

DATED January 28, 2013

BP P.L.C.

in favour of

UNITED STATES OF AMERICA DEPARTMENT OF JUSTICE

GUARANTEE

relating to the Guilty Plea Agreement signed 15 November 2012 in relation to United States of America
v. BP Exploration & Production, Inc.

CONTENTS

1. Definitions and Interpretation
2. Guarantee
3. Limitation on Exercise of Second Guarantor's Rights
4. Valid Demand under the Guarantee
5. No Implied Waivers
6. Representations and Warranties
7. Amendment to the Agreement
8. Release and Discharge
9. Assignment and Transfer
10. Communications
11. Amendments
12. Third Party Rights
13. Governing Law and Jurisdiction

THIS GUARANTEE is made as a Deed the 28th day of January, 2013

By:

- (1) BP p.l.c., a company incorporated in England whose registered office is at 1 St James's Square, London, SW1Y 4PD (the "Second Guarantor");

in favour of:

- (2) United States of America Department of Justice (the "Beneficiary").

WHEREAS:

- (A) The Beneficiary and BP Exploration & Production Inc. ("BPXP"), a wholly-owned indirect subsidiary of the Second Guarantor, have entered into a Guilty Plea Agreement signed 15 November 2012 in relation to United States of America v. BP Exploration & Production, Inc., (the "Plea Agreement"); and
- (B) BP Corporation North America Inc. (the "First Guarantor"), another wholly-owned indirect subsidiary of the Second Guarantor, and indirect parent company of BPXP, has agreed to guarantee for the benefit of the Beneficiary the payment obligations of BPXP which are defined under the Plea Agreement (the "Guaranteed Obligations" and such guarantee, the "Primary Guarantee");
- (C) The Second Guarantor has agreed to provide this Guarantee pursuant to paragraph 6 of the Plea Agreement; and
- (D) The Second Guarantor and the Beneficiary intend this document to take effect as a deed (even though the Beneficiary may only execute it under hand).

NOW THIS DEED PROVIDES as follows.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Guarantee, unless the context otherwise requires:

"BPCNAI Default" means a failure by the First Guarantor to meet its payment obligations under the Primary Guarantee or otherwise cure or cause to be cured any default by BPXP in respect of the Guaranteed Obligations, in each case within the time limit (if any) specified in the Primary Guarantee.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York.

"Valid Demand" means a demand issued by the Beneficiary in accordance with Clause 4.

1.2 Interpretation of certain references

- (a) A reference to a "Clause" is a reference to a clause in this Guarantee.
- (b) This "Guarantee" includes this Guarantee as amended, supplemented, novated, restated or replaced by any document from time to time and any document which amends, supplements, novates, restates or replaces this Guarantee.

- (c) A "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatever.
- (d) Any "**obligation**" of any Person under this Guarantee or any other document referenced herein is a reference to an obligation expressed to be assumed by that Person or imposed on that Person under this Guarantee or that other document, as the case may be.
- (e) A "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state.
- (f) A BPCNAI Default is "**continuing**" if it has not been remedied or waived.

2. **GUARANTEE**

2.1 **Guarantee**

As consideration for the Beneficiary's entry into the Plea Agreement and subject to the terms of this Guarantee, including, without limitation, the occurrence and continuance of a BPCNAI Default, the Second Guarantor hereby irrevocably and unconditionally guarantees for the benefit of the Beneficiary, that if (i) BPXP defaults in the payment of any sum due and payable by BPXP to the Beneficiary under the Plea Agreement, calculated in accordance with the terms of the Plea Agreement, and (ii) the First Guarantor has defaulted in its payment obligations under the Primary Guarantee in respect of such sum, the Second Guarantor shall, within 15 Business Days of receipt of a Valid Demand by the Beneficiary, pay to the Beneficiary such unpaid sum. The Beneficiary acknowledges that the obligations under this Clause 2.1 shall have no effect unless a BPCNAI Default shall have occurred and is continuing. The Second Guarantor's obligations and liability under this Guarantee shall be limited to payment obligations only, and the Second Guarantor shall have no obligation to perform under the Plea Agreement.

2.2 **Second Guarantor as Principal Debtor**

As between the Second Guarantor and the Beneficiary but without affecting BPXP's obligations, the Second Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, the liability of the Second Guarantor under this Guarantee shall not be released, affected or discharged by any act, matter or omission which (but for this clause) would have released, affected or discharged the liability of the Second Guarantor including:

- (a) subject to Clause 8, any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of, or any consent to departure from, the terms of such Guaranteed Obligations including but not limited to the grant of time, concession or other indulgence to BPXP by the Beneficiary or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from a principal debtor or any other Person; or
- (b) any present or future guarantee, indemnity, mortgage, charge or other security or right or remedy held by or available to the Beneficiary being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Beneficiary from time to time dealing with, varying, realising, releasing or failing to perfect or enforce any of the same; or

- (c) any invalidity, unenforceability, illegality or voidability of the Plea Agreement; or
- (d) any change, restructuring or termination of the corporate structure or existence of BPXP or the bankruptcy, insolvency, dissolution, reorganisation, moratorium, liquidation or similar proceeding involving BPXP.

