Welcome back.

I am joined in the break-out by members of the R&M leadership team who some of you met in November. They’ll be able to help answer any questions you have.

Tufan Erginbilgic is responsible for our Eastern Hemisphere Fuels businesses, for the Global Fuels activities of Air and LPG, and for Lubricants. Richard Hookway is the CFO for R&M. As Steve Cornell, who runs US fuels and Nick Elmslie, who runs petrochemicals are not with us today, Tufan will cover all of fuels and lubricants, and Richard will update you on petrochemicals.

The main thing we want to do with this break-out session is to provide you with more detail on performance, portfolio quality and momentum in each of the three businesses, building on what you have already heard today in terms of our 4Q and full year results.

We will also provide you with a little more detail on the proposed LPG divestment we announced today.

We only have a few slides, but you also have copies of our November Investor Day slide pack on your seats. In the Q&A session we would be happy to take questions arising from those also, and we may refer back to them in our answers.

Let me begin with operating cash flow, before handing over to Tufan.
Cautionary statement

Forward-looking statements - cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding: expected increases in investment in exploration and upstream drilling and production; anticipated improvements and increases, and sources and timing thereof, in pre-tax returns, operating cash flow and margins, including generating around 50% more annually in operating cash flow by 2014 versus 2011 at US$100/bbl; divestment plans, including the anticipated timing for completion of and final proceeds from the disposition of certain BP assets; the expected level of planned turnarounds and related production outages; expectations of a challenging marketing environment in 2012; particularly in respect of petrochemicals; the expected increase in exploration activity; expectations for drilling and rig activity generally and specifically in the Gulf of Mexico; plans to improve reservoir management and plant reliability; the level of performance improvement in Refining and Marketing; expected full-year 2012 organic capital expenditure and increased capital spend for the future; the expected timing and level of final investment decisions; the expected duration of production at Mad Dog the timing and composition of major projects including expected start up, completion, level of production and margins; the expected timing and level of appraisal activity; plans to acquire seismic surveys for exploration, field development and reservoir management; the timing for completion of the Whiting refinery upgrade; other refining upgrades and logistics optimization; the expected level of production in the first quarter of 2012 and in full-year 2012; plans to continue to seek opportunities and prospects in BP's areas of strength, such as deepwater, gas value chains and giant fields; plans to strengthen BP’s position in unconventional's; the expected production potential of certain existing unconventional oil assets; expectations about BP's development of new technology; the timing of the deployment of BP's new single work management system; the sources and timing of volume growth and earnings momentum in Lubricants and Petrochemicals; expected future levels of resource recovery in giant fields; expansion plans, including plans to expand petrochemicals operations in China; and plans to create a new revenue stream through licensing certain technology. 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. Actual results may differ from those expressed in such statements, depending on a variety of factors including the timing of bringing new fields onstream; future levels of industry product supply; demand and pricing; 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; changes in taxation or regulation; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought; the actions of prosecutors, regulatory authorities, the Gulf Coast Claims Facility and the courts; 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 successful completion of certain disposals; the actions of competitors, trading partners, creditors, rating agencies and others; 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 under “Risk factors” in our Annual Report and Form 20-F 2010 as filed with the US Securities and Exchange Commission (SEC).

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.

Statement of Assumptions - The operating cash flow projection for 2014 stated on slides 8, 10, 11, 33, 38, 58, 61, 62 and 63 of the 2011 Results and Strategy Presentation reflects our expectation that all required payments into the $20 billion US Trust Fund will have been completed prior to 2014. The projection does not reflect any cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Deepwater Horizon incident which may or may not arise at that time. As disclosed in the Stock Exchange Announcement, we are not today able to reliably estimate the amount or timing of a number of contingent liabilities.

Cautionary note to US investors - We use certain terms in this presentation, such as "resources", "non-proved resources" and references to projections in relation to such 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. Tables and projections in this presentation are BP projections unless otherwise stated.

