisition of Shell and Cosan Industria e Commercio's interests in significant aviation fuels assets at seven Brazilian airports, which is an important growth market.

1909

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

1920s-1930s

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

1922

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

1954

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

1969

BP enters North America with its discovery and major share of the Prudhoe Bay oilfield on Alaska's North Slope. This leads in the following year to BP 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% of its 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 *Castrol*, one of the world's great brands.



Russia: BP has been an investor in Russia for more than 20 years. Most recently we completed the sale of our 50% share of TNK-BP to Rosneft. As a result of the transaction, BP received cash and also a 19.75% share in Rosneft, the biggest publicly traded oil company in the world in terms of oil production and reserves.



As an Official Partner of the London 2012 Olympic and Paralympic Games, BP invested its resources and capabilities over four years to support the Games. We believe our support enabled us to improve perceptions of BP and enhance our reputation. The Games also provided an opportunity to strengthen our relationships with many business partners from around the world.

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.

2009

Carl-Henric Svanberg succeeds Peter Sutherland as chairman. Production starts from Atlantis Phase 2, Dorado and King South in the Gulf of Mexico.

2003

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

2010

A tragic accident on the Deepwater Horizon rig claims the lives of 11 men and causes environmental damage in the Gulf of Mexico. BP's response effort involves co-ordinating some 48,000 people and more than 6,500 vessels. Bob Dudley succeeds Tony Hayward as group chief executive.

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 low-carbon business, is launched.

2011

BP sets out its 10-point plan focused on building value for shareholders, and announced 55 new exploration licences; a return to drilling in the Gulf of Mexico; completion of major transactions in Brazil and India; and a year of very strong earnings in the downstream business.

2007

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.

2012

2012 was a year of milestones as BP continued to reshape the portfolio, reaching the \$38-billion target for divestments a year early, and focusing investment in areas with the greatest potential to generate strong and reliable operating cash flow growth. We brought onstream five major upstream projects, delivered a record year of downstream earnings and reached a number of legal settlements in the US relating to the Deepwater Horizon accident. We also agreed to sell our share of TNK-BP to Rosneft in exchange for cash and also a significant shareholding in Rosneft. The transaction completed in March 2013.

2008

Thunder Horse, in the Gulf of Mexico, comes onstream. It is the largest semi-submersible facility in the world.

Basis of preparation

BP prepares its consolidated financial statements included within *BP Financial and Operating Information 2008-2012* on the basis of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the European Union (EU) and in accordance with the provisions of the Companies Act 2006. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the group's consolidated financial statements for the years presented. Certain non-GAAP information is also presented as explained on the relevant pages.

To the greatest extent possible, the information in this book has been presented on the basis that BP will report its financial information in 2013, in accordance with the accounting policies expected to be used in preparing *BP Annual Report and Form 20-F 2013*. These accounting policies differ from those used in the *BP Annual Report and Form 20-F 2012* as noted below.

BP adopted several new and amended standards issued by the IASB with effect from 1 January 2013. Of these the following two standards have a significant effect on the group's consolidated financial statements:

- IFRS 11 'Joint arrangements' – Under IFRS 11 certain of the group's existing jointly controlled entities, which were previously equity accounted, now fall under the definition of a joint operation and thus the group's assets, liabilities, revenue and expenses relating to these arrangements are recognized in the group's consolidated financial statements. Whilst the effect on the group's reported income and net assets as a result of the new requirements is not material, the change impacts certain of the component lines of the income statement, balance sheet and cash flow statement.

- IAS 19 'Employee benefits' – Amendments to the standard bring in various changes relating to the recognition and measurement of post-retirement defined benefit expense and termination benefits. The main impact for BP is that the expense for defined benefit pension and other post-retirement benefits plans will include a net interest income or expense, which will be calculated by applying the discount rate used for measuring the obligation and applying that to the net defined benefit asset or liability. This means that the expected return on assets credited to profit or loss (previously calculated based on the expected long-term return on pension assets) is now based on a lower corporate bond rate, the same rate that is used to discount the pension liability. There is no impact on cash flows or on the balance sheet.

Financial information in this book for 2011 and 2012 has been restated to reflect both the adoption of the amended IAS 19 'Employee benefits' and the new standard IFRS 11 'Joint arrangements'. Financial information in this book for 2008, 2009 and 2010 has been restated to reflect only the adoption of the amended IAS 19 'Employee benefits'.

The accounting policies that will be used in preparing *BP Annual Report and Form 20-F 2013* which differ from those used in *BP Annual Report and Form 20-F 2012* are set out on [page 84](#).

Within this document, financial information is colour-coded as follows:

Quarterly and annual information

2008-2010	Restated for IAS 19	30,000 30,000	Green type Annual total in bold
2011-2012	Restated for IAS 19 and IFRS 11	30,000 30,000	Black type Annual total in bold

The financial information for 2008-2010 (quarterly and annual) has been restated to reflect the adoption of amendments to IAS 19 'Employee benefits'. 2008-2010 financial information has not been restated to reflect IFRS 11 'Joint arrangements'.

The financial information for 2011 and 2012 (quarterly and annual) has been restated to reflect the adoption of IFRS 11 'Joint arrangements' and amendments to IAS 19 'Employee benefits'.

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Financial performance

Highlights

	2008	2009	2010	2011	2012
Underlying replacement cost profit for the year (\$ million) ^{a b}	25,796	14,362	20,177	21,170	17,071
per ordinary share (cents)	137.28	76.66	107.39	111.97	89.70
per American depositary share (dollars) ^c	8.24	4.60	6.44	6.72	5.38
Non-operating items and fair value accounting effects, net of tax (\$ million) ^a	(650)	(622)	(25,436)	2,242	(5,643)
Replacement cost profit (loss) for the year (\$ million) ^{a b}	25,146	13,740	(5,259)	23,412	11,428
per ordinary share (cents)	133.82	73.34	(28.01)	123.83	60.05
per American depositary share (dollars) ^c	8.03	4.40	(1.68)	7.43	3.60

^a Replacement cost (RC) profit or loss reflects the replacement cost of supplies. RC profit or loss for the group is a non-GAAP measure. Underlying RC profit is RC profit after adjusting for non-operating items and fair value accounting effects. Underlying RC profit and fair value accounting effects are not recognized GAAP measures. For further information see [page 7](#).

^b Profit attributable to BP shareholders.

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

External environment

	2008	2009	2010	2011	2012
BP average liquids realizations (\$ per barrel (\$/bbl)) ^{a b}	90.20	56.26	73.41	101.29	102.10
BP average natural gas realizations (\$ per thousand cubic feet (\$/mcf)) ^b	6.00	3.25	3.97	4.69	4.75
Refining marker margin (\$/bbl) ^c	15.7	9.8	10.7	14.5	18.2

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

^b Realizations are based on sales of consolidated subsidiaries only, which excludes equity-accounted entities.

^c The refining marker margin (RMM) is the average of regional indicator margins weighted for BP's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

Group income statement

For the year ended 31 December

	\$ million				
	2008	2009	2010	2011	2012
Sales and other operating revenues	361,143	239,272	297,107	375,713	375,765
Earnings from joint ventures – after interest and tax	3,023	1,286	1,175	767	260
Earnings from associates – after interest and tax	798	2,615	3,582	4,916	3,675
Interest and other income	736	792	681	688	1,677
Gains on sale of businesses and fixed assets	1,353	2,173	6,383	4,132	6,697
Total revenues and other income	367,053	246,138	308,928	386,216	388,074
Purchases	(266,982)	(163,772)	(216,211)	(285,133)	(292,774)
Production and manufacturing expenses ^a	(26,756)	(23,202)	(64,615)	(24,163)	(33,926)
Production and similar taxes	(8,953)	(3,752)	(5,244)	(8,280)	(8,158)
Depreciation, depletion and amortization	(10,985)	(12,106)	(11,164)	(11,357)	(12,687)
Impairment and losses on sale of businesses and fixed assets	(1,733)	(2,333)	(1,689)	(2,058)	(6,275)
Exploration expense	(882)	(1,116)	(843)	(1,520)	(1,475)
Distribution and administration expenses	(15,412)	(14,038)	(12,555)	(13,958)	(13,357)
Fair value gain (loss) on embedded derivatives	(111)	607	(309)	68	347
Profit (loss) before interest and taxation	35,239	26,426	(3,702)	39,815	19,769
Finance costs ^a	(1,547)	(1,110)	(1,170)	(1,187)	(1,072)
Net finance income (expense) relating to pensions and other post-retirement benefits	(42)	(499)	(435)	(400)	(566)
Profit (loss) before taxation	33,650	24,817	(5,307)	38,228	18,131
Taxation ^a	(12,431)	(8,273)	1,638	(12,619)	(6,880)
Profit (loss) for the year	21,219	16,544	(3,669)	25,609	11,251
Attributable to					
BP shareholders	20,710	16,363	(4,064)	25,212	11,017
Non-controlling interest	509	181	395	397	234
	21,219	16,544	(3,669)	25,609	11,251
Earnings per share – cents					
Profit (loss) for the year attributable to BP shareholders					
Basic	110.21	87.34	(21.64)	133.35	57.89
Diluted	109.20	86.40	(21.64)	131.74	57.50
Replacement cost results^{b c d}					
Profit (loss) for the year	20,710	16,363	(4,064)	25,212	11,017
Inventory holding (gains) losses, net of tax	4,436	(2,623)	(1,195)	(1,800)	411
Replacement cost profit (loss) for the year	25,146	13,740	(5,259)	23,412	11,428
Non-operating items and fair value accounting effects, net of tax	650	622	25,436	(2,242)	5,643
Underlying replacement cost profit for the year	25,796	14,362	20,177	21,170	17,071
Research and development expenditure amounted to	595	587	780	636	674

^a See [page 20](#) for information on the impact of the Gulf of Mexico oil spill on these income statement line items in 2012, 2011 and 2010.

^b Replacement cost (RC) profit (loss) reflects the replacement cost of supplies and is arrived at by excluding inventory holding gains and losses from profit or loss. RC profit or loss is the measure of profit or loss for each operating segment that is required to be disclosed under International Financial Reporting Standards (IFRS). RC profit or loss for the group is not a recognized generally accepted accounting practice (GAAP) measure. The equivalent measure on an International Finance Reporting Standards (IFRS) basis is 'profit (loss) for the year'. Inventory holding gains and losses represent the difference between the cost of sales calculated using the average cost to BP of supplies acquired during the period and the cost of sales calculated on the first-in first-out (FIFO) method after adjusting for any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which we use for IFRS reporting, the cost of inventory charged to the income statement is based on its historic cost of purchase or manufacture, rather than its 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) for inventory on a FIFO basis (after adjusting for any related movements in net realizable value provisions) and the charge that would have arisen if an average cost of supplies was used for the period. For this purpose, the average cost of supplies during the period is principally calculated on a monthly basis by dividing the total cost of inventory acquired in the period by the number of barrels acquired. The amounts disclosed are not separately reflected in the financial statements as a gain or loss. No adjustment is made in respect of the cost of inventories held as part of a trading position and certain other temporary inventory positions. Management believes this information is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due principally to changes in oil prices as well as changes to underlying inventory levels. In order for investors to understand the operating performance of the group excluding the impact of oil price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, BP's management believes it is helpful to disclose this information.

^c Profit (loss) attributable to BP shareholders.

^d Underlying RC profit or loss is RC profit or loss after adjusting for non-operating items and fair value accounting effects. Underlying RC profit or loss and fair value accounting effects are not recognized GAAP measures. On [pages 14-19](#), we provide additional information on the non-operating items and fair value accounting effects that are used to arrive at underlying RC profit or loss in order to enable a full understanding of the events and their financial impact. BP believes that underlying RC profit or loss is a useful measure for investors because it is a measure closely tracked by management to evaluate BP's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in BP's operational performance on a comparable basis, period on period, by adjusting for the effects of these non-operating items and fair value accounting effects.

Analysis of underlying replacement cost (RC) profit and RC profit before interest and tax and reconciliation to profit for the period

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
Underlying replacement cost profit (loss) before interest and tax ^a										
Upstream	9,963	11,769	10,645	4,941	37,318	3,717	3,858	5,546	6,547	19,668
Downstream	539	799	1,336	644	3,318	1,549	972	1,071	15	3,607
TNK-BP ^b	744	1,351	849	(682)	2,262	134	546	732	536	1,948
Other businesses and corporate	(132)	(191)	112	(379)	(590)	(440)	(544)	(522)	(327)	(1,833)
Consolidation adjustment	(784)	(221)	838	633	466	(405)	76	104	(492)	(717)
Underlying replacement cost profit before interest and tax	10,330	13,507	13,780	5,157	42,774	4,555	4,908	6,931	6,279	22,673
Finance costs and net finance income (expense) relating to pensions and other post-retirement benefits	(414)	(388)	(400)	(387)	(1,589)	(440)	(397)	(391)	(381)	(1,609)
Underlying replacement cost profit before taxation	9,916	13,119	13,380	4,770	41,185	4,115	4,511	6,540	5,898	21,064
Taxation on an underlying replacement cost basis	(3,682)	(4,604)	(4,476)	(2,118)	(14,880)	(1,549)	(1,583)	(1,903)	(1,486)	(6,521)
Underlying replacement cost profit for the period	6,234	8,515	8,904	2,652	26,305	2,566	2,928	4,637	4,412	14,543
Attributable to										
BP shareholders	6,116	8,403	8,767	2,510	25,796	2,531	2,884	4,618	4,329	14,362
Non-controlling interest	118	112	137	142	509	35	44	19	83	181
Underlying replacement cost profit for the period	6,234	8,515	8,904	2,652	26,305	2,566	2,928	4,637	4,412	14,543
Earnings on underlying replacement cost profit										
per ordinary share – cents	32.40	44.64	46.77	13.41	137.28	13.52	15.40	24.65	23.09	76.66
per ADS – dollars	1.94	2.68	2.81	0.80	8.24	0.81	0.92	1.48	1.39	4.60
Non-operating items and fair value accounting effects ^c										
Upstream	(635)	(2,349)	1,215	497	(1,272)	469	642	651	1,422	3,184
Downstream	710	(260)	636	(228)	858	(459)	(292)	(155)	(1,958)	(2,864)
TNK-BP	–	–	–	–	–	–	–	–	–	–
Other businesses and corporate	(81)	(123)	(128)	(301)	(633)	(321)	(39)	(64)	(65)	(489)
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Total before interest and taxation	(6)	(2,732)	1,723	(32)	(1,047)	(311)	311	432	(601)	(169)
Finance costs ^d	–	–	–	–	–	–	–	–	–	–
Total before taxation	(6)	(2,732)	1,723	(32)	(1,047)	(311)	311	432	(601)	(169)
Taxation credit (charge) ^e	2	957	(576)	14	397	117	(109)	(125)	(336)	(453)
Non-operating items and fair value accounting effects	(4)	(1,775)	1,147	(18)	(650)	(194)	202	307	(937)	(622)
Replacement cost profit (loss) before interest and tax ^a										
Upstream	9,328	9,420	11,860	5,438	36,046	4,186	4,500	6,197	7,969	22,852
Downstream	1,249	539	1,972	416	4,176	1,090	680	916	(1,943)	743
TNK-BP ^b	744	1,351	849	(682)	2,262	134	546	732	536	1,948
Other businesses and corporate	(213)	(314)	(16)	(680)	(1,223)	(761)	(583)	(586)	(392)	(2,322)
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Consolidation adjustment	(784)	(221)	838	633	466	(405)	76	104	(492)	(717)
Replacement cost profit (loss) before interest and tax	10,324	10,775	15,503	5,125	41,727	4,244	5,219	7,363	5,678	22,504
Finance costs and net finance income (expense) relating to pensions and other post-retirement benefits	(414)	(388)	(400)	(387)	(1,589)	(440)	(397)	(391)	(381)	(1,609)
Replacement cost profit (loss) before taxation	9,910	10,387	15,103	4,738	40,138	3,804	4,822	6,972	5,297	20,895
Taxation on a replacement cost basis	(3,680)	(3,647)	(5,052)	(2,104)	(14,483)	(1,432)	(1,692)	(2,028)	(1,822)	(6,974)
Replacement cost profit (loss) for the period	6,230	6,740	10,051	2,634	25,655	2,372	3,130	4,944	3,475	13,921
Attributable to										
BP shareholders	6,112	6,628	9,914	2,492	25,146	2,337	3,086	4,925	3,392	13,740
Non-controlling interest	118	112	137	142	509	35	44	19	83	181
Replacement cost profit (loss) for the period	6,230	6,740	10,051	2,634	25,655	2,372	3,130	4,944	3,475	13,921
Earnings on replacement cost profit (loss)										
per ordinary share – cents	32.38	35.21	52.89	13.31	133.82	12.48	16.47	26.29	18.09	73.34
per ADS – dollars	1.94	2.11	3.17	0.80	8.03	0.75	0.99	1.58	1.09	4.40
Replacement cost profit (loss) for the period	6,230	6,740	10,051	2,634	25,655	2,372	3,130	4,944	3,475	13,921
Inventory holding gains (losses), net of tax	863	2,612	(1,980)	(5,931)	(4,436)	175	1,245	355	848	2,623
Profit (loss) for the period	7,093	9,352	8,071	(3,297)	21,219	2,547	4,375	5,299	4,323	16,544
Earnings on profit (loss) for the period										
per ordinary share – cents										
Basic	36.95	49.08	42.32	(18.39)	110.21	13.42	23.12	28.18	22.61	87.34
Diluted	36.62	48.59	41.91	(18.39)	109.20	13.28	22.87	27.88	22.35	86.40
per ADS – dollars										
Basic	2.21	2.95	2.54	(1.10)	6.61	0.81	1.39	1.69	1.36	5.24
Diluted	2.20	2.92	2.51	(1.10)	6.55	0.80	1.37	1.67	1.34	5.18

^a Replacement cost (RC) profit or loss reflects the replacement cost of supplies. RC profit or loss for the group is a non-GAAP measure. Underlying RC profit is RC profit after adjusting for non-operating items and fair value accounting effects. Underlying RC profit and fair value accounting effects are non-GAAP measures. See page 7 for more information.

^b Net of finance costs, taxation and non-controlling interest. BP ceased equity accounting for its share of TNK-BP's earnings from 22 October 2012.

^c Information on fair value accounting effects is non-GAAP.

^d Finance costs relate to the Gulf of Mexico oil spill.

^e For the Gulf of Mexico oil spill, certain impairment losses in the second quarter 2012 and certain disposal gains in the fourth quarter 2012, tax is based on US statutory tax rates, except for non-deductible items. For dividends received from TNK-BP in the fourth quarter 2012, there is no tax arising. For other items reported by consolidated subsidiaries, tax is calculated using the group's discrete quarterly effective tax rate (adjusted for the items noted above, equity-accounted earnings from the first quarter 2012 onwards and the impact of the deferred tax adjustments relating to changes to taxation of UK oil and gas production (first quarter 2011 \$683 million and third quarter 2012 \$256 million)). Non-operating items arising within the equity-accounted earnings of TNK-BP are reported net of tax. In the fourth quarter and full year 2009, no tax credit was calculated on the goodwill impairment in Downstream because the charge is not tax deductible.

Analysis of underlying replacement cost (RC) profit and RC profit before interest and tax and reconciliation to profit for the period continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
7,645	5,815	5,811	5,802	25,073	6,680	6,328	6,286	5,923	25,217	6,294	4,401	4,366	4,375	19,436
789	1,724	1,626	744	4,883	2,199	1,392	1,665	753	6,009	927	1,133	3,009	1,394	6,463
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,157	452	1,294	224	3,127
(210)	(141)	(482)	(483)	(1,316)	(293)	(338)	(405)	(610)	(1,646)	(435)	(540)	(573)	(448)	(1,996)
208	98	85	56	447	(542)	515	(213)	127	(113)	(541)	457	(64)	(428)	(576)
8,975	7,986	7,770	6,973	31,704	9,171	8,978	8,272	7,180	33,601	7,402	5,903	8,032	5,117	26,454
(349)	(332)	(409)	(438)	(1,528)	(370)	(387)	(372)	(400)	(1,529)	(399)	(386)	(373)	(461)	(1,619)
8,626	7,654	7,361	6,535	30,176	8,801	8,591	7,900	6,780	32,072	7,003	5,517	7,659	4,656	24,835
(2,954)	(2,654)	(1,835)	(2,161)	(9,604)	(3,348)	(2,946)	(2,391)	(1,820)	(10,505)	(2,291)	(1,921)	(2,576)	(742)	(7,530)
5,672	5,000	5,526	4,374	20,572	5,453	5,645	5,509	4,960	21,567	4,712	3,596	5,083	3,914	17,305
5,563	4,898	5,438	4,278	20,177	5,392	5,575	5,332	4,871	21,170	4,651	3,551	5,017	3,852	17,071
109	102	88	96	395	61	70	177	89	397	61	45	66	62	234
5,672	5,000	5,526	4,374	20,572	5,453	5,645	5,509	4,960	21,567	4,712	3,596	5,083	3,914	17,305
29.64	26.07	28.94	22.76	107.39	28.66	29.51	28.14	25.68	111.97	24.51	18.66	26.35	20.19	89.70
1.78	1.56	1.74	1.37	6.44	1.72	1.77	1.69	1.54	6.72	1.47	1.12	1.58	1.21	5.38
104	(61)	1,809	1,344	3,196	739	(699)	461	640	1,141	689	(1,488)	541	3,313	3,055
(60)	351	161	220	672	(117)	(53)	(173)	(196)	(539)	(68)	(2,865)	(601)	(65)	(3,599)
—	—	—	—	—	—	—	—	—	—	(93)	—	(12)	351	246
(118)	71	(86)	(67)	(200)	(181)	(263)	76	(454)	(822)	(236)	18	(523)	(57)	(798)
—	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
(74)	(31,831)	(5,772)	487	(37,190)	57	(398)	(177)	4,098	3,580	322	(5,178)	(651)	(584)	(6,091)
—	—	(47)	(30)	(77)	(16)	(15)	(14)	(13)	(58)	(6)	(4)	(3)	(6)	(19)
(74)	(31,831)	(5,819)	457	(37,267)	41	(413)	(191)	4,085	3,522	316	(5,182)	(654)	(590)	(6,110)
25	9,878	2,135	(207)	11,831	66	116	4	(1,466)	(1,280)	(186)	1,735	171	(1,253)	467
(49)	(21,953)	(3,684)	250	(25,436)	107	(297)	(187)	2,619	2,242	130	(3,447)	(483)	(1,843)	(5,643)
7,749	5,754	7,620	7,146	28,269	7,419	5,629	6,747	6,563	26,358	6,983	2,913	4,907	7,688	22,491
729	2,075	1,787	964	5,555	2,082	1,339	1,492	557	5,470	859	(1,732)	2,408	1,329	2,864
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,064	452	1,282	575	3,373
(328)	(70)	(568)	(550)	(1,516)	(474)	(601)	(329)	(1,064)	(2,468)	(671)	(522)	(1,096)	(505)	(2,794)
—	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
208	98	85	56	447	(542)	515	(213)	127	(113)	(541)	457	(64)	(428)	(576)
8,901	(23,845)	1,998	7,460	(5,486)	9,228	8,580	8,095	11,278	37,181	7,724	725	7,381	4,533	20,363
(349)	(332)	(456)	(468)	(1,605)	(386)	(402)	(386)	(413)	(1,587)	(405)	(390)	(376)	(467)	(1,638)
8,552	(24,177)	1,542	6,992	(7,091)	8,842	8,178	7,709	10,865	35,594	7,319	335	7,005	4,066	18,725
(2,929)	7,224	300	(2,368)	2,227	(3,282)	(2,830)	(2,387)	(3,286)	(11,785)	(2,477)	(186)	(2,405)	(1,995)	(7,063)
5,623	(16,953)	1,842	4,624	(4,864)	5,560	5,348	5,322	7,579	23,809	4,842	149	4,600	2,071	11,662
5,514	(17,055)	1,754	4,528	(5,259)	5,499	5,278	5,145	7,490	23,412	4,781	104	4,534	2,009	11,428
109	102	88	96	395	61	70	177	89	397	61	45	66	62	234
5,623	(16,953)	1,842	4,624	(4,864)	5,560	5,348	5,322	7,579	23,809	4,842	149	4,600	2,071	11,662
29.38	(90.78)	9.33	24.09	(28.01)	29.22	27.94	27.15	39.49	123.83	25.19	0.54	23.82	10.53	60.05
1.76	(5.45)	0.56	1.45	(1.68)	1.75	1.68	1.63	2.37	7.43	1.51	0.03	1.43	0.63	3.60
5,623	(16,953)	1,842	4,624	(4,864)	5,560	5,348	5,322	7,579	23,809	4,842	149	4,600	2,071	11,662
481	(177)	(62)	953	1,195	1,643	311	(233)	79	1,800	986	(1,623)	747	(521)	(411)
6,104	(17,130)	1,780	5,577	(3,669)	7,203	5,659	5,089	7,658	25,609	5,828	(1,474)	5,347	1,550	11,251
31.94	(91.73)	9.00	29.16	(21.64)	37.96	29.59	25.93	39.90	133.35	30.39	(7.99)	27.74	7.80	57.89
31.54	(91.73)	8.90	28.83	(21.64)	37.51	29.23	25.60	39.38	131.74	29.97	(7.99)	27.59	7.75	57.50
1.92	(5.50)	0.54	1.75	(1.30)	2.28	1.78	1.56	2.39	8.00	1.82	(0.48)	1.66	0.47	3.47
1.89	(5.50)	0.53	1.73	(1.30)	2.25	1.75	1.54	2.36	7.90	1.80	(0.48)	1.66	0.46	3.45

Replacement cost profit (loss) before interest and tax by business and geographical area

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
By business										
Upstream										
US	3,085	3,601	3,739	1,299	11,724	1,143	1,161	1,864	2,517	6,685
Non-US	6,243	5,819	8,121	4,139	24,322	3,043	3,339	4,333	5,452	16,167
	9,328	9,420	11,860	5,438	36,046	4,186	4,500	6,197	7,969	22,852
Downstream										
US	154	(401)	338	(735)	(644)	308	(326)	(229)	(2,331)	(2,578)
Non-US	1,095	940	1,634	1,151	4,820	782	1,006	1,145	388	3,321
	1,249	539	1,972	416	4,176	1,090	680	916	(1,943)	743
TNK-BP ^a										
US	–	–	–	–	–	–	–	–	–	–
Non-US	744	1,351	849	(682)	2,262	134	546	732	536	1,948
	744	1,351	849	(682)	2,262	134	546	732	536	1,948
Other businesses and corporate										
US	(152)	(185)	(288)	(277)	(902)	(279)	(129)	(179)	(141)	(728)
Non-US	(61)	(129)	272	(403)	(321)	(482)	(454)	(407)	(251)	(1,594)
	(213)	(314)	(16)	(680)	(1,223)	(761)	(583)	(586)	(392)	(2,322)
	11,108	10,996	14,665	4,492	41,261	4,649	5,143	7,259	6,170	23,221
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Consolidation adjustment	(784)	(221)	838	633	466	(405)	76	104	(492)	(717)
Total for period	10,324	10,775	15,503	5,125	41,727	4,244	5,219	7,363	5,678	22,504
By geographical area										
US	2,621	3,267	4,419	371	10,678	854	730	1,516	(294)	2,806
Non-US	7,703	7,508	11,084	4,754	31,049	3,390	4,489	5,847	5,972	19,698
Total for period	10,324	10,775	15,503	5,125	41,727	4,244	5,219	7,363	5,678	22,504

^a Net of finance costs, taxation and non-controlling interest. BP ceased equity accounting for its share of TNK-BP's earnings from 22 October 2012.

