BP 4Q 2009 and Full Year Results

2nd February 2010

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Cautionary Statement

Forward Looking Statements - Cautionary Statement

This presentation and the associated slides and discussion contain forward looking statements, particularly those regarding production growth and future production; oil and gas markets; cash costs; capital expenditure and capital efficiency; divestments; effective tax rate; refining and petrochemical margins; global economic outlook; dividend and scrip dividend; efficiency of our regional business service centres; reverse of consolidation adjustments reflecting higher volumes of equity barrels in our downstream inventories at year-end and higher prices; foreign exchange and energy costs; depreciation, depletion and amortization; underlying average quarterly charge from other business and corporate costs; strategy (including our focus on upstream profit growth, cost and capital efficiency, downstream turnaround and cost efficiency, focus and disciplined investment in Alternative Energy and corporate efficiency). By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation.

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February 2010

Tony Hayward

Group Chief Executive

2009: Financial results

- Replacement cost profit $14.0 bn
- Post-tax operating cash flow $27.7 bn
- Organic capex* of $20.0 bn
- Divestments of $2.7 bn
- Dividend
  - 56 cents per share
  - $10.5 bn
- Gearing at 20%, bottom of target range

* *Capital expenditure excluding acquisitions and asset exchanges*

2009 delivery

	2009 initial guidance	FY 09
Production*	Growth	+4%
Refining availability*	Higher	+5%
Cash cost reduction*	Around $2bn	More than $4bn
Divestments	Around $2-3bn	$2.7bn
Capex**	$20-22bn	$20.0bn

* *Change versus 2008*
** *Capital expenditure excluding acquisitions and asset exchanges*

Strategic delivery
Upstream growth

- **New access for future growth**
  - Iraq: Rumaila
  - Indonesia: Sanga-Sanga Coalbed Methane and West Papua
  - Jordan: Risha
  - Gulf of Mexico and Egypt: new acreage
- **Continued exploration and appraisal success**
  - Gulf of Mexico: Tiber (giant discovery), Mad Dog South
  - Angola: 17th/18th/19th discoveries
  - Azerbaijan: Shafag, Asiman
- **Major project start-ups**
  - Indonesia: Tangguh
  - Gulf of Mexico: Dorado, King South & Atlantis Phase 2
  - Trinidad: Savonette
  - TNK-BP: Uvat, Kamennoye
- **Sanctioned developments**
  - Angola: Block 15 Clochas Mavacola
  - Trinidad: Serette new field development
- **Resource replacement ratio of more than 250%**
- **Reserves replacement ratio* of 129%**

* *On a combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and divestments*

Strategic delivery
Downstream turnaround

- **Safe and reliable operations**
  - Operating Management System (OMS) implemented at all major sites
- **Behaviours and core processes**
  - Business service centres established
- **Restoring missing revenues**
  - Refining availability re-established
- **Business simplification**
  - Sale of Greek ground fuels marketing
  - Air and Lubricants footprint simplification
  - Exited US convenience retail operations
- **Repositioning cost efficiency**
  - Cash costs more than 15% below 2008
  - Headcount reduced by more than 4500*

* *Since Dec'07*

Strategic delivery
Corporate efficiency

- **Alternative Energy**
  - Focused and disciplined
- **Restructuring and delayering**
  - Around 7500* reduction in BP non-retail staff
  - More than 1500 reduction in permanent contractors
  - Senior executive roles reduced from 650 to fewer than 500
- **Organization**
  - Deepening expertise
- **Cash costs** down by more than $4bn in 2009

