Refining & Marketing
Welcome

November 30th
Iain Conn
Chief Executive – Refining and Marketing

November 30th
Cautionary statement

Forward-looking statements - cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements with respect to the operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements generally, but not always, are identified by the use of words such as “will”, “expected to”, “is intended to”, “project” or similar expressions. In particular, these include certain statements regarding:

- anticipated improvements, increases, sources and timing in operating cash flow and margins; refinery divestment plans; anticipated timing of exploration and production projects to come on stream by 2014 and the expected margins from such projects; repositioning of US Fuels Value Chains and halving US refining exposure; the anticipated timing for completion of and final proceeds from the disposition of certain BP assets; the timing and composition of major projects including expected start up, completion and margins; expectations regarding the impact on costs of turnaround and related maintenance expenditures; expectations or plans for increased investment; investments in technology and capability; improvements in refining efficiency; expectations for fourth-quarter refining margins; the disclosure of refining and marketing results in BP’s Group financial reporting; the timing for completion of the Whiting refinery upgrade, other refining upgrades and logistics optimization; the expected level of operating cash flow to be generated and production potential following the Whiting refinery upgrade; the projected marketing to refining cover after the Carson and Texas City divestments; the expected impact on fourth-quarter production of the ongoing seasonal turnaround activity across BP’s portfolio; expected fourth-quarter and full-year 2011 production; expectations for returns and earnings momentum in refining and marketing; the ability of the fuels business to continue to deliver competitive returns; performance outlook including the anticipated level of earnings delivery in 2011 and earnings growth by the end of 2012; earnings and returns momentum beyond 2012; the proportion of earnings derived from growth markets; the anticipated level of market growth in Australasia, Turkey, South Africa and Poland; the level of further earnings growth generated by the base business; the increase of investment that will deliver sustainable growth; the projected volume of petrochemicals and lubricants growth and demand by 2020; the deployment of Cativa to the joint venture with Indian Oil Corporation; improvements in Eastern hemisphere Fuels Value Chains including growth in access; the deliverability of new technologies and growth projects in the Middle East and Asia and growth earnings from the Petrochemicals business; the proportion of earnings from non-OCED markets by 2015 in the lubricants business; relationships with large resource holders. 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 impact on our reputation following the Gulf of Mexico oil spill; 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 “Principal risks and uncertainties” in our Form 6-K for the period ended 30 June 2011 and 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 in this presentation reflects our expectation that all required payments into the $20 billion 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 Macondo 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.
Agenda

Refining & Marketing overview
Iain Conn and Richard Hookway

Fuels
Steve Cornell and Tufan Erginbilgic

Breakout sessions:
- Petrochemicals
  Nick Elmslie
- Lubricants
  Tufan Erginbilgic
- Fuels & lubricants technology tour
  Angela Strank

Wrap up
Iain Conn
The R&M team here today

Iain Conn
Chief Executive
Refining & Marketing

Tufan Erginbilgic
Chief Operating Officer Eastern Hemisphere Fuels, Global Lubricants, Aviation and LPG

Steve Cornell
Chief Operating Officer
US Fuels

Richard Hookway
Chief Financial Officer
Refining & Marketing

Charles Cameron
Head of Technology
Refining & Marketing

Jeanne Johns
Head of S&OR
Refining & Marketing

Nick Elmslie
Chief Operating Officer
Global Petrochemicals

Angela Strank
Technology Vice President
Fuels & Lubricants
Moving BP Forward
Safety : Trust : Value Growth

Putting safety and operational risk management at the heart of the company
- New Safety and Operational Risk organization
- Investment in maintenance
- Reorganized upstream

Rebuilding trust
- $20bn Trust Fund: now 50% funded
- Settlements with Mitsui/Weatherford/Anadarko

Pursuing value growth
- Dividend resumed
- $19bn\(^{(1)}\) divestments agreed
- New access: India, Trinidad, Australia, Azerbaijan, UK, Indonesia, South China Sea, Brazil
- Iraq initial production
- Refining & Marketing earnings momentum continues

\(^{(1)}\) Excluding the proposed sale of BP’s interest in PAE. This sales agreement was terminated on 6th November.
Moving BP Forward
A 10 point plan

