BP p.l.c.
Group results
Third quarter and nine months 2009

London 27 October 2009

FOR IMMEDIATE RELEASE

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008	%
			$ million			
8,049	4,385	**5,336**	Profit for the period(a)	**12,283**	24,501	
1,980	(1,245)	**(355)**	Inventory holding (gains) losses, net of tax	**(1,775)**	(1,495)	
10,029	3,140	**4,981**	**Replacement cost profit**	**10,508**	23,006	(54)%
53.43	16.76	**26.59**	– per ordinary share (cents)	**56.11**	122.27	(54)%
3.21	1.01	**1.60**	– per ADS (dollars)	**3.37**	7.34	

- BP's third-quarter replacement cost profit was $4,981 million, compared with $10,029 million a year ago, a decrease of 50%. For the nine months, replacement cost profit was $10,508 million compared with $23,006 million a year ago, down 54%.
- Non-operating items and fair value accounting effects for the third quarter had a net $307 million favourable impact compared with a net $1,147 million favourable impact in the third quarter of 2008. For the nine months, the respective amounts were $315 million favourable and $632 million unfavourable - see further details on page 2.
- Finance costs and net finance income or expense relating to pensions and other post-retirement benefits were $311 million for the third quarter, compared with $238 million for the same period last year. For the nine months, the respective amounts were $1,000 million and $705 million. The net increase in cost was primarily due to a reduction in the expected return on pension plan assets.
- The effective tax rate on replacement cost profit for the third quarter and nine months was 29% and 33% respectively, compared with 33% and 35% a year ago. The decrease was due to a higher proportion of income from associates and jointly controlled entities (which are included net of tax), foreign exchange effects and adjustments to tax provisions. We now expect the full-year effective tax rate to be around 32-33%.
- Net cash provided by operating activities for the quarter and nine months was $8.1 billion and $20.4 billion compared with $14.9 billion and $32.5 billion respectively a year ago.
- Net debt at the end of the quarter was $26.3 billion. The ratio of net debt to net debt plus equity was 21% compared with 17% a year ago.
- Cash costs(b) for the nine months are more than $3 billion lower than for the same period a year ago and for the full year are expected to be around $4 billion lower.
- Total capital expenditure, including acquisitions and asset exchanges, for the third quarter and nine months was $5.0 billion and $14.4 billion respectively. Capital expenditure, excluding acquisitions and asset exchanges, is expected to be around $20 billion for the year. Disposal proceeds were $0.6 billion for the quarter and $1.6 billion for the nine months.
- The quarterly dividend, to be paid in December, is 14 cents per share ($0.84 per ADS), the same as a year ago. In sterling terms, the quarterly dividend is 8.512 pence per share, compared with 8.705 pence per share a year ago, a decrease of 2%.

(a) Profit attributable to BP shareholders.
(b) Cash costs are a subset of production and manufacturing expenses plus distribution and administration expenses. They represent the substantial majority of the expenses in these line items but exclude associated non-operating items and certain costs that are variable, primarily with volumes (such as freight costs). They are the operating and overhead costs that are most directly under management control.

The commentaries above and following are based on replacement cost profit and should be read in conjunction with the cautionary statement on page 8.

Analysis of replacement cost profit before interest and tax and reconciliation to profit for the period

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
12,709	5,046	**6,929**	Exploration and Production	**16,295**	33,552
1,972	680	**916**	Refining and Marketing	**2,686**	3,760
(16)	(583)	**(586)**	Other businesses and corporate	**(1,930)**	(543)
838	76	**104**	Consolidation adjustment	**(225)**	(167)
15,503	5,219	**7,363**	RC profit before interest and tax(a)	**16,826**	36,602
(238)	(321)	**(311)**	Finance costs and net finance income or expense relating to pensions and other post-retirement benefits	**(1,000)**	(705)
(5,099)	(1,714)	**(2,052)**	Taxation on a replacement cost basis	**(5,220)**	(12,524)
(137)	(44)	**(19)**	Minority interest	**(98)**	(367)
10,029	3,140	**4,981**	**Replacement cost profit attributable to BP shareholders**	**10,508**	23,006
(2,978)	1,874	**538**	Inventory holding gains (losses)	**2,666**	2,300
998	(629)	**(183)**	Taxation (charge) credit on inventory holding gains and losses	**(891)**	(805)
8,049	4,385	**5,336**	**Profit for the period attributable to BP shareholders**	**12,283**	24,501

(a) Replacement cost profit reflects the replacement cost of supplies. For further information see page 14.

Total of non-operating items and fair value accounting effects(a)(b)

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
1,215	642	**651**	Exploration and Production	**1,762**	(1,769)
636	(292)	**(155)**	Refining and Marketing	**(906)**	1,086
(128)	(39)	**(64)**	Other businesses and corporate	**(424)**	(332)
1,723	311	**432**		**432**	(1,015)
(576)	(109)	**(125)**	Taxation credit (charge)(c)	**(117)**	383
1,147	202	**307**		**315**	(632)

(a) An analysis of non-operating items by type is provided on page 15 and an analysis by region is shown on pages 5, 7 and 8.
(b) Information on fair value accounting effects is non-GAAP. For further details, see page 16.
(c) Tax is calculated using the quarter's effective tax rate on replacement cost profit.

Per share amounts

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			Per ordinary share (cents)(a)		
42.93	23.41	**28.48**	Profit for the period	**65.58**	130.21
53.43	16.76	**26.59**	RC profit for the period	**56.11**	122.27
			Per ADS (dollars)(a)		
2.58	1.40	**1.71**	Profit for the period	**3.93**	7.81
3.21	1.01	**1.60**	RC profit for the period	**3.37**	7.34

(a) See Note 4 on page 20 for details of the calculation of earnings per share.

