KEY INDICATORS [1]			
BP p.l.c.			
	2013	**2012**	**2011 [2]**
EBIT / Avg. Book Capitalization	9.8%	11.8%	16.4%
EBIT / Interest Expense	6.7x	7.9x	11.3x
Retained Cash Flow / Net Debt	37.8%	35.5%	46.7%
Gross Debt / Total Capital	38.4%	40.6%	38.4%
Gross Debt / Total Proved Reserves	$5.1	$5.4	$4.6
Total Proved Reserve Life (Yrs)	14.8	13.6	13.7

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Source: Moody's Financial Metrics™

[2] Debt not adjusted for future payments to the Deepwater Horizon Oil Spill Trust

DRAFT - CONFIDENTIAL

Corporate Profile

BP p.l.c. (BP) is one of the largest listed oil & gas companies in the world. It is an upstream-focused vertically integrated group with a strong presence in the downstream sector. BP's main operations are located in Europe, North and South America, Russia mainly through a 19.75% stake in OJSC Oil Company Rosneft (Baa1, review for downgrade), Asia and parts of Africa. The Exploration & Production segment, which generates the majority of the group's cash flows, underpins BP's rating. In 2013, BP produced an average of around 2.2 million barrels of oil equivalent per day (boe/d) split 53% liquids and 47% natural gas, excluding its share of Rosneft production of 753,000 boe/d (based on a conversion factor of 6 billion cf of gas for 1 million boe). The group also trades in gas, natural gas liquids (NGL) and increasingly in liquefied natural gas (LNG). BP is also a large refiner with shareholdings in 14 refineries, of which 9 are BP-operated and 7 are wholly-owned. Its refining capacity amounts to 1.96 million barrels of oil per day (b/d), of which 38% and 43% are located in the US and Europe, respectively. BP markets its petroleum products via a network of 17,800 service stations, which are mostly located in the US and Europe.

Rating Rationale

BP's A2/P-1 ratings continue to be underpinned by i) an extremely large and diversified reserve base and considerable production despite the recent divestment of upstream assets that are mainly mature and low-growth, ii) an efficient cost base characterised by comparatively low finding, development and lifting costs and iii) a sound historical reserve replacement track-record.

BP's ratings reflect our view that the group will be able to sustain financial metrics commensurate with the ratings under a range of likely outcomes for the ultimate total costs resulting from the Macondo oil spill, including cumulative expenses and cash outlays of up to around $40 billion after-tax. While BP has to date taken a total pre-tax charge of $42.7 billion ($31.0 billion post-tax) in relation with the Gulf of Mexico (GoM) accident, the current ratings acknowledge that ultimate costs could potentially be

Ex 12948
Worldwide
Court Reporters, Inc.

substantially higher, having considered scenarios in which (1) fines under the Clean Water Act (CWA) are higher than currently provided for in BP's accounts; and (2) damages are significantly in excess of the $20 billion escrow fund set up to satisfy claims under the Oil Pollution Act of 1990 (OPA 90) and other claims for damages.

The ratings also reflect our expectation that given the considerable uncertainty that persists regarding the scale and timing of the future cash outflows related to the Macondo well oil spill, BP will maintain prudent financial policies in the context of its 2014-2018 strategy. We believe that BP's ability to pay very large fines and legal claims continues to be underpinned by its underlying operating cash flow generating capacity with funds from operations of $32.4 billion (on a fully-adjusted basis) in 2013, and large cash balances. These amounted to $20.9 billion (excluding restricted cash) at the end of 2013, following the receipt of cash proceeds of $17.1 billion from disposals during the year, including $11.8 billion from the sale of its 50% stake in TNK-BP completed in March 2013.

While BP plans to divest a further $10 billion worth of assets during 2014-2015, it has clearly stated its intention to use proceeds predominantly for additional distributions to shareholders. However, these should mainly take the form of share buybacks, which should leave BP the flexibility to adjust its cash returns should operating cash flow fall short of management's public guidance and/or Macondo costs unexpectedly escalate.

