2Q 2013 Results Presentation

30th July 2013

Hello and welcome everyone. This is BP's second-quarter 2013 Results webcast and conference call.

I'm Jessica Mitchell, BP's Head of Investor Relations and I'm here with our Group Chief Executive Bob Dudley, and our Chief Financial Officer Brian Gilvary. Also with us for the Q&A is the Chief Executive of our Upstream, Lamar McKay, and Iain Conn, Chief Executive of Refining and Marketing.

Before we start, I need to draw your attention to our cautionary statement.

Cautionary statement

Forward-looking statements - cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding: plans to reposition BP with a more focused, lower risk footprint, a leading position in deepwater, a unique position in Russia, a high-quality Upstream project pipeline and a Downstream that is a strong generator of cash; the prospects for, timing and composition of future projects including expected Final Investment Decisions, start up, completion, timing of production, level of production and margins; the expected level of reported production in the third quarter of 2013; the expected level of Upstream costs in the third quarter of 2013; expectations regarding BP's share of Rosneft's income in the third quarter of 2013; the expected timing of receipt and amount of the next dividend payment from Rosneft; the expected level of fuels profitability in the third quarter of 2013; the expected future levels of gearing and net debt; the expected level of full-year underlying production in 2013; the expected level of full-year organic capital expenditure in 2013 and to the end of the decade; the expected level of full-year depreciation, depletion and amortisation costs in 2013; the expected level of the quarterly charge in Other Businesses and Corporate; the expected full-year effective tax rate in 2013; the anticipated increase in operating cash flow by more than 50% by 2014 versus 2011; BP's future per annum divestment plans; expectations regarding the quarterly dividend payment and future distributions to shareholders; the anticipated timing of, prospects for and BP's prospective responses to legal and trial proceedings and court decisions; BP's expectations regarding integration and future synergies and strategic opportunities with Rosneft, including the expected total value of synergies and future rewards that BP will derive as a significant shareholder in Rosneft; the expected number of exploration wells completed in 2013; BP's plans to develop certain existing discoveries in India; expectations regarding BP's turnaround programme in the future; the expected timing of start-up of the remaining refinery upgrade units at the Whiting refinery and expectations regarding Whiting's capability once new coking and hydrotreating units are commissioned; prospects for and the timing of receipt of increased cash from operations due to the Whiting refinery modernisation project; BP's plans to deliver shareholder value; the prospects for BP's plans to expand the cash generating capability of Downstream; the expected benefits of BP's divestment programme; BP's priorities to 2014 and longer-term strategic direction; BP's plans to grow sustainable free cash flow; and BP's plans regarding Upstream reinvestment and expected growth in its portfolio of high-margin projects in Upstream.

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 actions of regulators and the timing of the receipt of governmental and regulatory approvals; strategic and operational decisions by Rosneft's management and board of directors; the timing of bringing new fields onstream and of project start-ups; the timing of and prospects for ramp up of major projects and higher margin assets; the timing and nature of maintenance outages and turnaround activity; the impact of reserves reviews; the timing and nature of divestments; 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; regulatory or legal actions including court decisions, the types of enforcement action pursued and the nature of remedies sought or imposed; 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 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 Stock Exchange Announcement for the period ended 30 June 2013 and under "Risk factors" in our Annual Report and Form 20-F 2012 as filed with the US Securities and Exchange Commission.

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 slide 17 of this presentation assumes an oil price of $100 per barrel and a Henry Hub gas price of $5/mmBtu in 2014. The projection has been adjusted to (i) remove TNK-BP dividends from 2011 operating cash flow and 2014 estimated operating cash flow; (ii) include BP's estimate of Rosneft dividends in 2014; and (iii) include in 2014 estimated operating cash flow the impact of payments in respect of the settlement of all criminal and securities claims with the U.S. government. The projection does not reflect any cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Gulf of Mexico oil spill 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 – Certain terms are used in this presentation, such as 'mega project', 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.

Stock Exchange Announcement: For further information on BP's results, please see the Second Quarter Results Stock Exchange Announcement dated 30 July 2013.

July 2013

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During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors that we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange Announcement and SEC filings for more details. These documents are available on our website.

Thank you, and now over to Bob.

Thank you Jess. And good afternoon or good morning everyone, depending where you are. Thank you for joining us.

Agenda

Playing to our strengths

2Q 2013 Results

US legal proceedings

Rosneft momentum

Business progress

Q&A

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In today's presentation we will of course take you through our second-quarter results but we will also update you on our key areas of activity.

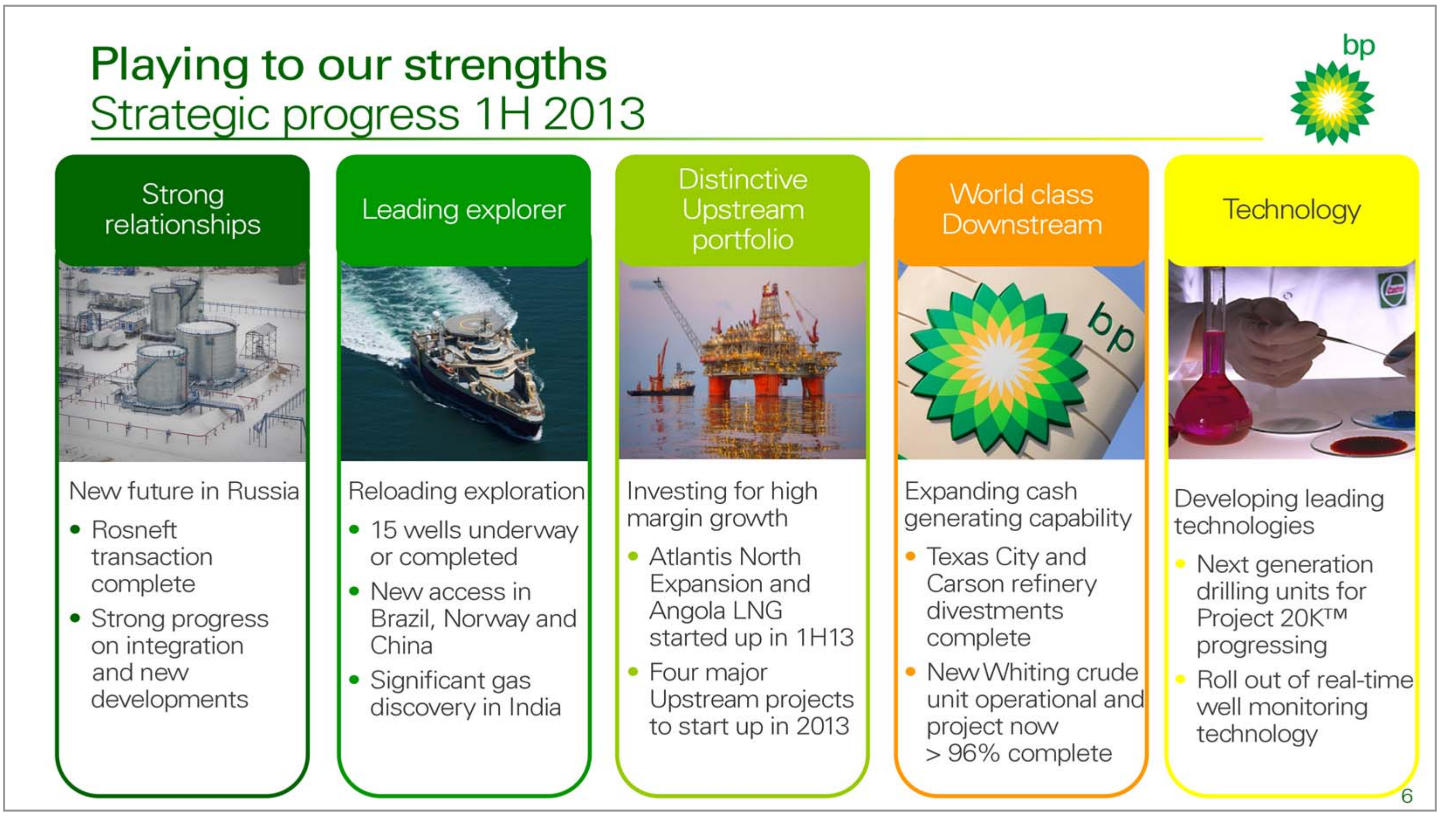
Our 2Q results reflect a variety of factors – some positive, some negative, which Brian will take you through in detail. The largest negative to the figures being the drop in crude prices from 1Q to 2Q. Looking underneath the quarterly numbers we continue to benefit from the strong ramp-up of production in our new Upstream projects and steady operational performance in the Downstream. So I believe we are making solid progress where it really matters despite the more challenging environment.

After hearing from Brian I will review the status of the legal proceedings in the US, and also say a few words about developments in Rosneft.

I'll then take a look at our progress with the changes underway to reposition BP for the future.

A future that we believe will make BP distinctive through having a more focused, lower-risk footprint, a leading position in deepwater, a unique position in Russia, highly disciplined capital investment in a growing high-quality Upstream project pipeline and a Downstream that is a strong generator of cash.

And finally, there will be time for all of us to respond to your questions.



Before handing over to Brian here's a brief look at what we've done in the year to date, focusing on the strategic progress to achieve our 10-point plan to 2014 that we laid out in 2011, and that will deliver shareholder value into the longer term.

As we have consistently said to you, this is based around creating a safer, stronger company that delivers value by playing to our distinctive strengths of exploration, giant fields, deepwater, gas value chains and world class downstream businesses. All underpinned by technology and relationships.

Here are some of the highlights of what have we have done thus far in 2013.

We've turned a challenge into an opportunity in Russia which you are well informed about, and we have in place a new strategic relationship with our investment in Rosneft.

We have passed our $38 billion divestment target - leaving us with a more focused, stronger set of assets.

In the quarter we've boosted our exploration activity with a major find in India, 15 exploration wells either in progress or under evaluation. And by acquiring new acreage in Norway, Brazil and China.