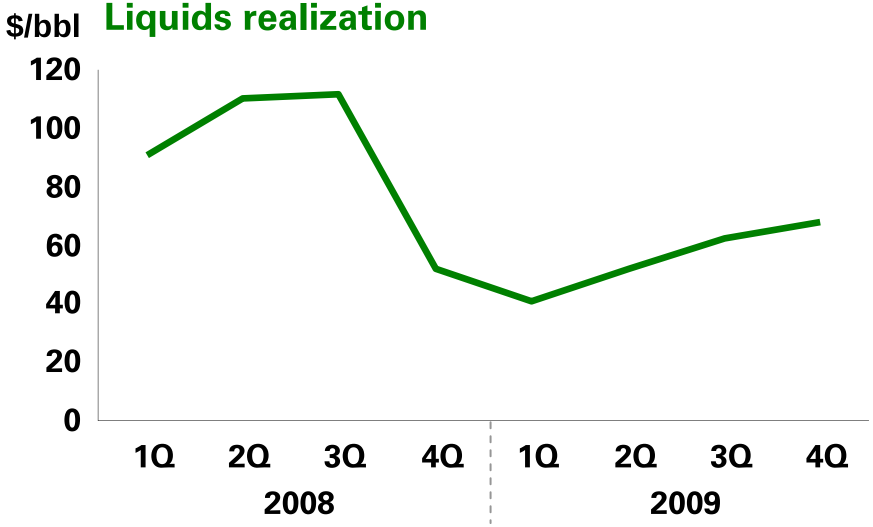
* *Since Dec'07*

Byron Grote

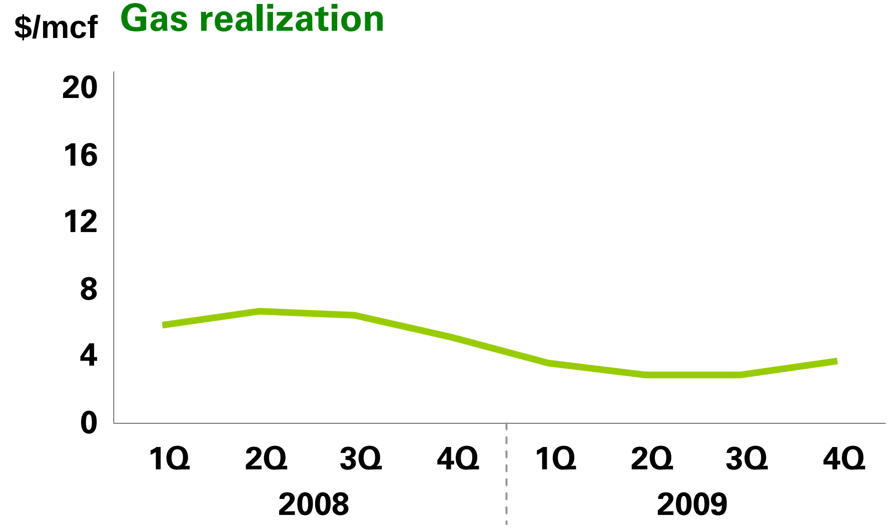
Chief Financial Officer

Trading environment

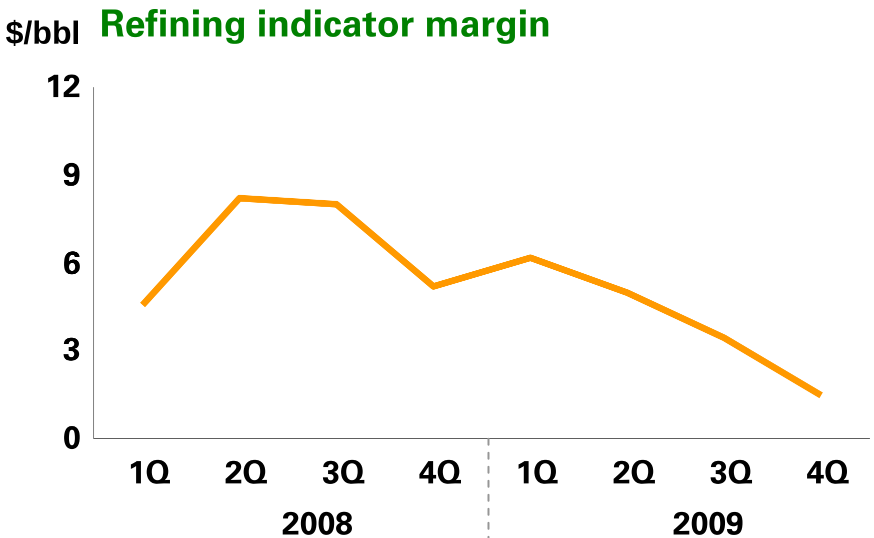
Liquids realization



Gas realization



Refining indicator margin



	Change vs 2008	
Average realizations	**4Q**	**FY**
Liquids $/bbl	**31%**	**(38)%**
Natural gas $/mcf	**(28)%**	**(46)%**
Total hydrocarbons $/boe	**12%**	**(39)%**
Refining indicator margin $/bbl	**(71)%**	**(38)%**

