Summary Review
2010

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A letter from Carl-Henric Svanberg, Chairman

Dear fellow shareholder 2010 was a profoundly painful and testing year. In April, a tragic accident on the Deepwater Horizon rig claimed the lives of 11 men and injured others. Above all else, I want to remember those men, and say that our thoughts remain with their families and friends. BP's priority is to ensure that the people who work for us, and with us, return home safely. The accident should never have happened. We are shocked and saddened that it did.

The spill that resulted caused widespread pollution. Our response has been unprecedented in scale, and we are determined to live up to our commitments in the Gulf. We will also do everything necessary to ensure BP is a company that can be trusted by shareholders and communities around the world. →

Within hours of the Deepwater Horizon accident, BP teams were working to stop the leak. We also acted to minimize the spill's impact on the environment by containing, removing and dispersing oil offshore, protecting the shoreline and cleaning up oil that came ashore. And we worked with wildlife groups to develop rescue and rehabilitation programmes for turtles, birds and other species.

www.bp.com/gulfofmexico/inpictures

Reconciliation of profit for the year to replacement cost profit

The Summary Review for the year ended 31 December 2010 constitutes the summary financial statement and comprises summaries of the Directors' Report and the Directors' Remuneration Report and a summary of the information in the consolidated financial statements. The summary financial statement complies with the information requirements under the Companies (Summary Financial Statement) Regulations 2008. It does not contain sufficient information to allow as full an understanding of the results and the state of affairs of BP and of its policies and arrangements concerning directors' remuneration as *BP Annual Report and Form 20-F 2010*. Shareholders may obtain a copy of *BP Annual Report and Form 20-F 2010* online or on request, free of charge (*see page 33*). Outside the summarized financial statements (*see pages 19-26*), references within *BP Summary Review 2010* to 'profits', 'loss', 'result' and 'return on average capital employed' are to those measures on a replacement cost basis unless otherwise indicated. The table below reconciles profit for the year to replacement cost profit.

For the year ended 31 December			$ million
	2010	2009	2008
Profit (loss) before interest and taxation	**(3,702)**	26,426	35,239
Finance costs and net finance expense or income relating to pensions and other post-retirement benefits	**(1,123)**	(1,302)	(956)
Taxation	**1,501**	(8,365)	(12,617)
Minority interest	**(395)**	(181)	(509)
Profit (loss) for the year attributable to BP shareholders	**(3,719)**	16,578	21,157
Inventory holding (gains) losses, net of tax	**(1,195)**	(2,623)	4,436
Replacement cost profit (loss)[a]	**(4,914)**	13,955	25,593
Exploration and Production	**30,886**	24,800	38,308
Refining and Marketing	**5,555**	743	4,176
Other businesses and corporate	**(1,516)**	(2,322)	(1,223)
Gulf of Mexico oil spill response	**(40,858)**	–	–
Consolidation adjustment – unrealized profit in inventory	**447**	(717)	466
Replacement cost profit (loss) before interest and taxation	**(5,486)**	22,504	41,727
Finance costs and net finance expense or income relating to pensions and other post-retirement benefits	**(1,123)**	(1,302)	(956)
Taxation on a replacement cost basis	**2,090**	(7,066)	(14,669)
Minority interest	**(395)**	(181)	(509)
Replacement cost profit (loss) attributable to BP shareholders	**(4,914)**	13,955	25,593
Per ordinary share – cents			
Profit (loss) for the year attributable to BP shareholders	**(19.81)**	88.49	112.59
Replacement cost profit (loss)	**(26.17)**	74.49	136.20
Dividends paid per ordinary share – cents	**14.00**	56.00	55.05
– pence	**8.679**	36.417	29.387
Dividends paid per American depositary share (ADS) – dollars	**0.840**	3.360	3.303

[a] Replacement cost profit or loss reflects the replacement cost of supplies. The replacement cost profit or loss for the year is arrived at by excluding from profit or loss inventory holding gains and losses and their associated tax effect. Inventory holding gains and losses represent the difference between the cost of sales calculated using the average cost to BP of supplies incurred during the year and the cost of sales calculated on the first-in first-out method, including any changes in provisions where the net realizable value of inventory is lower than its cost. Inventory holding gains and losses, for this purpose, are calculated for all inventories except for those that are held as a part of a trading position and certain other temporary inventory positions. BP uses this measure to assist investors in assessing BP's performance from period to period. Replacement cost profit or loss for the group is a non-GAAP measure.

BP p.l.c. is the parent company of the BP group of companies. Unless otherwise stated, the text does not distinguish between the activities and operations of the parent company and those of its subsidiaries.

The term 'shareholder' in this Summary Review means, unless the context otherwise requires, investors in the equity capital of BP p.l.c., both direct and/or indirect.

BP Annual Report and Form 20-F 2010 and *BP Summary Review 2010* may be downloaded from *www.bp.com/summaryreview*. No material on the BP website, other than the items identified as *BP Annual Report and Form 20-F 2010* and *BP Summary Review 2010*, forms any part of those documents.

As BP shares, in the form of ADSs, are listed on the New York Stock Exchange (NYSE), an Annual Report on Form 20-F will be filed with the US Securities and Exchange Commission (SEC) in accordance with the US Securities Exchange Act of 1934. When filed, copies may be obtained free of charge (*see page 33*). BP discloses in *BP Annual Report and Form 20-F 2010* and on its website at *www.bp.com/NYSEcorporategovernancerules* significant ways (if any) in which its corporate governance practices differ from those mandated for US companies under NYSE listing standards.

Cautionary statement

BP Summary Review 2010 contains certain forward-looking statements, particularly those relating to anticipated energy demand and consumption, global economic recovery, oil and gas prices, global reserves, expected future energy mix, management aims and objectives, strategy, production, refining margins, anticipated investment in Alternative Energy, Refining and Marketing investments, reserves increases through technological developments, and the anticipated completion of previously announced transactions. 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 onstream, 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 document and in *BP Annual Report and Form 20-F 2010*.

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Registered in England and Wales No. 102498. Stock exchange symbol 'BP'.

In the days after the accident in the Gulf of Mexico the company faced a complex and fast-changing crisis. With oil escaping into the ocean, uncertainty grew around our ability to seal the well and restore the areas affected. This was an intense period, with the situation worsening almost daily. Our meeting with President Obama on 16 June 2010 provided reassurance to the US government that BP would do the right thing in the Gulf, and this marked a turning point. Through diligence and invention, our teams stopped the flow of oil in July and completed relief-well operations in September.

During these difficult days your board focused on three critical objectives.

First, we ensured the response team had the resources it required to stop the leak, contain and clean up the damage[1], and provide financial support to those affected. This was an unprecedented response to an industrial accident, with some 48,000 people involved at the height of the effort. We have set up a $20-billion fund to show our willingness and capacity to pay all legitimate claims for compensation. For the long term, we have committed $500 million to a 10-year independent research programme that will examine the environmental impact of the oil spilled and dispersants used. BP will continue to help restore the environment and economy of the Gulf, however long that takes.

1

Cleaning the beaches
BP trained more than 11,000 people to monitor and clean up beaches. We also developed and applied new beach-cleaning techniques and equipment.

Second, we resolved to understand what happened on and below the Deepwater Horizon, to apply the lessons learned and to make our findings available publicly. BP's comprehensive internal investigation concluded that a sequence of failures involving a number of different parties led to the explosion and fire.

We are implementing the report's recommendations. We have established a powerful safety and operational risk function, and we have enhanced risk management through the restructuring of our upstream business. We are also conducting a wide-ranging review of when and how we outsource operations.

Third, we moved to secure the long-term future of BP and our capacity to meet our financial responsibilities in the Gulf of Mexico. Decisive action was required here because events in the US led to a crisis of confidence in BP within the financial markets. In response, we made the difficult decision to cancel three dividend payments. We do not underestimate the effect of this on small and large shareholders alike. However, there is no doubt in my mind that this action steadied and strengthened our position at a critical point.

I am pleased that we have been able to resume dividend payments promptly. The dividend for the fourth quarter of 2010, to be paid in March 2011, is 7 cents per share (US$0.42 per ADS). The scrip dividend programme approved last year is in operation once again, and this presents an opportunity to take the dividend in shares or ADSs rather than cash. We intend to raise the level of the dividend as the company's circumstances and performance improve.

During the year we further reinforced our financial position. Having taken a total pre-tax charge of $40.9 billion in relation to the accident and spill, we announced our intention to sell up to $30 billion of assets. We have already secured almost $22 billion. We intend to reduce the net debt ratio to within the range of 10-20%, compared with our previously targeted range of 20-30%.

We have made significant changes to the board and I want to acknowledge Tony Hayward and Andy Inglis, who have left the company. Tony stood down as group chief executive on 1 October 2010. The board was saddened to lose someone whose long-term contribution to BP was so widely admired. Andy Inglis stood down on 31 October 2010. Andy was a strong leader of Exploration and Production and a significant contributor to the board.

BP is fortunate to have an exceptional successor to the role of group chief executive. Bob Dudley has spent his working life in the oil industry and has proved himself a robust, successful leader in the toughest circumstances. I am delighted to be working alongside a man of such substance and experience.

Douglas Flint will be standing down at the annual general meeting in April 2011, having taken up a new role as chairman of HSBC Holdings plc. Douglas has chaired our audit committee for the past year. DeAnne Julius will be standing down at the same time, having joined the board in 2001. DeAnne has chaired the remuneration committee since 2005 and is succeeded in that role by Antony Burgmans. Both DeAnne and Douglas have been immensely valuable board members. We thank them and wish them both well.

Boards must evolve if they are to engage effectively with new issues and opportunities. We have acted to strengthen the board of BP to ensure we have the right mix of skills, knowledge and experience as we work to achieve sustainable success in a fast-changing world. In early 2010 we appointed Paul Anderson and Ian Davis as non-executive directors. We have since made three further non-executive appointments. Admiral Frank L 'Skip' Bowman is former head of the US Nuclear Navy and was a member of the Baker Panel that reviewed safety at BP's US refineries. We will benefit from his exceptional experience on safety matters and his knowledge of BP. Brendan Nelson brings vast financial and auditing experience from KPMG, where latterly he was vice chairman. He is eminently well qualified to take over the chair of the audit committee following the annual general meeting. Phuthuma Nhleko will bring deep experience of emerging markets, gained while he was group president and chief executive officer of multinational telephony company MTN Group.

