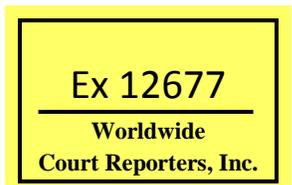


BP Exploration and Production, Inc.
Consolidated Financial Statements
3Q12

(Un-Audited)



IFRS Un-Audited Financial Statement \$m usd	BPXP	BPXP	BPXP
	Consolidated	Consolidated	Consolidated
	YTD 3Q12	YTD 2Q12	3Q12 Activity
Sales and Other Operating Rev	(\$5,892)	(\$4,166)	(\$1,726)
Interest and Other Revenues	(\$31)	(\$30)	(\$1)
Profit on Sale or Termination	(\$61)	(\$11)	(\$50)
TOTAL REVENUES AND OTHER INCOME	(\$5,984)	(\$4,206)	(\$1,778)
Purchases	\$1,143	\$803	\$340
Production and Other Operating Expense	\$2,282	\$1,706	\$576
Exploration Expense	\$82	\$55	\$27
Depreciation	\$1,100	\$743	\$357
Exploration Write-Off	\$53	\$70	(\$17)
Impairment	(\$117)	(\$141)	\$24
Loss on Sale or Termination	\$1	\$1	\$0
EXPENSE	\$4,543	\$3,236	\$1,307
(PROFIT)/LOSS BEFORE INTEREST AND TAX	(\$1,440)	(\$970)	(\$470)
Finance Costs	\$25	\$20	\$5
Current Tax	(\$1,378)	\$55	(\$1,434)
Deferred Tax	\$2,186	\$506	\$1,680
(PROFIT)/LOSS	(\$607)	(\$388)	(\$219)
Decommissioning Asset	\$2,438	\$2,525	(\$87)
Property, Plant and Equipment	\$10,521	\$10,376	\$144
Exploration Assets	\$3,739	\$3,414	\$326
Investments	\$0	\$0	\$0
Non-Current Receivables/Prepayments	\$4,751	\$4,178	\$573
NON-CURRENT ASSETS	\$21,448	\$20,493	\$956
Cash	\$121	(\$49)	\$170
Inventory	\$333	\$310	\$23
Current Receivables	\$5,373	\$5,587	(\$214)
Current Group Receivables	\$2,805	\$2,364	\$441
Current Prepayments/Accrued Income	\$67	\$101	(\$35)
CURRENT ASSETS	\$8,698	\$8,313	\$385
Current Payables	(\$1,419)	(\$3,568)	\$2,149
Current Group Payables	(\$10,772)	(\$9,278)	(\$1,495)
Current Provisions	(\$6,675)	(\$6,587)	(\$88)
CURRENT LIABILITIES	(\$18,866)	(\$19,433)	\$566
Non-Current Group Payables	(\$300)	(\$300)	\$0
Non-Current Payables	(\$30)	(\$19)	(\$12)
Deferred Tax Liabilities	\$2,915	\$4,595	(\$1,680)
Non-Current Provisions	(\$11,470)	(\$11,436)	(\$34)
NON-CURRENT LIABILITIES	(\$8,885)	(\$7,159)	(\$1,726)
Net Assets Held for Sale	\$784	\$748	\$37
NET ASSETS	\$3,179	\$2,961	\$218
Retained Earnings	\$16,748	\$16,748	\$0
Share Capital	(\$19,320)	(\$19,320)	\$0
Group Dividends	(\$0)	\$0	(\$0)

PROFIT/LOSS

Profit for the year 2012 is \$607m with 2Q12 contributing \$219m. Production volumes are up about 20% from 2Q12 but below the 1Q12 volumes by about 20%. The increase in volumes in 3Q12 was partially offset with declines in oil realizations. Operating costs have increased approximately 12% each of the past two quarters. GCRO recognized a \$102m loss this quarter reflecting quarterly GCRO functional activity and changes in provisions. For the first three quarters of 2012, approximately \$3.1b of Sales and Operating Revenues were generated by Verano assets.

NET ASSETS

Overall net assets improve by \$218m reflecting the P/L generated for the quarter. Key balance sheet movements include an increase in Exploration Assets from the recent new acreage obtained in the Gulf and the use of approximately \$1.4b in deferred tax assets, which will not be reflected through cash flow until 4Q (this monetization is currently reflected as a reduction in Current Payables i.e. "tax receivable"). Additionally, a further reduction of Current Payables is due to the quarterly Trust contribution, but this is offset with an increase in Group Payables based on the Group funding that quarterly Trust contribution.

PROVISION SCHEDULE

\$m usd	BPXP	BPXP	BPXP
	Consolidated	Consolidated	Consolidated
Provision Schedule	YTD 3Q12	YTD 2Q12	3Q12 Activity
GCRO Environmental (incl Spill Resp)	(\$2,031)	(\$1,797)	(\$234)
GCRO Litigation/Claims	(\$9,549)	(\$9,631)	\$82
GCRO Other / GoM Rig Reinstallation	(\$3,526)	(\$3,510)	(\$16)
Gom Decommissioning	(\$3,039)	(\$3,084)	\$46
	(\$18,145)	(\$18,023)	(\$122)

The BPXP balance sheet net asset position of \$3.2b at 3Q12 can be presented in the following manner to represent the GCRO impact on the financials.