Financial highlights

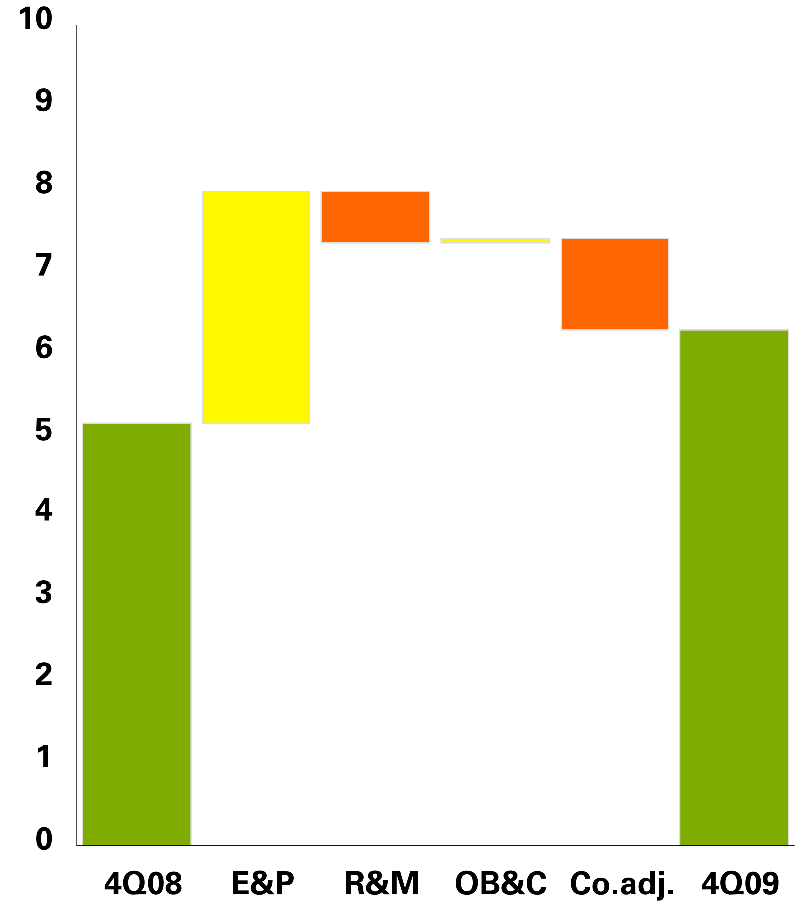
All earnings figures are adjusted for non-operating items and fair value accounting effects

($bn)	4Q08	4Q09
Exploration & Production	4.3	7.1
Refining & Marketing	0.6	0.0
Other businesses & corporate	(0.4)	(0.3)
Consolidation adjustment	0.6	(0.5)
Replacement cost profit before interest and tax	**5.2**	**6.3**
Interest & minority interest	(0.4)	(0.4)
Tax	(2.2)	(1.5)
Replacement cost profit	**2.6**	**4.4**