Clearly, after a very troubled and demanding 12 months, BP is a changed company. As a board we have much to do, and we are working with the executive team to ensure successful implementation of a refocused strategy built on the pillars of safety, trust and value creation. Foremost is the need to ensure the right checks and balances are in place across the company. The full board will continue to maintain close oversight of matters related to safety. And we will have even greater engagement on the strategic implications of risk.

2

Demand for energy
BP Energy Outlook 2030 projects that developing economies will account for 93% of global energy growth by 2030.

Looking ahead, we believe that a growing population and rising levels of prosperity will create strong demand for energy.[2] BP's ability to produce oil and gas from harsh environments means we have a vital contribution to make here. We will also continue to respond to climate change, and to the prospect of fossil fuels becoming a smaller part of the energy mix. For these reasons, BP must continue to be a leader in high-quality hydrocarbons today, while developing the intelligent options we will all rely on tomorrow. Lower-carbon resources remain central to this long-term strategy.

BP is able to help meet the world's growing need for energy, but we can only do this if we have the trust of society. To achieve this, we must ensure that safety and responsibility are at the heart of everything we do. We must show that we can be trusted to understand and manage our risks. And we must demonstrate that we respect the environment and the needs of local communities and society as a whole.

The many strengths of BP are united in our remarkable people, who showed in 2010 that they can rise to the sternest challenge. I thank them for their efforts.

While we face substantial challenges, shareholders must be in no doubt – BP has the determination and strength needed to restore its reputation and deliver long-term shareholder value. Through its refocused strategy, the company is working to become more agile and more competitive, with strong emphasis on realizing value rather than building volume and scale. We will not be afraid to develop new and innovative approaches that redefine the model of an international oil company, as our recently announced partnerships with Rosneft and Reliance demonstrate.

I want to end by thanking shareholders for their support. You have been steadfast through one of the most testing periods in BP's long history. We have learned many lessons about ourselves over the past 12 months, and these will never be forgotten. I believe we will emerge a stronger, wiser company with a very important role to play, for many years to come.

Carl-Henric Svanberg
Chairman
2 March 2011

More on board performance
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Board of directors
As at 31 December 2010

From left to right

Sir William Castell
Senior Independent Director

Brendan Nelson
Non-Executive Director

Iain Conn
Chief Executive,
Refining and Marketing

Ian Davis
Non-Executive Director

Dr DeAnne Julius
Non-Executive Director

Antony Burgmans
Non-Executive Director

Carl-Henric Svanberg
Chairman

Dr Byron Grote
Chief Financial Officer

Bob Dudley
Group Chief Executive

Douglas Flint
Non-Executive Director

George David
Non-Executive Director

Cynthia Carroll
Non-Executive Director

Paul Anderson
Non-Executive Director

Frank Bowman
Non-Executive Director

A letter from Bob Dudley, Group Chief Executive

Dear fellow shareholder The tragic events of 2010 will forever be written in the memory of this company and the people who work here. The explosion and fire on the Deepwater Horizon rig shocked everyone within BP, and we feel great sadness that 11 people died. We are deeply sorry for the grief felt by their families and friends. We know nothing can restore the loss of those men.

The accident on 20 April 2010 turned into an unprecedented oil spill with deep consequences for jobs, businesses, communities, the environment and our industry. From this grew a corporate crisis that threatened the very existence of the company. And it all started in a part of the world that's very close to my heart. I grew up in Mississippi, and spent summers with my family swimming and fishing in the Gulf. I know those beaches and waters well. When I heard about the accident I could immediately picture how it might affect the people who live and work along that coast.

Yet, just days before the accident, I had been reflecting on the progress made by BP. The company had put safe and reliable operations at the centre of everything, and we had turned a corner on financial performance. Then came the unthinkable. A subsea blowout in deep water was seen as a very, very low-probability event, by BP and the entire industry – but it happened.

Following the accident, a search-and-rescue operation was carried out by the rig's owner, Transocean, together with BP and the US Coast Guard. This continued for four days and covered 5,000 square miles. On 22 April 2010 the Deepwater Horizon sank, and a major oil spill response was activated. At its peak this involved the mobilization of some 48,000 people, the deployment of around 2,500 miles of boom and the co-ordination of more than 6,500 vessels. Field operations brought together experts from key agencies, organizations and BP.[1] Thousands of our people flew in from around the world and stayed and worked for weeks and months. Nearly 500 retirees from BP America called up to say they wanted to help. This was an extraordinary response.

1

Responding together
BP teams worked closely with specialists from peer companies, governmental agencies and academia to tackle the leak and respond to the wide-ranging consequences of the spill.

As the response developed, the problems grew in complexity and scale. Tackling the leak on the seabed demanded groundbreaking technical advances and dauntless spirit. We also found ourselves in the midst of intense political and media scrutiny. We received incredible support and faced tremendous criticism, but our priorities remained clear – provide support to the families and friends of those 11 men who died, stop the leak, attack the spill, protect the shore, support all the people and places affected. We also committed to carry out an immediate and detailed internal investigation.

As a responsible party, under the Oil Pollution Act, we knew we would face wide-ranging claims and potential fines, but we resolved to go beyond what the law required of us. We made swift payments to support local economies, and gave a total of $138 million in direct state grants during 2010, which included behavioural health programmes. We set up the $20-billion Deepwater Horizon Oil Spill Trust to meet individual, business, government, local and state claims, and natural resource damages. We provided $500 million for the Gulf of Mexico Research Initiative, which is funding independent research to investigate impacts on affected ecosystems. And we contributed to a $100-million fund to support rig workers hit by the drilling moratorium.

To meet our financial commitments, we announced the sale of up to $30 billion in assets and, by the end of 2010, had agreed to almost $22 billion of disposals. We have also cut back on discretionary capital spending and secured additional credit lines. The sound underlying performance across our business continues to give us a solid foundation, and speaks volumes for the inner strengths of BP and our people.[2]

2

Almost
$22bn
of agreed disposals

$4.9bn
replacement cost loss

Replacement cost loss
This year's loss reflects costs related to the Gulf of Mexico response. BP's underlying earnings and cash flows were strong.

As part of our response, we took the decision to cancel further dividends in 2010. While we know that many shareholders rely on their regular payments, we also had to protect the company and secure its long-term future. The board of BP took this decision with a heavy heart, but I believe it was the right thing to do in truly exceptional circumstances.

Our investigation report was published on 8 September 2010, and found that no single factor caused the accident. The report stated that decisions made by multiple companies and work teams contributed to the accident, and these arose from a complex and interlinked series of mechanical, human judgement, engineering design, operational implementation and team interface failures.

We have accepted and are implementing the report's recommendations. We are also sharing what we have learned with governments and others in our industry, and we are co-operating with a series of other investigations, inquiries and hearings.

2010 stands as an inflexion point for BP and our industry, and it is right that we should help lead the development of better ways to operate in deep water. Good risk identification and management is integral to becoming safer, and we are working with governments, service contractors and industry peers to take risk management and equipment design to the next level. Within BP, we have introduced more layers of protection and resilience, with our new safety and operational risk function empowered to intervene in any operation. To enhance our specialist expertise and risk management, we have re-organized our upstream business into three divisions – Exploration, Developments and Production. To encourage excellence in risk management throughout the organization, we are reviewing how we incentivize and reward people. And to think hard about what was previously unthinkable, we are looking further afield for insight and wisdom. I have spent time with experts from the nuclear and chemicals industries, and I am convinced that we in the energy industry have much to learn from them and others. We must take what we learn and embed it deep in the fabric of our organization.

Part of BP's task right now is to show we can be trusted to handle the industry's most demanding jobs, including exploration and production in deep water. Around 7% of the world's oil supplies come from this source, and we expect this will rise to nearly 10% by 2020. We are one of only a handful of companies with the financial and technological strengths needed to operate in these geographies. Before April 2010, BP had drilled safely in the deep waters of the Gulf of Mexico for 20 years. The governments of Egypt, China, Indonesia, Azerbaijan and the UK have shown confidence in our ability to operate safely at depths, having signed new deepwater drilling agreements with us in the second half of 2010.[3]

3

Deepwater drilling
With demand for energy increasing, we expect to see more exploration and production in deep waters over the next 10 years.

It is important to remember why companies such as BP have to take on the risks they do. Around 40 years ago, international oil companies had access to the majority of the world's oil reserves. Today these companies can access a much smaller share. This still provides substantial opportunities for value creation, but reaching many of those reserves requires us to overcome severe physical, technical, intellectual and geopolitical challenges. Global energy demand continues to rise, so the world needs BP and others to meet these challenges in an environmentally sustainable way. In doing this, we can never eliminate every hazard, but we can become an industry leader in understanding and limiting risk. That's our goal.

Clearly, one of the consequences of the events of 2010 was a substantial loss of value and returns for our shareholders. I am pleased that we have been able to resume dividend payments, and our intention is to grow the dividend level in line with the company's improving circumstances. We are now taking action to create and realize greater value. We are increasing our investment in exploration, which is one of our distinctive strengths.

We are gaining access to a wide range of new upstream resource opportunities, and already have 32 project start-ups planned between now and 2016. We are taking an even more active approach to buying, developing and selling upstream assets, with a focus on maximizing returns rather than building volume.

And we are divesting roughly half of our US refining capacity, so we can focus downstream investments on refining positions and marketing businesses where we have competitive advantage. This builds on the success BP's Refining and Marketing business has achieved in driving itself back to significantly improved performance and returns over the past few years.

