

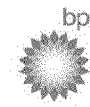
Presentation to BP Pension Fund

20th June 2012

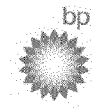
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Court Reporters, Inc.

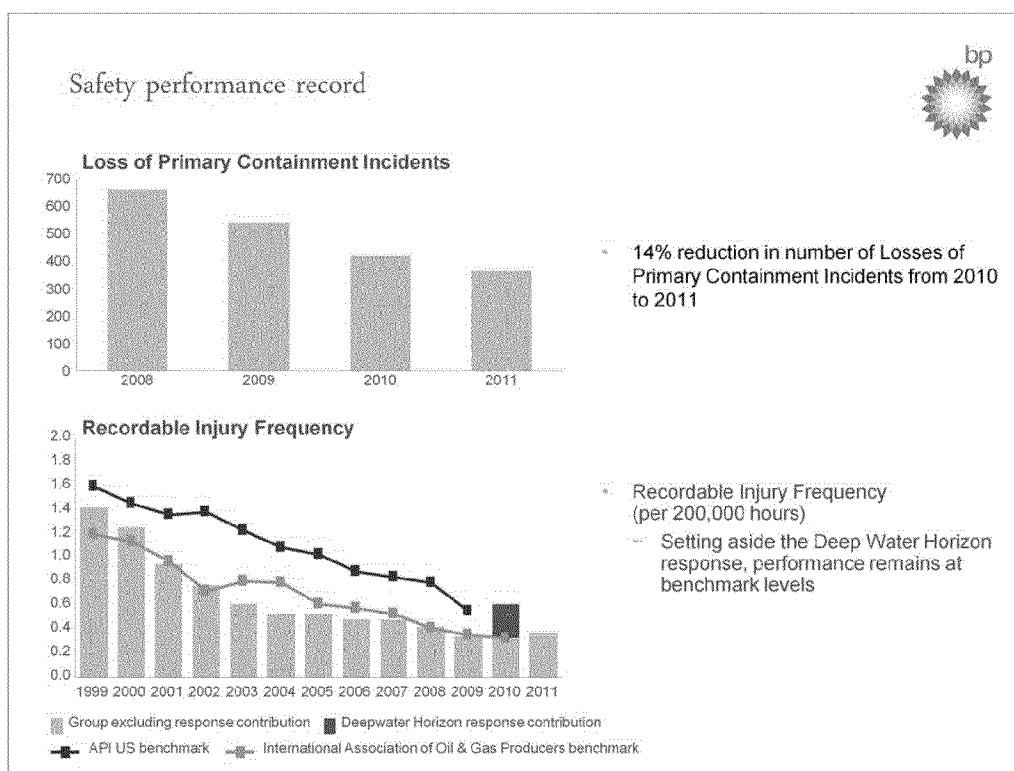
Agenda



- Managing Operational Risk
- Price environment
- Driving Value
- Macondo update
- Financial framework and debt book review



Managing Operational Risk



Source: 2011 Results and Strategy Presentation

- We measure and track even the smallest release of hydrocarbons (loss of primary containment)
- In terms of process safety, loss of primary containment incidents has fallen again
- In terms of personal safety, we measure this through the Recordable Injury Frequency
- Steady progress made over the last decade, aside from the exceptional activities of Deepwater Horizon
- We have continued to implement the recommendations of the Bly Report, e.g.
 - Strengthening the technical authority's role in cementing and zonal isolation
 - Establishing KPIs for well integrity, well control and rig safety critical equipment



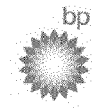
Source: 2011 Results and Strategy Presentation

- Beyond loss of primary containment and RIF markers of progress, lots achieved on organisation re: safety and risk management
- Five strategic priorities for our S&OR agenda
- All delivered through OMS – our standard system to drive systematic management and continuous improvement
- S&OR provides independent assurance, audit and oversight, working in partnership with line management

Two examples:

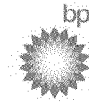
- Leadership determines the safety culture of BP and our action plan includes requiring leaders to spend time in the field observing and inspecting

- Organisation includes defining competencies required in safety critical roles and assessing individuals and job candidates against them

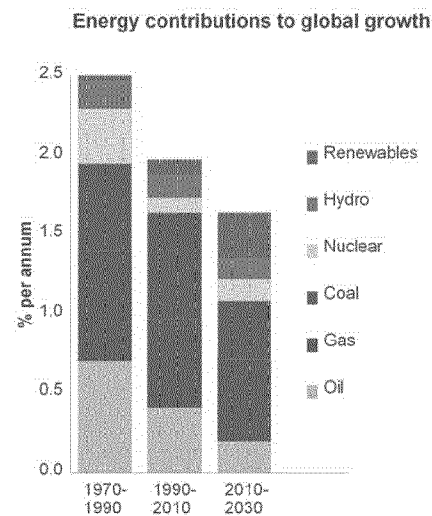


Price environment

Key global energy trends to 2030



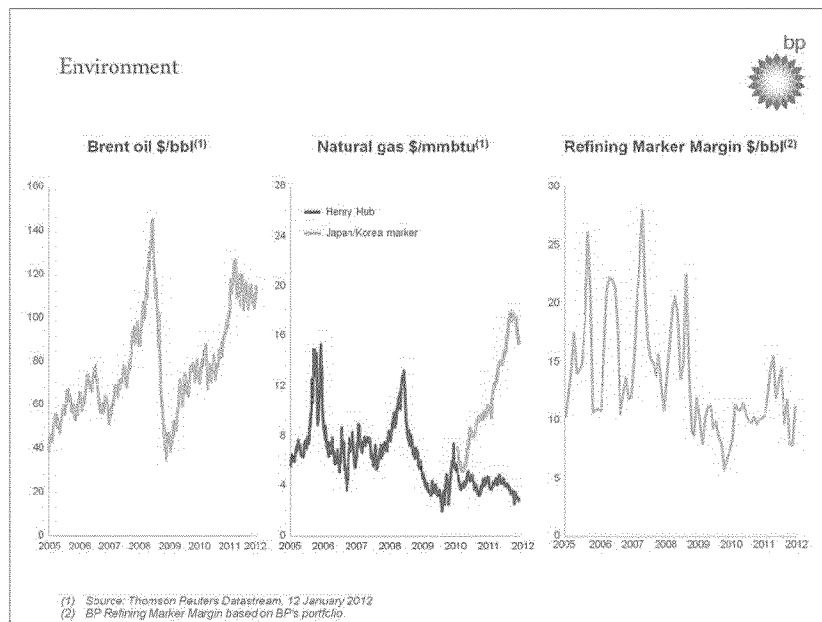
- Continued strong growth in demand
 - Concentrated in non-OECD
- Oil, gas and coal expected to deliver 80% of needs by 2030 and to have similar shares of global demand
 - Gas is the fastest growing fuel; ~2% per year
 - Oil continues to dominate transport fuel
- Renewables growing from 2% to 6% of global energy supply; more than 8% per year
- North America has the potential to become energy self sufficient by 2030
- Industry needs to continue to develop new frontiers and apply technology and learning



Projections from BP Energy Outlook 2030

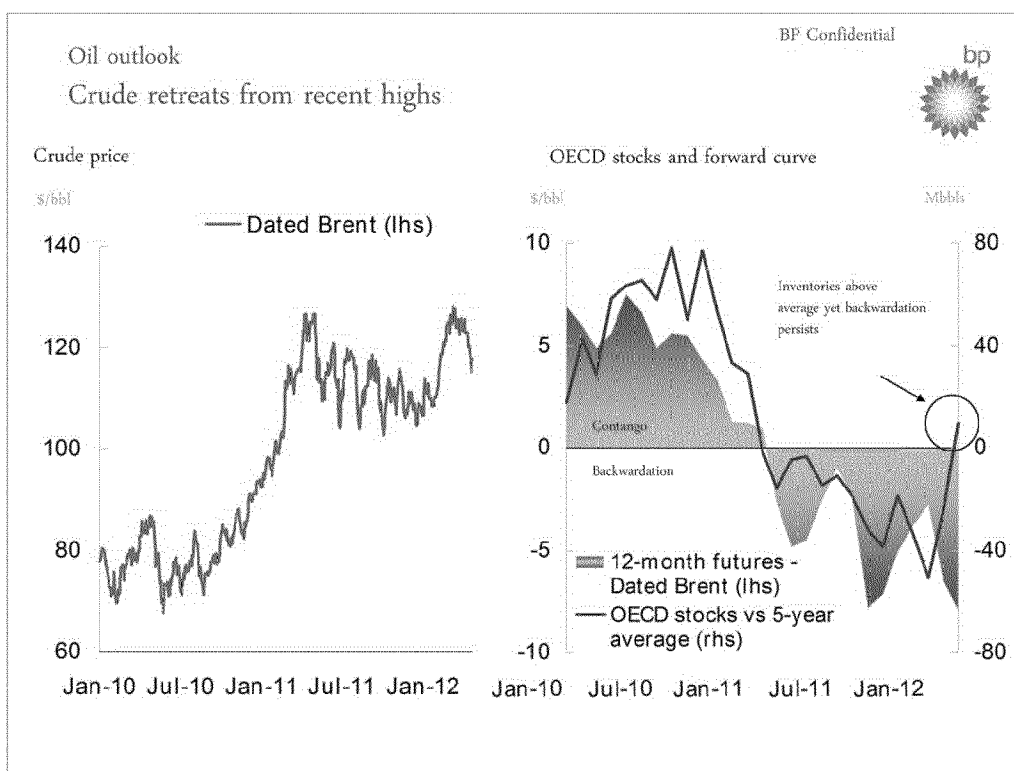
Source: 2011 Results and Strategy Presentation, slide 6

- Number of clear trends in the energy world
- We expect aggregate demand to rise by up to 40% by 2030, nearly all from emerging economies
- By 2030 we expect oil, gas and coal to have similar shares of global demand
- We expect gas to grow at around 2% per annum, double the rate of oil
- We expect oil to continue to dominate transport fuel
- Renewables to grow at 8% per annum, but still only 6% of the energy mix by 2030
- North America has the potential to become energy self sufficient by 2030 – driven by shale gas, biofuels and domestic deepwater, shale and heavy oil
- BP's strategy is aligned to these trends and positions BP well for the future:
 - Continued investment in deepwater, gas and renewables
 - Investing in growing markets e.g. India and Brazil as well as North America and elsewhere
 - Using global reach to leverage technology and learning wherever we see opportunity



Source: 2011 Results and Strategy Presentation, slide 7

- Against these trends, the oil price environment has been uncertain and volatile
- Gas prices continue to reflect regional supply/demand dynamics
- Gas spot prices remain heavily discounted from oil prices in the US but more aligned in Europe and Asia
- Refining margins improved in 2011 for 2nd consecutive year as demand for oil products grew in non-OECD markets
- Outlook remains difficult to predict – this requires BP to be very clear on strategy and only participate where we can compete regardless of environment – 10 point plan



