Cautionary Statement

Forward Looking Statements - Cautionary Statement
This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding expected future global consumption of energy; expected future energy mix; global economic recovery; expected increase in non-OECD oil consumption; growth in global oil demand; oil and gas prices; global refining capacity and utilization; refining margins; implementation of Operating Management System; expected further reduction in cash costs; production growth including anticipated average production growth of 1-2% p.a. out to 2015 and the potential to sustain growth to 2020; timing of project final investment decisions, start-ups and their anticipated contribution to total production; opportunity for growth through deepwater, gas and unconventional gas, management of some of the world’s giant oil fields; anticipated organic capital expenditure; anticipated access opportunities and exploration prospects; portfolio’s gas weighting and gas growth opportunities; profitability of our North American gas business at $4 Henry Hub price; Rumaila resources and production potential; TNK-BP capital investment, production growth, focus on cost efficiency to improve returns and development, timing, capital cost, resource opportunity, tax effect of projects; potential to further reduce unit production costs; potential savings through drilling efficiency improvements; expectation that the centralised development organisation will produce significant improvements in capital efficiency; R&M cost efficiency improvement potential and performance improvement through cost efficiency, improving efficiency, quality and integration of Fuels Value Chains and growth of margin share; timing of Whiting refinery modernisation project and its anticipated contribution to R&M profitability; timing of start-up of Nanjing Acetic Acid plant; R&M net investments levels relative to depreciation, expected future capital employed metrics and future post-tax returns; anticipated reduction of cash costs levels to below 2004 levels and improvement in refining portfolio breakeven levels; divestments; balance of cash inflows and cash outflows; strategy (including upstream – profit growth, cost and capital efficiency; downstream – turnaround, cost efficiency; alternative energy – focused and disciplined; corporate – efficiency); US wind business cash flow; and repositioning our solar business’ manufacturing to lower cost locations. 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; 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; 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. For more information you should refer to our Annual Report and Accounts 2009 and our 2009 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com

Cautionary Note to US Investors - We use certain terms in this presentation, such as “resources” that the SEC’s rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at www.bp.com. 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.

March 2010
Today’s agenda

**Introduction**
- Environment
- Progress so far
- What’s next?

**Exploration & Production**
- Andy Inglis

**Refining & Marketing**
- Iain Conn

**Conclusions**
- Tony Hayward

**Q&A**
Long-term energy outlook

**Demand**
- Growth resumes post recession
- Driven by non-OECD
- Evolution to lower-carbon economy

**Supply**
- Diverse energy mix required
- Leveraging technology
- Carbon pricing

*Source: BP estimates*
BP’s approach to a lower-carbon future

- Energy efficiency within BP operations
- Including the price of carbon in investment decisions
- Promoting lowest-cost energy pathways e.g. gas for power generation
- Continued investment in Alternative Energy
  - biofuels
  - wind
  - solar
  - carbon capture and sequestration
- Investing in research and technology
Upstream: uncertain price environment
Downstream: refining margins and utilization

(1) Global refinery throughput / Global refinery capacity.
Forward Agenda

Safe and reliable operations
- Continue journey in personal safety
- Implement Operating Management System
- Compliance

People
- Building capability
- Leadership and behaviours

Performance
- Restore revenues
- Reduce complexity and cost
Safe, reliable and efficient operations

Recordable Injury Frequency

Integrity Management Major Incidents

Loss of Primary Containment Incidents

(1) Data for 2008 and 2009 is aligned to incident impact severity rather than volume released
People and organization

- Leadership and culture
- Restructuring and delayering
- Skills and capability
- Diversity and inclusion
- Reward for performance
Restoring revenues

Production
Rolling 4-quarters to 4Q09

Note: Chevron includes Texaco, prior to the merger
Barrels of oil equivalent as reported in company disclosures

(1) Solomon availability
Controlling cash costs

Cash costs - indexed (Total BP Group)

A definition of cash costs can be found on our website at www.bp.com
2009 momentum versus peers