In short, BP is moving swiftly to address its weaknesses and build on its strengths. While doing this we will not hesitate to go beyond the conventional business model of an international oil company. Since 2003 we have had a strong alliance onshore in Russia with TNK-BP. In January 2011 we announced our Arctic alliance with Rosneft, which further shows our strategy in action. Pending completion[4], this is expected to be the first major equity-linked partnership between a national and international oil company, with an agreement with Rosneft to receive 5% of BP's ordinary voting shares in exchange for approximately 9.5% of Rosneft's shares. Under the agreement, Rosneft and BP will seek to form a joint venture to explore and, if successful, develop three licence blocks in the South Kara Sea – an area roughly equivalent in size and prospectivity to the UK North Sea. BP and Rosneft have also agreed to establish an Arctic technology centre in Russia, which will work with research institutes, design bureaus and universities to develop technologies and engineering practices for the safe extraction of hydrocarbon resources from the Arctic shelf.

4
On 1 February 2011 the English High Court granted an interim injunction restraining BP from taking any further steps in relation to the Rosneft transactions pending the outcome of arbitration proceedings. See Note 4 Events after the reporting period.

In February 2011 we announced a second historic agreement. This will, subject to completion, see BP and Reliance work together across the gas value chain in the fast-growing Indian market. This major strategic alliance will combine BP's deepwater capabilities with Reliance's project management and operations expertise.

BP is also partnering with another organization, Husky Energy, to develop a further important resource of energy – Canada's oil sands. These represent the second largest reserves in the world after the oilfields of Saudi Arabia. We will work with this resource in a way that fits with our long-term responsibilities and objectives, using steam assisted gravity drainage to extract the oil, and an efficient, integrated system to transport it. Our approach will have a relatively small footprint and should not be confused with opencast mining – we will not engage in mining. On a well-to-wheel basis, greenhouse gas emissions from Canadian oil produced this way are expected to be slightly higher than those from conventional crudes imported to North America.

Along with providing the hydrocarbons required over coming years, we are helping to build the sustainable options needed to meet growing demand for lower-carbon energy. Our natural gas operations will help to provide a lower-carbon bridge from oil and coal to renewables. We are building a material business to produce biofuels in Brazil, the US and the UK.[5] We are becoming a leading player in wind energy. We have a long-established solar business. And we have made substantial investments in carbon-capture-and-storage technology. Lower-carbon resources are the fastest-growing sector in the energy market, and BP intends to develop its portfolio in step with this growth.

5

The rise of biofuels
BP Energy Outlook 2030 projects that between 2010 and 2030 biofuels are expected to contribute 30% of the global growth in the supply of liquid fuels.

As to the immediate future, I expect 2011 to be a year of consolidation for BP, as we focus on completing our previously announced divestment programme, meeting our commitments in the US and bringing renewed rigour to the way we manage risk. There will also be an increasing emphasis on value over volume, as we sharpen our strategy and reshape the company for growth.

Looking back over recent days and months, our thoughts return to the men who lost their lives, to those who were injured and to the communities hit hard by the spill. I have heard people ask "Does BP 'get it'?" Residents of the Gulf, our employees and investors, governments, industry partners and people around the world all want to know whether we understand that a return to business-as-usual is not an option. We may not have communicated it enough at times, but yes, we get it. Our fundamental purpose is to create value for shareholders, but we also see ourselves as part of society, not apart from it. Put simply, our role is to find and turn energy resources into financial returns, but by doing that in the right way we can help create a prosperous and sustainable future for everyone. This is what people rightfully expect of BP. This is what will inspire and drive us over the next 12 months and far into the future.

Bob Dudley

Bob Dudley
Group Chief Executive
2 March 2011

More on our performance
bp.com/annualreport

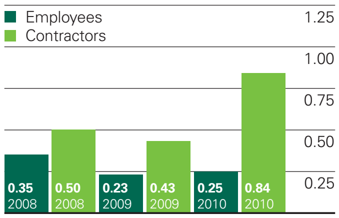
Our performance

Safety

Personal safety – reported recordable injury frequency

Reported recordable injury frequency (RIF) measures the number of reported work-related incidents that result in a fatality or injury (apart from minor first aid cases) per 200,000 hours worked.

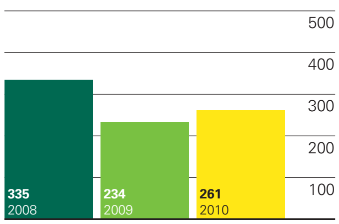
In 2010 our workforce RIF, which includes employees and contractors combined, was 0.61, compared with 0.34 in 2009 and 0.43 in 2008. The nature of the Gulf Coast response effort resulted in personal safety incident rates significantly higher than in other BP operations.



Process safety – oil spills

We report all spills of hydrocarbons greater than or equal to one barrel (159 litres, 42 US gallons). We include spills that were contained, as well as those that reached land or water.

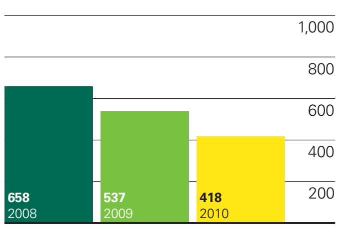
In 2010 there were 261 oil spills of one barrel or more, including the Gulf of Mexico oil spill. We are taking measures to strengthen mandatory safety-related standards and processes, including operational risk and integrity management.



Process safety – loss of primary containment

Loss of primary containment is the number of unplanned or uncontrolled releases of material, excluding non-hazardous releases, such as water from a tank, vessel, pipe, railcar or other equipment used for containment or transfer.

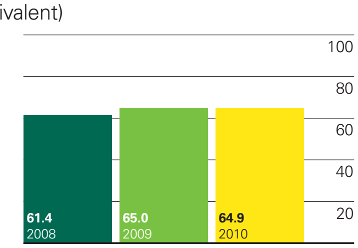
BP is progressively moving towards this as one of the key indicators for process safety, as we believe it provides a more comprehensive and better performance indicator of the safety and integrity of our facilities than oil spills alone.



Environment – greenhouse gas emissions[a] (million tonnes of carbon dioxide equivalent)

We report greenhouse gas (GHG) emissions on a CO_2-equivalent basis, including CO_2 and methane. This represents all consolidated entities and BP's share of equity-accounted entities, except TNK-BP. We have not included any emissions from the Gulf of Mexico oil spill and the response effort due to our reluctance to report data that has such a high degree of uncertainty.

We aim to manage our GHG emissions through a focus on operational energy efficiency and reductions in flaring and venting.



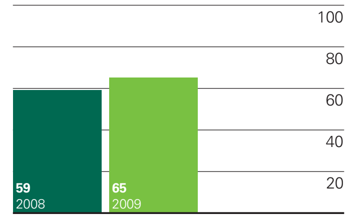
[a] See *BP Sustainability Review 2010* for more information on our GHG emissions performance.

People

Employee satisfaction (%)

The overall Employee Satisfaction Index comprises 10 key questions that provide insight into levels of employee satisfaction across a range of topics, such as pay and trust in management. We use a sample-based approach to achieve a representative view of BP.

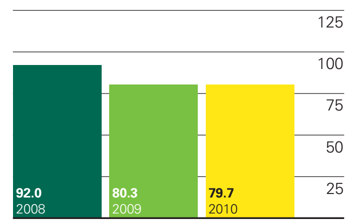
Our 2010 employee survey was delayed to allow for organizational changes to be reflected in the survey construction, with the survey expected to be carried out in summer 2011.



Number of employees[a] (thousands)

Employees include all individuals who have a contract of employment with a BP group entity.

In 2007 we began a process of making BP a simpler, more efficient organization. Since then our total number of employees has reduced by approximately 18,000, including around 9,200 in our non-retail businesses.

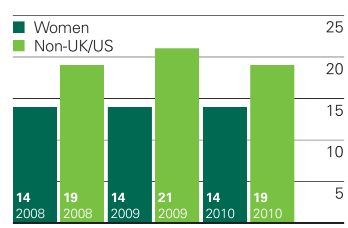


[a] As at 31 December.

Diversity and inclusion (%)

Each year we record the percentage of women and individuals from countries other than the UK and US among BP's top leaders. The number of top leaders in 2010 was 482, compared with 492 in 2009 and 583 in 2008.

BP has maintained the percentage of female leaders in 2010 and remains focused on building a more sustainable pipeline of diverse talent for the future.

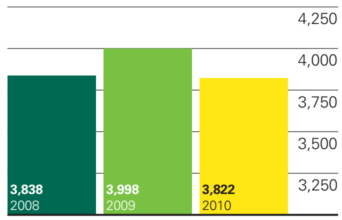


Performance

Production (thousand barrels of oil equivalent per day)

We report crude oil, natural gas liquids (NGLs) and natural gas produced from subsidiaries and equity-accounted entities. These are converted to barrels of oil equivalent (boe) at 1 barrel of NGL = 1boe and 5,800 standard cubic feet of natural gas = 1boe.

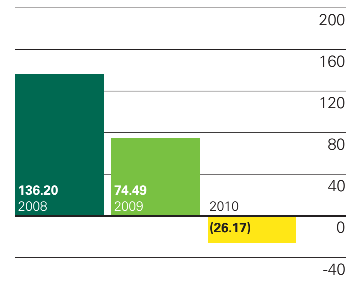
Reported production in 2010 was 4% lower than in 2009, due to the effect of entitlement changes in our production-sharing agreements, the effect of acquisitions and disposals, and the impact of events in the Gulf of Mexico.



Replacement cost profit (loss) per ordinary share (cents)

Replacement cost profit (loss) reflects the replacement cost of supplies. It is arrived at by excluding from profit inventory holding gains and losses and their associated tax effect. Replacement cost profit for the group is the profitability measure used by management. It is a non-GAAP measure. See inside front cover for the equivalent measure on an IFRS basis.

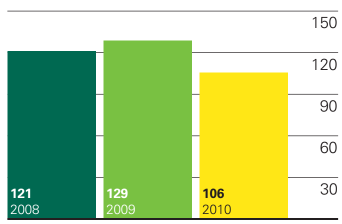
In 2010 we recorded a replacement cost loss primarily driven by a $40.9-billion pre-tax charge in relation to the Gulf of Mexico incident.



Reserves replacement ratio[a] (%)

Proved reserves replacement ratio (also known as the production replacement ratio) is the extent to which production is replaced by proved reserves additions. The ratio is expressed in oil equivalent terms and includes changes resulting from revisions to previous estimates, improved recovery and extensions, and discoveries.

