2Q 2010 Results Presentation

27th July 2010

Fergus MacLeod

Head of Investor Relations

Cautionary Statement

Forward-looking Statements - Cautionary Statement

This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding production and income; third quarter E&P turn-around activities and the effect on volumes, costs and margins; our refining and petrochemical margins; capital expenditure; divestment proceeds and timing and their impact on production and income in 2010, and planned disposals over 18 months; dividend payments; expected underlying quarterly charges for Other business & corporate; expected changes in foreign exchange effects; reduction in the net debt level within the next 18 months; R&M pre-tax performance opportunity; completion of OMS roll out; relief well operations; future costs arising from the Gulf of Mexico oil spill; partner recovery; financial compensation and environmental restoration; and the adjudication of claims arising out of the spill. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation. For more information you should refer to our Annual Report and Accounts 2009 and our 2009 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com

Cautionary Note to US Investors - We use certain terms in this presentation, such as “resources” and “non-proved reserves”, that the SEC’s rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov.

July 2010

Carl-Henric Svanberg

Chairman

Tony Hayward

Group Chief Executive

Agenda

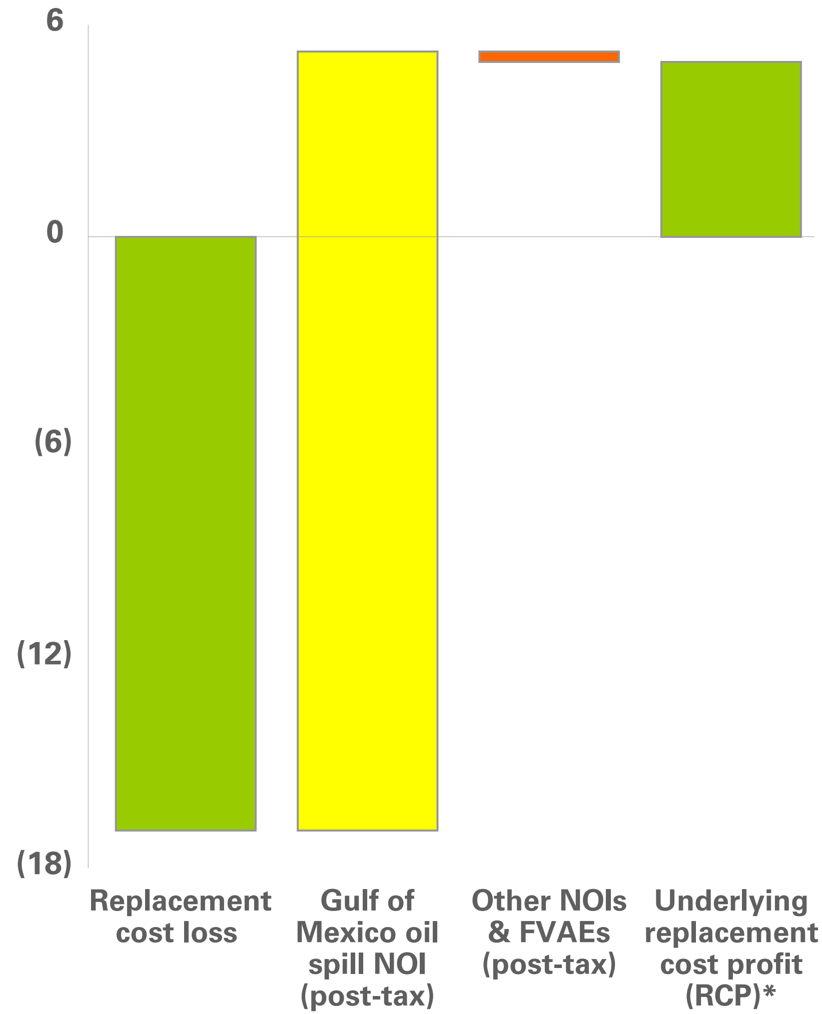
- 2Q 2010 results
- Gulf of Mexico oil spill response update
  - Operations
  - Escrow account
  - Implications for industry
- BP going forward
  - Portfolio high-grading
  - Asset disposals
  - Safety, People, Performance

Byron Grote
Chief Financial Officer

Financial results as reported

($bn)	RCP	NOI / FVAE	RCP adj NOI / FVAE
Exploration & Production	6.2	(0.1)	6.3
Refining & Marketing	2.1	0.4	1.7
Other businesses & corporate	(0.1)	0.1	(0.1)
Gulf of Mexico oil spill	(32.2)	(32.2)	-
Consolidation adjustment	0.1	-	0.1
Replacement cost profit (loss) before interest and tax	**(23.8)**	**(31.8)**	**8.0**
Interest & minority interest	(0.3)	-	(0.3)
Tax	7.2	9.9	(2.7)
Replacement cost profit (loss)	**(17.0)**	**(22.0)**	**5.0**

2Q10 Replacement cost profit (loss) ($bn)