<table>
<thead>
<tr>
<th></th>
<th>bp</th>
<th>EXON</th>
<th>Shell</th>
<th>Chevron</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying Net Income $bn</strong></td>
<td>14.6</td>
<td>19.2</td>
<td>11.6</td>
<td>9.5</td>
<td>10.9</td>
</tr>
<tr>
<td><em>Year on Year %</em></td>
<td>-44%</td>
<td>-56%</td>
<td>-59%</td>
<td>-58%</td>
<td>-47%</td>
</tr>
<tr>
<td><strong>Cash from Operations $bn</strong></td>
<td>27.7</td>
<td>28.4</td>
<td>21.0</td>
<td>19.4</td>
<td>17.2</td>
</tr>
<tr>
<td><em>Year on Year %</em></td>
<td>-27%</td>
<td>-52%</td>
<td>-52%</td>
<td>-35%</td>
<td>-37%</td>
</tr>
<tr>
<td><strong>Reported Volumes mboed</strong></td>
<td>3998</td>
<td>3932</td>
<td>3152</td>
<td>2704</td>
<td>2281</td>
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<tr>
<td><em>Year on Year %</em></td>
<td>4%</td>
<td>0%</td>
<td>-3%</td>
<td>7%</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Market Capitalisation $bn</strong></td>
<td>181</td>
<td>323</td>
<td>185</td>
<td>154</td>
<td>150</td>
</tr>
<tr>
<td><em>vs. end 2008 %</em></td>
<td>24%</td>
<td>-21%</td>
<td>13%</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Capital Expenditure $bn</strong></td>
<td>20.0</td>
<td>27.1</td>
<td>30.6</td>
<td>22.2</td>
<td>18.6</td>
</tr>
<tr>
<td><em>Year on Year %</em></td>
<td>-8%</td>
<td>4%</td>
<td>2%</td>
<td>-2%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

(1) For BP underlying net income is replacement cost for the year adjusted for non-operating items and fair value accounting effects. For other companies, underlying includes adjustments for all identified non-recurring items.

(2) as at 31/12/2009

(3) BP organic; ExxonMobil, Royal Dutch Shell, Chevron and Total as disclosed
Strategic progress in 2009

**E&P**
- **New access:** Iraq, Indonesia, Jordan, new acreage in US Gulf of Mexico and Egypt
- **Exploration and appraisal success:** Tiber, Mad Dog South, Angola Block 31
- **Major projects:** 7 start-ups and 2 sanctioned developments
- **Resource replacement:** over 250%
- **Reserves replacement:** 129%
- **Production growth:** 4%

**R&M**
- **Revenues restored:** US refining portfolio fully operational
- **Simplification:** US convenience retail, reduced marketing footprint
- **Cost efficiency:** cash costs down by more than 15% on 2008

**Alternative Energy**
- **Focused and disciplined:** $4bn invested since 2006

**Corporate Simplification**
- **Headcount:** reduced by ~ 7500 to date
- **Cash costs:** down by more than $4bn in 2009

Reserve replacement as reported on a combined basis of subsidiaries and equity accounting entities, excluding acquisitions and divestments
Portfolio quality

Efficient and successful explorer

Strong reserve replacement track record (1)

Robust medium-term growth

World class international businesses

Source: Oil & Gas Journal 2010
The opportunity

**Earnings vs Peers**

- Underlying net income gap $bn
- BP gap to Shell
- BP gap to ExxonMobil (absolute)

**ROACE vs Peers**

- Underlying ROACE
- BP
- Other Supermajors

**Refining efficiency**

- Solomon Availability %
- Year: BP portfolio average
- Top 3 R&M refinery sites

**Performance gap in US Fuels Value Chains**

- Pre-tax RCOP per barrel, rolling 4Q indexed
- BP
- US Peers

**Drilling efficiency**

- Industry Average
- Opportunity
- Best in Basin

**Projects efficiency**

- Project Cost Performance
- Sanction Estimate
- Inflation
- Project Management

Source: Benchmarking data based on BP internal and industry

Data based on BP Operated Major Projects portfolio in 2004-2008
Realising the opportunity