Source: Oil Markets Outlook April 2012, BP Economics Unit

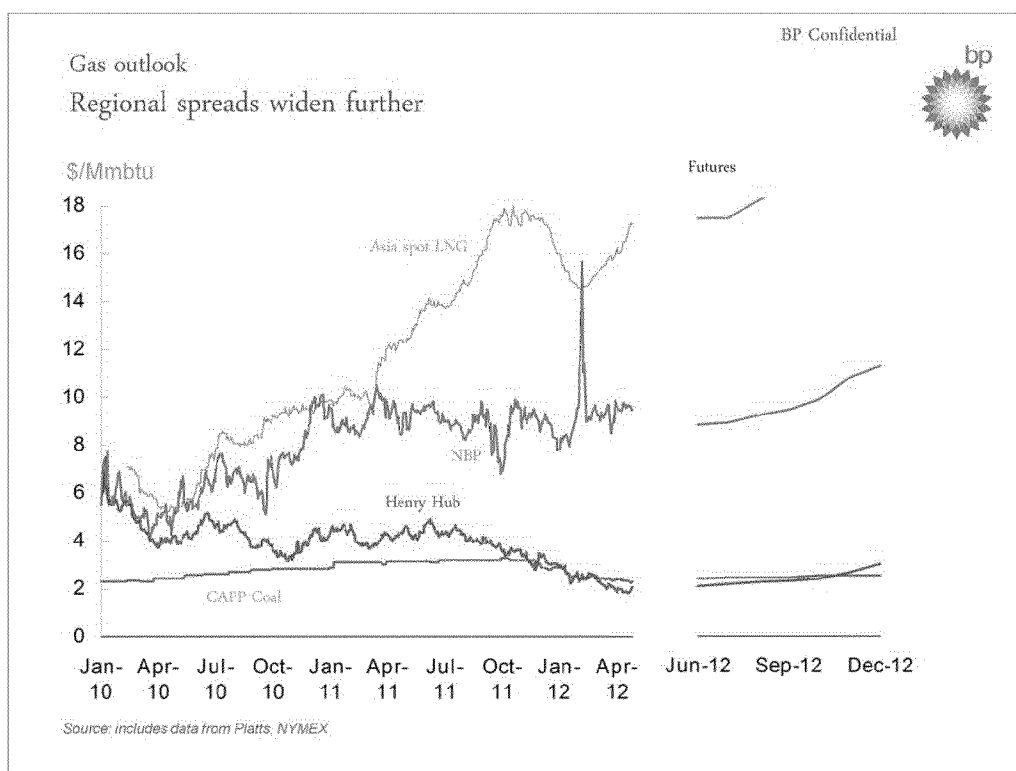
- Crude prices retreated from recent highs – weak demand, surging OPEC supply, rising inventories (despite Iran and limited OPEC spare capacity)
- Forward prices remain backwarddated though – market is prioritising Iran risks over rising supply and inventories
- OPEC will act to limit price declines. Saudi committed to lowering prices but thinks \$100 is fair. Assume OPEC cuts in 2H 12

Source RWD Q&A with press (4Q 11 results)

- We do not run the company on oil prices this high and make investment decisions on a much lower oil price
- BP is ready to respond if prices drop and cautious if they go up

Cash breakeven is complex because of the divestment programme and Macondo payments. Normalising for these events, breakeven is comfortably below current prices [\$90/bbl – not for disclosure], including increased capex of \$22bn. On an actual basis, breakeven is lower [\$70/bbl – not for disclosure], due to disposals.

As well as reaction of OPEC (see above), deflation of supply chain through lower prices also needs to be considered.



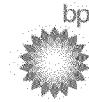
Source: Gas Markets Outlook April 2012, BP Economics Unit

- NA gas prices have continued to fall, no significant upswing in sight – record inventory levels
- European spot prices remain stable – lower LNG availability offset by weak underlying demand
- Pipeline gas being favoured as LNG is diverted to Asia
- Asian LNG prices remain high and market tightness likely to persist with no restart of Japan's nuclear power stations in sight and only two LNG projects starting up this year (Pluto LNG, Angola LNG) and maintenance in Qatar and Australia NWS



Driving value

- 2011 was a successful year of recovery, consolidation and change, with an operational turning point reached in October
- 2012 will be a year of milestones as we build on those foundations
- As we move through 2013-14 we expect to see financial momentum building as we complete payments into the Trust Fund and as our operations start to show the benefits of our actions
- Our 10 point plan provides the roadmap



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 upstream projects onstream with unit operating cash margins double the 2011 average⁽¹⁾
8. Generate around 50% more annually in operating cash flow by 2014 versus 2011 at \$100/bbl⁽²⁾
9. Half of incremental operating cash for re-investment, half for other purposes including distributions
10. Strong balance sheet

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

(2) See Statement of Assumptions under Cautionary Statement

- 10 point plan continues to provide the backbone for our programme of value creation
 - Play to our strengths
 - Safer, stronger, simpler and more standardised
 - Value will be driven by growth in underlying volume and margin
 - Right size portfolio to generate operating cash flow to reinvest in our project pipeline and reward shareholders

Playing to our strengths:

- Leading explorer
- Distinctive upstream portfolio focussed in three growth engines
 - Deepwater
 - Gas value chains
 - Giant fields

- World class downstream
- Technology development
- Strong relationships

Growing value



Building momentum

2012: Year of milestones

- * 12 exploration wells
- * Start-up of 6 upstream major projects
- * 8 rigs expected to be operating in the Gulf of Mexico
- * Divestment program to continue
- * Refining & Marketing to complete \$2bn performance improvement vs 2009
- * Payments into the Gulf of Mexico oil spill Trust Fund end in 4Q12
- * Capex increasing to ~\$22bn

2013 / 2014: Financial momentum

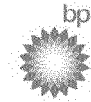
- * 15-25 exploration wells per annum
- * Start-up of 9 upstream major projects
- * Gulf of Mexico production recovering
- * Divestments since start of 2010 expected to reach \$38bn by end 2013
- * Whiting upgrade expected onstream in 2H 2013
- * Unit operating cash margins from new upstream projects by 2014 expected to be double the 2011 average⁽¹⁾
- * By 2014 generating around 50% more annually in operating cash flow versus 2011 at \$100/bbl⁽²⁾
- * Distributions expected to increase in line with improving circumstances of the firm

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

⁽²⁾ See Statement of Assumptions in Cautionary Statement

- Clear near term measures of how we will grow value
- 2012 will see increasing investment and delivery of many key milestones
 - * Increase in exploration wells from six in 2011 to twelve in 2012
 - * Six new project start-ups
 - * Eight rigs at work on BP-operated fields in the Gulf of Mexico
 - * Capital investments to grow to around \$22bn
 - * Planned divestment programme to continue
 - * Complete delivery of \$2bn performance improvement in Downstream (vs. 2009)
 - * Complete payments in to Trust Fund
- In 2013 and 2014 as investment continues, we expect to see greater financial momentum in our operations:
 - * A further nine new projects will start up
 - * Average operating cash margins from new projects in 2014 will have doubled relative to 2011
 - * Upgrade Whiting refinery is planned to come onstream
 - * Divestments expected to reach \$38bn
- All of which lead to 50% increase in operating cash flow vs. 2011)

Growing value



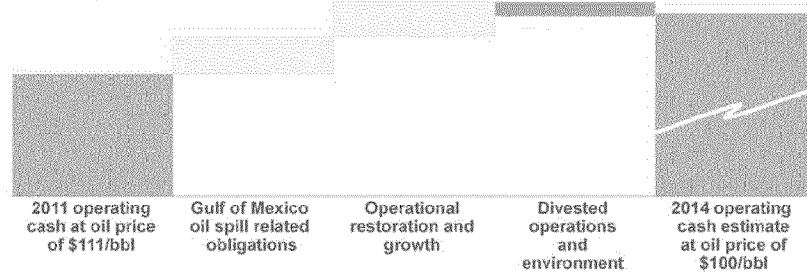
2013-14: financial momentum

Around 50% growth in operating cash flow by 2014 at \$100/bbl⁽¹⁾

* Key enablers:

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

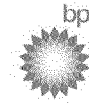
Operating cash



(1) See Statement of Assumptions under Cautionary Statement.

- \$22bn operating cash flow in 2011
- Completion of US Trust Fund payments accounts for half
- Restoration of high value production and growth from new projects
- Partially offset by divestments and environment
- Gives rise to 50% increase in operating cash flow in 2014 (at \$100 oil)

10 - point plan Progress and milestones



Focus on exploration

- New access
 - Brazil deepwater, US shale, Namibia and Uruguay

Active portfolio management

- \$23bn of divestments announced against \$38bn program

Increasing operating cash flow

- \$16.6bn paid into Trust Fund to date, payments to end in 4Q 2012
- 5 rigs operating in the Gulf of Mexico, 8 expected by year end
- Start-up of 6 major projects in 2012 on track

Transparency

- Increased visibility in the reporting of Downstream and TNK-BP

Source: 1Q 2012 Results Presentation

Progress made in first quarter of 2012

Exploration:

- Consistent with increased focus on exploration, BP has added South Atlantic equatorial margin prospects:
 - Farm-ins to four exploration concessions with Petrobras in Brazil
 - Deepening of interests in offshore Namibia
 - Awarded three new blocks in offshore Uruguay
- BP has also gained access to promising liquids-rich share acreage in Utica, Ohio

On top of 55 new exploration licences awarded in 9 countries in 2011

Active portfolio management

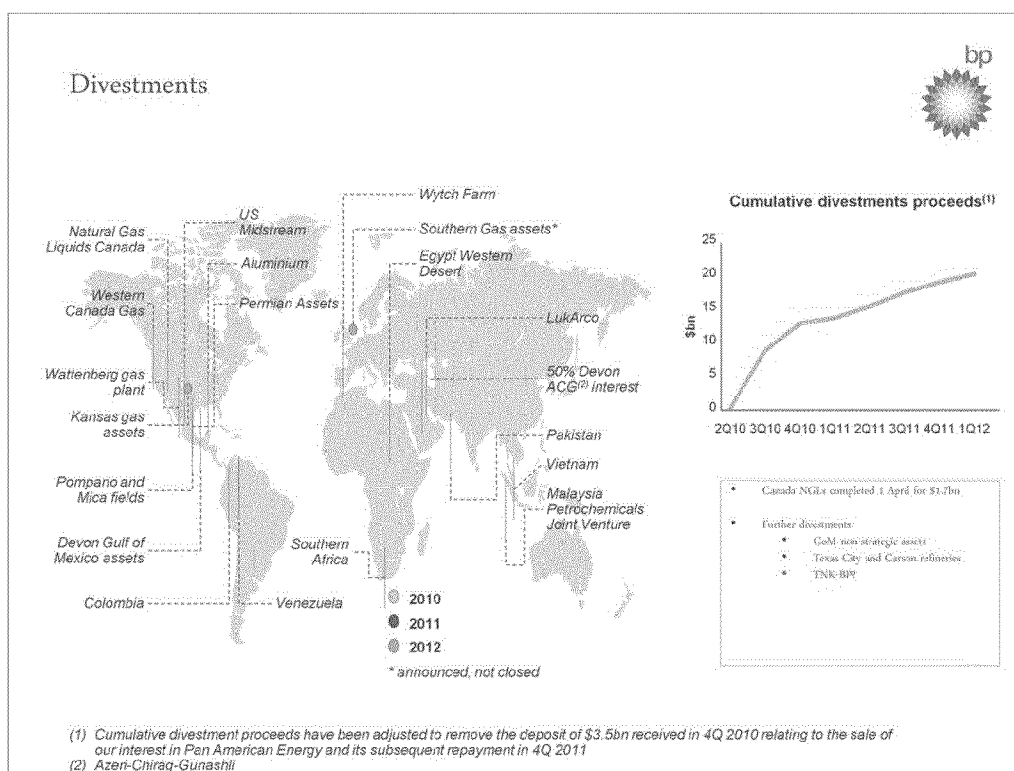
- \$23bn of \$38bn divestments announced
- Marketing of US refineries and GoM assets proceeding well

