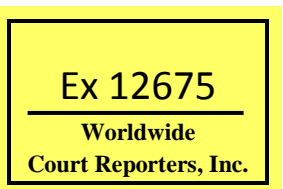


BP Exploration and Production, Inc
Consolidated Financial Statements
1Q12
(Un-Audited)



| IFRS | BP Exp&Prod | BP Exp&Prod | BP Exp&Prod |
|--|------------------------|------------------------|------------------------|
| Un-Audited Financial Statement | Consolidated | Consolidated | Consolidated |
| | YTD 1Q12 | YTD 4Q11 | Change |
| Sales and Other Operating Rev | (\$2,428) | (\$9,693) | \$7,266 |
| Interest and Other Revenues | (\$29) | (\$18) | (\$11) |
| Profit on Sale or Termination | \$0 | (\$759) | \$759 |
| TOTAL REVENUES AND OTHER INCOME | (\$2,456) | (\$10,470) | \$8,014 |
| Purchases | \$501 | \$2,059 | (\$1,558) |
| Production and Other Operating Expense | \$398 | (\$1,723) | \$2,122 |
| Exploration Expense | \$26 | \$133 | (\$107) |
| Depreciation | \$465 | \$1,394 | (\$929) |
| Exploration Write-Off | \$14 | \$465 | (\$451) |
| Impairment | \$0 | \$299 | (\$299) |
| Loss on Sale or Termination | \$0 | \$14 | (\$14) |
| EXPENSE | \$1,404 | \$2,640 | (\$1,236) |
| PROFIT/LOSS BEFORE INTEREST AND TAX | (\$1,052) | (\$7,830) | \$6,778 |
| Finance Costs | \$14 | \$145 | (\$130) |
| Current Tax | (\$127) | (\$450) | \$323 |
| Deferred Tax | \$518 | \$3,155 | (\$2,637) |
| PROFIT/LOSS | (\$647) | (\$4,981) | \$4,334 |
| Decommissioning Asset | \$2,753 | \$2,725 | \$28 |
| Property, Plant and Equipment | \$11,469 | \$11,425 | \$44 |
| Exploration Assets | \$3,230 | \$3,091 | \$139 |
| Investments | \$0 | \$0 | \$0 |
| Non-Current Receivables/Prepayments | \$4,877 | \$1,637 | \$3,241 |
| NON-CURRENT ASSETS | \$22,330 | \$18,878 | \$3,452 |
| Cash | (\$41) | (\$38) | (\$3) |
| Inventory | \$262 | \$206 | \$56 |
| Current Receivables | \$5,476 | \$8,896 | (\$3,420) |
| Current Group Receivables | \$5,276 | \$2,402 | \$2,874 |
| Current Prepayments/Accrued Income | \$57 | \$168 | (\$110) |
| CURRENT ASSETS | \$11,030 | \$11,635 | (\$605) |
| Current Payables | (\$4,750) | (\$6,556) | \$1,806 |
| Current Group Payables | (\$10,924) | (\$21,002) | \$10,078 |
| Current Provisions | (\$6,114) | (\$9,697) | \$3,582 |
| CURRENT LIABILITIES | (\$21,789) | (\$37,255) | \$15,466 |
| Non-Current Group Payables | (\$300) | (\$300) | \$0 |
| Non-Current Payables | (\$19) | (\$16) | (\$3) |
| Deferred Tax Liabilities | \$4,583 | \$5,101 | (\$518) |
| Non-Current Provisions | (\$12,617) | (\$9,387) | (\$3,230) |
| NON-CURRENT LIABILITIES | (\$8,353) | (\$4,602) | (\$3,751) |
| NET ASSETS | \$3,219 | (\$11,344) | \$14,563 |
| Retained Earnings | \$16,748 | \$21,728 | (\$4,980) |
| Share Capital | (\$19,320) | (\$5,404) | (\$13,916) |
| Group Dividends | (\$0) | \$0 | (\$0) |
| Provision Schedule | | | |
| GCRO Environmental (incl Spill Resp) | (\$1,876) | (\$1,869) | (\$7) |
| GCRO Litigation/Claims | (\$9,555) | (\$9,970) | \$415 |
| GCRO Other | (\$3,510) | (\$3,510) | \$0 |
| Gom Decommissioning | (\$3,790) | (\$3,734) | (\$56) |
| | (\$18,731) | (\$19,083) | \$352 |

TOTAL REVENUES AND OTHER INCOME

Revenues and Other Income is \$2.5b for 1Q12 which is about ¼ of the full year 2011 result, excluding the Mica/Pompano gain on sale last year. This revenue primarily reflects the BPXP portion of GoM business sales of crude, gas and ngl's. Of the \$2.5b in 2012 year to date revenues, \$1.3b of sales has been reflected through the Verano Holding Company.

EXPENSE

Expenses for 1Q12 are \$1.4b, which were minimally impacted by GCRO – GCRO reports about a \$(40)m reduction in expense for the quarter. In 2011, GCRO reported a \$(3.9)b decrease in expense as charges in the year were more than offset with \$(5.5)b in recorded recoveries. Purchases reflected in the BPEP consolidated results are primarily from BP GoM UK entities operating in the Gulf and 3rd party royalty purchases.

NON-CURRENT ASSETS

Non-current assets have increased primarily based on adjusted short term and long term timing of paying claims from the DW Trust. An offsetting decrease is contained within the Current Assets. These assets are "Reimbursement Assets" which equal the Trust related provisions. Capital additions within the GoM business are partially offset with the depreciation taken in the quarter.

CURRENT ASSETS

Current Receivables are down offsetting the increase in Non-current receivables due to the shift of Trust related claims to be pushed out over the longer term. Current Group Receivable is up \$2.9b but should be viewed with the change in Current Group Payable decrease of \$10.1b. This total net asset improvement of \$13.0b is largely driven by the 1Q12 Capital Contribution by parent company BP America Production Company.

CURRENT LIABILITIES

The Current Payables indicate a \$1.8b decrease in 1Q12 primarily from \$1.5b in contribution to the DW Trust which include the quarterly \$1.25b funding as well as the \$250m Cameron settlement which was received and funded into the Trust. The reduction in Group Payables is related to the Capital Contribution referred to above. Utilization of provision in GCRO was mostly offset with increases along with a shift in Claims related provision from short term to long term based on new settlement views.

NON-CURRENT LIABILITIES

The deferred tax asset has unwound \$(0.5)b primarily as a result of monetization of the deferred tax for the amounts monetized as payments from GCRO. This deferred tax recovery is limited by the overall domestic loss (ODL) adjustments which have been pushed through GCRO. Provision change is primarily offset with the Current portion of provisions.