Our reserves replacement ratio in 2010 exceeded 100% once again. We continue to drive renewal through new access, exploration, targeted acquisitions and a strategic focus on increasing resources from fields we currently operate.

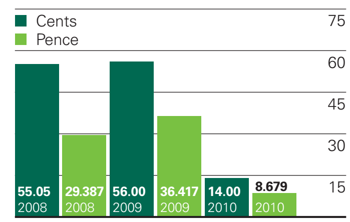


[a] Combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and disposals.

Dividends paid per ordinary share

This measure shows the total dividend per share paid to ordinary shareholders in the year.

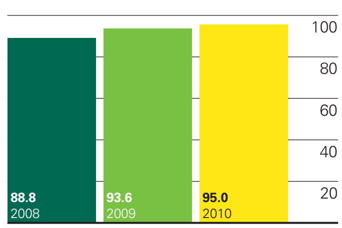
In June 2010 the BP board reviewed its dividend policy in light of the Gulf of Mexico incident, and the agreement to establish a $20-billion trust fund, and decided to cancel ordinary share dividends in respect of the first three quarters of 2010.



Refining availability (%)

Refining availability represents Solomon Associates' operational availability, which is defined as the percentage of the year that a unit is available for processing after subtracting the annualized time lost due to turnaround activity and all planned mechanical, process and regulatory maintenance downtime.

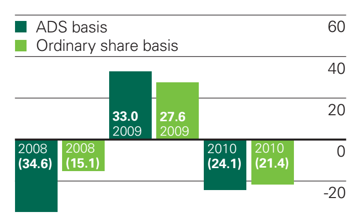
Refining availability continued its increasing trend in 2010, with the biggest contributor being the restoration of our Texas City refinery.



Total shareholder return (%)

Total shareholder return represents the change in value of a shareholding over a calendar year, assuming that dividends are re-invested to purchase additional shares at the closing price applicable on the ex-dividend date.

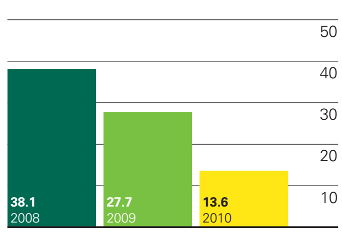
Total shareholder returns in 2010 were significantly impacted by the cancellation of dividend payments and the fall in share price brought about by the events in the Gulf of Mexico.



Operating cash flow ($ billion)

Operating cash flow is net cash flow provided by operating activities, from the group cash flow statement. Operating activities are the principal revenue-generating activities of the group and other activities that are not investing or financing activities.

The reduction in operating cash flow primarily reflected the impacts of the Gulf of Mexico incident.



Our financial performance

Results

	2010	2009
		$ million
By business		
Exploration and Production	**30,886**	24,800
Refining and Marketing	**5,555**	743
Other businesses and corporate	**(1,516)**	(2,322)
Gulf of Mexico oil spill response	**(40,858)**	–
Consolidation adjustment	**447**	(717)
Replacement cost profit (loss) before interest and tax	**(5,486)**	22,504
Finance costs and net finance expense or income relating to pensions and other post-retirement benefits	**(1,123)**	(1,302)
Taxation on a replacement cost basis	**2,090**	(7,066)
Minority interest	**(395)**	(181)
Replacement cost profit (loss) attributable to BP shareholders	**(4,914)**	13,955
Inventory holding gains (losses)	**1,784**	3,922
Taxation on inventory holding gains and losses	**(589)**	(1,299)
Profit (loss) for the year attributable to BP shareholders	**(3,719)**	16,578
Net cash provided by operating activities	**13,616**	27,716
Dividends paid per ordinary share – cents	**14**	56

BP's full-year replacement cost loss attributable to BP shareholders was $4,914 million compared with a profit of $13,955 million in 2009. Including inventory holding gains and losses, the loss was $3,719 million, compared with a profit of $16,578 million in 2009. Our loss for 2010 also included a net post-tax charge for non-operating items of $25,449 million, which included a charge of $28,041 million in relation to the Gulf of Mexico oil spill, compared with a net charge of $1,067 million for 2009. Fair value accounting effects had a favourable impact of $13 million in 2010 and a favourable impact of $445 million in 2009. Inventory holding gains and losses, non-operating items and fair value accounting effects are defined on page 29.

The Exploration and Production segment replacement cost profit before interest and tax for the year was $30,886 million, compared with $24,800 million in 2009. Non-operating items and fair value accounting effects had a net favourable impact of $3,196 million in 2010 and $3,184 million in 2009. The increase in 2010 compared to 2009 reflected the impact of higher realizations, lower depreciation and higher earnings from equity-accounted entities, mainly TNK-BP, partly offset by lower production, a significantly lower contribution from gas marketing and trading and higher production taxes.

The Refining and Marketing segment replacement cost profit before interest and tax for the year was $5,555 million. The result for 2009 was $743 million. Non-operating items and fair value accounting effects had a net favourable impact of $672 million in 2010 and a net unfavourable impact of $2,864 million in 2009. The 2010 result compared to 2009 reflected improved operational performance in the fuels value chains, continued strong operational performance in the international businesses and further cost efficiencies, as well as a more favourable refining environment. Against this very good operational delivery, the results were impacted by a significantly lower contribution from supply and trading compared with 2009.

In Other businesses and corporate, the 2010 result reflected improved business performance, more favourable foreign exchange effects, and cost efficiencies compared with a year ago. Net non-operating items were a charge of $200 million in 2010 and $489 million in 2009.

The group income statement for the year includes a pre-tax charge of $40.9 billion related to the Gulf of Mexico oil spill. For further information on the Gulf of Mexico oil spill and its consequences, see Note 2 on page 23.

Finance costs and net finance expense or income relating to pensions and other post-retirement benefits were $1,123 million for 2010, compared with $1,302 million for 2009.

Taxation on the replacement cost loss in 2010 was a credit of $2,090 million, compared with a charge of $7,066 million in 2009. The effective tax rate was 32% in 2010 and 33% in 2009. The group earns income in many countries and, on average, pays taxes at rates higher than the UK statutory rate of 28%.

Including the impact of the Gulf of Mexico oil spill, net cash provided by operating activities was $13.6 billion, compared with $27.7 billion in 2009. The amount for 2010 included a cash outflow of $16.0 billion relating to the Gulf of Mexico oil spill.

Our 2010 reported reserves replacement ratio, excluding the effects of acquisitions and disposals and including both subsidiaries and equity-accounted entities, was 106%. Reserves replacement ratio is defined on page 29.

Dividends

Following the Gulf of Mexico oil spill and the agreement to establish the $20-billion trust fund, the BP board reviewed its dividend policy and decided to cancel the previously announced first-quarter 2010 ordinary share dividend scheduled for payment on 21 June 2010, and further decided that no ordinary share dividends would be paid in respect of the second and third quarters of 2010. On 1 February 2011, BP announced the resumption of quarterly dividend payments. The quarterly dividend to be paid on 28 March 2011 is 7 cents per share ($0.42 per American Depositary Share – ADS). The corresponding amount in sterling will be announced on 14 March 2011. A scrip dividend alternative is available, allowing shareholders to elect to receive their dividend in the form of new ordinary shares and ADS holders in the form of new ADSs.

Group income statement

For the year ended 31 December			$ million
	2010	2009	2008
Sales and other operating revenues	**297,107**	239,272	361,143
Earnings from jointly controlled entities – after interest and tax	**1,175**	1,286	3,023
Earnings from associates – after interest and tax	**3,582**	2,615	798
Interest and other income	**681**	792	736
Gains on sale of businesses and fixed assets	**6,383**	2,173	1,353
Total revenues and other income	**308,928**	246,138	367,053
Purchases	**216,211**	163,772	266,982
Production and manufacturing expenses[a]	**64,615**	23,202	26,756
Production and similar taxes	**5,244**	3,752	8,953
Depreciation, depletion and amortization	**11,164**	12,106	10,985
Impairment and losses on sale of businesses and fixed assets	**1,689**	2,333	1,733
Exploration expense	**843**	1,116	882
Distribution and administration expenses	**12,555**	14,038	15,412
Fair value (gain) loss on embedded derivatives	**309**	(607)	111
Profit (loss) before interest and taxation	**(3,702)**	26,426	35,239
Finance costs[a]	**1,170**	1,110	1,547
Net finance expense (income) relating to pensions and other post-retirement benefits	**(47)**	192	(591)
Profit (loss) before taxation	**(4,825)**	25,124	34,283
Taxation[a]	**(1,501)**	8,365	12,617
Profit (loss) for the year	**(3,324)**	16,759	21,666
Attributable to			
BP shareholders	**(3,719)**	16,578	21,157
Minority interest	**395**	181	509
	(3,324)	16,759	21,666
Earnings per share – cents			
Profit (loss) for the year attributable to BP shareholders			
Basic	**(19.81)**	88.49	112.59
Diluted	**(19.81)**	87.54	111.56

[a] See Note 2 for information of the impact of the Gulf of Mexico oil spill on the income statement line items.