Increasing operating cash flow

- \$16.6bn paid into Trust Fund, \$20bn by end 4Q 12
- [Five rigs] operating in GoM – two producing, two appraising, one plugging and abandoning; eight by end 2012
- Six major project start-ups for 2012 on track. Two in 2Q 12 (Clochas-Mavacola in deepwater Angola, Galapagos in GoM)

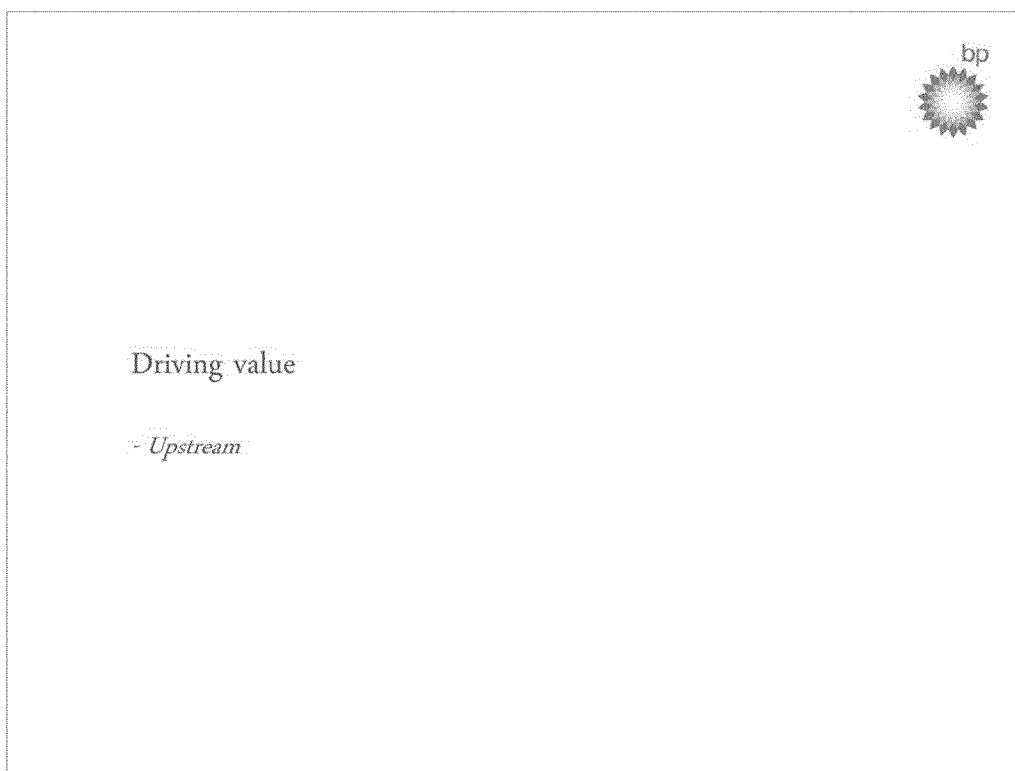
Transparency

- Increased visibility of TNK-BP, Petchems and Lubricants



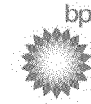
Source: 1Q 2012 Results Presentation

- Sale of Kansas gas assets completed in 1Q 12 for \$1.2bn
- Sale of southern North Sea gas interests announced in 1Q 12
- Sale of Canada NGLs completed 1 April 2012 for \$1.7bn
- Announced divestments of \$23bn (cash of \$22.5bn)
- Marketing of US refineries proceeding well, intention to announce deals by end 2012
- GoM non-strategic assets (Marlin, Horn Mountain, Holstein, Ram Powell and Diana Hoover) announced



- Upstream plans for restoring and growing value

Upstream: focus on value



Our new operating model

- ✱ Driving risk reduction and strengthening execution capability

Active portfolio management

- ✱ Leading to a “reshaping and rescaling” of our portfolio

Underpinning 2014 operating cash growth

- ✱ Growing operating cash faster than production

Longer term investments play to our strengths

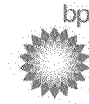
- ✱ Increasing investment in exploration, deepwater, gas value chains and giant fields

Source: 2011 Results and Strategy Presentation

Period of significant change. Drivers of long term growth examined through four lenses:

1. Progress being made in changing our operating model
2. How we are reshaping our portfolio – divesting and acquiring. Why?
3. Milestones that demonstrate momentum towards expected operating cash flow growth by end 2014
4. The future we see beyond the next three years

New operating model now in place



Relentless focus on safety and managing risk

Organization in place and aligned with delivery

- Exploration: Access, Exploration and Appraisal
- Production: Subsurface, Operations
- Developments: Global Projects Organization, Global Wells Organization

Reducing complexity – stronger and more focused

Global standards in place and driving

- Risk reduction
- Systematic, consistent execution
- Increased reliability
- Cost and investment efficiency

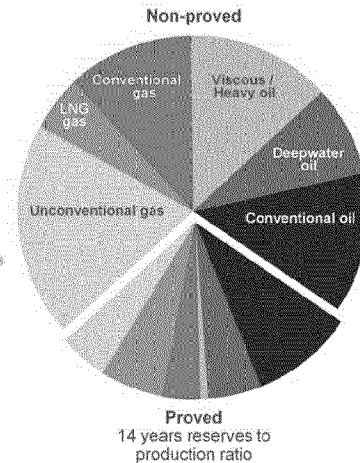
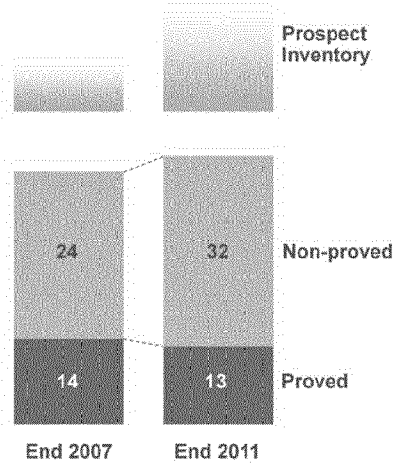
Source: 2011 Results and Strategy Presentation

- Move from a de-centralised asset structure to a fully functional organisation – biggest change in last 20 years – proceeding well
- Functional organisation is lined up with every dimension of operational delivery and full line accountability
 - Global approach to exploration and appraisal
 - Global approach to major projects
 - We can optimise activity choices effectively and execute them more reliably and effectively
 - e.g. single global rig fleet operating to a single set of standards
- Reinforcing risk management and generating efficiencies from more systematic and standardised design, engineering and procurement practices

Potential for stronger growth, diverse resource mix and new market exposure



Resources, bn boe (excluding TNK-BP)



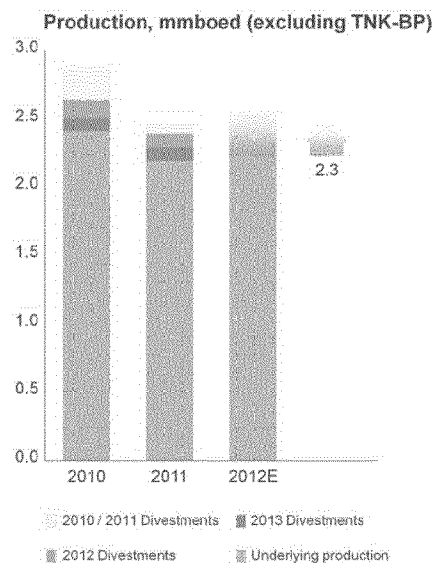
Source: 2011 Results and Strategy Presentation

- Total resources, excluding TNK-BP, have grown by around 16% in the last four years, despite total proved reserves falling by 1bn barrels through divestments
- Prospect inventory has nearly tripled – evidence of portfolio's growth potential
- Portfolio plays to our strengths – deepwater; giant oil and gas fields both conventional and unconventional
- Diversified production – 50:50 oil and gas excluding TNK-BP and balance between high margin capital intensive deepwater ops and longer term, lower margin, less capital intensive investments
- Significantly strengthened our position in unconvensionals over the past five years
- We will continue to be very targeted about how we deepen in US unconvensionals – bias to liquid rich gas and where we can export our technology

Upstream scale: focus on value not volume



- Large enough to take part in world scale projects
- Greater leverage to exploration success
- Balancing short and longer term investments
- Retain materiality and benefits of economies of scale and standardization

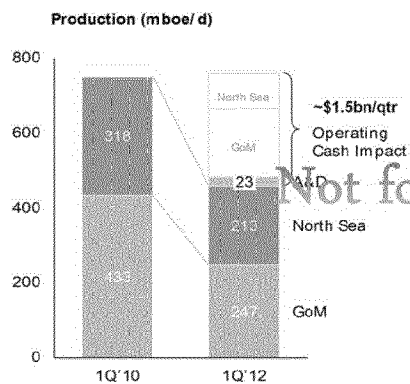


Source: 2011 Results and Strategy Presentation

- We will see some further shrinkage as divestments materialise, taking us to min. size of 2.3mmboe/d
- At this level, we have an amount of operating cash that allows:
 1. Disciplined investment at scale
 2. Major step-up in exploration
 3. A good balance between short and long term investments
 4. Enough critical mass to retain the benefits of scale and standardisation
- Underlying volume growth thereafter, but focus is value, which means volume and margin

Upstream production decline

GoM & North Sea Production Delta



GoM (mboe/d)	1Q'10	1Q'12	Δ
Thunder Horse	156	82	(74)
Atlantis	62	37	(25)
Mad Dog	36	-	(36)
Nakika	35	13	(22)
Other	144	115	(29)
Total	433	247	(186)

North Sea (mboe/d)	1Q'10	1Q'12	Δ
Production	318	213	(105)

Gulf of Mexico: ~200 mboe/d lower due to drilling moratorium and slower pace of new well rig activity restricting ability to offset base decline

North Sea: ~100 mboe/d lower associated with integrity and operational risk focussed facility interventions (e.g. Foinaven flowline replacement), divestments and base decline ahead of major project start-ups (Skarv, Kinnoull)

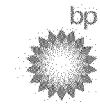
REINFORCE TO AGENCY THAT THIS IS PRIVILEGED INFO

2012 production expected to be broadly flat with 2011 excluding TNK-BP, after adjusting for divestments and price effects.

