

Supplementary disclosure – refining indicator margin

The information below has been provided to enhance understanding of the updated refining rule of thumb announced as part of the second quarter 2025 results.

For more information see [Trading conditions update | Investors | Home](#).

Refining rule of thumb

bp has retired the refining marker margin* (RMM) and replaced it with the bp refining indicator margin* (RIM), and updated the associated refining rule of thumb (RoT). The bp RIM RoT reflects the sensitivity of the group's 2025 underlying replacement cost profit before tax to changes in bp's RIM at normal operating conditions, and will not fully explain all quarter on quarter movements in Products earnings.

Compared to the RMM, the bp RIM reflects a broader set of crudes and products, and is more representative of bp's refining portfolio and realized refining margin per barrel. As a result, we believe this disclosure will enhance the understanding of our realized margin delivery and refining profitability.

Refining RoT for +/- \$1/bbl change	Impact on 2025 underlying replacement cost profit before tax
bp RIM (new)	\$550m
bp RMM (retired)	\$400m

For comparative purposes, the below table details the historical bp RIM since 1Q 2023.

Historical bp RIM (\$/bbl)

First half 2025	Second quarter 2025	First quarter 2025	Full Year 2024	Second half 2024	Fourth quarter 2024	Third quarter 2024	First half 2024	Second quarter 2024	First quarter 2024
10.0	11.9	8.1	10.7	8.0	7.2	8.7	13.6	11.8	15.3

Historical bp RIM (\$/bbl) (continued)

Full Year 2023	Second half 2023	Fourth quarter 2023	Third quarter 2023	First half 2023	Second quarter 2023	First quarter 2023
18.1	17.9	14.5	21.4	18.3	14.7	21.9

The below table details the set of crude markers, product markers, and other margin drivers, with associated weightings that is used to calculate the bp RIM.

Crude markers

EU	Brent	55%
US	WCS ¹	25%
US	ANS	10%
US	WTI	10%
Global	Total Inputs	100%

1) WCS differential to WTI is lagged one calendar month.

Product markers

EU	Naphtha (NWE)	2%
EU	Gasoline (NWE, MED)	16%
EU	Jet (NWE, MED)	6%
EU	Diesel (NWE, MED)	25%
EU	Fuel oil (NWE)	4%
US	Gasoline (MW, NW)	23%
US	Jet (MW, NW)	5%
US	Diesel (MW, NW)	14%
Global	Other products ²	5%
Global	Total Inputs	100%

2) Other Products – including bitumen, coke and LPG

Other margin drivers

US	RINs ³	37%
Global	Constant factor ⁴ \$(3)/bbl	100%

3) The marker includes an estimate of the cost of RINs (Renewable Identification Numbers) for our US refineries. RINs represent a compliance cost for refiners and importers under the U.S. Renewable Fuel Standard (RFS).

4) The constant factor represents the estimated delivered crude cost, losses incurred in processing and other crude differentials

Price assumptions

As a consequence of this change, the refining price assumptions applicable to bp's CMU Cash Flow and ROACE Targets* have been updated by replacing the RMM price assumption with a RIM price assumption. The updated price assumptions are: at \$70/bbl Brent, \$4/mmBtu Henry Hub and \$10.3/bbl refining indicator margin, all 2024 real. There is no change to the CMU Cash flow and ROACE targets or to the prices used for impairment testing as a consequence of this update. *Price assumptions are not intended to reflect management's forecasts for future prices.*

Price assumptions

Marker prices	Actual 2024	2024 ¹	2025	2026	2027
bp RIM (\$/bbl)	10.7	10.3	10.5	10.7	10.9
bp RMM (\$/bbl) (retired)	17.7	17.0	17.4	17.8	18.1

1) Reference year 2024, assumes inflation ~2%

Glossary

Refining marker margin: Average of regional indicator margins weighted for bp's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. 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.

Refining indicator margin: a simple indicator of the weighted average of bp's crude slate and product yield as deemed representative for each refinery. Actual margins realized by bp may vary due to a variety of factors, including the actual mix of a crude and product for a given quarter.

CMU Free Cash Flow and ROACE Targets: are the following targets and expectations first announced by bp on 26 February 2025: (i) adjusted free cash flow compound annual growth of greater than 20% from 2024-2027; (ii) group return on average capital employed above 16% in 2027.

Glossary - abbreviations

ANS: Alaskan North Slope

Med: Mediterranean

MW: Mid-West

NW: North-West

NWE: North-West Europe

WCS: Western Canadian Select

WTI: West Texas Intermediate