What you can expect

1. Relentless focus on safety and managing risk
2. Play to our strengths
   - Exploration
   - Deepwater
   - Giant fields
   - Gas value chains
   - World class downstream business
   - Relationships and technology
3. Stronger and more focused
4. Simpler and more standardized
5. More visibility and transparency to value
Moving BP Forward
A 10 point plan

What you can measure

6. **Active portfolio management to continue**
   - Further $15bn over the next two years including two US refineries

7. **New upstream projects onstream with higher margins**
   - Unit cash margins on new wave of projects expected to be double existing average(1)

8. **Generate around 50% more annually in operating cash flow by 2014 versus 2011 at $100/bbl**
   - Around half from ending US Trust Fund payments(2) / around half from operations

9. **Half of incremental operating cash for re-investment, half for other purposes including distributions**

10. **Strong balance sheet**
    - Gearing in lower half of 10–20% range

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(1) Assuming a constant $100/bbl oil price and excluding TNK-BP
(2) See Statement of Assumptions under Cautionary Statement
Safety and operational risk management

Organization

Operating management system

Risk identification and mitigation planning

Safety and operational risk

Likelihood

Impact

1 2 3 4 5 6 7 8
The evolving challenge of energy demand

(1) Today’s borders
* Includes biofuels
Source: BP Energy Outlook 2030
R&M operates three business models

**Fuels:**
- Integrated refining, marketing, logistics, supply, optimization and trading linked to global markets

**Lubricants:**
- High growth, high return global business leveraging brand, technology and relationships

**Petrochemicals:**
- High growth, high returns with leading technology – Asia focused with strong global market shares
R&M: How we are organized

Strategy / Policy / Code of Conduct

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<thead>
<tr>
<th></th>
<th>Fuels</th>
<th>Petrochemicals</th>
<th>Lubricants</th>
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<tbody>
<tr>
<td>Safety and operational risk</td>
<td></td>
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<tr>
<td>Technology</td>
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<td>Finance</td>
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<tr>
<td>Information technology and BSCs(1)</td>
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<tr>
<td>HR, PSCM(2) and other functions</td>
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</tbody>
</table>

Number of strategic performance units

- Fuels: 11
- Petrochemicals: 1
- Lubricants: 1

Supply optimization and trading

(1) Business service centre
(2) Procurement supply chain management
Our five priorities since 2007

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

\(^{(1)}\) Operating Management System
R&M today

13 Strategic Performance Units (SPUs)

Focused on quality, not quantity

Two significant divestments in progress

- Texas City refinery and Southern West Coast fuels business(1)

On-track for record earnings(2) in 2011

50%+ of earnings(2) sourced from growth markets(3)

Pre-tax operating returns(4) of ~11%

Material contribution to Group operating cash flow growth

(1) Including Carson refinery
(2) Based on pre-tax underlying replacement cost profit which is pre-tax replacement cost profit or loss adjusted for non-operating items and fair value accounting effects
(3) Asia (including China and India), Australasia, Central and Eastern Europe, Former Soviet Union, Southern Africa, Middle East, South and Central America
(4) Pre-tax returns based on pre-tax average capital employed including goodwill (based on 12 months to 30 Sep 2011)
## R&M key financial and operating dimensions

<table>
<thead>
<tr>
<th><strong>12 months to end Sept 2011</strong></th>
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<tbody>
<tr>
<td>Pre-tax capital employed inc goodwill</td>
<td>~$55bn</td>
</tr>
<tr>
<td>Earnings(^{(1)})</td>
<td>~$6bn</td>
</tr>
<tr>
<td>Organic investment(^{(2)})</td>
<td>~$4bn</td>
</tr>
<tr>
<td>Pre-tax operating returns(^{(3)})</td>
<td>~11%</td>
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<tr>
<td>Refining capacity(^{(4)})</td>
<td>~2,700 kbpd</td>
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<tr>
<td>Total marketing sales</td>
<td>~3,300 kbpd</td>
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<tr>
<td>Petchems capacity(^{(4),(5)})</td>
<td>~18,300 ktpa</td>
</tr>
<tr>
<td>No. of countries R&amp;M markets within</td>
<td>~70</td>
</tr>
<tr>
<td>No. of employees</td>
<td>~35,000</td>
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</tbody>
</table>