Earnings per share ($c)	**14.0**	**23.4**

Cash from operations ($bn)	**5.6**	**7.3**
Dividend ($bn)	**(2.6)**	**(2.6)**
Dividend per share ($c)	**14.0**	**14.0**
Capital expenditure excluding acquisitions ($bn)	**6.8**	**5.9**

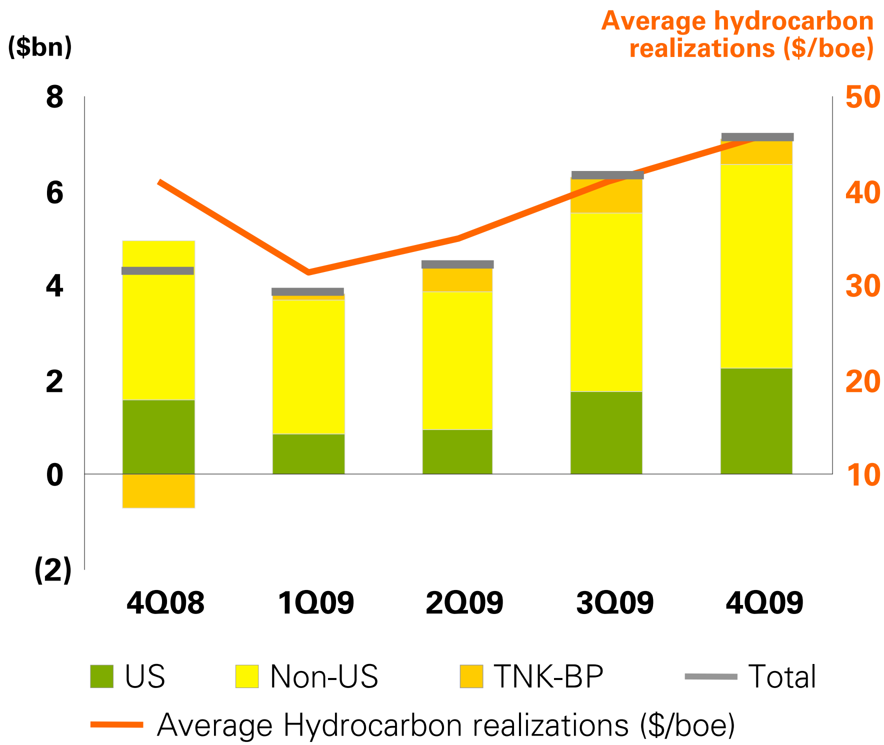
Replacement cost profit before interest and tax 4Q09 vs 4Q08 ($bn)



Exploration & Production

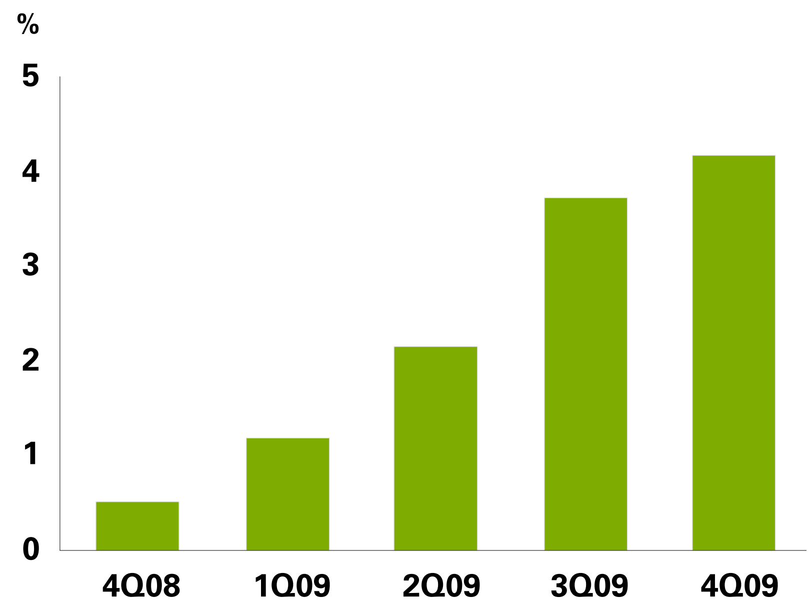
Pre-tax replacement cost profit

Adjusted for non-operating items and fair value accounting effects



Production growth Y-o-Y

(4 quarter rolling average)

