Investor Update

25 October 2011
Cautionary statement

Forward-looking statements - cautionary statement
This presentation and the associated slides and discussion contains forward-looking statements particularly those regarding: expected increases in investment in exploration and upstream drilling and production; anticipated improvements, increases, sources and timing in operating cash flow and margins, including generating around 50% more annually in operating cashflow by 2014 versus 2011 at US$100/bbl; divestment plans; the anticipated timing for completion of and final proceeds from the disposition of certain BP assets (including BP’s interests in Pan American Energy LLC); the timing and composition of major projects including expected start up, completion and margins; reductions in certain costs associated with the suspension of drilling in the Gulf of Mexico; the quarterly dividend payment; the expected total effective tax rate for 2011; expected full-year 2011 organic capital expenditure and increased capital spend for the future; expectations regarding the impact on costs of rig standby charges and of turnaround and related maintenance expenditures; expectations or plans for increased investment and increased distribution to shareholders and repayment of debt; expectations for fourth-quarter refining margins; the expected level of planned turnarounds in the fourth quarter; the timing for completion of the Whiting refinery upgrade, other refining upgrades and logistics optimization; planned maintenance and impact on crude capacity; plans to extend BP’s footprint in petrochemical and lubricating operations and grow margin share, improve gross margin and restore missing revenues in downstream business; increased exposure to growth markets in refining and marketing; expected investments in refining and marketing; the expected impact on fourth-quarter production of the divestment programme, ongoing seasonal turnaround activity across BP’s portfolio; expected fourth quarter and full-year 2011 production, and the impact of acquisitions and divestments and PSA entitlement on full-year 2011 production; expectations of seasonal increase in functional costs; the magnitude and timing of remaining remediation costs related to the Gulf of Mexico oil spill; the factors that could affect the magnitude of BP’s ultimate exposure and the cost to BP in relation to the spill and any potential mitigation resulting from BP’s partners or others involved in the spill; the potential liabilities resulting from pending and future legal proceedings and potential investigations and civil or criminal actions that US state and/or local governments could seek to take against BP as a result of the spill; the timing of claims and litigation outcomes and of payment of legal costs; expectations that more Gulf of Mexico permits will be issued in due course; expectations for drilling and rig activity generally and specifically in the Gulf of Mexico; timing and quantum of contributions to and payments from the $20 billion Trust Fund; expectations on reduction of net debt and net debt ratio; expectations for returns and earning momentum in refining & marketing; anticipated planned turnaround activity in the fourth-quarter of 2011; timing of implementation of contractor selection, oversight and verification processes; expectations on access to new acreage; intentions to increase the number of wells drilled in future years; the timing for publication of investigation reports; the impact of BP’s potential liabilities relating to the Gulf of Mexico oil spill on the group, including its business, results and financial condition; the increase of investment that will deliver sustainable growth; expectations at getting back to work in Gulf of Mexico and the increase of operating cash flow faster than production volumes. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors including the timing of bringing new fields onstream; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; changes in taxation or regulation; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought; the impact on our reputation following the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the successful completion of certain disposals; the actions of competitors, trading partners, creditors, rating agencies and others; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed under “Risk factors” in our Annual Report and Form 20-F 2010 as filed with the US Securities and Exchange Commission (SEC).

Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com.

Statement of Assumptions - The operating cash flow projection for 2014 stated on slides 7, 18, 35 and 36 reflects our expectation that all required payments into the $20 billion US Trust Fund will have been completed prior to 2014. The projection does not reflect any cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Macondo incident which may or may not arise at that time. As disclosed in the Stock Exchange Announcement, we are not today able to reliably estimate the amount or timing of a number of contingent liabilities.

Cautionary note to US investors - We use certain terms in this presentation, such as “resources”, “non-proved resources” and references to projections in relation to such that the SEC’s rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-08262. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov. Tables and projections in this presentation are BP projections unless otherwise stated.