** Adjusted for all non-operating items and fair value accounting effects*

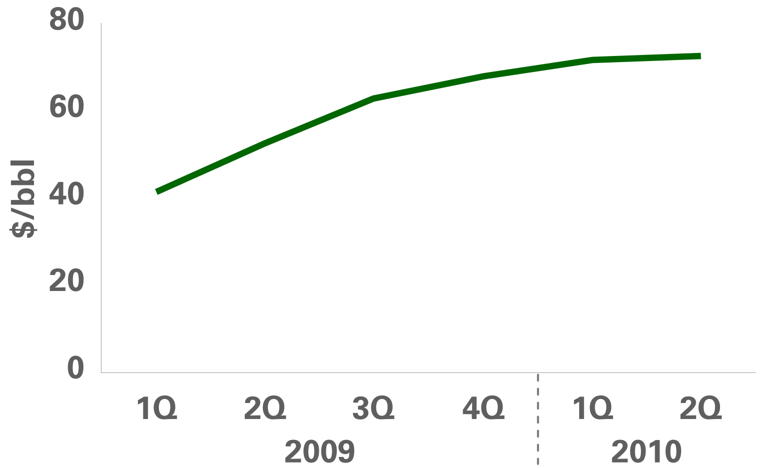
Gulf of Mexico oil spill costs and provisions
(pre-tax, pre-partner recovery)

	$bn
• Costs incurred through 30 June	2.9
• Charge for Future Costs	29.3
– Further response and clean up costs	
– Escrow account	
– Fines and penalties (Clean Water Act)	
– Legal expenses	
– Other announced commitments	
	32.2

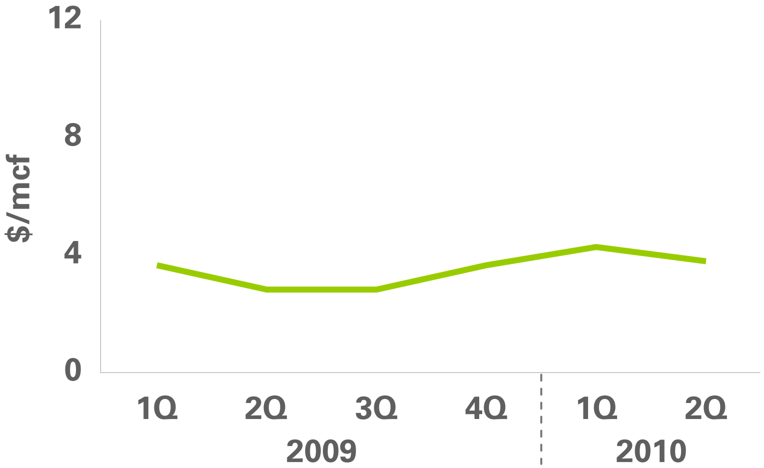
The charge does not reflect any amounts in relation to fines and penalties except those relating to the Clean Water Act
Partner share of the costs is believed recoverable, but this recovery is not recognised in the charges above

Trading environment

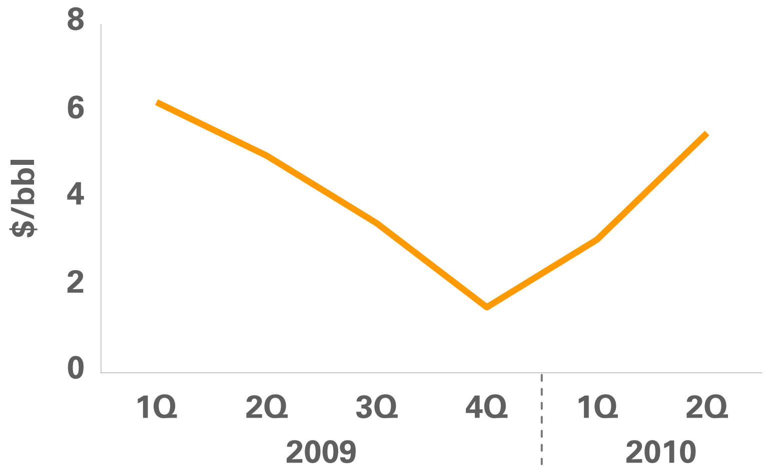
Liquids realization



Gas realization



Refining indicator margin



Average realizations	Change vs 2009 2Q	Change vs 2009 YTD
Liquids $/bbl	39%	54%
Natural gas $/mcf	31%	23%
Total hydrocarbons $/boe	34%	45%
Refining indicator margin $/bbl	10%	(23)%