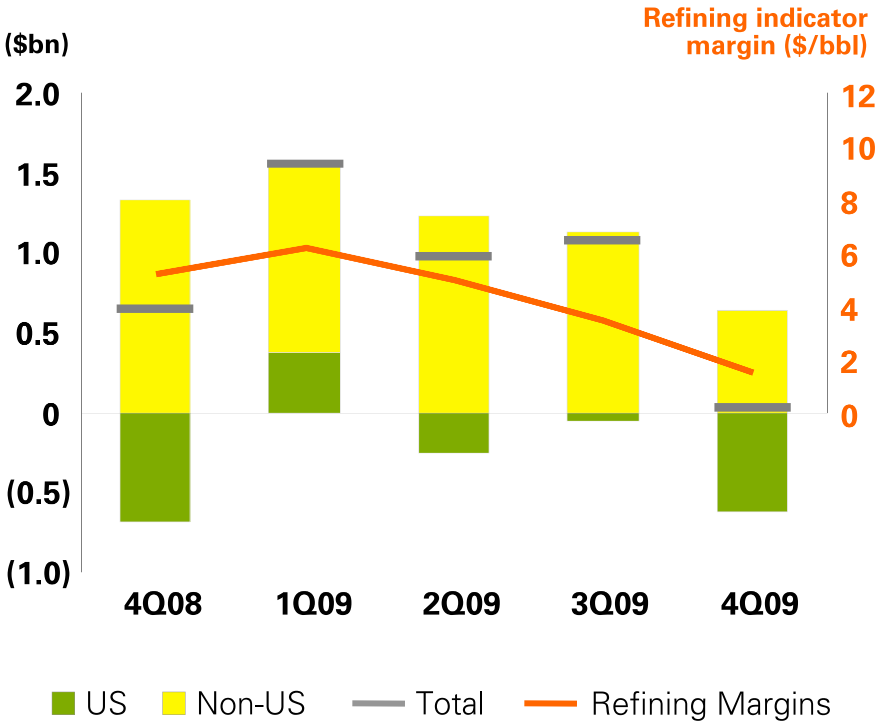


- Stronger environment
- Production growth – strong operational performance
- Continued momentum in cost reduction
- Higher DD&A in line with guidance