Replacement cost profit (loss) before interest and
tax by business and geographical area continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
2,762	1,798	3,602	1,522	9,684	1,875	731	1,432	2,158	6,196	2,534	(1,584)	1,178	4,790	6,918
4,987	3,956	4,018	5,624	18,585	5,544	4,898	5,315	4,405	20,162	4,449	4,497	3,729	2,898	15,573
7,749	5,754	7,620	7,146	28,269	7,419	5,629	6,747	6,563	26,358	6,983	2,913	4,907	7,688	22,491
(63)	757	220	21	935	640	(17)	761	31	1,415	158	(1,984)	1,106	478	(242)
792	1,318	1,567	943	4,620	1,442	1,356	731	526	4,055	701	252	1,302	851	3,106
729	2,075	1,787	964	5,555	2,082	1,339	1,492	557	5,470	859	(1,732)	2,408	1,329	2,864
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,064	452	1,282	575	3,373
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,064	452	1,282	575	3,373
(231)	(119)	(156)	(225)	(731)	(188)	(168)	(294)	(580)	(1,230)	(307)	(277)	(712)	(345)	(1,641)
(97)	49	(412)	(325)	(785)	(286)	(433)	(35)	(484)	(1,238)	(364)	(245)	(384)	(160)	(1,153)
(328)	(70)	(568)	(550)	(1,516)	(474)	(601)	(329)	(1,064)	(2,468)	(671)	(522)	(1,096)	(505)	(2,794)
8,693	8,249	9,569	8,414	34,925	10,154	7,448	8,849	7,043	33,494	8,235	1,111	7,501	9,087	25,934
—	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
208	98	85	56	447	(542)	515	(213)	127	(113)	(541)	457	(64)	(428)	(576)
8,901	(23,845)	1,998	7,460	(5,486)	9,228	8,580	8,095	11,278	37,181	7,724	725	7,381	4,533	20,363
2,590	(29,171)	(3,891)	385	(30,087)	1,813	1,361	1,141	5,887	10,202	1,935	(4,246)	1,422	1,069	180
6,311	5,326	5,889	7,075	24,601	7,415	7,219	6,954	5,391	26,979	5,789	4,971	5,959	3,464	20,183
8,901	(23,845)	1,998	7,460	(5,486)	9,228	8,580	8,095	11,278	37,181	7,724	725	7,381	4,533	20,363

Underlying replacement cost profit before interest and tax by business and geographical area

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
By business										
Upstream										
US	3,235	3,845	3,600	1,606	12,286	864	951	1,760	2,278	5,853
Non-US	6,728	7,924	7,045	3,335	25,032	2,853	2,907	3,786	4,269	13,815
	9,963	11,769	10,645	4,941	37,318	3,717	3,858	5,546	6,547	19,668
Downstream										
US	(715)	(438)	151	(687)	(1,689)	377	(253)	(56)	(625)	(557)
Non-US	1,254	1,237	1,185	1,331	5,007	1,172	1,225	1,127	640	4,164
	539	799	1,336	644	3,318	1,549	972	1,071	15	3,607
TNK-BP ^a										
US	—	—	—	—	—	—	—	—	—	—
Non-US	744	1,351	849	(682)	2,262	134	546	732	536	1,948
	744	1,351	849	(682)	2,262	134	546	732	536	1,948
Other businesses and corporate										
US	(103)	(152)	(183)	(162)	(600)	(163)	(96)	(150)	(155)	(564)
Non-US	(29)	(39)	295	(217)	10	(277)	(448)	(372)	(172)	(1,269)
	(132)	(191)	112	(379)	(590)	(440)	(544)	(522)	(327)	(1,833)
	11,114	13,728	12,942	4,524	42,308	4,960	4,832	6,827	6,771	23,390
Consolidation adjustment	(784)	(221)	838	633	466	(405)	76	104	(492)	(717)
Total for period	10,330	13,507	13,780	5,157	42,774	4,555	4,908	6,931	6,279	22,673
By geographical area										
US	1,951	3,507	4,198	841	10,497	760	626	1,614	1,159	4,159
Non-US	8,379	10,000	9,582	4,316	32,277	3,795	4,282	5,317	5,120	18,514
Total for period	10,330	13,507	13,780	5,157	42,774	4,555	4,908	6,931	6,279	22,673

^a Net of finance costs, taxation and non-controlling interest. BP ceased equity accounting for its share of TNK-BP's earnings from 22 October 2012.

Underlying replacement cost profit before interest and tax by business
and geographical area continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
2,743	1,989	1,835	1,786	8,353	1,846	1,479	1,473	1,310	6,108	1,658	628	741	827	3,854
4,902	3,826	3,976	4,016	16,720	4,834	4,849	4,813	4,613	19,109	4,636	3,773	3,625	3,548	15,582
7,645	5,815	5,811	5,802	25,073	6,680	6,328	6,286	5,923	25,217	6,294	4,401	4,366	4,375	19,436
(76)	569	65	6	564	704	151	927	196	1,978	289	450	1,723	583	3,045
865	1,155	1,561	738	4,319	1,495	1,241	738	557	4,031	638	683	1,286	811	3,418
789	1,724	1,626	744	4,883	2,199	1,392	1,665	753	6,009	927	1,133	3,009	1,394	6,463
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,157	452	1,294	224	3,127
543	490	730	854	2,617	1,127	1,081	939	987	4,134	1,157	452	1,294	224	3,127
(125)	(112)	(85)	(171)	(493)	(189)	(156)	(182)	(270)	(797)	(165)	(185)	(218)	(291)	(859)
(85)	(29)	(397)	(312)	(823)	(104)	(182)	(223)	(340)	(849)	(270)	(355)	(355)	(157)	(1,137)
(210)	(141)	(482)	(483)	(1,316)	(293)	(338)	(405)	(610)	(1,646)	(435)	(540)	(573)	(448)	(1,996)
8,767	7,888	7,685	6,917	31,257	9,713	8,463	8,485	7,053	33,714	7,943	5,446	8,096	5,545	27,030
208	98	85	56	447	(542)	515	(213)	127	(113)	(541)	457	(64)	(428)	(576)
8,975	7,986	7,770	6,973	31,704	9,171	8,978	8,272	7,180	33,601	7,402	5,903	8,032	5,117	26,454
2,664	3,031	1,914	1,698	9,307	2,231	1,672	2,001	1,406	7,310	1,302	1,335	2,152	1,391	6,180
6,311	4,955	5,856	5,275	22,397	6,940	7,306	6,271	5,774	26,291	6,100	4,568	5,880	3,726	20,274
8,975	7,986	7,770	6,973	31,704	9,171	8,978	8,272	7,180	33,601	7,402	5,903	8,032	5,117	26,454

Non-operating items^a by business

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
Upstream										
Impairment and gain (loss) on sale of businesses and fixed assets	21	111	33	(1,180)	(1,015)	73	359	72	1,070	1,574
Environmental and other provisions	–	(5)	(7)	–	(12)	–	–	3	–	3
Restructuring, integration and rationalization costs	(44)	–	(6)	(7)	(57)	(1)	(6)	1	(4)	(10)
Fair value gain (loss) on embedded derivatives	(684)	(2,082)	1,098	1,505	(163)	243	154	370	(103)	664
Other	331	–	–	(74)	257	(4)	–	25	13	34
	(376)	(1,976)	1,118	244	(990)	311	507	471	976	2,265
Downstream										
Impairment and gain (loss) on sale of businesses and fixed assets ^b	814	(13)	114	(114)	801	(21)	(52)	(13)	(1,518)	(1,604)
Environmental and other provisions	–	–	(62)	(2)	(64)	–	–	(190)	(29)	(219)
Restructuring, integration and rationalization costs	(205)	(86)	(52)	(104)	(447)	(263)	(114)	(38)	(492)	(907)
Fair value gain (loss) on embedded derivatives	–	–	–	57	57	(57)	–	–	–	(57)
Other	–	–	–	–	–	(9)	–	–	193	184
	609	(99)	–	(163)	347	(350)	(166)	(241)	(1,846)	(2,603)
TNK-BP										
Impairment and gain (loss) on sale of businesses and fixed assets ^b	–	–	–	–	–	–	–	–	–	–
Environmental and other provisions	–	–	–	–	–	–	–	–	–	–
Restructuring, integration and rationalization costs	–	–	–	–	–	–	–	–	–	–
Fair value gain (loss) on embedded derivatives	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–
Other businesses and corporate										
Impairment and gain (loss) on sale of businesses and fixed assets	50	(42)	(8)	(166)	(166)	(108)	(1)	(14)	(7)	(130)
Environmental and other provisions	–	–	(76)	(41)	(117)	(75)	–	(16)	16	(75)
Restructuring, integration and rationalization costs	(58)	(75)	(30)	(91)	(254)	(71)	(37)	(28)	(47)	(183)
Fair value gain (loss) on embedded derivatives	(6)	1	–	–	(5)	–	–	–	–	–
Other	(67)	(7)	(14)	(3)	(91)	(67)	(1)	(6)	(27)	(101)
	(81)	(123)	(128)	(301)	(633)	(321)	(39)	(64)	(65)	(489)
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Total before interest and taxation	152	(2,198)	990	(220)	(1,276)	(360)	302	166	(935)	(827)
Finance costs^c	–	–	–	–	–	–	–	–	–	–
Total before taxation	152	(2,198)	990	(220)	(1,276)	(360)	302	166	(935)	(827)
Taxation credit (charge)^d	(56)	770	(331)	97	480	135	(106)	(48)	(221)	(240)
Total after taxation	96	(1,428)	659	(123)	(796)	(225)	196	118	(1,156)	(1,067)

^a Non-operating items are charges and credits that BP discloses separately because it considers such disclosures to be meaningful and relevant to investors. These disclosures are provided in order to enable investors better to understand and evaluate the group's financial performance.

^b Includes the impairment of goodwill allocated to the US West Coast fuels value chain of \$1,579 million in the fourth quarter of 2009. The second quarter 2012 includes impairment charges of \$2,665 million in the fuels business, mainly relating to Texas City refinery and Carson refinery and their associated assets.

^c Finance costs relate to the Gulf of Mexico oil spill. For more information see [page 20](#).

^d For the Gulf of Mexico oil spill, certain impairment losses in the second quarter and certain disposal gains in the fourth quarter 2012, tax is based on US statutory tax rates, except for non-deductible items. For dividends received from TNK-BP in the fourth quarter 2012, there is no tax arising. For other items reported by consolidated subsidiaries, tax is calculated using the group's discrete quarterly effective tax rate (adjusted for the items noted above, equity-accounted earnings from the first quarter 2012 onwards and the deferred tax adjustments relating to changes to the taxation of UK oil and gas production (first quarter 2011 \$683 million and third quarter 2012 \$256 million)). Non-operating items arising within the equity-accounted earnings of TNK-BP are reported net of tax. In the fourth quarter and full year 2009, no tax credit was calculated on the goodwill impairment in Downstream because the charge is not tax deductible.

Non-operating items by business continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
(13)	660	1,735	1,430	3,812	1,089	(403)	321	1,124	2,131	928	(1,455)	492	3,673	3,638
–	–	(54)	–	(54)	–	–	(25)	(2)	(27)	–	–	(48)	–	(48)
(104)	(13)	(6)	(14)	(137)	–	–	1	(1)	–	–	–	–	–	–
146	(452)	20	(23)	(309)	(328)	142	211	166	191	(100)	271	73	103	347
12	(134)	46	(37)	(113)	(51)	(403)	(8)	(703)	(1,165)	(6)	(311)	(1)	(430)	(748)
41	61	1,741	1,356	3,199	710	(664)	500	584	1,130	822	(1,495)	516	3,346	3,189
(45)	270	507	145	877	5	(207)	(16)	(114)	(332)	(85)	(2,653)	(115)	(81)	(2,934)
–	–	(83)	(15)	(98)	–	(2)	(193)	(26)	(221)	–	–	(171)	–	(171)
12	(30)	(32)	(47)	(97)	(1)	(4)	(12)	13	(4)	(12)	(12)	(21)	13	(32)
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(37)	(8)	(10)	3	(52)	(21)	(4)	(6)	(14)	(45)	(9)	(13)	(8)	(5)	(35)
(70)	232	382	86	630	(17)	(217)	(227)	(141)	(602)	(106)	(2,678)	(315)	(73)	(3,172)
–	–	–	–	–	–	–	–	–	–	(93)	–	38	–	(55)
–	–	–	–	–	–	–	–	–	–	–	–	(50)	(33)	(83)
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	384	384
–	–	–	–	–	–	–	–	–	–	(93)	–	(12)	351	246
(68)	97	(1)	(23)	5	35	4	274	(38)	275	(50)	29	(253)	(8)	(282)
–	(4)	(77)	(22)	(103)	–	(12)	(135)	(73)	(220)	(15)	–	(246)	–	(261)
(38)	(22)	(8)	(13)	(81)	1	2	(18)	(24)	(39)	–	(1)	–	(14)	(15)
–	–	–	–	–	(217)	7	87	–	(123)	1	(1)	(1)	1	–
(12)	–	–	(9)	(21)	–	(264)	(132)	(319)	(715)	(172)	(9)	(23)	(36)	(240)
(118)	71	(86)	(67)	(200)	(181)	(263)	76	(454)	(822)	(236)	18	(523)	(57)	(798)
–	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
(147)	(31,828)	(5,619)	365	(37,229)	128	(527)	(192)	4,097	3,506	417	(4,998)	(390)	(559)	(5,530)
–	–	(47)	(30)	(77)	(16)	(15)	(14)	(13)	(58)	(6)	(4)	(3)	(6)	(19)
(147)	(31,828)	(5,666)	335	(37,306)	112	(542)	(206)	4,084	3,448	411	(5,002)	(393)	(565)	(5,549)
50	9,877	2,097	(167)	11,857	44	160	9	(1,466)	(1,253)	(226)	1,663	72	(1,258)	251
(97)	(21,951)	(3,569)	168	(25,449)	156	(382)	(197)	2,618	2,195	185	(3,339)	(321)	(1,823)	(5,298)

Non-operating items by geographical area

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
Upstream										
US	(8)	(8)	3	(318)	(331)	71	118	(65)	21	145
Non-US	(368)	(1,968)	1,115	562	(659)	240	389	536	955	2,120
	(376)	(1,976)	1,118	244	(990)	311	507	471	976	2,265
Downstream										
US ^a	774	(16)	13	43	814	(134)	(27)	(179)	(1,697)	(2,037)
Non-US	(165)	(83)	(13)	(206)	(467)	(216)	(139)	(62)	(149)	(566)
	609	(99)	–	(163)	347	(350)	(166)	(241)	(1,846)	(2,603)
TNK-BP										
US	–	–	–	–	–	–	–	–	–	–
Non-US	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–
Other businesses and corporate										
US	(49)	(33)	(105)	(115)	(302)	(116)	(33)	(29)	14	(164)
Non-US	(32)	(90)	(23)	(186)	(331)	(205)	(6)	(35)	(79)	(325)
	(81)	(123)	(128)	(301)	(633)	(321)	(39)	(64)	(65)	(489)
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Total before interest and taxation	152	(2,198)	990	(220)	(1,276)	(360)	302	166	(935)	(827)
Finance costs ^b	–	–	–	–	–	–	–	–	–	–
Total before taxation	152	(2,198)	990	(220)	(1,276)	(360)	302	166	(935)	(827)
Taxation credit (charge) ^c	(56)	770	(331)	97	480	135	(106)	(48)	(221)	(240)
Total after taxation	96	(1,428)	659	(123)	(796)	(225)	196	118	(1,156)	(1,067)

^a Includes the impairment of goodwill allocated to the US West Coast fuels value chain of \$1,579 million in the fourth quarter of 2009. The second quarter 2012 includes impairment charges of \$2,665 million in the fuels business, mainly relating to Texas City refinery and Carson refinery and their associated assets.

^b Finance costs relate to the Gulf of Mexico oil spill. For more information see [page 20](#).

^c For the Gulf of Mexico oil spill, certain impairment losses in the second quarter 2012 and certain disposal gains in the fourth quarter 2012, tax is based on US statutory tax rates, except for non-deductible items. For dividends received from TNK-BP in the fourth quarter 2012, there is no tax arising. For other items reported by consolidated subsidiaries, tax is calculated using the group's discrete quarterly effective tax rate (adjusted for the items noted above, equity-accounted earnings from the first quarter 2012 onwards and the deferred tax adjustments relating to changes to the taxation of UK oil and gas production (first quarter 2011 \$683 million and third quarter 2012 \$256 million)). Non-operating items arising within the equity-accounted earnings of TNK-BP are reported net of tax. In the fourth quarter and full year 2009, no tax credit was calculated on the goodwill impairment in Downstream because the charge is not tax deductible.

Non-operating items by geographical area continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
(62)	(156)	1,681	(273)	1,190	4	(730)	(32)	831	73	947	(2,273)	465	3,992	3,131
103	217	60	1,629	2,009	706	66	532	(247)	1,057	(125)	778	51	(646)	58
41	61	1,741	1,356	3,199	710	(664)	500	584	1,130	822	(1,495)	516	3,346	3,189
(3)	151	216	(12)	352	(16)	(239)	(184)	(124)	(563)	(88)	(2,433)	(229)	(96)	(2,846)
(67)	81	166	98	278	(1)	22	(43)	(17)	(39)	(18)	(245)	(86)	23	(326)
(70)	232	382	86	630	(17)	(217)	(227)	(141)	(602)	(106)	(2,678)	(315)	(73)	(3,172)
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	(93)	—	(12)	351	246
—	—	—	—	—	—	—	—	—	—	(93)	—	(12)	351	246
(106)	(7)	(71)	(54)	(238)	1	(12)	(112)	(310)	(433)	(142)	(92)	(494)	(54)	(782)
(12)	78	(15)	(13)	38	(182)	(251)	188	(144)	(389)	(94)	110	(29)	(3)	(16)
(118)	71	(86)	(67)	(200)	(181)	(263)	76	(454)	(822)	(236)	18	(523)	(57)	(798)
—	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
(147)	(31,828)	(5,619)	365	(37,229)	128	(527)	(192)	4,097	3,506	417	(4,998)	(390)	(559)	(5,530)
—	—	(47)	(30)	(77)	(16)	(15)	(14)	(13)	(58)	(6)	(4)	(3)	(6)	(19)
(147)	(31,828)	(5,666)	335	(37,306)	112	(542)	(206)	4,084	3,448	411	(5,002)	(393)	(565)	(5,549)
50	9,877	2,097	(167)	11,857	44	160	9	(1,466)	(1,253)	(226)	1,663	72	(1,258)	251
(97)	(21,951)	(3,569)	168	(25,449)	156	(382)	(197)	2,618	2,195	185	(3,339)	(321)	(1,823)	(5,298)

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. Under IFRS, these inventories are recorded at historic cost. 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.

BP enters into commodity contracts to meet certain business requirements, such as the purchase of crude for a refinery or the sale of BP's gas production. Under IFRS these contracts are treated as derivatives and are required to be fair valued when they are managed as part of a larger portfolio of similar transactions. Gains and losses arising are recognized in the income statement from the time the derivative commodity contract is entered into.

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
By business										
Upstream	(259)	(373)	97	253	(282)	158	135	180	446	919
Downstream	101	(161)	636	(65)	511	(109)	(126)	86	(112)	(261)
	(158)	(534)	733	188	229	49	9	266	334	658
Taxation credit (charge) ^a	58	187	(245)	(83)	(83)	(18)	(3)	(77)	(115)	(213)
	(100)	(347)	488	105	146	31	6	189	219	445
By geographical area										
Upstream										
US	(142)	(236)	136	11	(231)	208	92	169	218	687
Non-US	(117)	(137)	(39)	242	(51)	(50)	43	11	228	232
	(259)	(373)	97	253	(282)	158	135	180	446	919
Downstream										
US	95	53	174	(91)	231	65	(46)	6	(9)	16
Non-US	6	(214)	462	26	280	(174)	(80)	80	(103)	(277)
	101	(161)	636	(65)	511	(109)	(126)	86	(112)	(261)

^a Tax is calculated using the group's discrete quarterly effective tax rate (adjusted for the Gulf of Mexico oil spill, certain impairment losses in the second quarter 2012 and certain disposal gains in the fourth quarter 2012, equity-accounted earnings from the first quarter 2012 onwards and the deferred tax adjustments relating to changes to the taxation of UK oil and gas production (first quarter 2011 \$683 million and third quarter 2012 \$256 million)).

Total of non-operating items and fair value accounting effects

	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009
Upstream										
US	(150)	(244)	139	(307)	(562)	279	210	104	239	832
Non-US	(485)	(2,105)	1,076	804	(710)	190	432	547	1,183	2,352
	(635)	(2,349)	1,215	497	(1,272)	469	642	651	1,422	3,184
Downstream										
US ^a	869	37	187	(48)	1,045	(69)	(73)	(173)	(1,706)	(2,021)
Non-US	(159)	(297)	449	(180)	(187)	(390)	(219)	18	(252)	(843)
	710	(260)	636	(228)	858	(459)	(292)	(155)	(1,958)	(2,864)
TNK-BP										
US	–	–	–	–	–	–	–	–	–	–
Non-US	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–
Other businesses and corporate										
US	(49)	(33)	(105)	(115)	(302)	(116)	(33)	(29)	14	(164)
Non-US	(32)	(90)	(23)	(186)	(331)	(205)	(6)	(35)	(79)	(325)
	(81)	(123)	(128)	(301)	(633)	(321)	(39)	(64)	(65)	(489)
Gulf of Mexico oil spill response	–	–	–	–	–	–	–	–	–	–
Total before interest and taxation	(6)	(2,732)	1,723	(32)	(1,047)	(311)	311	432	(601)	(169)
Finance costs^b	–	–	–	–	–	–	–	–	–	–
Total before taxation	(6)	(2,732)	1,723	(32)	(1,047)	(311)	311	432	(601)	(169)
Taxation credit (charge)^c	2	957	(576)	14	397	117	(109)	(125)	(336)	(453)
Total after taxation for period	(4)	(1,775)	1,147	(18)	(650)	(194)	202	307	(937)	(622)

^a Includes the impairment of goodwill allocated to the US West Coast fuels value chain of \$1,579 million in the fourth quarter of 2009. The second quarter 2012 includes impairment charges of \$2,665 million in the fuels business, mainly relating to Texas City refinery and Carson refinery and their associated assets.

^b Finance costs relate to the Gulf of Mexico oil spill. For more information see [page 20](#).

^c For the Gulf of Mexico oil spill, certain impairment losses in the second quarter 2012 and certain disposal gains in the fourth quarter 2012, tax is based on US statutory tax rates, except for non-deductible items. For dividends received from TNK-BP in the fourth quarter 2012, there is no tax arising. For other items reported by consolidated subsidiaries, tax is calculated using the group's discrete quarterly effective tax rate (adjusted for the items noted above, equity-accounted earnings from the first quarter 2012 onwards and the deferred tax adjustments relating to changes to the taxation of UK oil and gas production (first quarter 2011 \$683 million and third quarter 2012 \$256 million)). Non-operating items arising within the equity-accounted earnings of TNK-BP are reported net of tax. In the fourth quarter and full year 2009, no tax credit was calculated on the goodwill impairment in Downstream because the charge is not tax deductible.

Fair value accounting effects continued

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.