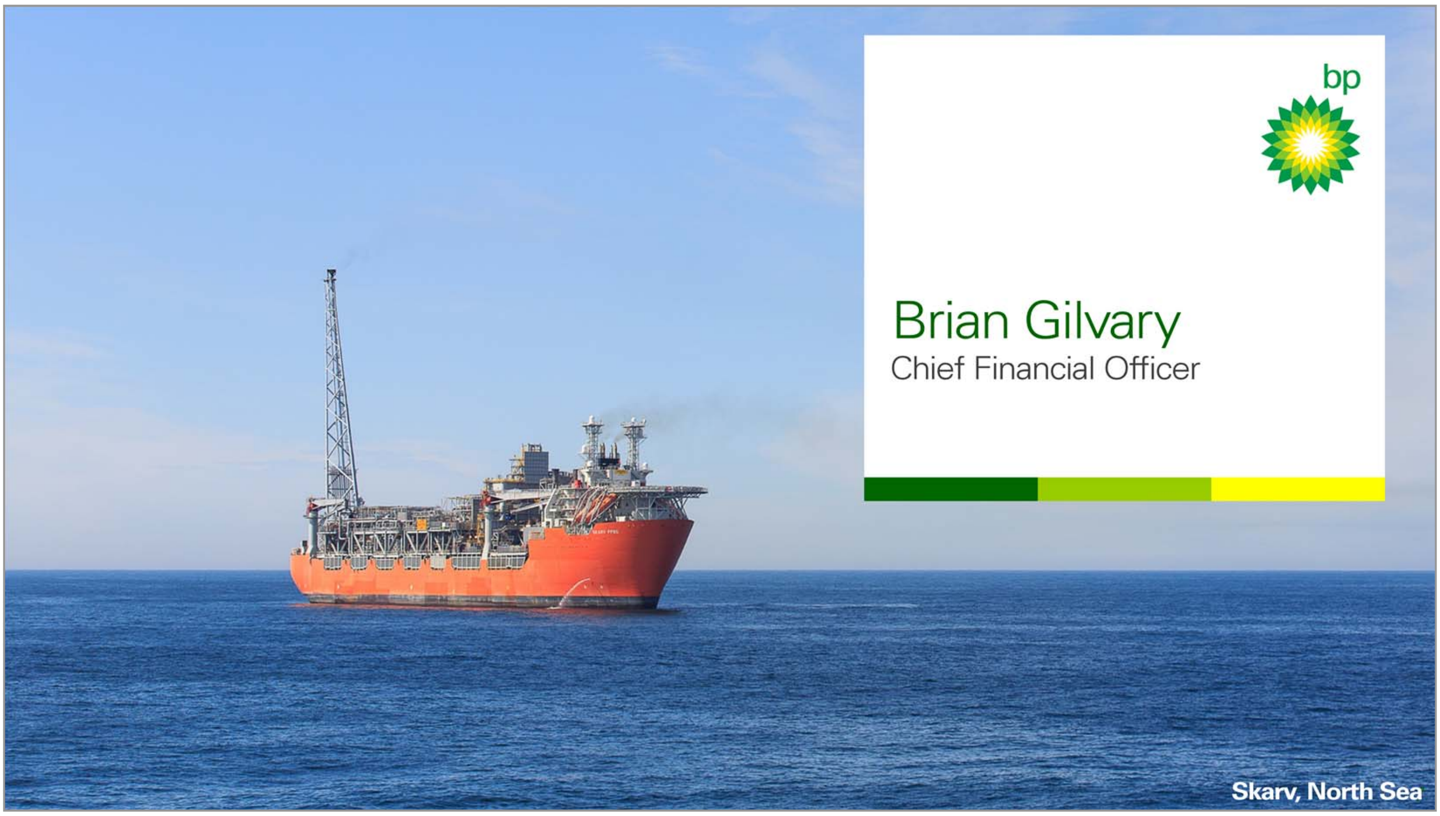
We've continued to move our Upstream major projects through the pipeline with the start up of the Angolan LNG project and the Atlantis North Expansion in the US Gulf of Mexico. Preparations continue for starting up two more Upstream projects later this year. We've also seen progress on the Shah Deniz and Oman Khazzan mega projects which I will come back to in more detail later.

We've started up a major crude distillation unit at the Whiting refinery, the first major unit in the modernisation programme that is now over 96% complete and on track for full operation this year, and we have received approval for a new state of the art petrochemicals facility in China on the coast in the Guangdong province.

In technology we continue to make progress with Project 20k – which is the drilling system that will allow us to drill at 20,000 pounds per square inch to unlock resources of the Caspian, the Gulf of Mexico and in the Mediterannean. We recently signed an agreement to develop engineering for a new breed of offshore drilling rigs to unlock the next frontier of deepwater drilling. And we are busy rolling out advancements in real-time well monitoring to assist with safety-critical operations.

We've also kept gearing in its target range at around only 12% while buying back over $2 billion of shares to date as part of the programme we announced earlier this year to buy-back up to $8 billion of shares.

So a lot is being done and I will come back to some of these points but first, over to Brian.



Thank you Bob.

2Q 2013 Summary

Underlying earnings figures are adjusted for the costs associated with the Gulf of Mexico oil spill, other non-operating items and fair value accounting effects

$bn	2Q12	1Q13	2Q13	% Y-o-Y
Upstream	4.4	5.7	4.3	
Downstream	1.1	1.6	1.2	
Other businesses & corporate	(0.5)	(0.5)	(0.4)	
Underlying business RCPBIT(1)	**5.0**	**6.9**	**5.1**	**1%**
TNK-BP(2)	0.5	-	-	
Rosneft(2)	-	0.1	0.2	
Consolidation adjustment - unrealised profit in inventory	0.5	0.4	0.1	
Underlying RCPBIT(1)	**5.9**	**7.4**	**5.4**	**(9)%**
Finance costs(3)	(0.4)	(0.4)	(0.4)	
Tax	(1.9)	(2.7)	(2.2)	
Minority interest	-	(0.1)	(0.1)	
Underlying replacement cost profit	**3.6**	**4.2**	**2.7**	**(24)%**
Underlying earnings per share (cents)	**18.7**	**22.0**	**14.3**	**(24)%**
Dividend paid per share (cents)	**8.0**	**9.0**	**9.0**	
Operating cash flow	**4.4**	**4.0**	**5.4**	

(1) RCPBIT = Replacement cost profit before interest and tax
(2) TNK-BP & Rosneft earnings are after interest, tax and minority interest
(3) Finance costs and net finance income or expense relating to pensions and other post-retirement benefits

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Starting with an overview of the second-quarter financial results.

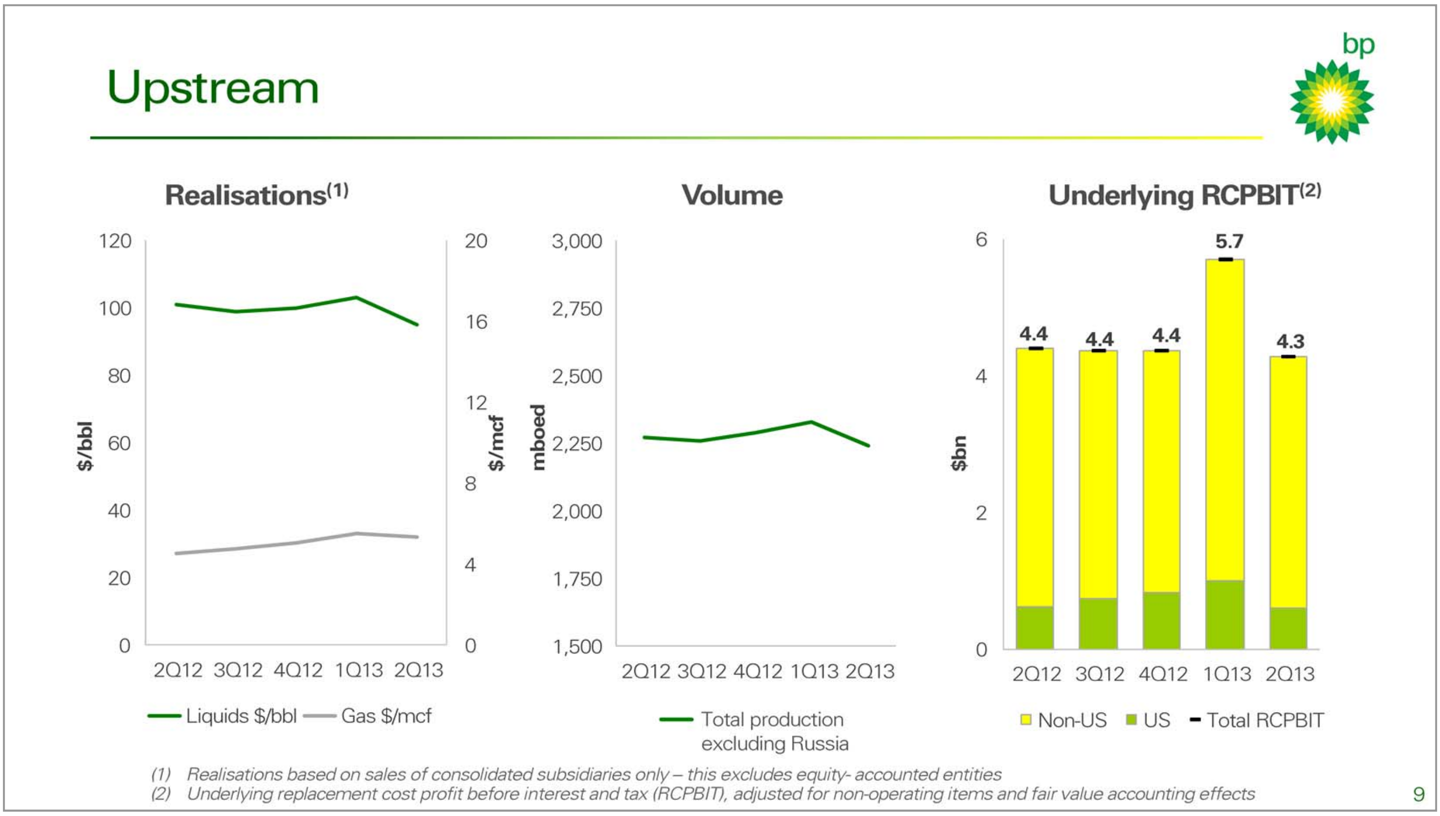
Underlying replacement cost profit in the second quarter was $2.7 billion, down 24% on the same period a year ago and 36% lower than the first quarter of 2013.