- Capital efficiency
- Cost efficiency
- Technology
- Culture
Leadership positions in the world’s most prolific hydrocarbon basins

- 680mboed
  North America Onshore

- 320mboed
  North Sea

- 940mboed
  TNK-BP

- 570mboed
  N. Africa, Middle East and Caspian

- 440mboed
  Gulf of Mexico

- 460mboed
  Trinidad & Tobago

- 200mboed
  South America

- 210mboed
  Angola

- 180mboed
  Asia Pacific

2009 production figures rounded to the nearest 10mboed at actual prices
2009 exploration and access

- **ANGOLA**
  - Leda, Oberon, Tebe
  - Block 31
  - BP (27%) and operator
  - Nineteen discoveries in block

- **EGYPT**
  - Nile Delta
  - 2,900km² net in two blocks

- **US GULF OF MEXICO**
  - Tiber
  - BP (62%) and operator
  - Giant oil discovery

- **US GULF OF MEXICO**
  - 61 leases from OCS 208, 210

- **US SHALE GAS**
  - Eagle Ford
  - New ~5tcf position

- **CANADA**
  - Ellice J-27
  - BP (25%)

- **JORDAN**
  - Risha
  - 7,000km² block

- **EGYPT**
  - Nile Delta
  - 2,900km² net in two blocks

- **IRAQ**
  - Rumaila
  - Redevelopment of supergiant

- **PAKISTAN**
  - Onshore
  - 5,000km² in two blocks

- **INDONESIA**
  - Kalimantan
  - Net 640km² of Coal Bed Methane

- **INDONESIA**
  - West Papua
  - 2620km² net in two blocks
Sustaining a leading track record

**BP net resource additions as discovered / accessed**

- Resource play*
- Extensions
- New discoveries

Source: BP internal

Discoveries, extensions and additions for subsidiaries and associates, resources accessed directly

* Resource play reflects direct access to resources

**Majors' relative performance 2004–2008**

Sources:

1. Resources: IHS on comparable basis except BP - internal data
2. Costs: Wood MacKenzie
Resources to reserves to production

Exploration and Access

Prospect Inventory

Exploration Discoveries

Discovered Resource Access

Field Extensions and Improved Recovery

Non-proved Resources

Start 2005

38.9 bn boe

End 2009

45.3 bn boe

Proved Reserves

18.3 bn boe

1.5 bn boe

Total resources : production 39 years

Total resources : production 43 years

Resources and reserves on a combined basis of subsidiaries and equity-accounted entities
Diverse resource base and reserves additions

2009 Resource Base

- **Proved:** 18.3 bn boe
- **Non-proved:** 45.3 bn boe

2009 Reserves Additions %

Resources at end-2009 on a combined basis of subsidiaries and equity-accounted entities. 2009 reserves additions are price adjusted.
Growth to 2015

2010-2015 BP projections at $60/bbl
Planned Final Investment Decisions 2010–11

2010 Project FIDs

Tubular Bells
Mars B
Atlantis Phase 2
Galapagos
Na Kika Phase 3
Horn Mountain Phase 2
West Nile Delta Gas
WoS Q204
Clair Ridge
Devenick
Kinnoull
Chirag Oil
Sunrise
In Salah Southern Fields
Verkhnechonskoye FFD* Phase 1
Uvats East Expansion
Suzun

Gulf of Mexico
Gulf of Mexico
Gulf of Mexico
Gulf of Mexico
Gulf of Mexico
Gulf of Mexico
Gulf of Mexico
North Sea
North Sea
North Sea
North Sea
Azerbaijan
Canada
North Africa
TNK-BP
TNK-BP
TNK-BP

2011 Project FIDs

Block 18 West
Block 31 SE
Shah Deniz FFD*
Mad Dog Phase 2
Na Kika Phase 4
Tangguh Expansion
Juniper