Group statement of comprehensive income

For the year ended 31 December			$ million
	2010	2009	2008
Profit (loss) for the year	**(3,324)**	16,759	21,666
Currency translation differences	**259**	1,826	(4,362)
Exchange gains on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets	**(20)**	(27)	–
Actuarial loss relating to pensions and other post-retirement benefits	**(320)**	(682)	(8,430)
Available-for-sale investments marked to market	**(191)**	705	(994)
Available-for-sale investments – recycled to the income statement	**(150)**	2	526
Cash flow hedges marked to market	**(65)**	652	(1,173)
Cash flow hedges – recycled to the income statement	**(25)**	366	45
Cash flow hedges – recycled to the balance sheet	**53**	136	(38)
Taxation	**(137)**	525	2,946
Other comprehensive income	**(596)**	3,503	(11,480)
Total comprehensive income	**(3,920)**	20,262	10,186
Attributable to			
BP shareholders	**(4,318)**	20,137	9,752
Minority interest	**398**	125	434
	(3,920)	20,262	10,186

Group statement of changes in equity

									$ million
			2010			2009			2008
	BP shareholders' equity	**Minority interest**	**Total equity**	BP shareholders' equity	Minority interest	Total equity	BP shareholders' equity	Minority interest	Total equity
At 1 January	**101,613**	**500**	**102,113**	91,303	806	92,109	93,690	962	94,652
Total comprehensive income	**(4,318)**	**398**	**(3,920)**	20,137	125	20,262	9,752	434	10,186
Dividends	**(2,627)**	**(315)**	**(2,942)**	(10,483)	(416)	(10,899)	(10,342)	(425)	(10,767)
Repurchase of ordinary share capital	**–**	**–**	**–**	–	–	–	(2,414)	–	(2,414)
Share-based payments (net of tax)	**339**	**–**	**339**	721	–	721	617	–	617
Changes in associates' equity	**–**	**–**	**–**	(43)	–	(43)	–	–	–
Transactions involving minority interests	**(20)**	**321**	**301**	(22)	(15)	(37)	–	(165)	(165)
At 31 December	**94,987**	**904**	**95,891**	101,613	500	102,113	91,303	806	92,109

Group balance sheet

At 31 December	2010	$ million 2009
Non-current assets		
Property, plant and equipment	**110,163**	108,275
Goodwill	**8,598**	8,620
Intangible assets	**14,298**	11,548
Investments in jointly controlled entities	**12,286**	15,296
Investments in associates	**13,335**	12,963
Other investments	**1,191**	1,567
Fixed assets	**159,871**	158,269
Loans	**894**	1,039
Other receivables	**6,298**	1,729
Derivative financial instruments	**4,210**	3,965
Prepayments	**1,432**	1,407
Deferred tax assets	**528**	516
Defined benefit pension plan surpluses	**2,176**	1,390
	175,409	168,315
Current assets		
Loans	**247**	249
Inventories	**26,218**	22,605
Trade and other receivables	**36,549**	29,531
Derivative financial instruments	**4,356**	4,967
Prepayments	**1,574**	1,753
Current tax receivable	**693**	209
Other investments	**1,532**	–
Cash and cash equivalents	**18,556**	8,339
	89,725	67,653
Assets classified as held for sale	**7,128**	–
	96,853	67,653
Total assets	**272,262**	235,968
Current liabilities		
Trade and other payables	**46,329**	35,204
Derivative financial instruments	**3,856**	4,681
Accruals	**5,612**	6,202
Finance debt	**14,626**	9,109
Current tax payable	**2,920**	2,464
Provisions	**9,489**	1,660
	82,832	59,320
Liabilities directly associated with assets classified as held for sale	**1,047**	–
	83,879	59,320
Non-current liabilities		
Other payables	**14,285**	3,198
Derivative financial instruments	**3,677**	3,474
Accruals	**637**	703
Finance debt	**30,710**	25,518
Deferred tax liabilities	**10,908**	18,662
Provisions	**22,418**	12,970
Defined benefit pension plan and other post-retirement benefit plan deficits	**9,857**	10,010
	92,492	74,535
Total liabilities	**176,371**	133,855
Net assets	**95,891**	102,113
Equity		
Share capital	**5,183**	5,179
Reserves	**89,804**	96,434
BP shareholders' equity	**94,987**	101,613
Minority interest	**904**	500
Total equity	**95,891**	102,113

C-H Svanberg Chairman
R W Dudley Group Chief Executive
2 March 2011

Group cash flow statement

For the year ended 31 December	2010	2009	2008
			$ million
Operating activities			
Profit (loss) before taxation	**(4,825)**	25,124	34,283
Depreciation and other similar non-cash charges	**6,845**	12,859	11,750
Earnings from equity-accounted entities, less dividends received	**(1,480)**	(898)	(93)
Net charge for interest and other finance expense, less net interest paid	**139**	338	(357)
Share-based payments	**197**	450	459
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	**(959)**	(887)	(173)
Net charge for provisions, less payments	**19,217**	650	(298)
Movements in working capital	**1,092**	(3,596)	5,348
Income taxes paid	**(6,610)**	(6,324)	(12,824)
Net cash provided by operating activities	**13,616**	27,716	38,095
Net cash used in investing activities	**(3,960)**	(18,133)	(22,767)
Net cash provided by (used in) financing activities	**840**	(9,551)	(10,509)
Currency translation differences relating to cash and cash equivalents	**(279)**	110	(184)
Increase in cash and cash equivalents	**10,217**	142	4,635
Cash and cash equivalents at beginning of year	**8,339**	8,197	3,562
Cash and cash equivalents at end of year	**18,556**	8,339	8,197

Notes

1 Presentation of the financial statements

These summarized financial statements represent an abridged version of the financial statements in *BP Annual Report and Form 20-F 2010*, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and IFRS as adopted for use by the European Union (EU). IFRS as adopted for use by the EU differs in certain respects from IFRS as issued by the IASB; however, the differences have no impact on the group's consolidated financial statements for the years presented.

2 Significant event in the period – Gulf of Mexico oil spill

The group income statement for 2010 includes a pre-tax charge of $40,935 million in relation to the Gulf of Mexico oil spill. This comprises costs incurred up to 31 December 2010, estimated obligations for future costs that can be estimated reliably at this time, and rights and obligations relating to the trust fund, described below.

Costs incurred during the year mainly relate to oil spill response activities, which included the drilling of relief wells and other subsea interventions, as well as surface response activities, including numerous vessels and shoreline response involving deployment of boom and beach-cleaning activities.

Under US law, BP is required to compensate individuals, businesses, government entities and others who have been impacted by the oil spill. Individual and business claims are administered by the Gulf Coast Claims Facility (GCCF), which is separate from BP. BP has established a trust fund of $20 billion to be funded over the period to the fourth quarter of 2013, which is available to satisfy legitimate individual and business claims administered by the GCCF, state and local government claims resolved by BP, final judgments and settlements, state and local response costs, and natural resource damages and related costs arising as a consequence of the Gulf of Mexico oil spill. In 2010 BP contributed $5 billion to the fund, and further quarterly contributions of $1.25 billion are to be made during 2011 to 2013. The income statement charge for 2010 includes $20 billion in relation to the trust fund, adjusted to take account of the time value of money. The establishment of the trust fund does not represent a cap or floor on BP's liabilities and BP does not admit to a liability of this amount.

BP has provided for all liabilities that can be estimated reliably at this time, including fines and penalties under the Clean Water Act (CWA). The total amounts that will ultimately be paid by BP in relation to all obligations relating to the incident are subject to significant uncertainty and the ultimate exposure and cost to BP will be dependent on many factors.

Although the provision recognized is the current best estimate of expenditures required to settle certain present obligations at the end of the reporting period, there are future expenditures for which it is not possible to measure the obligation reliably. BP considers that it is not possible to estimate reliably any obligation in relation to national resource damage claims under the Oil Pollution Act 1990, litigation and fines and penalties except for those in relation to the CWA. These items are therefore contingent liabilities.

BP holds a 65% interest in the Macondo well, with the remaining 35% held by two co-owners. While BP believes that it has a contractual right to recover the co-owners' shares of the costs incurred, no recovery amounts have been recognized in the financial statements as at 31 December 2010.

For a full understanding of the impacts and uncertainties relating to the Gulf of Mexico oil spill, refer to *BP Annual Report and Form 20-F 2010*.

3 Disposals and non-current assets held for sale

As part of the response to the Gulf of Mexico oil spill, the group plans to deliver up to $30 billion of disposal proceeds by the end of 2011. In 2010, disposal proceeds amounted to $17 billion, which included deposits of $6 billion received from counterparties in respect of disposal transactions not completed at 31 December 2010. Of completed disposals, the major transactions were the sale to Apache Corporation of Permian Basin assets in the US, Canadian upstream gas assets and exploration concessions in Egypt, and the sale to Devon Energy of 50% of BP's interests in Kirby oil sands in Canada.

As a result of the group's disposal programme, various assets and associated liabilities, have been presented as held for sale in the group balance sheet at 31 December 2010. The carrying amount of the assets held for sale is $7,128 million, with associated liabilities of $1,047 million.

Non-current assets held for sale included exploration and production assets in Pakistan; assets in Vietnam; and the upstream business and associated interests in Venezuela; exploration, production and transportation businesses in Colombia; four mature producing deepwater oil and gas fields in the US Gulf of Mexico; and BP's interest in Pan American Energy, which operates in South America.

Deposits amounting to $6,197 million at 31 December 2010 have been received in advance of completion of certain of the disposals. These have been included in finance debt at 31 December 2010 and will be considered extinguished on completion of the transactions.

4 Events after the reporting period

On 22 February 2011, BP announced its intention to sell its interests in a number of operated oil and gas fields in the UK. The assets involved are the Wytch Farm onshore oilfield in Dorset and all BP's operated gas fields in the southern North Sea, including associated pipeline infrastructure and the Dimlington terminal. BP aims to complete the divestments around the end of 2011, subject to receipt of suitable offers and regulatory and third-party approvals. The assets do not yet meet the criteria to be reclassified as non-current assets held for sale and it is not yet possible to estimate the financial effect of these intended transactions.

On 21 February 2011, BP announced a major strategic alliance with Reliance Industries Limited (Reliance) in India. As part of this alliance, BP will purchase a 30% stake in 23 oil and gas production-sharing contracts that Reliance operates in India, including the producing KG D6 block, and the formation of a 50:50 joint venture between the two companies for the sourcing and marketing of gas in India. The upstream joint venture will combine BP's deepwater exploration and development capabilities with Reliance's project management and operations expertise. The 23 oil and gas blocks together cover approximately 270,000 square kilometres, and Reliance will continue to be the operator under the production-sharing contracts. BP will pay Reliance an aggregate consideration of $7.2 billion, and completion adjustments, for the interests to be acquired in the 23 production-sharing contracts. Future performance payments of up to $1.8 billion could be paid based on exploration success that results in development of commercial discoveries. Completion of the transactions is subject to Indian regulatory approvals and other customary conditions.