Financial results

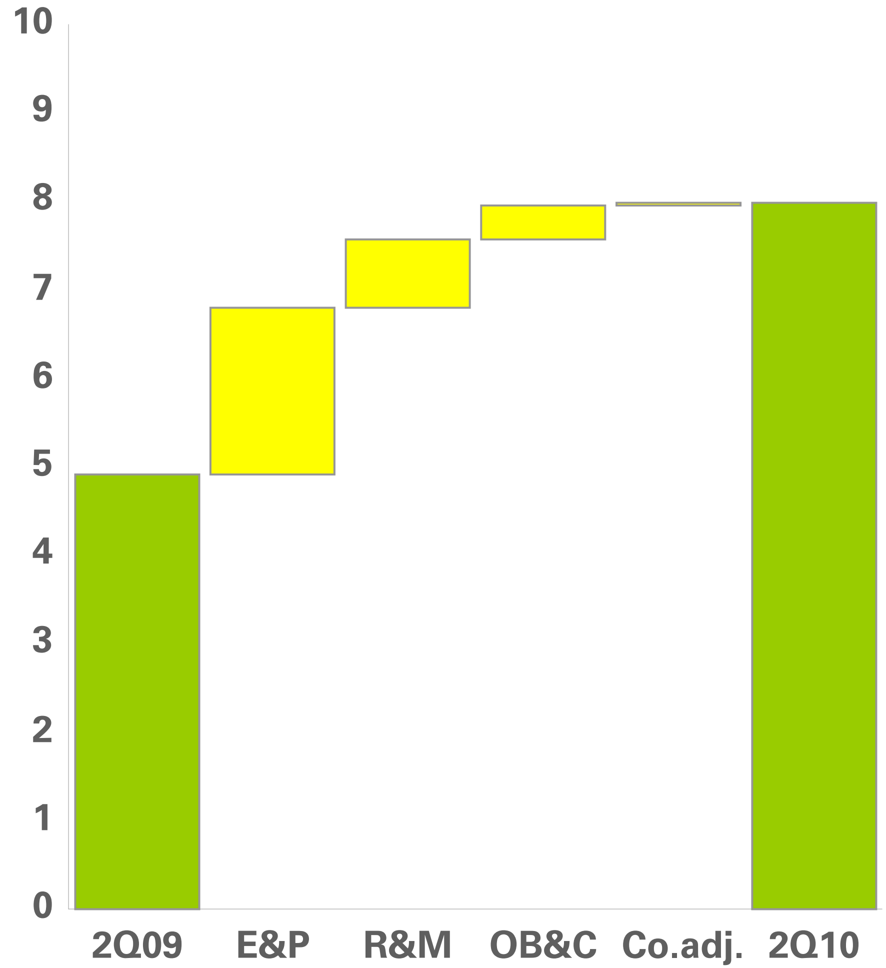
All earnings figures are adjusted for the Gulf of Mexico oil spill and other non-operating items and fair value accounting effects.

($bn)	2Q09	2Q10
Exploration & Production	4.4	6.3
Refining & Marketing	1.0	1.7
Other businesses & corporate	(0.5)	(0.1)
Consolidation adjustment	0.1	0.1
Replacement cost profit before interest and tax	**4.9**	**8.0**
Interest & minority interest	(0.4)	(0.3)
Tax	(1.6)	(2.7)
Replacement cost profit	**2.9**	**5.0**

Earnings per share ($c)	**15.7**	**26.5**

Cash from operations ($bn)*	**6.8**	**8.9**
Dividend paid ($bn)	**2.6**	**-**
Organic capital expenditure ($bn)**	**4.8**	**4.4**
Dividend per share ($c)	**14.0**	**-**

Replacement cost profit before interest and tax 2Q10 vs 2Q09 ($bn)