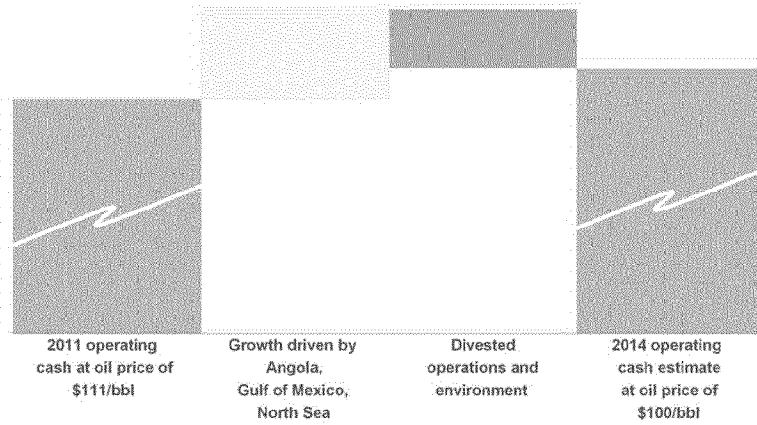
Why so, given fewer TARs, full year of India, new projects exceeding decline?

- Focus is on value. Growth in operating cash driven by unit cash margin improvements
- Global (and GoM) production will be lower in 2012:
 - * Natural decline progressively offset by new production activity
 - * Resumption of drilling activity in GoM
 - * Ongoing heavy TAR schedule...
- Extensive TAR schedule in 2012 (37 vs. 47 in 2011) – integrity and operational risk focused interventions including:
 - * GoM - Thunder Horse water injection, Mad Dog rig replacement, Atlantis subsea manifold replacement
 - * North Sea – Foinaven flow line replacement
- \$1.5bn per qtr missing cash flow (snapshot 1Q 10 vs. 1Q 12) – will return as production returns and high margin projects come onstream

Operating cash to grow faster than production



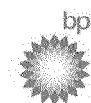
Upstream operating cash (excluding TNK-BP)



Source: 2011 Results and Strategy Presentation

- Operating cash in 2014 will come from:
 - Our base operations
 - New wells drilled in existing operations
 - 15 major upstream projects starting 2012-14
- Unit cash margins expected to double vs. 2011 by 2014 at \$100 oil

Major projects underpin operating cash growth



Deepwater



Gas



Giant Fields

Start-up	Project	WI% ⁽²⁾	Gross Capacity	Project	WI%	Gross Capacity	Project	WI%	Gross Capacity
2012	Block 31 PSVM ⁽¹⁾	27	150 mboed	Angola LNG	14	1,100 mmscfd	Skarv ⁽¹⁾	24	165 mboed
	Ciochas-Mavacola	27	100 mboed				Devenick ⁽¹⁾	89	200 mmscfd
	Galapagos ⁽¹⁾	47-67	60 mboed						
2013 / 2014	Na Kika Phase 3 ⁽¹⁾	50	40 mboed	North Rankin 2	17	1,600 mmscfd	Kinnoull ⁽¹⁾	77	50 mboed
	CLOV	17	160 mboed	In Salah Southern Fields	33	420 mmscfd	Chirag Oil ⁽¹⁾	36	140 mboed
	Mars B	29	130 mboed	In Amenas Compression	46	330 mmscfd	Sunrise	50	60 mboed

⁽¹⁾ BP operated

⁽²⁾ Working interest

Source: 2011 Results and Strategy Presentation

- All projects now managed centrally in our Global Projects Organisation
- We plan to start up these 15 major projects by end 2014 – six in 2012
- Majority are in our higher unit cash margin areas – Angola, North Sea, Gulf of Mexico, Azerbaijan
- Diverse mix – 2/3rd oil, 1/3rd gas
- Half operated by BP
- Most of the North Sea and Gulf of Mexico projects are subsea tie-backs to existing facilities – building on previous investments

SEE APPENDIX FOR DETAILS ON EACH PROJECT

- As at 12 June – Ciochas-Mavacola now producing, Galapagos started up 4 June

Growing upstream value in 2012

Excluding TNK-BP



Operating cash

- Expected to grow based on operating cash margin improvement

Production

- Underlying production broadly flat⁽¹⁾
- 2012 vs 2011 divestment impact ~120 mboed⁽²⁾

Investment

- \$16-17bn, \$2-3bn higher than 2011
- Increase driven by
 - Drilling 12 exploration wells, double 2011
 - Major projects, mainly in Angola, Gulf of Mexico and the North Sea
 - Activity ramp-up in the Gulf of Mexico

⁽¹⁾ Normalized for divestments, OPEC quotas, and \$100/bbl oil prices

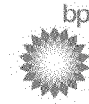
⁽²⁾ Depending on timing of divestments

Source: 2011 Results and Strategy Presentation

Looking at 2012:

- Expect to see growth in operating cash flow driven by unit cash margin improvements
- Underlying production largely flat, excluding TNK-BP
 - Growth from new projects
 - Reduced TARs
 - New production from India
 - Offset by base decline
- GoM production lower than 2011, with natural decline progressively offset by new production
- GoM production growth to return in 2013
- Reported production in 2012 lower than 2011
- Depends on timing of divestments, OPEC quotas, oil price impact on PSCs
- Divestment impact 120kb/d
- TNK-BP production to grow organically at 1-2% per annum
- \$2-\$3bn increased investment this year, up to \$16-\$17bn
 - Doubling exploration drilling
 - Increase in major projects
 - GoM activity ramp up

Longer term investments play to our strengths



Exploration with a focus on Deepwater

- Material positions created / added to via new access deals
- Plans to double investment underpinned

Gas value chains

- Strengthening in diverse and high growth gas markets: Europe (Shah Deniz), India (Reliance), Far East (Tangguh)

Giant field and unconventional resource appraisal

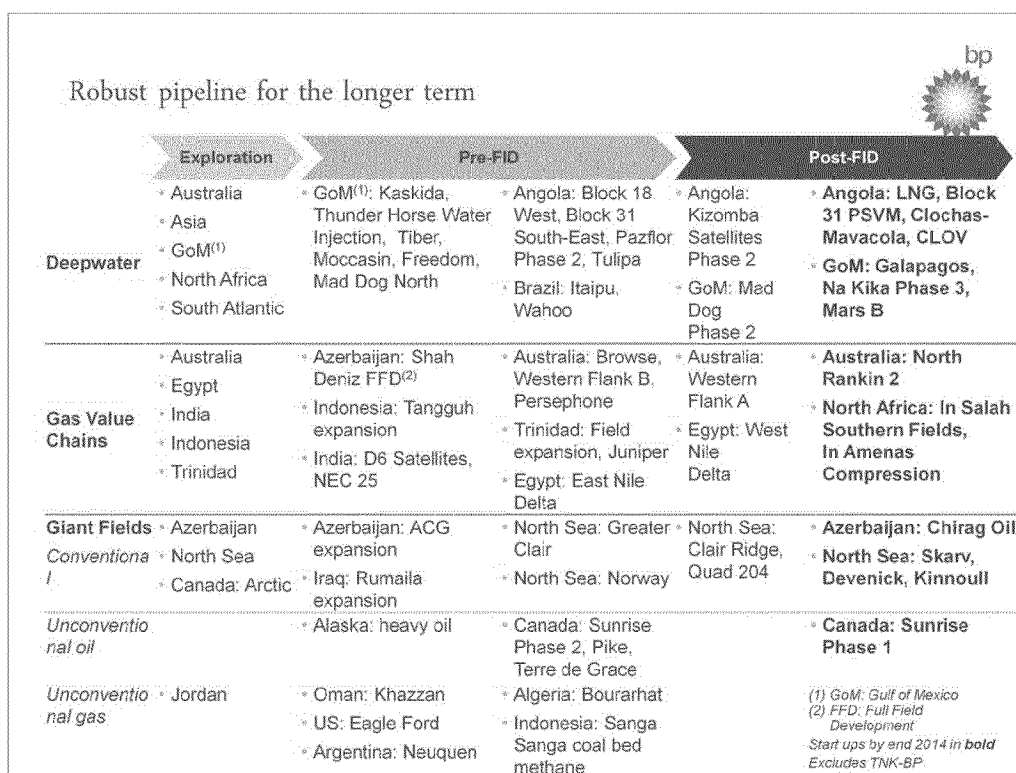
- Significant potential appearing in Gulf of Mexico (Mad Dog) and UK (Clair)
- Unconventional gas skills exported, and new resources in Canada

Technology

- Focused and strategic commitments continue

Source: 2011 Results and Strategy Presentation

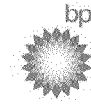
- Strong pipeline of exploration prospects and project opportunities that will generate new resources and projects well into the next decade
- Exploration activity ramp-up over the next two years
- Sizes of our giant fields are continually redefined and grown through our experiences in subsurface management and seismic. This underpins major new investment such as Mad Dog Phase 2 and Clair Ridge
- Gas use as a fuel will continue to grow steadily – we have world class gas projects that we expect to bring onstream before the end of the decade, linked to price-leveraged markets
- Enabled by commitment to technology



Source: 2011 Results and Strategy Presentation

- Right hand side shows major projects over next three years
- To the left we can see the strong inventory of material exploration positions
- Deepwater will remain a core building block of our portfolio
- We have world-scale gas value chain projects in Azerbaijan, Tangguh, Egypt, Trinidad and are appraising Oman
- In giant fields we will have significant cash flow over the next decades from unconventional heavy oil projects in Canada and unconventional gas globally

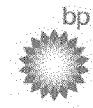
Upstream summary



- Operating model is reducing risk and strengthening execution capability
- Portfolio being focused – potential for stronger growth with diversified resource mix and market exposure
- 2014 operating cash delivery is underpinned
- Longer term investments play to our strengths

Source: 2011 Results and Strategy Presentation

- Upstream business is going through significant changes
- New operating model is in place with S&OR embedded and divisional organisation accountable for operational performance
- We are standardising and making carefully choices on activity
- Portfolio focus continues – [\$16bn] of Upstream assets divested of [\$30bn] planned
- Strategic acquisitions for growth
- Exploration hopper refreshed through record levels of licensing
- Upstream will drive the Group's 50% increase in operating cash by 2014 from higher margin major project start-ups
- Medium term investment increasing – playing to our strengths



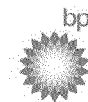
Driving value

- *TNK-BP*

Source: 2011 Results and Strategy Presentation

- Summary of TNK-BP, which continues its consistent track record of delivery, despite challenges

TNK-BP potential sale



- TNK-BP has been a very successful venture for both shareholders and for the Russian government for 10 years
- Partner relations challenging - we have worked hard with AAR to try to come up with a long-term solution but have been unsuccessful
- BP has received unsolicited indications of interest in its shares in TNK-BP and will pursue a sale, if in BP shareholders' interest
- BP has notified AAR of its intention to pursue a potential sale
- Likely to take several months. No guarantee that any transaction will take place. BP prepared to continue holding TNK-BP
- BP additional information if and when appropriate, but will comply with duties of confidentiality
- BP wishes to continue playing a role in Russia's energy future.