Plus ~15,000 site employees

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\(^{(1)}\) Pre-tax underlying replacement cost profit or loss adjusted for non-operating items and fair value accounting effects  
\(^{(2)}\) Organic capital expenditure excluding acquisitions and asset exchanges  
\(^{(3)}\) Pre-tax returns based on pre-tax average capital employed including goodwill  
\(^{(4)}\) As at 31st December 2010  
\(^{(5)}\) Including Gelsenkirchen and Mulheim petrochemical volumes which are financially reported within the Fuels business
Underlying performance improvement

Performance recovery complete by 2009
- +$5bn earnings in 2007 environment

On-track to deliver +$2bn of incremental earnings by end 2012 vs 2009

Yellow regression line represents $2bn incremental earnings guidance, 2012 vs 2009
(1) RMMs are simplified regional margin indicators based upon product yields and a "marker" crude oil deemed appropriate for the region.
Competitive position – Net Income per barrel

$/bbl

Including chemicals – Rolling 4 quarters

Excluding chemicals – rolling 4 quarters

Note: BP Net Income = Pre-tax underlying replacement cost profit (less 30% notional tax rate) divided by refining capacity
Competitor set = ExxonMobil, Shell, Total and ConocoPhillips
Historical portfolio performance

Pre-tax underlying replacement cost profit by business - $bn

Business Environment
(Indexed 2004 = 100)

(1) Segment costs have been allocated to the Fuels business
(2) 2011 data is BP estimate

RMM = Refining Marker Margin
VCM = Variable Contribution Margin
R&M earnings volatility

pre tax underlying replacement cost profit ($bn)

R&M Total
Fuels
Lubricants
Petchems

2007 2008 2009 2010 4Q10 to 3Q11
Net Investment

(1) Includes $8.3bn proceeds for Innovene sale
(2) 2011 BP projections
(3) Total net investment = organic capital expenditure less proceeds from disposals

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Net Investment</th>
<th>Organic Capex</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>-7</td>
<td>-7</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>2</td>
<td>2</td>
<td>-1</td>
</tr>
<tr>
<td>2007</td>
<td>3</td>
<td>3</td>
<td>-1</td>
</tr>
<tr>
<td>2008</td>
<td>4</td>
<td>2</td>
<td>2</td>
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<td>2009</td>
<td>3</td>
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<td>2010</td>
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</tr>
<tr>
<td>2011</td>
<td>3</td>
<td>2</td>
<td>2</td>
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</tbody>
</table>
Value growth – world class downstream business

The highest quality downstream business

- Hydrocarbon value chains delivering leading returns and cash flow growth

Incorporating three business models:

- Fuels (including optimization and trading)
- Lubricants
- Petrochemicals
World class downstream business

Safe and reliable operations
• Becoming a leader in process safety
• Industry leading reliability and availability

Excellent execution
• Compliance, rigour, discipline, efficient use of resources
• Effective organization and capability

Portfolio quality and integration driving leading cash margin capability
• Right asset configuration, technology, channels, brands and integration
• Enables advantaged operations to deliver leading utilization rates
• Drives cash margins and cash flow delivery

Growing margin share – exposure to growth
• Expansion of competitive margin capability
• Building growth market positions

Disciplined investment and portfolio management
• Financial framework
• Operating cash flow growth
Earnings momentum

Sources of earnings growth in a 2009 refining environment

- Growing gross margin
- Restoring missing revenues
- Cost efficiency

Pre-tax returns based on pre-tax average capital employed including goodwill (%); actual 2007-2010, 2011 BP projection

Whiting Refinery Modernization Project
Growth market positions and cash margin capability

BP projections
Operating cash flow momentum

**Sustaining leading returns in the base**
- Invest to maintain competitive position
- Improve efficiency and margin capture capabilities
- Working capital efficiency

**Improving cash margin capability**
- Whiting Refinery Modernization Project
  - on-stream 2013
- Cherry Point clean diesel
- Toledo continuous catalytic reforming
- Integration, trading and optimization
- Premium fuels, Castrol Edge
- Petrochemicals and lubricants technology
- Marketing channel management