October 2011
Bob Dudley
Group Chief Executive
Moving BP forward

Introduction
Bob Dudley

3Q 2011 results
Byron Grote

Moving BP forward
Bob Dudley

Q&A
Bob Dudley
Group Chief Executive
Byron Grote
Chief Financial Officer
Moving BP Forward
Safety : Trust : Value Growth

Putting safety and operational risk management at the heart of the company
• New Safety and Operational Risk organization
• Investment in maintenance
• Reorganized upstream

Rebuilding trust
• $20bn Trust Fund: now 50% funded
• Settlements with Mitsui/Weatherford/Anadarko

Pursuing value growth
• Dividend resumed
• $26bn divestments agreed
• New access: India, Trinidad, Australia, Azerbaijan, UK, Indonesia, South China Sea, Brazil
• Iraq initial production
• Refining & Marketing earnings momentum continues
Moving BP Forward
A 10 point plan

What you can expect

1. Relentless focus on safety and managing risk
2. Play to our strengths
   • Exploration
   • Deepwater
   • Giant fields
   • Gas value chains
   • World class downstream business
   • Relationships and technology
3. Stronger and more focused
4. Simpler and more standardized
5. More visibility and transparency to value
Moving BP Forward
A 10 point plan

What you can measure

6. **Active portfolio management to continue**
   - Increase overall divestment programme to $45bn versus current program of $30bn
   - Further $15bn over the next two years including two US refineries

7. **New upstream projects onstream with higher margins**
   - Unit cash margins on new wave of projects expected to be double existing average\(^{(1)}\)

8. **Generate around 50% more annually in operating cash flow by 2014 versus 2011 at $100/bbl**
   - Around half from ending US Trust Fund payments\(^{(2)}\) / around half from operations

9. **Half of incremental operating cash for re-investment, half for other purposes including distributions**

10. **Strong balance sheet**
    - Gearing in lower half of 10–20% range

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\(^{(1)}\) Assuming a constant $100/bbl oil price and excluding TNK-BP

\(^{(2)}\) See Statement of Assumptions under Cautionary Statement
Byron Grote
Chief Financial Officer
Trading environment

**Liquids realization**

- Average realizations: 3Q YTD
  - Liquids $/bbl: 47% 41%
  - Natural gas $/mcf: 26% 15%
  - Total hydrocarbons $/boe: 41% 31%
  - Refining marker margin $/bbl: 25% 24%

**Gas realization**

- Average realizations: 3Q YTD
  - Liquids $/bbl: 47% 41%
  - Natural gas $/mcf: 26% 15%
  - Total hydrocarbons $/boe: 41% 31%
  - Refining marker margin $/bbl: 25% 24%
Financial results

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

<table>
<thead>
<tr>
<th>$bn</th>
<th>3Q10</th>
<th>3Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Production</td>
<td>6.5</td>
<td>7.1</td>
</tr>
<tr>
<td>Refining &amp; Marketing</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Other businesses &amp; corporate</td>
<td>(0.5)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Consolidation adjustment</td>
<td>0.1</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Replacement cost profit before interest and tax</strong></td>
<td>7.8</td>
<td>8.1</td>
</tr>
<tr>
<td>Interest &amp; minority interest</td>
<td>(0.4)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Tax</td>
<td>(1.9)</td>
<td>(2.4)</td>
</tr>
<tr>
<td><strong>Replacement cost profit</strong></td>
<td>5.5</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Earnings per share ($c)</strong></td>
<td>29.4</td>
<td>28.1</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>(0.7)</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Operating cash flow excluding Gulf of Mexico oil spill obligations</strong></td>
<td>8.4</td>
<td>7.8</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>0.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Organic capital expenditure</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Dividend per share ($c)</td>
<td>0.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>
Exploration & Production

- Stronger environment
- Production 12% lower

Adjusting for PSA entitlement effects and acquisitions and divestments, production 8% lower

- Continued decline in Gulf of Mexico due to suspension of drilling
- Ramp-up of turnaround and maintenance activity, including North Sea and Azerbaijan

- Higher costs
  - Gulf of Mexico rig standby
  - Turnaround and maintenance
TNK-BP