Net debt ratio – net debt: net debt + equity

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
28,300	36,240	**36,555**	Gross debt	**36,555**	28,300
149	179	**370**	Less: fair value asset (liability) of hedges related to finance debt	**370**	149
28,151	36,061	**36,185**		**36,185**	28,151
6,142	8,959	**9,883**	Cash and cash equivalents	**9,883**	6,142
22,009	27,102	**26,302**	Net debt	**26,302**	22,009
106,790	96,949	**100,803**	Equity	**100,803**	106,790
17%	22%	**21%**	Net debt ratio	**21%**	17%

Net debt and net debt ratio are non-GAAP measures. Net debt includes 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. The derivatives are reported on the balance sheet within the headings 'Derivative financial instruments'. We believe that net debt and net debt ratio 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.

Dividends

Dividends payable

BP today announced a dividend of 14 cents per ordinary share to be paid in December. Holders of ordinary shares will receive 8.512 pence per share and holders of American Depositary Receipts $0.84 per ADS. The dividend is payable on 7 December 2009 to shareholders on the register on 13 November 2009. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 7 December 2009.

Dividends paid

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			Dividends paid per ordinary share		
14.000	14.000	**14.000**	cents	**42.000**	41.050
7.039	9.584	**8.503**	pence	**27.905**	20.682
84.00	84.00	**84.00**	**Dividends paid per ADS (cents)**	**252.00**	246.30

Exploration and Production

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
12,545	5,062	**6,930**	**Profit before interest and tax**(a)	**16,278**	33,418
164	(16)	**(1)**	**Inventory holding (gains) losses**	**17**	134
12,709	5,046	**6,929**	**Replacement cost profit before interest and tax**	**16,295**	33,552
			By region		
3,739	1,161	**1,864**	US	**4,168**	10,425
8,970	3,885	**5,065**	Non-US	**12,127**	23,127
12,709	5,046	**6,929**		**16,295**	33,552

(a) Includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the third quarter and first nine months of 2009 was $6,929 million and $16,295 million respectively, decreases of 45% and 51% compared with the same periods in 2008. The decreases in both periods were primarily due to lower realizations, partly offset by the impact of higher production and lower costs. Both periods were impacted by higher depreciation. The first nine months of 2009 also reflected lower earnings from equity-accounted entities, primarily TNK-BP.

The third quarter and first nine months also benefited from net non-operating gains of $471 million and $1,289 million respectively, primarily related to fair value gains on embedded derivatives and gains on the sale of operations. The corresponding periods in 2008 reflected a net non-operating gain of $1,118 million and a net non-operating charge of $1,234 million respectively. Additionally, in the third quarter, fair value accounting effects had a favourable impact of $180 million compared with a favourable impact of $97 million a year ago. For the first nine months, the favourable impact was $473 million compared with an unfavourable impact of $535 million in the same period of 2008.

Production for the quarter was 3,917mboe/d, 7% higher than the third quarter of 2008. This increase primarily reflects continued strong operational performance and the absence of hurricanes, which impacted the third quarter of 2008. After adjusting for entitlement impacts in our production-sharing agreements (PSAs) and the effect of OPEC quota restrictions, the increase was still 7%. Adjusting for hurricanes, which impacted our production in the third quarter of 2008, production was 4% higher. Unit production costs in the quarter were 18% lower than the third quarter of 2008 after adjusting production for the impact of hurricanes.

Production for the first nine months was 3,979mboe/d, more than 4% higher than the same period last year. After adjusting for the effect of entitlement changes in our PSAs and the effect of OPEC quota restrictions, production was more than 5% higher than the same period of 2008. After adjusting for the effect of hurricanes, production was 4% higher than the same period of 2008.

During the quarter, we announced a giant discovery at the Tiber prospect in the deepwater US Gulf of Mexico (BP 62% and operator).

On 1 October, Sonangol and BP announced the Tebe oil discovery in the ultra-deepwater Block 31, offshore Angola (BP 26.67% and operator). This is the nineteenth discovery made by BP in Block 31.

Exploration and Production

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
			Non-operating items		
3	118	**(65)**	US	**124**	(13)
1,115	389	**536**	Non-US	**1,165**	(1,221)
1,118	507	**471**		**1,289**	(1,234)
			Fair value accounting effects(a)		
136	92	**169**	US	**469**	(242)
(39)	43	**11**	Non-US	**4**	(293)
97	135	**180**		**473**	(535)
			Exploration expense		
59	235	**235**	US	**514**	178
173	112	**143**	Non-US	**330**	465
232	347	**378**		**844**	643
			Production (net of royalties)(b)		
			Liquids (mb/d) (net of royalties)(c)		
473	661	**669**	US	**658**	520
190	201	**199**	Europe	**204**	216
833	837	**850**	Russia	**836**	825
787	827	**814**	Rest of World	**823**	820
2,283	2,526	**2,532**		**2,521**	2,381
			Natural gas (mmcf/d) (net of royalties)		
2,094	2,339	**2,278**	US	**2,317**	2,127
527	645	**473**	Europe	**651**	755
579	555	**553**	Russia	**583**	546
4,811	5,041	**4,727**	Rest of World	**4,906**	4,812
8,011	8,580	**8,031**		**8,457**	8,240
			Total hydrocarbons (mboe/d)(d)		
834	1,064	**1,061**	US	**1,057**	887
280	312	**280**	Europe	**316**	346
932	933	**945**	Russia	**937**	919
1,618	1,696	**1,631**	Rest of World	**1,669**	1,650
3,664	4,005	**3,917**		**3,979**	3,802
			Average realizations(e)		
111.47	52.33	**62.77**	Total liquids ($/bbl)	**52.20**	103.96
6.49	2.86	**2.81**	Natural gas ($/mcf)	**3.11**	6.32
73.49	35.02	**41.12**	Total hydrocarbons ($/boe)	**35.81**	70.31

(a) These effects represent the favourable (unfavourable) impact relative to management's measure of performance. Further information on fair value accounting effects is provided on page 16.

(b) Includes BP's share of production of equity-accounted entities.

(c) Crude oil and natural gas liquids.

(d) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

(e) Based on sales of consolidated subsidiaries only – this excludes equity-accounted entities.

Because of rounding, some totals may not agree exactly with the sum of their component parts.