Compared to a year ago, the result reflected:

- Lower liquids realisations offset by higher gas realisations;
- Lower Upstream volumes due to the impact of the divestment programme;
- Continued steady performance in the Downstream;
- And a lower contribution from Russia, with our share of Rosneft income impacted by the rouble depreciation and the duty tax lag effect in a period of falling oil prices.
- Also impacting the quarter relative to a year ago was a smaller positive consolidation adjustment to eliminate unrealised profit on lower volumes of equity crude in inventory at the end of the quarter;
- And, a significantly higher effective tax rate largely due to the impact of the stronger dollar against a basket of currencies.

Second-quarter operating cash flow was $5.4 billion.

Turning to the highlights at a segment level.



For the Upstream, the underlying second-quarter replacement cost profit before interest and tax was $4.3 billion compared with $4.4 billion a year ago and $5.7 billion in the first quarter.

The result versus a year ago reflects:

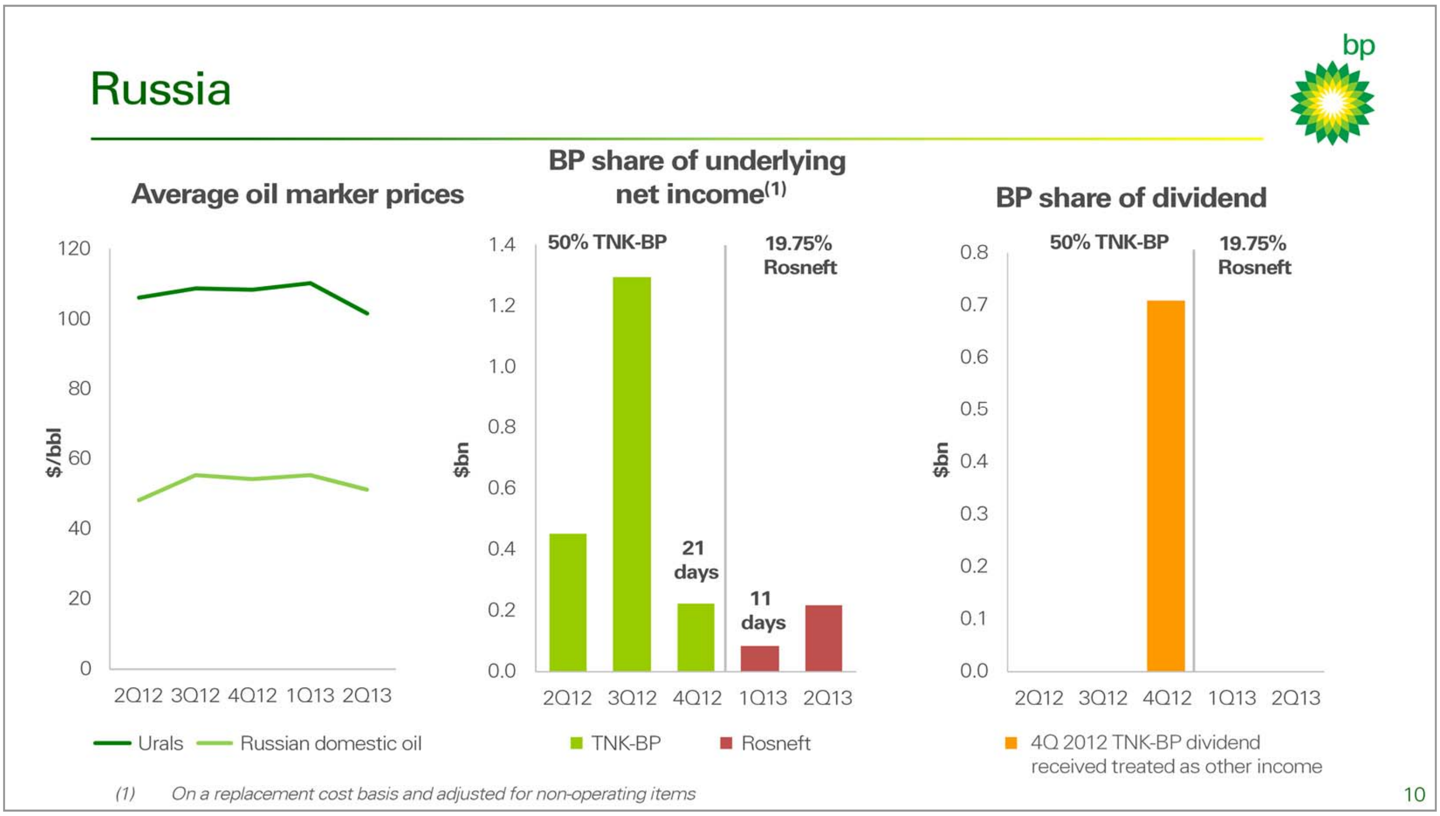
- Lower production due to divestments, lower liquids realisations, and higher non-cash costs for exploration write offs and DD&A;
- Partly offset by the benefits of higher gas realisations, and an increase in underlying production volumes.

Reported production excluding Russia decreased by around 1.5% compared to the same period last year, primarily due to divestments. Underlying volumes in the second quarter, after adjusting for divestments and entitlement effects, increased by around 4.4%. This reflects new major project volumes in Angola, the North Sea and the Gulf of Mexico, and improved Trinidad performance; partly offset by underlying base decline.

Compared to the first quarter, the second-quarter result reflects:

- Lower liquids realisations;
- Lower volumes and higher costs primarily due to the planned seasonal turnaround activities that we signalled with our first-quarter results; and
- Lower profits from gas marketing and trading activities following the strong performance in the first quarter.

Looking ahead we expect third-quarter 2013 reported production to be somewhat lower than the second quarter, similar to the reduction we saw between the first and second quarters of this year. This is the result of the continuing impact of our divestment programme, and the planned major turnaround activity and maintenance in the North Sea and Alaska. This is partly offset by continued project ramp-ups and reduced maintenance activity in the Asia Pacific region. We also expect costs to be seasonally higher with the turnarounds in the third quarter.

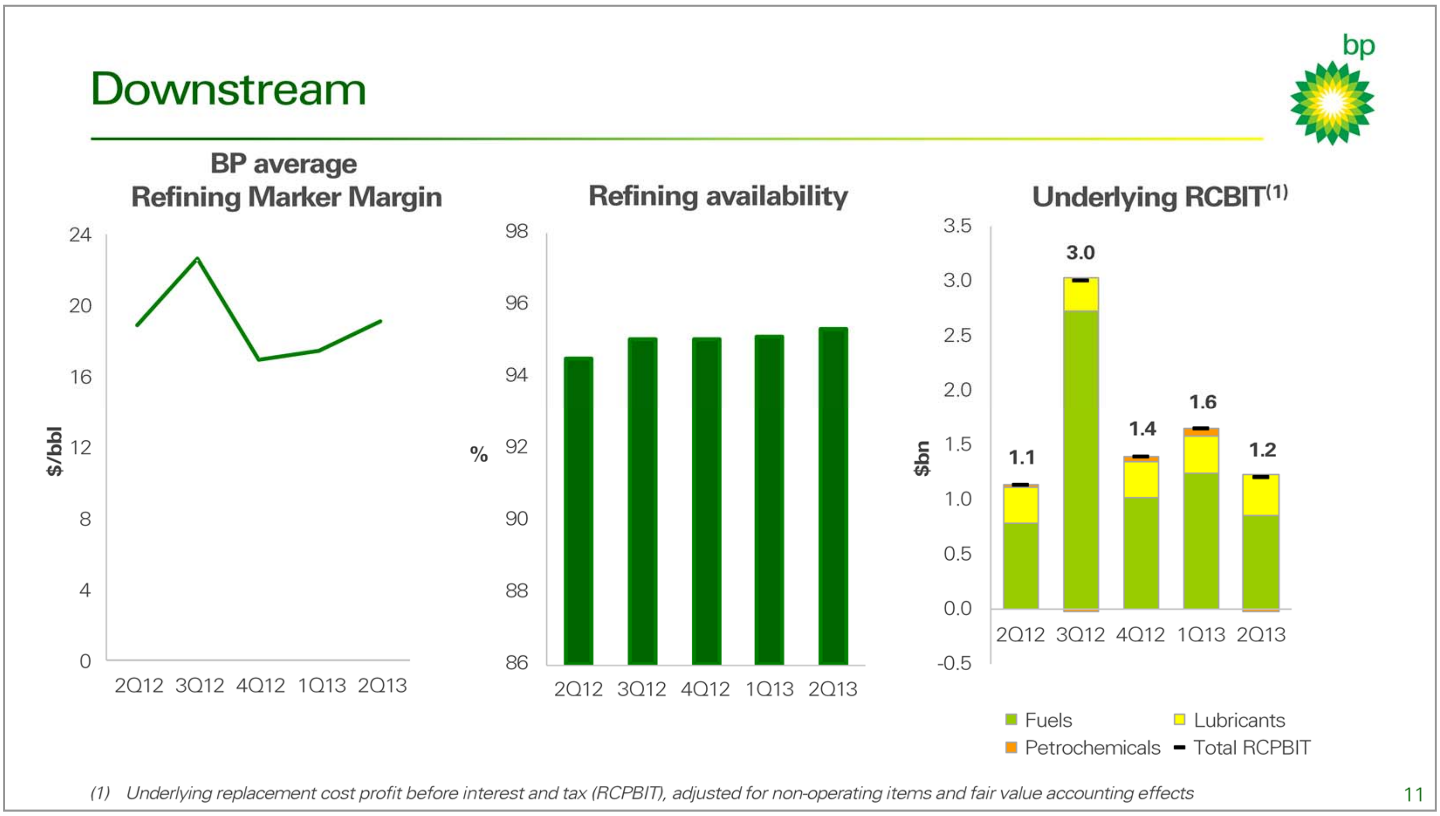


This slide shows our share of earnings from Rosneft, and historically from TNK-BP. This is the first full quarter that reflects our 19.75% shareholding in Rosneft.