BP enters into contracts for pipelines and storage capacity, oil and gas processing and liquefied natural gas (LNG) that, under IFRS, are recorded on an accruals basis. These contracts are risk-managed using a variety of derivative instruments, which 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 management's internal measure of performance the inventory, capacity, oil and gas processing and LNG contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period and the commodity contracts for business requirements are accounted for on an accruals basis. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables them 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	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
63	(122)	68	(12)	(3)	29	(35)	(39)	56	11	(133)	7	25	(33)	(134)
10	119	(221)	134	42	(100)	164	54	(55)	63	38	(187)	(286)	8	(427)
73	(3)	(153)	122	39	(71)	129	15	1	74	(95)	(180)	(261)	(25)	(561)
(25)	1	38	(40)	(26)	22	(44)	(5)	—	(27)	40	72	99	5	216
48	(2)	(115)	82	13	(49)	85	10	1	47	(55)	(108)	(162)	(20)	(345)
81	(35)	86	9	141	25	(18)	(9)	17	15	(71)	61	(28)	(29)	(67)
(18)	(87)	(18)	(21)	(144)	4	(17)	(30)	39	(4)	(62)	(54)	53	(4)	(67)
63	(122)	68	(12)	(3)	29	(35)	(39)	56	11	(133)	7	25	(33)	(134)
16	37	(61)	27	19	(48)	71	18	(41)	—	(43)	(1)	(388)	(9)	(441)
(6)	82	(160)	107	23	(52)	93	36	(14)	63	81	(186)	102	17	14
10	119	(221)	134	42	(100)	164	54	(55)	63	38	(187)	(286)	8	(427)

Total of non-operating items and fair value accounting effects continued

\$ million														
Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
19	(191)	1,767	(264)	1,331	29	(748)	(41)	848	88	876	(2,212)	437	3,963	3,064
85	130	42	1,608	1,865	710	49	502	(208)	1,053	(187)	724	104	(650)	(9)
104	(61)	1,809	1,344	3,196	739	(699)	461	640	1,141	689	(1,488)	541	3,313	3,055
13	188	155	15	371	(64)	(168)	(166)	(165)	(563)	(131)	(2,434)	(617)	(105)	(3,287)
(73)	163	6	205	301	(53)	115	(7)	(31)	24	63	(431)	16	40	(312)
(60)	351	161	220	672	(117)	(53)	(173)	(196)	(539)	(68)	(2,865)	(601)	(65)	(3,599)
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	(93)	—	(12)	351	246
—	—	—	—	—	—	—	—	—	—	(93)	—	(12)	351	246
(106)	(7)	(71)	(54)	(238)	1	(12)	(112)	(310)	(433)	(142)	(92)	(494)	(54)	(782)
(12)	78	(15)	(13)	38	(182)	(251)	188	(144)	(389)	(94)	110	(29)	(3)	(16)
(118)	71	(86)	(67)	(200)	(181)	(263)	76	(454)	(822)	(236)	18	(523)	(57)	(798)
—	(32,192)	(7,656)	(1,010)	(40,858)	(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
(74)	(31,831)	(5,772)	487	(37,190)	57	(398)	(177)	4,098	3,580	322	(5,178)	(651)	(584)	(6,091)
—	—	(47)	(30)	(77)	(16)	(15)	(14)	(13)	(58)	(6)	(4)	(3)	(6)	(19)
(74)	(31,831)	(5,819)	457	(37,267)	41	(413)	(191)	4,085	3,522	316	(5,182)	(654)	(590)	(6,110)
25	9,878	2,135	(207)	11,831	66	116	4	(1,466)	(1,280)	(186)	1,735	171	(1,253)	467
(49)	(21,953)	(3,684)	250	(25,436)	107	(297)	(187)	2,619	2,242	130	(3,447)	(483)	(1,843)	(5,643)

Gulf of Mexico oil spill

Income statement
Production and manufacturing expenses
Profit (loss) before interest and taxation
Finance costs
Profit (loss) before taxation
Less: taxation
Profit (loss) for the period
Balance sheet
Current assets
Trade and other receivables
Current liabilities
Trade and other payables
Provisions
Net current liabilities
Non-current assets
Other receivables
Non-current liabilities
Other payables
Provisions
Deferred tax
Net non-current liabilities
Net assets
Cash flow statement
Profit (loss) before taxation
Finance costs
Net charge for provisions, less payments
Movements in other current and non-current assets and liabilities
Pre-tax cash flows

Q1	Q2	Q3	Q4	2010
–	32,192	7,656	1,010	40,858
–	(32,192)	(7,656)	(1,010)	(40,858)
–	–	47	30	77
–	(32,192)	(7,703)	(1,040)	(40,935)
–	10,003	2,604	287	12,894
–	(22,189)	(5,099)	(753)	(28,041)
–	6,233	6,663	5,943	5,943
–	(8,276)	(7,272)	(6,587)	(6,587)
–	(11,809)	(11,343)	(7,938)	(7,938)
–	(13,852)	(11,952)	(8,582)	(8,582)
–	1,693	352	3,601	3,601
–	(12,080)	(11,010)	(9,899)	(9,899)
–	(5,837)	(5,062)	(8,397)	(8,397)
–	9,440	10,988	11,255	11,255
–	(6,784)	(4,732)	(3,440)	(3,440)
–	(20,636)	(16,684)	(12,022)	(12,022)
–	(32,192)	(7,703)	(1,040)	(40,935)
–	–	47	30	77
–	17,646	(409)	2,117	19,354
–	12,430	(2,042)	(6,542)	3,846
–	(2,116)	(10,107)	(5,435)	(17,658)

Gulf of Mexico oil spill continued

\$ million									
Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012
384	(617)	541	(4,108)	(3,800)	(30)	843	56	4,126	4,995
(384)	617	(541)	4,108	3,800	30	(843)	(56)	(4,126)	(4,995)
16	15	14	13	58	6	4	3	6	19
(400)	602	(555)	4,095	3,742	24	(847)	(59)	(4,132)	(5,014)
201	(234)	115	(1,469)	(1,387)	(26)	102	(51)	69	94
(199)	368	(440)	2,626	2,355	(2)	(745)	(110)	(4,063)	(4,920)
5,981	7,170	5,598	8,487	8,487	4,985	5,109	4,913	4,239	4,239
(6,031)	(6,796)	(5,495)	(5,425)	(5,425)	(3,800)	(2,377)	(1,118)	(522)	(522)
(7,379)	(7,414)	(7,078)	(9,437)	(9,437)	(5,877)	(6,177)	(6,181)	(5,449)	(5,449)
(7,429)	(7,040)	(6,975)	(6,375)	(6,375)	(4,692)	(3,445)	(2,386)	(1,732)	(1,732)
3,563	2,667	2,278	1,642	1,642	4,881	4,181	4,754	2,264	2,264
(8,667)	(6,307)	(5,071)	—	—	—	—	—	(175)	(175)
(8,098)	(6,964)	(6,611)	(5,896)	(5,896)	(9,048)	(8,745)	(8,909)	(9,751)	(9,751)
11,218	10,497	9,721	7,775	7,775	7,211	7,285	5,841	4,002	4,002
(1,984)	(107)	317	3,521	3,521	3,044	2,721	1,686	(3,660)	(3,660)
(9,413)	(7,147)	(6,658)	(2,854)	(2,854)	(1,648)	(724)	(700)	(5,392)	(5,392)
(400)	602	(555)	4,095	3,742	24	(847)	(59)	(4,132)	(5,014)
16	15	14	13	58	6	4	3	6	19
202	(90)	244	2,343	2,699	85	585	546	3,618	4,834
(2,864)	(2,912)	(1,523)	(8,106)	(15,405)	(1,861)	(1,439)	(2,017)	(771)	(6,088)
(3,046)	(2,385)	(1,820)	(1,655)	(8,906)	(1,746)	(1,697)	(1,527)	(1,279)	(6,249)

Sales and other operating revenues

	\$ million				
	2008	2009	2010	2011	2012
By business					
Upstream	86,170	57,626	66,266	75,754	72,225
Downstream	320,039	213,050	266,751	344,033	346,391
Other businesses and corporate	4,634	2,843	3,328	2,957	1,985
	410,843	273,519	336,345	422,744	420,601
Less: sales and other operating revenues between businesses					
Upstream	45,931	32,540	37,049	44,766	42,572
Downstream	1,918	821	1,358	1,396	1,365
Other businesses and corporate	1,851	886	831	869	899
	49,700	34,247	39,238	47,031	44,836
Third-party sales and other operating revenues					
Upstream	40,239	25,086	29,217	30,988	29,653
Downstream	318,121	212,229	265,393	342,637	345,026
Other businesses and corporate	2,783	1,957	2,497	2,088	1,086
Total third-party sales and other operating revenues	361,143	239,272	297,107	375,713	375,765
By geographical area					
US	130,142	87,283	107,256	140,223	138,304
Non-US	267,246	173,822	220,059	277,036	275,105
	397,388	261,105	327,315	417,259	413,409
Less: sales and other operating revenues between areas	36,245	21,833	30,208	41,546	37,644
	361,143	239,272	297,107	375,713	375,765

Production and similar taxes

	\$ million				
	2008	2009	2010	2011	2012
Production and similar taxes provided for					
US	2,602	649	1,093	1,854	1,472
Non-US	6,351	3,103	4,151	6,426	6,686
	8,953	3,752	5,244	8,280	8,158
Production and similar taxes paid					
US	2,735	766	1,059	1,879	1,585
Non-US	6,681	3,219	4,402	6,425	6,997
	9,416	3,985	5,461	8,304	8,582

Taxation

	\$ million				
	2008	2009	2010	2011	2012
Tax on profit (loss)					
Current tax charge	13,383	5,745	6,692	7,611	6,916
Deferred tax charge (credit)	(952)	2,528	(8,330)	5,008	(36)
Total tax on profit (loss)	12,431	8,273	(1,638)	12,619	6,880
Taxation (charge) credit on inventory holdings gains and losses	2,052	(1,299)	(589)	(834)	183
Tax on replacement cost profit (loss)	14,483	6,974	(2,227)	11,785	7,063
Effective tax rates on					
Replacement cost profit (loss) for the year	36%	33%	31%	33%	38%
Profit (loss) for the year	37%	33%	31%	33%	38%
Income taxes paid	12,824	6,324	6,610	8,063	6,482

Depreciation, depletion and amortization

					\$ million
	2008	2009	2010	2011	2012
By business					
Upstream					
US	3,012	4,150	3,751	3,201	3,437
Non-US	5,428	5,407	4,865	5,540	6,918
	8,440	9,557	8,616	8,741	10,355
Downstream					
US	825	919	955	860	586
Non-US	1,383	1,317	1,303	1,431	1,343
	2,208	2,236	2,258	2,291	1,929
Other businesses and corporate					
US	132	136	140	151	213
Non-US	205	177	150	174	190
	337	313	290	325	403
	10,985	12,106	11,164	11,357	12,687
By geographical area					
US	3,969	5,205	4,846	4,212	4,236
Non-US	7,016	6,901	6,318	7,145	8,451
Total	10,985	12,106	11,164	11,357	12,687

Group balance sheet

At 31 December	\$ million				
	2008	2009	2010	2011	2012
Non-current assets					
Property, plant and equipment	103,200	108,275	110,163	123,431	125,331
Goodwill	9,878	8,620	8,598	12,429	12,190
Intangible assets	10,260	11,548	14,298	21,653	24,632
Investments in joint ventures	23,826	15,296	14,927	8,303	8,614
Investments in associates	4,000	12,963	13,335	13,291	2,998
Other investments ^a	1,316	2,033	1,689	2,635	2,704
Fixed assets	152,480	158,735	163,010	181,742	176,469
Loans	995	1,039	894	824	642
Trade and other receivables	710	1,729	6,298	5,738	5,961
Derivative financial instruments	5,054	3,965	4,210	5,038	4,294
Prepayments ^a	877	941	934	739	830
Deferred tax assets	–	516	528	611	874
Defined benefit pension plan surpluses	1,738	1,390	2,176	17	12
	161,854	168,315	178,050	194,709	189,082
Current assets					
Loans	168	249	247	244	247
Inventories	16,821	22,605	26,218	26,073	28,203
Trade and other receivables	29,261	29,531	36,549	43,589	37,611
Derivative financial instruments	8,510	4,967	4,356	3,857	4,507
Prepayments	3,050	1,753	1,574	1,315	1,091
Current tax receivable	377	209	693	235	456
Other investments	–	–	1,532	288	319
Cash and cash equivalents	8,197	8,339	18,556	14,177	19,635
	66,384	67,653	89,725	89,778	92,069
Assets classified as held for sale	–	–	4,487	8,420	19,315
	66,384	67,653	94,212	98,198	111,384
Total assets	228,238	235,968	272,262	292,907	300,466
Current liabilities					
Trade and other payables	33,644	35,204	46,329	52,000	46,673
Derivative financial instruments	8,977	4,681	3,856	3,220	2,658
Accruals	6,743	6,202	5,612	6,016	6,875
Finance debt	15,740	9,109	14,626	9,039	10,033
Current tax payable	3,144	2,464	2,920	1,943	2,503
Provisions	1,545	1,660	9,489	11,238	7,587
	69,793	59,320	82,832	83,456	76,329
Liabilities directly associated with the assets classified as held for sale	–	–	1,047	538	846
	69,793	59,320	83,879	83,994	77,175
Non-current liabilities					
Other payables	3,080	3,198	14,285	3,214	2,292
Derivative financial instruments	6,271	3,474	3,677	3,773	2,723
Accruals	784	703	637	400	491
Finance debt	17,464	25,518	30,710	35,169	38,767
Deferred tax liabilities	16,198	18,662	10,908	15,220	15,243
Provisions	12,108	12,970	22,418	26,462	30,396
Defined benefit pension plan and other post-retirement benefit plan deficits	10,431	10,010	9,857	12,090	13,627
	66,336	74,535	92,492	96,328	103,539
Total liabilities	136,129	133,855	176,371	180,322	180,714
Net assets	92,109	102,113	95,891	112,585	119,752
Equity					
BP shareholders' equity	91,303	101,613	94,987	111,568	118,546
Non-controlling interest	806	500	904	1,017	1,206
Total equity	92,109	102,113	95,891	112,585	119,752

^a An amendment has been made to the classification of certain non-current prepayments to non-current other investments for 2008-2011.

Operating capital employed^a

	\$ million				
	2008	2009	2010	2011	2012
By business					
Upstream					
US	35,807	39,209	40,065	41,347	38,437
Non-US	48,011	52,804	56,212	64,185	70,387
	83,818	92,013	96,277	105,532	108,824
Downstream					
US	15,904	20,114	23,463	24,627	24,835
Non-US	25,295	26,387	24,959	26,457	25,488
	41,199	46,501	48,422	51,084	50,323
TNK-BP					
US	–	–	–	–	–
Non-US	8,939	9,141	9,995	10,013	13,607
	8,939	9,141	9,995	10,013	13,607
Other businesses and corporate					
US	(2,505)	(2,773)	(2,905)	(3,149)	(4,115)
Non-US	3,247	4,655	17,285	8,506	14,785
	742	1,882	14,380	5,357	10,670
Gulf of Mexico oil spill response	–	–	(23,277)	(10,629)	(9,394)
Consolidation adjustment	(298)	(1,016)	(561)	(676)	(1,252)
	134,400	148,521	145,236	160,681	172,778
By geographical area					
US	49,056	55,826	36,917	51,785	49,418
Non-US	85,344	92,695	108,319	108,896	123,360
Total operating capital employed ^a	134,400	148,521	145,236	160,681	172,778
Liabilities for current and deferred taxation	(18,965)	(20,401)	(12,607)	(16,317)	(16,416)
Goodwill	9,878	8,620	8,598	12,429	12,190
Capital employed	125,313	136,740	141,227	156,793	168,552
Financed by					
Finance debt	33,204	34,627	45,336	44,208	48,800
Non-controlling interest	806	500	904	1,017	1,206
BP shareholders' equity	91,303	101,613	94,987	111,568	118,546
Capital employed	125,313	136,740	141,227	156,793	168,552

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

Property, plant and equipment

	\$ million				
	2008	2009	2010	2011	2012
Net book amount by business					
Upstream					
US	35,369	36,361	37,230	41,385	38,671
Non-US	40,439	42,583	42,542	51,827	53,303
	75,808	78,944	79,772	93,212	91,974
Downstream					
US	10,608	12,497	14,151	11,833	14,603
Non-US	14,016	14,616	13,996	15,246	15,320
	24,624	27,113	28,147	27,079	29,923
Other businesses and corporate					
US	1,659	1,385	1,495	1,770	1,683
Non-US	1,109	833	749	1,370	1,751
	2,768	2,218	2,244	3,140	3,434
Net book amount by geographical area					
US	47,636	50,243	52,876	54,988	54,957
Non-US	55,564	58,032	57,287	68,443	70,374
	103,200	108,275	110,163	123,431	125,331
Cost and accumulated depreciation					
Upstream					
Cost	165,626	176,332	177,537	195,533	190,645
Accumulated depreciation	(89,818)	(97,388)	(97,765)	(102,321)	(98,671)
	75,808	78,944	79,772	93,212	91,974
Downstream					
Cost	47,289	51,276	52,843	48,929	53,117
Accumulated depreciation	(22,665)	(24,163)	(24,696)	(21,850)	(23,194)
	24,624	27,113	28,147	27,079	29,923
Other businesses and corporate					
Cost	4,194	3,650	3,859	4,460	5,142
Accumulated depreciation	(1,426)	(1,432)	(1,615)	(1,320)	(1,708)
	2,768	2,218	2,244	3,140	3,434
Group					
Cost	217,109	231,258	234,239	248,922	248,904
Accumulated depreciation	(113,909)	(122,983)	(124,076)	(125,491)	(123,573)
	103,200	108,275	110,163	123,431	125,331

Analysis of inventories, receivables and payables

	\$ million				
	2008	2009	2010	2011	2012
Inventories					
Inventories	13,821	18,679	23,078	23,183	24,775
Supplies	1,588	1,661	1,669	2,075	2,428
	15,409	20,340	24,747	25,258	27,203
Trading inventories	1,412	2,265	1,471	815	1,000
	16,821	22,605	26,218	26,073	28,203
Current receivables					
Trade receivables	22,869	22,604	24,255	28,515	26,485
Amounts receivable from joint ventures	1,035	1,317	751	422	379
Amounts receivable from associates	219	417	448	492	492
Current tax receivable	377	209	693	235	456
Gulf of Mexico oil spill trust fund reimbursement asset	—	—	5,943	8,233	4,178
Other current receivables	16,866	12,162	12,861	11,631	12,241
	41,366	36,709	44,951	49,528	44,231
Non-current receivables					
Trade receivables	—	—	—	508	151
Amounts receivable from joint ventures	—	11	601	—	—
Amounts receivable from associates	—	298	220	159	102
Gulf of Mexico oil spill trust fund reimbursement asset	—	—	3,601	1,642	2,264
Other non-current receivables	7,636	7,365	7,914	10,030	9,210
	7,636	7,674	12,336	12,339	11,727
Current payables					
Trade payables	20,129	22,886	27,510	30,220	29,920
Amounts payable to joint ventures	292	304	1,361	62	133
Amounts payable to associates	295	692	712	876	972
Production and similar taxes	445	757	919	1,480	1,222
Current tax payable	3,144	2,464	2,920	1,943	2,503
Dividends	1	1	1	1	1
Gulf of Mexico oil spill trust fund liability	—	—	5,002	4,872	22
Other current payables	28,202	21,447	20,292	23,725	23,936
	52,508	48,551	58,717	63,179	58,709
Non-current payables					
Amounts payable to joint ventures	2,255	2,419	1,905	—	—
Amounts payable to associates	—	298	220	159	102
Production and similar taxes	538	286	471	283	242
Gulf of Mexico oil spill trust fund liability	—	—	9,899	—	—
Other non-current payables	7,342	4,372	6,104	6,945	5,162
	10,135	7,375	18,599	7,387	5,506

Group cash flow statement

	\$ million				
	2008	2009	2010	2011	2012
Operating activities					
Profit (loss) before taxation	33,650	24,817	(5,307)	38,228	18,131
Adjustments to reconcile profit (loss) before taxation to net cash provided by operating activities					
Exploration expenditure written off	385	593	375	1,024	745
Depreciation, depletion and amortization	10,985	12,106	11,164	11,357	12,687
Impairment and (gain) loss on sale of businesses and fixed assets	380	160	(4,694)	(2,074)	(422)
Earnings from joint ventures and associates	(3,821)	(3,901)	(4,757)	(5,683)	(3,935)
Dividends received from joint ventures and associates	3,728	3,003	3,277	5,040	1,763
Interest receivable	(407)	(258)	(277)	(284)	(379)
Interest received	385	203	206	210	175
Finance costs	1,547	1,110	1,170	1,187	1,072
Interest paid	(1,291)	(909)	(912)	(1,125)	(1,166)
Net finance (income) expense relating to pensions and other post-retirement benefits	42	499	435	400	566
Share-based payments	459	450	197	(88)	156
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(173)	(887)	(959)	(1,003)	(858)
Net charge for provisions, less payments	(298)	650	19,217	2,988	5,338
(Increase) decrease in inventories	9,010	(5,363)	(3,895)	(4,079)	(1,720)
(Increase) decrease in other current and non-current assets	2,439	7,595	(15,620)	(9,860)	2,933
Increase (decrease) in other current and non-current liabilities	(6,101)	(5,828)	20,606	(5,957)	(8,125)
Income taxes paid	(12,824)	(6,324)	(6,610)	(8,063)	(6,482)
Net cash provided by operating activities	38,095	27,716	13,616	22,218	20,479
Investing activities					
Capital expenditure	(22,658)	(20,650)	(18,421)	(17,978)	(23,222)
Acquisitions, net of cash acquired	(395)	1	(2,468)	(10,909)	(116)
Investment in joint ventures	(1,009)	(578)	(461)	(855)	(1,526)
Investment in associates	(81)	(164)	(65)	(55)	(54)
Proceeds from disposal of fixed assets	918	1,715	7,492	3,504	9,992
Proceeds from disposal of businesses, net of cash disposed	11	966	9,462	(663)	1,606
Proceeds from loan repayments	647	530	501	203	245
Other	(200)	47	—	—	—
Net cash used in investing activities	(22,767)	(18,133)	(3,960)	(26,753)	(13,075)
Financing activities					
Net issue (repurchase) of shares	(2,567)	207	169	74	122
Proceeds from long-term financing	7,961	11,567	11,934	11,600	11,087
Repayments of long-term financing	(3,821)	(6,021)	(4,702)	(9,102)	(7,177)
Net increase (decrease) in short-term debt	(1,315)	(4,405)	(3,619)	2,222	(666)
Dividends paid					
BP shareholders	(10,342)	(10,483)	(2,627)	(4,072)	(5,294)
Non-controlling interest	(425)	(416)	(315)	(245)	(82)
Net cash provided by (used in) financing activities	(10,509)	(9,551)	840	477	(2,010)
Currency translation differences relating to cash and cash equivalents	(184)	110	(279)	(493)	64
Increase (decrease) in cash and cash equivalents	4,635	142	10,217	(4,551)	5,458
Cash and cash equivalents at beginning of year	3,562	8,197	8,339	18,728	14,177
Cash and cash equivalents at end of year	8,197	8,339	18,556	14,177	19,635

Movement in net debt^a

	\$ million				
	2008	2009	2010	2011	2012
Opening balance					
Finance debt	31,045	33,204	34,627	45,336	44,208
Less: cash and cash equivalents	3,562	8,197	8,339	18,728	14,177
Less: fair value asset (liability) of hedges related to finance debt	666	(34)	127	916	1,133
Opening net debt	26,817	25,041	26,161	25,692	28,898
Closing balance					
Finance debt	33,204	34,627	45,336	44,208	48,800
Less: cash and cash equivalents	8,197	8,339	18,556	14,177	19,635
Less: fair value asset (liability) of hedges related to finance debt	(34)	127	916	1,133	1,700
Closing net debt	25,041	26,161	25,864	28,898	27,465
Decrease (increase) in net debt	1,776	(1,120)	297	(3,206)	1,433
Movement in cash and cash equivalents (excluding exchange adjustments)	4,819	32	10,496	(4,058)	5,394
Net cash (inflow) outflow from financing (excluding share capital)	(2,825)	(1,141)	(3,613)	(4,720)	(3,244)
Movement in finance debt relating to investing activities ^b	–	–	(6,197)	6,167	(602)
Other movements	(136)	(61)	(304)	(132)	(104)
Movement in net debt before exchange effects	1,858	(1,170)	382	(2,743)	1,444
Exchange adjustments	(82)	50	(85)	(463)	(11)
Decrease (increase) in net debt	1,776	(1,120)	297	(3,206)	1,433

^a Net debt is a non-GAAP measure.

^b Deposits of \$632 million were received in 2012, in respect of disposal transactions not completed at 31 December 2012 and \$30 million was repaid in respect of assets no longer held for sale. 2010 includes \$6,197 million of deposits received from counterparties in respect of disposal transactions not completed at 31 December 2010, of which \$30 million related to transactions still not completed at 31 December 2011.

Capital expenditure, acquisitions and disposals

	\$ million				
	2008	2009	2010	2011	2012
By business					
Upstream					
US ^{a b c}	10,359	6,169	6,632	5,363	6,385
Non-US ^{d e f g h}	11,868	8,727	11,121	20,458	12,135
	22,227	14,896	17,753	25,821	18,520
Downstream					
US ^d	4,297	2,625	2,761	2,691	3,475
Non-US	2,337	1,489	1,268	1,594	1,774
	6,634	4,114	4,029	4,285	5,249
Other businesses and corporate					
US ⁱ	1,390	1,071	977	877	681
Non-US ⁱ	449	228	257	976	754
	1,839	1,299	1,234	1,853	1,435
By geographical area					
US ^{a b c d i}	16,046	9,865	10,370	8,931	10,541
Non-US ^{d e f g h j}	14,654	10,444	12,646	23,028	14,663
	30,700	20,309	23,016	31,959	25,204
Included above					
Acquisitions and asset exchanges ^{a d f g j}	2,514	308	3,406	11,283	200
Organic capital expenditure ^k	21,697	20,001	18,218	19,580	23,950
Disposal proceeds	929	2,681	16,954	2,841	11,598

^a 2010 included \$1,767 million in Upstream in the US deepwater Gulf of Mexico as part of the transaction with Devon Energy.

^b 2008 included \$3,667 million in Upstream 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.

^c 2012 and 2011 included \$899 million and \$1,096 million, respectively, associated with deepening our natural gas asset base.

^d 2008 included capital expenditure of \$2,822 million in Upstream and an asset exchange of \$1,909 million in Downstream relating to the formation of an integrated North American oil sands business with Husky Energy Inc.

^e 2010 included capital expenditure of \$900 million relating to the formation of a partnership with Value Creation Inc. to develop the Terre de Grace oil sands acreage in the Athabasca region of Alberta, Canada. 2010 also included \$492 million for the purchase of additional interests in the Valhall and Hod fields in the North Sea.

^f Includes capital expenditure of \$3,236 million in Brazil for 2011 and \$1,107 million in Azerbaijan for 2010 as part of the transaction with Devon Energy.

^g 2011 included \$7,026 million relating to the acquisition from Reliance Industries of interests in 21 oil and gas production-sharing agreements in India.

^h 2012 included \$155 million related to increasing our interest in North Sea assets.

ⁱ Includes capital expenditure of \$557 million for 2010 and \$440 million for 2009 for wind turbines, incurred at the time for future wind projects.

^j 2011 included \$680 million in Brazil relating to the acquisition of Companhia Nacional de Açúcar e Alcool.

^k Organic capital expenditure excludes acquisitions and asset exchanges. It also excluded: 2012, \$1,054 million associated with deepening our US natural gas and North Sea asset bases; in 2011, \$1,096 million associated with deepening our US natural gas asset bases; in 2010, \$900 million relating to the formation of a partnership with Value Creation Inc. to develop the Terre de Grace oil sands acreage and \$492 million for the purchase of additional interests in the Valhall and Hod fields in the North Sea; and, in 2008, \$3,667 million in respect of our purchase of all Chesapeake Energy Corporation's interest in the Arkoma Basin Woodford Shale assets and the purchase of a 25% interest in Chesapeake's Fayetteville Shale assets and \$2,822 million relating to the formation of an integrated North American oil sands business with Husky Energy Inc.

Ratios^a

	\$ million				
	2008	2009	2010	2011	2012
Return on average capital employed					
Replacement cost profit (loss)	25,146	13,740	(5,259)	23,412	11,428
Interest expense ^b	752	467	770	866	977
Non-controlling interest	509	181	395	397	234
Adjusted replacement cost profit (loss)	26,407	14,388	(4,094)	24,675	12,639
Non-operating items and fair value accounting effects after taxation	650	622	25,436	(2,242)	5,643
Adjusted underlying replacement cost profit	27,057	15,010	21,342	22,433	18,282
Average capital employed (including goodwill)	125,506	131,027	138,982	149,080	162,674
Return on average capital employed (including goodwill, non-operating items and fair value accounting effects)	21.6%	11.0%	(2.9%)	16.6%	7.8%
Average capital employed (excluding goodwill)	115,064	121,778	130,373	138,402	150,364
Return on average capital employed (excluding goodwill, non-operating items and fair value accounting effects)	22.9%	12.3%	16.4%	16.2%	12.2%
Debt ratios					
Gross debt	33,204	34,627	45,336	44,208	48,800
Less: fair value asset (liability) of hedges related to finance debt	(34)	127	916	1,133	1,700
Cash and cash equivalents	33,238	34,500	44,420	43,075	47,100
Net debt	8,197	8,339	18,556	14,177	19,635
Equity	25,041	26,161	25,864	28,898	27,465
Debt to debt-plus-equity ratio	92,109	102,113	95,891	112,585	119,752
Debt to equity ratio	26.5%	25.3%	31.7%	27.7%	28.2%
Net debt to net debt-plus-equity ratio	36.1%	33.8%	46.3%	38.3%	39.3%
Net debt to equity ratio	21.4%	20.4%	21.2%	20.4%	18.7%
	27.2%	25.6%	27.0%	25.7%	22.9%

^a The ratios are defined on [page 85](#).