February 2012
I talked earlier about earnings and operating cash flow growth. This slide is one we showed in October and November updated for 2011 actual results. It reminds us that the Group’s forecast growth in operating cash flow between 2011 and 2014 is based on a comparison of performance at $100/bbl Brent crude price and $11/bbl Refining Marker Margin relative to 2011 actuals. In the case of Refining Marker Margin, 2011 was at a relatively comparable $11.6/bbl, providing a good basis for comparison going forward to 2014.

Operating cash flow momentum within R&M comes from three sources:

Firstly, sustaining and improving returns in the base, including investments to maintain our competitive position, improvement in day-to-day cost efficiency and margin capture along the chain through integration and optimisation, and improving working capital efficiency.

Secondly, improving structural cash margin capability through new investments and keeping the portfolio focused. This obviously includes the large Whiting project, but also the smaller investments we are making at Cherry Point and Toledo. It also includes marketing channel management and product mix improvements including premium fuels and lubricants. We also focus on investment into differentiated technology to drive margin advantage in petrochemicals and lubricants.

Thirdly, it is about increasing our footprint and exposure to growth markets in all three business models. Lubricants is growing fast in non-OECD countries, Petrochemicals is deepening its footprint in China and India, and in fuels we are expanding in locations such as Eastern Europe, in Turkey and in Brazil where we recently announced an acquisition by Air BP to enter five new airports and build upon our established position.

With this backdrop, let me now pass over to Tufan to provide you with more detail on fuels and lubricants.
Moving the fuels business forward

**What you can expect**
- Focus on safe, reliable, excellent operations
- Industry leading refining availability and utilization
- Active portfolio management
  - Re-position US fuels business
  - Continued focus on quality
- Strengthen “winning” fuel value chain positions
  - Whiting investment
  - Focus on margin capability
  - Focus on growth geographies and market segments
- Continued focus on efficiency
- Competitive returns

**What you can measure**

### Profit and environment

- Pre-tax underlying replacement cost profit - $bn
- Refining marker margin - $/bbl

### Refining availability and utilization

- Refining availability
- Refining utilization

**Pre-tax returns**

(1) Pre-tax returns based on pre-tax average capital employed including goodwill

Thank you lain,

As lain said earlier, 2011 was a good year for the Fuels business.

On the left is what we told you in November that you can expect from the Fuels business. It’s all about safety, reliability, quality and efficiency. Industry leading utilization comes from the right quality positions and we ensure the portfolio and our investment is focused on assets where BP can deliver real competitive advantage. We must continue to strengthen these positions both in established and growth markets, and maintain a focus on efficient use of all resources. This will lead to competitive returns and cash flows.

Talking to the graphs on the right, profit at $3.6 billion was up 62% whereas refining margins improved by only 16%. We did get some assistance from other margin effects such as WTI/Brent but saw material offsets from the high price of sweet barrels and the impact of foreign exchange movements. Our oil trading business improved considerably from poor levels in 2010. However, to put this in context and to repeat what I said in November, 2011 was not a year of unusually high oil trading performance. In fact it’s underlying pre-tax profit was in line with the average over the 2008-2010 period.

The level of turnarounds was very high in 2011, with a material negative impact vs 2010. High turnarounds will continue in 2012 and the impact is expected to be broadly similar. Our refining operations saw improvements in safety, reliability and commercial margin capture. Refining profits for the year were materially up on 2010, and BP’s refining portfolio remained profitable even in 4Q.

Looking at the graphs at the bottom, our Solomon refining availability was similar to 2010. However, in refining our utilization rate was lower than in 2010 due to higher turnarounds, lower demand and the weather related event which had a major impact on Texas City in 2Q.