BP's share of Rosneft underlying net income was $218 million in the second quarter. The result was negatively impacted by the rouble depreciation against the US dollar and the lagging effect of the export duty which, as we saw with TNK-BP reporting, has a disproportionate effect in periods of falling prices. If the oil price and the rouble-dollar exchange rate were to stay flat in the third quarter relative to the second quarter, we would expect our share of Rosneft income to reverse out some of these negative impacts. This would be similar to the progression of our share in TNK-BP's income in the second and third quarters of last year.

BP's share of Rosneft production in the second quarter was 945 thousand barrels of oil equivalent per day.

No dividend was paid by Rosneft in the second quarter. However, on the 20th of June, Rosneft's Annual Shareholders Meeting approved a dividend of just over eight roubles per share. At the current rouble exchange rate, we would expect to receive a dividend of around $460 million in August.



In the Downstream, the second quarter underlying replacement cost profit was $1.2 billion compared with $1.1 billion a year ago and $1.6 billion in the first quarter.

The fuels business delivered an underlying replacement cost profit of $850 million in the second quarter, compared with $780 million in the same quarter last year reflecting:

- Continued strong refining availability at 95.3%, the highest achieved in the last decade;
- A strong year-on-year supply and trading contribution; and
- A lower adverse impact from the prior month pricing of our barrels into our US refineries which had a particularly negative impact during the same period last year.
- These benefits were partly offset by the outage of the largest crude unit at our Whiting refinery as part of the modernisation project. This unit was brought back onstream at the end of June.

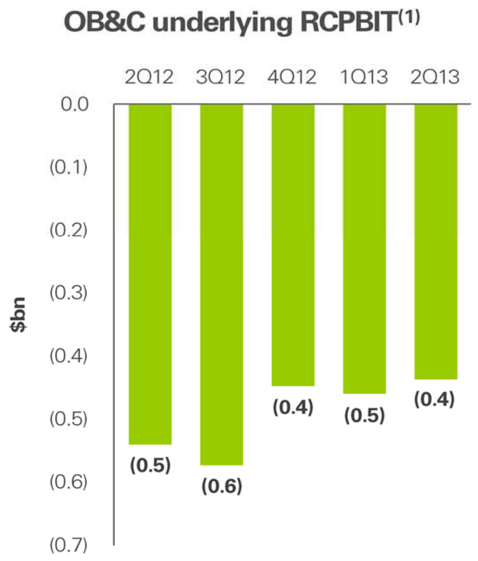
Additionally, although the Refining Marker Margin was flat year-on-year, the overall refining environment we experienced was weaker due largely to a narrowing of the discount for heavy Canadian crude which is not reflected within the Marker Margin calculation.

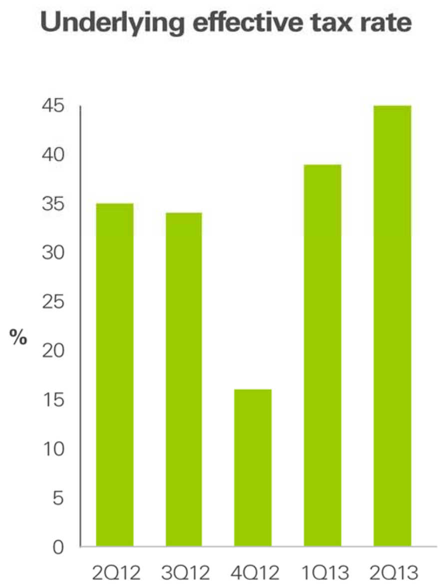
The lubricants business delivered an underlying replacement cost profit of $370 million compared with $320 million in the same quarter last year. This reflects strong margin capture supported by growth in our marketing mix of premium Castrol brands.

The petrochemicals business reported an underlying replacement cost loss of $24 million compared with a profit of around $30 million in the same period last year due to the continued difficult environment for BP's mix of products impacting both volumes and margins, together with increased turnaround activity.

Looking forward to the third quarter, we currently expect fuels profitability to be lower than the record levels experienced in the third quarter of 2012. This is due to expected weaker refining margins relative to the third quarter of last year, with major refineries returning from planned and unplanned outages, together with the absence of earnings from divested assets including the Southwest coast and the Texas City refinery which benefited from very strong performance in the 3rd quarter of last year.

Other items





(1) Other businesses and corporate underlying replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items

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In Other Businesses and Corporate, we reported a pre-tax underlying replacement cost charge of $440 million for the second quarter, which is broadly in line with the guidance we gave in February.

The underlying effective tax rate for the second quarter was 45%, around ten percentage points higher than a year ago, largely reflecting the impact of the stronger US dollar against a basket of currencies.

Gulf of Mexico oil spill costs and provisions pre-tax[1]

$bn	To end 2012	1Q13	2Q13	Cumulative to date
Income statement				
Charge for the period	**42.2**	**-**	**0.2**	**42.4**
Balance sheet[2]				
Brought forward		**9.4**	**8.9**	
Charge to income statement	42.2	-	0.2	42.4
Payments into Trust Fund	(20.0)	-	-	(20.0)
Cash settlements received	5.4	-	-	5.4
Other related payments in the period[3]	(18.2)	(0.5)	(0.2)	(19.0)
Carried forward	**9.4**	**8.9**	**8.9**	**8.9**
Cash outflow	**32.8**	**0.5**	**0.2**	**33.6**

(1) Includes contributions received from Mitsui, Weatherford, Anadarko and Cameron
(2) Balance sheet amount includes all provisions, other payables and the asset balances related to the Gulf of Mexico oil spill
(3) Please refer to details as disclosed in the second-quarter Stock Exchange Announcement

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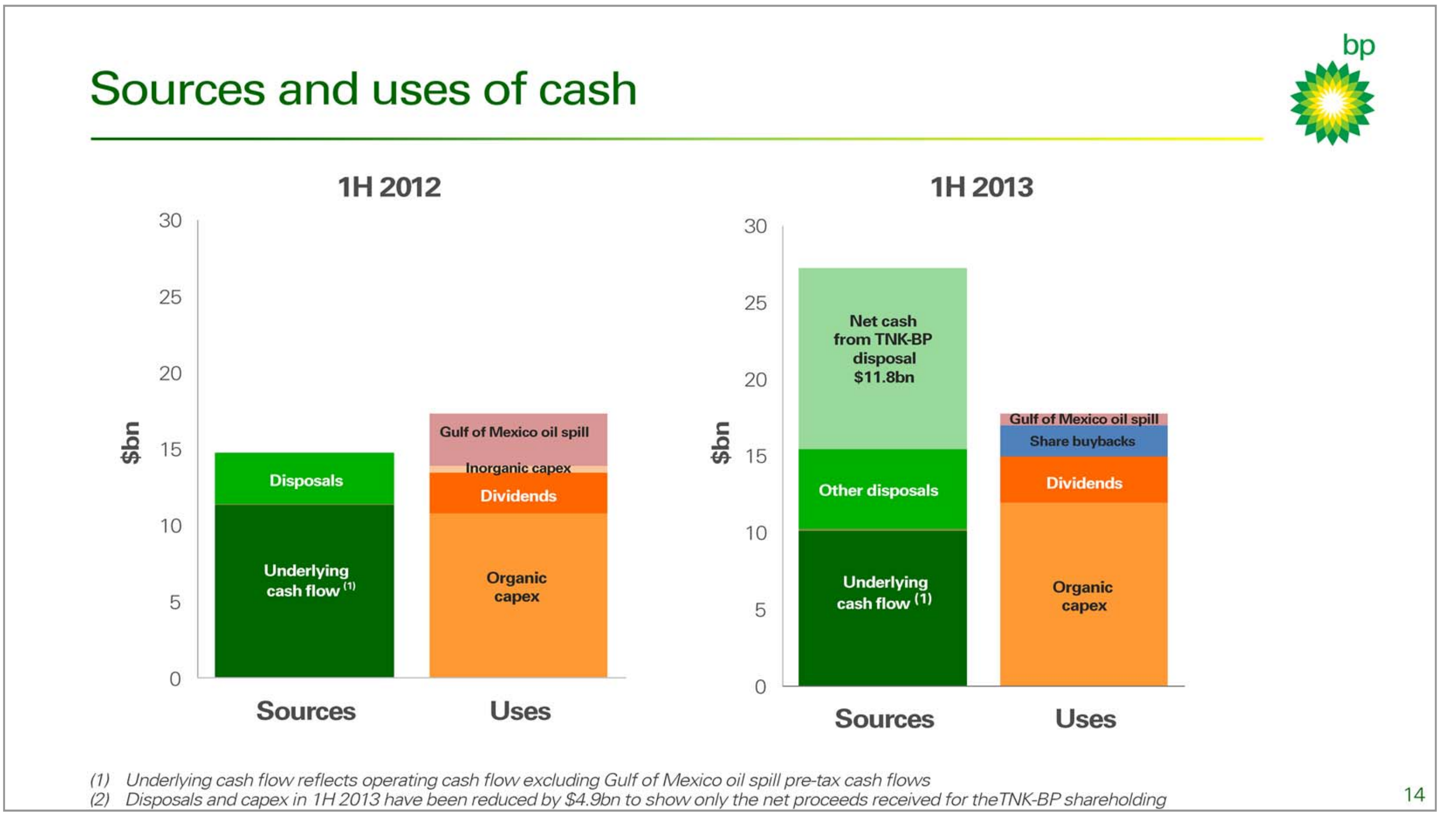
Turning to the Gulf of Mexico provision, the charge increased by $200 million in the second quarter reflecting an increase in the provision for litigation relating to the Gulf of Mexico oil spill.

The total cumulative net charge for the incident to date is now $42.4 billion. This includes the cost of the $20 billion trust fund for which a charge was recognised in 2010. At the end of the second quarter, the cumulative amount to be paid from the trust fund had reached $19.7 billion, leaving headroom of $300 million for further expenditures. In the event the headroom is fully utilised, subsequent additional costs will be charged to the income statement in future quarters.

The pre-tax BP cash out flow related to oil spill costs for the quarter was $200 million.

At the end of the second quarter, the cash balances in the Trust and the Qualified Settlement Funds amounted to $8.2 billion, with $20 billion contributed in and $11.8 billion paid out.

As we indicated in previous quarters, we continue to believe that BP was not grossly negligent and we have taken the charge against income on that basis.



Moving now to cash flow, this slide compares our sources and uses of cash in the first half of 2013 to the same period a year ago.