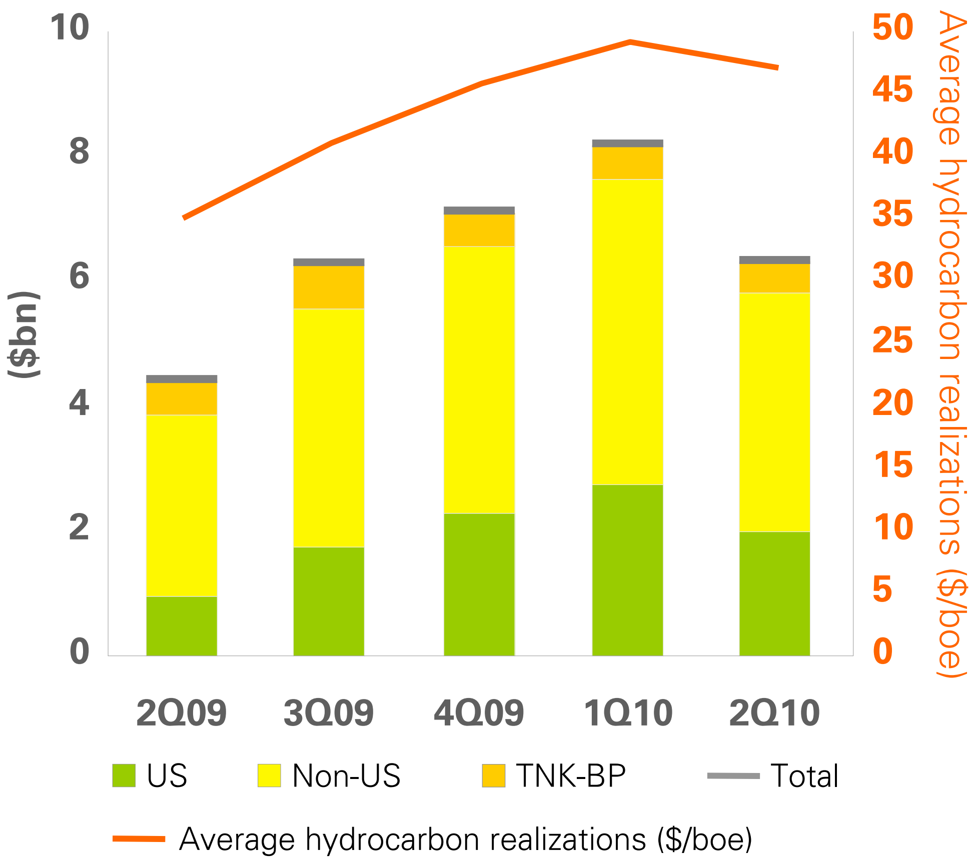


*\ Excludes payments of $2.1bn related to Gulf of Mexico oil spill

**Organic capital expenditure in the second quarter of 2010 excludes acquisitions and asset exchanges

Exploration & Production

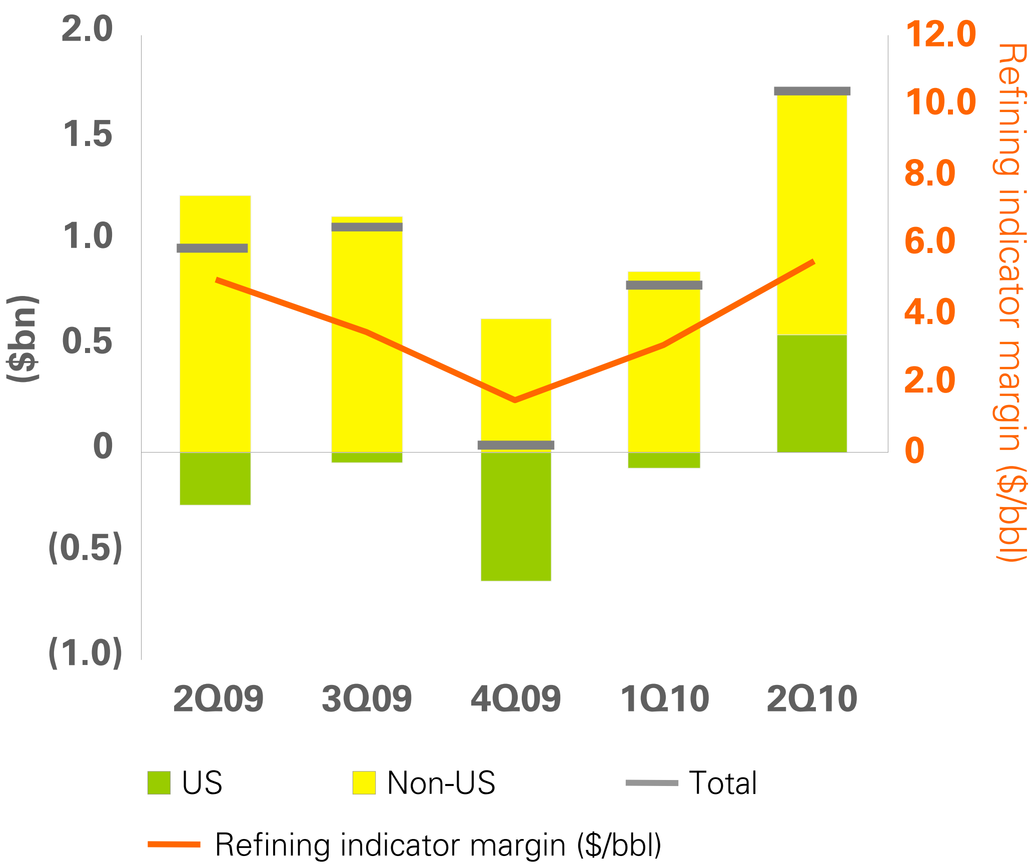
Pre-tax replacement cost profit
Adjusted for non-operating items and fair value accounting effects



- Stronger environment
- Reported production 4% lower – adjusting for PSA entitlement effects 2% lower
  - Seasonal turnarounds
  - Gulf of Mexico oil spill
- Significant loss in gas marketing and trading
- Lower depreciation