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

Employee numbers

	at 31 December				
	2008	2009	2010	2011	2012
By business					
Upstream	21,400	21,500	21,100	22,400	24,200
Downstream ^a	61,500	51,600	52,300	51,000	51,300
Other businesses and corporate	9,100	7,200	6,200	10,100	10,300
Gulf Coast Restoration Organization	—	—	100	100	100
	92,000	80,300	79,700	83,600	85,900
By geographical area					
US	29,300	22,800	22,100	22,900	23,400
Non-US	62,700	57,500	57,600	60,700	62,500
	92,000	80,300	79,700	83,600	85,900

^a Includes 14,700 (2011: 14,600, 2010: 15,200, 2009: 13,900 and 2008: 21,200) service station staff. See [page 74](#) for further information.

Information for earnings per share

	\$ million				
	2008	2009	2010	2011	2012
Results for the period					
Profit (loss) for the year attributable to BP shareholders	20,710	16,363	(4,064)	25,212	11,017
Less: preference dividend	2	2	2	2	2
Profit (loss) for the year attributable to BP ordinary shareholders	20,708	16,361	(4,066)	25,210	11,015
Profit (loss) for the year attributable to BP ordinary shareholders, as above	20,708	16,361	(4,066)	25,210	11,015
Inventory holding (gains) losses, net of tax	4,436	(2,623)	(1,195)	(1,800)	411
Replacement cost profit (loss) attributable to ordinary shareholders	25,144	13,738	(5,261)	23,410	11,426
Average number of shares					
Basic weighted average number of shares outstanding (thousand) ^a	18,789,827	18,732,459	18,785,912	18,904,812	19,027,929
ADS equivalent (thousand) ^a	3,131,638	3,122,077	3,130,985	3,150,802	3,171,321
Diluted weighted average number of shares outstanding (thousand) ^a	18,962,517	18,935,691	18,997,807	19,136,200	19,157,888
ADS equivalent (thousand) ^a	3,160,412	3,155,949	3,166,301	3,189,367	3,192,981
Shares in issue at year end (thousand) ^a	18,716,098	18,755,378	18,796,498	18,977,214	19,119,757
ADS equivalent (thousand) ^a	3,119,350	3,125,896	3,132,750	3,162,869	3,186,626
Shares repurchased in the year (thousand)	269,957	—	—	—	—

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

BP shareholding information

Register of members holding BP ordinary shares as at 31 December 2012

Range of holdings	Number of ordinary shareholders	Percentage of total ordinary shareholders	Percentage of total ordinary share capital excluding shares held in treasury
1–200	59,427	20.03	0.02
201–1,000	107,447	36.23	0.30
1,001–10,000	117,024	39.46	1.83
10,001–100,000	11,072	3.73	1.16
100,001–1,000,000	882	0.30	1.74
Over 1,000,000 ^a	728	0.25	94.95
Totals	296,580	100.00	100.00

^a Includes JPMorgan Chase Bank, N.A. holding 26.91% 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 2012^a

Range of holdings	Number of ADS holders	Percentage of total ADS holders	Percentage of total ADSs
1–200	60,231	56.96	0.40
201–1,000	28,844	27.28	1.60
1,001–10,000	15,759	14.90	4.85
10,001–100,000	899	0.85	1.79
100,001–1,000,000	9	0.01	0.15
Over 1,000,000 ^b	1	0.00	91.21
Totals	105,743	100.00	100.00

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

^b One holder of ADSs represents 792,838 underlying shareholders.

As at 31 December 2012, there were also 1,544 preference shareholders.

Share ownership as at 31 December 2012^a

Principal area	Percentage of shares in issue		
	Institutions ^b	Individuals	Total
UK	33	3	36
US	25	13	38
Rest of Europe	12	2	14
Rest of World	11	0	11
Miscellaneous ^c	1	0	1
	82	18	100

^a Represents BP's best efforts to determine ownership of the group's shares, based on analysis of the year-end share register.

^b Note that institutions include custodians, market makers, delivery by value, brokerage, stock lending, clearing and non-American depository receipt arbitrage.

^c Miscellaneous represents unidentified shares that are awaiting confirmation of the identity of the holder and the nature of their interest in the shares following enquiries made under Section 793 of the Companies Act 2006.

BP share data

	2008	2009	2010	2011	2012
Share price and dividends					
Share price (pence per ordinary share)					
High	657.25	613.40	658.20	514.90	512.00
Low	370.00	400.00	296.00	361.25	385.09
End year	526.00	600.00	465.55	460.50	424.80
Dividends paid (pence per ordinary share)					
First quarter	6.813	9.818	8.679	4.337	5.096
Second quarter	6.830	9.584	–	4.281	5.150
Third quarter	7.039	8.503	–	4.316	5.017
Fourth quarter	8.705	8.512	–	4.469	5.589
	29.387	36.417	8.679	17.403	20.852
Dividends paid (cents per ordinary share)					
First quarter	13.525	14.000	14.000	7.000	8.000
Second quarter	13.525	14.000	–	7.000	8.000
Third quarter	14.000	14.000	–	7.000	8.000
Fourth quarter	14.000	14.000	–	7.000	9.000
	55.050	56.000	14.000	28.000	33.000
ADS price (US dollars per ADS)					
High	77.69	60.00	62.38	49.50	48.33
Low	37.57	33.71	26.75	33.63	36.25
End year	46.74	57.97	44.17	42.74	41.64
Dividends paid (US dollars per ADS)					
First quarter	0.8115	0.8400	0.8400	0.4200	0.4800
Second quarter	0.8115	0.8400	–	0.4200	0.4800
Third quarter	0.8400	0.8400	–	0.4200	0.4800
Fourth quarter	0.8400	0.8400	–	0.4200	0.5400
	3.3030	3.3600	0.8400	1.6800	1.9800
Dividend payout ratio ^a					
Based on replacement cost profit for the year	41%	76%	n/a	23%	55%
Based on profit for the year	50%	64%	n/a	21%	57%
Dividend cover ^a					
Dividend cover out of income ^b	2.43	1.31	n/a	4.43	1.82
Dividend cover out of cash flow ^c	3.68	2.64	5.19	4.20	3.26

^a The calculation is based on the assumption that all dividends, including scrip dividends, are paid in cash.

^b Based on replacement cost profit for the year.

^c Net cash provided by operating activities, divided by gross dividends paid.

Group hydrocarbon data

37	Oil and natural gas exploration and production activities
46	Movements in estimated net proved reserves
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Oil and natural gas information

The regional analysis presented below, on pages 37–63, 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. For 2009 onwards, where relevant, information for equity-accounted entities (joint ventures and associates) is provided in the same level of detail as for subsidiaries. Also for 2009 onwards, proved reserves are based on revised SEC definitions.

Oil and natural gas exploration and production activities

	\$ million									
	Europe		North America		South America	Africa	Asia		Australasia	2008 Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		

Subsidiaries^a

Capitalized costs at 31 December^b

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^b

Acquisition of properties ^c										
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 ^d	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 ^e										
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	503	–	2,603	2	358	–	–	5,510	110	9,086
Other costs (income) ^f	(28)	(43)	3,440	343	198	(122)	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 ^g	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 non-controlling interest of \$169 million.

Upstream segment and TNK-BP 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 ^{h,i}	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

^a These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries, which includes our share of oil and natural gas exploration and production activities of joint operations. 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Includes costs capitalized as a result of asset exchanges.

^d 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.

^e Presented net of transportation costs, purchases and sales taxes.

^f 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.

^g 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.

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

ⁱ Midstream activities exclude inventory holdings 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^a										
Capitalized costs at 31 December^b										
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^b										
Acquisition of properties ^c										
Proved	179	–	(17)	–	–	–	–	306	–	468
Unproved	(1)	–	370	1	–	18	–	–	10	398
	178	–	353	1	–	18	–	306	10	866
Exploration and appraisal costs ^d	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 ^e										
Third parties	2,239	68	972	99	1,525	1,846	–	636	785	8,170
Sales between businesses	2,482	809	15,100	484	1,409	5,313	–	6,257	726	32,580
	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) ^f	(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) ^g	–	(1,051)
	1,066	393	10,135	680	1,501	3,311	99	4,286	438	21,909
Profit before taxation ^h	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
Upstream segment and TNK-BP 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 ⁱ	925	17	719	833	17	(27)	(37)	518	(315)	2,650
Equity-accounted entities ^j	–	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

^a These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries, which includes our share of oil and natural gas exploration and production activities of joint operations. 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Includes costs capitalized as a result of asset exchanges.

^d 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.

^e Presented net of transportation costs, purchases and sales taxes.

^f 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.

^g Includes the gain on disposal of upstream assets associated with the sale of our 46% stake in LukArco.

^h 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.

ⁱ Midstream activities exclude inventory holding gains and losses.

^j 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)^a									
Capitalized costs at 31 December^b									
Gross capitalized costs									
Proved properties	–	–	–	–	5,789	–	13,266	2,259	–
Unproved properties	–	–	–	1,378	197	–	737	–	–
	–	–	–	1,378	5,986	–	14,003	2,259	–
Accumulated depreciation	–	–	–	–	2,084	–	5,550	1,739	–
Net capitalized costs	–	–	–	1,378	3,902	–	8,453	520	–
Costs incurred for the year ended 31 December^b									
Acquisition of properties ^c									
Proved	–	–	–	–	–	–	–	–	–
Unproved	–	–	–	–	31	–	10	–	–
	–	–	–	–	31	–	10	–	–
Exploration and appraisal costs ^d	–	–	–	–	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 ^e									
Third parties	–	–	–	–	1,977	–	4,919	1,874	–
Sales between businesses	–	–	–	–	–	–	2,838	–	–
	–	–	–	–	1,977	–	7,757	1,874	–
Exploration expenditure	–	–	–	–	23	–	37	–	–
Production costs	–	–	–	–	354	–	1,428	159	–
Production taxes	–	–	–	–	702	–	2,597	1,523	–
Other costs (income)	–	–	–	–	(69)	–	12	(2)	–
Depreciation, depletion and amortization	–	–	–	–	281	–	1,073	274	–
Impairments and losses on sale of businesses and fixed assets	–	–	–	–	–	–	72	–	–
	–	–	–	–	1,291	–	5,219	1,954	–
Profit (loss) before taxation	–	–	–	–	686	–	2,538	(80)	–
Allocable taxes	–	–	–	–	270	–	501	–	–
Results of operations	–	–	–	–	416	–	2,037	(80)	–
Exploration and production activities – equity-accounted entities after tax (as above)	–	–	–	–	416	–	2,037	(80)	–
Midstream and other activities after tax ^f	–	5	29	134	214	56	(113)	611	–
Total replacement cost profit after interest and tax	–	5	29	134	630	56	1,924	531	–

^a 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Includes costs capitalized as a result of asset exchanges.

^d 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.

^e Presented net of transportation costs, purchases and sales taxes.

^f Includes interest, non-controlling interest and the net results of equity-accounted entities of equity-accounted entities.

Oil and natural gas exploration and production activities continued

	\$ million									
	2010									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries^a										
Capitalized costs at 31 December^{b,c}										
Gross capitalized costs										
Proved properties	36,161	7,846	67,724	278	6,047	27,014	–	11,497	3,088	159,655
Unproved properties	787	179	5,968	1,363	220	2,694	–	1,113	1,149	13,473
	36,948	8,025	73,692	1,641	6,267	29,708	–	12,610	4,237	173,128
Accumulated depreciation	27,688	3,515	33,972	216	3,282	13,893	–	4,569	1,205	88,340
Net capitalized costs	9,260	4,510	39,720	1,425	2,985	15,815	–	8,041	3,032	84,788
Costs incurred for the year ended 31 December^{b,c}										
Acquisition of properties ^d										
Proved	–	–	655	1	–	–	–	1,121	–	1,777
Unproved	–	519	1,599	1,200	–	–	–	151	–	3,469
	–	519	2,254	1,201	–	–	–	1,272	–	5,246
Exploration and appraisal costs ^e	401	13	1,096	78	68	607	7	316	120	2,706
Development	726	816	3,034	251	414	3,003	–	1,244	187	9,675
Total costs	1,127	1,348	6,384	1,530	482	3,610	7	2,832	307	17,627
Results of operations for the year ended 31 December										
Sales and other operating revenues ^f										
Third parties	1,472	58	1,148	90	1,896	3,158	–	1,272	1,398	10,492
Sales between businesses	3,405	1,134	18,819	453	1,574	4,353	–	6,697	929	37,364
	4,877	1,192	19,967	543	3,470	7,511	–	7,969	2,327	47,856
Exploration expenditure	82	(2)	465	25	9	189	7	51	17	843
Production costs	1,018	152	2,867	240	445	938	9	365	124	6,158
Production taxes	52	–	1,093	2	249	–	–	3,764	109	5,269
Other costs (income) ^g	(316)	76	3,502	129	209	130	76	90	195	4,091
Depreciation, depletion and amortization	897	209	3,477	95	575	1,771	–	829	168	8,021
Impairments and (gains) losses on sale of businesses and fixed assets	(1)	–	(1,441)	(2,190)	(3)	(427)	341 ^h	–	–	(3,721)
	1,732	435	9,963	(1,699)	1,484	2,601	433	5,099	613	20,661
Profit (loss) before taxation ⁱ	3,145	757	10,004	2,242	1,986	4,910	(433)	2,870	1,714	27,195
Allocable taxes	1,333	530	3,504	610	1,084	1,771	(23)	813	410	10,032
Results of operations	1,812	227	6,500	1,632	902	3,139	(410)	2,057	1,304	17,163
Upstream segment and TNK-BP segment replacement cost profit before interest and tax										
Exploration and production activities – subsidiaries (as above)	3,145	757	10,004	2,242	1,986	4,910	(433)	2,870	1,714	27,195
Midstream activities – subsidiaries ^j	23	42	(347)	3	49	(26)	4	(23)	(13)	(288)
Equity-accounted entities ^k	–	4	27	171	614	63	2,613	487	–	3,979
Total replacement cost profit before interest and tax	3,168	803	9,684	2,416	2,649	4,947	2,184	3,334	1,701	30,886

^a These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries, which includes our share of oil and natural gas exploration and production activities of joint operations. They do not include any costs relating to the Gulf of Mexico oil spill. 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Excludes balances associated with assets held for sale.

^d Includes costs capitalized as a result of asset exchanges.

^e 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.

^f Presented net of transportation costs, purchases and sales taxes.

^g Includes property taxes, other government take and the fair value loss on embedded derivatives of \$309 million. The UK region includes a \$822-million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme.

^h This amount represents the write-down of our investment in Sakhalin. A portion of these costs was previously reported within capitalized costs of equity-accounted entities with the remainder previously reported as a loan, which was not included in the disclosures of oil and natural gas exploration and production activities.

ⁱ Excludes the unwinding of the discount on provisions and payables amounting to \$313 million which is included in finance costs in the group income statement.

^j Midstream activities exclude inventory holding gains and losses.

^k The profits of equity-accounted entities are included after interest and tax.

Oil and natural gas exploration and production activities continued

	\$ million								
	2010								
	Europe		North America		South America	Africa	Asia		Australasia
	UK	Rest of Europe	US	Rest of North America ^c			Russia	Rest of Asia	
Equity-accounted entities (BP share)^a									
Capitalized costs at 31 December^b									
Gross capitalized costs									
Proved properties	–	–	–	893	5,778	–	14,486	3,192	–
Unproved properties	–	–	–	533	163	–	652	–	–
	–	–	–	1,426	5,941	–	15,138	3,192	–
Accumulated depreciation	–	–	–	–	2,250	–	6,300	2,674	–
Net capitalized costs	–	–	–	1,426	3,691	–	8,838	518	–
Costs incurred for the year ended 31 December^b									
Acquisition of properties ^d									
Proved	–	–	–	–	–	–	–	–	–
Unproved	–	–	–	–	9	–	66	–	–
	–	–	–	–	9	–	66	–	–
Exploration and appraisal costs ^e	–	–	–	28	2	–	94	–	–
Development	–	–	–	21	549	–	1,416	355	–
Total costs	–	–	–	49	560	–	1,576	355	–
Results of operations for the year ended 31 December									
Sales and other operating revenues ^f									
Third parties	–	–	–	–	2,268	–	5,610	2,557	–
Sales between businesses	–	–	–	–	–	–	3,432	19	–
	–	–	–	–	2,268	–	9,042	2,576	–
Exploration expenditure	–	–	–	–	22	–	40	–	–
Production costs	–	–	–	–	316	–	1,602	184	–
Production taxes	–	–	–	–	911	–	3,567	2,029	–
Other costs (income)	–	–	–	67	75	–	3	(2)	–
Depreciation, depletion and amortization	–	–	–	–	269	–	954	363	–
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	–	–	–	–	43	–	–
	–	–	–	67	1,593	–	6,209	2,574	–
Profit (loss) before taxation	–	–	–	(67)	675	–	2,833	2	–
Allocable taxes	–	–	–	–	260	–	475	33	–
Results of operations	–	–	–	(67)	415	–	2,358	(31)	–
Exploration and production activities – equity-accounted entities after tax (as above)	–	–	–	(67)	415	–	2,358	(31)	–
Midstream and other activities after tax ^g	–	4	27	238	199	63	255	518	–
Total replacement cost profit after interest and tax	–	4	27	171	614	63	2,613	487	–

^a These tables contain information relating to oil and natural gas exploration and production activities of equity-accounted entities. They do not include amounts relating to assets held for sale.

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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c An amendment has been made to the classification of costs between proved and unproved properties.

^d Includes costs capitalized as a result of asset exchanges.

^e 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.

^f Presented net of transportation costs and sales taxes.

^g Includes interest, non-controlling interest and the net results of equity-accounted entities of equity-accounted entities.

Oil and natural gas exploration and production activities continued

	\$ million									
	2011									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries^a										
Capitalized costs at 31 December^{b,c}										
Gross capitalized costs										
Proved properties	37,491	8,994	73,626	1,296	7,471	29,358	–	14,833	3,370	176,439
Unproved properties	368	180	6,198	2,017	2,986	3,689	–	4,495	1,279	21,212
	37,859	9,174	79,824	3,313	10,457	33,047	–	19,328	4,649	197,651
Accumulated depreciation	26,953	3,715	36,009	139	3,839	14,595	–	6,235	1,294	92,779
Net capitalized costs	10,906	5,459	43,815	3,174	6,618	18,452	–	13,093	3,355	104,872
Costs incurred for the year ended 31 December^{b,c}										
Acquisition of properties ^{d,e}										
Proved	–	–	1,178	8	237	–	–	1,733	–	3,156
Unproved	–	1	418	–	2,592	679	–	3,008	–	6,698
	–	1	1,596	8	2,829	679	–	4,741	–	9,854
Exploration and appraisal costs ^f	211	1	566	132	271	490	6	511	225	2,413
Development	1,361	889	3,016	227	405	2,933	–	1,340	251	10,422
Total costs	1,572	891	5,178	367	3,505	4,102	6	6,592	476	22,689
Results of operations for the year ended 31 December										
Sales and other operating revenues ^g										
Third parties	1,997	–	751	25	2,263	3,353	–	1,450	1,611	11,450
Sales between businesses	3,495	1,273	19,089	20	1,409	4,858	–	10,811	967	41,922
	5,492	1,273	19,840	45	3,672	8,211	–	12,261	2,578	53,372
Exploration expenditure	37	1	1,065	9	35	163	6	134	70	1,520
Production costs	1,372	230	3,402	66	503	1,146	4	787	194	7,704
Production taxes	72	–	1,854	–	278	–	–	5,956	147	8,307
Other costs (income) ^h	(1,357)	101	4,688	62	935	215	72	118	257	5,091
Depreciation, depletion and amortization	874	199	2,980	6	523	1,668	–	1,692	172	8,114
Impairments and (gains) losses on sale of businesses and fixed assets	26	(64)	(492)	15	(1,085)	18	(1)	(537)	–	(2,120)
	1,024	467	13,497	158	1,189	3,210	81	8,150	840	28,616
Profit (loss) before taxation ⁱ	4,468	806	6,343	(113)	2,483	5,001	(81)	4,111	1,738	24,756
Allocable taxes	2,483	384	2,152	(159)	1,205	2,184	(21)	1,001	677	9,906
Results of operations	1,985	422	4,191	46	1,278	2,817	(60)	3,110	1,061	14,850
Upstream segment and TNK-BP segment replacement cost profit before interest and tax										
Exploration and production activities – subsidiaries (as above)	4,468	806	6,343	(113)	2,483	5,001	(81)	4,111	1,738	24,756
Midstream activities – subsidiaries ^j	(118)	29	(157)	299	78	(4)	(1)	42	284	452
Equity-accounted entities ^k	–	12	10	–	525	69	4,095	573	–	5,284
Total replacement cost profit before interest and tax	4,350	847	6,196	186	3,086	5,066	4,013	4,726	2,022	30,492

^a These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries, which includes our share of oil and natural gas exploration and production activities of joint operations. They do not include any costs relating to the Gulf of Mexico oil spill. 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Excludes balances associated with assets held for sale.

^d Includes costs capitalized as a result of asset exchanges.

^e Excludes goodwill associated with business combinations.

^f 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.

^g Presented net of transportation costs, purchases and sales taxes.

^h Includes property taxes, other government take and the fair value gain on embedded derivatives of \$191 million. The UK region includes a \$1,442-million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme. The South America region includes a charge of \$700 million associated with the termination of the agreement to sell our 60% interest in Pan American Energy LLC to Bridas Corporation.

ⁱ Excludes the unwinding of the discount on provisions and payables amounting to \$267 million which is included in finance costs in the group income statement.

^j Midstream activities exclude inventory holding gains and losses.

^k The profits of equity-accounted entities are included after interest and tax.

Oil and natural gas exploration and production activities continued

	\$ million							
	2011							
	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) ^a								
Capitalized costs at 31 December ^b								
Gross capitalized costs								
Proved properties	–	–	–	–	6,562	–	16,214	3,571
Unproved properties	–	–	–	–	19	–	652	9
	–	–	–	–	6,581	–	16,866	3,580
Accumulated depreciation	–	–	–	–	2,644	–	6,978	3,017
Net capitalized costs	–	–	–	–	3,937	–	9,888	563
	–	–	–	–	–	–	–	–
Costs incurred for the year ended 31 December ^b								
Acquisition of properties ^c								
Proved	–	–	–	–	–	–	–	46
Unproved	–	–	–	–	6	–	37	–
	–	–	–	–	6	–	37	46
Exploration and appraisal costs ^d	–	–	–	–	2	–	167	9
Development	–	–	–	–	587	–	1,862	435
Total costs	–	–	–	–	595	–	2,066	490
	–	–	–	–	–	–	–	–
Results of operations for the year ended 31 December								
Sales and other operating revenues ^e								
Third parties	–	–	–	–	2,381	–	7,380	3,828
Sales between businesses	–	–	–	–	–	–	5,149	23
	–	–	–	–	2,381	–	12,529	3,851
Exploration expenditure	–	–	–	–	10	–	72	1
Production costs	–	–	–	–	459	–	1,846	212
Production taxes	–	–	–	–	1,098	–	5,000	3,125
Other costs (income)	–	–	–	–	(239)	–	2	(1)
Depreciation, depletion and amortization	–	–	–	–	329	–	988	431
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	–	–	–	–	–	–
	–	–	–	–	1,657	–	7,908	3,768
Profit (loss) before taxation	–	–	–	–	724	–	4,621	83
Allocable taxes	–	–	–	–	294	–	806	19
Results of operations	–	–	–	–	430	–	3,815	64
	–	–	–	–	–	–	–	–
Exploration and production activities – equity-accounted entities after tax (as above)	–	–	–	–	430	–	3,815	64
Midstream and other activities after tax ^f	–	12	10	–	95	69	280	509
Total replacement cost profit after interest and tax	–	12	10	–	525	69	4,095	573

^a These tables contain information relating to oil and natural gas exploration and production activities of equity-accounted entities. They do not include amounts relating to assets held for sale.

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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Includes costs capitalized as a result of asset exchanges.

^d 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.

^e Presented net of transportation costs and sales taxes.

^f Includes interest, non-controlling interest and the net results of equity-accounted entities of equity-accounted entities, and excludes inventory holding gains and losses.

Oil and natural gas exploration and production activities continued

	\$ million									
	2012									
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Subsidiaries^a										
Capitalized costs at 31 December^{b,c}										
Gross capitalized costs										
Proved properties	28,370	9,421	70,133	1,928	8,153	32,755	–	16,757	3,676	171,193
Unproved properties	400	199	7,084	2,244	3,590	4,524	–	4,920	1,540	24,501
	28,770	9,620	77,217	4,172	11,743	37,279	–	21,677	5,216	195,694
Accumulated depreciation	19,002	3,161	35,459	197	4,444	16,901	–	8,360	1,517	89,041
Net capitalized costs	9,768	6,459	41,758	3,975	7,299	20,378	–	13,317	3,699	106,653
Costs incurred for the year ended 31 December^b										
Acquisition of properties ^{d,e}										
Proved	–	–	256	–	51	–	–	–	–	307
Unproved	–	–	1,111	–	27	239	–	(68)	–	1,309
	–	–	1,367	–	78	239	–	(68)	–	1,616
Exploration and appraisal costs ^f	173	47	1,069	230	758	1,024	–	814	241	4,356
Development	1,907	784	3,866	611	581	2,992	–	1,591	221	12,553
Total costs	2,080	831	6,302	841	1,417	4,255	–	2,337	462	18,525
Results of operations for the year ended 31 December										
Sales and other operating revenues ^g										
Third parties	1,595	76	453	10	2,026	3,424	–	1,299	1,749	10,632
Sales between businesses	2,975	783	15,713	10	984	5,633	–	11,345	915	38,358
	4,570	859	16,166	20	3,010	9,057	–	12,644	2,664	48,990
Exploration expenditure	105	29	649	4	120	310	–	126	132	1,475
Production costs	1,310	348	3,854	71	812	1,323	–	1,076	191	8,985
Production taxes	92	–	1,472	–	162	–	–	6,291	141	8,158
Other costs (income) ^h	(1,474)	78	3,505	63	109	221	(330)	84	264	2,520
Depreciation, depletion and amortization	1,102	145	3,187	10	606	2,281	–	2,116	211	9,658
Impairments and (gains) losses on sale of businesses and fixed assets	373	83	(3,576)	98	6	24	–	(2)	(5)	(2,999)
	1,508	683	9,091	246	1,815	4,159	(330)	9,691	934	27,797
Profit (loss) before taxation ⁱ	3,062	176	7,075	(226)	1,195	4,898	330	2,953	1,730	21,193
Allocable taxes	1,121	(313)	2,762	(67)	804	2,371	(13)	663	755	8,083
Results of operations	1,941	489	4,313	(159)	391	2,527	343	2,290	975	13,110
Upstream segment and TNK-BP segment replacement cost profit before interest and tax										
Exploration and production activities – subsidiaries (as above)	3,062	176	7,075	(226)	1,195	4,898	330	2,953	1,730	21,193
Midstream activities – subsidiaries ^j	(250)	(114)	(173)	774	163	(46)	11	32	370	767
Equity-accounted entities ^k	–	35	16	–	160	48	3,005	640	–	3,904
Total replacement cost profit before interest and tax	2,812	97	6,918	548	1,518	4,900	3,346	3,625	2,100	25,864

^a These tables contain information relating to oil and natural gas exploration and production activities of subsidiaries, which includes our share of oil and natural gas exploration and production activities of joint operations. They do not include any costs relating to the Gulf of Mexico oil spill. 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year.

