BP 2Q 2009 Results

28th July 2009

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Cautionary Statement

Forward Looking Statements - Cautionary Statement

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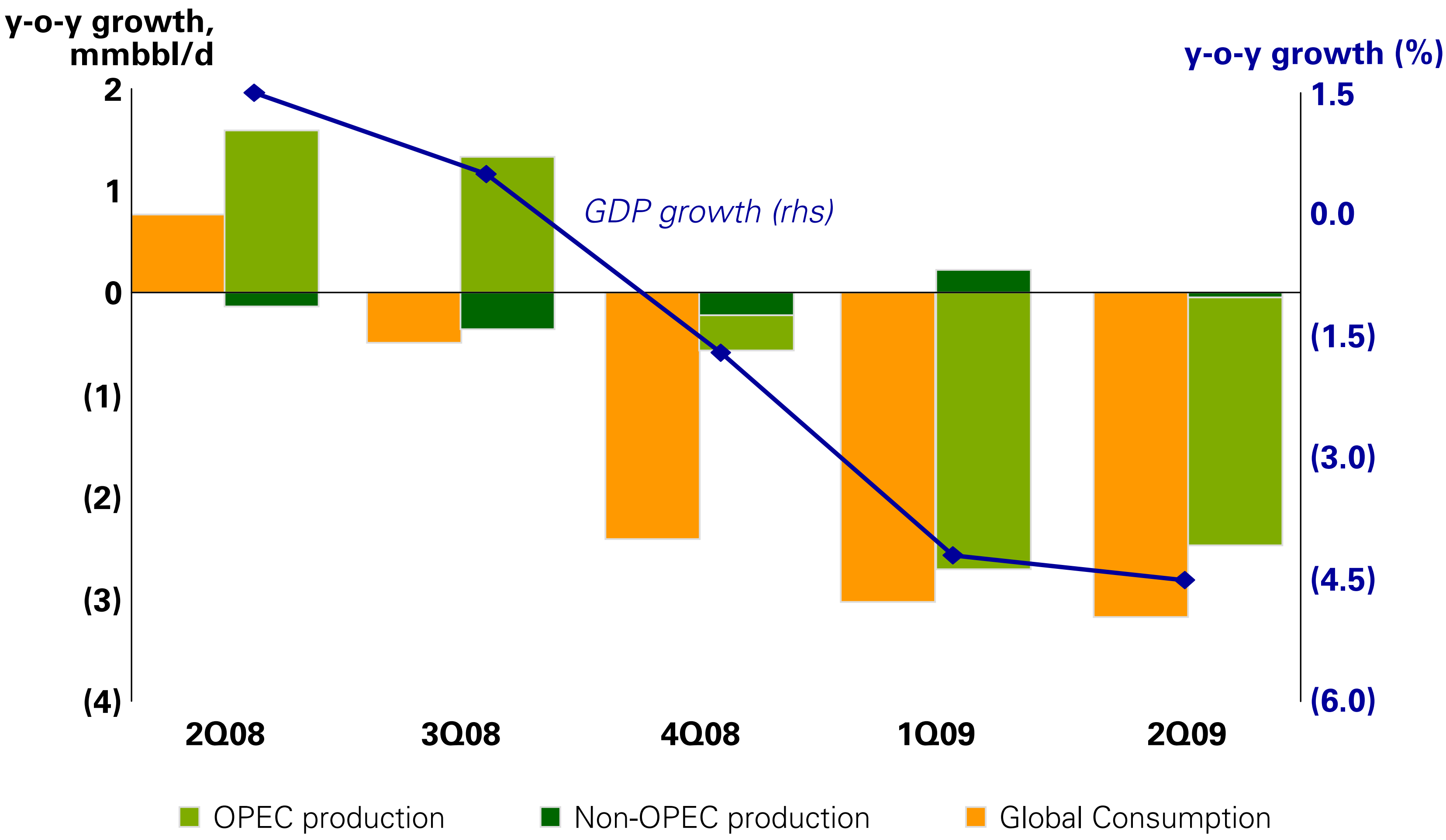
July 2009