Pre-tax returns have begun to improve in fuels from the very low levels of 2008, but we have much more to do, and the fuels business will provide much of the momentum out to 2014.
**Fuels: portfolio quality and momentum**

### Actions to date
- Divestment of 10 refineries 2000–2010
- Exit from Greece, France (Retail), Botswana, Malawi, Namibia, Tanzania, Zambia and Zimbabwe
- Disposal of US non-strategic pipelines and terminals
- Brazil aviation acquisition

### Further sources of momentum
- Whiting Refinery Modernization Project (WRMP) onstream 2H 2013
- Completion of US divestment program
- Gelsenkirchen refinery margin improvement program
- Exit of LPG bulk and bottles business

(1) As illustrated at Refining & Marketing Investor Day – November 2011
(2) BP share of industry retail sales – BP data estimates
(3) BP market share divided by BP share of site numbers for branded sites – BP data estimates

Turning then to the portfolio and sources of momentum in Fuels.

On the right are two charts we showed in November. I won’t go into the detail, but the main message is that BP’s fuels businesses have been materially focused into a portfolio with both advantaged refining and advantaged marketing positions when compared to the average of the industry. It is this which drives structural advantage. Our focus remains on quality not quantity.

How have we done this? Well, actions to date include

- Divestment of 10 refineries in 10 years
- Exit from company marketing operations in 8 fuels markets
- Disposal of a large portfolio of non-strategic pipelines and terminals in the US

Divestment proceeds from fuels have totalled about $16 billion in the 12 years to 2011.
We have recently announced the acquisition of a new position in aviation in Brazil.

Beyond this, there are a number of things we are in action on today including:

- The Whiting project, which is now over 50% complete, all main vessels are in place, and all piping modules are on site. Construction activity is ramping up in the field and we are on track for bringing the project onstream in 2H 2013;

- The US divestments of the Southern West Coast, including Carson refinery, and the Texas City refinery continue to move forward. In the case of the West Coast, separation of the assets has been completed, it is being run as a separate business unit, the data room was completed and we issued a Confidential Information Memorandum and began marketing the assets in 4Q. We have received interest from a number of parties. In the case of Texas City, the data room is also complete. There are a number of major regulatory milestones associated with Texas City which we expect to complete in 1Q, which will enable the site to be marketed with greater certainty around its regulatory liabilities and obligations. We will be progressing both of these transactions in 2012;

- At the Gelsenkirchen refinery, we have a margin improvement programme. This project is designed to improve the refinery yield through re-configuration of some of the high value uplift units;

- And we announced today the proposed exit of the LPG bulk and bottles business

So let me turn briefly to the LPG announcement.
Divestment of LPG marketing business

Divest LPG bottle & bulk sectors
- High quality portfolio in 9 countries
- Largely independent from fuels businesses

LPG bulk and bottle markets

Retain focus on refinery LPG and autogas
- Strong position in growing autogas segment
- Focus wholesale to support refinery operations and optimization

Following a strategic review of our global LPG business, which currently sits within our Global Fuels portfolio alongside Air BP, we have concluded that we are not the natural owner long-term for the marketing channels selling bulk LPG to commercial and private customers, and also the bottled LPG business selling primarily to individual consumers. While these businesses represent attractive returns for BP, we believe that other B2B and B2C marketing companies would find them highly attractive and synergistic in each of the geographies.

These operations are in nine countries - UK, Netherlands, Belgium, Poland, Austria, Portugal, Turkey, China and South Africa.

BP aims to market these in a number of packages and we would hope to complete the process by end 2013.

We will retain focus on LPG where it is deeply integrated into our Fuels businesses, namely wholesale LPG sales from our refineries and associated optimisation, and autogas - the sale of LPG to retail customers in some of our fuels marketing networks – which can be integrated into our fuels retailing operations.

Completion of this divestment will also allow us to simplify the organisation, merging the remaining LPG activity into the Fuels Value Chains. We will keep you informed of progress.