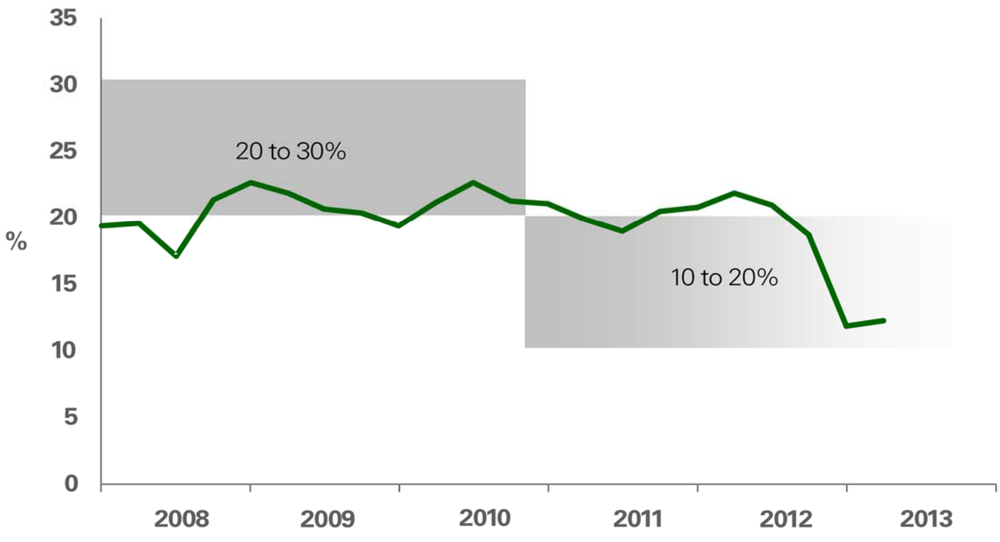
Operating cash flow in the first half was $9.4 billion, of which $5.4 billion was generated in the second quarter. Excluding oil spill related outgoings, first half underlying cash flow was lower than a year ago partly reflecting the absence of a dividend from TNK-BP as well as the impact of our divestment programme.

In the second quarter we received $2.9 billion of divestment proceeds, including $2.3 billion for the Carson Refinery and southwest US retail assets, bringing the first half proceeds to $16.3 billion including the net cash received after the TNK-BP disposal and purchase of Rosneft shares.

Organic capital expenditure is on track with our annual plan and was $11.5 billion in the first half and $5.8 billion in the second quarter.

In the first half of the year we have bought back over $2.0 billion of shares, including $1.9 billion in the second quarter.

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

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Net debt at the end of the second quarter was $18.2 billion with gearing of 12.3% compared to 21.7% a year ago.

Our intention remains to keep gearing in a target band of 10 to 20% whilst uncertainties remain.

2013 Guidance

	1H 2013	Full-year 2013 guidance
Production excluding TNK-BP / Rosneft	2,285mboed	Grow underlying[1]
Organic capital expenditure	$11.5bn	~ $24bn - $25bn
DD&A[2]	$6.4bn	Full year ~ $0.5bn - $1.0bn higher than 2012
Other businesses and corporate: average underlying quarterly charge	$450m	~ $500m
Effective tax rate[3]	41%	36 - 38%

(1) 2013 underlying production is based on $100 oil; net of forecasted divestment activity. The actual reported number will depend on the exact timing of divestments and project start-ups, OPEC quotas, and entitlement impacts in production-sharing agreements (PSAs)
(2) DD&A = Depreciation, Depletion and Amortisation
(3) Effective tax rate on underlying replacement cost profit

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Turning now to our guidance for the full year.

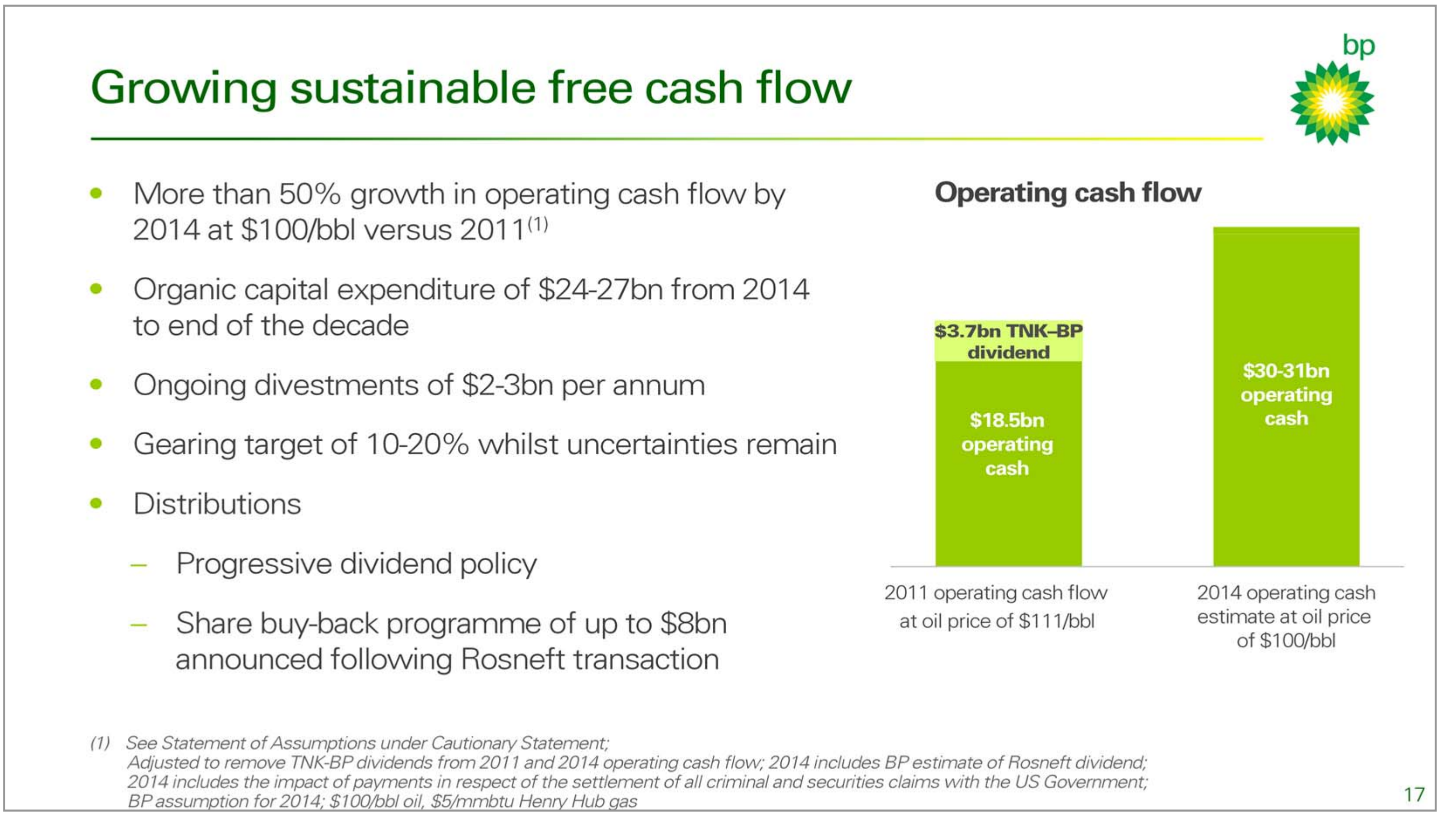
We continue to expect full-year underlying production to be higher than 2012, mainly driven by the ramp-up of major projects in higher-margin areas and reduced maintenance outages. Full-year reported volumes are expected to be lower than 2012 due to the impact of divestments. The actual reported outcome will depend on the exact timing of divestments, OPEC quotas and the impact of oil price on production sharing agreements.

As I mentioned before, organic capital expenditure in the first half of 2013 was $11.5 billion and we expect the full year to be around $24 to $25 billion in line with February guidance.

DD&A costs for the first half of 2013 were $6.4 billion and we expect the costs for the full year to be between $500 million and $1.0 billion higher than 2012.

Other Business and Corporate charges are expected to average $500 million per quarter.

Our year-to-date effective tax rate is above our guidance range for the full year. In the second quarter, this was largely driven by the strengthening of the US Dollar against a basket of currencies. If exchange rates remain at current levels we will review this guidance going forward.



Before I hand over to Bob I'd like to return to a slide I showed you last quarter which outlines our financial framework for 2014 and beyond.

We continue to expect operating cash flow of $30-31 billion in 2014, representing more than 50% growth in operating cash flow versus 2011.

We also continue to expect full-year gross capital spend to be in the range of $24 to $27 billion per annum from 2014 through to the end of the decade. On an ongoing basis, divestments are expected to be between $2 to $3 billion per annum. Our commitment to capital discipline is fundamental to our strategy going forwards and is strongly embedded in our investment decision-making.

As we look further out, we are confident that material growth in operating cash flows beyond 2014 can provide the means to both fund this capital programme and to continue to maintain a progressive dividend policy in line with the improving circumstances of the firm.

Now let me hand you back to Bob.

Thanks Brian and I hope you heard our message of operating cash generation and capital discipline as fundamental to our strategy for the decade. And we'll take any specific questions on the numbers shortly. But before that let me say a little more about our business progress so far in 2013.

US legal update

MDL 2179 trial

- Phase 1 proceedings complete: not known when Court will rule
- Phase 2 starts 30th September: issues involve quantification of barrels of oil spilled and source control
- Penalty phase will follow after Phase 2: no date has been set

MDL 2185 trial

- Proposed class[1] securities litigation trial scheduled for August 2014

Court Supervised Settlement Programme

- BP's Fifth Circuit BEL[2] appeal is pending. Oral argument took place 8th July
- BP remains committed to compensating those who have legitimate claims

(1) On behalf of American Depositary Share purchasers
(2) BEL = Business Economic Loss

Let me turn to an update on the status of legal proceedings in the United States.

The first phase of the MDL 2179 trial commenced on the 25th of February in New Orleans, focusing on the causes of the accident and allocation of fault among the defendants. The trial completed on the 17th of April. Parties submitted post-trial briefs and proposed findings, and that briefing was complete on the 12th of July. We do not have an indication for when the court will issue a ruling on the Phase 1 issues. While the final decision rests with the Courts, we believe that the accident was the result of multiple causes, involving multiple parties.