BP share of TNK-BP net income and dividend

- Strong environment
- Higher production

$bn

3Q10  4Q10  1Q11  2Q11  3Q11

Dividend  Share of net income
Refining & Marketing

- Texas City refinery capacity restored
- Improved refining environment
- Higher supply and trading contribution
- Increased turnaround activity
- Foreign exchange impacts
- WTI-related discount benefit partly offset by sweet crude premium in Europe and Australia
Other businesses & corporate

Replacement cost profit before interest and tax
Adjusted for non-operating items and fair value accounting effects

- Beneficial foreign exchange effects versus prior year
- Higher charge expected in 4Q
# Gulf of Mexico oil spill costs and provisions

## $bn pre-tax<sup>(1)</sup>

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>YTD11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Charge for the period</td>
<td>40.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Balance sheet&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Brought forward</td>
<td>23.3</td>
<td></td>
</tr>
<tr>
<td>- Charge to income statement</td>
<td>40.9</td>
<td>0.4</td>
</tr>
<tr>
<td>- Payments into Trust Fund</td>
<td>(5.0)</td>
<td>(4.9)</td>
</tr>
<tr>
<td>- Cash settlements received from Mitsui and Weatherford</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>- Other related payments in the period</td>
<td>(12.7)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>- Carried forward</td>
<td>23.3</td>
<td>16.4</td>
</tr>
<tr>
<td>Cash outflow</td>
<td>17.7</td>
<td>7.3</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Includes contributions received from Mitsui and Weatherford and excludes the recently announced settlement with Anadarko

<sup>(2)</sup> Balance sheet amount includes all provisions, other payables and the reimbursement asset balances related to the Gulf of Mexico oil spill
Sources & uses of cash

- Year-to-date 2011 operating cash flow is $17.1 billion
- $2.2 billion of disposals completed during 3Q ($6.4 billion year-to-date 2011)
- Additional $4.5 billion of cash deposits held at the end of the quarter
- Cash at 30 September is $18.0 billion

(1) After payments into the Trust Fund and other Gulf of Mexico oil spill payments
(2) Year-to-date 2011 inorganic capex includes $4.0bn paid relating to the transaction with Reliance Industries Limited
Net debt ratio

\[
\text{Net debt ratio} = \frac{\text{net debt}}{\text{net debt} + \text{equity}}
\]

Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt.

Cash of $4.5bn received as deposits for disposals completing after quarter-end is reported as short-term debt at 30 September 2011.
Moving BP Forward

Additional segment disclosure

Focus on growing cash flow

• Around 50% improvement in operating cash flow by 2014 versus 2011\(^{(1)}\)
• $15bn additional divestments by end 2013; $45bn in total
• Increased investment to grow the firm

Reduce gearing to lower half of 10–20% range

Higher distributions to shareholders

• Increasing in line with improving circumstances of the firm
• Dividends
• Share buybacks

\(^{(1)}\) BP projections at $100/bbl. See Statement of Assumptions under Cautionary Statement.
Bob Dudley
Group Chief Executive
Putting safety and operational risk management at the heart of the company

Safety and Operational Risk organization
- Growing deep capability

Operating Management System
- Driving continuous improvement

Implementing lessons from the Gulf of Mexico oil spill
- Sharing lessons globally
- Continuing to implement Bly Report recommendations
- Enhanced standards and processes
- Changing how we work with contractors
Rebuilding trust
Progress in the US

• Focus shifting from response to recovery
• Funding economic and environmental restoration
  - $7bn in claims and government payments\(^{(1)}\)
  - $1bn committed to early restoration projects
  - $10bn paid into Trust Fund
• Co-owner disputes with Anadarko and Mitsui resolved
• Settlement with Weatherford
• Marine Board and Presidential Commission enquiries concluded - both found multi-party causation
• Multi District Litigation trial to commence in February 2012

\(^{(1)}\) As at end of 3Q. Includes $5.6 bn paid out of the Trust Fund.
Value growth: Upstream Framework

- Risk reduction
- Increased investment with a focus on exploration
- Active portfolio management
- Growing operating cash faster than production
- Growth engines
  - Deepwater
  - Gas value chains
  - Giant fields
Increased investment with a focus on exploration
Continued Access Success