Tony Hayward

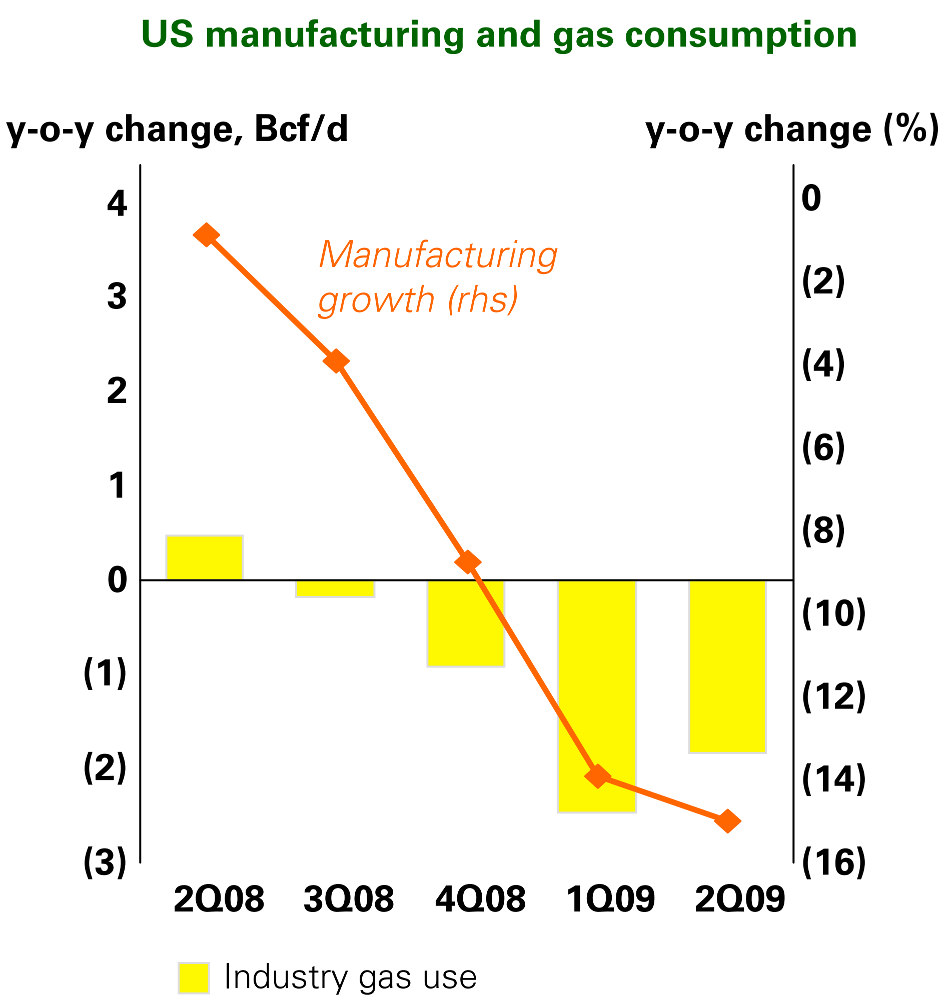
Group Chief Executive

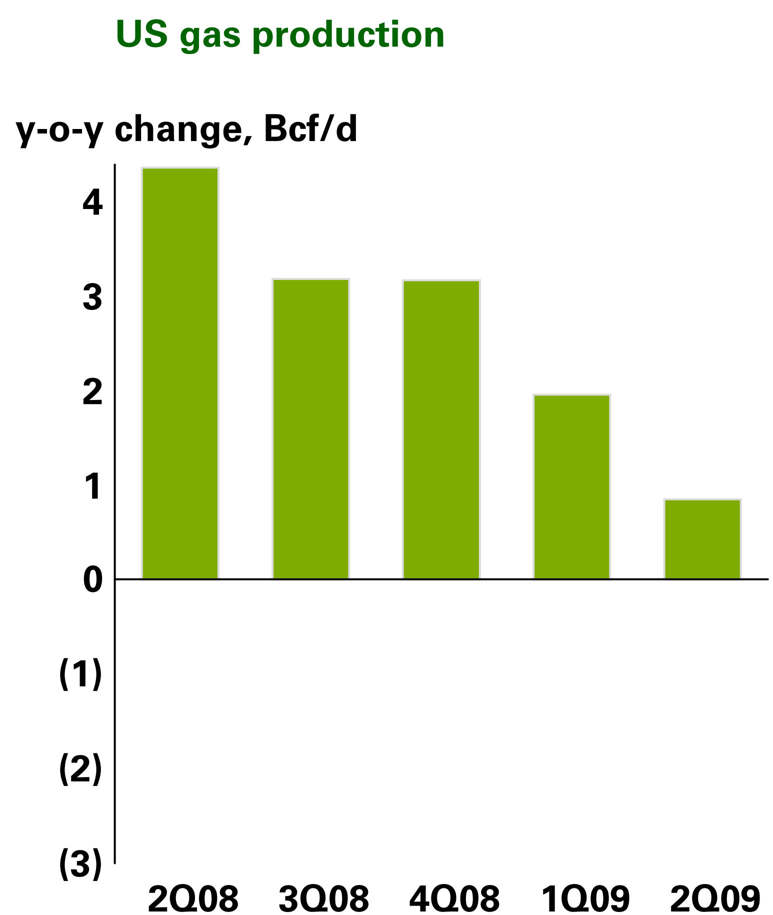
The economy and oil supply/demand



Source: IEA for oil demand, JP Morgan for GDP growth

The US gas market





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

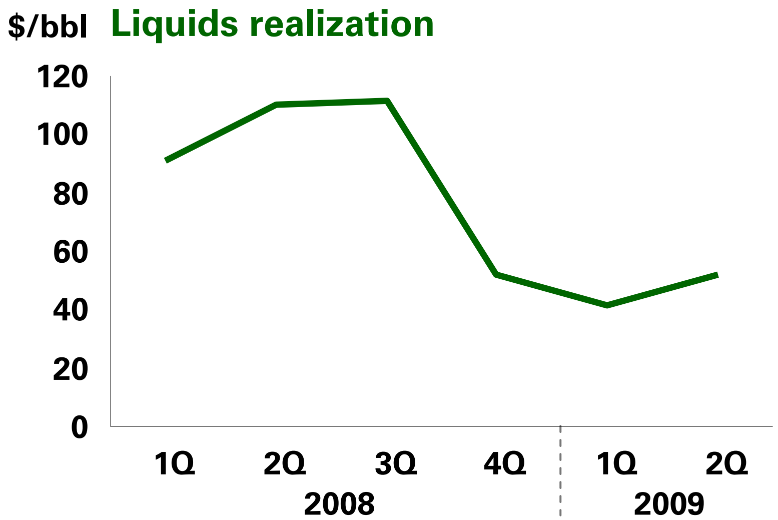
Strategic delivery
Corporate efficiency

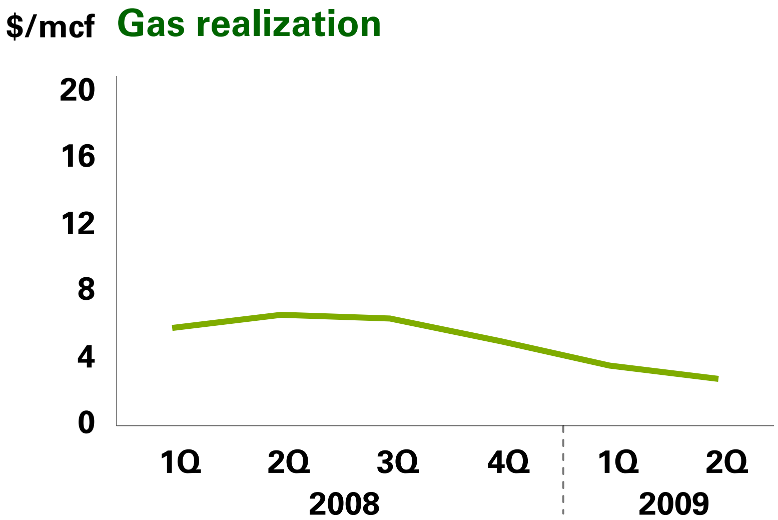
- Alternative Energy
  - Focused and disciplined
- Restructuring and delayering
  - More than 5,000 reduction in headcount
- Organization
  - Deepening expertise
  - Embedded functional model
- Cash costs down by more than $2bn in 1H09