On 1 February 2011, BP announced that, following a strategic review, it intends to divest the Texas City refinery and the southern part of its US West Coast Fuels Value Chain, including the Carson refinery, by the end of 2012, subject to all necessary legal and regulatory approvals. BP will ensure current obligations at Texas City are fulfilled. These assets do not yet meet the criteria to be reclassified as non-current assets held for sale and it is not yet possible to estimate the financial effect of these intended transactions.

On 14 January 2011, BP entered into a share swap agreement with Rosneft Oil Company, whereby BP will receive approximately 9.5% of Rosneft's shares in exchange for BP issuing new ordinary shares to Rosneft, resulting in Rosneft holding 5% of BP's ordinary voting shares. The aggregate value of the shares in BP to be issued to Rosneft is approximately $7.8 billion (as at close of trading in London on 14 January 2011). Completion of the transaction is subject to the outcome of the court application referred to in the paragraph below, and related pending arbitral proceedings. During the period from entering into the agreement until completion, the agreement represents a derivative financial instrument and changes in its fair value will be recognized in BP's income statement in 2011.

An application was brought in the English High Court on 1 February 2011, by Alfa Petroleum Holdings Limited (APH) and OGIP Ventures Limited (OGIP) against BP International Limited and BP Russian Investments Limited. APH is a company owned by Alpha Group. APH and OGIP each own 25% of TNK-BP, in which BP also has a 50% shareholding. This application alleges breach of the shareholders agreement on the part of BP and seeking an interim injunction restraining BP from taking steps to conclude, implement or perform the previously announced transactions with Rosneft Oil Company relating to oil and gas exploration, production, refining and marketing in Russia. Those transactions include the issue or transfer of shares between Rosneft Oil Company and any BP group company. The court granted an interim order restraining BP from taking any further steps in relation to the Rosneft transactions pending an expedited UNCITRAL arbitration procedure in accordance with the shareholders agreement between the parties. The arbitration has commenced and there will be an expedited hearing in relation to certain matters (to be determined by the parties) on a final basis during week commencing 7 March 2011. The injunction has been extended until 11 March 2011 pending that hearing.

5 Dividends

Following the Gulf of Mexico oil spill and the agreement to establish the $20-billion trust fund, the BP board reviewed its dividend policy and decided to cancel the previously announced first-quarter 2010 ordinary share dividend scheduled for payment on 21 June 2010, and further decided that no ordinary share dividends would be paid in respect of the second and third quarters of 2010. On 1 February 2011, BP announced the resumption of quarterly dividend payments. The quarterly dividend to be paid on 28 March 2011 is 7 cents per ordinary share ($0.42 per American Depositary Share – ADS). The corresponding amount in sterling will be announced on 14 March 2011. A scrip dividend alternative is available, allowing shareholders to elect to receive their dividend in the form of new ordinary shares and ADS holders in the form of new ADSs.

		pence per share			cents per share				$ million
	2010	2009	2008	**2010**	2009	2008	**2010**	2009	2008
Dividends announced and paid									
Preference shares							**2**	2	2
Ordinary shares									
March	**8.679**	9.818	6.813	**14.000**	14.000	13.525	**2,625**	2,619	2,553
June	**–**	9.584	6.830	**–**	14.000	13.525	**–**	2,619	2,545
September	**–**	8.503	7.039	**–**	14.000	14.000	**–**	2,620	2,623
December	**–**	8.512	8.705	**–**	14.000	14.000	**–**	2,623	2,619
	8.679	36.417	29.387	**14.000**	56.000	55.050	**2,627**	10,483	10,342
Dividend announced per ordinary share, payable in March 2011[a]				**7.000**			**1,315**		

[a] The amount in sterling will be announced on 14 March 2011.

The group does not account for dividends until they are paid. The financial statements for the year ended 31 December 2010 do not reflect the dividend announced on 1 February 2011 and payable in March 2011; this will be treated as an appropriation of profit in the year ended 31 December 2011.

6 Earnings per ordinary share

Basic earnings per ordinary share (EpS) amounts are calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The average number of shares outstanding excludes treasury shares and the shares held by the Employee Share Ownership Plans (ESOPs) and includes certain shares that will be issuable in the future under employee share plans.

For the diluted EpS calculation, the weighted average number of shares outstanding during the year is adjusted for the number of shares that are potentially issuable in connection with employee share-based payment plans using the treasury stock method. If the inclusion of potentially issuable shares would decrease the loss per share, the potentially issuable shares are excluded from the diluted EpS calculation.

On 14 January 2011, BP entered into a share swap agreement with Rosneft Oil Company that, subject to the outcome of the court application referred to in Note 4, would result in BP issuing 988,694,683 new ordinary shares to Rosneft when the transaction completes. See Note 4 for further information regarding this transaction.

7 Capital expenditure and acquisitions

		$ million
	2010	2009
By business		
Exploration and Production	**17,753**	14,896
Refining and Marketing	**4,029**	4,114
Other businesses and corporate	**1,234**	1,299
	23,016	20,309
By geographical area		
US	**10,370**	9,865
Non-US	**12,646**	10,444
	23,016	20,309

Acquisitions in 2010

BP made a number of acquisitions in 2010 for a total consideration of $3.6 billion. The most significant was a transaction in the Exploration and Production segment with Devon Energy, undertaken in a number of stages during 2010. This transaction strengthens BP's position in the Gulf of Mexico, enhances interests in Azerbaijan, and facilitates the development of Canadian assets.

BP acquired 100% of Devon Energy's Gulf of Mexico deepwater properties for $1.8 billion. As part of the transaction, BP sold to Devon a 50% stake in its Kirby oil sands interests in Alberta, Canada for $500 million. The group acquired Devon's 3.29% (after pre-emption exercised by some of the partners) interest in the BP-operated Azeri-Chirag-Gunashli (ACG) development in the Azerbaijan sector of the Caspian Sea for $1.1 billion, increasing BP's interest to 37.43%. The final part of the Devon Energy transaction, the acquisition of 100% of Devon Energy's equity stake in a number of entities holding all of Devon's assets in Brazil for consideration of $3.2 billion, is expected to complete in early 2011.

8 Net debt ratios

At 31 December		$ million
	2010	2009
Gross debt	**45,336**	34,627
Less: cash and cash equivalents	**18,556**	8,339
Less: fair value asset of hedges related to finance debt	**916**	127
Net debt	**25,864**	26,161
Equity	**95,891**	102,113
Net debt ratio	**21%**	20%

The group monitors capital on the basis of the net debt ratio, that is, the ratio of net debt to net debt plus equity. Net debt is calculated as gross finance debt, as shown in the balance sheet, plus the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, for which hedge accounting is claimed, less cash and cash equivalents. Net debt and net debt ratio are non-GAAP measures. BP uses these measures to provide useful information to investors. Net debt enables investors to see the economic effect of gross debt, related hedges and cash and cash equivalents in total. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders. The derivatives are reported on the balance sheet within the headings 'Derivative financial instruments'. All components of equity are included in the denominator of the calculation.

9 Remuneration of directors

			$ million
	2010	2009	2008
Total for all directors			
Emoluments	**15**	19	19
Gains made on the exercise of share options	**2**	2	1
Amounts awarded under incentive schemes	**4**	2	–

Emoluments

These amounts comprise fees paid to the non-executive chairman and the non-executive directors and, for executive directors, salary and benefits earned during the relevant financial year, plus bonuses awarded for the year. Also included was compensation for loss of office of $3 million in 2010 (2009 nil and 2008 $1 million).

Pension contributions

During 2010 three executive directors participated in a non-contributory pension scheme established for UK employees by a separate trust fund to which contributions are made by BP based on actuarial advice. Two US executive directors participated in the US BP Retirement Accumulation Plan during 2010.

Office facilities for former chairmen and deputy chairmen

It is customary for the company to make available to former chairmen and deputy chairmen, who were previously employed executives, the use of office and basic secretarial facilities following their retirement. The cost involved in doing so is not significant.

Further information

Full details of individual directors' remuneration are given in the directors' remuneration report on pages 30 and 31.

Independent auditor's statement

To the members of BP p.l.c.
We have examined the summary financial statement for the year ended 31 December 2010 set out on pages 1 to 32. This statement is made solely to the company's members, as a body, in accordance with Section 428(4) of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this statement, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for preparing *BP Summary Review 2010* in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within *BP Summary Review 2010* with the consolidated financial statements, the Directors' Remuneration Report and the Directors' Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in *BP Summary Review 2010* and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our reports on the consolidated and parent company financial statements contained within *BP Annual Report and Form 20-F 2010* describe the basis of our opinions on those financial statements, the Directors' Remuneration Report and the Directors' Report.

Opinion
In our opinion, the summary financial statement is consistent with the consolidated financial statements, the Directors' Report and the Directors' Remuneration Report of BP p.l.c. for the year ended 31 December 2010 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

Emphasis of matter – significant uncertainty over provisions and contingencies related to the Gulf of Mexico oil spill
Our report on the consolidated financial statements of BP p.l.c. for the year ended 31 December 2010 contained within *BP Annual Report and Form 20-F 2010* includes an emphasis of matter on the significant uncertainty over provisions and contingencies related to the Gulf of Mexico oil spill.

In forming our opinion on the summary financial statement, we have considered the adequacy of the disclosures made in Note 2 of the summary financial statement which summarise the disclosures in *BP Annual Report and Form 20-F 2010* concerning the provisions, future expenditures for which reliable estimates cannot be made and other contingencies related to the Gulf of Mexico oil spill significant event. The total amounts that will ultimately be paid by BP in relation to all obligations relating to the incident are subject to significant uncertainty and the ultimate exposure and cost to BP will be dependent on many factors. Actual costs could ultimately be significantly higher or lower than those recorded as the claims and settlement process progresses. Our opinion on the summary financial statement is not qualified in respect of these matters.

Ernst & Young LLP
Statutory Auditor
London
2 March 2011

Directors' statement

The auditor has issued unqualified reports on the consolidated and parent company financial statements, the auditable part of the Directors' Remuneration Report and on the consistency of the Directors' Report with those financial statements. Their report on the consolidated and parent company financial statements and the auditable part of the Directors' Remuneration Report contained no statement under sections 498(2) or 498(3) of the Companies Act 2006.