Meanwhile, we are continuing to prepare for the second phase of the trial, which is currently scheduled to begin on the 30th of September. This phase will involve two main issues – source control, including attempts to stop the flow of oil from the well, and the quantity of oil spilled into the Gulf of Mexico. We expect this phase will likely last one month.

The penalty phase, in which the court will hear evidence regarding the penalty factors set out in the Clean Water Act, will be the next trial phase. The US government, BP, and Anadarko will be parties in this phase, and we anticipate that this will not occur until sometime in 2014.

The proposed class action securities litigation on behalf of American Depositary Share purchasers, which is part of MDL 2185, is currently scheduled to go to trial in August 2014.

We are also continuing to challenge the Claims Administrator's and Court's misinterpretation of the Settlement Agreement with the Plaintiffs' Steering Committee. BP believes strongly and clearly that this misinterpretation has resulted in the payment of claims for fictitious or inflated losses, contrary to the express terms of the agreement reached last year. We have appealed to the US Court of Appeals for the Fifth Circuit, which heard oral argument on the 8th of July in New Orleans, Louisiana. Although we do not know when the Fifth Circuit panel will issue its opinion, we expect a ruling in the next few months and have confidence in the merits of our legal arguments.

Separately, as a result of allegations of unethical and potentially criminal behaviour within the claims facility, the court has appointed Judge Louis Freeh to lead an independent investigation of the claims facility.

You will have seen the considerable commentary recently, around the false and fictitious claims currently being paid by the administrators of the Plaintiff's Steering Committee settlement. We are fighting this aggressively because we have a duty to you, our shareholders, but also because it's just simply the right and principled thing to do. No company will settle if it believes the agreement it negotiates will be interpreted in a way that ignores the agreements express language and well-established principles of contract law and accounting practices. And no company would agree to a settlement that pays businesses that suffered no losses.

As we continue to fight these absurd outcomes, and as the likelihood of extended litigation on other matters increases as a result, we want everyone to know that we are digging in and are well prepared for the long haul on legal matters.

Most importantly, we will not be distracted from continuing to build momentum in the performance of our business and delivering on our strategy. We have for some time now, demonstrated that we are focused and compartmentalised, and able to effectively run and grow our businesses around the world, while organising to litigate various legal matters for a long time without distraction to operating our oil and gas company.

Rosneft momentum

- Bob Dudley elected to the Rosneft Board of Directors
- Integration of TNK-BP largely complete
  - Synergies identified by Rosneft now total $12bn
- Rosneft key sources of value
  - Brownfield optimisation
  - Greenfield development
  - Gas strategy
  - Long-term supply contracts
  - Downstream modernisation and optimisation

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In regard to progress in Rosneft, I am pleased to have been elected to the Rosneft Board of Directors at the company's recent Annual General Meeting in St. Petersburg and am also now a member of the Board's Strategic Planning Committee.

As Rosneft noted at the AGM, the work to bring TNK-BP into Rosneft is largely complete and an additional $2 billion of synergies has been identified, bringing the expected total to $12 billion over time.

Beyond the integration Rosneft is building considerable momentum across multiple fronts.

We see this in their programme for brownfield optimisation which focuses on slowing decline rates and assessing the potential for advanced drilling, fracking and waterflood technologies.

While in Rosneft's exploration and development portfolio:

- Legal structures and full exploration financing has been agreed with foreign partners in the Russian Arctic and Black Sea projects;
- The foundations for joint ventures in the Chukchi, Laptev and Kara Sea have been established;
- As have agreements on the principles for exploring unconventional oil opportunities in the West Siberia and Samara regions.

On the gas front, initial agreements have been signed for future LNG sales from Rosneft's planned project in the Far East.

Rosneft also announced at the Russian Economic Summit in St Petersburg long-term crude oil supply agreements to Europe and Asia, including a 25-year, $270 billion contract with the China National Petroleum Company, which when finalised would bring in substantial cash early to its balance sheet.

The momentum Rosneft is building in the development of these key drivers of value gives me great confidence in the future rewards BP will derive as a significant shareholder. We continue to engage with Rosneft about the ways in which we can contribute to the success of the company, for the benefit of Russia and Rosneft shareholders.

BP's share of Rosneft production of 945,000 barrels per day and incremental reserves of roughly 500 million barrels of oil after the transaction is a good foundation for BP's work with Rosneft.

And as Brian said, we expect to receive a dividend of about $460 million in August based on our 19.75% ownership of Rosneft.

Moving on, let me update you on progress and milestones in our Upstream.

2013 Milestones - progress update

Access and exploration

- 15-20 exploration wells by year end
- India discovery

Major projects

- 4 major projects to start-up in 2013
  - Atlantis North Expansion and Angola LNG started-up in 2Q
- Progressing 2014 start-ups

Wells

- Improved production delivery from wells
- Significant improvement in 2013 wells efficiency

Operations

- Continued plant efficiency improvements
- Execution of turnaround programme

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Our primary focus continues to be the safe and reliable execution of activity within our operations and executing with discipline what we said we would do to grow operating cash flow for the long term.

In exploration we plan to complete between 15 and 20 wells by the end of the year compared with nine wells in 2012. These numbers do not include appraisal wells. We are beginning to see the rewards of this increased exploration activity with a significant discovery in India.

We expect to start-up four Upstream major projects in 2013, including Angola LNG which started up in June and the Atlantis North Expansion in April. Our projects team continues to move forward our 2014 project start-ups.

In our Global Wells Organisation we have seen improved delivery versus 2012, including new wells in Azerbaijan, the Gulf of Mexico and North Sea wellwork. Our wells efficiency continues to improve with a 25% reduction in well outages versus 2012 year-to-date.

And in our Global Operations Organisation we continue to improve the reliability of our plants. In our top four regions we have already seen a 9% increase in plant efficiency since 2011. This is founded on both a dedicated investment in turnaround activity and systematic defect elimination and prevention. We have completed eight turnarounds so far in 2013 and have a further thirteen in execution currently or planned for later in the year.

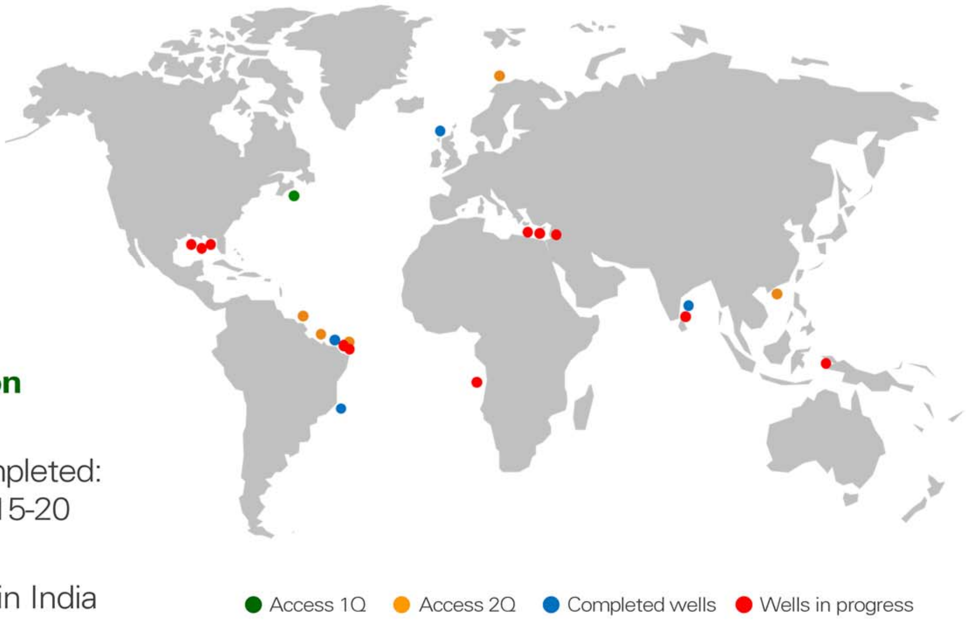
New exploration portfolio to sustain higher exploration pace

Continuing to build exploration portfolio

- Brazil: 13 deepwater blocks
- Norway: 2 blocks in Barents Sea
- China: 1 block in the South China Sea

Ramping up exploration activity

- 15 wells drilling / completed: expect to complete 15-20 wells this year
- Significant discovery in India



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We continue to build our exploration portfolio and are ramping up exploration activity accordingly.

We have been awarded eight new deepwater blocks through Brazil's 11th licensing round in deepwater Brazil and have also farmed-in to five other blocks. The thirteen blocks lie in three basins on the Brazilian Equatorial Margin and are subject to regulatory approvals. Additionally, we have been awarded two blocks in the Barents Sea through the Norwegian 22nd offshore licensing round and have farmed into one block with CNOOC in the South China Sea.

So, we are seeing continued successful access to promising acreage this quarter following the new blocks in Nova Scotia announced in 1Q.

As I mentioned, our exploration activity continues to ramp up and we expect to complete between 15 and 20 exploration wells. To date we have completed four wells in Brazil, North Sea and India. We have made a significant gas condensate discovery in India, that supports the potential of our strategic investment in this region.

We have a further 11 exploration wells in progress today in the Gulf of Mexico, Brazil, Angola, Egypt, Jordan, India and Indonesia.

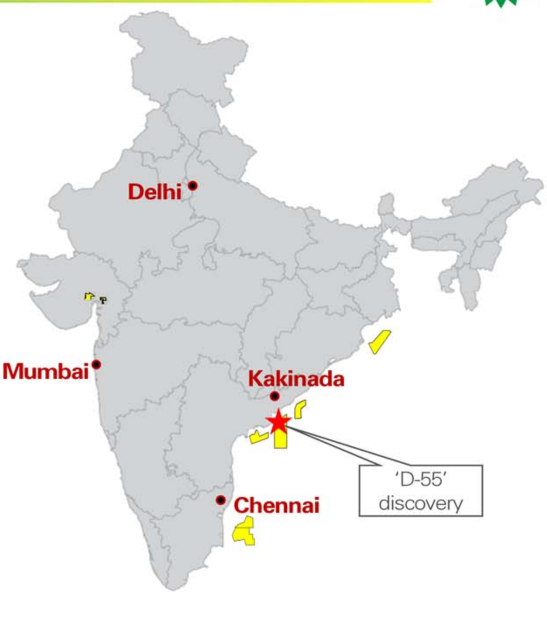
India

Long-term strategic alliance

- Medium-term focus
  - Restoration of KG-D6
  - Development of already discovered resource
- Significant exploration opportunities
- Gas marketing joint venture provides exposure to rapidly growing market

2013 progress

- KG-D6 base management
- Development plans for existing discoveries
- Significant discovery in KG-D6 block
- Gas price reform



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I want to spend a few minutes on India. As we have frequent questions about our progress there and this quarter we have seen some great developments.