Turning now to Lubricants:
Moving the lubricants business forward

**What you can expect**
- Focus on safe, reliable, excellent operations
- Growing margin share
  - Increasing exposure to growing non-OECD markets
  - Increasing premium share of sales
- Ongoing disciplined investment in:
  - Lubricant technology
  - Brand
  - Customer relationships
- Sustaining leading returns in the industry

**What you can measure**

![Graph showing profit growth from 2004 to 2011](image)

![Graph showing ratio of premium to total lubricant sales](image)

(1) Premium lubricants data breakdown available from 2009
(2) Pre-tax underlying replacement cost profit / third party sales and other operating revenues (excluding our share of equity accounted entity revenues)

This slide shows you on the left what we told you in November you could expect from Lubricants. It is all about safety, excellent operations, growing positions in non-OECD markets and improving the margin mix of the portfolio through a focus on premium lubricants.

This is all built upon a foundation of strong technology, brands and relationships.

On the right, you can see the profit growth from 2004 with the business delivering four successive years of underlying pre-tax profits in excess of $1 billion, with 2011 profits approximately $1 billion more than in 2005, or a compound growth rate of over 30%.

Pre-tax returns from this business are excellent, and returns on sales in the 15-20% range. We believe the BP lubricants portfolio is capable of sustaining leading returns.

The key operating metric we will continue to show you is the ratio of premium to total lubricant sales. This is a key driver of margins and returns. As you can see we have increased this from just over 30% in 2009 to 37% in 2011.
Lubricants: portfolio quality and momentum

**Actions to date**
- Non-OECD markets generating ~40% of earnings
- 1 mega-brand\(^{(1)}\), GTX
- Successful OEM partnerships
- Supply chain efficiency and simplification 2006-11
  - ~25% of blends plants closed
  - ~25% reduction of countries with direct presence
  - ~45% reduction in the number of product and pack variants

**Further sources of momentum**
- Exposure to non-OECD markets
- Technically advanced products
- 2 further mega-brands\(^{(1)}\), Edge and Magnatec
- Increasing premium share of sales

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(1) >$1bn per annum product line turnover  
(2) As illustrated at Refining & Marketing Investor Day – November 2011

Turning then to the portfolio and momentum in Lubricants.

On the right, once again two charts from November. The first shows that the business has grown gross margin while reducing costs, which in turn has driven the high rate of pre-tax profit growth in recent years. The second indicates the winning themes of brands, technology and customer relationships.

What we have done to date is to grow the business in non-OECD markets so that they now represent 40% of the pre-tax profits. We have built one product mega-brand in Castrol GTX. We have built successful partnerships with most of the leading OEMs in the World, enabling joint technology development and marketing, and providing them with reliable integrated service.

In the supply chain, there has been huge simplification and efficiency in terms of reducing numbers of blend plants, countries in which we go to market directly and the number of products and stock keeping units we maintain.

Going forward, overall volume growth will come from growth in the global car pool, and increasing industrialisation in emerging markets. Earnings momentum will therefore be driven by continuing increases in exposure to non-OECD markets and the expansion of margins globally supported by the right brands and product technologies. Specifically we are expecting the likely growth of two further brands - Edge and Magnatec - to mega-brand materiality, and through that the continued improvement in the product mix by increasing the premium lubricant share of sales.

Relative to our competitors, BP is very well positioned on premium lubricants.

I will now like to hand over to Richard who will cover petrochemicals.
Moving the petrochemicals business forward

**What you can expect**

- Focus on safe, reliable, excellent operations
- Growing margin share
  - Extension of JV model in Asian growth markets
  - Development of next generation technologies
- Deployment of new and existing technology
- Ongoing disciplined investment
  - Sustain leading cost position
  - Focus on cash generation in US/Europe

**What you can measure**

- Pre-tax underlying replacement cost profit - $bn
- Petrochemicals variable contribution margin
- VCM Index (2004 = 100)

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(1) Volumes exclude Innovene and Germany production reported within fuels business
(2) Pre-tax underlying replacement cost profit / third party sales and other operating revenues (excluding our share of equity accounted entity revenues)

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Thank You Tufan.