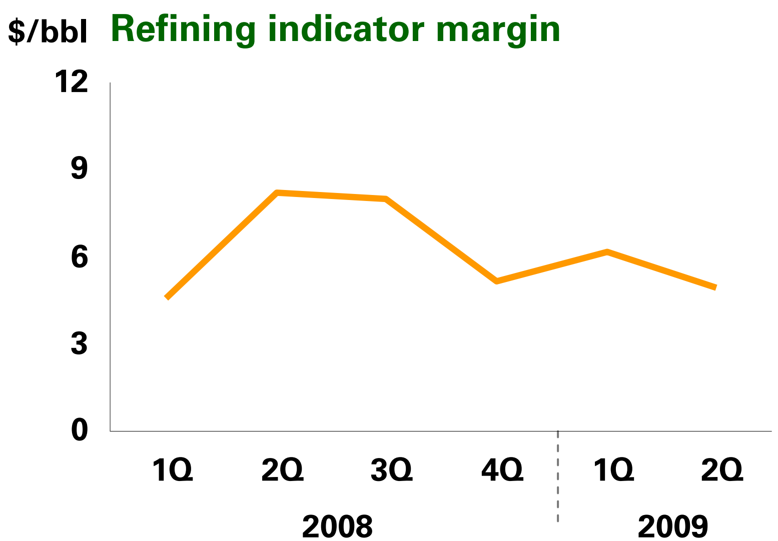
Byron Grote

Chief Financial Officer

Trading environment







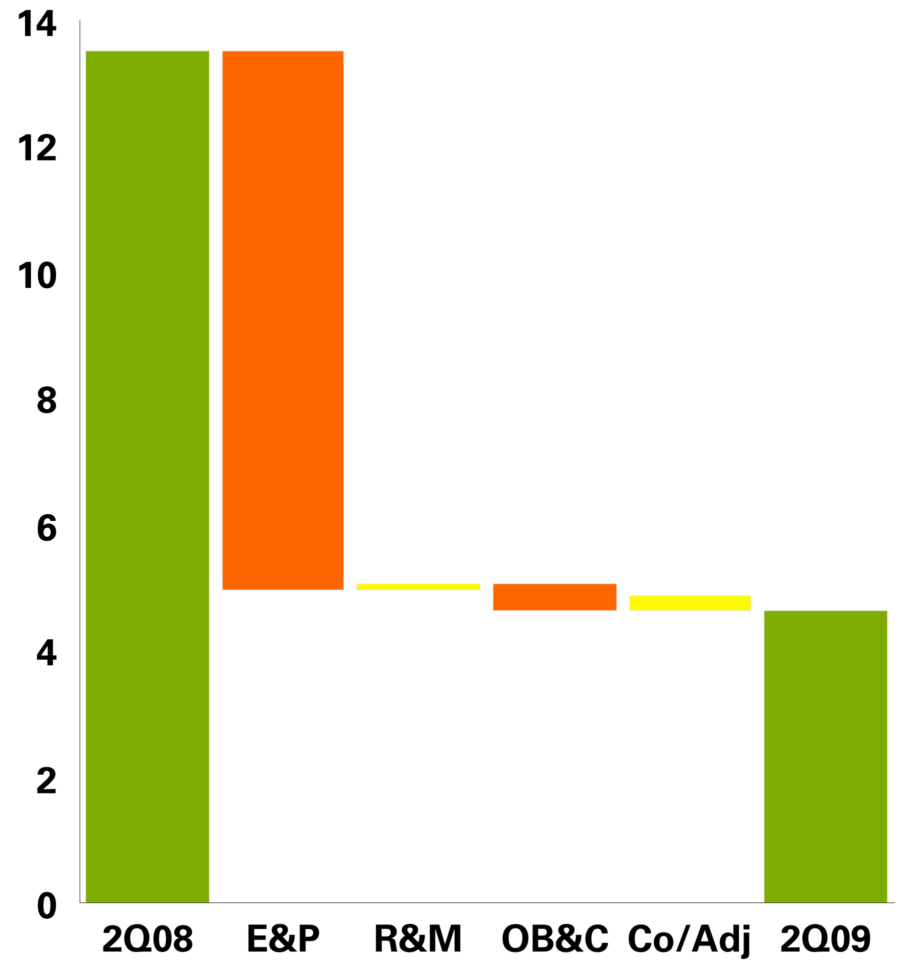
	Change vs 2008	
Average realizations	**2Q**	**YTD**
Liquids $/bbl	(52)%	(53)%
Natural gas $/mcf	(57)%	(48)%
Total hydrocarbons $/boe	(54)%	(52)%
Refining indicator margin $/bbl	(39)%	(12)%

Financial highlights

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

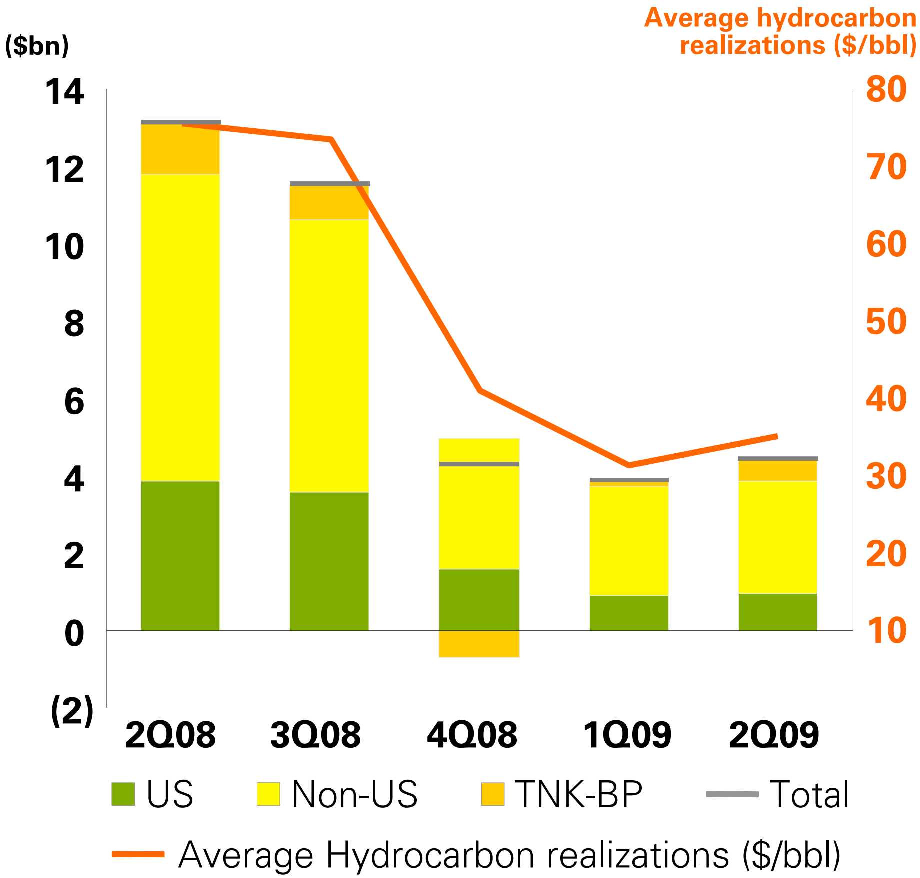
($bn)	2Q'08	2Q'09
Exploration & Production	13.1	4.4
Refining & Marketing	0.8	1.0
Other businesses & corporate	(0.2)	(0.5)
Consolidation Adjustment	(0.2)	0.1
Replacement cost profit before interest and tax	**13.5**	**4.9**
Interest & minority interest	(0.3)	(0.4)
Tax	(4.7)	(1.6)
Replacement cost profit	**8.5**	**2.9**
Earnings per share ($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)