Refining & Marketing

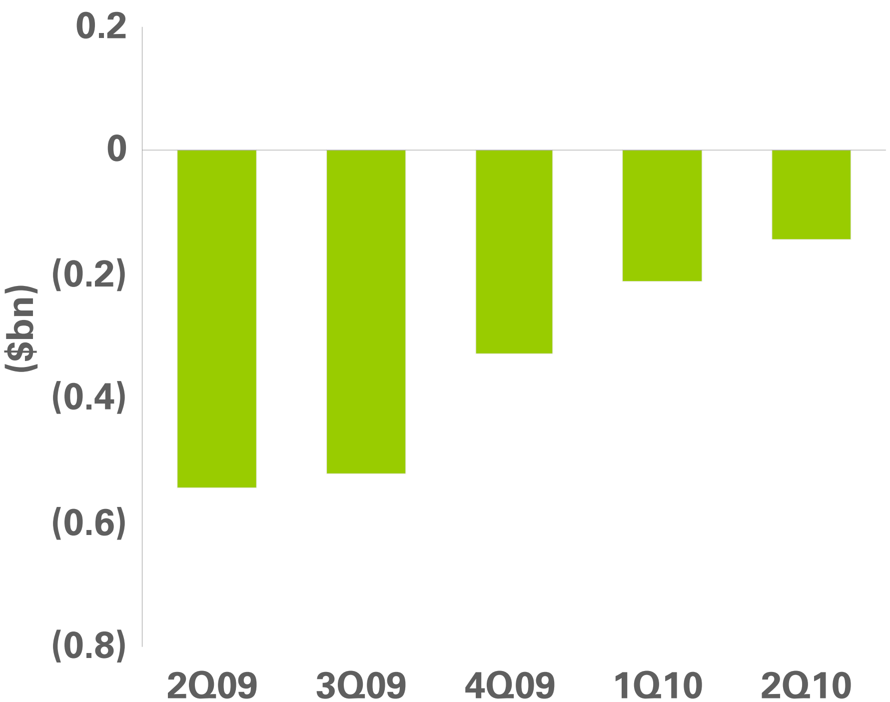
Pre-tax replacement cost profit
Adjusted for non-operating items and fair value accounting effects



- Good operational performance
- Strong performance in international businesses
- Improved Fuels Value Chain margin capture
- US returns to profitability
- Stronger refining margins