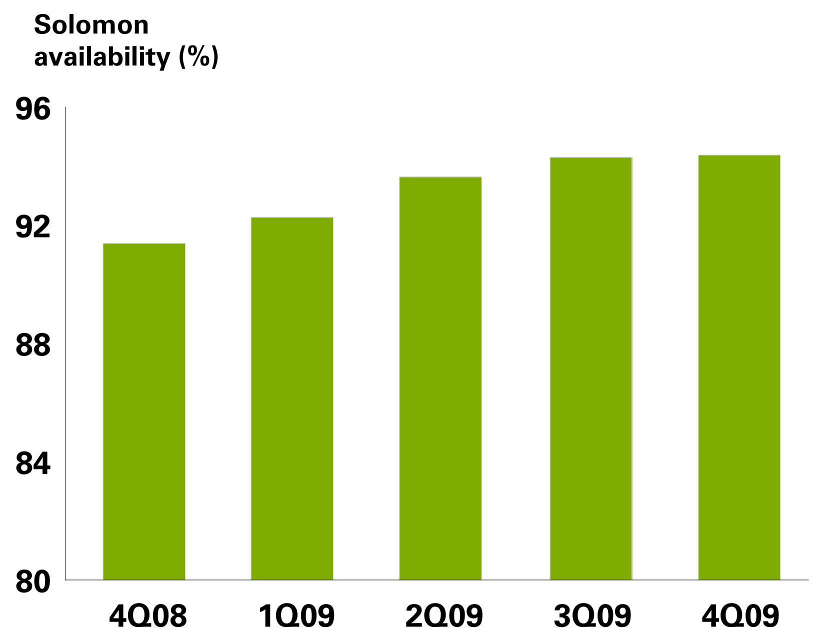
Refining & Marketing

Pre-tax replacement cost profit

Adjusted for non-operating items and fair value accounting effects



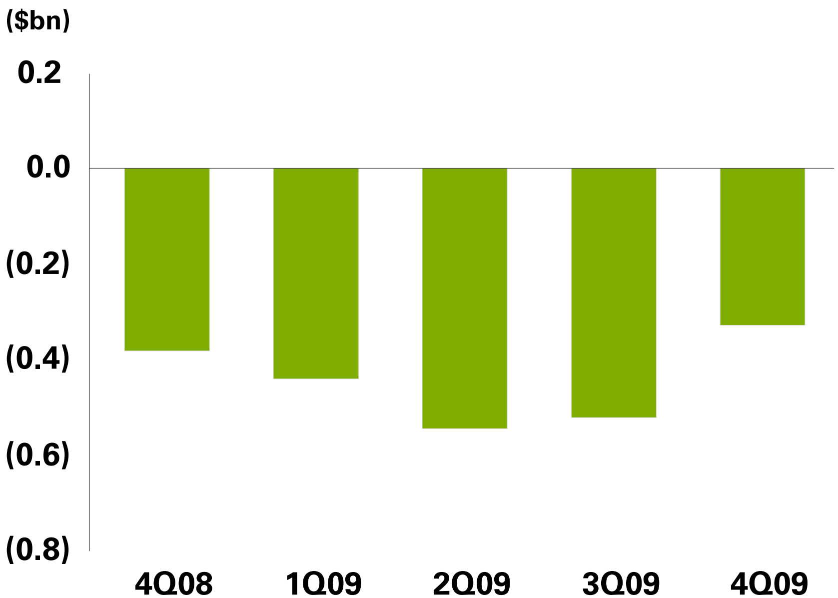
Refining availability



- Weak refining environment
- Good operational performance
- Weak supply and trading contribution
- Lower costs