Slide is a summary of press release

Key messages

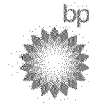
- This will take several months
- No guarantee of deal
- Several outcomes possible
- Likely to be a bumpy ride
- BP wants to play a role in Russia energy
- TNK-BP is 25% of BP's production, 10% of profit – low margin barrels

Sequence of events:

1. Dividend not paid as board is apparently not quorate
2. Fridman resigns as CEO from Management Board but remains on Shareholder board
3. BP announces it is exploring a sale
4. AAR has 45 days to express an interest in BP's share. After this BP must negotiate in good faith for 90 days but can discuss with other buyers
5. Siberian court resumes \$13bn minority shareholder lawsuit previously thrown out, related to failed Rosneft alliance
6. AAR states shareholder agreement is confidential and TNK-BP info cannot be disclosed, potentially frustrating buyer due diligence
7. Russia's anti-monopoly service may force the publication of the shareholder agreement

TNK-BP

Unique position in Russia, continued strong performance



World class integrated oil and gas company

- Russia's number two oil producer⁽¹⁾
- 4.8bn boe of proved reserves⁽²⁾, 23bn boe resources BP net
- Russia's third largest refiner
- Growing international presence

Continued strong performance

- 4% average per annum organic production growth from inception
- BP net income of \$4.2bn in 2011
- \$3.7bn net dividends to BP in 2011, \$18.6bn to date
- Around \$160bn in taxes, duties and levies paid since 2003

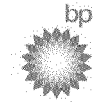
(1) If ranked by quarterly average starting 3Q11

(2) SEC classification, including Slavneft and international assets

Source: 2011 Results and Strategy Presentation

- TNK-BP offers BP a distinctive position to access Russia's extensive hydrocarbon resources
- Russia's 2nd largest oil producer – BP net production of nearly 1mmboe/d and 5bn mmboe proved reserves
- Russia's 3rd largest refiner and established international presence
- Shareholder disputes have had minimal impact on operational and financial performance
- [Comment on dividend suspension]
- \$3.7bn dividends in 2011

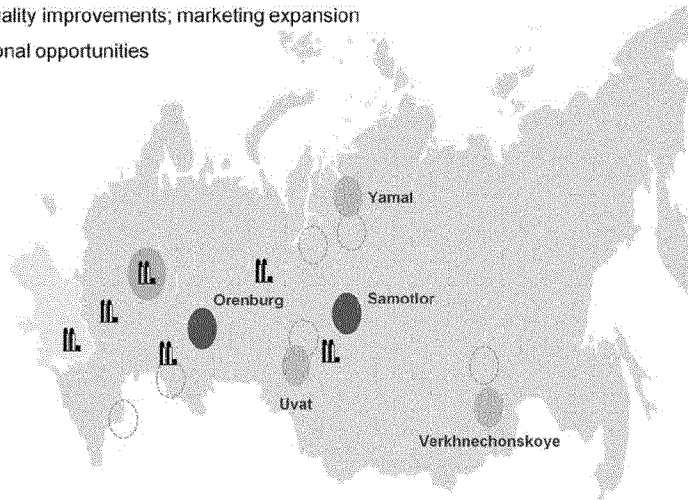
TNK-BP: potential for growth



Drivers of growth

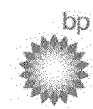
- Mature fields: application of technology
- Major projects: Yamal, Uvat and Verkhnechonskoye
- Refining: yield and quality improvements; marketing expansion
- Advantaged international opportunities

- Brownfield projects
- Greenfield projects
- Exploration areas
- Refineries
- YANOS refinery, 50/50 owned through Slavneft



Source: 2011 Results and Strategy Presentation

- Material opportunity set for organic growth of 1-2% per annum for the mid term
- Focused technology application to manage decline at brownfield sites
- Ramp up of Verkhnechonskoye and Uvat fields underpins growth to 2015
- Longer term growth from Yamal peninsula developments
- Downstream, TNK-BP will investment in fuel quality and refining yield improvements and marketing expansion
- International expansion in Venezuela and Vietnam in 2011
- BP is please with TNK-BP's performance and growth potential



Driving value

- *Downstream*

World class downstream business



Value chains delivering leading returns and cash flow growth incorporating three business models:

1. Fuels (including optimisation and trading)
2. Lubricants
3. Petrochemicals

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



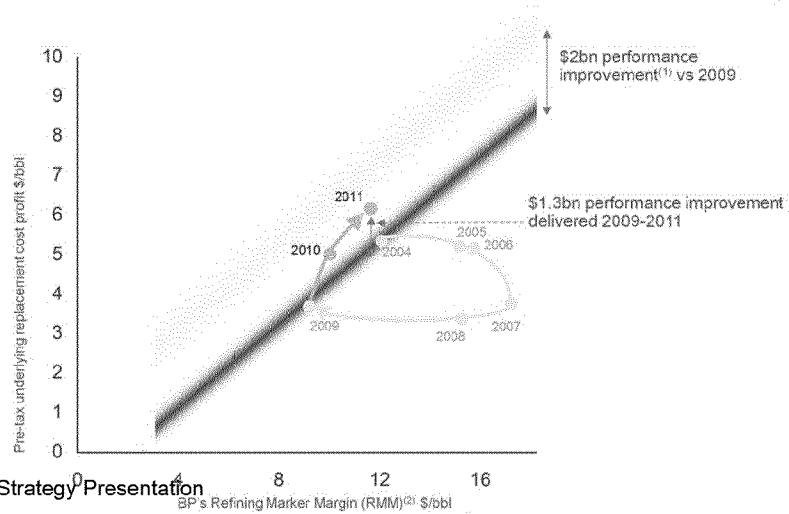
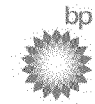
Source: 2011 Results and Strategy Presentation

- Playing to our strengths – truly world class downstream business
- World class means leading returns and material cash flow growth
- Focused portfolio of value chain businesses
 - Fuels
 - Petrochemicals
 - Lubricants
- Currently delivering returns at or near the top of the competitive range
- Further transparency provided on each business in our accounts

A world class downstream business involves:

1. A platform built on safe and reliable operations and leadership in process safety combined with excellent execution
2. High quality competitive assets of the right scale, location and configuration
3. Leading technology and brands
4. Value chain operated and optimised in an integrated way – drives competitive cash margins
5. Growth comes from growth in market share in established markets and exposure to new markets
6. Disciplined financial framework with active portfolio management

Underlying performance improvement



Source: 2011 Results and Strategy Presentation

This slide shows underlying performance improvement

(1) Yellow regression line represents \$2bn incremental performance improvement guidance, 2012 vs 2009
Performance improvement is after adjusting for refining and petrochemical environment (including energy costs), foreign exchange impacts and price lag effects

(2) RMMs are calculated as a weighted average of indicators based on crude product yields, crude marker grade, oil despatch, and market for the region

- Dark line is our historical relationship between refining margins and profit – return to historic levels achieved in 2009
- Yellow line represents our goal of \$2bn underlying profit improvement
- \$1.3bn delivered in 2010-11 (\$1.5bn adjusting for heavy TAR schedule in 2011)
- On track to deliver \$2bn by end 2012

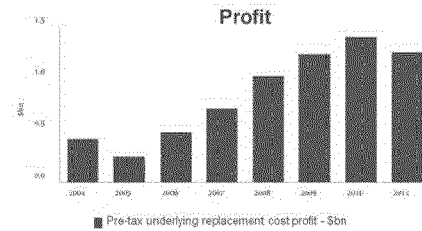
Moving the lubricants business forward



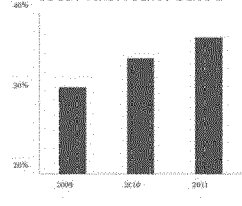
What you can expect

- Focus on safe, reliable, excellent operations
- Growing margin share
 - Increasing exposure to growing non-OECD markets
 - Increasing premium share of sales
- Ongoing disciplined investment in:
 - Lubricant technology
 - Brand
 - Customer relationships
- Sustaining leading returns in the industry

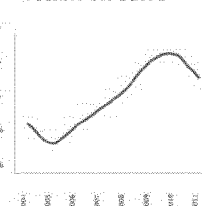
What you can measure



Ratio of premium to total lubricant sales⁽¹⁾



Pre-tax return on sales⁽²⁾



⁽¹⁾ Premium lubricants data breakdown available from 2005

⁽²⁾ Pre-tax underlying replacement cost profit / third party sales and other operating revenues (excluding our share of equity accounted entity revenues)

Lubricants

- Profitability growth from increased margin share:
 - Increasing exposure to growing non-OECD markets (now 40% of profits)
 - Increasing premium share of sales within margin mix
- Sustaining leading industry returns
- Supply chain efficiencies 2006 – 11 (25% blend plants closed, 25% reduction in direct presence countries, 45% reduction in no. of product variants)
- RCP CAGR of 30% since 2005
- Strong foundations in technology, brand (mega brand GTX, plus Magnatec and Edge), customer relationships (e.g. OEM partnerships)

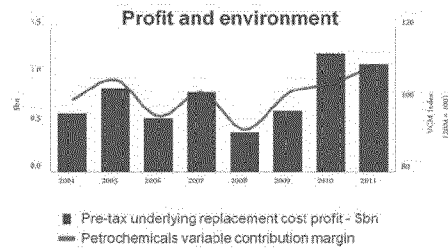
Moving the petrochemicals business forward



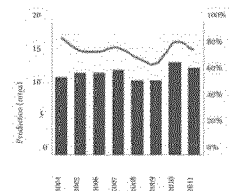
What you can expect

- * Focus on safe, reliable, excellent operations
- * Growing margin share
 - Extension of JV model in Asian growth markets
 - Development of next generation technologies
- * Deployment of new and existing technology
- * Ongoing disciplined investment
 - Sustain leading cost position
 - Focus on cash generation in US/Europe

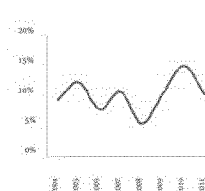
What you can measure



Petrochemical volumes⁽¹⁾ and utilization



Pre-tax return on sales⁽²⁾



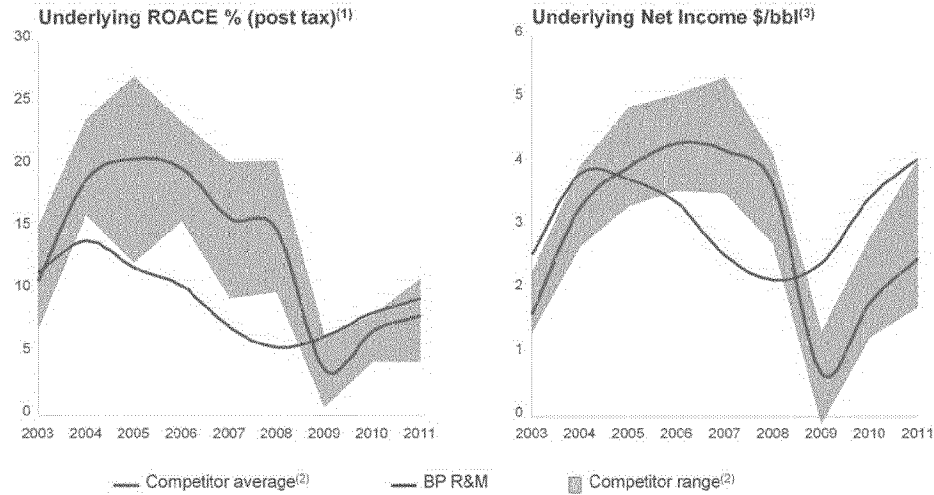
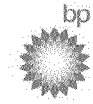
- (1) Volumes exclude Innovene and Germany production reported within fuels business
 (2) Pre-tax underlying replacement cost profit / third party sales and other operating revenues (excluding our share of equity accounted entity revenues)