Angola
Angola
Azerbaijan
Gulf of Mexico
Gulf of Mexico
Asia Pacific
Trinidad & Tobago

* Full field development
Project start-ups 2010–2015

Alaska
Liberty *

Canada
Canada Noel
Sunrise

Gulf of Mexico
Great White
Galapagos *
Na Kika Phase 3 *
Mad Dog Phase 2 *
Na Kika Phase 4 *
Tubular Bells *
Freedom
Kaskida *
Mars B
Horn Mountain Phase 2 *
Atlantic Phase 3 *

Trinidad & Tobago
Serrette *
Trinidad Compression *

North Sea
Skarv *
Valhall Redevelopment *
Devenick *
Kinnoull *
Clair Ridge *
WoS Q204 *

Azerbaijan
Chirag Oil *

North Sea
Skarv *
Valhall Redevelopment *
Devenick *
Kinnoull *
Clair Ridge *
WoS Q204 *

Angola
B31 PSVM *
Pazflor
Clochas Mavacola
Angola LNG
Kizomba Satellites Phase 2
B18 West *
CLOV

Russia (TNK-BP)
Russkoye
Suzun
Verkhnechonskoye FFD

Egypt
WND Gas *

Algeria & Libya
In Salah Gas Compression
In Salah Southern Fields
In Amenas Compression

Trinidad & Tobago
Serrette *
Trinidad Compression *

Middle East
Oman FFD *

Trinidad & Tobago
Serrette *
Trinidad Compression *

Asia Pacific
North Rankin 2
Tangguh Expansion *
Sanga Sanga Coal Bed Methane

2012 and 2015 BP projections at $60/bbl

* BP Operated

2010 Start Ups
2011 Start Ups
2012-2015 Start Ups
Capital investment 2005–2010

Organic capital expenditure $bn

Organic Capital Expenditure above excludes:
- 2006 – Rosneft
- 2007 – asset exchanges with Occidental
- 2008 – accounting treatment related to our transactions with Husky and Chesapeake
- 2009 – BG asset swap and Eagle Ford
- 2010 – BP projections
Growth beyond 2015

Deepwater

Gas (Unconventional)

Giant Fields
Leading deepwater company

2009 net production.
Source: Wood MacKenzie
Deepwater refers to all fields in >500m water depth
Gulf of Mexico – further growth potential

Gulf of Mexico Production to 2020

- Base & Wedge
- New Hubs
- Subsea
- Tiebacks
- Thunder Horse and Atlantis

Production mbbl/d

- 2000
- 2005
- 2010
- 2015
- 2020

- Thunder Horse
- and Atlantis
- Subsea
- New Hubs
- Tiebacks

Existing Production
- Discoveries/Developments
- BP Blocks
- BP Pipelines
- Industry Pipelines
Resources at end-2009 on a combined basis of subsidiaries and equity-accounted entities.
North America Gas

Increase in Well Productivity – Woodford Shale

- Pre-BP
- BP 1st 10 wells
- BP latest 10 wells

Initial Production Rate

60%
20%

Increase in Well Productivity – Woodford Shale

- Pre-BP
- BP 1st 10 wells
- BP latest 10 wells

Initial Production Rate

60%
20%

Increase in Well Productivity – Woodford Shale

- Pre-BP
- BP 1st 10 wells
- BP latest 10 wells

Initial Production Rate

60%
20%
Managing the world’s giant oilfields

- Track record in giant oilfield development
  - Prudhoe Bay
  - ACG
  - Samotlor
  - Thunder Horse

- Rumaila*
  - 66bn bbls oil in place
  - 12bn bbls produced
  - 17bn+ bbls further potential

* Resource in place, produced and potential figures represent BP estimates
TNK-BP update

2009: continued success story

- Governance and shareholder alignment
- Safer operations
- Volume growth
- Solid financial performance

2010: expected performance

- Investment $4bn
- Production growth 1-2%
- Continued focus on cost efficiency
- Focus on development of Greenfield projects
TNK-BP: future growth