It has been two years since we formed our strategic alliance with Reliance. This investment was founded on three clear sources of value. Firstly, from the substantial medium-term opportunities for developing the already discovered gas; secondly from finding new oil and gas through exploration activities; and thirdly from establishing our gas marketing Joint Venture in one of the fastest growing markets in the world. Underpinning all of the above is a belief that the disconnect between current gas price and cost of domestic offshore supply as well as imported LNG price would be addressed by the government before 2014.

First, in our existing operations, we are working with Reliance to rigorously manage KG-D6 base production to maximise recovery and increase production. We are also planning the development of around 3 tcf of existing discoveries.

Second - On exploration, as I just mentioned, we are pleased about the significant discovery which is 2,000 metres beneath currently producing reservoirs in the KG-D6 block. This discovery underscores the exploration potential of our position in India. Further appraisal will be done over the next few months to better define the scale and quality of the field, and to evaluate development options.

On gas pricing, we are encouraged by the Indian government's recent approval of gas price reform. As I said, we have always believed that reform is crucial for increasing domestic gas supply and will be key for future strategic decisions on new developments. We will share more on this in the future after the official policy is published.

In summary, we continue to feel confident about the potential for value two years into this alliance.

2012-2014 major projects progress

Ramping-up on plan

PSVM operational efficiency above 90%

Skarv producing at 85% of maximum rate

Angola LNG first cargo 16th June

Major projects: status

Location	Project	2012	2013	2014
Angola	Angola LNG		✓	
	Block 31 PSVM	✓		
	Clochas-Mavacola	✓		
	CLOV			●
Asia Pacific	North Rankin 2		●	
Azerbaijan	Chirag Oil		●	
Canada	Sunrise			●
Gulf of Mexico	Atlantis North Expansion		✓	
	Galapagos	✓		
	Na Kika 3			●
	Mars B			●
North Africa	In Amenas Compression			under review
	In Salah Southern Fields			under review
North Sea	Devenick	✓		
	Kinnoull			●
	Skarv	✓		

✓ Started-up
● Planned

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Our major projects are moving forward.

Our key 2012 start-ups continue to ramp-up as planned and we expect to start-up four major projects in 2013. Atlantis North Expansion joins this list having started up in April and Angola LNG loaded its first cargo in mid June. Na Kika phase 3 is now expected to start up in 2014 following the tie-in of producer wells.

Good progress is also being made on our planned 2014 project start-ups with all under construction and over 65% complete. While production in Algeria is back on, the realistic pace of the In Amenas and In Salah projects is being re-assessed following the tragic incident at In Amenas in January. But to be clear, we are planning to get back to work with Sonatrach and Statoil after recent security reviews, and BP remains committed to our work in Algeria.

We expect to take a further five final investment decisions during the year and during 2Q we have reached some important milestones toward this.

In June we agreed a commercial framework for the Khazzan project with the Oman Government. And on Shah Deniz Phase 2 the project consortium has announced selection of the European pipeline.

Progress and milestones in our four key regions

Gulf of Mexico

- Gila exploration well in progress
- Seven rigs currently operating and one more rig to start up later this year
- Na Kika 3 and Mars B in progress
- Three turnarounds completed

Azerbaijan-Georgia-Turkey

- Shah Deniz 2 European pipeline selection
- Chirag Oil topsides on track for installation in 3Q13
- Continued high plant efficiency

Angola

- Angola LNG first cargo in June
- PSVM[1] operating efficiency better than expected
- CLOV[2] FPSO[3] on track for sailaway from Korea in 3Q13
- Continued year-on-year improvement in operating efficiency

North Sea

- Skarv ramp-up continues
- Kinnoull on track for 2014 start-up
- Execution of turnaround programme underway

(1) PSVM = Plutão, Saturno, Vénus and Marte fields
(2) CLOV = Cravo, Lirio, Orquidea and Violeta fields
(3) FPSO = Floating Production, Storage and Offloading

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We continue to make progress in our four key regions to underpin operating cash flow growth for the long term.

In the Gulf of Mexico we have spudded the Gila exploration well, our first operated exploration well post Macondo. Seven rigs are currently operating and we will return to an 8th rig later this year. The Mars B platform sailed away on the 13th of July, targeting safe installation by the end of July. As part of our systematic turnaround programme we have completed turnarounds at our Atlantis, Thunder Horse and Na Kika assets with Mad Dog scheduled for 4Q.

In Azerbaijan, the ACG field continues to see quarter-on-quarter production growth since the end of 2012 resulting from new wells, improved base performance, and continued high plant efficiency through the first half of 2013 versus the same period last year. The Chirag Oil major project in the Caspian continues to move toward start-up around year end. The platform jacket has been set on site and the topsides are on track for sailaway in the third quarter. There has also been significant progress on Shah Deniz phase 2 with the selection of the Trans Adriatic Pipeline to deliver gas to customers in Europe. This is an important milestone toward project Final Investment Decision.

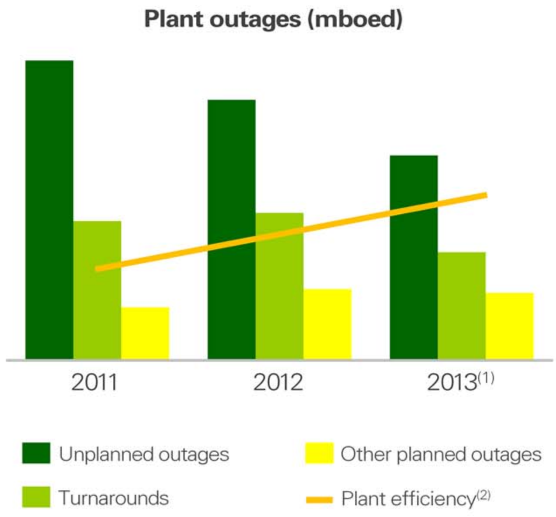
In Angola we are seeing continued year-on-year improvement in overall operating efficiency with both PSVM and Greater Plutonio above 90% in the second quarter. Also the CLOV FPSO is on track for sailaway from Korea in the third quarter.

Finally in the North Sea, Skarv is now producing around 140 thousand barrels of oil equivalent per day. We have completed two turnarounds in the North Sea to date and have a further six planned. This activity will support the reliability of our operations for the long term, although it will impact third quarter volumes in the short term. This is the right thing for us to do.

Operations - plant reliability interventions showing results

Systematic execution of turnarounds and focus on defect elimination demonstrating material results

- Reduced plant outages
- Improved plant efficiency
- Reduced plant loss of primary containment



(1) BP full-year estimates
(2) Excludes planned outages

Our Global Operations Organisation is seeing results from investments in turnarounds, reliability programmes and the systematic elimination of defects.

Unplanned outages are coming down reflecting the benefits of these programmes and our focus on overall maintenance strategy for long-term reliability. This translates to an overall plant reliability improvement of 2-3% for the first half of the year versus the same period in 2012.

Going forward we expect the level of planned turnaround activity to continue to fall to a lower steady state as initial investments are completed and long-term maintenance strategies are embedded into our assets.

There is a strong linkage between safety and reliability. No one knows that better than we do. As our plant reliability has improved, loss of primary containment from operating plants has also steadily improved, with an estimated 40% reduction since 2011 to the end of the second quarter this year.

So, in summary, we are continuing to march toward our 2014 targets. Our expanded exploration programme is beginning to yield results, we are delivering our major projects and we continue to make progress in our high-margin regions. All of which provides a strong platform to deliver value and sustainable growth in operating cash flow.

Turning to the Downstream, here you see a picture of the new 250 thousand barrel per day crude unit at Whiting which came onstream at the end of June.

Downstream – milestones and progress

- US refinery divestments complete
- New crude distillation unit commissioned at Whiting
- Commissioned Cherry Point clean diesel project
- Announced $550m investment in Southern African refining and infrastructure projects
- Approval for construction of a 3rd PTA[1] plant in China, with our partner Zhuhai Port Co
- Lubricants China unit reaches materiality

Cherry Point Clean Diesel Project, USA

Zhuhai 3, China

(1) PTA = Purified Terephthalic Acid

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We have now completed the previously announced divestments of the Texas City and Carson refineries, including associated marketing assets. We reached a major milestone at Whiting, with the commissioning of the new crude distillation unit as part of the refinery modernisation. We also brought online the Cherry Point clean diesel project and announced over half a billion dollars of attractive investments in Southern African refining and infrastructure projects.

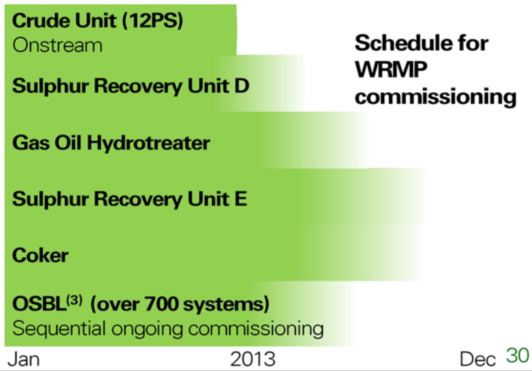
In China we received approvals for the construction of a third Petrochemicals PTA plant and our lubricants unit in China has now become one of the most material national units globally as measured by operating profit[1].

All of this is supported by our focus on safe and reliable operations and sustaining high refining availability. This builds momentum for the longer term as we expand the cash generating capability of our Downstream business, to deliver material and growing free cash flow.