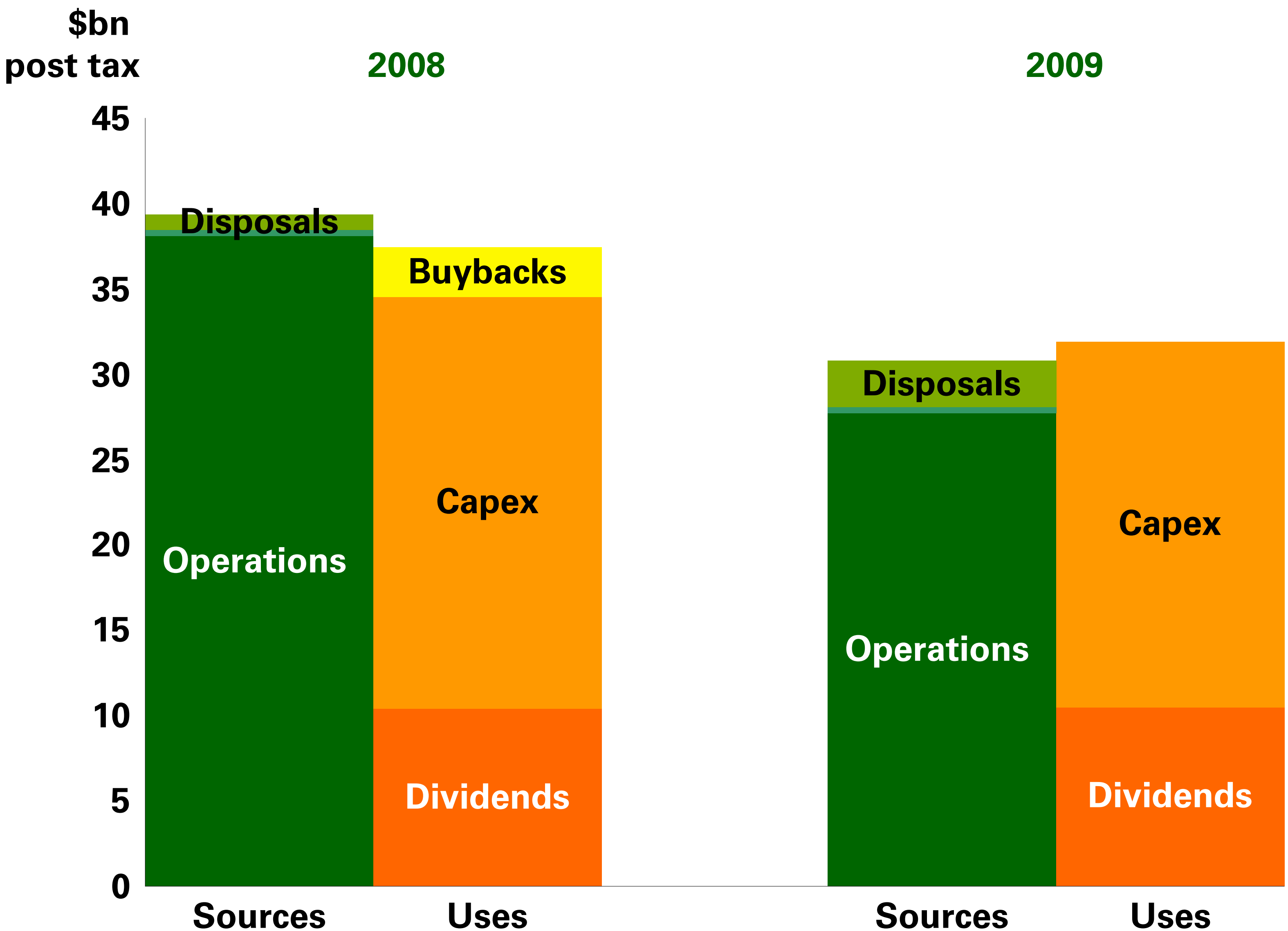
Other businesses & corporate

Pre-tax replacement cost profit
Adjusted for non-operating items and fair value accounting effects