- **US Gulf of Mexico**
  - OCS lease sale 213
  - 120km²

- **Caspian**
  - Shafag-Asiman
  - 1,100km²

- **China**
  - South China Sea
  - 16,700km² (1)

- **Indonesia**
  - North Arafura 5,100km²
  - East Kalimantan 4,800km²

- **Trinidad**
  - Barbados Trough
  - 3,600km² (1)

- **Brazil**
  - Devon purchase
  - 1 producing field, 4 discoveries
  - 10,200km²

- **North Sea**
  - Central & Southern North Sea
  - 300km²

- **India**
  - Krishna-Godavari basin
  - 2 producing fields, ~20 discoveries
  - 240,000km²

- **Namibia**
  - Orange Delta
  - 5,500km² (1)

- **Angola**
  - Kwanza/Benguela basin
  - 24,200km² (1)

- **Australia**
  - Ceduna basin
  - 24,500km²

(1) Government approvals pending
Increased investment with a focus on exploration
Building for the future

- On track to double exploration investment
  - Continue to access new acreage
  - Leveraging seismic acquisition and imaging
  - Increasing exploration to 15-25 wells/year
- Increasing number of new play tests
Active portfolio management

Continuing active phase
- Balancing criteria of focus, risk and growth
- Concentration in promising areas where we operate
- New additions: Brazil, India

Further upstream divestments over next two years
- Distributed across the world
- Post divestment portfolio will have higher production and operating cash growth rates

Production impact of divestments from 2010

Source: BP projections
Growing upstream operating cash faster than production

Operating cash
Excluding TNK-BP

- 2011 operating cash estimate at oil price of $113/bbl
- Growth driven by Angola, Gulf of Mexico, North Sea
- Divested operations and environment
- 2014 operating cash estimate at oil price of $100/bbl
Momentum in operating cash flow
New projects drive growth

**Production, mboed**
Excluding TNK-BP

**Major Project start-ups**
Excluding TNK-BP

<table>
<thead>
<tr>
<th>Location</th>
<th>Project</th>
<th>2011</th>
<th>2012</th>
<th>2013 /2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Angola LNG</td>
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<td></td>
<td>Block 31 PSVM</td>
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<td>Clochas-Mavacola</td>
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<td>CLOV</td>
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<td></td>
<td>Pazflor</td>
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<tr>
<td>Asia Pacific</td>
<td>North Rankin 2</td>
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<tr>
<td>Azerbaijan</td>
<td>Chirag Oil</td>
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<tr>
<td>Canada</td>
<td>Sunrise</td>
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<tr>
<td>Gulf of Mexico</td>
<td>Galapagos</td>
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<td>Na Kika Phase 3</td>
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<td></td>
<td>Mars B</td>
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<tr>
<td>North Africa</td>
<td>In Amenas Compression</td>
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<td></td>
<td>In Salah Southern Fields</td>
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<tr>
<td>North Sea</td>
<td>Devernick</td>
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<td></td>
<td>Kinnoull</td>
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<td></td>
<td>Skarv</td>
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<tr>
<td>Trinidad &amp; Tobago</td>
<td>Serrette</td>
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</tbody>
</table>

**Total**

2 6 9

By 2014 unit operating cash margins from new projects is expected to be double the existing average (excluding TNK-BP)
Momentum in operating cash flow
Potential rig activity in the Gulf of Mexico

- 3 rigs currently operating
- Additional 2 by year end
- Further 2 by end 2012

### Potential Gulf of Mexico rig schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Development Driller II</th>
<th>Development Driller III</th>
<th>Discoverer Enterprise</th>
<th>West Sirius</th>
<th>Thunder Horse PDQ</th>
<th>Ensco DS-3</th>
<th>Mad Dog A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2012</td>
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<tr>
<td>2013</td>
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</tr>
</tbody>
</table>

**In year production from new wells mboed**

- Resumption of rig activity subject to regulatory approval

*Source: BP projections*
TNK-BP dividends and growth

World class integrated oil and gas company
- 4.2bn boe of proved reserves\(^{(1)}\)
- 1\text{mmboed} BP net production

