

BP Financial Strength

Key messages:

- BP generates huge operating cashflows through its normal activities;
- The oil price environment remains supportive;
- Has built a large cash buffer to accommodate any foreseeable requirements;
- Is close to completing its \$38bn divestment programme and is due to receive very substantial proceeds on agreed sales over the next few months;
- No account has been taken of any proceeds arising from any potential TNK BP transaction;
- Our obligations to fund the GoM trust fund will be complete with a \$0.9bn payment in November;
- The Group maintains extensive standby lines and committed LC lines;
- The Group's credit ratings are "A" positive outlook (S&P) and "A2" stable (Moody's).

The numbers:

Cash flow			
1H 12 operating cash flow			\$8bn
Expected post 2Q divestment proceeds on announced sales of \$35bn			<i>circa</i> \$13bn
Balance sheet strength			
Cash (as at end 2Q)			<i>circa</i> \$15bn
Standby lines			\$7bn
Committed LC lines*			<i>circa</i> \$6bn*
Secured LC lines*			\$2bn*
Commodity prices (to 3 Oct)			
	2Q	3Q	4Q TD
Brent	108	110	111
Henry hub	2.21	2.80	3.06
Refining marker margin	15.84	19.50	25.45

* Exercise judgment in sharing. Preferably refer to 'substantial' lines.

Diversified funding sources	
Operating cashflow	
Commercial paper market	
Bond market	
Cash buffer	

Proceeds from divestment programme
Trade finance tools - AR/LC discounting
- Inventory repos
- AR conduit
Pre-export financings