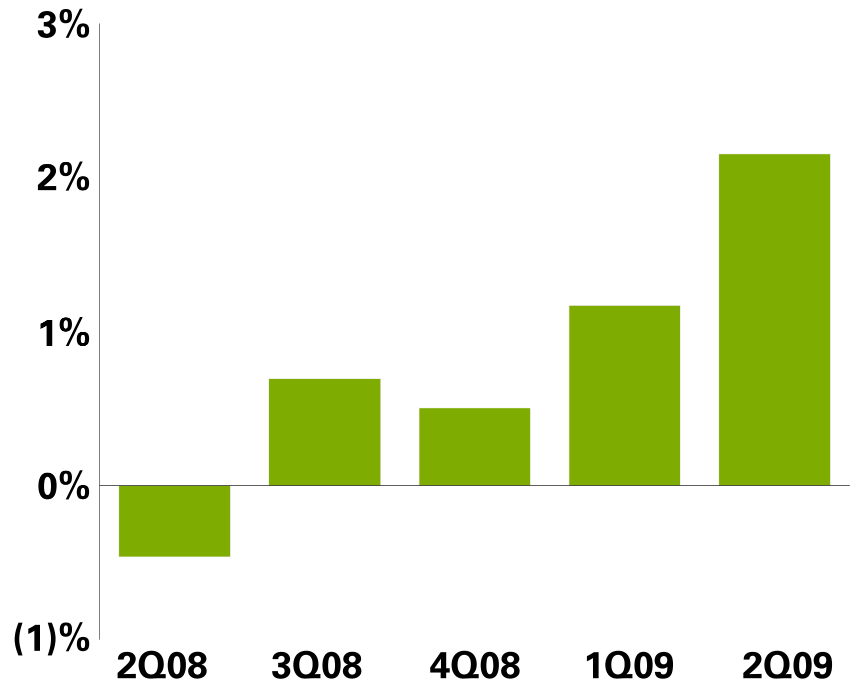


Exploration & Production

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



Production growth YoY
(4 quarter rolling average)