Refining and Marketing

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
(823)	2,536	**1,433**	**Profit before interest and tax**(a)	**5,386**	6,180
2,795	(1,856)	**(517)**	**Inventory holding (gains) losses**	**(2,700)**	(2,420)
1,972	680	**916**	**Replacement cost profit before interest and tax**	**2,686**	3,760
			By region		
338	(326)	**(229)**	US	**(247)**	91
1,634	1,006	**1,145**	Non-US	**2,933**	3,669
1,972	680	**916**		**2,686**	3,760

(a) Includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the third quarter and nine months was $916 million and $2,686 million respectively. The results in the equivalent periods of 2008 were $1,972 million and $3,760 million. The third quarter's result included a net non-operating charge of $241 million mainly relating to environmental provisions which are reassessed annually, compared to net non-operating items of nil a year ago. For the nine months, the net non-operating charge was $757 million, primarily relating to restructuring, compared to a net gain of $510 million a year ago. Fair value accounting effects had a favourable impact of $86 million in the third quarter and an unfavourable impact of $149 million for the nine months. A year ago, there were favourable impacts of $636 million and $576 million respectively.

After adjusting for non-operating items and fair value accounting effects, the result for the third quarter was lower than in the same period of 2008, largely due to the weaker refining environment in which global indicator margins were less than half of the levels seen in third quarter of 2008. This significant adverse environmental effect was partially offset by performance improvements in operations, by the absence of last year's adverse foreign exchange effects on in-transit barrels, and by lower costs.

For the nine months, the result after adjusting for non-operating items and fair value accounting effects improved by 34% relative to the same period in 2008 despite average refining indicator margins having fallen 30% year on year. This was due to significantly stronger operational performance, very strong supply and trading performance in the first quarter of 2009, and continued delivery of cost reductions, with costs for the first nine months of 2009 down more than 15% year on year.

In our Fuels Value Chains, refining throughput for the third quarter increased significantly to 2,329mb/d, compared to 2,185mb/d for the same period a year ago. This throughput increase was the result of improved refining operations in the US. This allowed additional margin capture in the US region, where refining margins have held up better than in Europe and Asia. Solomon refining availability was up by more than six percentage points year on year.

In the International Businesses, margin capture has been strong compared to the third quarter of 2008. In petrochemicals, volumes were over 20% higher than in the second quarter and also higher than the same period last year.

Refining margins look set to remain weak as a result of high distillate inventory levels and low global utilization rates. In the International Businesses, we expect petrochemicals margins to be under pressure in the fourth quarter due to new capacity coming onstream. BP's refinery turnaround activities are expected to be higher in the fourth quarter than in the third.

Refining and Marketing

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Non-operating items		
13	(27)	**(179)**	US	**(340)**	771
(13)	(139)	**(62)**	Non-US	**(417)**	(261)
–	(166)	**(241)**		**(757)**	510
			Fair value accounting effects(a)		
174	(46)	**6**	US	**25**	322
462	(80)	**80**	Non-US	**(174)**	254
636	(126)	**86**		**(149)**	576
			Refinery throughputs (mb/d)		
1,158	1,188	**1,307**	US	**1,220**	1,141
730	763	**751**	Europe	**766**	753
297	318	**271**	Rest of World	**296**	303
2,185	2,269	**2,329**	**Total throughput**	**2,282**	2,197
87.7	93.6	**94.3**	**Refining availability** (%)(b)	**93.4**	88.0
			Oil sales volumes (mb/d)		
			Refined products		
1,453	1,431	**1,442**	US	**1,426**	1,468
1,584	1,457	**1,522**	Europe	**1,502**	1,567
662	634	**619**	Rest of World	**623**	690
3,699	3,522	**3,583**	**Total marketing sales**	**3,551**	3,725
2,107	2,166	**2,280**	**Trading/supply sales**(c)	**2,231**	2,057
5,806	5,688	**5,863**	**Total refined product sales**	**5,782**	5,782
1,511	1,994	**1,899**	**Crude oil**	**1,913**	1,739
7,317	7,682	**7,762**	**Total oil sales**	**7,695**	7,521
			Global Indicator Refining Margin ($/bbl)(d)		
7.13	3.10	**2.60**	NWE	**3.45**	6.46
9.87	6.00	**4.16**	USGC	**5.60**	8.22
10.47	8.54	**5.04**	Midwest	**6.86**	6.04
7.07	7.14	**4.89**	USWC	**7.31**	7.64
5.90	(0.11)	**(0.02)**	Singapore	**0.78**	6.69
8.03	4.98	**3.42**	Average	**4.85**	6.93
			Chemicals production (kte)		
850	745	**812**	US	**2,270**	2,908
855	867	**972**	Europe	**2,627**	2,645
1,358	1,035	**1,429**	Rest of World	**3,583**	4,487
3,063	2,647	**3,213**	**Total production**	**8,480**	10,040

(a) These effects represent the favourable (unfavourable) impact relative to management's measure of performance. Further information on fair value accounting effects is provided on page 16.

(b) 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.

(c) A minor amendment has been made to trading/supply sales volumes for the first and second quarters of 2009.

(d) The Global Indicator Refining Margin (GIM) is the average of regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

Other businesses and corporate

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
(35)	(581)	**(566)**	**Profit (loss) before interest and tax**[(a)]	**(1,947)**	(529)
19	(2)	**(20)**	**Inventory holding (gains) losses**	**17**	(14)
(16)	(583)	**(586)**	**Replacement cost profit (loss) before interest and tax**	**(1,930)**	(543)
			By region		
(288)	(129)	**(179)**	US	**(587)**	(625)
272	(454)	**(407)**	Non-US	**(1,343)**	82
(16)	(583)	**(586)**		**(1,930)**	(543)
			Results include		
			Non-operating items		
(105)	(33)	**(29)**	US	**(178)**	(187)
(23)	(6)	**(35)**	Non-US	**(246)**	(145)
(128)	(39)	**(64)**		**(424)**	(332)

(a) Includes profit after interest and tax of equity-accounted entities.

Other businesses and corporate comprises the Alternative Energy business, Shipping, the group's aluminium asset, Treasury (which includes interest income on the group's cash and cash equivalents), and corporate activities worldwide.