^c Excludes balances associated with assets held for sale.

^d Includes costs capitalized as a result of asset exchanges.

^e Excludes goodwill associated with business combinations.

^f 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.

^g Presented net of transportation costs, purchases and sales taxes.

^h Includes property taxes, other government take and the fair value gain on embedded derivatives of \$347 million. The UK region includes a \$1,161 million gain offset by corresponding charges primarily in the US, relating to the group self-insurance programme. The Russia region, for which equity accounting ceased for TNK-BP on 22 October 2012, includes dividend income of \$709 million partly offset by a settlement charge of \$325 million.

ⁱ Excludes the unwinding of the discount on provisions and payables amounting to \$173 million which is included in finance costs in the group income statement.

^j Midstream and other activities exclude inventory holding gains and losses.

^k The profits of equity-accounted entities are included after interest and tax and the results exclude balances associated with assets held for sale.

Oil and natural gas exploration and production activities continued

									\$ million	
									2012	
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US	Rest of North America			Russia ^g	Rest of Asia		
Equity-accounted entities (BP share) ^a										
Capitalized costs at 31 December ^b										
Gross capitalized costs										
Proved properties	–	–	–	–	6,958	–	–	4,036	–	10,994
Unproved properties	–	–	–	–	21	–	–	16	–	37
	–	–	–	–	6,979	–	–	4,052	–	11,031
Accumulated depreciation	–	–	–	–	2,965	–	–	3,648	–	6,613
Net capitalized costs	–	–	–	–	4,014	–	–	404	–	4,418
Costs incurred for the year ended 31 December ^b										
Acquisition of properties ^c										
Proved	–	–	–	–	–	–	4	–	–	4
Unproved	–	–	–	–	439	–	15	–	–	454
	–	–	–	–	439	–	19	–	–	458
Exploration and appraisal costs ^d	–	–	–	–	31	–	195	7	–	233
Development	–	–	–	–	599	–	1,560	556	–	2,715
Total costs	–	–	–	–	1,069	–	1,774	563	–	3,406
Results of operations for the year ended 31 December										
Sales and other operating revenues ^e										
Third parties	–	–	–	–	2,267	–	6,472	4,245	–	12,984
Sales between businesses	–	–	–	–	–	–	3,639	21	–	3,660
	–	–	–	–	2,267	–	10,111	4,266	–	16,644
Exploration expenditure	–	–	–	–	31	–	93	1	–	125
Production costs	–	–	–	–	555	–	1,605	295	–	2,455
Production taxes	–	–	–	–	959	–	4,400	3,245	–	8,604
Other costs (income)	–	–	–	–	(11)	–	(24)	(2)	–	(37)
Depreciation, depletion and amortization	–	–	–	–	328	–	786	538	–	1,652
Impairments and (gains) losses on sale of businesses and fixed assets	–	–	–	–	–	–	(27)	–	–	(27)
	–	–	–	–	1,862	–	6,833	4,077	–	12,772
Profit (loss) before taxation	–	–	–	–	405	–	3,278	189	–	3,872
Allocable taxes	–	–	–	–	294	–	536	54	–	884
Results of operations	–	–	–	–	111	–	2,742	135	–	2,988
Exploration and production activities – equity-accounted entities after tax (as above)	–	–	–	–	111	–	2,742	135	–	2,988
Midstream and other activities after tax ^f	–	35	16	–	49	48	263	505	–	916
Total replacement cost profit after interest and tax	–	35	16	–	160	48	3,005	640	–	3,904

^a 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.

^b Decommissioning assets are included in capitalized costs at 31 December but are excluded from costs incurred for the year. Capitalized costs exclude balances associated with assets held for sale.

^c Includes costs capitalized as a result of asset exchanges.

^d 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.

^e Presented net of transportation costs and sales taxes.

^f Includes interest, minority interest and the net results of equity-accounted entities of equity-accounted entities, and excludes inventory holding gains and losses.

^g The Russia region includes BP's equity accounted share of TNK-BP's earnings. For 2012, equity-accounted earnings are included until 21 October only, after which our investment was classified as an asset held for sale and therefore equity accounting ceased. The amounts shown exclude BP's share of costs incurred and results of operations for the period 22 October to 31 December 2012.

Movements in estimated net proved reserves

million barrels										
Crude oil ^a	Europe		North America		South America	Africa	Asia		Australasia	2008 Total
	UK	Rest of Europe	US ^b	Rest of North America			Russia	Rest of Asia		
Subsidiaries										
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 ^c	(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 ^d										
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
Equity-accounted entities (BP share)^e										
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 ^f										
Developed	–	–	–	–	399	–	2,227	499	–	3,125
Undeveloped	–	–	–	–	409	11	944	199	–	1,563
	–	–	–	–	808	11	3,171	698	–	4,688
Total subsidiaries and equity-accounted entities (BP share)										
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

^a 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.

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

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

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

^e Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

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

Movements in estimated net proved reserves continued

Natural gas ^a	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		
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 ^b	(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 ^c										
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
Equity-accounted entities (BP share) ^d										
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 ^b	–	–	–	–	(188)	–	(221)	(22)	–	(431)
Sales of reserves-in-place	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	212	182	1,052	(13)	–	1,433
At 31 December 2008 ^e										
Developed	–	–	–	–	1,498	–	1,560	176	–	3,234
Undeveloped	–	–	–	–	1,023	182	653	111	–	1,969
	–	–	–	–	2,521	182	2,213	287	–	5,203
Total subsidiaries and equity-accounted entities (BP share)										
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

^a 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.

^b 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.

^c Includes 3,108 billion cubic feet of natural gas in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^d Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^e Includes 131 billion cubic feet of natural gas in respect of the 5.92% non-controlling interest in TNK-BP.

Movements in estimated net proved reserves continued

		million barrels of oil equivalent ^b									2008
Total hydrocarbons ^a		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US ^c	Rest of North America			Russia	Rest of Asia		
Subsidiaries											
At 1 January 2008											
Developed		767	116	3,722	118	631	427	–	340	240	6,361
Undeveloped		219	239	2,077	74	1,576	593	–	591	853	6,222
		986	355	5,799	192	2,207	1,020	–	931	1,093	12,583
Changes attributable to											
Revisions of previous estimates		20	(12)	(569)	10	(71)	289	–	194	67	(72)
Improved recovery		52	30	410	3	36	18	–	61	4	614
Purchases of reserves-in-place		–	–	32	–	–	–	–	–	–	32
Discoveries and extensions		–	–	158	22	168	187	–	7	–	542
Production ^{d e}		(115)	(18)	(334)	(20)	(186)	(135)	–	(94)	(35)	(937)
Sales of reserves-in-place		–	–	–	–	(200)	–	–	–	–	(200)
		(43)	–	(303)	15	(253)	359	–	168	36	(21)
At 31 December 2008 ^f											
Developed		724	91	3,279	126	617	645	–	385	382	6,249
Undeveloped		219	264	2,217	81	1,337	734	–	714	747	6,313
		943	355	5,496	207	1,954	1,379	–	1,099	1,129	12,562
Equity-accounted entities (BP share) ^g											
At 1 January 2008											
Developed		–	–	–	–	583	–	2,233	606	–	3,422
Undeveloped		–	–	–	–	386	–	1,199	224	–	1,809
		–	–	–	–	969	–	3,432	830	–	5,231
Changes attributable to											
Revisions of previous estimates		–	–	–	–	(20)	42	436	(1)	–	457
Improved recovery		–	–	–	–	115	–	–	2	–	117
Purchases of reserves-in-place		–	–	–	–	200	–	–	–	–	200
Discoveries and extensions		–	–	–	–	46	–	26	–	–	72
Production ^{d e}		–	–	–	–	(66)	–	(341)	(84)	–	(491)
Sales of reserves-in-place		–	–	–	–	–	–	(1)	–	–	(1)
		–	–	–	–	275	42	120	(83)	–	354
At 31 December 2008 ^h											
Developed		–	–	–	–	658	–	2,495	529	–	3,682
Undeveloped		–	–	–	–	586	42	1,057	218	–	1,903
		–	–	–	–	1,244	42	3,552	747	–	5,585
Total subsidiaries and equity-accounted entities (BP share)											
At 1 January 2008											
Developed		767	116	3,722	118	1,214	427	2,233	946	240	9,783
Undeveloped		219	239	2,077	74	1,962	593	1,199	815	853	8,031
		986	355	5,799	192	3,176	1,020	3,432	1,761	1,093	17,814
At 31 December 2008											
Developed		724	91	3,279	126	1,275	645	2,495	914	382	9,931
Undeveloped		219	264	2,217	81	1,923	776	1,057	932	747	8,216
		943	355	5,496	207	3,198	1,421	3,552	1,846	1,129	18,147

^a 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.

^b 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent

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

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

^e Includes 33 million barrels of oil equivalent of natural gas consumed in operations, 25 million barrels of oil equivalent in subsidiaries, 8 million barrels of oil equivalent in equity-accounted entities and excludes 3 million barrels of oil equivalent of produced non-hydrocarbon components that meet regulatory requirements for sales.

^f Includes 807 million barrels of NGLs. Also includes 557 million barrels of oil equivalent in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^g Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^h Includes 36 million barrels of NGLs. Also includes 239 million barrels of oil equivalent in respect of the non-controlling interest in TNK-BP.

Movements in estimated net proved reserves continued

	million barrels									
Crude oil ^a										2009
	Europe		North America		South America	Africa	Asia		Australasia	Total
	UK	Rest of Europe	US ^b	Rest of North America			Russia	Rest of Asia		
At 1 January 2009										
Developed	410	81	1,717	11	47	464	–	195	56	2,987
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 ^c	(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 ^d										
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
Equity-accounted entities (BP share) ^e										
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 ^f										
Developed	–	–	–	–	407	–	2,351	363	–	3,121
Undeveloped	–	–	–	–	405	9	1,198	120	–	1,732
	–	–	–	–	812	9	3,549	483	–	4,853
Total subsidiaries and equity-accounted entities (BP share)										
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

^a 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.

^b Proved reserves in the Prudhoe Bay field in Alaska include an estimated 68 million barrels upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^c Excludes NGLs from processing plants in which an interest is held of 26 thousand barrels per day.

^d Includes 819 million barrels of NGLs. Also includes 23 million barrels of crude oil in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^e Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^f Includes 20 million barrels of NGLs. Also includes 243 million barrels of crude oil in respect of the 6.86% non-controlling interest in TNK-BP.

Movements in estimated net proved reserves continued

Natural gas ^a	billion cubic feet									
	2009									Total
	Europe	Rest of Europe	North America	Rest of North America	South America	Africa	Asia	Rest of Asia	Australasia	
	UK		US				Russia			
At 1 January 2009										
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
Changes attributable to										
Revisions of previous estimates	(114)	(8)	549	43	322	270	–	(231)	22	853
Improved recovery	34	–	550	5	322	49	–	82	75	1,117
Purchases of reserves-in-place	159	–	–	–	–	–	–	31	–	190
Discoveries and extensions	150	–	496	94	105	59	–	–	531	1,435
Production ^b	(243)	(9)	(907)	(100)	(929)	(249)	–	(241)	(189)	(2,867)
Sales of reserves-in-place	(118)	–	(4)	–	–	–	–	(223)	–	(345)
	(132)	(17)	684	42	(180)	129	–	(582)	439	383
At 31 December 2009 ^c										
Developed	1,602	49	9,583	716	3,177	1,107	–	1,579	3,219	21,032
Undeveloped	670	397	5,633	453	7,393	1,454	–	249	3,107	19,356
	2,272	446	15,216	1,169	10,570	2,561	–	1,828	6,326	40,388
Equity-accounted entities (BP share) ^d										
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 ^b	–	–	–	–	(165)	–	(219)	(25)	–	(409)
Sales of reserves-in-place	–	–	–	–	(388)	–	–	(154)	–	(542)
	–	–	–	–	(259)	(17)	9	(194)	–	(461)
At 31 December 2009 ^e										
Developed	–	–	–	–	1,252	–	1,703	80	–	3,035
Undeveloped	–	–	–	–	1,010	165	519	13	–	1,707
	–	–	–	–	2,262	165	2,222	93	–	4,742
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2009										
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
At 31 December 2009										
Developed	1,602	49	9,583	716	4,429	1,107	1,703	1,659	3,219	24,067
Undeveloped	670	397	5,633	453	8,403	1,619	519	262	3,107	21,063
	2,272	446	15,216	1,169	12,832	2,726	2,222	1,921	6,326	45,130

^a 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.

^b 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.

^c Includes 3,068 billion cubic feet of natural gas in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^d Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^e Includes 131 billion cubic feet of natural gas in respect of the 5.79% non-controlling interest in TNK-BP.

Movements in estimated net proved reserves continued

		million barrels of oil equivalent ^b									
Total hydrocarbons ^a		Europe		North America		South America	Africa	Asia		Australasia	2009 Total
		UK	Rest of Europe	US ^c	Rest of North America			Russia	Rest of Asia		
Subsidiaries											
At 1 January 2009											
Developed		724	91	3,279	126	617	645	–	385	382	6,249
Undeveloped		219	264	2,217	81	1,337	734	–	714	747	6,313
		943	355	5,496	207	1,954	1,379	–	1,099	1,129	12,562
Changes attributable to											
Revisions of previous estimates		(13)	(2)	260	9	74	(74)	–	(168)	7	93
Improved recovery		48	7	177	1	63	40	–	45	15	396
Purchases of reserves-in-place		28	–	–	–	–	–	–	6	–	34
Discoveries and extensions		210	–	158	17	18	124	–	–	98	625
Production ^{d e}		(102)	(16)	(393)	(20)	(182)	(152)	–	(86)	(44)	(995)
Sales of reserves-in-place		(28)	–	(1)	–	–	–	–	(65)	–	(94)
		143	(11)	201	7	(27)	(62)	–	(268)	76	59
At 31 December 2009 ^f											
Developed		680	91	3,514	135	596	613	–	455	612	6,696
Undeveloped		406	253	2,183	79	1,331	704	–	376	593	5,925
		1,086	344	5,697	214	1,927	1,317	–	831	1,205	12,621
Equity-accounted entities (BP share) ^g											
At 1 January 2009											
Developed		–	–	–	–	658	–	2,495	529	–	3,682
Undeveloped		–	–	–	–	586	42	1,057	218	–	1,903
		–	–	–	–	1,244	42	3,552	747	–	5,585
Changes attributable to											
Revisions of previous estimates		–	–	–	–	(2)	(5)	625	(32)	–	586
Improved recovery		–	–	–	–	104	–	8	1	–	113
Purchases of reserves-in-place		–	–	–	–	–	–	–	–	–	–
Discoveries and extensions		–	–	–	–	4	–	92	–	–	96
Production ^{d e}		–	–	–	–	(66)	–	(345)	(75)	–	(486)
Sales of reserves-in-place		–	–	–	–	(81)	–	–	(142)	–	(223)
		–	–	–	–	(41)	(5)	380	(248)	–	86
At 31 December 2009 ^h											
Developed		–	–	–	–	623	–	2,645	377	–	3,645
Undeveloped		–	–	–	–	580	37	1,287	122	–	2,026
		–	–	–	–	1,203	37	3,932	499	–	5,671
Total subsidiaries and equity-accounted entities (BP share)											
At 1 January 2009											
Developed		724	91	3,279	126	1,275	645	2,495	914	382	9,931
Undeveloped		219	264	2,217	81	1,923	776	1,057	932	747	8,216
		943	355	5,496	207	3,198	1,421	3,552	1,846	1,129	18,147
At 31 December 2009											
Developed		680	91	3,514	135	1,219	613	2,645	832	612	10,341
Undeveloped		406	253	2,183	79	1,911	741	1,287	498	593	7,951
		1,086	344	5,697	214	3,130	1,354	3,932	1,330	1,205	18,292

^a 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.

^b 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

^c Proved reserves in the Prudhoe Bay field in Alaska include an estimated 68 million barrels of oil equivalent upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^d Excludes NGLs from processing plants in which an interest is held of 26 thousand barrels of oil equivalent per day.

^e Includes 34 million barrels of oil equivalent of natural gas consumed in operations, 29 million barrels of oil equivalent in subsidiaries, 5 million barrels of oil equivalent in equity-accounted entities and excludes 3 million barrels of oil equivalent of produced non-hydrocarbon components that meet regulatory requirements for sales.

^f Includes 819 million barrels of NGLs. Also includes 552 million barrels of oil equivalent in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^g Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^h Includes 20 million barrels of NGLs. Also includes 266 million barrels of oil equivalent in respect of the non-controlling interest in TNK-BP.

Movements in estimated net proved reserves continued

Crude oil ^a	million barrels									
	2010									Total
	Europe	Rest of Europe	North America	Rest of North America	South America	Africa	Asia	Russia	Australasia	Rest of Asia
Subsidiaries	UK		US ^b							
At 1 January 2010										
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
Changes attributable to										
Revisions of previous estimates	20	3	(45)	1	(1)	(62)	–	(62)	–	(146)
Improved recovery	100	9	133	–	17	14	–	145	3	421
Purchases of reserves-in-place	–	33	6	–	–	–	–	38	–	77
Discoveries and extensions	31	1	80	–	–	19	–	–	–	131
Production ^{c,d}	(50)	(15)	(211)	(2)	(19)	(87)	–	(43)	(12)	(439)
Sales of reserves-in-place	–	–	(117)	(11)	–	(15)	–	–	–	(143)
	101	31	(154)	(12)	(3)	(131)	–	78	(9)	(99)
At 31 December 2010 ^{e,f}										
Developed	364	77	1,729	–	44	371	–	269	48	2,902
Undeveloped	431	221	1,190	–	58	374	–	325	58	2,657
	795	298	2,919	–	102	745	–	594	106	5,559
Equity-accounted entities (BP share) ^g										
At 1 January 2010										
Developed	–	–	–	–	407	–	2,351	363	–	3,121
Undeveloped	–	–	–	–	405	9	1,198	120	–	1,732
	–	–	–	–	812	9	3,549	483	–	4,853
Changes attributable to										
Revisions of previous estimates	–	–	–	–	4	3	248	(20)	–	235
Improved recovery	–	–	–	–	33	–	269	–	–	302
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	1	–	–	–	–	1
Production	–	–	–	–	(35) ^{h,i}	–	(313)	(69)	–	(417)
Sales of reserves-in-place	–	–	–	–	–	–	(3)	–	–	(3)
	–	–	–	–	3	3	201	(89)	–	118
At 31 December 2010 ^j										
Developed	–	–	–	–	408	–	2,388	370	–	3,166
Undeveloped	–	–	–	–	407	12	1,362	24	–	1,805
	–	–	–	–	815 ^k	12	3,750	394	–	4,971
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2010										
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
At 31 December 2010										
Developed	364	77	1,729	–	452	371	2,388	639	48	6,068
Undeveloped	431	221	1,190	–	465	386	1,362	349	58	4,462
	795	298	2,919	–	917	757	3,750	988	106	10,530

^a 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.

^b Proved reserves in the Prudhoe Bay field in Alaska include an estimated 78 million barrels upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^c Excludes NGLs from processing plants in which an interest is held of 29 thousand barrels per day.

^d Includes 15 million barrels of crude oil sold relating to production from assets held for sale at 31 December 2010. Amounts by region are: 2 million barrels in US, 6 million barrels in South America, and 7 million barrels in Rest of Asia.

^e Includes 643 million barrels of NGLs. Also includes 22 million barrels of crude oil in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^f Includes 70 million barrels relating to assets held for sale at 31 December 2010. Amounts by region are: 6 million barrels in US, 30 million barrels in South America, and 34 million barrels in Rest of Asia.

^g Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^h Includes 2 million barrels of crude oil sold relating to production since classification of equity-accounted entities as held for sale.

ⁱ Includes 9 million barrels of crude oil sold relating to production from assets held for sale at 31 December 2010.

^j Includes 18 million barrels of NGLs. Also includes 254 million barrels of crude oil in respect of the 7.03% non-controlling interest in TNK-BP.

^k Includes 213 million barrels relating to assets held for sale at 31 December 2010.

Movements in estimated net proved reserves continued

billion cubic feet									
Natural gas ^a	2010								
	Europe		North America		South America	Africa	Asia		Australasia
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia	Total
Subsidiaries									
At 1 January 2010									
Developed	1,602	49	9,583	716	3,177	1,107	–	1,579	3,219
Undeveloped	670	397	5,633	453	7,393	1,454	–	249	3,107
	2,272	446	15,216	1,169	10,570	2,561	–	1,828	6,326
Changes attributable to									
Revisions of previous estimates	(8)	(5)	(1,854)	(11)	2	3	–	(142)	(191)
Improved recovery	152	6	830	–	512	18	–	83	58
Purchases of reserves-in-place	–	31	97	1	–	–	–	17	–
Discoveries and extensions	26	–	739	9	19	1,378	–	–	–
Production ^{b c}	(191)	(8)	(861)	(77)	(953)	(229)	–	(228)	(288)
Sales of reserves-in-place	(6)	–	(424)	(1,033)	–	(51)	–	–	–
	(27)	24	(1,473)	(1,111)	(420)	1,119	–	(270)	(421)
At 31 December 2010 ^{d e}									
Developed	1,416	40	9,495	58	3,575	1,329	–	1,290	3,563
Undeveloped	829	430	4,248	–	6,575	2,351	–	268	2,342
	2,245	470	13,743	58	10,150	3,680	–	1,558	5,905
Equity-accounted entities (BP share) ^f									
At 1 January 2010									
Developed	–	–	–	–	1,252	–	1,703	80	–
Undeveloped	–	–	–	–	1,010	165	519	13	–
	–	–	–	–	2,262	165	2,222	93	–
Changes attributable to									
Revisions of previous estimates	–	–	–	–	(141)	10	382	2	–
Improved recovery	–	–	–	–	291	–	–	12	–
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	23	–	–	–	–
Production ^b	–	–	–	–	(168) ^{g h}	–	(244)	(17)	–
Sales of reserves-in-place	–	–	–	–	–	–	(1)	–	–
	–	–	–	–	5	10	137	(3)	–
At 31 December 2010 ⁱ									
Developed	–	–	–	–	1,075	–	1,900	71	–
Undeveloped	–	–	–	–	1,192	175	459	19	–
	–	–	–	–	2,267 ^j	175	2,359	90	–
Total subsidiaries and equity-accounted entities (BP share)									
At 1 January 2010									
Developed	1,602	49	9,583	716	4,429	1,107	1,703	1,659	3,219
Undeveloped	670	397	5,633	453	8,403	1,619	519	262	3,107
	2,272	446	15,216	1,169	12,832	2,726	2,222	1,921	6,326
At 31 December 2010									
Developed	1,416	40	9,495	58	4,650	1,329	1,900	1,361	3,563
Undeveloped	829	430	4,248	–	7,767	2,526	459	287	2,342
	2,245	470	13,743	58	12,417	3,855	2,359	1,648	5,905

^a 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.

^b Includes 204 billion cubic feet of natural gas consumed in operations, 166 billion cubic feet in subsidiaries, 38 billion cubic feet in equity-accounted entities and excludes 14 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

^c Includes 133 billion cubic feet of gas (excluding gas consumed in operations) relating to production from assets held for sale at 31 December 2010. Amounts by region are: 23 billion cubic feet in US, 27 billion cubic feet in South America, and 83 billion cubic feet in Rest of Asia.

^d Includes 2,921 billion cubic feet of natural gas in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^e Includes 740 billion cubic feet relating to assets held for sale at 31 December 2010. Amounts by region are: 158 billion cubic feet in US, 205 billion cubic feet in South America, and 377 billion cubic feet in Rest of Asia.

^f Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^g Includes 1 billion cubic feet of gas sales relating to production since classification of equity-accounted entities as held for sale.

^h Includes 3 billion cubic feet of gas (excluding gas consumed in operations) relating to production from assets held for sale at 31 December 2010.

ⁱ Includes 137 billion cubic feet of natural gas in respect of the 5.89% non-controlling interest in TNK-BP.

^j Includes 50 billion cubic feet relating to assets held for sale at 31 December 2010.

Movements in estimated net proved reserves continued

		million barrels	
Bitumen^a		2010	
		Rest of North America	Total
Equity-accounted entities (BP share)			
At 1 January 2010			
Developed		—	—
Undeveloped		—	—
Changes attributable to			
Revisions of previous estimates		—	—
Improved recovery		—	—
Purchases of reserves-in-place		—	—
Discoveries and extensions		179	179
Production		—	—
Sales of reserves-in-place		—	—
		179	179
At 31 December 2010			
Developed		—	—
Undeveloped		179	179
		179	179

^a 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.

