



March 8, 2010

## NOTICE OF TERMINATION OF BP DIRECT ACCESS PLAN

Dear BP Direct Access Plan Participant:

BP has long offered a Direct Access Plan ("DAP") for investors in the US and Canada. The DAP provides investors an easy and inexpensive way to invest in BP.

A key feature of the DAP is the opportunity to automatically reinvest cash dividends to increase ownership in BP American Depositary Receipts ("ADRs"). We have made the decision to replace our dividend reinvestment programs globally with an optional scrip program. As such, if approved by BP shareholders at the Annual General Meeting on April 15, 2010, the scrip program will replace a key component of the DAP.

In addition, we have benchmarked BP shareholder service offerings against other large publicly traded companies in the US and concluded that offering a company plan is not competitive. (Most companies our size use bank sponsored plans, not company plans.)

Taking all of this into consideration, BP has decided to terminate the DAP. An alternative direct investment plan is not being offered at this time. This letter contains your formal notice of termination of the DAP together with some useful information about what will happen to your ADRs after the DAP is closed.

The BP DAP will be terminated effective April 30, 2010. **No action is required on your part prior to the DAP termination.** The DAP termination will take place as follows:

- The whole BP ADRs in your DAP account will be registered in your name in an account in the Direct Registration System of JPMorgan Chase Bank, N.A., the depository bank for the ADRs (the "Depository"). The account number assigned to your Direct Registration account will be the same as that assigned to your DAP account. You will continue to receive statements each time there is activity associated with your account.
- Any fractional ADR in your DAP account will, per the terms of the DAP, be liquidated and a check for the cash value (if any), as determined by proration of the weighted average sale price for the relevant sale date, minus any applicable fees, withholdings and deductions, will be sent by first class mail to your address of record as soon as possible after the DAP closure date of April 30, 2010.

Prior to 5.00 p.m. Eastern Time on April 30, 2010, you may continue to conduct plan transactions. However, instructions to sell or purchase ADRs through the DAP must be initiated no later than April 26, 2010, in order for settlement to occur prior to the April 30 termination date. You can accomplish these transactions by going online to our DAP administrator's website, [www.adr.com](http://www.adr.com). Their contact information is listed for you below:

JPMorgan Chase Bank, N.A.  
BP Direct Access Plan  
P.O. Box 64504  
St. Paul, MN 55164-0504

Telephone: toll-free 1-877-638-5672

US residents can purchase, sell and conduct other transactions online through our DAP administrator's website, [www.adr.com/accountaccess](http://www.adr.com/accountaccess).

Thank you for your investment in BP.

Yours sincerely,

The BP Shareholder Services Team

## **Frequently Asked Questions:**

1. *What are the tax effects to me of the termination of the DAP? How will I know the cost basis of the fractional ADR that is sold, as I will have to report this to the Internal Revenue Service next year?*

There will generally be no US federal income tax consequences to you from the registration of whole ADRs in your name in an account in the Direct Registration System of the Depositary as a result of the DAP termination.

With respect to any fractional share in your DAP account, you will generally recognize capital gain for US federal income tax purposes in an amount equal to the excess, if any, of the amount realized upon the liquidation of any fractional ADR over your adjusted basis in that ADR (or capital loss to the extent that the amount realized in the liquidation is less than your adjusted basis). Your adjusted basis in the fractional ADR will generally be calculated by pro-rating your adjusted basis in all the ADRs in your DAP account. For example, if you hold a total of 100.5 ADRs in your DAP account with an adjusted basis of \$1005, your adjusted basis in the fractional 0.5 ADR is \$5, and if the fractional ADR was liquidated for \$10, you would recognize \$5 of capital gain. If the ADRs in your DAP account were purchased in multiple lots at different prices or on different dates, your basis in the fractional ADR will be determined by prorating your basis in all of your ADRs in the lot of which the fractional ADR was a part. If the relevant lot is not adequately identified, the fractional ADR will be treated as part of the first lot purchased. These rules are complicated and depend on your particular circumstances. Accordingly, please consult your own tax advisor as to the specific tax consequences to you of the DAP termination.

2. *How can I sell my ADRs after the Plan is terminated and how much will I be charged?*

You may arrange to sell any portion of the ADRs in your account through the Depositary, in writing, by telephone or on-line. You can mail your request to sell ADRs using one of the transaction forms mailed to you with each account statement. For transactions where the current market value of the ADRs to be sold is \$25,000 or less, you may sell ADRs by telephone or on-line through [www.adr.com/accountaccess](http://www.adr.com/accountaccess). The Depositary will deduct a per transaction fee of \$15.00 and a trading fee of \$0.10 per ADR sold from the sale proceeds and will forward a check for the remaining balance to you after the completion of the sale.

You may also request to have your ADRs sent to your brokerage account and your broker can arrange for the sale.

3. *How can I find out about my account after the DAP termination? Will I receive statements from the Depositary?*

After the DAP is terminated and your ADRs are registered in your name in the Direct Registration System maintained by the Depositary, you will receive an account statement reflecting the number of whole ADRs you own along with a check representing the proceeds from the sale of fractional DAP ADRs. You will receive future statements reflecting any subsequent activity in your Direct Registration account. You can access your account on-line at any time at [www.adr.com/accountaccess](http://www.adr.com/accountaccess).

4. *Can I request certificates for my ADRs after the DAP termination? How do I do that?*

Certificates for your ADRs may be obtained by calling or mailing a request to the Depositary.

5. *Does this mean that I will no longer be able to participate in automatic debit to purchase additional ADRs each month?*

Because the DAP is terminating, you will no longer be able to participate in automatic debit to purchase additional ADRs.