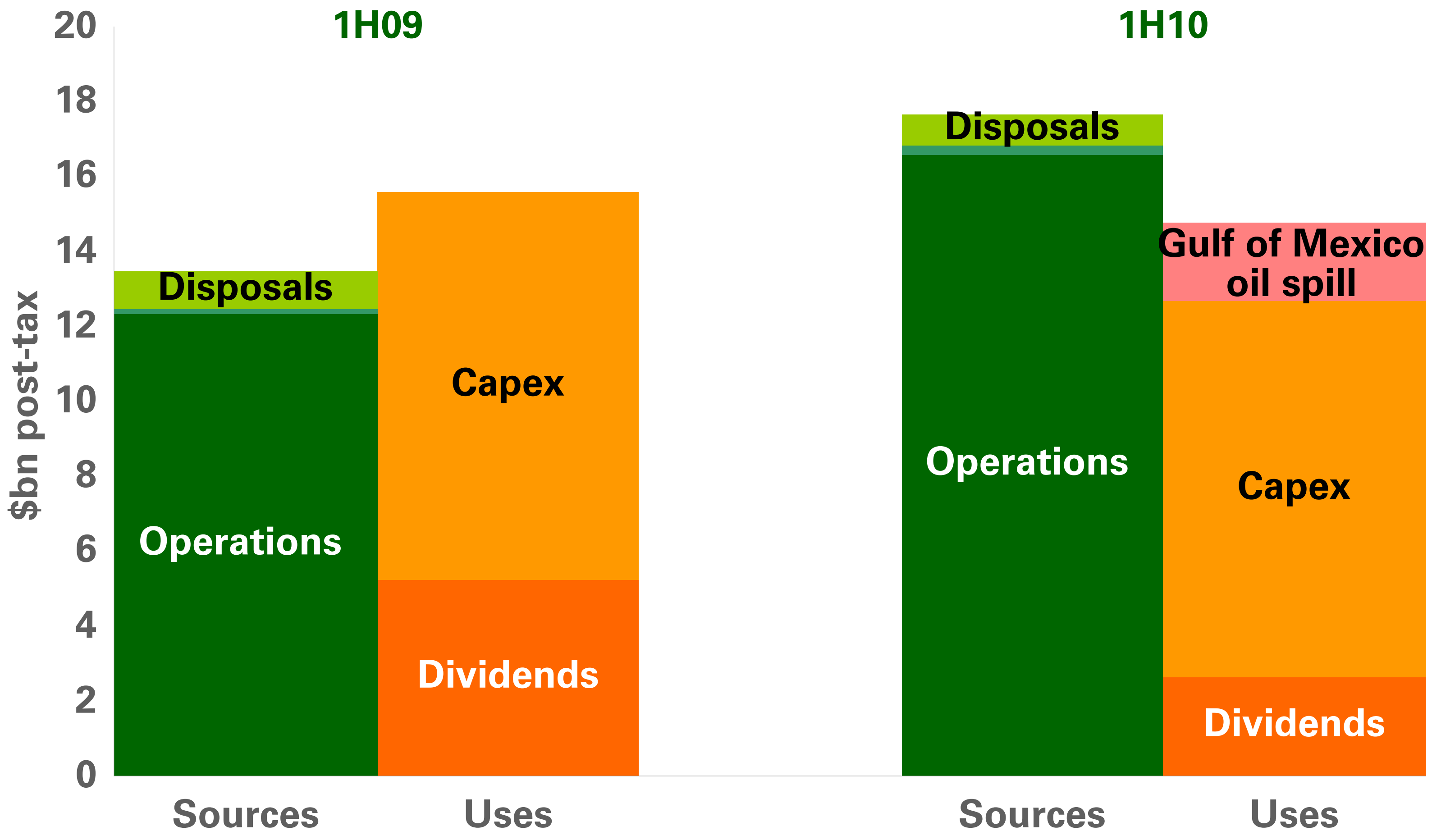
Other businesses & corporate

Pre-tax replacement cost profit
Adjusted for non-operating items and fair value accounting effects



- Favourable foreign exchange effects
- Continued progress in managing the corporate costs
- Good operational performance from Alternative Energy assets
- 2H10 guidance remains at $400 million average underlying quarterly charge

Sources & uses of cash

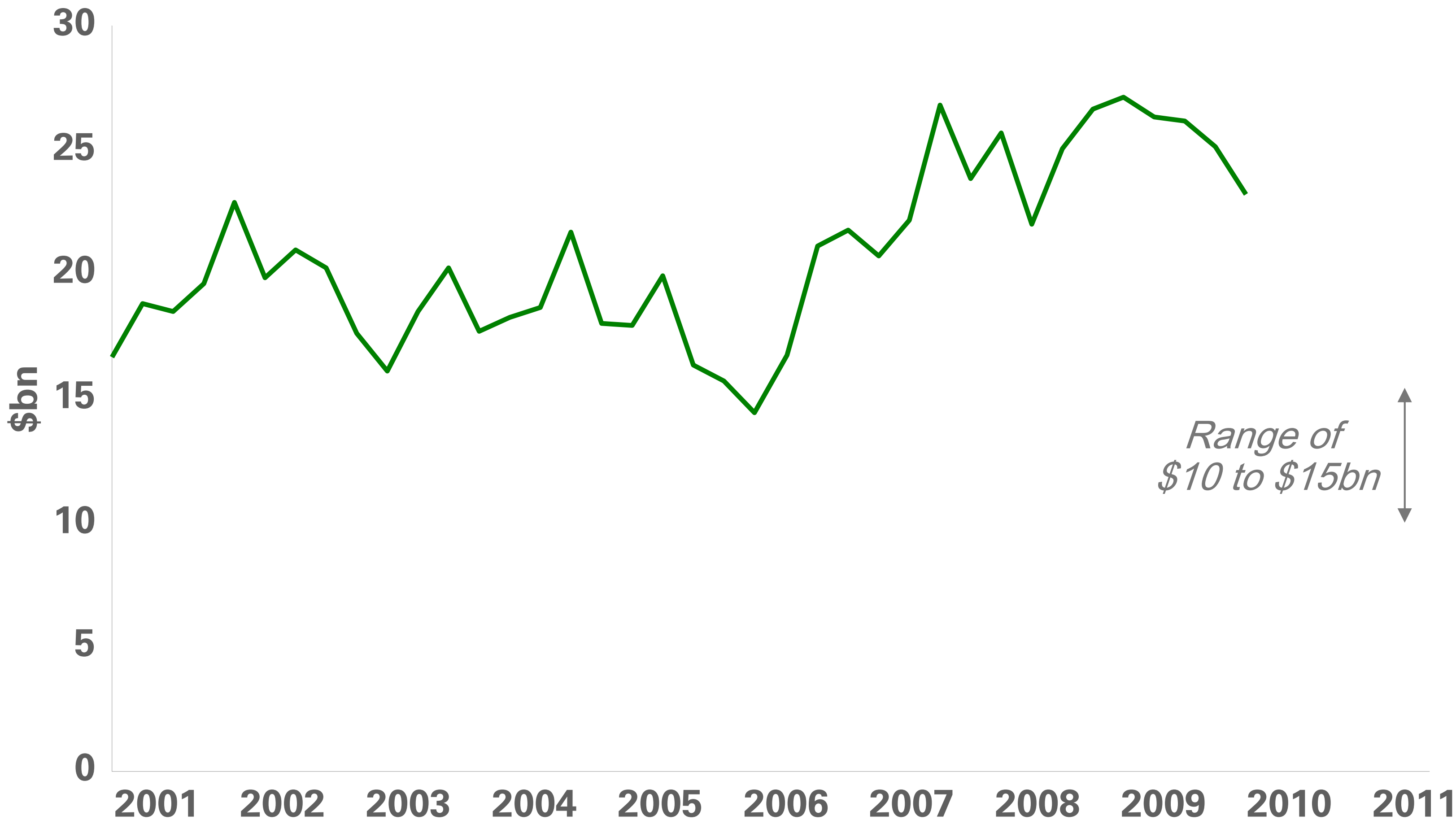


Financial strength

CASH (end 2Q)	COMMITTED BANK FACILITIES
$7bn	$17bn
2010 INTERVENTIONS	**DISPOSALS (next 18 months)**
$10bn	$25-30bn