\$b usd IFRS	BPXP GCRO	BPXP Other	TOTAL
Fixed Assets	\$0.0	\$16.7	\$16.7
Net Assets for Sale	\$0.0	\$0.8	\$0.8
Group Cash Funding	(\$13.0)	\$3.5	(\$9.5)
Group Working Capital	\$0.0	\$1.2	\$1.2
Other Working Capital	(\$0.1)	(\$0.9)	(\$0.9)
Tax Payable/Receivable	\$1.4	(\$0.0)	\$1.4
Reimburse Asset	\$9.7	\$0.0	\$9.7
Provisions	(\$15.1)	(\$3.1)	(\$18.1)
Trust Payable	(\$0.9)	\$0.0	(\$0.9)
Deferred Tax	\$5.8	(\$2.9)	\$2.9
Net Assets	(\$12.1)	\$15.3	\$3.2

The BPXP consolidated financial results for 3Q12 indicate a net asset position of \$3.2b with the GCRO portion generating a negative net asset position of \$(12.1)b, indicative of the post-tax P&L loss incurred for the GCRO operating entity partially offset with a BP APC capital contribution of \$13.9b. BPXP Other is predominantly GoM RBU which shows positive net assets of \$15.3b.

The working capital balances for the entities include Group Cash Funding (from) or cash contributions to the Group as these cash payments for expenses/investments and cash receipts for revenue/recoveries are managed by a central BP entity. The GCRO portion of the Group Cash Funding is positively impacted by the BP APC capital contribution made in 1Q12.

This Group Cash Funding represents financing thus, the gearing ratio for the BPXP entity is calculated at 75%, which is up 2% from last quarter, reflecting the cash requirements to fund the quarterly Trust contribution.

There are 2 UK entities operating within GoM RBU which are not part of the BPXP legal entity.

The schedule below shows the cash flow for BPXP for the quarter's year to date with the last column reflecting the 3Q12 activity. Year to date cash flow through 3Q12 was a negative \$(2.3)b which required additional funding from Group Financing. GCRO portion of BPXP required an incremental \$3.9b in Group Financing primarily due to the quarterly Trust funding requirements. This quarterly Trust funding generates a negative cash outflow in Debtors/Creditors as the liability is relieved. Other funding requirements for GCRO activities have been mostly offset with tax recoveries as deferred taxable losses are being realized. YTD, BPXP Other generated a positive net cash flow of \$1.7b with \$2.9b of that from Operating Activities and \$0.6b from disposal proceeds, while \$1.8b was re-invested in Capex.

IFRS	BPXP		
Un-Audited Financial Statement	Consolidated	Consolidated	Consolidated
\$m usd	YTD 3Q12	YTD 2Q12	3Q12 Activity
Profit (Loss) before Taxation	\$1,405	\$943	\$462
Exploration Expenditure Write Off	\$53	\$70	(\$17)
Depreciation	\$1,100	\$743	\$357
Impairment and Gain/Loss on Sale	(\$177)	(\$151)	(\$26)
Finance and Interest	\$29	\$20	\$9
Charge for Provisions, less payments	\$1,214	\$670	\$544
Stocks and Inventory	(\$126)	(\$103)	(\$23)
Change in Debtors / Creditors	(\$4,625)	(\$2,366)	(\$2,259)
Income Taxes Paid	\$89	\$193	(\$104)
Net Cash from Operating Activities	(\$1,039)	\$18	(\$1,057)
Capital Expenditure	(\$1,887)	(\$1,053)	(\$833)
Adjs to Capex - Non Cash Move	\$60	(\$85)	\$145
Proceeds from Disposals	\$606	\$0	\$605
Net Cash for Investing Activities	(\$1,221)	(\$1,138)	(\$83)
TOTAL CASH FLOW	(\$2,260)	(\$1,120)	(\$1,140)
BPXP GCRO Cash Flow	(\$3,939)	(\$2,442)	(\$1,497)
BPXP Other Cash Flow	\$1,679	\$1,322	\$357

APPENDIX A – Legal Structure

The consolidated BP Exploration and Production, Inc. (BPXP) is the primary legal entity with 3 additional legal entities as part of the consolidated financial results, as shown below.

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Owning Entity (See Help for information on multiple ownership)	Formation Country	% BP Owned	
	BP P.L.C.							View Ownership Chart for BP p.l.c.	United Kingdom	100%
		BP Holdings North America Limited						BP P.L.C., 100%	United Kingdom	100%
			BP America Inc.					BP Holdings North America Limited, 100%	USA	100%
			BP Corporation North America Inc.					BP America Inc., 100%	USA	100%
				BP Company North America Inc.				BP Corporation North America Inc., 100%	USA	100%
					BP America Production Company			BP Company North America Inc., 100%	USA	100%
						BP Exploration & Production Inc.		BP America Production Company, 100%	USA	100%
							BP Amoco Deepwater Partnership	BP Exploration & Production Inc., 100%	USA	100%
							BP Offshore Response Company LLC	BP Exploration & Production Inc., 100%	USA	100%
							Verano Collateral Holdings LLC	BP Exploration & Production Inc., 100%	USA	100%

BP reporting in the United States is a matrix of legal entities and operating units. As such, the consolidated BPXP financial statements do not represent any specific operating unit in total but are largely made up of GoM RBU and GCRO. Additionally, GoM RBU and GCRO also have activities in legal entities outside of BPXP. There is approximately 11% of GoM RBU activity held within Gulf UK entities. This approximate % has been excluded from any GoM RBU forward GFO/LTP views to provide an approximate financial result for just the BPXP results.

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