The replacement cost loss before interest and tax for the third quarter and nine months was $586 million and $1,930 million respectively, compared with losses of $16 million and $543 million a year ago. The increased charge in both periods was primarily due to a weaker margin environment for Shipping and the Solar business and negative foreign exchange effects, partially offset by the continued reduction in corporate costs. The net non-operating charge for the third quarter and nine months was $64 million and $424 million respectively, compared with net charges of $128 million and $332 million a year ago.

In Alternative Energy, our BP Solar business and FedEx Ground, the small-package shipping unit of FedEx Corp., announced plans to install the largest rooftop solar-electric system in the US at its distribution hub in Woodbridge, New Jersey. Solar sales in the third quarter were 73MW, compared with 47MW in the same period of last year, reflecting recovery in the market.

In July, BP and Martek Biosciences Corporation announced the signing of a Joint Development Agreement (JDA) to work on the production of microbial oils for biofuels applications.

We sold our Indian wind business to Green Infra Ltd in September. BP's net wind generation capacity[(b)] at the end of the third quarter was 577MW, compared to 243MW at the end of the same period a year ago.

(b) Net wind capacity is the sum of the rated capacities of the assets/turbines that have entered into commercial operation, including BP's share of equity-accounted entities.

Cautionary statement regarding forward-looking statements: The foregoing discussion contains forward-looking statements particularly those regarding effective tax rate, cash costs, capital expenditure, production, phasing of production, dividend, expected timing and proceeds of disposals, refining and petrochemical margins, International Businesses revenues, refinery turnaround activity and return on investments. By their nature, forward-looking statements involve risk and uncertainty and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields onstream; 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; the success or otherwise of partnering; the actions of competitors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2008 and our 2008 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Group income statement

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
103,174	54,777	**66,218**	Sales and other operating revenues (Note 2)	**168,291**	299,666
1,172	357	**359**	Earnings from jointly controlled entities – after interest and tax	**936**	3,899
155	714	**920**	Earnings from associates – after interest and tax	**1,919**	631
135	191	**157**	Interest and other income	**551**	566
193	522	**202**	Gains on sale of businesses and fixed assets	**805**	1,197
104,829	56,561	**67,856**	**Total revenues and other income**	**172,502**	305,959
77,234	36,007	**46,787**	Purchases	**113,571**	217,122
7,549	5,997	**5,929**	Production and manufacturing expenses	**18,033**	21,756
1,886	673	**663**	Production and similar taxes (Note 3)	**1,797**	5,794
2,653	3,092	**2,991**	Depreciation, depletion and amortization	**8,906**	8,285
54	216	**157**	Impairment and losses on sale of businesses and fixed assets	**510**	117
232	347	**378**	Exploration expense	**844**	643
3,794	3,290	**3,420**	Distribution and administration expenses	**10,059**	11,667
(1,098)	(154)	**(370)**	Fair value (gain) loss on embedded derivatives	**(710)**	1,673
12,525	7,093	**7,901**	**Profit before interest and taxation**	**19,492**	38,902
391	274	**266**	Finance costs	**858**	1,178
(153)	47	**45**	Net finance expense (income) relating to pensions and other post-retirement benefits	**142**	(473)
12,287	6,772	**7,590**	**Profit before taxation**	**18,492**	38,197
4,101	2,343	**2,235**	Taxation	**6,111**	13,329
8,186	4,429	**5,355**	**Profit for the period**	**12,381**	24,868
			Attributable to		
8,049	4,385	**5,336**	BP shareholders	**12,283**	24,501
137	44	**19**	Minority interest	**98**	367
8,186	4,429	**5,355**		**12,381**	24,868
			Earnings per share – cents (Note 4)		
			Profit for the period attributable to BP shareholders		
42.93	23.41	**28.48**	Basic	**65.58**	130.21
42.56	23.16	**28.18**	Diluted	**64.91**	129.04

Group statement of comprehensive income

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
8,186	4,429	**5,355**	Profit for the period	**12,381**	24,868
(3,125)	2,351	**549**	Currency translation differences	**1,889**	(2,092)
–	42	**4**	Exchange losses on translation of foreign operations transferred to gain or loss on sales of businesses and fixed assets	**46**	–
(703)	207	**256**	Available-for-sale investments marked to market	**537**	(572)
(15)	–	**–**	Available-for-sale investments – recycled to the income statement	**2**	(20)
(594)	648	**176**	Cash flow hedges marked to market	**613**	(471)
16	178	**71**	Cash flow hedges – recycled to the income statement	**488**	15
(20)	42	**19**	Cash flow hedges – recycled to the balance sheet	**132**	(61)
292	439	**(46)**	Taxation	**311**	385
(4,149)	3,907	**1,029**	Other comprehensive income	**4,018**	(2,816)
4,037	8,336	**6,384**	Total comprehensive income	**16,399**	22,052
			Attributable to		
3,914	8,260	**6,375**	BP shareholders	**16,303**	21,696
123	76	**9**	Minority interest	**96**	356
4,037	8,336	**6,384**		**16,399**	22,052

Group statement of changes in equity

$ million	BP shareholders' equity	Minority interest	Total equity
At 31 December 2008	91,303	806	92,109
Total comprehensive income	16,303	96	16,399
Dividends	(7,860)	(324)	(8,184)
Share-based payments (net of tax)	479	–	479
At 30 September 2009	100,225	578	100,803

$ million	BP shareholders' equity	Minority interest	Total equity
At 31 December 2007	93,690	962	94,652
Total comprehensive income	21,696	356	22,052
Dividends	(7,723)	(232)	(7,955)
Repurchase of ordinary share capital	(2,414)	–	(2,414)
Share-based payments (net of tax)	455	–	455
At 30 September 2008	105,704	1,086	106,790