**Growth market positions**
- Petrochemicals Asia
- Lubricants growth markets
- Refining and fuels developments

Operating cash flow

(1) Refining Marker Margin
(2) Includes working capital movements
Moving R&M forward

What you can expect
• Focus on safe, reliable, excellent operations
• Delivery of >$2bn pa of pre-tax underlying performance improvement by 2012 vs 2009
• Industry leading returns
• Material earnings and operating cash flow growth
• Portfolio management
  – Focus on cash margin quality
  – Exposure to growth markets
• Leveraging technology innovation
• Disciplined investment
• Increased transparency of performance

What you can measure
• Pre-tax underlying replacement cost profit growth
• Annual net income per barrel
• Annual pre-tax operating returns
Fuels
Steve Cornell and Tufan Erginbilgic

November 30th
The fuels business
Fuels value chain supply enabled by optimization and trading

Supply optimization and trading
Fuels: Where we operate

- Key sales & marketing operations
- BP owned refinery
- Joint BP owned refinery
- Refineries announced for divestment

Global aviation fuels and LPG
Global supply optimization and trading operations
How we capture refining margins

External value driver: Product Cracks/Margins

Strategic value driver: Configuration and scale

Operational value driver: Availability Efficiency

USGC Product Cracks vs Mars, $/bbl

Graph showing the refining margin with categories for Coking, Cracking, and HSK*.

- Coking
- Cracking
- HSK*

Legend:
- Gasoline
- Diesel

Yield of gasoline and distillate

HSK* - Hydroskimming

Low, Medium, High categories are indicated.

2008 2009 2010 2011
How we optimize supply/distribution margins

External value driver: Volatility

Strategic value driver: Tankage capacity Market position

Operational value driver: Crude selection Inventory optimization Channel of trade

US market daily price change

Buying: Early / Late

Capture market opportunities: Price Zone differences Daily price changes

Crude

Selling: Fast / Slow

Daily sales volume optimization

Capture market opportunities:

Product

Demand profile: ratable

Demand profile: variable

Supply optimization and trading
High-graded portfolio - Refining

Global refining quality

Refining utilization vs competition(1)

(1) Competitor set is other International Oil Companies reported crude throughput divided by crude capacity
High-graded portfolio – fuels marketing

Marketing cover(1) of refining capacity

Retail asset quality

(1) Total marketing sales divided by refining crude distillation capacity
(2) Competitors include ExxonMobil, Shell and Total
(3) BP share of industry retail sales – BP data estimates
(4) BP market share divided by BP share of site numbers for branded sites – BP data estimates
How we drive sales and marketing margins

**External value driver:**
Consumer preferences

**Strategic value driver:**
Format / Operating Efficiency

**Operational value driver:**
Differentiated Offers

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**Germany – Importance of site factors to consumers**

**BP UK – Relative fuel margin required for cash break even**

**Premium Fuels**
UK Relative Fuel Margins
Premium v Standard Fuels
BP and M&S in the UK: How we secure sales and marketing margins

- BP/M&S partnership now extends to 135 stores
- Strong growth in store sales in M&S partnership stores post conversion
- Format is the market leader in the forecourt industry

Source: Experian Catalyst Q3, 2011, BP internal data
Repositioned US Fuels business

Strategic Fit of US Portfolio

- Highly integrated value chains focused in northern tier of US
- Significant location advantage for Canadian crude access
- Pipeline access provides unique competitive flexibility related to mid continent crudes
- Product logistics provide good support for refinery production

1 JV refinery
Whiting Refinery Modernization Project

Whiting’s capacity to process heavy crude is transformed

Whiting’s sources of value
Indexed Pre-tax underlying RC profit
$/bbl of capacity

On-stream performance at average 3Q 2011 refining environment
Regression line established from rolling 4Q average 1Q’02–1Q’07
Based off nameplate capacity as stated in F&OI = maximum sustainable rate for a 30 day period
Key global margin capture opportunities

**US**
- Margin growth
  - Whiting refining modernization project
  - Cherry Point clean diesel
  - Toledo continuous catalytic reforming