Petrochemicals

- Profitability growth through share:
 - * Growing margins through:
 - * Extension of JV model in Asian growth markets (operational excellence and strategic relationships with partners and customers)
 - * Development of next generation technologies
 - * Investment in production growth and deployment of technology (proprietary technology for our 3 main products – BP has large or leading market share)
 - * Fixed cost efficiencies
- 10 Asian JVs today + MoU with IOC for acetic acid JV in India
- First stage approval for 3rd Zhuhai PTA plant
- New technology in the pipeline and new revenue stream from tech licensing (PX and PTA)

NB – 2011 slightly down through lower utilisation - weather related and other operational impacts, TARs and declining demand

Competitive position



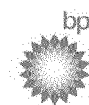
- (1) BP and competitor return on average capital employed data adjusted to comparable basis
 (2) Competitor set comprises R&M segments of Super Majors (2011 Total data is 3Q YTD plus average broker estimates for 4Q)
 (3) Capacity as stated in F&OI/Company Disclosures
 (4) 2011 Competitor Capital Employed estimates based on company disclosures

Source: 2011 Results and Strategy Presentation

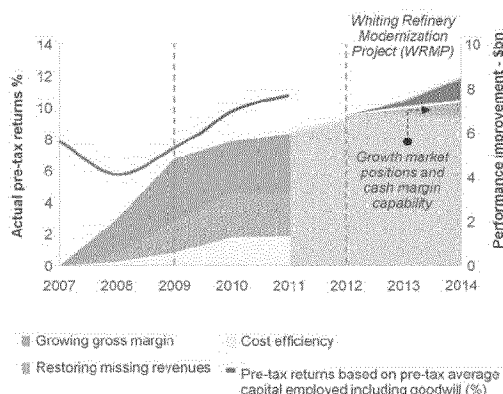
Competitive position vs. other supermajors

- Returns approaching 10% in 2011, the best since 2006, when refining margins were 40% higher
- BP has now moved from being the worst performing company in downstream from 2004-08 to one of the better performers

Earnings and operating cash flow momentum



Sources of earnings growth (in a 2009 refining environment)



2012-14 data are BP projections

Operating cash flow growth

- * Earnings
 - On track for +\$2bn performance improvement by 2012 vs 2009
 - Growth beyond 2012
 - Sustaining returns from the base
 - Improving cash margin capability (Whiting online 2H 2013)
 - Growth market positions
- * Sustainable working capital management

Returns

- * Pre-tax returns nearly double 2008-11
- * Earnings growth
- * Capital/working capital efficiency
- * Active portfolio management

Source: 2011 Results and Strategy Presentation

- Having materially improved earnings since 2007 we have confidence in the growth in 2012 and out to 2014
- Earnings momentum comes from:
 - Sustaining returns on the base
 - Improving cash margin capability (include WRMP)
 - Extension of positions in growth markets
- This momentum contributes to the Group's operating cash flow growth to 2014
- Actual pre-tax returns (red line) has nearly doubled since 2008 and we expect to continue growth through:
 - Portfolio simplification (US divestments, LPG sale)
 - Capital and working capital efficiencies
- R&M remains a material contributor to Group cash flows

Downstream summary



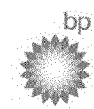
- World class downstream
 - Safety, excellent execution, portfolio quality, exposure to growth
- 2011 is a record year of Downstream earnings
- On track for delivery of >\$2bn per annum of pre-tax underlying performance improvement⁽¹⁾ by 2012 vs 2009
- Material earnings and operating cash flow growth
 - Whiting Refinery Modernization Project onstream 2H 2013
- Disciplined investment
 - 2012 capex of ~\$4.5bn
- Portfolio management
- Increased transparency of fuels, lubricants and petrochemicals performance
 - Pre-tax underlying replacement cost profit
 - Pre-tax operating returns⁽²⁾
 - Operating metrics

(1) Performance improvement is after adjusting for refining and petrochemical environment (including energy costs), foreign exchange impacts and price lag effects

(2) Based on average pre-tax operating capital employed including goodwill, or return on sales

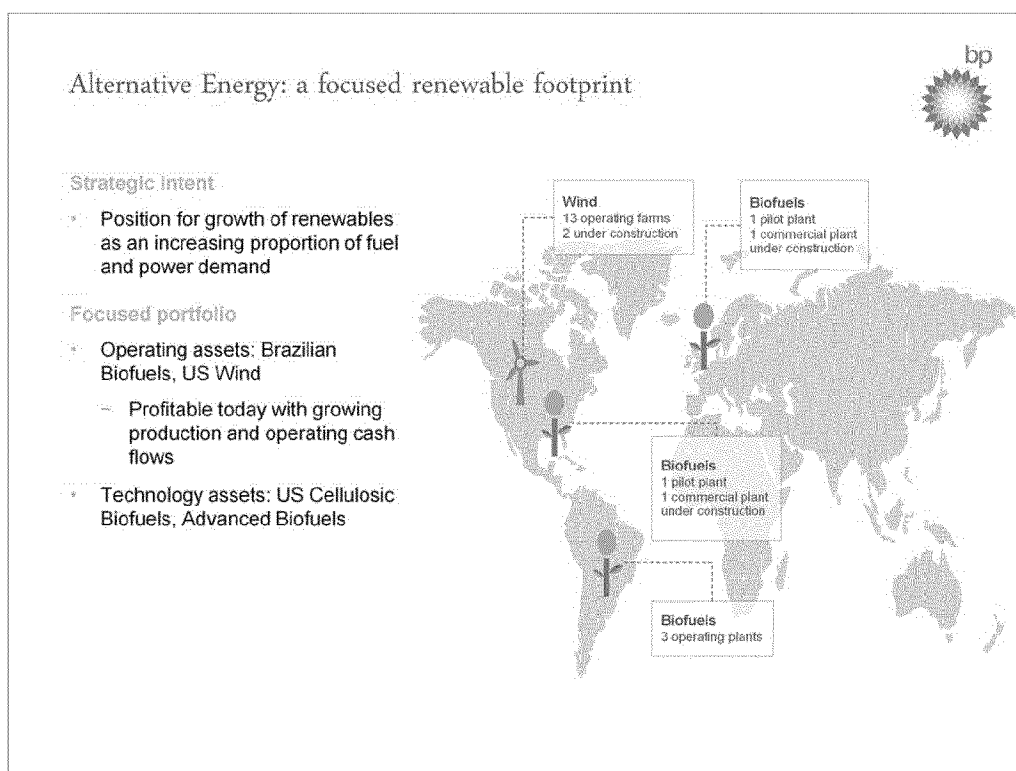
Source: 2011 Results and Strategy Presentation

- Highly competitive downstream portfolio which is becoming truly world class
- 2011 underlying pre-tax RCP of \$6bn is an all-time record for BP and was achieved in far from the best market conditions
- On track for delivery of \$2bn profit improvement by end 2012 relative to 2009, representing a material contribution to the growth of operating cash flow for the Group by 2014
- Whiting refinery upgrade on track for 2013 start-up
- Continued disciplined investment - \$4.5bn expected for 2012
- Transparency to value of petrochemicals and lubricants



Driving value

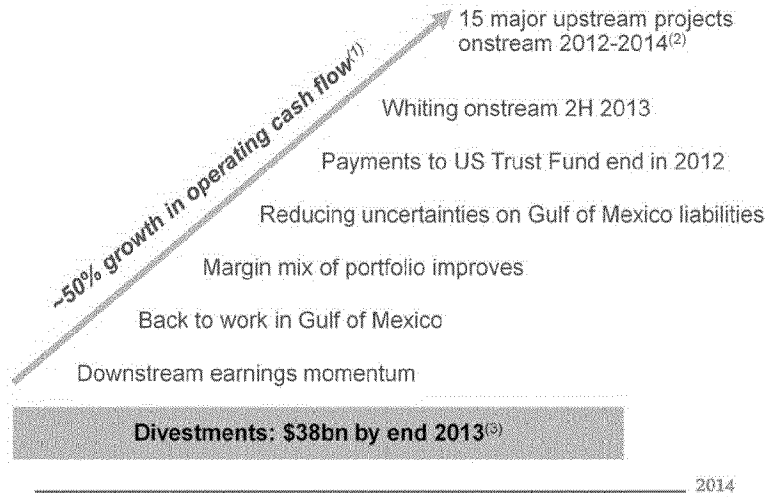
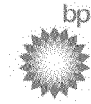
Alternative Energy



Source: 2011 Results and Strategy Presentation

- BP has been in the renewables business for the last 35 years to understand and be positioned in the global trend of long-wave renewables growth
- Biofuels assets are focused on Brazil where we own and operate three mills in prime cane locations
- We plan to continue investing in advantaged land, mills and logistics
- Biofuels technology assets include US cellulosic biofuels and advanced molecules such as biobutanol
- In wind, our operating assets consist of over 1,000 turbines in 13 wholly-owned and JV US wind farms
- Advantaged land position that underpins ongoing development (analogous to upstream acreage)
- AE business is now positioned for steadily improving operating cash flow contribution

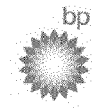
Moving BP Forward



(1) BP projection at \$100/bbl by 2014. See Statement of Assumptions under Cautionary Statement.
 (2) Excluding TNK-BP
 (3) Since start of 2010

Source: 2011 Results and Strategy Presentation

- Delivery of many major milestones out to 2014, including:
 - Downstream earnings momentum of \$2bn improvement vs. 2009
 - Upstream performance improvement through returning to work in the Gulf of Mexico and margin mix of portfolio
 - Gulf of Mexico liabilities clarified
 - Trust Fund payments ending
 - Whiting refinery upgrade coming onstream in 2013
 - Start-up of 15 new upstream projects



Macondo update

Gulf of Mexico has returned to work



Exploration and Appraisal

- Moccasin discovery
- Kaskida appraisal
- Mad Dog resource extension now estimated to be 4bn bbl Original Oil In Place
- Gila exploration and Tiber appraisal expected in 2012

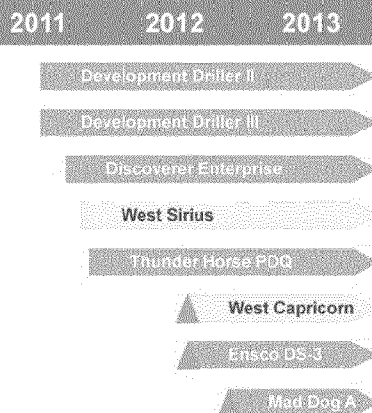
Major projects

- Mad Dog Phase 2 Final Investment Decision
- Galapagos, Na Kika Phase 3 and Mars B execution