Group balance sheet

$ million	30 September 2009	31 December 2008
Non-current assets		
Property, plant and equipment	**106,692**	103,200
Goodwill	**10,203**	9,878
Intangible assets	**11,246**	10,260
Investments in jointly controlled entities	**15,446**	23,826
Investments in associates	**13,673**	4,000
Other investments	**1,408**	855
Fixed assets	**158,668**	152,019
Loans	**1,139**	995
Other receivables	**943**	710
Derivative financial instruments	**3,941**	5,054
Prepayments	**1,436**	1,338
Deferred tax assets	**408**	–
Defined benefit pension plan surpluses	**1,931**	1,738
	168,466	161,854
Current assets		
Loans	**208**	168
Inventories	**18,988**	16,821
Trade and other receivables	**28,777**	29,261
Derivative financial instruments	**5,536**	8,510
Prepayments	**2,460**	3,050
Current tax receivable	**827**	377
Cash and cash equivalents	**9,883**	8,197
	66,679	66,384
Total assets	**235,145**	228,238
Current liabilities		
Trade and other payables	**33,597**	33,644
Derivative financial instruments	**4,828**	8,977
Accruals	**6,205**	6,743
Finance debt	**9,487**	15,740
Current tax payable	**2,825**	3,144
Provisions	**1,360**	1,545
	58,302	69,793
Non-current liabilities		
Other payables	**3,158**	3,080
Derivative financial instruments	**3,810**	6,271
Accruals	**729**	784
Finance debt	**27,068**	17,464
Deferred tax liabilities	**17,796**	16,198
Provisions	**12,976**	12,108
Defined benefit pension plan and other post-retirement benefit plan deficits	**10,503**	10,431
	76,040	66,336
Total liabilities	**134,342**	136,129
Net assets	**100,803**	92,109
Equity		
BP shareholders' equity	**100,225**	91,303
Minority interest	**578**	806
	100,803	92,109

Condensed group cash flow statement

Third quarter 2008	Second quarter 2009	Third quarter 2009	$ million	Nine months 2009	Nine months 2008
			Operating activities		
12,287	6,772	**7,590**	Profit before taxation	**18,492**	38,197
			Adjustments to reconcile profit before taxation to net cash provided by operating activities		
2,751	3,315	**3,216**	Depreciation, depletion and amortization and exploration expenditure written off	**9,380**	8,611
(139)	(306)	**(45)**	Impairment and (gain) loss on sale of businesses and fixed assets	**(295)**	(1,080)
(568)	(250)	**(678)**	Earnings from equity-accounted entities, less dividends received	**(1,180)**	(1,872)
25	38	**203**	Net charge for interest and other finance expense, less net interest paid	**330**	(276)
128	101	**135**	Share-based payments	**322**	366
(14)	(46)	**(261)**	Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	**(281)**	149
92	(49)	**(36)**	Net charge for provisions, less payments	**196**	(113)
4,830	(1,093)	**(115)**	Movements in inventories and other current and non-current assets and liabilities[(a)]	**(1,176)**	(1,597)
(4,528)	(1,725)	**(1,910)**	Income taxes paid	**(5,360)**	(9,909)
14,864	6,757	**8,099**	**Net cash provided by operating activities**	**20,428**	32,476
			Investing activities		
(7,748)	(5,211)	**(4,975)**	Capital expenditure	**(15,003)**	(16,896)
–	(8)	**–**	Acquisitions, net of cash acquired	**(8)**	(209)
(194)	(110)	**(128)**	Investment in jointly controlled entities	**(341)**	(807)
(14)	(40)	**(72)**	Investment in associates	**(159)**	(21)
365	360	**506**	Proceeds from disposal of fixed assets	**1,177**	700
–	337	**98**	Proceeds from disposal of businesses, net of cash disposed	**435**	–
150	96	**79**	Proceeds from loan repayments	**292**	484
(200)	–	**–**	Other	**47**	(200)
(7,641)	(4,576)	**(4,492)**	**Net cash (used in) provided by investing activities**	**(13,560)**	(16,949)
			Financing activities		
(814)	27	**63**	Net issue (repurchase) of shares	**125**	(2,631)
397	4,441	**2,367**	Proceeds from long-term financing	**11,427**	3,229
(65)	(1,597)	**(607)**	Repayments of long-term financing	**(4,784)**	(2,256)
(1,380)	(1,860)	**(1,806)**	Net increase (decrease) in short-term debt	**(3,848)**	(3,288)
(2,624)	(2,620)	**(2,621)**	Dividends paid – BP shareholders	**(7,860)**	(7,723)
(110)	(74)	**(139)**	– Minority interest	**(324)**	(232)
(4,596)	(1,683)	**(2,743)**	**Net cash (used in) provided by financing activities**	**(5,264)**	(12,901)
(78)	101	**60**	Currency translation differences relating to cash and cash equivalents	**82**	(46)
2,549	599	**924**	**Increase (decrease) in cash and cash equivalents**	**1,686**	2,580
3,593	8,360	**8,959**	Cash and cash equivalents at beginning of period	**8,197**	3,562
6,142	8,959	**9,883**	Cash and cash equivalents at end of period	**9,883**	6,142

(a) Includes

2,978	(1,874)	**(538)**	Inventory holding (gains) losses	**(2,666)**	(2,300)
(1,098)	(154)	**(370)**	Fair value (gain) loss on embedded derivatives	**(710)**	1,673

Inventory holding gains and losses and fair value gains and losses on embedded derivatives are also included within profit before taxation.

Capital expenditure and acquisitions

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			By business		
			Exploration and Production		
5,252	1,422	**1,395**	US(a)	**4,487**	8,268
2,178	2,144	**2,117**	Non-US(b)	**6,296**	9,113
7,430	3,566	**3,512**		**10,783**	17,381
			Refining and Marketing		
564	562	**584**	US(b)	**1,713**	3,523
552	276	**335**	Non-US	**837**	1,505
1,116	838	**919**		**2,550**	5,028
			Other businesses and corporate		
228	364	**502**	US(c)	**922**	958
84	50	**50**	Non-US	**141**	338
312	414	**552**		**1,063**	1,296
8,858	4,818	**4,983**		**14,396**	23,705
			By geographical area		
6,044	2,348	**2,481**	US(a)(b)(c)	**7,122**	12,749
2,814	2,470	**2,502**	Non-US(b)	**7,274**	10,956
8,858	4,818	**4,983**		**14,396**	23,705
			Included above:		
–	–	**281**	Acquisitions and asset exchanges(b)	**281**	2,288

(a) Third quarter 2008 and nine months ended 30 September 2008 included capital expenditure of $3,652 million in Exploration and Production relating to the purchase of all of Chesapeake Energy Corporation's interest in the Arkoma Basin Woodford Shale assets and the purchase of a 25% interest in Chesapeake's Fayetteville Shale assets.