Movements in estimated net proved reserves continued

Total hydrocarbons ^a	million barrels of oil equivalent ^b									
	Europe		North America		South America	Africa	Asia		Australasia	2010 Total
	UK	Rest of Europe	US ^c	Rest of North America			Russia	Rest of Asia		
At 1 January 2010										
Developed	680	91	3,514	135	596	613	–	455	612	6,696
Undeveloped	406	253	2,183	79	1,331	704	–	376	593	5,925
	1,086	344	5,697	214	1,927	1,317	–	831	1,205	12,621
Changes attributable to										
Revisions of previous estimates	18	2	(364)	(2)	(1)	(61)	–	(87)	(33)	(528)
Improved recovery	126	10	276	–	105	17	–	160	13	707
Purchases of reserves-in-place	–	38	22	–	–	–	–	41	–	101
Discoveries and extensions	36	1	207	2	4	257	–	–	–	507
Production ^{d e f}	(83)	(16)	(359)	(15)	(183)	(127)	–	(83)	(61)	(927)
Sales of reserves-in-place	(1)	–	(190)	(189)	–	(24)	–	–	–	(404)
	96	35	(408)	(204)	(75)	62	–	31	(81)	(544)
At 31 December 2010 ^{g h}										
Developed	608	84	3,366	10	660	600	–	491	662	6,481
Undeveloped	574	295	1,923	–	1,192	779	–	371	462	5,596
	1,182	379	5,289	10	1,852	1,379	–	862	1,124	12,077
Equity-accounted entities (BP share) ⁱ										
At 1 January 2010										
Developed	–	–	–	–	623	–	2,645	377	–	3,645
Undeveloped	–	–	–	–	580	37	1,287	122	–	2,026
	–	–	–	–	1,203	37	3,932	499	–	5,671
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(20)	6	314	(19)	–	281
Improved recovery	–	–	–	–	83	–	269	2	–	354
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	179	4	–	–	–	–	183
Production ^{d e}	–	–	–	–	(64) ^{j k}	–	(354)	(73)	–	(491)
Sales of reserves-in-place	–	–	–	–	–	–	(4)	–	–	(4)
	–	–	–	179	3	6	225	(90)	–	323
At 31 December 2010 ^l										
Developed	–	–	–	–	593	–	2,716	382	–	3,691
Undeveloped	–	–	–	179	613	43	1,441	27	–	2,303
	–	–	–	179	1,206 ^m	43	4,157	409	–	5,994
Total subsidiaries and equity-accounted entities (BP share) ⁿ										
At 1 January 2010										
Developed	680	91	3,514	135	1,219	613	2,645	832	612	10,341
Undeveloped	406	253	2,183	79	1,911	741	1,287	498	593	7,951
	1,086	344	5,697	214	3,130	1,354	3,932	1,330	1,205	18,292
At 31 December 2010										
Developed	608	84	3,366	10	1,253	600	2,716	873	662	10,172
Undeveloped	574	295	1,923	179	1,805	822	1,441	398	462	7,899
	1,182	379	5,289	189	3,058	1,422	4,157	1,271	1,124	18,071

^a 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.

^b 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

^c Proved reserves in the Prudhoe Bay field in Alaska include an estimated 78 million barrels of oil equivalent upon which a net profits royalty will be payable, over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^d Excludes NGLs from processing plants in which an interest is held of 29 thousand barrels of oil equivalent per day.

^e Includes 35 million barrels of oil equivalent of natural gas consumed in operations, 28 million barrels of oil equivalent in subsidiaries, 7 million barrels of oil equivalent in equity-accounted entities and excludes 2 million barrels of oil equivalent of produced non-hydrocarbon components that meet regulatory requirements for sales.

^f Includes 38 million barrels of oil equivalent (excluding gas consumed in operations) relating to production from assets held for sale at 31 December 2010. Amounts by region are: 6 million barrels of oil equivalent in US, 11 million barrels of oil equivalent in South America, and 21 million barrels of oil equivalent in Rest of Asia.

^g Includes 643 million barrels of NGLs. Also includes 526 million barrels of oil equivalent in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^h Includes 197 million barrels of oil equivalent relating to assets held for sale at 31 December 2010. Amounts by region are: 34 million barrels of oil equivalent in US, 64 million barrels of oil equivalent in South America, and 99 million barrels of oil equivalent in Rest of Asia.

ⁱ Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^j Includes 2 million barrels of oil equivalent sold relating to production since classification of equity-accounted entities as held for sale.

^k Includes 9 million barrels of oil equivalent (excluding gas consumed in operations) relating to production from assets held for sale at 31 December 2010.

^l Includes 18 million barrels of NGLs. Also includes 278 million barrels of oil equivalent in respect of the non-controlling interest in TNK-BP.

^m Includes 222 million barrels of oil equivalent relating to assets held for sale at 31 December 2010.

ⁿ Includes 1,311 million barrels of oil equivalent (197 million barrels of oil equivalent for subsidiaries and 1,114 million barrels of oil equivalent for equity-accounted entities) associated with properties currently held for sale where the disposal has not yet been completed.

Movements in estimated net proved reserves continued

million barrels										
Crude oil ^a	2011 Total									
	Europe		North America		South America	Africa	Asia		Australasia	
	UK	Rest of Europe	US ^b	Rest of North America			Russia	Rest of Asia		
At 1 January 2011										
Developed	364	77	1,729	–	44	371	–	269	48	2,902
Undeveloped	431	221	1,190	–	58	374	–	325	58	2,657
	795	298	2,919	–	102	745	–	594	106	5,559
Changes attributable to										
Revisions of previous estimates	(1)	5	27	–	6	(68)	–	(131)	3	(159)
Improved recovery	14	8	97	–	1	10	–	70	6	206
Purchases of reserves-in-place	–	–	10	–	7	–	–	4	–	21
Discoveries and extensions	–	–	1	–	1	19	–	–	–	21
Production ^c	(41)	(12)	(162)	–	(13)	(68)	–	(50)	(9)	(355)
Sales of reserves-in-place	(34)	–	(34)	–	(29)	(12)	–	(31)	–	(140)
	(62)	1	(61)	–	(27)	(119)	–	(138)	–	(406)
At 31 December 2011 ^d										
Developed	288	69	1,685	–	27	311	–	177	59	2,616
Undeveloped	445	230	1,173	–	48	315	–	279	47	2,537
	733	299	2,858	–	75	626	–	456	106	5,153
Equity-accounted entities (BP share) ^e										
At 1 January 2011										
Developed	–	–	–	–	408	–	2,388	370	–	3,166
Undeveloped	–	–	–	–	407	12	1,362	24	–	1,805
	–	–	–	–	815	12	3,750	394	–	4,971
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(12)	2	677	(5)	–	662
Improved recovery	–	–	–	–	70	–	73	–	–	143
Purchases of reserves-in-place	–	–	–	–	98	–	–	1	–	99
Discoveries and extensions	–	–	–	–	–	–	25	–	–	25
Production	–	–	–	–	(30)	–	(316)	(76)	–	(422)
Sales of reserves-in-place	–	–	–	–	(244)	–	–	–	–	(244)
	–	–	–	–	(118)	2	459	(80)	–	263
At 31 December 2011 ^{f,g}										
Developed	–	–	–	–	349	–	2,596	256	–	3,201
Undeveloped	–	–	–	–	348	14	1,613	58	–	2,033
	–	–	–	–	697	14	4,209	314	–	5,234
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2011										
Developed	364	77	1,729	–	452	371	2,388	639	48	6,068
Undeveloped	431	221	1,190	–	465	386	1,362	349	58	4,462
	795	298	2,919	–	917	757	3,750	988	106	10,530
At 31 December 2011										
Developed	288	69	1,685	–	376	311	2,596	433	59	5,817
Undeveloped	445	230	1,173	–	396	329	1,613	337	47	4,570
	733	299	2,858	–	772	640	4,209	770	106	10,387

^a 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.

^b Proved reserves in the Prudhoe Bay field in Alaska include an estimated 82 million barrels upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^c Excludes NGLs from processing plants in which an interest is held of 28 thousand barrels per day.

^d Includes 616 million barrels of NGLs. Also includes 20 million barrels of crude oil in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^e Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^f Includes 19 million barrels of NGLs. Also includes 310 million barrels of crude oil in respect of the 7.37% non-controlling interest in TNK-BP.

⁹ Total proved liquid reserves held as part of our equity interest in TNK-BP is 4,305 million barrels, comprising 95 million barrels in Venezuela, one million barrels in Vietnam and 4,209 million barrels in Russia. In 2011, BP aligned its reporting with TNK-BP by moving to a life of field reporting basis. Reasonable certainty of licence renewals is demonstrated by evidence of Russian subsoil law, track record of renewals within the industry and track record of success in obtaining renewals by TNK-BP. This has resulted in an increase in proved liquid reserves of 221 million barrels.

Movements in estimated net proved reserves continued

Natural gas ^a	billion cubic feet									
	2011									Total
	Europe		North America		South America	Africa	Asia		Australasia	
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
At 1 January 2011										
Developed	1,416	40	9,495	58	3,575	1,329	–	1,290	3,563	20,766
Undeveloped	829	430	4,248	–	6,575	2,351	–	268	2,342	17,043
	2,245	470	13,743	58	10,150	3,680	–	1,558	5,905	37,809
Changes attributable to										
Revisions of previous estimates	169	30	–	(9)	202	(206)	–	69	299	554
Improved recovery	56	1	597	–	84	15	–	28	22	803
Purchases of reserves-in-place	8	–	93	7	–	–	–	310	–	418
Discoveries and extensions	–	–	219	–	47	–	–	–	–	266
Production ^b	(146)	(8)	(737)	(5)	(811)	(232)	–	(244)	(291)	(2,474)
Sales of reserves-in-place	(12)	–	(363)	(23)	(274)	–	–	(323)	–	(995)
	75	23	(191)	(30)	(752)	(423)	–	(160)	30	(1,428)
At 31 December 2011 ^c										
Developed	1,411	43	9,721	28	2,869	1,224	–	1,034	3,570	19,900
Undeveloped	909	450	3,831	–	6,529	2,033	–	364	2,365	16,481
	2,320	493	13,552	28	9,398	3,257	–	1,398	5,935	36,381
Equity-accounted entities (BP share) ^d										
At 1 January 2011										
Developed	–	–	–	–	1,075	–	1,900	71	–	3,046
Undeveloped	–	–	–	–	1,192	175	459	19	–	1,845
	–	–	–	–	2,267	175	2,359	90	–	4,891
Changes attributable to										
Revisions of previous estimates	–	–	–	–	(75)	20	683	(3)	–	625
Improved recovery	–	–	–	–	190	–	–	12	–	202
Purchases of reserves-in-place	–	–	–	–	31	–	–	76	–	107
Discoveries and extensions	–	–	–	–	–	–	–	–	–	–
Production ^b	–	–	–	–	(167)	–	(264)	(20)	–	(451)
Sales of reserves-in-place	–	–	–	–	(96)	–	–	–	–	(96)
	–	–	–	–	(117)	20	419	65	–	387
At 31 December 2011 ^{e,f}										
Developed	–	–	–	–	1,144	–	2,119	104	–	3,367
Undeveloped	–	–	–	–	1,006	195	659	51	–	1,911
	–	–	–	–	2,150	195	2,778	155	–	5,278
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2011										
Developed	1,416	40	9,495	58	4,650	1,329	1,900	1,361	3,563	23,812
Undeveloped	829	430	4,248	–	7,767	2,526	459	287	2,342	18,888
	2,245	470	13,743	58	12,417	3,855	2,359	1,648	5,905	42,700
At 31 December 2011										
Developed	1,411	43	9,721	28	4,013	1,224	2,119	1,138	3,570	23,267
Undeveloped	909	450	3,831	–	7,535	2,228	659	415	2,365	18,392
	2,320	493	13,552	28	11,548	3,452	2,778	1,553	5,935	41,659

^a 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.

^b Includes 196 billion cubic feet of natural gas consumed in operations, 155 billion cubic feet in subsidiaries, 41 billion cubic feet in equity-accounted entities and excludes 14 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

^c Includes 2,759 billion cubic feet of natural gas in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^d Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^e Includes 174 billion cubic feet of natural gas in respect of the 6.27% non-controlling interest in TNK-BP.

^f Total proved gas reserves held as part of our equity interest in TNK-BP is 2,881 billion cubic feet, comprising 30 billion cubic feet in Venezuela, 73 billion cubic feet in Vietnam and 2,778 billion cubic feet in Russia. In 2011, BP aligned its reporting with TNK-BP by moving to a life of field reporting basis. Reasonable certainty of licence renewals is demonstrated by evidence of Russian subsoil law, track record of renewals within the industry and track record of success in obtaining renewals by TNK-BP. This has resulted in an increase in proved gas reserves of 185 billion cubic feet.

Movements in estimated net proved reserves continued

	million barrels	
	2011	
Rest of North America	Total	
Bitumen^a		
Subsidiaries		
At 1 January 2011		
Developed	–	–
Undeveloped	179	179
	179	179
Changes attributable to		
Revisions of previous estimates	(1)	(1)
Improved recovery	–	–
Purchases of reserves-in-place	–	–
Discoveries and extensions	–	–
Production	–	–
Sales of reserves-in-place	–	–
	(1)	(1)
At 31 December 2011		
Developed	–	–
Undeveloped	178	178
	178	178

^a 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.

Movements in estimated net proved reserves continued

		million barrels of oil equivalent ^b								
Total hydrocarbons ^a		2011								
		Europe		North America		South America	Africa	Asia		Australasia
		UK	Rest of Europe	US ^c	Rest of North America			Russia	Rest of Asia	
At 1 January 2011										
Developed		608	84	3,366	10	660	600	–	491	662
Undeveloped		574	295	1,923	179	1,192	779	–	371	462
		1,182	379	5,289	189	1,852	1,379	–	862	1,124
Changes attributable to										
Revisions of previous estimates		28	10	27	(3)	41	(103)	–	(119)	55
Improved recovery		24	8	200	–	15	12	–	75	10
Purchases of reserves-in-place		1	–	26	2	7	–	–	58	–
Discoveries and extensions		–	–	39	–	9	19	–	–	–
Production ^{d,e}		(66)	(13)	(289)	(1)	(153)	(108)	–	(92)	(59)
Sales of reserves-in-place		(36)	–	(97)	(4)	(76)	(12)	–	(87)	–
		(49)	5	(94)	(6)	(157)	(192)	–	(165)	6
At 31 December 2011 ^f										
Developed		531	76	3,362	5	522	522	–	355	675
Undeveloped		602	308	1,833	178	1,173	665	–	342	455
		1,133	384	5,195	183	1,695	1,187	–	697	1,130
Equity-accounted entities (BP share) ^g										
At 1 January 2011										
Developed		–	–	–	–	593	–	2,716	382	–
Undeveloped		–	–	–	–	613	43	1,441	27	–
		–	–	–	–	1,206	43	4,157	409	–
Changes attributable to										
Revisions of previous estimates		–	–	–	–	(25)	5	795	(5)	–
Improved recovery		–	–	–	–	103	–	73	2	–
Purchases of reserves-in-place		–	–	–	–	103	–	–	14	–
Discoveries and extensions		–	–	–	–	–	–	25	–	–
Production ^{d,e}		–	–	–	–	(59)	–	(362)	(80)	–
Sales of reserves-in-place		–	–	–	–	(260)	–	–	–	–
		–	–	–	–	(138)	5	531	(69)	–
At 31 December 2011 ^{h,i}										
Developed		–	–	–	–	546	–	2,961	274	–
Undeveloped		–	–	–	–	522	48	1,727	66	–
		–	–	–	–	1,068	48	4,688	340	–
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2011										
Developed		608	84	3,366	10	1,253	600	2,716	873	662
Undeveloped		574	295	1,923	179	1,805	822	1,441	398	462
		1,182	379	5,289	189	3,058	1,422	4,157	1,271	1,124
At 31 December 2011										
Developed		531	76	3,362	5	1,068	522	2,961	629	675
Undeveloped		602	308	1,833	178	1,695	713	1,727	408	455
		1,133	384	5,195	183	2,763	1,235	4,688	1,037	1,130

^a 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.

^b 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

^c Proved reserves in the Prudhoe Bay field in Alaska include an estimated 82 million barrels of oil equivalent upon which a net profits royalty will be payable, over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^d Excludes NGLs from processing plants in which an interest is held of 28 thousand barrels of oil equivalent per day.

^e Includes 34 million barrels of oil equivalent of natural gas consumed in operations, 27 million barrels of oil equivalent in subsidiaries, 7 million barrels of oil equivalent in equity-accounted entities and excludes 2 million barrels of oil equivalent of produced non-hydrocarbon components that meet regulatory requirements for sales.

^f Includes 616 million barrels of NGLs. Also includes 496 million barrels of oil equivalent in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^g Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^h Includes 19 million barrels of NGLs. Also includes 340 million barrels of oil equivalent in respect of the non-controlling interest in TNK-BP.

ⁱ Total proved reserves held as part of our equity interest in TNK-BP is 4,802 million barrels of oil equivalent, comprising 100 million barrels of oil equivalent in Venezuela, 14 million barrels of oil equivalent in Vietnam and 4,688 million barrels of oil equivalent in Russia. In 2011, BP aligned its reporting with TNK-BP by moving to a life of field reporting basis. Reasonable certainty of licence renewals is demonstrated by evidence of Russian subsoil law, track record of renewals within the industry and track record of success in obtaining renewals by TNK-BP. This has resulted in an increase in proved reserves of 253 million barrels of oil equivalent.

Movements in estimated net proved reserves continued

million barrels									
2012									
Crude oil ^a									
Europe		North America		South America	Africa	Asia		Australasia	Total
UK	Rest of Europe	US ^b	Rest of North America			Russia	Rest of Asia		
At 1 January 2012									
Developed	288	69	1,685	–	27	311	–	177	59
Undeveloped	445	230	1,173	–	48	315	–	279	47
	733	299	2,858	–	75	626	–	456	106
Changes attributable to									
Revisions of previous estimates	(30)	(25)	(280)	–	(11)	(1)	–	(2)	–
Improved recovery	3	–	140	–	–	13	–	2	–
Purchases of reserves-in-place	4	–	21	–	–	–	–	–	–
Discoveries and extensions	–	1	23	–	–	2	–	–	–
Production ^c	(31)	(8)	(142)	–	(10)	(73)	–	(51)	(9)
Sales of reserves-in-place	(6)	(18)	(188)	–	–	–	–	–	–
	(60)	(50)	(426)	–	(21)	(59)	–	(51)	(9)
At 31 December 2012 ^d									
Developed	242	170	1,443	–	22	312	–	268	52
Undeveloped	431	79	989	–	32	255	–	137	45
	673	249	2,432	–	54	567	–	405	97
Equity-accounted entities (BP share) ^e									
At 1 January 2012									
Developed	–	–	–	–	349	–	2,596	256	–
Undeveloped	–	–	–	–	348	14	1,613	58	–
	–	–	–	–	697	14	4,209	314	–
Changes attributable to									
Revisions of previous estimates	–	–	–	–	(2)	9	462	(23)	–
Improved recovery	–	–	–	–	24	–	47	–	–
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	–	–	67	–	–
Production	–	–	–	–	(29)	–	(316)	(80)	–
Sales of reserves-in-place	–	–	–	–	–	–	(15)	–	–
	–	–	–	–	(7)	9	245	(103)	–
At 31 December 2012 ^f									
Developed	–	–	–	–	339	12	2,492	198	–
Undeveloped	–	–	–	–	351	11	1,962	13	–
	–	–	–	–	690	23	4,454	211	–
Total subsidiaries and equity-accounted entities (BP share)									
At 1 January 2012									
Developed	288	69	1,685	–	376	311	2,596	433	59
Undeveloped	445	230	1,173	–	396	329	1,613	337	47
	733	299	2,858	–	772	640	4,209	770	106
At 31 December 2012									
Developed	242	170	1,443	–	361	324	2,492	466	52
Undeveloped	431	79	989	–	383	266	1,962	150	45
	673	249	2,432	–	744	590	4,454	616	97

^a 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.

^b Proved reserves in the Prudhoe Bay field in Alaska include an estimated 76 million barrels upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^c Excludes NGLs from processing plants in which an interest is held of 13,500 barrels per day.

^d Includes 591 million barrels of NGLs. Also includes 14 million barrels of crude oil in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^e Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^f Includes 103 million barrels of NGLs. Also includes 328 million barrels of crude oil in respect of the 7.35% non-controlling interest in TNK-BP.

^g Total proved liquid reserves held as part of our equity interest in TNK-BP is 4,540 million barrels, comprising 87 million barrels in Venezuela and 4,453 million barrels in Russia.

^h Includes assets held for sale of 39 million barrels.

ⁱ Includes assets held for sale of 4,540 million barrels.

Movements in estimated net proved reserves continued

Natural gas ^a	billion cubic feet									
	2012									Total
	Europe		North America		South America	Africa	Asia		Australasia	
	UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
At 1 January 2012										
Developed	1,411	43	9,721	28	2,869	1,224	–	1,034	3,570	19,900
Undeveloped	909	450	3,831	–	6,529	2,033	–	364	2,365	16,481
	2,320	493	13,552	28	9,398	3,257	–	1,398	5,935	36,381
Changes attributable to										
Revisions of previous estimates	(18)	(13)	(1,853)	(19)	(116)	(14)	–	38	(41)	(2,036)
Improved recovery	95	–	885	–	756	69	–	156	–	1,961
Purchases of reserves-in-place	17	(1)	232	–	–	–	–	–	–	248
Discoveries and extensions	–	7	225	–	598	1	–	–	–	831
Production ^b	(164)	(5)	(661)	(5)	(775)	(251)	–	(253)	(289)	(2,403)
Sales of reserves-in-place	(546)	–	(1,149)	–	(23)	–	–	–	–	(1,718)
	(616)	(12)	(2,321)	(24)	440	(195)	–	(59)	(330)	(3,117)
At 31 December 2012 ^{c,g}										
Developed	1,038	340	8,245	4	3,588	1,139	–	926	3,282	18,562
Undeveloped	666	141	2,986	–	6,250	1,923	–	413	2,323	14,702
	1,704	481	11,231	4	9,838	3,062	–	1,339	5,605	33,264
Equity-accounted entities (BP share) ^d										
At 1 January 2012										
Developed	–	–	–	–	1,144	–	2,119	104	–	3,367
Undeveloped	–	–	–	–	1,006	195	659	51	–	1,911
	–	–	–	–	2,150	195	2,778	155	–	5,278
Changes attributable to										
Revisions of previous estimates	–	–	–	–	86	144	569	25	–	824
Improved recovery	–	–	–	–	110	–	–	1	–	111
Purchases of reserves-in-place	–	–	–	–	–	–	–	–	–	–
Discoveries and extensions	–	–	–	–	3	–	1,310	–	–	1,313
Production ^b	–	–	–	–	(169)	–	(280)	(35)	–	(484)
Sales of reserves-in-place	–	–	–	–	–	–	(1)	–	–	(1)
	–	–	–	–	30	144	1,598	(9)	–	1,763
At 31 December 2012 ^{e,f,h}										
Developed	–	–	–	–	1,276	175	2,617	128	–	4,196
Undeveloped	–	–	–	–	904	164	1,759	18	–	2,845
	–	–	–	–	2,180	339	4,376	146	–	7,041
Total subsidiaries and equity-accounted entities (BP share)										
At 1 January 2012										
Developed	1,411	43	9,721	28	4,013	1,224	2,119	1,138	3,570	23,267
Undeveloped	909	450	3,831	–	7,535	2,228	659	415	2,365	18,392
	2,320	493	13,552	28	11,548	3,452	2,778	1,553	5,935	41,659
At 31 December 2012										
Developed	1,038	340	8,245	4	4,864	1,314	2,617	1,054	3,282	22,758
Undeveloped	666	141	2,986	–	7,154	2,087	1,759	431	2,323	17,547
	1,704	481	11,231	4	12,018	3,401	4,376	1,485	5,605	40,305

^a 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.

^b Includes 190 billion cubic feet of natural gas consumed in operations, 145 billion cubic feet in subsidiaries, 45 billion cubic feet in equity-accounted entities and excludes 9 billion cubic feet of produced non-hydrocarbon components that meet regulatory requirements for sales.

^c Includes 2,890 billion cubic feet of natural gas in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^d Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^e Includes 270 billion cubic feet of natural gas in respect of the 6.17% non-controlling interest in TNK-BP.

^f Total proved gas reserves held as part of our equity interest in TNK-BP is 4,492 billion cubic feet, comprising 38 billion cubic feet in Venezuela, 78 billion cubic feet in Vietnam and 4,376 billion cubic feet in Russia.

^g Includes assets held for sale of 590 billion cubic feet.

^h Includes assets held for sale of 4,492 billion cubic feet.

Movements in estimated net proved reserves continued

	million barrels	
	2012	
Rest of North America	Total	
Bitumen^a		
Subsidiaries		
At 1 January 2012		
Developed	–	–
Undeveloped	178	178
	178	178
Changes attributable to		
Revisions of previous estimates	17	17
Improved recovery	–	–
Purchases of reserves-in-place	–	–
Discoveries and extensions	–	–
Production	–	–
Sales of reserves-in-place	–	–
	17	17
At 31 December 2012		
Developed	–	–
Undeveloped	195	195
	195	195

^a 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.

Movements in estimated net proved reserves continued

		million barrels of oil equivalent ^b									
Total hydrocarbons ^a		2012									
		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US ^c	Rest of North America			Russia	Rest of Asia		
Subsidiaries											
At 1 January 2012											
Developed		531	76	3,362	5	522	522	–	355	675	6,048
Undeveloped		602	308	1,833	178	1,173	665	–	342	455	5,556
		1,133	384	5,195	183	1,695	1,187	–	697	1,130	11,604
Changes attributable to											
Revisions of previous estimates		(33)	(27)	(600)	14	(31)	(3)	–	5	(8)	(683)
Improved recovery		19	–	293	–	130	25	–	29	–	496
Purchases of reserves-in-place		7	–	61	–	–	–	–	–	–	68
Discoveries and extensions		–	2	62	–	103	2	–	–	–	169
Production ^{d,e}		(59)	(9)	(256)	(1)	(143)	(116)	–	(95)	(59)	(738)
Sales of reserves-in-place		(100)	(18)	(386)	–	(4)	–	–	–	–	(508)
		(166)	(52)	(826)	13	55	(92)	–	(61)	(67)	(1,196)
At 31 December 2012 ^{f,i}											
Developed		421	229	2,865	1	640	508	–	427	618	5,709
Undeveloped		546	103	1,504	195	1,110	587	–	209	445	4,699
		967	332	4,369	196	1,750	1,095	–	636	1,063	10,408
Equity-accounted entities (BP share) ^g											
At 1 January 2012											
Developed		–	–	–	–	546	–	2,961	274	–	3,781
Undeveloped		–	–	–	–	522	48	1,727	66	–	2,363
		–	–	–	–	1,068	48	4,688	340	–	6,144
Changes attributable to											
Revisions of previous estimates		–	–	–	–	13	34	560	(19)	–	588
Improved recovery		–	–	–	–	43	–	47	–	–	90
Purchases of reserves-in-place		–	–	–	–	–	–	–	–	–	–
Discoveries and extensions		–	–	–	–	1	–	292	–	–	293
Production ^{d,e}		–	–	–	–	(58)	–	(364)	(86)	–	(508)
Sales of reserves-in-place		–	–	–	–	–	–	(15)	–	–	(15)
		–	–	–	–	(1)	34	520	(105)	–	448
At 31 December 2012 ^{h,k}											
Developed		–	–	–	–	559	43	2,943	220	–	3,765
Undeveloped		–	–	–	–	508	39	2,265	15	–	2,827
		–	–	–	–	1,067	82	5,208	235	–	6,592
Total subsidiaries and equity-accounted entities (BP share)											
At 1 January 2012											
Developed		531	76	3,362	5	1,068	522	2,961	629	675	9,829
Undeveloped		602	308	1,833	178	1,695	713	1,727	408	455	7,919
		1,133	384	5,195	183	2,763	1,235	4,688	1,037	1,130	17,748
At 31 December 2012											
Developed		421	229	2,865	1	1,199	551	2,943	647	618	9,474
Undeveloped		546	103	1,504	195	1,618	626	2,265	224	445	7,526
		967	332	4,369	196	2,817	1,177	5,208	871	1,063	17,000

^a 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.