(1) Operating profit is replacement cost profit before interest and tax

Downstream – Whiting refinery modernisation project

- Successfully commissioned new 250 kbpd[(1)] crude distillation unit
- Returned refinery to full processing capacity of 413 kbpd[(1)], initially of light, sweet crude
- Remaining refinery upgrade units to be brought online during 2H 2013
  - Full heavy, sour crude processing capability expected once new coking and hydrotreating units commissioned
- Overall WRMP[(2)] project now over 96% complete



(1) kbpd = Thousands of barrels per day
(2) WRMP = Whiting Refinery Modernisation Project
(3) OSBL = Outside Site Boundary Limits

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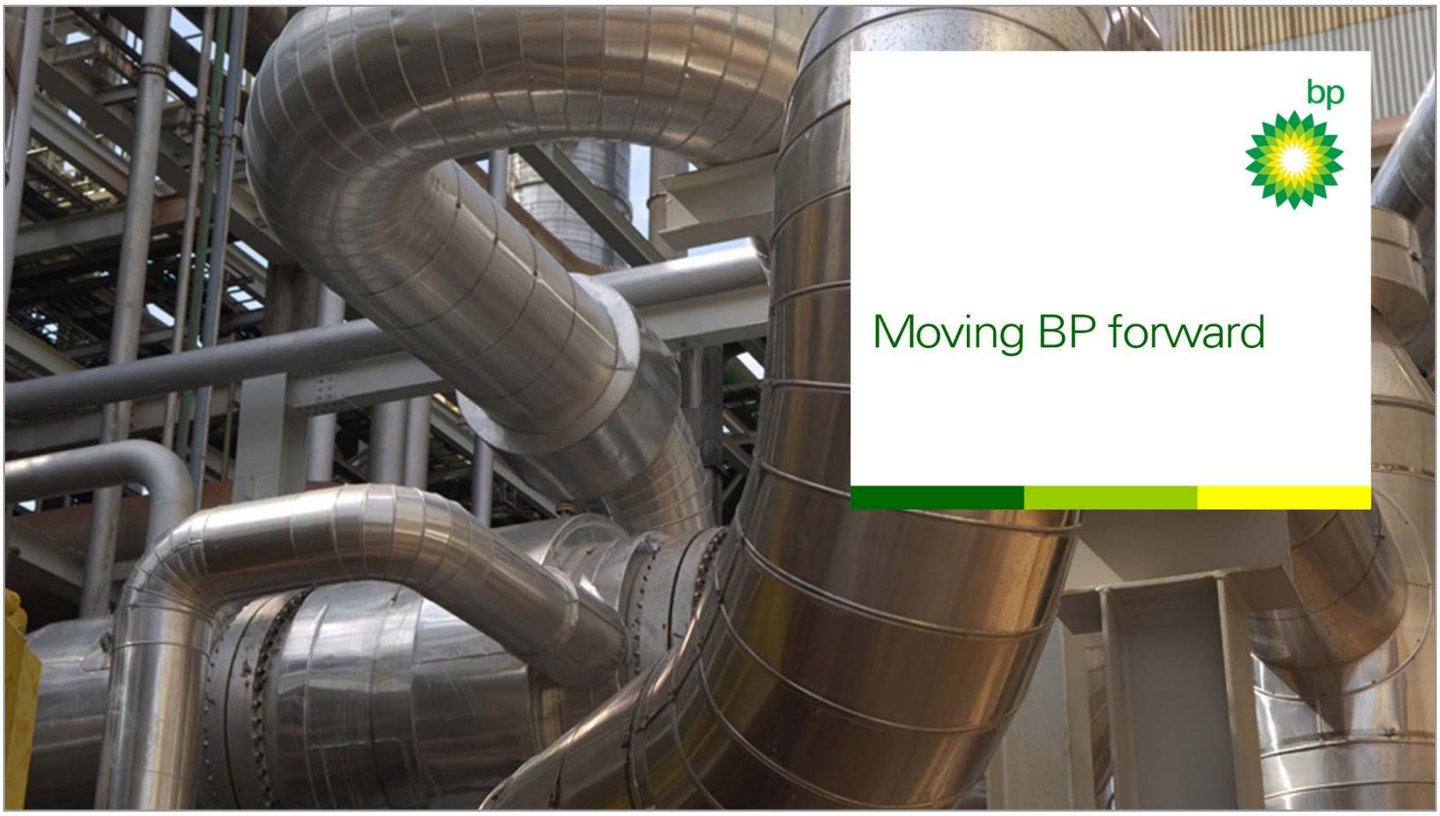
Focusing for a moment on Whiting, where the refinery modernisation project is approaching completion. The new crude distillation unit, which has enabled the refinery to return to full operational and processing capacity, is currently processing mainly light crude.

The commissioning of the remaining new units continues on schedule and will increase the flexibility to process heavy sour crudes once the new coking and hydrotreating units are commissioned in the second half of the year. As mentioned earlier the overall project is now over 96% complete and we expect to deliver the increase in cash from operations, with the first full-year benefit in 2014.



And so to summarise.

Delivering shareholder value

Safe and reliable operations

Increased focus on exploration

Focused Upstream investment into higher-margin areas to drive growth in operating cash flow

Downstream delivering material cash flow growth

Disciplined capital expenditure

Growing sustainable free cash flow

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Our objective is very clear - to deliver value to our owners from this more streamlined company by being a focused oil and gas company that grows long-term sustainable free cash flow for our shareholders. We will do this through safe and reliable operations and disciplined capital investment biased towards a growing portfolio of high-margin projects in the Upstream, supported by material cash flows from the Downstream.

This outlook is built on a repositioned portfolio with a more focused platform for future growth, where the key driver is one of value, not volume. As expected you are seeing the effects of our divestment programme in our quarterly results but also other clear markers of progress. The benefits will be increasingly visible to you as we move through 2014 and beyond.

Safe and reliable operations are at the heart of all our activity. You should expect that from us. We are seeing encouraging downward trends in major incidents and losses of primary containment and we are now taking further action internally to simplify how we work in order to drive further improvements in reliability and efficiency.

Our increased focus and investment in exploration continues with more wells being drilled and results starting to come through such as the large discovery in India.

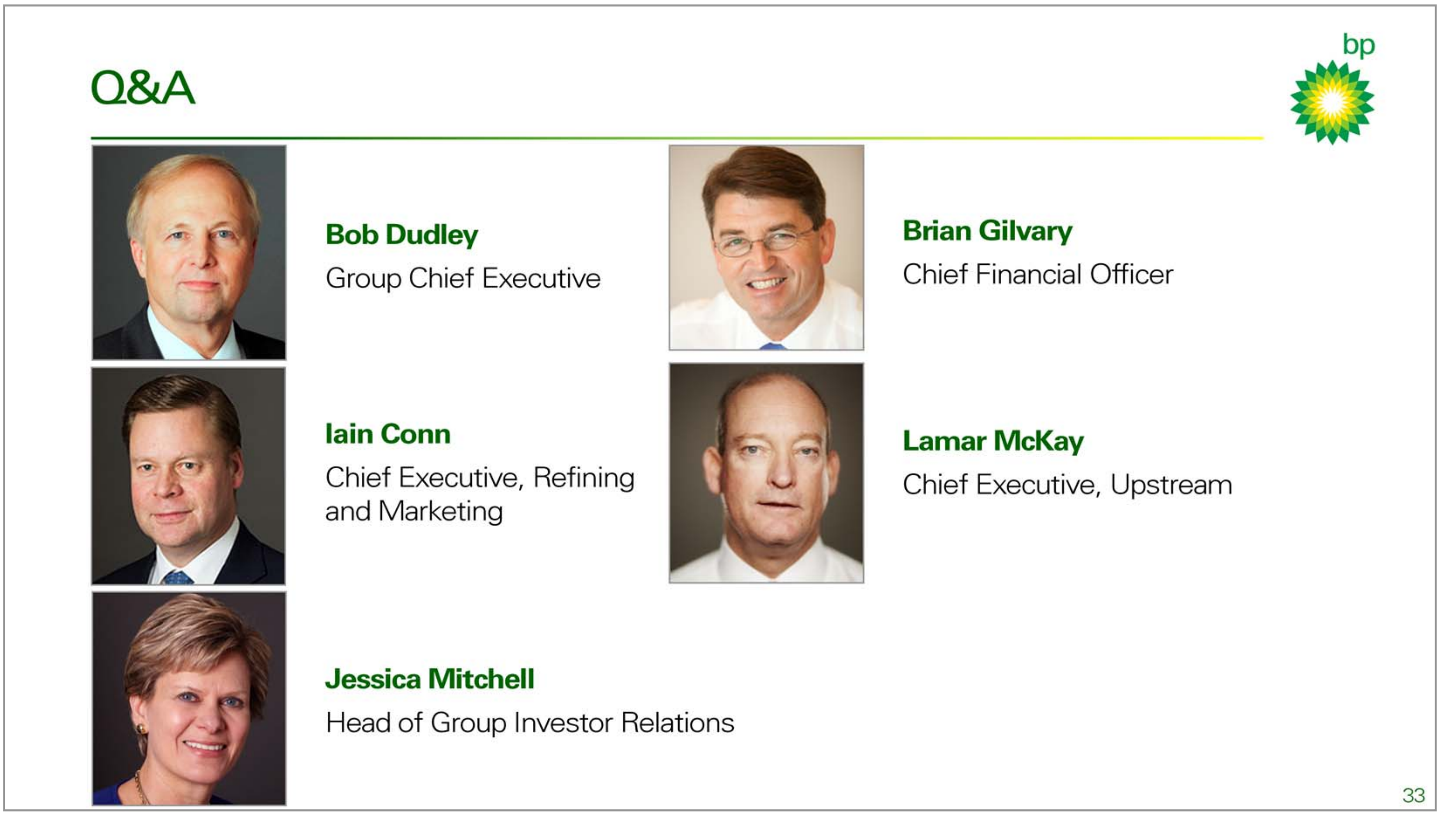
Our Upstream major projects are moving ahead with two major projects started up this year and two more to start before year end.

And our Whiting modernisation project is over 96% complete.

So we are confident both in delivering on our 2014 commitments for operating cash growth and in the model to drive continued growth over the longer term.

We will deal with litigation off to the side.

And we are doing this with a strong and flexible financial base from which we intend to grow distributions over time - in line with the improving circumstances of the firm - and to maintain a progressive dividend policy.



That concludes my remarks, and now we would be very happy to take your questions.