(b) Nine months ended 30 September 2008 included capital expenditure of $2,825 million in Exploration and Production and an asset exchange of $1,904 million in Refining and Marketing relating to the formation of an integrated North American oil sands business.

(c) During the second quarter 2009 there was capital expenditure of $297 million related to wind turbines for post-2009 wind projects. Third quarter 2009 includes a further $107 million relating to these projects.

Exchange rates

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
1.89	1.55	**1.64**	US dollar/sterling average rate for the period	**1.54**	1.95
1.81	1.65	**1.59**	US dollar/sterling period-end rate	**1.59**	1.81
1.50	1.36	**1.43**	US dollar/euro average rate for the period	**1.36**	1.52
1.44	1.41	**1.45**	US dollar/euro period-end rate	**1.45**	1.44

Analysis of replacement cost profit before interest and tax and reconciliation to profit before taxation[(a)]

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			By business		
			Exploration and Production		
3,739	1,161	**1,864**	US	**4,168**	10,425
8,970	3,885	**5,065**	Non-US	**12,127**	23,127
12,709	5,046	**6,929**		**16,295**	33,552
			Refining and Marketing		
338	(326)	**(229)**	US	**(247)**	91
1,634	1,006	**1,145**	Non-US	**2,933**	3,669
1,972	680	**916**		**2,686**	3,760
			Other businesses and corporate		
(288)	(129)	**(179)**	US	**(587)**	(625)
272	(454)	**(407)**	Non-US	**(1,343)**	82
(16)	(583)	**(586)**		**(1,930)**	(543)
14,665	5,143	**7,259**		**17,051**	36,769
838	76	**104**	Consolidation adjustment	**(225)**	(167)
15,503	5,219	**7,363**	**Replacement cost profit before interest and tax[(b)]**	**16,826**	36,602
			Inventory holding gains (losses)[(c)]		
(164)	16	**1**	Exploration and Production	**(17)**	(134)
(2,795)	1,856	**517**	Refining and Marketing	**2,700**	2,420
(19)	2	**20**	Other businesses and corporate	**(17)**	14
12,525	7,093	**7,901**	Profit before interest and tax	**19,492**	38,902
391	274	**266**	Finance costs	**858**	1,178
(153)	47	**45**	Net finance expense (income) relating to pensions and other post-retirement benefits	**142**	(473)
12,287	6,772	**7,590**	**Profit before taxation**	**18,492**	38,197
			Replacement cost profit before interest and tax		
			By geographical area		
4,419	730	**1,516**	US	**3,100**	10,307
11,084	4,489	**5,847**	Non-US	**13,726**	26,295
15,503	5,219	**7,363**		**16,826**	36,602

(a) IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker for the purposes of performance assessment and resource allocation. For BP, this measure of profit or loss is replacement cost profit before interest and tax. In addition, a reconciliation is required between the total of the operating segments' measures of profit or loss and the group profit or loss before taxation.

(b) Replacement cost profit reflects the replacement cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses and their associated tax effect. Replacement cost profit for the group is not a recognized GAAP measure.

(c) 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 period and the cost of sales calculated on the first-in first-out (FIFO) method including any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which we use for IFRS reporting, the cost of inventory charged to the income statement is based on the historic cost of acquisition or manufacture rather than the current replacement cost. In volatile energy markets, this can have a significant distorting effect on reported income. The amounts disclosed represent the difference between the charge to the income statement on a FIFO basis (and any related movements in net realizable value provisions) and the charge that would arise using average cost of supplies incurred during the period. For this purpose, average cost of supplies incurred during the period is calculated by dividing the total cost of inventory purchased in the period by the number of barrels acquired. The amounts disclosed are not separately reflected in the financial statements as a gain or loss. No adjustment is made in respect of the cost of inventories held as part of a trading position and certain other temporary inventory positions.

Management believes this information is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due principally to changes in oil prices as well as changes to underlying inventory levels. In order for investors to understand the operating performance of the group excluding the impact of oil price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, BP's management believes it is helpful to disclose this information.

Non-operating items[a]

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Exploration and Production		
33	359	**72**	Impairment and gain (loss) on sale of businesses and fixed assets	**504**	165
(7)	–	**3**	Environmental and other provisions	**3**	(12)
(6)	(6)	**1**	Restructuring, integration and rationalization costs	**(6)**	(50)
1,098	154	**370**	Fair value gain (loss) on embedded derivatives	**767**	(1,668)
–	–	**25**	Other	**21**	331
1,118	507	**471**		**1,289**	(1,234)
			Refining and Marketing		
114	(52)	**(13)**	Impairment and gain (loss) on sale of businesses and fixed assets	**(86)**	915
(62)	–	**(190)**	Environmental and other provisions	**(190)**	(62)
(52)	(114)	**(38)**	Restructuring, integration and rationalization costs	**(415)**	(343)
–	–	**–**	Fair value gain (loss) on embedded derivatives	**(57)**	–
–	–	**–**	Other	**(9)**	–
–	(166)	**(241)**		**(757)**	510
			Other businesses and corporate		
(8)	(1)	**(14)**	Impairment and gain (loss) on sale of businesses and fixed assets	**(123)**	–
(76)	–	**(16)**	Environmental and other provisions	**(91)**	(76)
(30)	(37)	**(28)**	Restructuring, integration and rationalization costs	**(136)**	(163)
–	–	**–**	Fair value gain (loss) on embedded derivatives	**–**	(5)
(14)	(1)	**(6)**	Other	**(74)**	(88)
(128)	(39)	**(64)**		**(424)**	(332)
990	302	**166**	**Total before taxation**	**108**	(1,056)
(331)	(106)	**(48)**	Taxation credit (charge)[b]	**(19)**	383
659	196	**118**	**Total after taxation for period**	**89**	(673)

(a) An analysis of non-operating items by region is shown on pages 5, 7 and 8.
(b) Tax is calculated using the quarter's effective tax rate on replacement cost profit.