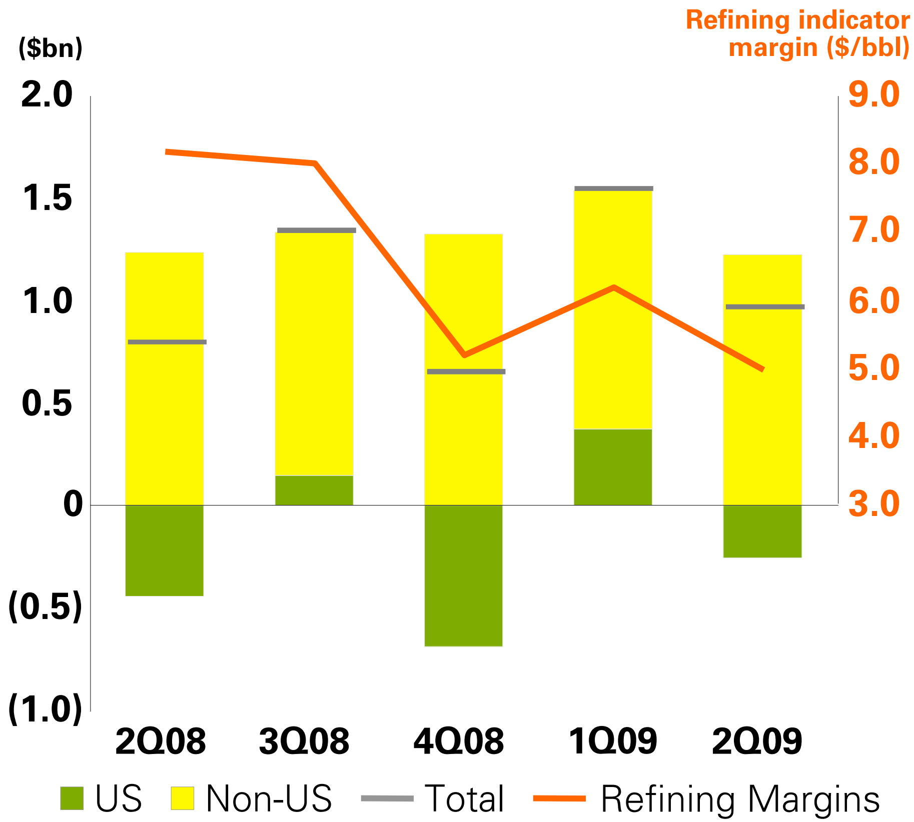
- Weaker environment
- Production growth

- Lower costs
- Higher DD&A

Refining & Marketing

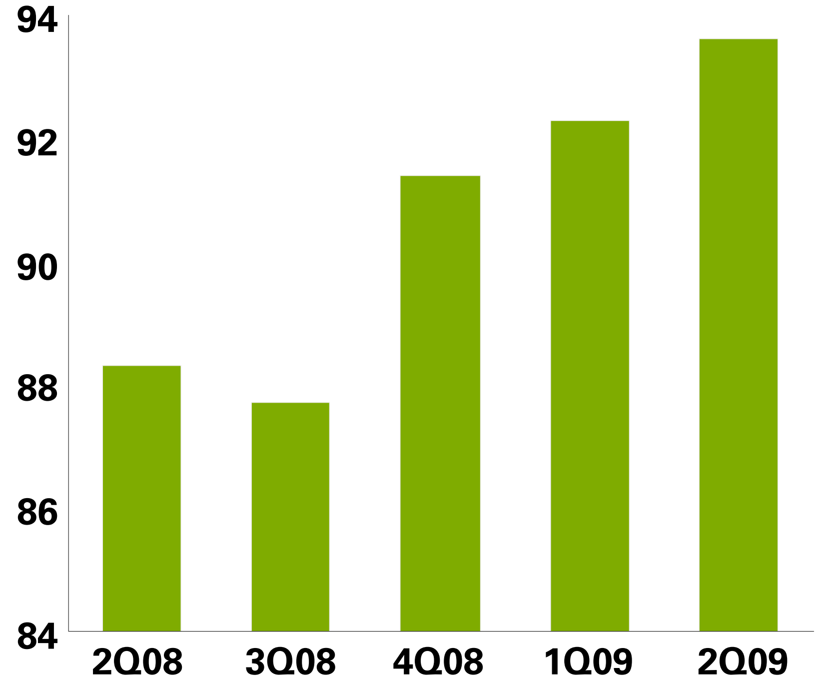
Pre-tax replacement cost profit

Adjusted for non-operating items and fair value accounting effects



Refining availability

Solomon availability (%)