**Global**
- Aviation: Building positions in growth markets especially BRIC\(^{(1)}\) countries

**Eastern Hemisphere**
- Market growth
  - Fuels: Australasia, Turkey, South Africa, Poland, China
  - Convenience: Rhine, Australasia, Poland, UK
- Margin growth
  - Gelsenkirchen yield improvement
- New access
  - China: pursuing refining options

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\(^{(1)}\) Brazil, Russia, India and China
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
- Pre-tax underlying replacement cost profit
- Annual pre-tax operating returns
- Solomon availability and refining utilization
Lubricants: What is the business

We create superior value for our customers & consumers through the development & sale of differentiated lubricants and related products

**Automotive**

~70% of sales

~7300 employees

**Industrial, Aviation, Marine**

~30% of sales

45 countries with direct operations
Lubricants: Profit track record

- Important source of growth for R&M
- ~$1 billion of pre-tax profit added since 2006
- Profit driven by top line and efficiency
  - Gross margin growth of 7% pa 2006-10
  - Costs below 2006 level
- Capital employed below 2006 level
- Pre-tax returns on capital employed now in excess of 20%

Data indexed to 2006
Total cost includes cash & non-cash costs
Lubricants value chain

- **Additives Manufacturing**: Limited / no participation
- **Base Oil Manufacturing**: Active participation
- **Procurement**: Active participation
- **Formulation**: Active participation
- **Blending**: Selective participation
- **Marketing & Sales**: Active participation
The lubricants environment

Increase in lubricants demand\(^{(1)}\)
2010 to 2020

Growth in premium lubricants\(^{(1)}\)
2010 to 2020

(1) based on external industry estimates of Inland lubricants demand
How do we win?

Brand

Technology

Customer Relationships
Lubricants: Competitive positioning

Global Brand Equity\(^{(1)}\)

<table>
<thead>
<tr>
<th>Category Average</th>
<th>Aware</th>
<th>Accept</th>
<th>Prefer</th>
<th>Loyal</th>
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Synthetic/Premium Lubes\(^{(2)}\)

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<tr>
<th>Proportion of Sales (^{(2)})</th>
<th>Non-premium</th>
<th>Premium</th>
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<tbody>
<tr>
<td>Market</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>BP</td>
<td>25%</td>
<td>0%</td>
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Relative BP unit margins

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<th>Relative BP unit margins</th>
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<td>0</td>
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BP partnerships with vehicle OEMs

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<th>Global partnerships</th>
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<tbody>
<tr>
<td>Audi</td>
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<td>BMW</td>
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<td>Ford</td>
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<td>Jaguar</td>
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<td>MAN</td>
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<td>Skoda</td>
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<td>Tata</td>
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<td>Volvo</td>
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<td>VW</td>
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<td>Land Rover</td>
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<th>Regional partnerships</th>
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<tr>
<td>Citroen</td>
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<td>Honda</td>
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<tr>
<td>Mazda</td>
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<tr>
<td>Peugeot</td>
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<tr>
<td>SAIC</td>
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<tr>
<td>Toyota</td>
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\(^{(1)}\) Based on a Millward Brown 2011 survey of customers in 18 key automotive market-segment combinations

\(^{(2)}\) BP estimates based on available industry data and internal analysis. Expressed as a percentage of total automotive engine lubes sales.
Lubricants: Supply chain efficiency and simplification

Number of blending plants\(^{(1)}\)

Non-OECD

OECD

2006 2007 2008 2009 2010

(1) wholly owned by BP and joint ownership

Number of product and pack variants

2006 2007 2008 2009 2010

(2) Industrial, Marine and Aviation products
Lubricants: Our portfolio and performance

Profit Growth\(^{(1)}\)

Profit Growth\(^{(1)}\) shows the comparison between 2006 and 2010 for OECD, RoW, and BRICs regions.

Market Capitalisation

Castrol India Limited Market Capitalisation for End 2006 and End Oct 2011, with values of $0.6bn and $2.5bn respectively.

Return on Sales\(^{(2)}\)

Return on Sales\(^{(2)}\) graph compares Fuchs, BP, and Valvoline against the Median of Consumer sector companies from 2006 to 2010.