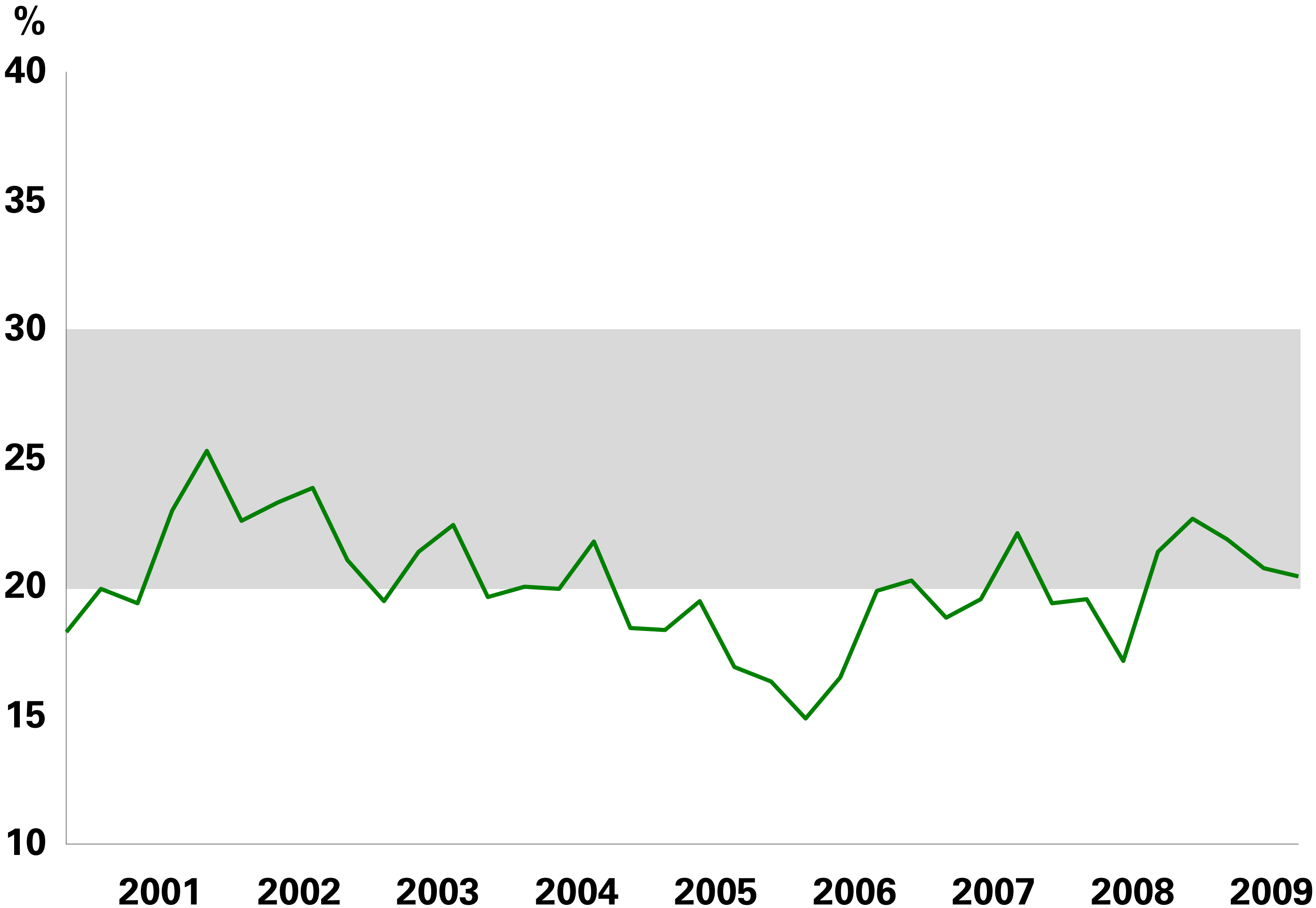


- Favourable foreign exchange impact
- Lower costs
- Weaker margin environment for Shipping and Solar

Sources & uses of cash



Net debt ratio



Net debt ratio = net debt / (net debt + equity)
Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt

2010 Outlook

	2009 Delivery	2010 Guidance
Production	4% growth	Slightly lower
Cash costs *(year-on-year change)*	More than $4bn lower	Further reduction*
Organic capital expenditure	$20bn	~ $20bn
Divestment proceeds	$2.7bn	$2 - 3bn
OB&C: average quarterly charge *(excl. NOI's)*	~ $450m	~ $400m
Full year effective tax rate	31%**	33% - 34%

* *Excluding the effects of changes in exchange rates and fuel costs*
** *Adjusted for the impact of the goodwill impairment in Refining and Marketing which is not tax deductible*

Tony Hayward

Group Chief Executive

BP strategy

- **Upstream** profit growth, cost and capital efficiency
- **Downstream** turnaround, cost efficiency
- **Alternative Energy**; focused and disciplined
- **Corporate** efficiency

Q&A

Tony Hayward

Group Chief Executive

Byron Grote

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Andy Inglis

Chief Executive
Exploration & Production

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Chief Executive
Refining & Marketing

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