Core production areas
- Moscow
- Novosibirsk
- Moscow
- Orenburg
- Suzun
- Yamal Projects
- Yamal Projects

Project areas
- Nyagan
- Russkoye
- Kamennoye*
- Samotlor
- Uvat*
- Rospan
- Tagul
- Verkhnechonskoye

2009 start-ups
- Verkhnechonskoye
- Rospan
- Russkoye
- Kamennoye*
- Novosibirsk
- Suzun
- Yamal Projects
- Yamal Projects

* 2009 start-ups
Technology: at the heart of our portfolio

**Technology Flagships**

- Advanced Seismic Imaging
- Beyond Sand Control
- Efficient Reservoir Access

**Imaging** – resource access

- Conventional
- ISS™ Method
- Cableless trials

**Drilling** – well productivity

- Advanced sand control
- Intelligent targeting
- Minimizing footprint

**Recovery** – displacement

- Available water
- Modified water
- Designer water

- Field of the Future
- Gulf of Mexico Paleogene
- Inherently Reliable Facilities
- Pushing Reservoir Limits

- Unconventional Gas
- Unconventional Oil
- Subsea Well Intervention/Deepwater Facilities

Deepwater

Gas

Giant oilfields
Growth to 2020

• Average 1-2% p.a. volume growth to 2015
• Increasing potential to sustain growth to 2020
• Underpinned by growing resource base and quality through choice
• Key sources of growth beyond 2015 will come from:
  – Expanding deepwater
  – Leveraging expertise in gas
  – Managing world’s giant oilfields
• Enabled by application of technology
Efficiency growth: key sources

Developing organization (creation of Centralized Developments Organization)

Deepening capability

Enhancing capital discipline
Supply chain opportunity

- Success in capturing deflation in 2009
- Category management enables sustainable improvement
- Centralized Developments Organization accelerates implementation
Momentum on production costs

Production costs and production from reserves per annual Supplemental Oil and Gas disclosure in 10-K / 20-F. Consolidated subsidiaries only.
Data prior to 2009 excludes mined oil sands.
Total’s 2009 production costs estimated based on disclosure from 4Q09 results presentation.
Projects efficiency opportunity

- Project spend 20% above sanction estimate over last 5 years

- Close the gap by:
  - Supply chain management to better mitigate inflation and deliver higher quality
  - Centralized Developments Organization to improve project execution

Data based on BP Operated Major Projects portfolio in 2004-2008
Drilling efficiency opportunity

- Drilling performance improved 15% over 2 years
- Global benchmarks 1st / 2nd quartile in most SPUs
- Efficiency gains resulted in $0.5bn savings in 2009

Source: Benchmarking data based on BP internal and industry (e.g. Rushmore Reviews) databases
Profit growth, cost and capital efficiency

• Diverse portfolio, underpinned by a growing resource base

• Strong strategic, operational and cost momentum in 2009

• Average 1-2% p.a. volume growth to 2015

• Increasing potential to sustain growth to 2020

• Changes in process to sustainably drive capital and cost efficiency
The Downstream turnaround

- Safe operations and OMS\(^{(1)}\)
- Behaviours and core processes
- Restoring missing revenues and earnings momentum
- Business simplification
- Repositioning cost efficiency

\(^{(1)}\) OMS – Operating Management System
Phase 1 - Competitive gap is closed

Underlying ROACE\(^{(1)}\) % (post tax)

Underlying Net Income $/bbl \(^{(3)}\)

---

\(1\) BP and competitor return on average capital employed data adjusted to comparable basis

\(2\) Competitor set comprises R&M segments of Super Majors

\(3\) Capacity as stated in F&OI / Company Disclosures
Performance recovery 2007–2009

Regression line established from rolling 4Q averages in period 2001–2004
Based on nameplate capacity as stated in F&OI = maximum sustainable rate for a 30 day period
Performance momentum 2007–2009