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. These disclosures are provided in order to enable investors better to understand and evaluate the group's financial performance.

Non-GAAP information on fair value accounting effects

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Favourable (unfavourable) impact relative to management's measure of performance		
97	135	**180**	Exploration and Production	**473**	(535)
636	(126)	**86**	Refining and Marketing	**(149)**	576
733	9	**266**		**324**	41
(245)	(3)	**(77)**	Taxation credit (charge)[a]	**(98)**	–
488	6	**189**		**226**	41

[a] Tax is calculated using the quarter's effective tax rate on replacement cost profit.

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. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table above. A reconciliation to GAAP information is set out below.

Reconciliation of non-GAAP information

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Exploration and Production		
12,612	4,911	**6,749**	Replacement cost profit before interest and tax adjusted for fair value accounting effects	**15,822**	34,087
97	135	**180**	Impact of fair value accounting effects	**473**	(535)
12,709	5,046	**6,929**	Replacement cost profit before interest and tax	**16,295**	33,552
			Refining and Marketing		
1,336	806	**830**	Replacement cost profit before interest and tax adjusted for fair value accounting effects	**2,835**	3,184
636	(126)	**86**	Impact of fair value accounting effects	**(149)**	576
1,972	680	**916**	Replacement cost profit before interest and tax	**2,686**	3,760

Realizations and marker prices

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			Average realizations(a)		
			Liquids ($/bbl)(b)		
112.03	47.45	**60.30**	US	**49.28**	100.36
102.37	60.69	**67.31**	Europe	**58.38**	108.77
114.59	55.22	**64.21**	Rest of World	**53.44**	105.62
111.47	52.33	**62.77**	BP Average	**52.20**	103.96
			Natural gas ($/mcf)		
7.88	2.47	**2.73**	US	**2.86**	7.79
8.17	4.86	**2.96**	Europe	**4.69**	8.16
5.61	2.77	**2.84**	Rest of World	**3.01**	5.28
6.49	2.86	**2.81**	BP Average	**3.11**	6.32
			Total hydrocarbons ($/boe)		
83.33	34.90	**43.84**	US	**36.92**	77.55
84.52	49.11	**52.72**	Europe	**47.31**	85.69
64.13	31.81	**36.25**	Rest of World	**32.11**	60.87
73.49	35.02	**41.12**	BP Average	**35.81**	70.31
			Average oil marker prices ($/bbl)		
115.09	59.13	**68.08**	Brent	**57.32**	111.11
118.07	59.71	**68.12**	West Texas Intermediate	**57.22**	113.49
117.16	59.10	**69.07**	Alaska North Slope	**58.05**	112.68
112.85	57.51	**66.35**	Mars	**56.08**	107.11
113.32	58.46	**67.76**	Urals (NWE– cif)	**56.72**	108.18
52.94	32.63	**35.55**	Russian domestic oil	**29.74**	54.31
			Average natural gas marker prices		
10.25	3.51	**3.39**	Henry Hub gas price ($/mmbtu)(c)	**3.93**	9.74
61.48	27.51	**21.57**	UK Gas – National Balancing Point (p/therm)	**31.90**	58.44

(a) Based on sales of consolidated subsidiaries only – this excludes equity-accounted entities.
(b) Crude oil and natural gas liquids.
(c) Henry Hub First of Month Index.

1. Basis of preparation

The interim financial information included in this report has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The results for the interim periods are unaudited and in the opinion of management include all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature. This report should be read in conjunction with the consolidated financial statements and related notes for the year ended 31 December 2008 included in *BP Annual Report and Accounts 2008*.

BP prepares its consolidated financial statements included within its Annual Report and Accounts on the basis of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the European Union (EU) and in accordance with the provisions of the Companies Act 1985. IFRS as adopted 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 periods presented. The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Annual Report and Accounts for 2009, which do not differ significantly from those used in *BP Annual Report and Accounts 2008*.

BP has adopted a new accounting standard, IFRS 8 'Operating Segments', with effect from 1 January 2009. The standard defines operating segments as components of an entity about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. It also sets out the required disclosures for operating segments. On adoption, there was no change to BP's segments that are separately reported but the segmental financial information is now based on measures as used by the chief operating decision maker. In particular, the segment measure of profit is replacement cost profit before interest and tax – see page 14 for further information. There was no effect on the group's reported income or net assets.

In addition, BP has adopted amendments to IAS 1 'Presentation of Financial Statements', also with effect from 1 January 2009. This requires separate presentation of owner and non-owner changes in equity by introducing the statement of comprehensive income – see page 10. The statement of recognized income and expense is no longer presented. Certain minor changes in the presentation of the statement of changes in equity were also made to comply with the revised standard – see page 10. There was no effect on the group's reported profit for the period or net assets.

2. Sales and other operating revenues

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			By business		
23,447	12,848	**14,871**	Exploration and Production	**40,062**	70,876
92,390	49,333	**60,542**	Refining and Marketing	**150,448**	266,894
1,347	603	**761**	Other businesses and corporate	**1,948**	3,655
117,184	62,784	**76,174**		**192,458**	341,425
			Less: sales between businesses		
13,043	7,589	**9,540**	Exploration and Production	**22,929**	38,747
403	225	**204**	Refining and Marketing	**540**	1,632
564	193	**212**	Other businesses and corporate	**698**	1,380
14,010	8,007	**9,956**		**24,167**	41,759
			Third party sales and other operating revenues		
10,404	5,259	**5,331**	Exploration and Production	**17,133**	32,129
91,987	49,108	**60,338**	Refining and Marketing	**149,908**	265,262
783	410	**549**	Other businesses and corporate	**1,250**	2,275
103,174	54,777	**66,218**	**Total third party sales and other operating revenues**	**168,291**	299,666
			By geographical area		
37,642	20,677	**24,637**	US	**62,894**	108,370
76,156	39,371	**48,174**	Non-US	**121,131**	222,592
113,798	60,048	**72,811**		**184,025**	330,962
10,624	5,271	**6,593**	Less: sales between areas	**15,734**	31,296
103,174	54,777	**66,218**		**168,291**	299,666

3. Production and similar taxes

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
752	133	**166**	US	**378**	2,375
1,134	540	**497**	Non-US	**1,419**	3,419
1,886	673	**663**		**1,797**	5,794

4. Earnings per share, shares in issue and shares repurchased

Basic earnings per ordinary share (EpS) amounts are calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The calculation of EpS is performed separately for each discrete quarterly period, and for the year-to-date period. As a result, the sum of the discrete quarterly EpS amounts in any particular year-to-date period may not be equal to the EpS amount for the year-to-date period.