^b 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

^c Proved reserves in the Prudhoe Bay field in Alaska include an estimated 76 million barrels of oil equivalent upon which a net profits royalty will be payable, over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.

^d Excludes NGLs from processing plants in which an interest is held of 13,500 barrels of oil equivalent per day.

^e Includes 33 million barrels of oil equivalent of natural gas consumed in operations, 25 million barrels of oil equivalent in subsidiaries, 8 million barrels of oil equivalent in equity-accounted entities and excludes 2 million barrels of oil equivalent of produced non-hydrocarbon components that meet regulatory requirements for sales.

^f Includes 591 million barrels of NGLs. Also includes 512 million barrels of oil equivalent in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

^g Volumes of equity-accounted entities include volumes of equity-accounted investments of those entities.

^h Includes 103 million barrels of NGLs. Also includes 374 million barrels of oil equivalent in respect of the non-controlling interest in TNK-BP.

ⁱ Total proved reserves held as part of our equity interest in TNK-BP is 5,315 million barrels of oil equivalent, comprising 93 million barrels of oil equivalent in Venezuela, 14 million barrels of oil equivalent in Vietnam and 5,208 million barrels of oil equivalent in Russia.

^j Includes assets held for sale of 140 million barrels of oil equivalent.

^k Includes assets held for sale of 5,315 million barrels of oil equivalent.

Group production interests – liquids

		thousand barrels per day				
		BP net share of production ^a				
Subsidiaries		2008	2009	2010	2011	2012
UK ^b	Field or area					
	ETAP ^c	27	34	28	22	11
	Foinaven (BP-operated)	26	29	24	26	14
	Other ^d	120	105	85	65	61
Total UK		173	168	137	113	86
Norway ^b	Various	43	40	40	32	23
Total Rest of Europe		43	40	40	32	23
Total Europe		216	208	177	145	109
Alaska	Greater Prudhoe Bay (BP-operated)	90	86	81	78	77
	Kuparuk	48	45	42	39	36
	Milne Point (BP-operated)	27	24	23	19	15
	Other	32	26	20	17	11
		197	181	166	153	139
Total Alaska		97	97	90	69	60
Lower 48 onshore ^b	Various	24	133	120	77	49
Gulf of Mexico deepwater ^b	Thunder Horse (BP-operated)	42	54	49	34	23
	Atlantis (BP-operated)	31	35	30	8	9
	Mad Dog (BP-operated)	28	29	23	19	15
	Mars	29	27	25	14	21
	Na Kika (BP-operated)	18	25	14	8	6
	Horn Mountain (BP-operated)	23	22	21	15	14
	King (BP-operated)	49	62	56	56	54
	Other	244	387	338	231	191
		538	665	594	453	390
Total Gulf of Mexico deepwater		9	8	7	2	1
Total US		9	8	7	2	1
Canada ^b	Various (BP-operated)	547	673	601	455	391
Total Rest of North America		24	23	18	1	–
Total North America		38	38	36	31	21
Colombia ^b	Various (BP-operated)	4	–	–	–	–
Trinidad & Tobago	Various (BP-operated)	–	–	–	7	7
Venezuela ^b	Various	66	61	54	39	28
Brazil ^b	Polvo	69	70	73	51	59
Total South America		30	43	31	21	9
Angola	Greater Plutonio (BP-operated)	34	32	20	12	11
	Kizomba C Dev	22	22	18	12	11
	Dalia	–	–	–	5	29
	Girassol FPSO	46	44	28	22	30
	Pazflor	201	211	170	123	149
	Other	41	55	47	34	32
Total Angola		16	16	12	11	9
Egypt ^b	Gupco	57	71	59	45	41
Total Egypt		19	22	17	22	12
Algeria ^b	Various	277	304	246	190	202
Total Africa		97	94	94	86	82
Azerbaijan ^b	Azeri-Chirag-Gunashli (BP-operated)	8	7	9	8	10
Total Azerbaijan		105	101	103	94	92
Western Indonesia ^b	Various	7	5	2	2	1
Iraq	Rumaila	–	–	–	31	39
Other	Various	16	17	14	11	7
Total Rest of Asia ^b		128	123	119	138	139
Total Asia		128	123	119	138	139
Australia	Various	29	31	30	23	24
Other	Various	–	–	2	2	3
Total Australasia		29	31	32	25	27
Total subsidiaries ^e		1,263	1,400	1,229	992	896
Equity-accounted entities (BP share)						
Russia – TNK-BP ^b	Various	826	840	856	865	863
Total Russia		826	840	856	865	863
Abu Dhabi ^f	Various	210	182	190	209	216
Other	Various	10	12	1	1	1
Total Rest of Asia ^b		220	194	191	210	217
Total Asia		1,046	1,034	1,047	1,075	1,080
Argentina	Various	70	75	75	74	65
Venezuela ^b	Various	19	25	23	16	14
Bolivia ^b	Various	3	1	–	–	1
Total South America		92	101	98	90	80
Total equity-accounted entities ^g		1,138	1,135	1,145	1,165	1,160
Total subsidiaries and equity-accounted entities		2,401	2,535	2,374	2,157	2,056

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

^b In 2012, BP divested its interests in the US Gulf of Mexico Marlin, Dorado, King, Horn Mountain, Holstein, Ram Powell and Diana Hoover assets, a portion of our interest in US Gulf of Mexico Mad Dog asset, its interests in the US onshore Jonah and Pinedale upstream operation in Wyoming, and associated gas gathering system, its interests in the Canadian natural gas liquid business, its interests in the Alba and Britannia fields in the UK North Sea, its interests in the Draugen field in the Norwegian Sea, and TNK-BP disposed of its interests in OJSC Novosibirskneftegaz, with interests in Novosibirsk region, Omsk region, and Irkutsk region, and its interests in OJSC Severnoenftegaz, with interests in Novosibirsk region. BP also increased its interest in the US onshore Eagle Ford Shale in south Texas, its interests in certain UK North Sea assets, and in certain US Alaska assets. In 2011, BP sold its holdings in Venezuela and Vietnam to TNK-BP. It also made acquisitions in India through a joint arrangement with Reliance, Brazil and additional volumes in the US Gulf of Mexico and UK North Sea. BP divested its holdings in Pompano along with other interests in the US Gulf of Mexico, Tuscaloosa and interests in south Texas in the US onshore, a portion of our interest in the Azeri-Chirag-Gunashli development in Azerbaijan, Wytch Farm in the UK, our interests in the REB field in Algeria, and the remainder of our interests in Colombia and Pakistan. In 2010, BP divested its Permian Basin assets in Texas and south-east New Mexico, the East Badr El-Din and Western Desert concession in Egypt, its Canada gas assets and reduced its interest in the King field in the Gulf of Mexico. It also acquired an increased holding in the Azeri-Chirag-Gunashli development in Azerbaijan and the Valhall and Hod fields in the Norwegian North Sea. Four other producing fields in the Gulf of Mexico that were acquired during 2010 were subsequently disposed of in early 2011. 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 Petr leo de Venezuela, S.A. (PDVSA) while retaining its equity position, and TNK-BP disposed of some non-core interests.

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

^d 2012 includes 17mb/d of production in assets held for sale.

^e Includes 13.5 net mb/d of NGLs from processing plants in which BP has an interest (2011 28mb/d, 2010 29mb/d, 2009 28mb/d and 2008 19mb/d).

^f The BP group holds interests, through associates, in onshore and offshore concessions in Abu Dhabi, expiring in 2014 and 2018 respectively.

^g 2012 includes 877mb/d of production in assets held for sale associated with TNK-BP.

Group production interests – natural gas

		million cubic feet per day				
		BP net share of production ^a				
Subsidiaries	Field or area	2008	2009	2010	2011	2012
UK ^b	Bruce/Rhum (BP-operated)	165	110	100	20	15
	Other ^c	594	508	372	335	399
Total UK		759	618	472	355	414
Norway ^b	Various	23	16	15	13	8
Total Rest of Europe		23	16	15	13	8
Total Europe		782	634	487	368	422
Lower 48 onshore ^b	San Juan (BP-operated)	682	659	629	603	561
	Jonah (BP-operated)	221	227	185	145	69
	Anadarko	150	146	137	141	142
	Arkoma Central	240	194	164	136	118
	Arkoma West	–	65	128	109	98
	Arkoma East	–	67	112	115	112
	Wamsutter (BP-operated)	136	146	126	122	141
	Other	457	451	394	274	258
Total Lower 48 onshore		1,886	1,955	1,875	1,645	1,499
Gulf of Mexico deepwater ^b	Various	230	303	263	176	134
Alaska	Various	41	58	46	22	18
Total US		2,157	2,316	2,184	1,843	1,651
Canada ^b	Various	245	263	202	14	13
Total Rest of North America		245	263	202	14	13
Total North America		2,402	2,579	2,386	1,857	1,664
Trinidad & Tobago	Mango (BP-operated)	471	664	544	308	181
	Cashima/NEQB (BP-operated)	375	571	679	570	305
	Kapok (BP-operated)	619	540	541	464	360
	Cannonball (BP-operated)	336	225	156	99	56
	Amherstia (BP-operated)	288	197	252	296	324
	Serrette (BP-operated)	–	–	–	35	367
	Savonette (BP-operated)	–	11	203	327	320
	Other (BP-operated)	357	222	98	94	184
Total Trinidad		2,446	2,430	2,473	2,193	2,097
Colombia ^b	Various	84	62	71	4	–
Venezuela ^b	Various	2	–	–	–	–
Total South America		2,532	2,492	2,544	2,197	2,097
Egypt ^b	Temsah	109	118	90	74	34
	Ha'py (BP-operated)	94	94	73	99	88
	Taurt (BP-operated)	24	73	75	61	67
	Other	145	177	192	210	281
Total Egypt		372	462	430	444	470
Algeria	Various	112	159	126	114	120
Total Africa		484	621	556	558	590
Pakistan ^b	Various (BP-operated)	162	173	150	73	–
Azerbaijan ^b	Various (BP-operated)	143	126	132	140	158
Western Indonesia ^b	Sanga-Sanga	69	71	69	59	59
	Other	97	35	1	–	–
Total Western Indonesia		166	106	70	59	59
India ^b	DID3	–	–	–	121	253
	Other	–	–	–	25	60
Total India		–	–	–	146	313
China	Yacheng	91	83	95	70	54
Vietnam ^b	Various (BP-operated)	61	63	77	69	–
Oman	–	–	–	–	20	14
Sharjah	Various (BP-operated)	73	59	50	41	35
Total Rest of Asia		696	610	574	618	633
Total Asia		696	610	574	618	633
Australia	Perseus/Athena	229	142	165	170	141
	Goodwyn	74	139	118	72	73
	Angel	6	120	133	126	110
	Other	71	39	46	87	111
Total Australia		380	440	462	455	435
Eastern Indonesia	Tangguh (BP-operated)	1	74	323	340	352
Total Australasia		381	514	785	795	787
Total subsidiaries ^d		7,277	7,450	7,332	6,393	6,193
Equity-accounted entities (BP share)						
Russia – TNK-BP ^b	Various	564	601	640	699	734
Total Russia		564	601	640	699	734
Western Indonesia	Various	31	31	30	26	26
Vietnam ^b	–	–	–	–	8	46
Kazakhstan ^b	Various	8	11	–	–	–
Total Rest of Asia		39	42	30	34	72
Total Asia		603	643	670	733	806
Argentina	Various	385	378	379	371	355
Bolivia ^a	Various	63	11	11	14	34
Venezuela ^b	Various	6	3	9	7	5
Total South America		454	392	399	392	394
Total equity-accounted entities ^{d,e}		1,057	1,035	1,069	1,125	1,200
Total subsidiaries and equity-accounted entities		8,334	8,485	8,401	7,518	7,393

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

^b In 2012, BP divested its interests in the US Hugoton basin including the Jayhawk NGL plant, its interests in US Gulf of Mexico Marlin, Dorado, King, Horn Mountain, Holstein, Ram Powell and Diana Hoover assets, a portion of our interest in US Gulf of Mexico Mad Dog asset, its interests in the US onshore Jonah and Pinedale upstream operation in Wyoming, its interests in the Sunray and Hemphill gas processing plants in Texas, and associated gas gathering system, its interests in the UK North Sea southern gas fields including associated pipeline infrastructure and the Dimlington terminal (including the integrated Easington terminal), and its interests in the Alba and Britannia fields in the UK North Sea. BP also increased its interest in the US onshore Eagle Ford Shale in south Texas, and its interests in certain UK North Sea assets. In 2011, BP sold its holdings in Venezuela and Vietnam to TNK-BP. It also made acquisitions in India through a joint arrangement with Reliance, in the Eagle Ford shale in North America and additional volumes in the US Gulf of Mexico. BP divested its holdings in Pompano along with other interests in the US Gulf of Mexico, Tuscaloosa and interests in south Texas in the US onshore, Wytch Farm in the UK, minor volumes in Canada and the remainder of our interests in Colombia and Pakistan. In 2010, BP divested its Permian Basin assets in Texas and south-east New Mexico, the East Badr El-Din concession in Egypt, its Canada gas assets and reduced its interest in the King field in the Gulf of Mexico. It also acquired an increased holding in the Valhall and Hod fields in the Norwegian North Sea. Four other producing fields in the Gulf of Mexico that were acquired during 2010 were subsequently disposed of in early 2011. 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.

^c 2012 includes 40mmcf/d of production in assets held for sale.

^d 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.

^e 2012 includes 785mmcf/d of production in assets held for sale associated with TNK-BP.

Group production interests – total hydrocarbons

Oil and natural gas production (net of royalty)

	thousand barrels oil equivalent per day				
	2008	2009	2010	2011	2012
US	910	1,064	970	771	675
Europe	351	317	261	209	182
Russia	923	944	967	985	989
Rest of World	1,654	1,673	1,624	1,489	1,484
Total group including equity-accounted entities	3,838	3,998	3,822	3,454	3,330

BP average liquids realizations^a

					\$ per barrel
	2008	2009	2010	2011	2012
US	89.22	53.68	70.79	96.34	96.35
Europe	90.61	61.91	77.39	107.10	109.05
Rest of World	91.05	57.29	75.23	104.83	105.83
BP average	90.20	56.26	73.41	101.29	102.10

^a Crude oil and NGLs.

BP average natural gas realizations

					\$ per thousand cubic feet
	2008	2009	2010	2011	2012
US	6.77	3.07	3.88	3.34	2.32
Europe	8.37	4.75	5.49	8.09	8.63
Rest of World	5.19	3.14	3.86	4.98	5.33
BP average	6.00	3.25	3.97	4.69	4.75

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	6.7	42.5	2.8	US, Spain
	Atlantic LNG Train 4	5.2	37.8	2.0	US, Dominican Republic
	North West Shelf Trains 1-5	16.3	16.7	2.7	Japan, China, Korea
Australia	ADGAS Trains 1-3	6.0	10.0	0.6	Japan
Indonesia	Tangguh Trains 1-2	7.6	37.2	2.8	Mexico, China, Korea
Total		45.1		12.0	

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)
China	Dapeng LNG (Guangdong)	860	30.0	260	–
US	Cove Point	960	0.0	–	320
UK	Isle of Grain Phase 1	450	0.0	–	225
Italy	Adriatic LNG (Rovigo)	800	0.0	–	100
Total		3,070		260	645

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)
2008	1,605	353	152	48	2,158
2009	1,605	346	197	54	2,202
2010	1,649	371	413	63	2,496
2011	1,561	364	416	67	2,408
2012	1,575	353	428	80	2,436

LNG shipping^a

Vessel name	Status	Ownership	Delivery date	Capacity (m ³)
British Trader	Operational	Operating lease	4Q 2002	138,000
British Innovator	Operational	Operating lease	1Q 2003	138,000
British Merchant	Operational	Operating lease	3Q 2003	138,000
British Emerald	Operational	Operating lease	3Q 2007	155,000
British Ruby	Operational	Operating lease	3Q 2008	155,000
British Sapphire	Operational	Operating lease	3Q 2008	155,000
British Diamond	Operational	Operating lease	4Q 2008	155,000
Celestine River	Operational	Time-charter	2Q 2012	147,000
Methane Spirit	Operational	Time-charter	2Q 2012	165,000
Total				1,346,000

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

Upstream

Our Upstream segment is responsible for our activities in oil and natural gas exploration, field development and production, and midstream transportation, storage and processing. We also market and trade natural gas, including liquefied natural gas, power and natural gas liquids. We focus on areas that play to our strengths, particularly exploration, deep water, gas value chains and giant fields.

69	Key indicators
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72	Exploration and development wells

Key indicators^a

	2008	2009	2010	2011	2012
Result and oil price					
Replacement cost profit before interest and tax (\$ million) ^b	36,046	22,852	28,269	26,358	22,491
Underlying replacement cost profit before interest and tax (\$ million) ^b	37,318	19,668	25,073	25,217	19,436
BP average liquids realizations (\$/bbl) ^{c d}	90.20	56.26	73.41	101.29	102.10
Finding and development costs (\$ per barrel of oil equivalent (\$/boe), five-year rolling average) ^{e f g}	16.41	16.32	17.25	17.70	21.59
Finding costs (\$/boe, five-year rolling average) ^{e g h}	3.56	5.31	5.33	5.89	7.63
Production costs (\$/boe) ^{i j}	7.24	6.39	6.77	10.08	12.50
Cost of supply (\$/boe) ^k	16.75	16.66	16.51	22.69	28.00
Net income per barrel of oil equivalent (\$/boe)					
BP subsidiaries and equity-accounted entities excluding TNK-BP (\$/boe) ^l	21.14	11.08	15.33	16.97	15.70
Range of other oil majors					
Maximum (\$/boe)	23.23	11.80	17.30	25.14	22.62
Minimum (\$/boe)	17.68	7.20	11.90	16.20	13.34
Reserves replacement					
BP subsidiaries (%)	116	112	74	44	(2)
BP subsidiaries and equity-accounted entities (%) ^m	121	129	106	103	77
Range of other oil majors ⁿ					
Maximum (%)	139	252	138	171	160
Minimum (%)	29	70	22	84	40

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

^b Includes equity-accounted entities.

^c Crude oil and NGLs.

^d Realizations are based on sales of consolidated subsidiaries only, which excludes equity-accounted entities.

^e Reserves calculated on an SEC basis.

^f Finding costs are described in footnote h. Development costs as disclosed in the exploration and production activities on [pages 37-45](#), 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.

^g Based on additions to reserves including revisions of previous estimates, improved recovery, discoveries and extensions.

^h Finding costs are exploration and appraisal drilling expenditures, which are capitalized within intangible assets, and geological and geophysical exploration costs, which are charged to income as incurred as disclosed in the exploration and production activities tables on [pages 37-45](#).

ⁱ Production costs are costs incurred to operate and maintain wells and related equipment and facilities. Amounts do not include ad valorem and severance taxes.

^j Based on production volumes.

^k Cost of supply comprises exploration expenditure, production costs and depreciation, depletion and amortization as disclosed in the exploration and production activities tables on [pages 37-45](#).

^l Post-tax income derived from upstream activities divided by the number of barrels of oil equivalent produced (including equity accounted-entities but excluding TNK-BP).

^m Includes reserves replacement in TNK-BP, which from 2011 included the effect of moving from life of licence measurement to life of field measurement, reflecting TNK-BP's track record of successful licence renewal.

ⁿ BP estimates of reserves replacement of other oil majors.

Financial statistics

	\$ million				
	2008	2009	2010	2011	2012
Replacement cost profit before interest and tax					
US	11,724	6,685	9,684	6,196	6,918
Non-US	24,322	16,167	18,585	20,162	15,573
	36,046	22,852	28,269	26,358	22,491
Underlying replacement cost profit before interest and tax					
US	12,286	5,853	8,353	6,108	3,854
Non-US	25,032	13,815	16,720	19,109	15,582
	37,318	19,668	25,073	25,217	19,436
Operating capital employed					
US	35,807	39,209	40,065	41,347	38,437
Non-US	48,011	52,804	56,212	64,185	70,387
	83,818	92,013	96,277	105,532	108,824
Sales and other operating revenues	86,170	57,626	66,266	75,754	72,225
Capital expenditure and acquisitions					
US	10,359	6,169	6,632	5,363	6,385
Non-US	11,868	8,727	11,121	20,458	12,135
	22,227	14,896	17,753	25,821	18,520
Employee numbers at year end	21,400	21,500	21,100	22,400	24,200
BP average realizations					
BP average liquids realizations (\$/bbl) ^a	90.20	56.26	73.41	101.29	102.10
BP average natural gas realizations (\$/mcf)	6.00	3.25	3.97	4.69	4.75
Marker prices					
Brent oil (\$/bbl)	97.26	61.67	79.50	111.26	111.67
Alaska North Slope oil (\$/bbl)	98.86	62.49	79.92	110.12	111.08
West Texas Intermediate (\$/bbl)	100.06	61.92	79.45	95.04	94.13
Mars oil (\$/bbl)	93.95	60.50	78.04	107.54	106.79
Henry Hub gas price (\$ per million British thermal units) ^b	9.04	3.99	4.39	4.04	2.79

^a Crude oil and NGLs.

^b Henry Hub First of Month Index.

Exploration interests

By geographical area

Oil and natural gas acreage at 31 December

Oil and natural gas acreage at 31 December			thousand acres									
			Europe		North America		South America	Africa	Asia	Australasia	Total	
			UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
2012												
	Developed	– gross	168	39	6,516	228	1,702	605	1,597	2,023	162	13,040
		– net	85	16	3,463	111	461	220	712	400	35	5,503
	Undeveloped ^a	– gross	1,273	180	7,469	6,074	27,755	30,684	26,291	26,505	17,854	144,085
		– net	730	77	4,935	4,154	14,032	18,419	11,061	9,339	13,098	75,845
2011												
	Developed	– gross	334	65	7,350	228	1,718	560	1,618	1,952	162	13,987
		– net	182	21	4,266	111	450	207	723	384	35	6,379
	Undeveloped ^a	– gross	1,276	186	7,210	6,273	10,064	27,000	33,704	56,189	18,641	160,543
		– net	764	79	4,798	4,253	4,571	17,895	14,712	17,890	13,452	78,414
2010												
	Developed	– gross	346	65	6,920	198	1,738	497	2,282	2,434	162	14,642
		– net	189	21	4,184	157	471	195	885	935	35	7,072
	Undeveloped ^a	– gross	1,311	186	6,970	7,185	12,434	21,373	32,137	18,366	7,330	107,292
		– net	775	79	4,663	4,380	6,398	16,072	15,475	8,955	2,796	59,593
2009												
	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 ^a	– 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
2008												
	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 ^a	– 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

^a Undeveloped acreage includes leases and concessions.

Exploration and development wells^a

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
2012											
Exploratory	Productive	–	0.3	17.1	–	5.8	2.3	14.7	–	–	40.2
	Dry	0.2	–	0.6	–	1.0	0.5	5.0	–	–	7.3
Development	Productive	1.6	–	317.8	–	78.9	17.7	552.5	43.1	–	1,011.6
	Dry	–	–	–	–	–	1.0	–	9.5	–	10.5
2011											
Exploratory	Productive	0.4	–	34.1	–	4.4	2.1	16.7	1.0	0.2	58.9
	Dry	–	–	2.1	–	0.2	–	7.2	0.3	0.3	10.1
Development	Productive	1.7	–	199.4	–	101.3	16.0	582.0	45.1	–	945.5
	Dry	–	–	0.2	–	3.0	2.7	–	0.4	–	6.3
2010											
Exploratory	Productive	–	0.2	39.3	–	1.3	1.2	10.5	2.8	0.3	55.6
	Dry	0.7	–	0.3	–	0.9	1.4	4.0	–	–	7.3
Development	Productive	6.4	1.2	260.0	31.7	105.7	18.9	364.3	53.3	–	841.5
	Dry	1.7	–	0.5	–	1.2	2.7	–	2.4	–	8.5
2009											
Exploratory	Productive	0.1	–	47.2	–	3.0	4.5	7.0	5.3	0.6	67.7
	Dry	0.2	–	4.2	–	–	1.4	4.5	6.0	0.2	16.5
Development	Productive	9.3	1.5	403.8	17.9	135.4	20.8	293.0	45.8	1.6	929.1
	Dry	–	–	3.3	–	–	0.5	4.0	0.4	0.6	8.8
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

^a 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 2012

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Oil wells ^a	Gross	158	58	2,451	55	3,870	590	20,970	1,951	13	30,116
	Net	90	24	987	28	2,133	434	9,409	392	2	13,499
Gas wells ^b	Gross	122	5	22,866	377	506	130	72	687	70	24,835
	Net	52	1	10,483	186	171	49	36	256	14	11,248

^a Includes approximately 3,762 gross (1,660 net) multiple completion wells (more than one formation producing into the same well bore).

^b Includes approximately 2,557 gross (1,549 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 2012^a

		Europe		North America		South America	Africa	Asia		Australasia	Total
		UK	Rest of Europe	US	Rest of North America			Russia	Rest of Asia		
Exploratory	Gross	1.0	–	76.0	3.0	7.0	4.0	25.0	2.0	–	118.0
	Net	0.5	–	19.2	1.5	1.6	1.4	12.0	0.2	–	36.4
Development	Gross	6.0	5.0	633.0	55.0	30.0	25.0	207.0	69.0	13.0	1,043.0
	Net	4.4	1.6	203.8	27.5	13.9	7.8	100.5	22.7	1.3	383.5

^a Includes suspended development and long-term suspended exploratory wells.

Downstream

Our Downstream segment is the product and service-led arm of BP, focused on fuels, lubricants and petrochemicals. It is responsible for the refining, manufacturing, marketing, transportation, and supply and trading of crude oil, petroleum, petrochemicals products and related services to wholesale and retail customers.