Future growth potential
- Offset mature field decline
- Greenfield projects
- Gas business expansion
- Integration of international business

\(\text{(1) SEC basis - source BP 2010 Financial & Operating Information}\)
Value growth
World class downstream business

The highest quality downstream business

- Hydrocarbon value chains delivering leading returns and cash flow growth

Incorporating three business models

- Fuels (including optimization and trading)
- Lubricants
- Petrochemicals
World class downstream business

Safe and reliable operations
- Becoming a leader in process safety
- Industry leading reliability and availability

Excellent execution
- Compliance, rigour, discipline, efficient use of resources
- Effective organization and capability

Portfolio quality and integration driving leading cash margin capability
- Right asset configuration, technology, channels, brands and integration
- Enables advantaged operations to deliver leading utilization rates
- Drives cash margins and cash flow delivery

Growing margin share – exposure to growth
- Expansion of competitive margin capability
- Building growth market positions

Disciplined investment and portfolio management
- Financial framework
- Operating cash flow growth
Refining & Marketing
Earnings momentum

Sources of earnings growth in a 2009 refining environment

- Growing gross margin
- Restoring missing revenues
- Cost efficiency

Pre-tax returns based on pre-tax average capital employed including goodwill (%); actual 2007-2010, 2011 BP projection

BP projections
Refining & Marketing
Operating cash flow momentum

**Sustaining leading returns in the base**
- Invest to maintain competitive position
- Improve efficiency and margin capture capabilities
- Working capital efficiency

**Improving cash margin capability**
- Whiting Refinery Modernization Project (WRMP)
  - Onstream 2013
- Cherry Point clean diesel
- Toledo continuous catalytic reforming
- Integration, trading and optimization
- Premium fuels, Castrol Edge
- Petrochemicals and lubricants technology
- Marketing channel management

**Growth market positions**
- Petrochemicals Asia
- Lubricants growth markets
- Refining and fuels developments

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**Operating cash flow**

<table>
<thead>
<tr>
<th>2011 operating cash at $12/bbl RMM(^{(1)}) and oil price of $113/bbl</th>
<th>Growth drivers</th>
<th>Divested operations and environment(^{(2)})</th>
<th>2014 operating cash at $11/bbl RMM(^{(1)}) and oil price of $100/bbl</th>
</tr>
</thead>
</table>

\(^{(1)}\) Refining Marker Margin
\(^{(2)}\) Includes working capital movements
Moving BP Forward
Momentum in operating cash flow

Around 50% growth in operating cash flow by 2014 at $100/bbl

- Key enablers:
  - Restoration of high value production
  - Growth from new projects
  - Whiting refinery upgrade coming onstream
  - Completion of contributions to the US Trust Fund

Operating cash

(1) See Statement of Assumptions under Cautionary Statement
Moving BP Forward
Safety : Trust : Value Growth

17 major upstream projects onstream by end 2014

Whiting onstream 2013

Payments to US Trust Fund end in 2012

Reducing uncertainties on Gulf of Mexico liabilities

48 turnarounds complete in 2011 / margin mix improves

Downstream earnings momentum

Divestments $30bn + additional $15bn by end 2013

(1) BP projection at $100/bbl in 2014. See Statement of Assumptions under Cautionary Statement.
(2) Excluding TNK-BP
Moving BP Forward
A 10 point plan

What you can expect
1. Relentless focus on safety and managing risk
2. Play to our strengths
3. Stronger and more focused
4. Simpler and more standardized
5. More visibility and transparency to value

What you can measure
6. Active portfolio management to continue
7. New projects onstream with higher margins
8. Generate ~50% more annually in operating cash flow by 2014 versus 2011 at $100/bbl\(^{(1)}\)
9. Half of incremental operating cash for re-investment, half for other purposes including distributions
10. Strong balance sheet

(1) See Statement of Assumptions under Cautionary Statement
Q&A

Bob Dudley
Group Chief Executive

Byron Grote
Chief Financial Officer