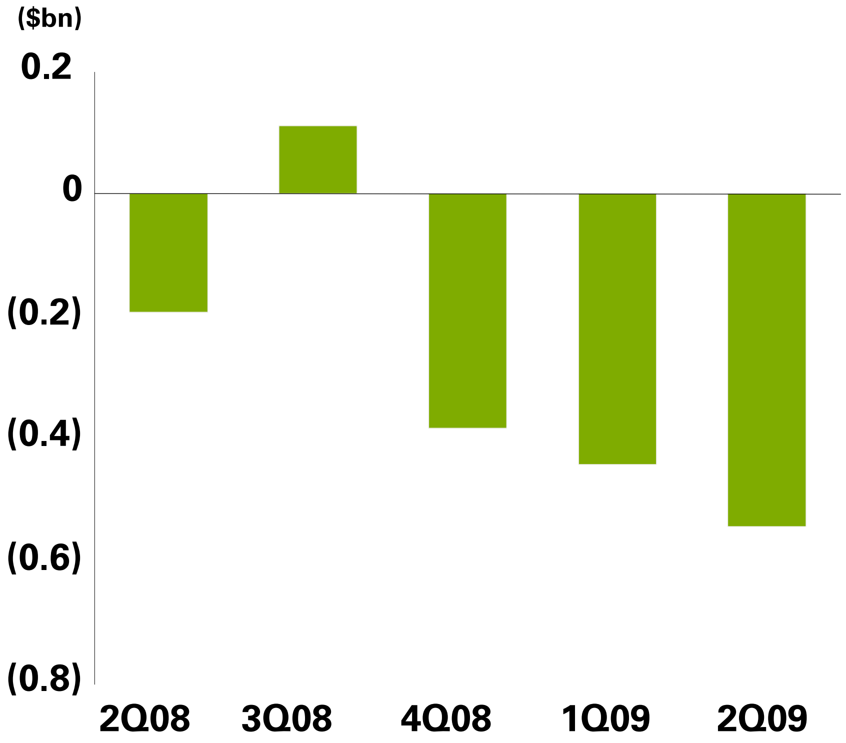


- Weaker refining environment
- Significantly improved refinery operations
- Lower costs