The maintenance and integrity of the BP p.l.c. website are the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Supplementary information

Crude oil and natural gas production

Crude oil[a]

	2010	2009	2008
	thousand barrels per day (net of royalties)		
US	**594**	665	538
Europe	**177**	208	216
Russia	**856**	840	826
Rest of World	**747**	822	821
	2,374	2,535	2,401

Natural gas[a]

	2010	2009	2008
	million cubic feet per day (net of royalties)		
US	**2,184**	2,316	2,157
Europe	**487**	634	782
Russia	**640**	601	564
Rest of World	**5,090**	4,934	4,831
	8,401	8,485	8,334

Net proved reserves on an oil equivalent basis[a]

	2010	2009	2008
Estimated net proved crude oil reserves (million barrels)	**10,530**	10,511	10,353
Estimated net proved gas reserves (billion cubic feet)	**42,700**	45,130	45,208

Refinery throughputs

	2010	2009	2008
	thousand barrels per day		
US	**1,350**	1,238	1,121
Europe	**775**	755	739
Rest of World	**301**	294	295
	2,426	2,287	2,155
Refining availability	**95.0%**	93.6%	88.8%

Oil sales volumes[b]

	2010	2009	2008
	thousand barrels per day		
US	**1,433**	1,426	1,460
Europe	**1,402**	1,504	1,566
Rest of World	**610**	630	685
Total marketing sales	**3,445**	3,560	3,711
Trading/supply sales	**2,482**	2,327	1,987
Total refined product sales	**5,927**	5,887	5,698

Chemicals production[c]

	2010	2009	2008
	thousand metric tonnes		
US	**4,146**	3,110	3,487
Europe	**4,051**	3,724	3,574
Rest of World	**7,397**	5,826	5,774
	15,594	12,660	12,835

[a] Includes BP's share of production and reserves of equity-accounted entities.
[b] Does not include volumes relating to crude oil.
[c] A minor amendment has been made to comparative periods.

Definitions

Inventory holding gains and losses represent the difference between the cost of sales calculated using the average cost to BP of supplies acquired during the year and the cost of sales calculated on the first-in first-out method, after adjusting for any changes in provisions where the net realizable value of the inventory is lower than its cost.

Non-operating items are charges and credits arising in consolidated entities that BP discloses separately because it considers such disclosures to be meaningful and relevant to investors. The main categories of non-operating items included here are: impairments; gains or losses on sale of fixed assets and the sale of businesses; environmental remediation costs; restructuring, integration and rationalization costs; and changes in the fair value of embedded derivatives. These disclosures are provided in order to enable investors to better understand and evaluate the group's financial performance. Tax on non-operating items is calculated using the effective tax rate on replacement cost profit or loss. However, in 2010, the US statutory tax rate was used for expenditures relating to the Gulf of Mexico oil spill that qualified for tax relief. In 2009, no tax credit was calculated on the goodwill impairment in Refining and Marketing because the charge is not tax deductible.

Fair value accounting effects occur where BP uses derivative instruments to manage the economic exposure relating to inventories above normal operating requirements of crude oil, natural gas and petroleum products, as well as certain contracts to supply physical volumes at future dates. Under IFRS, these inventories and contracts are recorded at historic cost and on an accruals basis respectively. The related derivative instruments, however, are required to be recorded at fair value with gains and losses recognized in income because hedge accounting is either not permitted or not followed, principally due to the impracticality of effectiveness testing requirements. Therefore, measurement differences in relation to recognition of gains and losses occur. Gains and losses on these inventories and contracts are not recognized until the commodity is sold in a subsequent accounting period. Gains and losses on the related derivative commodity contracts are recognized in the income statement from the time the derivative commodity contract is entered into on a fair value basis using forward prices consistent with the contract maturity.

IFRS requires that inventory held for trading be recorded at its fair value using period end spot prices, whereas any related derivative commodity instruments are required to be recorded at values based on forward prices consistent with the contract maturity. Depending on market conditions, these forward prices can be either higher or lower than spot prices, resulting in measurement differences.

BP enters into contracts for pipelines and storage capacity that, under IFRS, are recorded on an accruals basis. These contracts are risk-managed using a variety of derivative instruments, which are fair valued under IFRS. This results in measurement differences in relation to recognition of gains and losses.

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference for consolidated entities by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole.

Proved reserves replacement ratio is the extent to which production is replaced by proved reserves additions. This ratio is expressed in oil equivalent terms and includes changes resulting from revisions to previous estimates, improved recovery and extensions and discoveries. For 2010, the proved reserves replacement ratio excluding the effects of acquisitions and divestments was 106% (129% in 2009 and 121% in 2008) for subsidiaries and equity-accounted entities, 74% for subsidiaries alone, and 166% for equity-accounted entities alone.

Summary directors' remuneration report

Dr DeAnne S Julius
Chairman, Remuneration Committee
2 March 2011

Remuneration decisions for 2010 were dominated by the scale and impact of the accident in the Gulf of Mexico.

The remuneration committee shared the group chief executive's view that no bonuses should be paid on group-level results. Thus Mr Dudley received no bonus for the year. There is also no vesting of the 2008-2010 share element for any executive director.

Dr Hayward and Mr Inglis, who left BP during the course of the year, received their contractual entitlements of one year's salary on termination, together with other limited entitlements. Outstanding share element awards were preserved on a pro rata basis, with vesting being conditional on meeting applicable performance targets. Neither was awarded any annual bonus for 2010.

While the tragedy of lost lives and environmental damage remains foremost in everyone's minds, the committee also wished to fairly acknowledge the good business results in many parts of BP, delivered in the most testing of times. Mr Conn and Dr Grote met or exceeded their specific segment/functional targets for the year and were awarded 30% of their overall 'on-target' bonuses, including the deferred element. This reflected no payout on the portion related to group results (as with all executive directors) and was limited to 'on-target' for the portion related to their strong segment/functional results. A third of their bonus is deferred into shares on a mandatory basis, matched, and will vest in three years subject to meeting a safety and environmental hurdle during the period. Both individuals may elect to defer an additional third into shares on the same basis as the mandatory deferral. Both will receive salary increases in 2011 as noted in the table opposite.

Full details of executive director remuneration are set out in the table below.

For 2011 the overall policy for executive directors will remain largely unchanged, as summarized opposite. However, the committee will take a more active role in the oversight of pay policy and practice below the board. Together with the group chief executive, the committee will be reviewing the overall policy for senior executives to ensure that it promotes long-term sustainable success for shareholders as well as rewarding appropriately the many talented people leading the company.

Finally, as I retire after five years as remuneration committee chairman and 10 years on the board, I would like to thank the shareholders both for their challenge and their support as the company has navigated through difficult, as well as successful, times.

Summary of remuneration of executive directors in 2010 (information subject to audit)

	Annual remuneration								**Long-term remuneration (EDIP)**				
											Share element of EDIP		
									2010 deferred annual bonus		**2008-2010 plan (vested in Feb 2011)**		2010-2012 plan
	Salary[a] (thousand) 2009	**2010**	Annual cash performance bonus (thousand) 2009	**2010**	Non-cash benefits and other emoluments (thousand) 2009	**2010**	Total (thousand) 2009	**2010**	Mandatory deferral[b]	Potential voluntary deferral[c]	Actual shares vested	Value (thousand)	Potential maximum performance shares[d]
R W Dudley[e]	$750	**$1,175**	$1,125	**0**	$304[f]	**$564[f]**	$2,179	**$1,739**	0	0	0	0	581,084
I C Conn	£690	**£690**	£1,104	**£104**	£46	**£34**	£1,840	**£828**	£104	£104	0	0	656,813
Dr B E Grote[e]	$1,380	**$1,380**	$2,070	**$207**	$8	**$10**	$3,458	**$1,597**	$207	$207	0	0	801,894
Directors leaving the board in 2010													
Dr A B Hayward[g]	£1,045	**£958**	£2,090	**0**	£23	**£95**	£3,158	**£1,053**	0	0	0	0	303,948
A G Inglis[h]	£690	**£575**	£1,311	**0**	£216[f]	**£168[f i]**	£2,217	**£743**	0	0	0	0	218,938

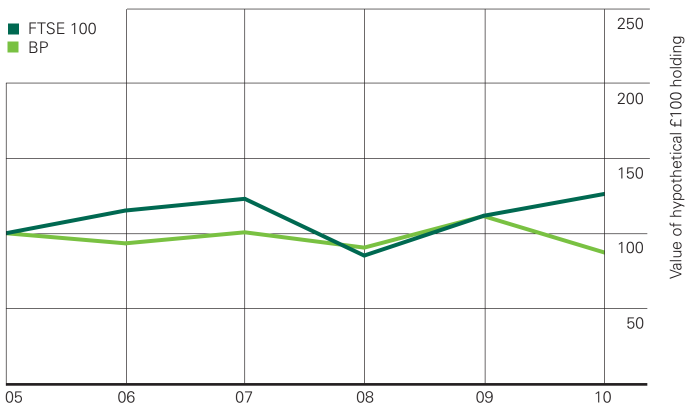
Amounts shown are in the currency received by executive directors. Annual bonuses are shown in the year they were earned.

[a] Figures show the total salary received during the calendar year. The last salary increase was in July 2008 other than on promotion of Mr Dudley to group chief executive.
[b] This amount will be converted to deferred shares at the three-day average share price following the full-year results announcement (£4.84, $46.68). Deferred shares will be matched one-for-one and both deferred and matched shares are subject to a safety and environmental hurdle over the three-year deferral period.
[c] Executive directors have the choice to have this portion either paid in cash or deferred voluntarily into shares on the same basis as the mandatory deferral.
[d] Maximum potential shares that could vest at the end of the three-year period depending on performance – reduced pro-rata for Dr Hayward and Mr Inglis to reflect actual service during performance period.
[e] Mr Dudley and Dr Grote hold shares in the form of ADSs. The above number reflects calculated equivalent in ordinary shares.
[f] This amount includes costs of London accommodation and any tax liability thereon that ceased at the end of 2010 following Mr Dudley's appointment as group chief executive and Mr Inglis's retirement from the board.
[g] Dr Hayward left the board on 30 November 2010. In addition to the above he was awarded compensation for loss of office equal to one year's salary (£1,045,000) and a further £30,000 in respect of UK statutory compensation rights.
[h] Mr Inglis left the board on 31 October 2010. In addition to the above he was awarded compensation for loss of office equal to one year's salary (£690,000) and a further £200,000 to cover various repatriation and relocation costs in accordance with his international assignment arrangements.
[i] In addition to this amount, under a tax equalization arrangement, BP discharged a US tax liability arising from the participation by Mr Inglis in the UK pension scheme amounting to $1,260,000.