Production drilling

- Drilling and completion activity at both Thunder Horse and Atlantis
- Mad Dog rig operational by end 2012

Rigs on BP operated fields

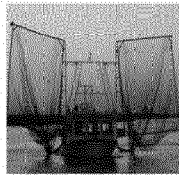


- Production
- Exploration and Appraisal
- ▲ Commencement of rig activity subject to regulatory approval

Source: 2011 Results and Strategy Presentation

- Gulf of Mexico remains a very important part of our future
- [Five] deepwater rigs working on production, appraisal and plugging (at Thunder Horse, Atlantis and Kaskida), three more planned by end 2012
- We plan to spud the Gila exploration well in 2H 12 as well as ongoing appraisal at Kaskida and Tiber
- FID reached on Mad Dog Phase 2
- Galapagos, Na Kika Phase 3, Mars B major projects starting up over the next three years

Progress in the US



Response completion

- Shoreline clean up essentially complete. Patrolling and maintenance continues

Environmental restoration

- Natural Resource Damages Assessment (NRDA) progressing
- Phase 1 early restoration plan finalized by NRDA Trustees

Economic restoration

- \$8.3bn of claims and government payments to end 1Q 12
- \$16.6bn paid into Trust Fund
- Robust recovery of Gulf Coast tourism

Legal proceedings

- Settlement announced with Plaintiff's Steering Committee
 - Provisionally approved by Court, final approval to be heard in November 2012
 - Transitional claims process established
- Remaining proceedings under MDL2179 to commence January 2013

Source: 1Q 2012 Results Presentation

- Active shoreline patrolling and maintenance continues
- Progressing projects for early restoration of natural habitats under our \$1bn commitment for NRDA
- First eight projects will start shortly, following plan finalisation by trustees
- \$8.3bn paid for individual, business and government claims
- \$16.6bn paid in to Trust Fund
- Agreement reached with PSC for the substantial majority of eligible private economic loss and medical claims
- Provisionally agreed by court. Opt-in process commences. Final approval will be heard in November 2012
- New court-supervised claims process now operational
- Expected cost of \$7.8bn, to come from \$20bn Trust Fund. No change in \$37bn provision
- Remaining proceedings will commence in January 2013
- BP is ready to settle on fair and reasonable terms but is fully prepared for trial

Gulf of Mexico oil spill costs and provisions pre-tax⁽¹⁾



\$bn	To end 2011	1Q12	Cumulative to date
Income statement			
Charge / (credit) for the period	37.2	(0.0)	37.2
Balance sheet⁽²⁾			
Brought forward		10.6	
Charge / (credit) to income statement	37.2	(0.0)	37.2
Payments into Trust Fund	(15.1)	(1.5)	(16.6)
Cash settlements received	5.1	0.3	5.4
Other related payments in the period ⁽³⁾	(16.6)	(0.5)	(17.1)
Carried forward	10.6	8.9	8.9
Cash outflow	26.6	1.7	28.3

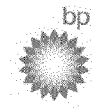
(1) Includes contributions received from Mitsui, Weatherford, Anadarko and Cameron

(2) Balance sheet amount includes all provisions, other payables and the asset balances related to the Gulf of Mexico oil spill

(3) Please refer to details as disclosed in the Stock Exchange Announcement

Source: 1Q 2012 Results Presentation

- Cumulative pre-tax charge of \$37.2bn
- Trust Fund payments \$16.6bn as at end 1Q 12, now \$17.9bn as of today
- \$2.1bn remaining funding commitment
- ~\$2.9bn headroom in the \$20bn fund for unallocated, unforeseen expenditure
- [At end 1Q 12 \$8.9bn remaining provision includes \$3.4bn remaining Trust Fund commitment and \$3.5bn CWA fines]



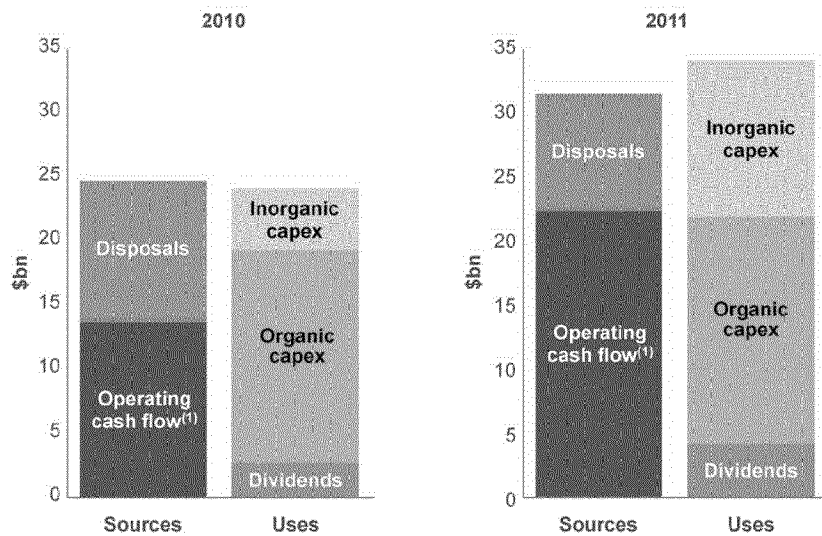
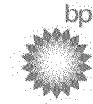
Financial Framework
& Debt Book Review

Financial results



\$bn	1Q 12	2011	2010
<i>Income</i>			
Replacement cost profit - before Macondo	4.9	21.5	23.1
Gulf of Mexico spill response	-	2.4	(28.0)
Replacement cost profit - reported	4.9	23.9	(4.9)
<i>Cash flow</i>			
Net cash provided by operating activities - before Macondo	5.1	31.1	31.3
Gulf of Mexico spill response	(1.7)	(8.9)	(17.7)
Net cash provided by operating activities - reported	3.4	22.2	13.6
<i>Balance sheet</i>			
Net debt	31.2	29.0	25.9
Gearing	21%	21%	21%

Sources and uses of cash – FY 2011



⁽¹⁾ After payments into the Trust Fund and other Gulf of Mexico oil spill payments

Source: 2011 Results and Strategy Presentation

- Operating cash flow of \$22bn, including \$6.8bn of Macondo expenditures
- \$8.9bn of disposal proceeds and \$6.2bn of disposal deposits brought forward from 2010 now released/repaid
- \$12bn inorganic capex (Devon, Reliance, Brazil Biofuels, US gas)
- \$14.1bn cash on deposit

2012 Guidance



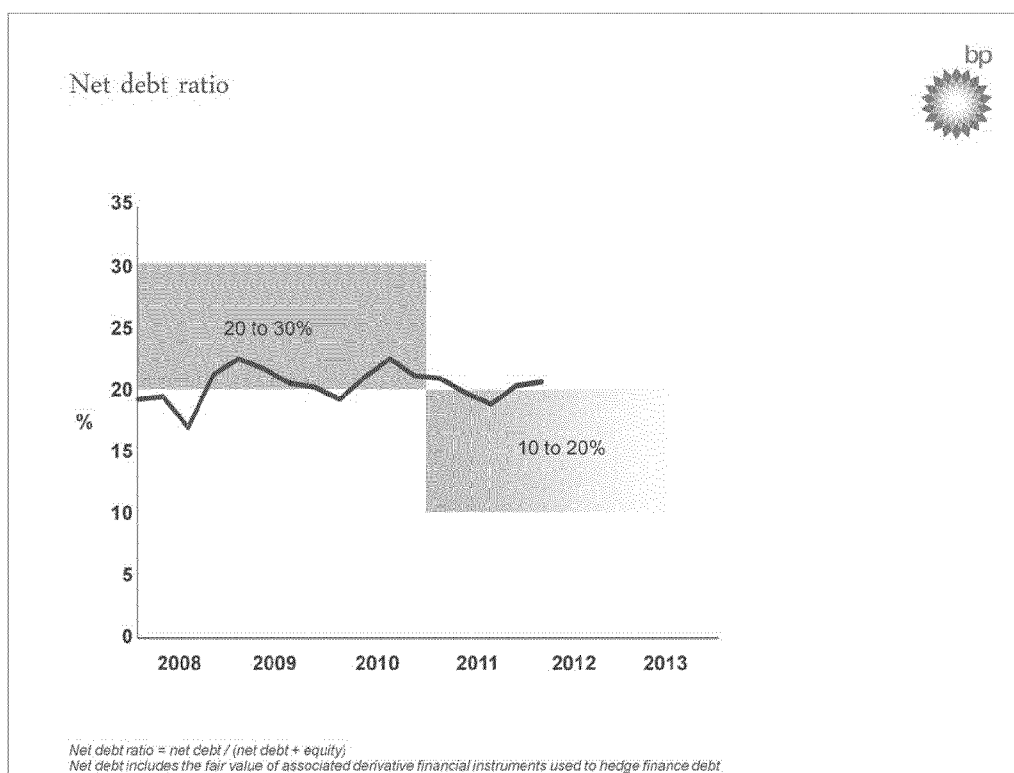
\$bn	2011	2012 guidance
Organic capital expenditure	19.1	~ 22
DD&A ⁽¹⁾	11.1	~ 1.0 higher
Production excluding TNK-BP	2,460mboed	~ flat, underlying ⁽²⁾
Other businesses and corporate: average underlying quarterly charge	~ \$400m	~ \$500m
Full year effective tax rate	33%	34% - 36%

(1) Depreciation, depletion and amortization

(2) 2012 underlying production is based on \$100/bbl oil normalized for the impact of divestments, OPEC quotas and price effects

Source: 2011 Results and Strategy Presentation

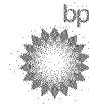
- Organic capex to increase from \$19bn to \$22bn as we invest to grow upstream
- DD&A charge \$1bn higher due to new higher margin projects with higher Finding & Development costs and higher decommissioning costs across portfolio
- Underlying production broadly flat, excluding TNK-BP
- Reported production lower due to divestments (~120kb/d)
- TNK-BP production to grow by 1-2% per annum



Source: 1Q 2012 Results Presentation

- Year end net debt was \$29bn, gearing just over 20%
- End 1Q 12 net debt was \$31bn, gearing of 20.7%
- Targeting gearing of bottom half of 10% - 20% range over time to retain financial flexibility
- Confident that net debt and gearing will fall through 2H 12 and 2013 as cash flows from divestments and new higher-margin projects arise and Trust Fund payments end

Financial framework

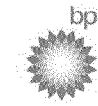


- Increased investment to grow the firm
- Intention to grow distributions over time in line with improving circumstances of the firm
- Dividend: progressive growth
 - Driven by:
 - momentum in underlying businesses
 - Balanced by:
 - the need to retain significant level of financial flexibility
 - continuing obligation to the Trust Fund
- Gearing: lower half of 10% to 20% range over time, supported by:
 - \$15bn additional expected divestments by end 2013; \$38bn in total

Source: 2011 Results and Strategy Presentation

- Increasing capex to grow the firm
- Progressive dividend policy from confidence in cash flow delivery to 2014
- Commitment to reduce gearing to lower half of 10-20% band
- We intend to maintain a strong liquidity buffer, given current uncertainties and economic outlook
- Share buybacks remain an option as a flexible mechanism to return cash over the longer term, after meeting the above objectives i.e. once uncertainty has reduced and gearing has reached the target