Other Businesses & Corporate

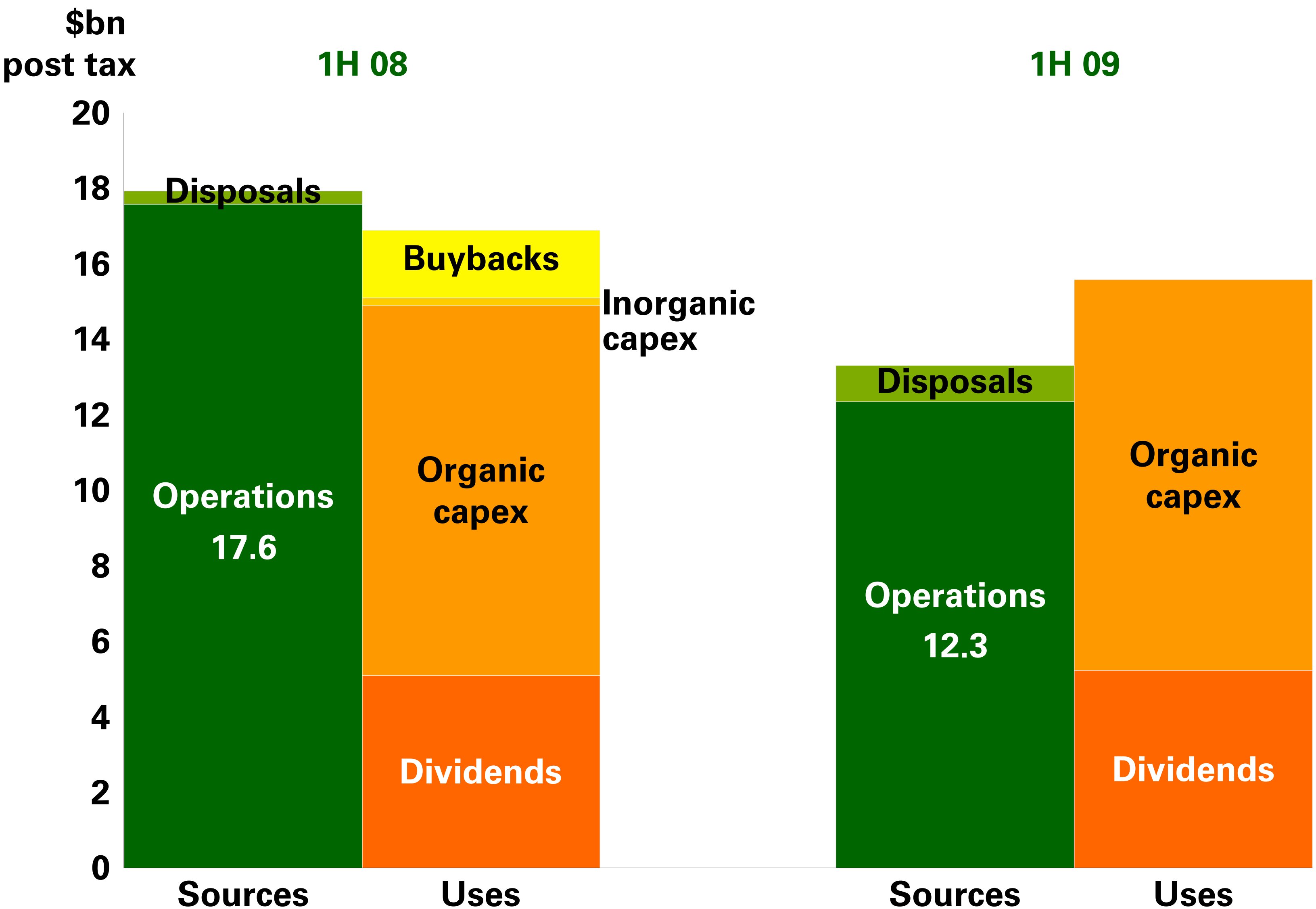
Pre-tax replacement cost profit

Adjusted for non-operating items and fair value accounting effects

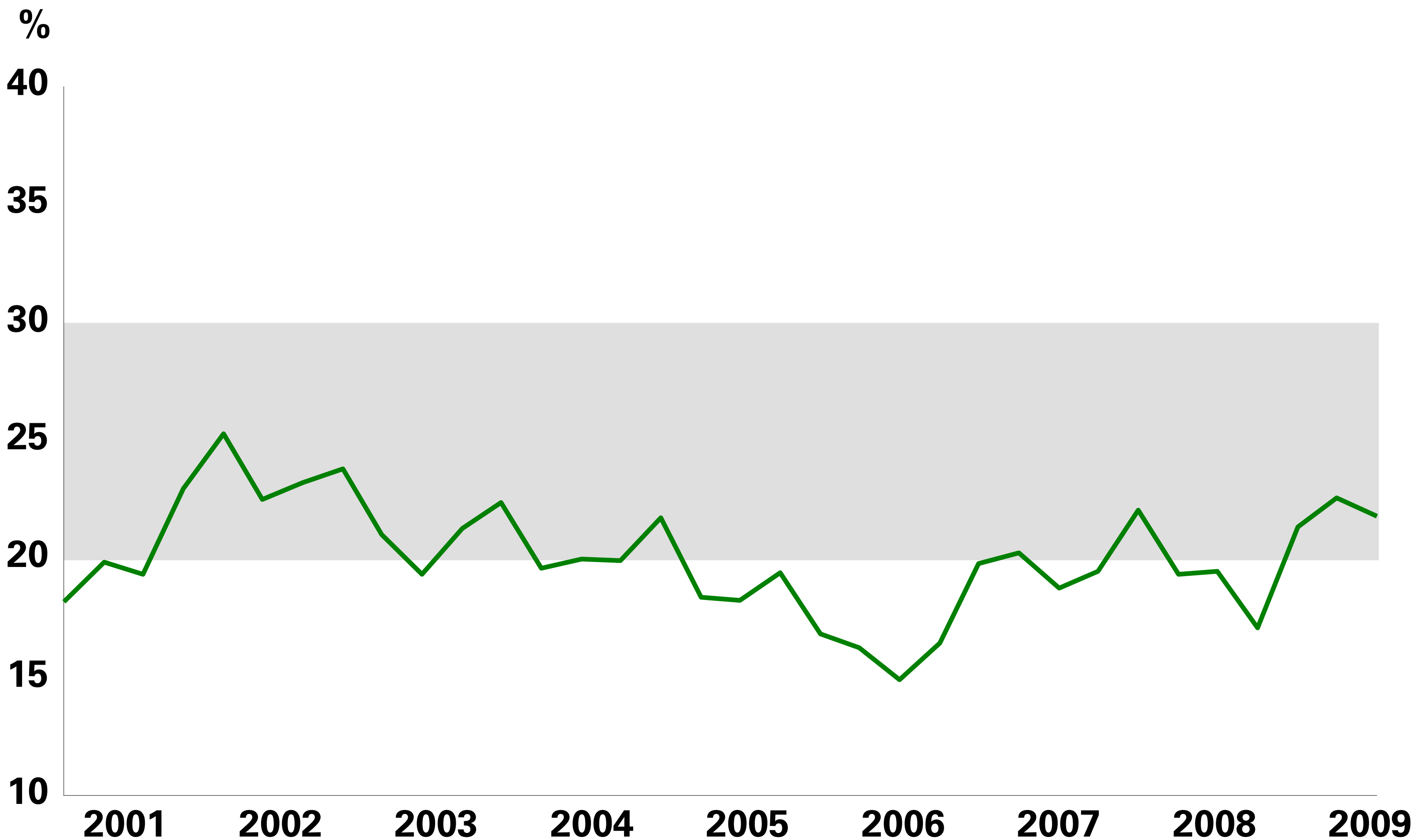


- Foreign exchange effects
- Weaker environment
- Lower corporate costs
- 2009 underlying quarterly charges expected to average $400-$500m

Sources & uses of cash



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

	2009 guidance	1H 09
Production*	Growth	More than 3%
Refining availability*	Higher	More than 4%
Cash cost reduction*	More than $3bn	More than $2bn
Capex**	Below $20bn	$9.4bn
Divestments	Around $2-3bn	$1.0bn

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

Tony Hayward

Group Chief Executive

BP strategy

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

Q&A

Tony Hayward

Group Chief Executive

Byron Grote

Chief Financial Officer

Andy Inglis

Chief Executive
Exploration & Production

Iain Conn

Chief Executive
Refining & Marketing

Fergus MacLeod

Head of Investor Relations