Assuming the Macondo costs that BP incurs by the end of 2015 do not materially exceed a cumulative $40 billion after tax, we believe that the group should be able to retain credit metrics in line with its current A2 rating, including retained cash flow/net debt in the 30%-40% range.

DETAILED RATING CONSIDERATIONS

Sizeable and diversified upstream portfolio despite recent asset sales

BP's production and reserves position the group as one of the world's largest publicly-traded oil & gas company. Moody's views size as a critical factor in the sector, as it enables the company to participate both financially and operationally in numerous development opportunities, including large scale oil field developments with largely cost-efficient economics.

Despite the various asset sales completed in the past four years under a divestment programme initiated to shore up the group's financial flexibility in the wake of the GoM accident, BP remains one of the world's few global super-majors. It boasts a large portfolio of hydrocarbon resources that is characterised by a high degree of technological and geographical diversity, which is supportive of its credit profile. BP's upstream portfolio spans a large number of existing mature markets (including the North Sea and the US), Russia (mainly through its 19.75% stake in Rosneft), as well as new provinces such as deepwater GoM, Azerbaijan, Angola, Brazil, India, Canada's oil sands and Asia Pacific LNG, which are expected to contribute most of the group's future growth.

DRAFT - CONFIDENTIAL

Since the Deepwater Horizon accident in April 2010, BP's average daily hydrocarbon production (excluding TNK-BP/Rosneft contributions) has however decreased by 26% to 2.2 million boepd in 2013. This is the result of the decline in production in the GoM following the Macondo accident, heavy maintenance activity reflecting the group's increased focus on safety and operational risk management as well as the divestment of upstream assets, which are expected to reduce production by about 500,000 boepd in total by 2014.

Uncertainty remains as to ultimate size of Macondo financial liabilities
BP still faces considerable uncertainty over the ultimate potential financial liabilities arising from the April 2010 Macondo accident and GoM oil spill, despite the settlements reached in 2012 with (i) the Plaintiffs' Steering Committee (PSC), which acts on behalf of individual and business plaintiffs in the multi-district litigation (MDL 2179), and (ii) the US authorities to resolve all criminal charges, which helped remove the threat of a possible indictment by the Department of Justice.

The first two phases of the MDL2179 civil trial have now concluded. In Phase 1, the court sought to determine blame for the Deepwater Horizon blowout – including the key point on whether BP and other defendants acted with "gross negligence" – and apportion liabilities among the defendants, which also include Transocean (Baa3 negative) and Halliburton (A2 negative). Phase 2 was due to assess how much oil was spilled into the Gulf of Mexico and the response efforts following the April 2010 accident. This phase of the trial was critical to determine how much money the parties involved will have to pay in penalties under the US Clean Water Act (CWA), though this did not rule on the actual amount of the monetary awards. The ultimate assessment of the penalties and damages to be borne by each party will be determined during a penalty phase that has now been scheduled to start on 20 January 2015. In any case, we expect that the MDL 2179 proceedings (including appeals) will take years to resolve.

The timing of any rulings on Phases 1 and 2 is not known (although these may be issued prior to the start of the penalty phase). In the meantime, the key question of whether BP and other defendants in MDL 2179 acted with gross negligence or engaged in willful misconduct remains unanswered. A finding of gross negligence would have the most negative impact on BP's liabilities, primarily in the area of CWA penalties. The degree of negligence and the amount of oil spilled will influence the size of potential CWA fines and determine BP's exposure to other claims from US states along the Gulf Coast and outstanding claims from individuals and businesses, including potential punitive damages under federal maritime law. Should BP be found grossly negligent, it may be imposed CWA penalties five times greater than the $3.5 billion currently provided by the group. Meanwhile, the Natural Resource Damages (NRD) that the state and federal governments will seek to recover from BP under the Oil Pollution Act (OPA 90) have yet to be quantified.