Balance Sheet Resilience



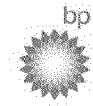
- * Ready access to multiple short and long term debt capital markets
- * Minimum cash buffer \$10bn
- * Committed standby facilities of \$7bn
- * \$14bn of letter of credit lines
- * Trading working capital monetisation options
- * Monthly stress testing - 30 day and 90 day resilience
- * Group Financial Risk Committee monthly monitoring

Debt analysis at 1Q 2012



\$ billion	1Q 12
Long term	
Bonds	35.9
Oil receivable loans	2.1
Tax exempt	1.5
Tangguh	1.1
Leases	0.7
BP Trinidad	0.5
Other	0.2
Less ST portion of LT debt	(3.4)
Finance debt due after more than one year	38.6
Short term	
ST portion of LT debt	3.4
Commercial paper	4.0
Other	0.5
Finance debt due within one year	7.9
Gross debt	46.5
Cash	(14.1)
Debt related hedges	(1.2)
Net debt	31.2

Committed liabilities



- Finance debt totalled \$46.5bn at end 1Q 12

- STD: \$7.9bn

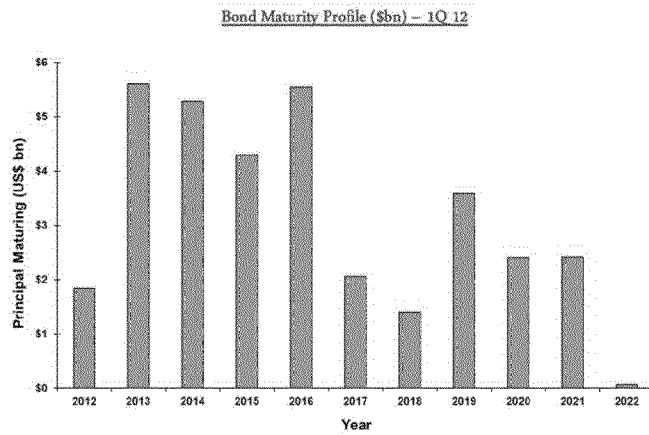
- \$3.4bn maturing bonds and loans

- \$4.0bn CP

- LTD: \$38.6bn

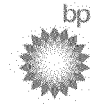
- Gulf of Mexico Trust fund

- \$3.4bn remaining commitment, fully paid by end 4Q 12



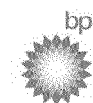
- Organic capital expenditure expected to be \$22bn in 2012

Standby lines & Letters of Credit



- * New standby facilities of \$6,825m were put in place in March 2011
 - * 23 international banks
 - * Maturing March 2014
 - * Terms and conditions unchanged
 - * No MAC clause, no financial covenants
- * 364 day facilities totalling CNY 625m (\$100m) were also put in place with two banks in 2011
- * Agreed LoC lines of \$14bn of which \$8.5bn is currently used.

Pension assets & liabilities*

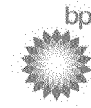


\$bn		May 2012			
		Assets	Liabilities	Surplus / (Deficit)	Current % funded
Funded Pension Plans				Actual	Actual
	Assets in £bn Liabs in £bn				
BPPF	15.2 (17.2)	23.7	(26.8)	(3.1)	88.5%
RAP		7.4	(8.4)	(1.0)	88.2%
Other funded plans		3.9	(4.6)	(0.7)	84.9%
Total funded plans		35.0	(39.7)	(4.8)	88.0%
US Medical			(3.2)	(3.2)	
Other Unfunded Plans			(6.4)	(6.4)	
Total Pensions & OPEB pre-tax		35.0	(49.3)	(14.4)	

* Annual budget for funded plans \$1.25bn

*Internal summary: Data derived from unaudited plan data rolled forward

BACKUP



Pension history



year end					
\$bn	2011	2010	2009	2008	2007
	(pg 238 ARA)	(pg 206 ARA)	(pg 164 ARA)	(pg 162 ARA)	(pg 155 ARA)
UK Funds	(1.9)	2.1	1.3	1.7	7.7
US Fund	(0.8)	(0.8)	(1.3)	(1.7)	1.0
Other Funds	(0.5)	(0.3)	(0.2)	(0.4)	(0.2)
Total Funded Position	(3.2)	1.0	(0.2)	(0.4)	8.5
Unfunded Plans (Germany, France)	(5.8)	(5.6)	(5.4)	(5.3)	(5.7)
US Medical	(3.0)	(3.1)	(3.0)	(3.0)	(3.1)
Funding Position	(12.0)	(7.7)	(8.6)	(8.7)	(0.3)
Deferred Tax (p211 ARA)	2.9	1.7	2.0	2.0	(0.6)
Total ((IAS19 basis)	(9.1)	(6.0)	(6.6)	(6.7)	(0.9)

S&P operating lease summary

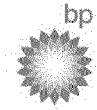


\$m	NEW METHODOLOGY				OLD METHODOLOGY
	2011	2010	2009	2008	2007
Rental Expense					
Min Lease payments	4,769	5,311	4,100	4,017	3,180
Sub-Leases					(183)
Total	4,769	5,311	4,100	4,017	2,997
Min future lease pyts	16,072	13,973	14,716	16,151	14,395
NPV of Min.lease pyts	13,264	11,453	11,973	12,215	11,964
(6% discount rate 2008, 5% previously)					

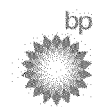
- Interpretation issues within the standards lead to differing classification between majors – lease or LTCC?
- BP very conservative on lease reporting
- No guidance in IFRS or US GAAP for reporting of operating leases associated with Jointly Controlled Assets
 - Leads to different reporting practices across majors
- Gross or net reporting where operator, depending on facts, net or nil reporting for non-operated
- **BP's** disclosure is driven by economic substance
 - Where BP is operator, lease obligations are net of partner share, regardless of whether partners are co-parties to the lease
 - Where BP is not operator, it reports its share of a lease obligation, again regardless of whether BP is a co-party
- Likewise **Chevron** discloses its net share of leases regardless of operator, where there is a joint operating agreement in place
- **Shell** reports some lease obligations gross and some net (and nil for some non-operated assets) based on the circumstances surrounding the rig contract (e.g. where it must stay in a particular location, with a long-standing joint operating agreements it is reported net)

- **Conoco Phillips** - where operator, either gross or net depending on the facts.
Where non-operator, only reported if they have co-signed the lease
- **Total** - discloses drilling rigs as purchase obligations and not as operating lease obligations, viewing these obligations as a service commitment

Moody's operating lease summary



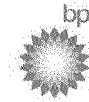
\$m	NEW METHODOLOGY				OLD METHODOLOGY
	2011	2010	2009	2008	2007
Rental Expense					
Min Lease payments	4,769	5,311	4,100	4,017	3,180
Sub-Leases					(183)
Total	4,769	5,311	4,100	4,017	2,997
Min future lease pyts	16,072	13,973	14,716	16,151	14,395
6x Annual lease payments	28,614	31,866	24,600	24,102	19,080



Not for trustees

APPENDIX – FOR BP ONLY

Major projects



Project	Operator	Type	WI %	Gross capacity	Margin	2011 region average margin \$/boe
2012						
Block 31 PSVM	BP	Oil	27	150 mboed	HIGH	108
Angola LNG	Chevron/Sonangol	LNG	14	1100 mmscfd	HIGH	108
Clochas-Mavacola	ExxonMobil	Oil	27	100 mboed	HIGH	108
Galapagos	BP	Oil	27	60 mboed	HIGH	90
Skarv	BP	Oil	24	160 mboed	HIGH	96
Devenick	BP	Gas	89	200 mmscfd	HIGH	96
2013						
North Rankin 2	Woodside	LNG	17	1800 mmscfd	LOW	48
Kinnoull	BP	Oil	77	50 mboed	HIGH	96
2014						
CLOV	Total	Oil	17	160 mboed	HIGH	108
Chirag Oil	BP	Oil	36	140 mboed	HIGH	96
Sunrise Phase 1	Husky	Oil	50	60 mboed	n/a	n/a
Na Kika Phase 3	BP	Oil	50	40 mboed	HIGH	90
Mars B	Shell	Oil	29	130 mboed	HIGH	90
In Amenas Compression	JV (BP/Statoil/Sonatrach)	Gas	46	330 mmscfd	HIGH	76
In Salah Southern Fields	JV (BP/Statoil/Sonatrach)	Gas	33	420 mmscfd	HIGH	76

- Clochas-Mavacola producing ca. 65 mbd gross
- Galapagos started up on June 3rd, ramping up to plan. 1st well Isabella producing ca. 25 mbd gross
- 55% of the 2014 Major Projects Ops Cash will come from projects that start-up in 2012
- 6 Major Projects start-ups on track for 2012
- Premature to say 7 start ups in 2012
 - * North Rankin 2 accelerated from from 1Q 2013 to 4Q2012
 - * ...but residual risk that the Block 31 PSVM or Skarv 4Q 2012 startups may slip into 2013

S&P adjusted debt



\$bn	2011	2010	2009	2008	2007
Net Debt	30.1	26.8	26.2	25.0	26.8
Non surplus cash (\$1.5bn)	1.5	1.5	1.5	1.5	1.5
Pension Funding (net of deferred tax)	9.2	6.0	6.5	6.7	0.9
Operating Leases	13.3	11.6	11.8	12.2	12.0
AROs	8.7	5.3	4.5	4.2	4.8
Guaranteed 3rd party debt	1.8	1.1	1.1	0.8	1.0
Gulf of Mexico	10.6	23.3	-	-	-
Committed inorganic capex	-	10.2	6.5	-	-
Adjusted Net Debt	75.2	85.8	58.1	50.4	47.0

Increase in ARO adjustment of \$3.4bn relates to:

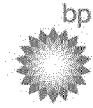
- New provisions - \$2.3bn*
 - Idle iron legislation in US (Oct 2010) – prompted thorough review of GoM provisions and then global review (and increase) of decommissioning liabilities (especially well decommissioning) and cost assumptions as industry understanding has evolved – all majors should be doing this
 - Increase in (real) discount rate from 1.5% to 0.5% - \$1.6bn*

* S&P takes 50% of BP balance sheet movement

Increase in guarantees

- \$0.7bn adjustment due to disclosure of a guarantee in a pre-2000s contract not previously disclosed (2010 actuals were adjusted in 2011 ARA and show figures are flat at \$1.8bn)

Moody's adjusted debt



\$bn	2011	2010	2009	2008	2007
Net Debt	30.1	26.8	26.2	25.0	26.8
Restricted funds	0.9	1.1	1.1	2.1	1.3
Operating Leases	28.6	31.9	24.6	24.1	19.1
Deficits on Funded pensions	3.2	-	0.2	0.4	-
Unfunded pensions	5.8	5.6	1.4	1.2	1.3
Guaranteed 3rd party debt	1.5	1.0	0.9	0.8	0.8
Net Adjusted Debt	70.1	66.3	54.4	53.6	49.3

Not for trustees