BP's Refining Global Indicator Margin (GIM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-tax underlying RC profit $bn</th>
<th>Performance Improvement</th>
<th>Environment</th>
<th>GIM $/bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3.9</td>
<td>2.7</td>
<td>(3.3)</td>
<td>9.9</td>
</tr>
<tr>
<td>2008</td>
<td>3.3</td>
<td>(1.8)</td>
<td>2.1</td>
<td>6.5</td>
</tr>
<tr>
<td>2009</td>
<td>3.6</td>
<td></td>
<td></td>
<td>4.0</td>
</tr>
</tbody>
</table>

Environment adjusted for refining margins, petrochemical margins, forex and energy costs
Our portfolio and performance 2007–2009

Fuels Value Chains

<table>
<thead>
<tr>
<th>Service</th>
<th>2009 average pre-tax operating capital employed $bn</th>
<th>Pre-tax underlying RC profit $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Fuels Marketing and Supply</td>
<td>21</td>
<td>1.2</td>
</tr>
<tr>
<td>Refining</td>
<td></td>
<td>1.2</td>
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</tbody>
</table>

International Businesses

<table>
<thead>
<tr>
<th>Product</th>
<th>2009 average pre-tax operating capital employed $bn</th>
<th>Pre-tax underlying RC profit $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemicals</td>
<td>9</td>
<td></td>
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<tr>
<td>Lubricants</td>
<td></td>
<td>1.5</td>
</tr>
<tr>
<td>Global Fuels</td>
<td></td>
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</tbody>
</table>

Total Refining & Marketing

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Refining &amp; Marketing</td>
<td>3.9</td>
<td>3.3</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Relative areas in pie charts based on average operating capital employed (pre tax)
Sources of gap closure 2007–2009

<table>
<thead>
<tr>
<th>Source</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repositioning cost efficiency</td>
<td>$0.6bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simplification</td>
<td></td>
<td>$1.4bn</td>
<td></td>
</tr>
<tr>
<td>Restoring revenues &amp; earnings momentum</td>
<td></td>
<td></td>
<td>$2.8bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$4.8bn (1)</td>
</tr>
</tbody>
</table>

(1) Based on underlying pre-tax RC profit per annum, adjusted for refining margins, petrochemical margins, forex and energy costs
Refining margins 1990–2009

GIM adjusted to 2009 $

$/bbl

1992–2003 range
Phase 2 – Winning performance in a challenging environment

Regression line established from rolling 4Q averages in period 2001–2004
Based on nameplate capacity as stated in F&OI = maximum sustainable rate for a 30 day period
Performance opportunity: efficiency, quality and integration

- Repositioning cost efficiency
  - 2007: Repositioning cost efficiency
  - 2008: Repositioning cost efficiency
  - 2009: Repositioning cost efficiency
  - 2010: Repositioning cost efficiency
  - 2011: Repositioning cost efficiency
  - 2012: Repositioning cost efficiency
  - >$1.5bn

- Simplification
  - 2007: Simplification
  - 2008: Portfolio quality & integration
  - 2009: Portfolio quality & integration
  - 2010: Portfolio quality & integration
  - 2011: Portfolio quality & integration
  - 2012: Portfolio quality & integration
  - >$0.5bn

- Restoring revenues & earnings momentum
  - 2007: Restoring revenues & earnings momentum
  - 2008: Growing margin share
  - 2009: Growing margin share
  - 2010: Growing margin share
  - 2011: Growing margin share
  - 2012: Growing margin share
  - Up to $0.5bn

Values based on underlying pre-tax RCP per annum at 2009 conditions
Repositioning cost efficiency

BP R&M cash cost index

Cash cost index
Cash cost index at constant forex and energy

Adjusted to exclude major historic divestments
Improving efficiency
Refining

• Planning and execution
• Turnarounds and projects
• Contractor management
• Sourcing
• Energy efficiency

Refining performance

<table>
<thead>
<tr>
<th>Year</th>
<th>BP portfolio average</th>
<th>Top 3 BP refineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>75</td>
<td>95</td>
</tr>
<tr>
<td>2009</td>
<td>80</td>
<td>95</td>
</tr>
<tr>
<td>2004</td>
<td>85</td>
<td>95</td>
</tr>
<tr>
<td>2012</td>
<td>90</td>
<td>95</td>
</tr>
</tbody>
</table>