Prior to 2009, EpS amounts for the discrete quarterly periods were determined as the difference between the relevant year-to-date period amounts. The change in method of determination of the discrete quarterly EpS amounts does not have a significant effect and the comparative EpS amounts for 2008 have not been restated.

For the diluted EpS calculation the weighted average number of shares outstanding during the period is adjusted for number of shares that are potentially issuable in connection with employee share-based payment plans using the treasury stock method.

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Results for the period		
8,049	4,385	**5,336**	Profit for the period attributable to BP shareholders	**12,283**	24,501
–	1	**–**	Less: preference dividend	**1**	1
8,049	4,384	**5,336**	Profit attributable to BP ordinary shareholders	**12,282**	24,500
1,980	(1,245)	**(355)**	Inventory holding (gains) losses, net of tax	**(1,775)**	(1,495)
10,029	3,139	**4,981**	RC profit attributable to BP ordinary shareholders	**10,507**	23,005
18,746,202	18,726,093	**18,733,516**	Basic weighted average number of shares outstanding (thousand)[(a)]	**18,726,934**	18,815,131
3,124,367	3,121,016	**3,122,253**	ADS equivalent (thousand)[(a)]	**3,121,156**	3,135,855
18,931,910	18,929,930	**18,936,781**	Weighted average number of shares outstanding used to calculate diluted earnings per share (thousand)[(a)]	**18,922,410**	18,985,767
3,155,318	3,154,988	**3,156,130**	ADS equivalent (thousand)[(a)]	**3,153,735**	3,164,295
18,710,980	18,728,163	**18,739,590**	Shares in issue at period-end (thousand)[(a)]	**18,739,590**	18,710,980
3,118,497	3,121,361	**3,123,265**	ADS equivalent (thousand)[(a)]	**3,123,265**	3,118,497
92,861	–	**–**	Shares repurchased in the period (thousand)	**–**	269,757

(a) Excludes treasury shares and the shares held by the Employee Share Ownership Plans and includes certain shares that will be issuable in the future under employee share plans.

5. Analysis of changes in net debt

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			$ million		
			Opening balance		
30,189	34,698	**36,240**	Finance debt	**33,204**	31,045
3,593	8,360	**8,959**	Less: Cash and cash equivalents	**8,197**	3,562
900	(323)	**179**	Less: FV asset (liability) of hedges related to finance debt	**(34)**	666
25,696	26,661	**27,102**	**Opening net debt**	**25,041**	26,817
			Closing balance		
28,300	36,240	**36,555**	Finance debt	**36,555**	28,300
6,142	8,959	**9,883**	Less: Cash and cash equivalents	**9,883**	6,142
149	179	**370**	Less: FV asset (liability) of hedges related to finance debt	**370**	149
22,009	27,102	**26,302**	**Closing net debt**	**26,302**	22,009
3,687	(441)	**800**	**Decrease (increase) in net debt**	**(1,261)**	4,808
2,627	498	**864**	Movement in cash and cash equivalents (excluding exchange adjustments)	**1,604**	2,626
1,048	(984)	**46**	Net cash outflow (inflow) from financing (excluding share capital)	**(2,795)**	2,315
(8)	15	**(97)**	Other movements	**(75)**	(129)
3,667	(471)	**813**	Movement in net debt before exchange effects	**(1,266)**	4,812
20	30	**(13)**	Exchange adjustments	**5**	(4)
3,687	(441)	**800**	**Decrease (increase) in net debt**	**(1,261)**	4,808

6. TNK-BP operational and financial information

Third quarter 2008	Second quarter 2009	Third quarter 2009		Nine months 2009	Nine months 2008
			Production (Net of royalties) (BP share)		
833	837	**850**	Crude oil (mb/d)	**836**	825
579	555	**553**	Natural gas (mmcf/d)	**583**	546
932	933	**945**	Total hydrocarbons (mboe/d)(a)	**937**	919
			$ million		
			Income statement (BP share)		
1,345	873	**1,081**	**Profit before interest and tax**(b)	**2,373**	4,580
(71)	(54)	**(53)**	Finance costs	**(175)**	(203)
(369)	(242)	**(263)**	Taxation	**(690)**	(1,224)
(56)	(31)	**(33)**	Minority interest	**(96)**	(209)
849	546	**732**	**Net income**	**1,412**	2,944
			Cash flow		
300	468	**252**	Dividends received	**720**	1,500

Balance sheet	30 September 2009	31 December 2008
Investments in jointly controlled entities	–	**8,939**
Investments in associates	**9,585**	–

(a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

(b) Third quarter and nine months 2009 includes a gain of $102 million related to the sale of TNK-BP's oil field services enterprises to Weatherford International.

7. Inventory valuation

Due to falling oil prices a provision of $1,412 million was held at 31 December 2008 to write inventories down to their net realizable value. The net movement in the provision during the third quarter of 2009 was an increase of $128 million (second quarter of 2009 was an increase of $92 million). The movement in the provision in the nine months ended 30 September 2009 is a decrease of $943 million.

8. Fourth-quarter results

BP's fourth-quarter results will be announced on 2 February 2010.

9. Statutory accounts

The financial information shown in this publication, which was approved by the Board of Directors on 26 October 2009, is unaudited and does not constitute statutory financial statements. Statutory accounts for the financial year ended 31 December 2008 for BP have been filed with the Registrar of Companies in England and Wales; the report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

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