Fergus MacLeod
Head of Investor Relations
Cautionary Statement

Forward Looking Statements - Cautionary Statement
This presentation and the associated slides and discussion contain forward looking statements, particularly those regarding global economic recovery; GDP growth; effective tax rate; improved efficiency and effectiveness across the Fuels Value Chains; expected quarterly charges; production growth and impact of seasonal turnarounds; costs; capital expenditure; disposal proceeds; capital efficiency in the upstream; continuing downstream turnaround; refocus and simplification of Alternative Energy; continuing corporate efficiency; dividend payments; investments and use of balance sheet capacity. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; 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.

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

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July 2009
Tony Hayward

Group Chief Executive
The economy and oil supply/demand

Source: IEA for oil demand, JP Morgan for GDP growth
The US gas market

US manufacturing and gas consumption

<table>
<thead>
<tr>
<th>y-o-y change, Bcf/d</th>
<th>y-o-y change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q08</td>
<td>0</td>
</tr>
<tr>
<td>3Q08</td>
<td>(1)</td>
</tr>
<tr>
<td>4Q08</td>
<td>(2)</td>
</tr>
<tr>
<td>1Q09</td>
<td>(3)</td>
</tr>
<tr>
<td>2Q09</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Manufacturing growth (rhs)

Industry gas use

US gas production

Source: US DOE, EcoWin, JP Morgan
1H 2009: Financial results

• Replacement cost profit $5.5bn

• Post-tax operating cash flow $12.3bn

• Organic capex* of $9.4bn

• Divestments of $1bn

• Dividend
  - 28 cents per share
  - $5.2bn

* Organic capital expenditure, excluding acquisitions and asset exchanges
Operational momentum

Safe and reliable operations
• 50 entities now on our Operating Management System (OMS)
• Continuous improvement

Building capability
• Right people, right place, right skills
• Deepening expertise
• Reward for performance

Upstream growth
• Volumes up by more than 3% in 1H09

Downstream turnaround
• Refining availability 93% in 1H09, up by more than 4%
Strategic delivery
Upstream growth

• New access for future growth
  – Iraq: Rumaila
  – Egypt: new acreage awarded
  – Indonesia: coal bed methane JV
  – Azerbaijan – memorandum of understanding signed with SOCAR

• Continued exploration and appraisal success
  – Angola – 17th/18th discoveries
  – Gulf of Mexico – Mad Dog South

• Major project start-ups
  – Tangguh
  – King South/Dorado, Thunder Horse ramp-up
  – Uvat, Kamennoye

• Sanctioned developments
  – Angola – Block 15 Clochas Mavacola
  – Trinidad – Serette new field development
Strategic delivery
Downstream turnaround

- Safe operations and OMS
- Behaviours and core processes
  - Refocused R&M head office
  - Iberia back office go-live
- Restoring missing revenues
  - Refining availability at highest level since 1Q05
  - Texas City is running at full economic capability
- Business simplification
  - Exited US convenience retail operations
  - Sale of Greek ground fuels marketing
- Repositioning cost efficiency
  - Cash costs in 1H more than 15% below 1H08
Strategic delivery
Corporate efficiency

• Alternative Energy
  - Focused and disciplined

• Restructuring and delayering
  - More than 5,000 reduction in headcount

• Organization
  - Deepening expertise
  - Embedded functional model

• Cash costs down by more than $2bn in 1H09
Byron Grote
Chief Financial Officer
Trading environment

$\$/bbl Liquids realization

$\$/mcf Gas realization

$\$/bbl Refining indicator margin

Average realizations

<table>
<thead>
<tr>
<th></th>
<th>2Q</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquids $/bbl</td>
<td>(52)%</td>
<td>(53)%</td>
</tr>
<tr>
<td>Natural gas $/mcf</td>
<td>(57)%</td>
<td>(48)%</td>
</tr>
<tr>
<td>Total hydrocarbons $/boe</td>
<td>(54)%</td>
<td>(52)%</td>
</tr>
</tbody>
</table>