- Significant financial liquidity and optionality to meet our obligations
  - Strong underlying cash flows
  - Additional $12bn of bank lines added since 1Q
  - ~$10bn interventions in 2010 - capex and dividend
  - Significant disposal programme

Net debt



Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt

Tony Hayward

Group Chief Executive

Gulf of Mexico oil spill
Operational update

- Source control
- Relief wells
- Containment and clean up
  - Offshore
  - Onshore
- Claims
- Investigations




Gulf of Mexico oil spill
Escrow account

- **BP to provide funds over time**
  - $5bn in 2010, during 3Q and 4Q
  - $1.25bn per quarter after 4Q 2010 until $20bn total
  - Commitments assured by US assets valued at $20bn
  - Account is neither ceiling nor floor on BP liability
  - BP has reversionary interest in account
- **Purpose of account is to pay**
  - Claims adjudicated by Gulf Coast Claims Facility (GCCF)
  - Final judgements in litigation/settlements
  - Natural Resources Damages related costs
  - State or local response costs (but not federal or BP response costs)
- **Gulf Coast Claims Facility administered by Ken Feinberg**
  - Adjudicates all Oil Pollution Act 1990 and tort claims – not state or local
  - Claimants who accept final determination of GCCF to sign release upon payment: dissatisfied claimants keep all legal rights
  - BP retains contribution rights against other parties

Gulf of Mexico oil spill
Implications for industry

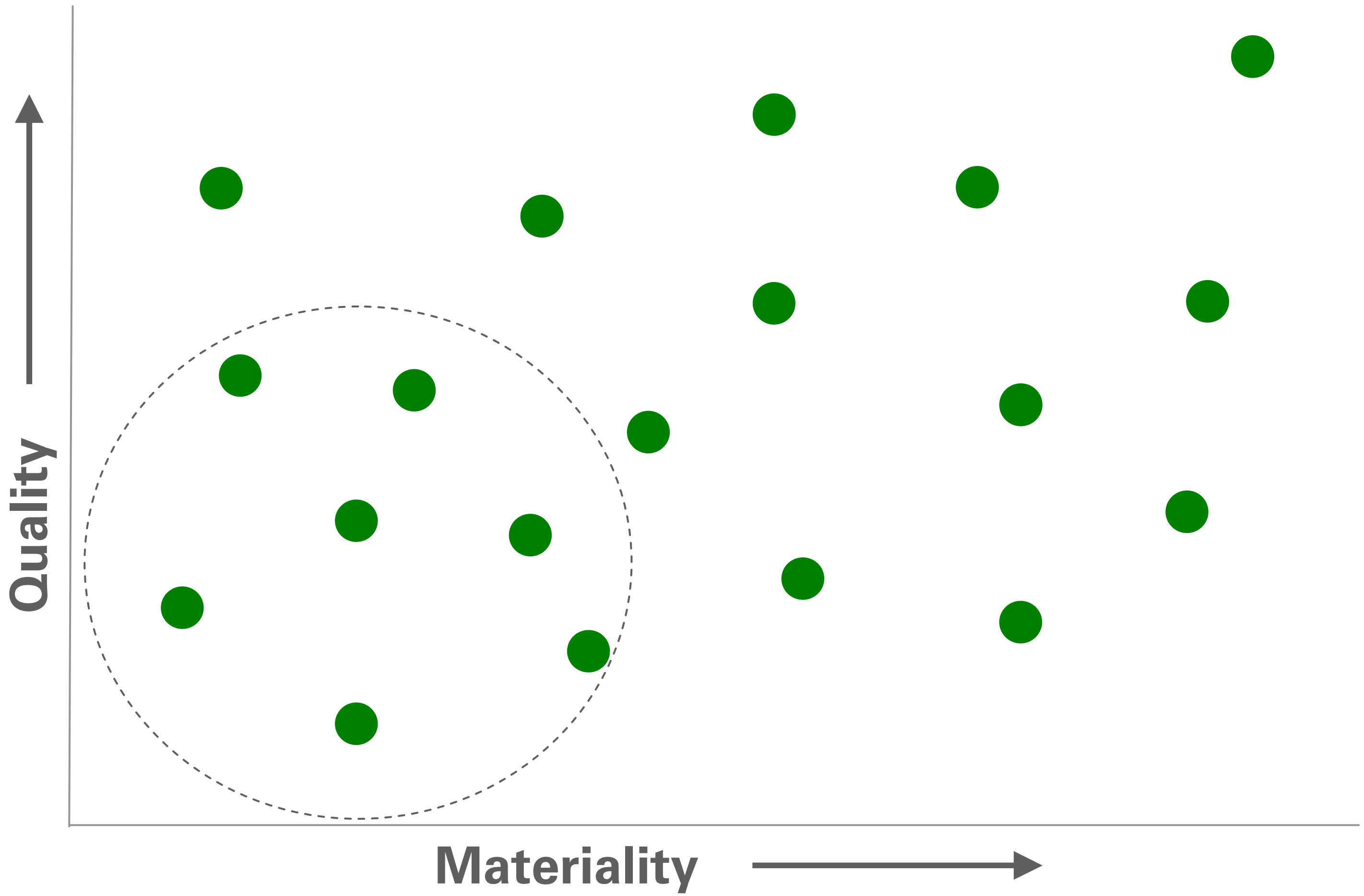
- Surface response capability
- Subsea response capability
- Deepwater drilling systems and equipment
- Operating model for deepwater
- BP committed to:
  - Sharing lessons
  - Building capability
  - Funding $500m investment in scientific/environmental knowledge of the Gulf