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Key indicators

	2008	2009	2010	2011	2012
Result and refining margin					
Replacement cost profit before interest and tax (\$ million)	4,176	743	5,555	5,470	2,864
Underlying replacement cost profit before interest and tax (\$ million)	3,318	3,607	4,883	6,009	6,463
Refining marker margin ^a (\$/bbl)	15.7	9.8	10.7	14.5	18.2
Refining availability ^b (%)	88.8	93.6	95.0	94.8	94.8
Petrochemicals production (thousand tonnes)	12,835	12,660	15,594	14,866	14,727

Refining marker margin by region^{a,c}

	\$ per barrel				
	2008	2009	2010	2011	2012
US North West	17.1	13.1	13.9	14.1	18.0
US South West	16.4	13.4	13.1	13.6	17.4
US Gulf Coast	17.0	9.2	10.2	11.9	16.1
US Midwest	11.2	8.6	9.3	24.7	27.8
North West Europe	17.2	9.0	10.4	11.9	16.1
Mediterranean	14.3	7.9	8.8	9.0	12.7
Australia	16.2	9.5	10.4	12.2	14.8
BP Average RMM	15.7	9.8	10.7	14.5	18.2

^a The refining marker margin (RMM) is the average of regional indicator margins weighted for BP's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

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

^c In February 2013, BP updated the RMM methodology and regions to reflect the changes to our US portfolio after the refinery divestments and trends in regional crude markets since the RMM was established (further information can be found on bp.com/tradingconditions). The RMMs shown here have been restated to reflect this updated methodology and have been adjusted to reflect BP's historic refining capacity and regional weighting within the portfolio for each respective period.

Employee numbers

	2008	2009	2010	2011	2012
Non-service station staff	40,300	37,700	37,100	36,400	36,600
Service station staff ^a	21,200	13,900	15,200	14,600	14,700
	61,500	51,600	52,300	51,000	51,300

^a Service station 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.

Financial statistics

	\$ million				
	2008	2009	2010	2011	2012
Replacement cost profit (loss) before interest and tax					
US	(644)	(2,578)	935	1,415	(242)
Non-US	4,820	3,321	4,620	4,055	3,106
	4,176	743	5,555	5,470	2,864
Underlying replacement cost profit (loss) before interest and tax					
US	(1,689)	(557)	564	1,978	3,045
Non-US	5,007	4,164	4,319	4,031	3,418
	3,318	3,607	4,883	6,009	6,463
Replacement cost profit (loss) before interest and tax ^a					
Fuels	2,885	(914)	2,628	2,999	1,403
Lubricants	967	1,059	1,357	1,350	1,276
Petrochemicals	324	598	1,570	1,121	185
	4,176	743	5,555	5,470	2,864
Non-operating items and fair value accounting effects ^b					
Fuels	995	(2,655)	381	(640)	(3,609)
Lubricants	(54)	(171)	(47)	100	(9)
Petrochemicals	(83)	(38)	338	1	19
	858	(2,864)	672	(539)	(3,599)
Underlying replacement cost profit before interest and tax ^a					
Fuels	1,890	1,741	2,247	3,639	5,012
Lubricants	1,021	1,230	1,404	1,250	1,285
Petrochemicals	407	636	1,232	1,120	166
	3,318	3,607	4,883	6,009	6,463
Operating capital employed					
US	15,904	20,114	23,463	24,627	24,835
Non-US	25,295	26,387	24,959	26,457	25,488
	41,199	46,501	48,422	51,084	50,323
Sales and other operating revenues ^c	320,039	213,050	266,751	344,033	346,391
Property, plant and equipment (net book value)					
US	10,608	12,497	14,151	11,833	14,603
Non-US	14,016	14,616	13,996	15,246	15,320
	24,624	27,113	28,147	27,079	29,923
Capital expenditure and acquisitions					
US	4,297	2,625	2,761	2,691	3,475
Non-US	2,337	1,489	1,268	1,594	1,774
	6,634	4,114	4,029	4,285	5,249

^a Income from petrochemicals produced at our Gelsenkirchen and Mülheim sites is reported within the fuels business. Segment level overhead expenses are included within the fuels business.

^b Fair value accounting effects represent the (favourable) unfavourable impact relative to management's measure of performance. For Downstream, these arise solely in the fuels business.

^c Includes sales between businesses.

Refinery throughputs and utilization

Refinery throughputs^a

	thousand barrels per day				
	2008	2009	2010	2011	2012
US	1,121	1,238	1,350	1,277	1,310
Europe	739	755	775	771	751
Rest of World	295	294	301	304	293
	2,155	2,287	2,426	2,352	2,354
Crude distillation capacity at 31 December ^b	2,678	2,666	2,667	2,679	2,681
Refinery capacity utilization ^c	81%	86%	91%	88%	88%

^a Refinery throughputs reflect crude oil and other feedstock volumes.

^b Crude distillation capacity is gross rated capacity, which is defined as the highest average sustained unit rate for a consecutive 30-day period.

^c Refinery utilization is annual throughput (thousands of barrels per day) divided by crude distillation capacity, expressed as a percentage.

Crude oil input^a

					%
	2008	2009	2010	2011	2012
Low sulphur crude ^b	44	44	42	43	46
High sulphur crude	56	56	58	57	54

^a Prior periods have been restated to align our definition of low sulphur crude with industry practice.

^b Low sulphur crude is a crude which has sulphur content of less than 0.5%.

Refinery yield^a

	thousand barrels per day				
	2008	2009	2010	2011	2012
Aviation fuels	268	276	290	304	316
Gasolines	757	818	881	844	880
Middle distillates	631	674	723	691	700
Fuel oil	127	123	93	114	86
Other products ^b	414	447	497	425	420
	2,197	2,338	2,484	2,378	2,402

^a Refinery yields exceed throughputs because of volumetric expansion.

^b Other products include lubricants, petrochemicals, bitumen, petroleum coke and LPG.

Refineries

Refinery capacities

		thousand barrels per day																
		Crude distillation capacities ^a										Major upgrading plant capacities ^b						
		Group interest % ^c	Total	BP share	Vacuum distillation	Fluid catalytic cracking	Hydro-cracking	Catalytic reforming	Alkylation and polymerization	Hydro-treating gasoline and naphtha	Hydro-treating jet, distillates and heavier	Visbreaking	Coker	Aromatics and isomerization	Bitumen	Hydrogen ^d	Other ^e	Nelson Complexity Index ^f
Wholly and partly owned refineries at 31 December 2012																		
US																		
California	Carson ^h	100.0	266	266	140	102	55	53	17	105	126	–	67	31	–	133	–	12.6
Washington	Cherry Point	100.0	234	234	106	–	65	65	–	97	49	–	62	24	–	135	–	9.9
Indiana	Whiting	100.0	413	413	194	165	–	64	25	95	262	–	35	26	30	39	–	8.8
Ohio	Toledo	50.0	160	80	36	28	16	22	6	20	34	–	17	–	5	28	–	11.5
Texas	Texas City ^h	100.0	475	475	237	182	130	138	37	212	243	–	33	95	–	7	–	16.0
			1,548	1,468	713	477	266	342	85	529	714	–	214	176	35	342	–	12.1
Europe																		
Germany	Bayernoil ^g	22.5	217	49	16	11	9	9	–	24	20	4	–	–	3	17	1	8.7
	Gelsenkirchen	50.0	265	132	80	15	29	16	–	36	51	10	17	10	8	101	–	10.6
	Karlsruhe ^g	12.0	322	39	16	10	–	7	2	15	27	–	4	4	–	8	1	8.9
	Lingen	100.0	95	95	45	–	29	30	–	31	45	–	23	25	–	128	–	14.8
	Schwedt ^g	18.8	239	45	29	11	–	7	2	18	35	9	–	5	1	7	1	9.9
Netherlands	Rotterdam	100.0	377	377	82	59	–	32	8	73	270	34	–	–	–	20	3	5.7
Spain	Castellón	100.0	110	110	47	30	–	17	3	57	85	–	20	19	–	45	–	9.9
			1,625	847	315	136	67	118	15	254	533	57	64	63	12	326	6	8.6
Rest of World																		
Australia	Bulwer	100.0	102	102	39	23	21	16	3	22	43	–	–	–	–	35	–	7.6
	Kwinana	100.0	146	146	22	35	–	25	7	49	52	–	–	16	2	–	–	6.1
New Zealand	Whangarei ^g	23.7	118	28	10	–	7	6	–	9	11	–	–	–	1	15	–	7.1
South Africa	Durban ^g	50.0	180	90	38	19	–	17	1	25	44	13	–	8	1	1	10	13.5
			546	366	109	77	28	64	11	105	150	13	–	24	4	51	10	8.4
			3,719	2,681	1,137	690	361	524	111	888	1,397	70	278	263	51	719	16	10.5

^a Crude distillation capacity is gross rated capacity, which is defined as the highest average sustained unit rate for a consecutive 30-day period.

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

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

^d Reported as standard cubic feet per day.

^e Other consists of ethyl tertiary butyl ether, methyl tertiary butyl ether and lubricants units.

^f Nelson Complexity Index is calculated using the factors published by the *Oil and Gas Journal* survey in 2012 and the capacities as shown in the table above. 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. Nelson Complexity Index includes sulphur plant capacities.

^g Indicates refineries not operated by BP.

^h Refinery classified as assets held for sale at 31 December 2012.

Regional refining distillation capacity

	thousand barrels per day				
	2008	2009	2010	2011	2012
US Gulf Coast ^a	475	475	475	475	475
US Midwest	483	485	485	493	493
US West Coast ^b	500	499	500	500	500
Total US	1,458	1,459	1,460	1,468	1,468
Europe	851	851	844	845	847
Rest of World	369	356	363	366	366
Total	2,678	2,666	2,667	2,679	2,681

^a Texas City refinery was classified as assets held for sale at 31 December 2012 and divested in February 2013.

^b 266 kbd of West Coast capacity relating to Carson refinery was classified as an asset held for sale at 31 December 2012.

Retail sites^{a b}

	at 31 December				
	2008	2009	2010	2011	2012
US	11,700	11,500	11,300	11,300	10,100
Europe	8,600	8,600	8,400	8,200	8,300
Rest of World	2,300	2,300	2,400	2,300	2,300
	22,600	22,400	22,100	21,800	20,700

^a The number of retail sites includes sites not operated by BP but instead operated by dealers, jobbers, franchisees or brand licensees 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. Retail sites are primarily branded BP, Arco and Aral.

^b Excludes our interest in equity-accounted entities which are dual branded.

Oil sales volumes^a

	thousand barrels per day				
	2008	2009	2010	2011	2012
Refined product marketing sales volumes by region					
US					
Aviation fuels	178	173	188	190	210
Gasolines	1,015	1,010	958	927	914
Middle distillates	201	186	228	217	204
Fuel oil	33	30	30	38	36
Other products ^a	33	27	29	29	32
	1,460	1,426	1,433	1,401	1,396
Europe					
Aviation fuels	220	231	264	251	253
Gasolines	337	324	259	240	225
Middle distillates	719	670	627	602	586
Fuel oil	180	158	147	109	70
Other products ^a	110	121	105	103	96
	1,566	1,504	1,402	1,305	1,230
Rest of World					
Aviation fuels	103	91	94	95	95
Gasolines	148	110	109	106	106
Middle distillates	135	156	157	156	156
Fuel oil	247	230	214	215	199
Other products ^a	52	43	36	33	31
	685	630	610	605	587
Total marketing sales volumes by product					
Aviation fuels	501	495	546	536	558
Gasolines	1,500	1,444	1,326	1,273	1,245
Middle distillates	1,055	1,012	1,012	975	946
Fuel oil	460	418	391	362	305
Other products ^a	195	191	170	165	159
Total marketing sales ^b	3,711	3,560	3,445	3,311	3,213
Trading/supply sales ^c	1,987	2,327	2,482	2,465	2,444
Total refined product sales	5,698	5,887	5,927	5,776	5,657
Crude oil sales ^d	1,689	1,824	1,658	1,532	1,518
Total oil sales	7,387	7,711	7,585	7,308	7,175

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

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

^c Trading/supply sales are sales of refined products to other oil companies.

^d Crude oil sales relate to transactions executed by our integrated supply and trading function, primarily for optimizing crude supplies to our refineries and other trading. In addition, crude oil sales include 73,000 barrels per day relating to revenues reported by Upstream segment.

^e Other products include lubricants, petroleum coke, bitumen and LPG.

Sales and other operating revenues of refined product

	\$ million				
	2008	2009	2010	2011	2012
US	93,764	63,442	80,576	111,020	108,490
Europe	114,522	71,189	88,347	108,302	107,902
Rest of World	40,275	31,457	40,298	54,618	59,528
	248,561	166,088	209,221	273,940	275,920

Petrochemicals production capacities^{a b}

Geographical area	Site	Product	Group interest %	BP share of capacity thousand tonnes per annum ^c
US				
	Cooper River	Purified terephthalic acid (PTA)	100.0	1,300
	Decatur ^d	PTA	100.0	1,000
		Paraxylene (PX)	100.0	1,100
	Texas City	Acetic acid	100.0 ^e	600 ^e
		PX	100.0	1,300
		Metaxylene	100.0	100
				5,400
Europe				
UK	Hull ^d	Acetic acid	100.0	500
		Acetic anhydride	100.0	200
Belgium	Geel	PTA	100.0	1,300
		PX	100.0	700
Germany	Gelsenkirchen ^f	Olefins and Derivatives	50.0 to 61.0	1,800 ^{b g}
	Mülheim ^f	Solvents	50.0	100 ^b
				4,600
Rest of World				
China	Caojing	Olefins and Derivatives	50.0	3,300 ^b
	Chongqing	Acetic acid	51.0	200 ^b
		Esters	51.0	100 ^b
	Nanjing	Acetic acid	50.0	300 ^b
	Zhuhai	PTA	85.0	1,800 ^h
Indonesia	Merak	PTA	50.0	300 ^b
Korea	Ulsan	Acetic acid	51.0	300 ^b
		Vinyl acetate monomer	34.0	100 ^b
Malaysia	Kertih	Acetic acid	70.0	400 ^b
Taiwan	Kaohsiung	PTA	61.4	900 ^b
	Taichung	PTA	61.4	500 ^b
	Mai Liao	Acetic acid	50.0	200 ^b
				8,400
Total BP share of capacity at 31 December 2012				18,400

Petrochemicals production capacities summary

By geographical area	BP share of capacity, thousand tonnes per year					
	PTA	PX	Acetic acid	O&D	Other	Total
US	2,300	2,400	600	–	100	5,400
Europe	1,300	700	500	1,800	300	4,600
Rest of World	3,500	–	1,400	3,300	200	8,400
Total BP share of capacity at 31 December 2012	7,100	3,100	2,500	5,100	600	18,400

^a 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.

^b Includes BP share of equity-accounted entities, as indicated.

^c Capacities are shown to the nearest 100,000 tonnes per annum.

^d These sites have a capacity under 100,000 tonnes per annum for a speciality product (e.g. naphthalene dicarboxylate and ethylidene diacetate).

^e Group interest is quoted at 100%, reflecting the capacity entitlement, that is marketed by BP. This capacity is not party of the refinery divestment.

^f Due to the integrated nature of the plants with our Gelsenkirchen refinery, the income and expenditure of these plants is managed and reported through the fuels business.

^g Group interest varies by product.

^h BP Zhuhai Chemical Company Ltd is a subsidiary of BP, the capacity of which is shown above at 100%.

Petrochemicals production^a

By geographical area	thousand tonnes				
	2008	2009	2010	2011	2012
US	3,487	3,110	4,146	4,029	4,047
Europe	3,574	3,724	4,051	3,854	3,927
Rest of World	5,774	5,826	7,397	6,983	6,753
	12,835	12,660	15,594	14,866	14,727

^a Comprises actual production in respect of the products listed in the capacity table above.

TNK-BP

We began reporting TNK-BP as a separate operating segment with effect from 1 January 2012, reflecting the way in which we were managing our investment.

Following the announcement of our proposed transaction with Rosneft on 22 October 2012, BP's investment in TNK-BP met the criteria to be classified as an asset held for sale. Consequently, BP ceased equity accounting for its share of TNK-BP's earnings from the date of the announcement.

81 Operational and financial information

Operational and financial information

	\$ million				
	2008	2009	2010	2011	2012
Financial statistics					
Profit before interest and tax ^a	2,262	1,948	2,617	4,185	3,370
Inventory holdings gains and losses	–	–	–	(51)	3
Replacement cost profit before interest and tax	2,262	1,948	2,617	4,134	3,373
Net (favourable) unfavourable impact of non-operating items	–	–	–	–	(246)
Underlying replacement cost profit before tax	2,262	1,948	2,617	4,134	3,127

^a The TNK-BP segment includes equity-accounted earnings from associates, in which all amounts shown relate to BP's 50% share in TNK-BP, as follows:

	\$ million				
	2008	2009	2010	2011	2012
Income statement (BP share)					
Profit before interest and tax	3,588	3,178	3,866	5,992	4,405
Finance costs	(275)	(220)	(128)	(132)	(84)
Taxation	(882)	(871)	(913)	(1,333)	(979)
Non-controlling interest	(169)	(139)	(208)	(342)	(356)
Net income ^b	2,262	1,948	2,617	4,185	2,986
Inventory holding gains, net of tax	–	–	–	(51)	3
Net income on a replacement cost basis	2,262	1,948	2,617	4,134	2,989
Net charge (credit) for non-operating items, net of tax ^c	–	–	–	–	138
Net income on a underlying RC basis	2,262	1,948	2,617	4,134	3,127

Balance sheet

	2008	2009	2010	2011	2012
Investment in joint ventures ^d	8,939	–	–	–	–
Investment in associates ^e	–	9,141	9,995	10,013	–

Cash flow

	2008	2009	2010	2011	2012
Dividends received ^f	2,140	1,656	1,780	3,747	1,399

Production (net of royalties)(BP Share)^g

	2008	2009	2010	2011	2012
Crude oil (thousand barrels per day)	826	840	856	871	876
Natural gas (million cubic feet per day)	564	601	640	710	784
Total hydrocarbons (thousand barrels of oil equivalent per day (mboe/d)) ^h	923	944	967	994	1,012

Average oil marker prices

	\$ per barrel				
	2008	2009	2010	2011	2012
Urals (north-west Europe – CIF)	94.83	61.15	78.26	109.08	110.19
Russian domestic oil	45.59	31.32	36.96	49.57	53.98

^b Until 22 October 2012, TNK-BP was an associate accounted for using the equity method and therefore BP's share of TNK-BP's earnings after interest and tax was included in the group income statement within BP's profit before interest and tax.

^c Disclosure of non-operating items for TNK-BP began in the first quarter of 2012.

^d Our investment in TNK-BP was reclassified from a joint venture 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 was replaced by one with four representatives each from BP and AAR, plus three independent directors. The change in accounting classification from a joint venture 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 continued to be accounted for using the equity method.

^e On 22 October 2012, BP announced that it had signed heads of terms to sell its 50% share in TNK-BP to Rosneft. Consequently, BP ceased accounting for its interest in TNK-BP using the equity method and the investment was classified as an asset held for sale from that date.

^f 2012 includes the dividend of \$709 million received after the date equity-accounting ceased.

^g BP continued to report its share of TNK-BP's production and reserves until the transaction to sell its 50% share to Rosneft completed in March 2013.

^h Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

Other businesses and corporate

Other businesses and corporate comprises the Alternative Energy business, Shipping, Treasury (which includes interest income on the group's cash and cash equivalents), and corporate activities worldwide. It also included the group's aluminium business until its disposal on 1 August 2011.

83 Financial statistics

83 Alternative Energy

Financial statistics

	\$ million				
	2008	2009	2010	2011	2012
Replacement cost profit (loss) before interest and tax					
US	(902)	(728)	(731)	(1,230)	(1,641)
Non-US	(321)	(1,594)	(785)	(1,238)	(1,153)
	(1,223)	(2,322)	(1,516)	(2,468)	(2,794)
Underlying replacement cost profit (loss) before interest and tax					
US	(600)	(564)	(493)	(797)	(859)
Non-US	10	(1,269)	(823)	(849)	(1,137)
	(590)	(1,833)	(1,316)	(1,646)	(1,996)
Operating capital employed					
US	(2,505)	(2,773)	(2,905)	(3,149)	(4,115)
Non-US	3,247	4,655	17,285	8,506	14,785
	742	1,882	14,380	5,357	10,670
Sales and other operating revenues	4,634	2,843	3,328	2,957	1,985
Capital expenditure and acquisitions					
US	1,390	1,071	977	877	681
Non-US	449	228	257	976	754
	1,839	1,299	1,234	1,853	1,435
Employee numbers at year end	9,100	7,200	6,200	10,100	10,300

Alternative Energy

BP Alternative Energy comprises BP's lower-carbon businesses and future growth options outside oil and gas. These are biofuels, wind and a range of other longer-term technology investments. Our investments in wind, biofuels, and other cutting-edge technologies amount to \$7.6 billion since 2005.

BP Alternative Energy has an interest in four ethanol facilities globally, 16 wind farms in the US, and is researching new biofuel technologies at locations in California, Louisiana, and the UK. BP recently announced plans to market for sale the wind business.

Within Alternative Energy, our ventures unit identifies and invests in companies and funds that are developing the next breakthroughs in sustainable energy technologies for both conventional and alternative sources. We have about 5,000 employees globally.

	megawatts				
	2008	2009	2010	2011	2012
Wind capacity ^a					
US	322	679	742	1,016	1,558
Non-US	110	32	32	32	32
	432	711	774	1,048	1,590

^a Net wind generation 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-arrangement basis (which includes 100% of the capacity of equity-accounted entities where BP has partial ownership) were 2,619 megawatts (MW) in 2012, 1,763MW in 2011, 1,362MW in 2010, 1,237MW in 2009 and 785MW in 2008. This includes 32MW of capacity in the Netherlands which is managed by our Downstream segment.

Accounting policies

Shown below are those accounting policies which will be used in preparing *BP Annual Report and Form 20-F 2013* which differ from those used in the *BP Annual Report and Form 20-F 2012*.

Basis of consolidation

The group financial statements consolidate the financial statements of BP p.l.c. and the entities it controls (its subsidiaries) drawn up to 31 December each year. Control of an investee exists when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To have power over an investee, the investor must have existing rights that give it the current ability to direct the relevant activities of the investee.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Intercompany balances and transactions, including unrealized profits arising from intragroup transactions, have been eliminated. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the group.

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting. Under the equity method, the investment in a joint venture is carried in the balance sheet at cost, plus post-acquisition changes in the group's share of net assets of the joint venture, less distributions received and less any impairment in value of the investment. Loans advanced to joint ventures that have the characteristics of equity financing are also included in the investment on the group balance sheet. The group income statement reflects the group's share of the results after tax of the joint venture.

Financial statements of joint ventures are prepared for the same reporting year as the group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the group.

Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group assesses investments in joint ventures for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The group ceases to use the equity method of accounting on the date from which it no longer has joint control or significant influence over the joint venture or associate respectively, or when the interest becomes classified as an asset held for sale.

Certain of the group's activities, particularly in the Upstream segment, are conducted through joint operations, which are joint arrangements whereby the parties have a direct ownership interest in, and jointly control, the assets of the arrangement. BP recognizes, on a line-by-line basis in the consolidated financial statements, its share of the assets, liabilities and expenses of these joint operations incurred jointly with the other partners, along with the group's income from the sale of its share of the output and any liabilities and expenses that the group has incurred in relation to the joint operation.

Interests in associates

An associate is an entity over which the group has significant influence, through the power to participate in the financial and operating policy decisions of the investee, but which is not a subsidiary or a joint arrangement. The results, assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting as described above for joint ventures.

Pensions and other post-retirement benefits

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation). Past service costs, resulting from either a plan amendment or a curtailment (a reduction in future obligations as a result of a material reduction in the plan membership), are recognized immediately when the company becomes committed to the change. Before determining past service cost or a gain or loss on settlement (eliminating all further obligations for benefits already accrued), the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognized in the income statement.

Net interest expense relating to pensions and other post-retirement benefits represents the net change in the present value of plan obligations and the value of plan assets resulting from the passage of time, and is determined by applying the discount rate to the present value of the benefit obligation at the start of the year, and to the fair value of plan assets at the start of the year, taking into account expected changes in the obligation or plan assets during the year. Net interest expense relating to pensions and other post-retirement benefits is recognized in the income statement as other finance income or expense.

Remeasurements of the net defined benefit liability or asset, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) are recognized within other comprehensive income in the period in which they occur.

The defined benefit pension plan surplus or deficit in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Contributions to defined contribution plans are recognized in the income statement in the period in which they become payable.

Miscellaneous terms

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

Associate

An entity, over which the group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Barrel (bbl)

42 US gallons.

boe

Barrels of oil equivalent. 5.8 billion cubic feet of natural gas = 1 million barrels of oil equivalent.

CIF

Cost insurance and freight.

Debt to debt plus equity ratio

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

Debt to equity ratio

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

Dividend cover

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

Dividend payout ratio

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

Earnings per share

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

Effective tax rate

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

GAAP

Generally accepted accounting practice.

Gas

Natural gas.

Hydrocarbons

Crude oil and natural gas.

IFRS

International Finance Reporting Standards.

Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control.

Joint control

Joint control is the contractually agreed sharing of control of an arrangement which exists only when the strategic financial and operating decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Liquids

Crude oil, condensate and natural gas liquids.

LNG

Liquefied natural gas.

LPG

Liquefied petroleum gas.

mb/d

Thousand barrels per day.

mboe/d

Thousand barrels of oil equivalent per day.

mmboe

Million barrels of oil equivalent.

mmBtu

Million British thermal units.

mmcf

Million cubic feet.

mmcf/d

Million cubic feet per day.

MW

Megawatt.

Gearing (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.

NGLs

Natural gas liquids.

Ordinary shares

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

Power

Power is defined as the existing rights that give the current ability to direct the relevant activities.

Preference shares

Cumulative first preference shares and cumulative second preference shares in BP p.l.c. of £1 each.

Pre-tax cash returns

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

Return on average capital employed

The ratio of replacement cost profit before interest expense and non-controlling interest but after tax to the average of opening and closing capital employed. Capital employed is BP shareholders' interest plus finance debt and non-controlling 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 and fair value accounting effects from the numerator.

SEC

The United States Securities and Exchange Commission.

Subsidiary

An entity that is controlled by the BP group. Control of an investee exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Tonne

2,204.6 pounds.

Further information

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

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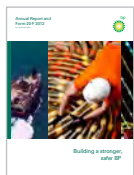
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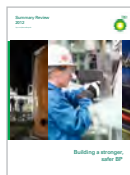


This document is part of BP's corporate reporting suite. We report on our financial and operating performance, sustainability performance and also on global energy trends and projections.



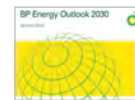
Annual Report and Form 20-F 2012

Details of our financial and operating performance in print or online. Publishes March.
bp.com/annualreport



Summary Review 2012

A summary of our financial and operating performance in print or online. Publishes March.
bp.com/summaryreview



Energy Outlook 2030

Projections for world energy markets, considering the potential evolution of global economy, population, policy and technology. Publishes January.
bp.com/energyoutlook



Sustainability Review 2012

A summary of our sustainability reporting or find additional information online. Publishes March.
bp.com/sustainability



Financial and Operating Information 2008-2012

Five-year financial and operating data in PDF or Excel format. Publishes April.
bp.com/financialandoperating



Statistical Review of World Energy 2013

An objective review of key global energy trends. Publishes June.
bp.com/statisticalreview

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