In addition, some uncertainty remains regarding the actual cost of the PSC settlement. BP has been challenging the interpretation of the settlement agreement by the claims administrator, which has resulted in a higher number and value of awards in connection

DRAFT - CONFIDENTIAL

with Business Economic Loss (BEL) claims. Following the ruling of the US district court in December 2013, which ordered the claims administrator to match income and expenses when determining BEL claims, BP is now considering its appeal options in an attempt to get the 3 March 2014 decision of the BEL panel on the issue of causation overturned. A favourable decision on this issue would clearly support BP's efforts to rein in the total cost of the PSC settlement. In any case, it is probable that BP will need to further increase its PSC settlement provision ($9.2 billion as of 31 December 2013) and that the funds left in the Deepwater Horizon Oil Spill Trust alone will be insufficient to cover these incremental costs (even though we do expect BP to make any top-up payments for BEL claims until 2015).

Nevertheless, a CWA ruling in line with BP's current $3.5 billion provision would leave headroom of around $10 billion to absorb other charges, including incremental PSC settlement costs, while keeping total Macondo costs after taxes within the $40 billion threshold.

BP retains a significant presence in Russia through Rosneft stake
In March 2013, BP completed the sale of its 50% stake in TNK-BP to Rosneft for a net cash consideration of $11.8 billion and a 18.5% stake in Rosneft, taking its total interest in the Russian state-controlled group to 19.75% (giving BP two seats on Rosneft's nine member board).

The $3.8 billion in cash proceeds raised upfront from this sale (net of the $8 billion share buy-backs to be carried out to offset its dilutive effect on BP's earnings per share) needs to be balanced against the reduced dividend BP will now receive from its Russian associate (according to our estimate approximately $760 million in 2014 v. $2.1 billion p.a. on average received from TNK-BP in 2008-2012).

Reflecting the equity method of accounting used by BP for its Rosneft stake, Rosneft contributed 31% of BP's consolidated hydrocarbon production in Q4 2013 – a level comparable to TNK-BP's past contributions – while it accounted for a slightly higher proportion of the group's total proved reserves (37% at the end of 2013 v. 32% for TNK-BP in 2012).

The transaction results in reducing BP's exposure to the brownfield enhanced recovery projects of TNK-BP in favour of higher risk, more long term, technologically complex, Arctic exploration projects, which are expected to be an integral part of Rosneft's strategy going forward and will be negative cash flow generating for many years. It is also the case that whereas BP had significant oversight over day-to-day operations and the ability to block any decision it disagreed with in TNK-BP, it will have less influence over Rosneft's strategic and corporate decisions as a 19.75% shareholder of a state-controlled group. That said, the dividends to be received from Rosneft will be significantly less material to BP's overall cash flow than those upstreamed from TNK-BP in the past few years. According to our estimate, Rosneft dividend should account for about 2.5% of group funds from operations in 2014 (v. 6% for TNK-BP dividends over the period 2008-2012).

DRAFT CONFIDENTIAL

Project pipeline expected to support operating cash flow growth
Going forward, BP's production profile and cash flow generation should be supported by the start-up of 20 major projects scheduled in 2014-2017 (three of which are already on stream and a further 14 approved). These projects are mainly focused on four key regions: Angola, Azerbaijan, the GoM and the North Sea. While BP's reserve replacement track-record weakened in the wake of the Macondo disaster, we note that the Upstream division (i.e. excluding TNK-BP/ Rosneft) posted an improved proved reserve replacement ratio of 93% (105% for subsidiaries alone) in 2013.

Significantly, BP has made further progress towards a return to normal activity in the GoM, where it currently has ten rigs in operation (v. six in 2009). In 2013, BP's production in the region grew for the first time since 2009. Also, BP reached an administrative agreement with the US Environmental Protection Agency (EPA) on 13 March 2014, which resolves all matters related to the suspension, debarment and statutory disqualification of BP following the Deepwater Horizon accident and clears the way for BP to enter into new contracts with the US government, including new deepwater leases in the GoM.

The divestment of various US and UK upstream assets that typically produce high-margin barrels, led to some temporary pressure on the Upstream division's unit cash margin. That said, we expect that the start-up of new projects in high margin areas such as Angola, Azerbaijan, the GoM and the North Sea will help extend the initial upturn reported in 2013 over the next few years.