Refining indicator margin $/bbl

Change vs 2008

<table>
<thead>
<tr>
<th></th>
<th>2Q</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquids $/bbl</td>
<td>(39)%</td>
<td>(12)%</td>
</tr>
</tbody>
</table>
### Financial highlights

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

<table>
<thead>
<tr>
<th>($bn)</th>
<th>2Q’08</th>
<th>2Q’09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Production</td>
<td>13.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Refining &amp; Marketing</td>
<td>0.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Other businesses &amp; corporate</td>
<td>(0.2)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Consolidation Adjustment</td>
<td>(0.2)</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Replacement cost profit before interest and tax</strong></td>
<td>13.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Interest &amp; minority interest</td>
<td>(0.3)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Tax</td>
<td>(4.7)</td>
<td>(1.6)</td>
</tr>
<tr>
<td><strong>Replacement cost profit</strong></td>
<td>8.5</td>
<td>2.9</td>
</tr>
</tbody>
</table>

| Earnings per share ($c)    | 45.3  | 15.7  |

| Cash from operations ($bn) | 6.7   | 6.8   |
| Share buybacks ($bn)       | 1.0   | -     |
| Dividend ($bn)             | 2.5   | 2.6   |
| Dividend per share ($c)    | 14.0  | 14.0  |
| Capital expenditure excl acquisitions ($bn) | 5.5  | 4.8   |

### Replacement cost profit before interest and tax 2Q09 vs 2Q08 ($bn)

- Exploration & Production (E&P): 14.4 vs 4.4
- Refining & Marketing (R&M): 1.0 vs 0.8
- Other businesses & corporate (OB&C): 0.5 vs 0.2
- Consolidation Adjustment: 0.1 vs -0.2

**Total**

- Replacement cost profit before interest and tax: 8.5 vs 2.9
- Earnings per share: 45.3 vs 15.7
- Cash from operations: 6.7 vs 6.8
- Share buybacks: 1.0 vs -
- Dividend: 2.5 vs 2.6
- Dividend per share: 14.0 vs 14.0
- Capital expenditure excl acquisitions: 5.5 vs 4.8
Exploration & Production

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

Production growth YoY
(4 quarter rolling average)

- Weaker environment
- Production growth

- Lower costs
- Higher DD&A
Refining & Marketing

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

Refining availability
Solomon availability (%)

- Weaker refining environment
- Significantly improved refinery operations
- Lower costs
Other Businesses & Corporate

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

- Foreign exchange effects
- Weaker environment
- Lower corporate costs
- 2009 underlying quarterly charges expected to average $400-$500m
Sources & uses of cash

<table>
<thead>
<tr>
<th>Sources (post tax $bn)</th>
<th>Uses (post tax $bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disposals</strong></td>
<td><strong>Buybacks</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Inorganic capex</strong></td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td><strong>Organic capex</strong></td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td></td>
</tr>
</tbody>
</table>

1H 08

Disposals: 17.6
Buybacks: 4
Inorganic capex: 4
Operations: 12.3
Dividends: 2

1H 09

Disposals: 18
Organic capex: 14
Operations: 12.3
Dividends: 4
Net debt ratio

Net debt ratio = net debt / (net debt + equity)
Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt
## 2009 Outlook

<table>
<thead>
<tr>
<th></th>
<th>2009 guidance</th>
<th>1H 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production*</td>
<td>Growth</td>
<td>More than 3%</td>
</tr>
<tr>
<td>Refining availability*</td>
<td>Higher</td>
<td>More than 4%</td>
</tr>
<tr>
<td>Cash cost reduction*</td>
<td>More than $3bn</td>
<td>More than $2bn</td>
</tr>
<tr>
<td>Capex**</td>
<td>Below $20bn</td>
<td>$9.4bn</td>
</tr>
<tr>
<td>Divestments</td>
<td>Around $2-3bn</td>
<td>$1.0bn</td>
</tr>
</tbody>
</table>

* Change versus 2008  
** Organic capital expenditure, excluding acquisitions and asset exchanges
BP strategy

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