2.3 Second Guarantor's Obligations Additional

This Guarantee shall be in addition to and not in substitution for any other rights, remedy, security or guarantees which the Beneficiary may now or hereafter hold from or on account of the Guaranteed Obligations and subject to a BPCNAI Default having occurred and being continuing, may be enforced without first having recourse to such other rights, remedy, security or guarantees .

2.4 Second Guarantor's Obligations Continuing

The Second Guarantor's obligations under this Guarantee are and remain in full force and effect by way of continuing security:

- (a) until such time that all sums payable by BPXP to the Beneficiary under the Plea Agreement have been paid in full; and
- (b) notwithstanding absorption, amalgamation or any other changes in the Second Guarantor's constitution.

2.5 Avoidance of Payments

If all or part of any payment received or recovered by the Beneficiary in respect of the Guaranteed Obligations is, on the subsequent bankruptcy, insolvency, corporate reorganisation or other similar event of BPXP, avoided or set aside under any laws relating to bankruptcy, insolvency, corporate reorganisation or other such similar events, and the amount of such payment is required to be refunded to BPXP or other persons entitled through BPXP, such payment shall not be considered as discharging or diminishing the liability of the Second Guarantor and this Guarantee shall continue to apply as if such amount had at all times remained owing by BPXP.

3. LIMITATION ON EXERCISE OF SECOND GUARANTOR'S RIGHTS

Notwithstanding any payment or payments made by the Second Guarantor hereunder, so long as any Guaranteed Obligation remains outstanding:

- (a) the Second Guarantor hereby irrevocably waives any right of subrogation to the rights of the Beneficiary against BPXP and any right to be reimbursed or indemnified by BPXP or by any other guarantor of all or any part of the Guaranteed Obligations until such time as all the obligations of BPXP under the Plea Agreement shall have been irrevocably and indefeasibly paid to the Beneficiary in full; and
- (b) if, notwithstanding the foregoing, any amount is received or recovered by the Second Guarantor as a result of exercising such rights, such amount shall be held by the Second Guarantor in trust for the Beneficiary and shall, forthwith upon receipt by the Second Guarantor, be paid to the Beneficiary, to be applied against the Guaranteed Obligations in such order as the Beneficiary may determine.

4. VALID DEMAND UNDER THE GUARANTEE

4.1 Second Guarantor's liability subject to valid demand

The Second Guarantor is only liable to pay under this Guarantee in accordance with Clause 2.1 if it receives from the Beneficiary a demand in writing complying with this Clause 4 ("Valid Demand").

4.2 Valid Demand

- (a) The Beneficiary may only issue a demand to the Second Guarantor under this Guarantee at least fifteen (15) Business Days after it has sent a written notification to BXP and the First Guarantor of its intention to make a demand under this Guarantee, (and which notification may not in any event be sent before any grace periods and periods of remediation applicable to the relevant default by BXP provided in the Plea Agreement, or the First Guarantor in the Primary Guarantee shall have elapsed) stating the reasons for making such demand and identifying the Guaranteed Obligations in respect of which BXP has defaulted under the terms of the Plea Agreement and in respect of which the First Guarantor has not met its payment obligations under the Primary Guarantee.
- (b) Any demand made of the Second Guarantor under this Guarantee shall be accompanied with a copy of a written notification referred to in Clause 4.2(a) dated and sent to BXP and the First Guarantor no less than fifteen (15) Business Days before the date of the demand, and delivered or sent by post or facsimile to the Second Guarantor at its address as provided under Clause 11.

5. NO IMPLIED WAIVERS

Except as to applicable statutes of limitation, no failure on the part of the Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

6. REPRESENTATIONS AND WARRANTIES

The Second Guarantor hereby represents and warrants to the Beneficiary that:

- (a) the Second Guarantor is duly incorporated and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has power to carry on its business as now being conducted and to own its property and other assets;
- (b) the Second Guarantor has full power and authority to execute, deliver and perform its obligations under this Guarantee and no limitation on the powers of the Second Guarantor will be exceeded as a result of the Second Guarantor entering into this Guarantee;
- (c) the execution, delivery and performance by the Second Guarantor of this Guarantee and the performance of its obligations under this Guarantee have been duly authorised by all necessary corporate action and do not contravene or conflict with the Second Guarantor's memorandum and articles of association; and
- (d) this Guarantee constitutes the legal, valid and binding obligation of the Second Guarantor, enforceable against it by the Beneficiary in accordance with its terms, subject, as to

enforcement, to bankruptcy, insolvency, reorganisation and other laws of general applicability relating to or affecting creditor's rights and to general equity principles.