Petrochemicals is equally well positioned and you can expect this business to deliver safe, reliable and excellent operations, to grow margin share through extension of our JVs in Asian markets, and to develop and deploy the next generation of advantaged technologies. BP has a strong track record of this going back to the 1970’s. Through this we aim to sustain leading cost positions in our products. In Europe and the US we will ensure that our advantaged plants remain loaded and utilized through offtake deals and co-location with customers.

On the charts on the right, you can see the growth in underlying profit in recent years. This has come from improving margins, and also from investment in production growth, fixed cost efficiency, and continued development of technology.

Pre-tax return on sales is the measure you can expect to track, and you can see we have been delivering in the 10-15% range.

Petrochemicals production has generally been rising as we have built new capacity in Asia, although in 2011 a combination of weather related and other operational impacts, turnarounds and declining demand resulted in a slight fall in utilization rates.
In terms of portfolio quality and momentum, once again, it is all about quality. In Petrochemicals this comes from technology, in which we continue to maintain proprietary and competitive process technologies for our three main products in which we have large or leading global market shares. We showed you the two charts on the right in November and the top one shows a PTA example. In addition to technology, it is about operational excellence and strategic relationships with leading JV partners and co-located customers.

We have been on a journey to improve our Petrochemical portfolio for many years in the relentless pursuit of quality advantaged positions and returns.

In 2005 we divested of our US and European olefins and derivatives businesses to Ineos. We have switched our volume growth focus to Asia and have 10 Asian JVs in operation. We have just announced an MOU for a major Acetic Acid JV with IOC in India which will gasify petroleum coke, generate hydrogen for their refinery, and produce highly competitive Acetic Acid for the growing Indian market.

Looking ahead, we have some very exciting new technology developments in the pipeline. In addition, we have decided to create a new revenue stream through technology licensing beginning with our aromatics products of paraxylene and PTA. We have plans to expand further in Asia, including the 1.3 million tonne per annum 3rd PTA plant in Zuhai, China for which we have just received first stage approval.

I’d now like to hand back to Iain to wrap up.
Thank you Richard

So that gives you more detail on the performance of the individual businesses in 2011 and a sense of what you can expect. Along with the historical financial information we hope that this will enable you to understand both the quality, and the value, of the individual businesses.

Refining & Marketing summary

- World class downstream
  - Safety, excellent execution, portfolio quality, exposure to growth
- 2011 is a record year of Refining & Marketing earnings
- On track for delivery of >$2bn per annum of pre-tax underlying performance improvement\(^{(1)}\) by 2012 vs 2009
- Material earnings and operating cash flow growth
  - Whiting Refinery Modernization Project onstream 2H 2013
- Disciplined investment
  - 2012 capex of ~$4.5bn
- Portfolio management
- Increased transparency of fuels, lubricants and petrochemicals performance
  - Pre-tax underlying replacement cost profit
  - Pre-tax operating returns\(^{(2)}\)
  - Operating metrics

\(^{(1)}\) Performance improvement is after adjusting for refining and petrochemical environment (including energy costs), foreign exchange impacts and price lag effects.
\(^{(2)}\) Based on average pre-tax operating capital employed including goodwill, or return on sales.

So to close, this is the slide I showed at the end of the plenary session. I will not repeat what is on it, but I hope today’s presentation has given you greater insight into what has driven our record year of earnings in 2011, and provided more transparency and colour about the future.

As I said in November, there are four things about R&M that I hope you can take away from today:

- That BP’s refining and marketing business is now performing very well competitively and is capable of being world class in all of its businesses
- We will continue to be active and disciplined in our management of this portfolio
- We believe the quality of our portfolio will allow BP to maintain a very strong competitive position, and a growing one, and
- There is material earnings and cash flow growth to come, and we will always build this upon a foundation of safe, reliable and compliant operations

Along with members of my team, we’d now be delighted to take your questions.