(1) Based on Solomon non-energy operating expense per Effective Distillation Capacity (indexed to top three R&M refineries)
Improving efficiency
Other sources

• Manufacturing efficiency
• Procurement & Supply Chain Management
• Business service centres
• Business process efficiency
• Overheads and functions
• Logistics and marketing channels
• Focused footprint
Fuels Value Chains: quality & integration

- Right markets, right locations
- Advantaged refineries and logistics
- Quality products and brands
- Marketing and channel management
- Supply optimisation and trading
- Common processes and back office
Global refining quality

Average Refinery Size (kbd)

BP Divestments ‘00–’09
- Alliance
- Coryton
- Grangemouth
- Lavera
- Mandan
- Mombasa
- Reichstett
- Salt Lake
- Singapore
- Yorktown

Divested

Size represents absolute scale of Refining portfolio

Nelson Complexity

2008–2009 Utilization %

Size represents absolute scale of Refining portfolio

Source: Oil & Gas Journal 2010

Source: Company disclosures, F&OI, ARA
(1) Light shaded area represents utilization improvement from restoring Texas City

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Whiting Refinery Modernization Project

- Major rebuild of CDU to process heavy crude
- New world scale 100kbd state of the art 6 drum coker
- New world scale sulphur removal and gas oil hydrotreating units
- Refinery infrastructure upgrade
- Leveraging location advantage
- Commissioning 2012
Whiting Refinery Modernization Project
Sources of value

Regression line established from rolling 4Q averages in period 2002–2006
Based off nameplate capacity as stated in F&OI = maximum sustainable rate for a 30 day period
International Businesses: quality and growth

- Material market shares
- 40% of capital employed in growth markets
- Leading technologies
- Strong customer relationships
- Premium brands
- Margin share growth
<table>
<thead>
<tr>
<th>Year</th>
<th>Organic capex</th>
<th>Depreciation</th>
<th>Total net investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005*</td>
<td>(7)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

2010 BP projections

* Includes $8.3bn proceeds for Innovene sale
Safety, efficiency, quality and integration

- Safe and reliable operations remains #1
- Over $2bn p.a. of pre-tax performance opportunity in 2–3 years
- Costs: return to below 2004 levels
- Refining: targeting break-even in similar environment to 2009
- Whiting Refinery Modernization Project on-stream during 2012
- Portfolio: focus on quality and integration
- Margin share growth
- Sustainable contribution to group cash flow and dividend
Tony Hayward
Group Chief Executive
Realising the opportunity

Exploration and Production

- **Production**
  - Average 1-2% p.a. volume growth to 2015
  - Increasing potential to sustain growth to 2020

- **Efficiency**
  - Projects: improve capital efficiency
  - Drilling: close gap to best well in each basin
  - Production costs: maintain momentum

Refining and Marketing

- **Costs:** return to below 2004 levels

- **Refining:** targeting break-even in similar environment to 2009
## Capex and divestments 2008–2010

<table>
<thead>
<tr>
<th>$bn</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Production</td>
<td>15.6</td>
<td>14.7</td>
<td>~ 15</td>
</tr>
<tr>
<td>Refining &amp; Marketing</td>
<td>4.7</td>
<td>4.1</td>
<td>&lt; 4</td>
</tr>
<tr>
<td>Other (including Alternative Energy)</td>
<td>1.4</td>
<td>1.2</td>
<td>&lt; 1</td>
</tr>
<tr>
<td><strong>Organic capital expenditure</strong></td>
<td><strong>21.7</strong></td>
<td><strong>20.0</strong></td>
<td>~ 20</td>
</tr>
<tr>
<td>Divestments</td>
<td>0.9</td>
<td>2.7</td>
<td>2-3</td>
</tr>
</tbody>
</table>

2010: BP estimates
Strategy

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