Summary of future remuneration components

Salary	• Mr Dudley's salary remains at $1,700,000. Both Mr Conn and Dr Grote, who last received salary increases in July 2008, will have their salaries increased effective 1 April 2011. Mr Conn's new salary will be £730,000 (from £690,000) and Dr Grote's will be $1,442,000 (from $1,380,000).
Bonus	• On-target bonus of 150% of salary and maximum of 225% of salary based on performance relative to targets set at start of year relating to financial and operational metrics.
Deferred bonus and match	• One-third of actual bonus awarded as deferred shares with three-year deferral, with ability to voluntarily defer an additional one-third. • All deferred shares matched one-for-one, both subject to an assessment of safety and environmental performance over the three-year period.
Performance shares	• Award of shares of up to 5.5 times salary for group chief executive and 4 times for other executive directors. • Vesting after three years based on performance relative to other oil majors and strategic imperatives. • Three-year retention period after vesting before release of shares.
Pension	• Final salary scheme appropriate to home country of executive.

Historical TSR performance



This graph shows the growth in value of a hypothetical £100 holding in BP p.l.c. ordinary shares over five years, relative to the FTSE 100 Index (of which the company is a constituent). The values of the hypothetical £100 holdings at the end of the five-year period were £87.46 and £126.25 respectively.

Remuneration of non-executive directors in 2010[a]

£ thousand

	2009	**2010**
P Anderson[b]	–	**118**
F Bowman[c]	–	**17**
A Burgmans	93	**90**
C B Carroll	90	**90**
Sir William Castell	115	**147**
G David[d]	118	**135**
I Davis[e]	–	**69**
D J Flint	85	**108**
Dr D S Julius	105	**100**
B Nelson[f]	–	**17**
C-H Svanberg[g]	30	**750**
Directors leaving the board in 2010		
E B Davis, Jr[h]	105	**33**
Sir Ian Prosser[i]	165	**52**

[a] This information has been subject to audit.
[b] Appointed on 1 February 2010.
[c] Appointed on 8 November 2010.
[d] Also received £28,000 for serving as a member of BP's technology advisory council.
[e] Appointed on 2 April 2010.
[f] Appointed on 8 November 2010.
[g] Also received a relocation allowance of £90,000.
[h] Also received a superannuation gratuity of £21,000.
[i] Also received a superannuation gratuity of £43,945.

No share or share option awards were made to any non-executive director in respect of service on the board during 2010.

Non-executive directors have letters of appointment which recognize that, subject to the Articles of Association, their service is at the discretion of shareholders. All directors stand for re-election at each AGM.

Information for shareholders

Annual general meeting

The 2011 annual general meeting will be held on Thursday, 14 April 2011 at 11.30 a.m. at ExCeL London, One Western Gateway, Royal Victoria Dock, London E16 1XL. A separate notice convening the meeting is distributed to shareholders, which includes an explanation of the items of special business to be considered at the meeting.

All resolutions of which notice has been given will be decided on a poll.

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution for their reappointment is included in *Notice of BP Annual General Meeting 2011.*

Share capital and other information

The allotted, called-up and fully paid share capital at 31 December 2010 is: 7,232,838 8% cumulative first preference shares of £1 each; 5,473,414 9% cumulative second preference shares of £1 each; and 18,796,461,292 ordinary shares of 25 cents each (excluding shares held in treasury and shares bought back for cancellation). The total preference shares in issue comprise only 0.44% of the company's total issued nominal share capital, the rest being ordinary shares.

The rights attaching to each class of share, including any restrictions on transfer, are set out in the company's Articles of Association, which may only be amended by a special resolution at a general meeting of the company. Voting on substantive resolutions tabled at a general meeting is on a poll. On a poll, shareholders present in person or by proxy have two votes for every £5 in nominal amount of the first and second preference shares held and one vote for every ordinary share held. On a show-of-hands vote on other resolutions (procedural matters) at a general meeting, shareholders present in person or by proxy have one vote each. The company's Articles of Association provide that directors may be appointed by the existing directors or by the shareholders in a general meeting. Any person appointed by the directors will hold office only until the next general meeting and will then be eligible for re-election by the shareholders. The directors may, if authorized by the shareholders in a general meeting, allot BP shares and may buy back BP shares. The company did not purchase any ordinary shares in 2010.

BP offers most of its employees the opportunity to acquire a shareholding in the company through savings-related and/or matching share plan arrangements. BP also uses performance plans as elements of remuneration for executive directors and senior employees. Shares acquired through the company's employee share plans rank pari passu with shares in issue. For legal and practical reasons, the rules of these plans set out the consequences of a change of control of the company, and generally provide for options and conditional awards to vest on an accelerated basis.

Employee benefit trusts hold the shares pending employees becoming entitled to them under the company's employee share plans. Each trust has an independent trustee. In relation to the BP ShareMatch plans, once shares have been awarded to an employee under the plan, the employee may instruct the trustee how to vote their shares. For the employee share ownership plans (ESOPs), pending vesting, the trustees have the discretion in relation to the voting of such shares. In relation to the Executive Director Incentive Plan, a director is the beneficial owner of vested shares that are still subject to the retention period and, save for a restriction on transfer of the shares, enjoys all rights attaching to the shares including dividend and voting rights.

In accordance with the Disclosure and Transparency Rules, BP has received notification that BlackRock, Inc. holds 5.72% of the voting rights of the issued share capital of the company; and Legal & General Group plc holds 3.72% of the voting rights of the issued share capital of the company. The company has also been notified that JPMorgan Chase Bank, as depositary for American depositary shares (ADSs) holds interests through its nominee, Guaranty Nominees Limited, in 4,888,530,141 ordinary shares (26.01% of the company's ordinary share capital excluding shares held in treasury and shares bought back for cancellation).

As part of an agreed strategic alliance with Rosneft Oil Company (Rosneft), BP has agreed to issue 5% of BP's ordinary share capital (excluding shares held in treasury and shares bought back for cancellation) to Rosneft in exchange for the receipt of approximately 9.5% of Rosneft's ordinary share capital. Once issued, these shares are subject to mutual lock-up arrangements. Neither party can, subject to certain exceptions, dispose of the other party's shares for a period of two years. The lock-up does not prevent Rosneft from accepting a takeover offer for the whole of the company's share capital or from providing an irrevocable undertaking to accept a takeover offer which has been recommended by the company. Following the expiration of the lock-up period, orderly marketing provisions will apply to the disposal of either party's shares. An application was brought in the English High Court by Alfa Petroleum Holdings Limited (APH) and OGIP Ventures Limited (OGIP), raising issues relating to the share swap agreement and the other arrangements relating to the alliance. APH is a company owned by Alpha Group. APH and OGIP each own 25% of TNK-BP, in which BP also has a 50% shareholding. On 1 February 2011 the English High Court issued an order, which was agreed by the parties, restraining BP from taking any further steps in relation to the Rosneft transaction pending the outcome of an expedited arbitration hearing between the parties. The share swap agreement will not be completed pending the outcome of this arbitration hearing.

Dividends

When dividends are paid on our ordinary shares, BP's policy is to pay interim dividends on a quarterly basis (usually in March, June, September and December). During 2010 the BP board announced an agreed package of measures to meet its obligations as a responsible party arising from the Gulf of Mexico incident. As a consequence of this agreement, the BP board reviewed its dividend policy and decided that, in the circumstances, it would be prudent to cancel the previously announced first-quarter dividend and that no interim dividends would be announced in respect of the second and third quarters of 2010. On 1 February 2011 the board announced that it would pay a dividend for the fourth quarter 2010.

BP policy is to announce dividends on our ordinary shares in US dollars and state an equivalent sterling dividend. The rate of exchange used to determine the sterling amount equivalent is the average of the market exchange rates in London over the four business days prior to the sterling equivalent announcement date. Holders of ordinary shares receive their dividends in sterling; holders of ADSs receive their dividends in US dollars.

A dividend reinvestment plan (DRIP) was in place for the fourth-quarter dividend paid in March 2010. Following shareholder approval at BP's annual general meeting on 15 April 2010, a Scrip Dividend Programme (Programme) was introduced and the DRIP was withdrawn. The Programme, if made available for a particular dividend, enables BP ordinary shareholders and ADS holders to elect to receive new fully paid ordinary shares in BP (or ADSs in the case of ADS holders) instead of cash.

More information

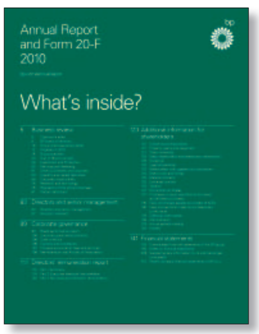
For more information on holding BP shares or ADSs, visit our investor centre at *www.bp.com/investor*.

BP Summary Review 2010 contains a summary of certain information in *BP Annual Report and Form 20-F 2010*. For a full understanding of the results and state of affairs of BP and of its policies and arrangements concerning directors' remuneration, please see *BP Annual Report and Form 20-F 2010*.

To change how you receive shareholder documents, or if you have any queries about the administration of shareholdings, contact Equiniti (ordinary and preference shareholders) or JPMorgan (ADS holders). See *www.bp.com/shareholderservices* for more information.

Reports and publications

BP's reports and publications are available to view online or download from *www.bp.com/summaryreview*.



Annual Report and Form 20-F
Read details of our financial and operating performance in *BP Annual Report and Form 20-F 2010* in print or online.
www.bp.com/annualreport

Sustainability Review
Read the summary *BP Sustainability Review 2010* in print or read more online from late March 2011.
www.bp.com/sustainability

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