(1) Pre-tax underlying replacement cost profit – size of pie represents relative size of profit
(2) Rolling four quarters, pre-tax basis
(3) Based on average 2006-10 performance of around 3,000 consumer sector companies
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

- Pre-tax underlying replacement cost profit
- Annual return on sales
- Annual ratio of premium to total lubricant sales
Petrochemicals
Nick Elmslie

November 30th
Petrochemicals: A global manufacturing and marketing business

**Manufacture at Scale**

**Market our Products**

Feedstocks

Develop and Deploy Proprietary Technology

Customers

Strategic Relationships

Joint Venture Model in Asia

Independent Manufacturing & Marketing Companies

- Sinopec
- Petronas
- Samsung
- Formosa Chemicals
- CPC Corporation
- Mitsui Chemicals

2,500 employees

10 JVs in Asia
Petrochemicals: Where we operate

Capacity focused in Asia

By Product - 2010

<table>
<thead>
<tr>
<th>Product</th>
<th>Total (mtpa)</th>
<th>Share of Global Capacity</th>
</tr>
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<tbody>
<tr>
<td>PTA</td>
<td>53</td>
<td>#1 (14%) BP Yisheng, #2 (10%) Mitsubishi</td>
</tr>
<tr>
<td>PX</td>
<td>38</td>
<td>#1 (11%) Sinopec, #2 (10%) ExxonMobil, #3 (8%) BP</td>
</tr>
<tr>
<td>Acetic Acid</td>
<td>14</td>
<td>#1 (22%) Celanese, #2 (18%) BP, #3 (9%) SOPO</td>
</tr>
</tbody>
</table>

(1) Excludes Gelsenkirchen and Mulheim volumes reported within fuels business
(2) Million Tonnes per Annum
Value chains – PTA, PX & Acetic Acid

Methanol → Acetic Acid → Automotive, Construction, Coatings, Consumer Goods

Carbon Monoxide → Mixed Xylenes → PX\(^1\) → PTA\(^2\) → Polyester

(1) Paraxylene
(2) Purified Terephthalic Acid
Value chains – Olefins and Derivatives (O&D)

Naphtha Feedstock → 1.3mtpa Ethylene → Ethylene → Polyethylene
                          Propylene → Polypropylene
                          Polystyrene
                          Butadiene
                          Acrylonitrile
PTA & Acetic Acid are forecast to grow at 6.5%pa

China PTA demand has grown by 15% CAGR\(^{(1)}\) over the last decade

Petrochemical margins driven by supply demand balance

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\(1\) Compound annual growth rate
Petrochemicals: Our performance

- Performance vs. our competitors is top of the range in terms of RoS
- Differentiated returns are the result of advantaged technology, market access and operational efficiency
- In 2010 our profit exceeded $1bn for the first time with 60% coming from the high growth markets of Asia

(1) Post tax adjusted to comparable basis
(2) Pre-tax underlying replacement cost profit indexed to 2004
(3) Cash Fixed Costs indexed to 2004
Petrochemicals: How do we win?

Operational Excellence

Technology

Petrochemicals

Strategic Relationships

Joint Ventures
- Sinopec
- Petronas
- Samsung
- CPC Corporation
- Mitsui Chemicals
- Formosa Chemicals

Co-location
- Indorama
- China Resources
- JBF
Advantaged technology – PTA example

PTA Technology Evolution, $/te Indexed

Industry Average and Best Available are calculated using The PCI Consulting Group published information
Moving Petrochemicals 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
- Petrochemical volumes
- Annual return on sales
Value growth – world class downstream business

The highest quality downstream business

- Hydrocarbon value chains delivering leading returns and cash flow growth

Incorporating three business models:

- Fuels (including optimization and trading)
- Lubricants
- Petrochemicals
Moving R&M forward

What you can expect

• Focus on safe, reliable, excellent operations
• Delivery of >$2bn pa of pre-tax underlying performance improvement by 2012 vs 2009
• Industry leading returns
• Material earnings and operating cash flow growth
• Portfolio management
  – Focus on cash margin quality
  – Exposure to growth markets
• Leveraging technology innovation
• Disciplined investment
• Increased transparency of performance

What you can measure

• Pre-tax underlying replacement cost profit growth
• Annual net income per barrel
• Annual pre-tax operating returns