Further ahead, BP is also keen to capitalise on the access to significant new acreage it has recently secured in various regions (e.g. Angola, India, Brazil, Australia, North Sea) and stepped up further its exploration efforts. At the same time, it intends to continue to actively manage its portfolio in order to redeploy capital from mature fields with declining cash flows but also early life assets towards priority growth areas such deepwater, integrated gas value chains and giant fields.

Downstream performance supported by portfolio and efficiency initiatives
We generally view stand-alone refining or petrochemicals businesses as demonstrating high business risk characteristics given their high dependence on volatile refining margins, while marketing activities usually provide somewhat greater stability. However, given their integration with a solid upstream business, we consider BP's downstream activities as supportive of its business risk profile.

Following the major operational issues that had affected its US capacity during the period 2005-07, BP undertook a major restructuring of its downstream activities in the past few years, as it strove to simplify the business through the establishment of Fuels Value Chains as well as improve the productivity and cost efficiency of its operations.

In 2013, BP completed the sale of the Texas City and Carson refineries for a combined consideration of around $4.8 billion. The divestment of these two refineries, which

DRAFT CONFIDENTIAL

accounted for about half of its US refining capacity (with a combined crude distillation capacity of 741,000 b/d), leaves BP with a much smaller refining exposure than Exxon and Shell, in line with its refining deficit strategy. Combined with the Whiting refinery modernization project that was commissioned during 2013 and enjoy access to lower crude prices in the North American market, this should also benefit the efficiency and financial returns of its US portfolio going forward.

However, in 2013, downstream results were impacted by weak refining and petrochemical margins as well as the planned outage at the Whiting refinery, as the new units were being commissioned. Looking ahead, we expect challenging operating conditions in the global refining and petrochemical sectors to continue to weigh on the financial returns of BP's downstream operations in the medium term and leave these measures weakly positioned relative to its A2 rating.

Asset disposals underpin balance sheet despite dilutive effect on operating profitability

BP's recent underlying performance has been significantly impacted by lower oil and gas output reflecting the divestment of various US and UK upstream assets, which typically produced high-margin barrels. In the past two years, cash flow from operations (excluding Macondo items) has consistently been insufficient to fund capex and cash dividend in full. However, cash raised from asset disposals has enabled BP to remain overall net cash flow positive, pro-forma the $8 billion in share buybacks initiated following the TNK-BP divestment.

In 2014, we expect BP's operating cash flow generation to get the benefit of the start-up of a roster of major upstream projects primarily located in high-margin regions, such as the Gulf of Mexico, Angola, Azerbaijan and the North Sea, as well as the upgrade of the Whiting refinery scheduled to run at full capacity from Q2 2014, when heavy crude processing is expected to reach approximately 280,000 b/d.

Recently, management reiterated its objective for BP to generate operating cash flow of $30-31 billion in 2014 (assuming a $100 per barrel pricing environment). This should allow BP to cover organic capex of $24 billion-$25 billion and cash dividends of around $6 billion (assuming a stable scrip take-up rate) and achieve cash neutrality before any share buybacks and Macondo costs.

We note that BP has stated its intention to apply proceeds raised from further asset sales (lifting its target for the period 2014-2015 to $10 billion) predominantly towards share buybacks. However, we expect that the operating cash flow lost as a result of these disposals will be more than offset by the start-up/ramp-up of projects expected to produce higher margin barrels than the average of BP's 2013 portfolio. Also, we believe that by opting for share buybacks as opposed to a step-up in dividend, BP management will retain the flexibility to adjust cash returns, should operating cash flow fall short of its expectations and/or Macondo costs unexpectedly escalate.

DRAFT - CONFIDENTIAL

Liquidity
BP's liquidity profile is considered to be healthy, supported by internally generated cash flow, committed back-up facilities and cash held on its balance sheet. At the end of 2013, it held cash balances (excluding restricted cash) of $20.9 billion. This exceeds debt maturities falling due within 12 months of $7.4 billion and the balance of $2.5 billion of share buybacks still to be executed under the $8 billion programme initiated in March 2013.