7. AMENDMENT TO THE PLEA AGREEMENT

The Second Guarantor's obligations under this Guarantee are subject to any alteration of or variation to any of the terms of the Plea Agreement having been made in accordance with the provisions of the Plea Agreement.

8. RELEASE AND DISCHARGE

Following the termination of this Guarantee pursuant to Clause 2.4, the Beneficiary undertakes, upon the Second Guarantor's request, to:

- (i) sign and execute such deeds or instruments as the Second Guarantor may reasonably require in order to evidence a discharge of the Second Guarantor's obligations under this Guarantee; and
- (ii) return the original of this Guarantee to the Second Guarantor following such discharge.

9. ASSIGNMENT AND TRANSFER

(a) Burden and Benefit

This Guarantee shall be binding upon the Second Guarantor, its successors and assigns and shall inure to the benefit of the Beneficiary, its successor and assigns. Any reference in this Guarantee to the Second Guarantor and the Beneficiary shall be construed to refer to its relevant successors and assigns accordingly.

(b) Transfer by Second Guarantor

The Second Guarantor shall not (without the prior written consent of the Beneficiary, such consent not to be unreasonably withheld or delayed) assign, novate or transfer to any entity its rights or obligations under this Guarantee.

(c) Transfer by Beneficiary

The Beneficiary shall not (without the prior written consent of the Second Guarantor, such consent not to be unreasonably withheld or delayed) assign, novate or transfer to any entity its rights or obligations under this Guarantee, except the Beneficiary shall, by giving prior written notice to the Second Guarantor, assign, novate or transfer its rights or obligations under this Guarantee to a Person to whom all its rights with respect to the Guaranteed Obligations have also been transferred in accordance with the Plea Agreement.

10. COMMUNICATIONS

10.1 Addresses

(a) Second Guarantor

Any demand or other communication made of the Second Guarantor under this Guarantee shall be delivered or sent by post registered or certified, return receipt requested, postage prepaid or facsimile to the Second Guarantor at its office located at 1 St James's Square, London, SW1Y

4PD, United Kingdom, Fax Number +44 (0)20 7948 7979, Attention: Group Treasurer, with a copy to Rupert Bondy at the same address, Fax Number: +44 (0)20 7496 4242 or to such other address and/or addressed to such other officers as may be provided in writing by the Second Guarantor to the Beneficiary for such purpose and shall be deemed to have been made when received by the Second Guarantor.

(b) **Beneficiary**

Any communication made of the Beneficiary under this Guarantee shall be delivered or sent by post or facsimile to the Beneficiary at its office located at Assistant Attorney General, Criminal Division, or his Designee, United States Department of Justice - Criminal Division, 400 Poydras Street- Suite 1000, New Orleans, Louisiana 70130, United States of America, Fax Number (504) 593-1889, Telephone Number (504) 593-1800, Attention John Buretta, Director, Deepwater Horizon Task Force, or Derek A. Cohen, Deputy Director, Deepwater Horizon Task Force, or to such other address and/or addressed to such other officers as may be provided in writing by the Beneficiary to the Second Guarantor for such purpose and shall be deemed to have been made when received by the Beneficiary.

11. **AMENDMENTS.**

No amendment or other modification of the terms of this Guarantee shall be effective unless in writing and signed by Second Guarantor and the Beneficiary and stating that it is expressly intended to give effect to the applicable amendment or modification hereto. No waiver of any provision of this Guarantee nor consent to any departure by the Second Guarantor therefrom shall in any event be effective unless such waiver shall refer to this Guarantee, be in writing and be signed by the Beneficiary. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

12. **THIRD PARTY RIGHTS**

Except as expressly provided for under this Guarantee, a Person who is not the Beneficiary has no right under the Contracts (Rights of third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Guarantee.

13. **GOVERNING LAW AND JURISDICTION**

This Guarantee shall in all respects be governed by and construed in accordance with the laws of England. Each of the Second Guarantor and the Beneficiary, hereby irrevocably agree that the to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof courts of New York are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee, and that any legal action or proceedings arising out of or in connection with this Guarantee may be brought in those courts and each of the Second Guarantor and the Beneficiary irrevocably submit to the exclusive jurisdiction of each such court.

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IN WITNESS WHEREOF, this Guarantee has been executed and delivered as a Deed as of the date indicated in the beginning

EXECUTED AS A DEED by

BP p.l.c.

acting by Brian Gilvary, a director,
in the presence of:


.....
Brian Gilvary, Director

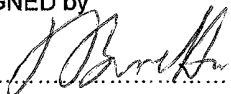

.....

Signature of Witness

Name of Witness: DEBORAH DAVIES

Address of Witness: 1 ST JAMES'S SQUARE
LONDON
SW14 4RD

SIGNED by


.....

John Buretta, Director, Deepwater Horizon Task Force

for and on behalf of

UNITED STATES OF AMERICA DEPARTMENT OF JUSTICE