BP going forward
Portfolio high grading

- $25-30bn in disposals planned over next 18 months
  - Sale of lower-quality E&P and R&M assets
  - Rebalanced portfolio

- Continued success in access to new opportunities
  - Azerbaijan
  - Egypt
  - China
  - Indonesia
  - Devon asset transaction

BP going forward
Asset disposals



Not indicative of actual BP portfolio

BP going forward

- Exploration and Production
  - Smaller: higher quality
- Refining and Marketing
  - Focused: high quality
  - $2bn+ p.a. of pre tax performance opportunity over 2-3 years
- 2010-11 capital spending ~$18bn/year
- Expected net debt level range of $10–15bn

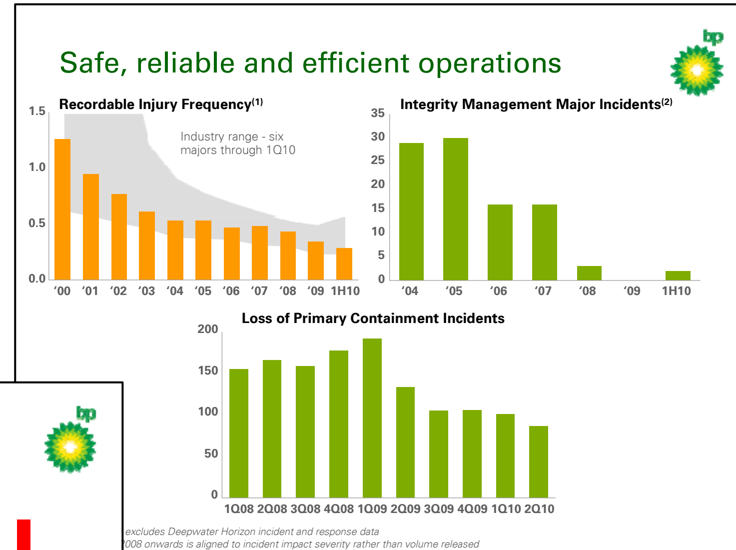
Safety, People & Performance

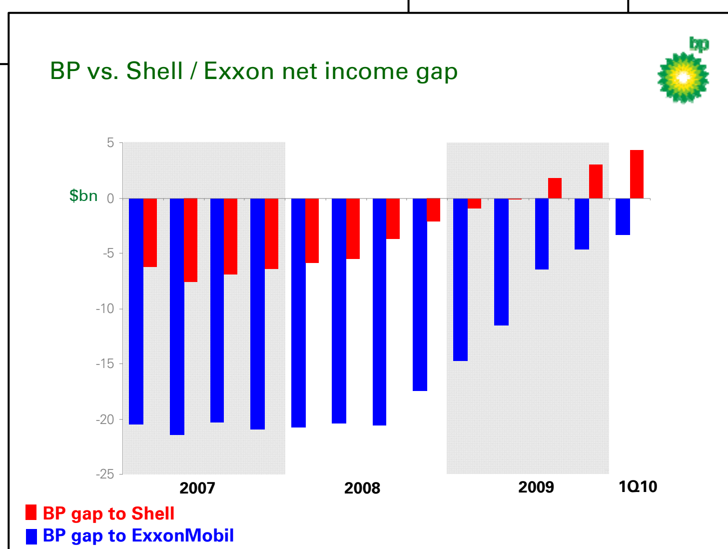
Forward Agenda

Safe and reliable operations
- Continue journey in personal safety
- Implement Operating Management System
- Compliance

People
- Building capability
- Leadership and behaviours

Performance
- Restore revenues
- Reduce complexity and cost





Q&A

Tony Hayward

Group Chief Executive

Byron Grote

Chief Financial Officer

Andy Inglis

Chief Executive
Exploration & Production

Iain Conn

Chief Executive
Refining & Marketing

Fergus MacLeod

Head of Investor Relations

Bob Dudley

President and CEO
Gulf Coast Restoration
Organization