In addition, at the end of 2013, BP had in place committed bank standby facilities totalling $7.4 billion, of which $7.0 billion is available until H1 2018 and $400 million until April 2016. These facilities were fully undrawn.

Rating Outlook
BP's rating outlook is stable. Looking ahead, given the continued uncertainty regarding the size of the financial liabilities that it will ultimately have to bear in connection with the Macondo accident, we expect that BP will maintain prudent financial policies in line with its stated intention to keep balance sheet gearing within the 10-20% range while uncertainties remain. The group's financial profile and liquidity position is underpinned by a robust operating cash flow (based on our current oil price assumptions) complemented with proceeds from asset disposals. This, in turn should help keep BP's credit metrics in line with an A2 rating under the range of likely outcomes that we have considered with regard to the ultimate total costs resulting from the GoM oil spill.

What Could Change the Rating – UP
An overall positive outcome for legal actions and investigations (including the removal of the threat that BP could be found to be grossly negligent in civil court for the Gulf of Mexico spill), together with robust cash flow generation in line with management guidance and the maintenance of conservative financial policies could, over time, lead to upward pressures on the rating.

What Could Change the Rating - DOWN
Conversely, BP's rating could be downgraded should the ultimate costs related to the Gulf of Mexico oil spill appear likely to exceed Moody's current range of assumptions due to higher-than-expected fines and settlements, or because a finding of gross negligence in civil court becomes more likely.

DRAFT CONFIDENTIAL

Rating Factors
BP p.l.c.

Integrated Oil & Gas Industry Grid [1][2]	Current FY 12/31/2013		Moody's 12-18 Month Forward View As of 4/15/2014 [3]	
Factor 1: Reserves & Production Characteristics (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Average Daily Production (Mboe/d)	3275	Aaa	3200 - 3300	Aaa
b) Proved Reserves (Million boe)	17733	Aaa	17000 - 18000	Aaa
c) Total Proved Reserve Life (Yrs)	14.8	Aaa	13 - 15	Aaa
Factor 2: Re-Investment Risk (10%)				
a) 3-Year All-Sources Reserve Replacement [4]	273.5%	Aaa	100% - 110%	Baa
b) 3-Year All-Sources F&D Cost ($/boe)	7.0?		$16 - $18	Ba
Factor 3: Operating & Capital Efficiency (10%)				
a) Return on Capital Employed (ROCE) (3 Year Avg)	12.5%	Ba	10% - 15%	Ba
b) Leveraged Full-Cycle Ratio	2.5?		1.3x - 1.8x	Baa
Factor 4: Downstream Rating Factors (15%)				
a) Total Crude Distillation Capacity ('000 bpd)	1955	A	1850 - 1950	A
b) # of Refineries with Capacity > 100 M bpd	13	Aa	12	Aa
c) Segment ROCE (3 Year Avg)	10.7%	Ba	10% - 12%	Ba
Factor 5: Financial Metrics (40%)				
a) Retained Cash Flow / Net Debt (3 Year Avg)	39.8%	A	35% - 40%	A
b) EBIT / Interest Expense (3 Year Avg)	8.5x	A	8x - 12x	A
c) Gross Debt / Total Proved Reserves	$5.1	A	$4.5 - $5.5	A
d) Gross Debt / Total Capital	38.4%	A	35% - 40%	A
Rating:				
Indicated Rating from Grid Factors 1-5				A2
Notching for Government Fiscal Dependence			0	0
a) Indicated Rating from Grid				A2
b) Actual Rating Assigned				A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2013; Source: Moody's Financial Metrics™

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

[4] Consistent with Moody's standard calculation of Reserve Replacement Ratio, this metric reflects Rosneft acquisition completed in 2013 that is accounted under the equity accounting method but excludes the effect of the divestment of TNK-BP.

DRAFT - C