



Investor update

May 2014

PRVM, Block 31 Angola

KEY SLIDES

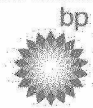
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Cautionary statement

Forward-looking statements – cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements – that is, statements related to future, not past events – with respect to the financial condition, results of operations and business of BP and certain of the expectations, intentions, plans and objectives of BP with respect to those items, in particular statements regarding BP's expectations regarding key global energy trends to 2035; plans regarding future divestment of \$10 billion in assets by end 2015; expectations regarding the delivery of 10 point plan targets; plans regarding the new model for the US lower 48 onshore business; plans regarding planned and future major projects including Final Investment Decisions and the number, timing and progression of future start-ups through 2018 and beyond; prospects regarding future shareholder distributions; plans and expectations regarding the "BP Proposition", including plans to focus on value over volume, active portfolio management, growing sustainable cash flow, and distribution; the anticipated delivery of an increase in operating cash flow by more than 20% by 2014 versus 2013; plans and expectations regarding the continuing ramp-up of the Wabing Refinery Modernisation Project; expectations regarding the levels of future capital expenditure and the delivery of operating cash flow of \$38 to \$51 billion in 2014; expectations regarding material growth in operating cash flows and the levels of capital expenditure and gearing from 2015 to 2018; expectations regarding the pickup of 2018 operating cash flow; the expected location of key exploration wells from 2013 to 2017; expectations regarding capital discipline from 2013 to 2018; and expectations regarding legal and total proceedings, court decisions, potential investigations and civil actions by regulatory government entities and/or other entities or parties, and BP's intentions in respect thereof.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the timing of the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA effects; operational problems; economic and financial market conditions generally or in various countries and regions; political stability in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; the impact on our reputation following the Gulf of Mexico oil spill; the actions of the Claims Administrator appointed under the Economic and Property Damages Settlement; the actions of all parties to the Gulf of Mexico oil spill-related litigation at various phases of the litigation; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners, creditors, rating agencies and others; decisions by Royal Dutch's management and board of directors in respect of strategy, operations or otherwise; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism, cyberattacks or sabotage; and other factors discussed under "Risk factors" in BP's Annual Report and Form 20-F 2013 as 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.

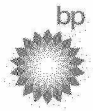
Statements of assumptions – The operating cash flow projections in this presentation for 2013 assume an oil price of \$100/bbl and a Henry Hub gas price of \$5/mbtu, and, for 2013 to 2018, assume an oil price of \$100/bbl and a Henry Hub gas price of \$5/mbtu, real. These projections have been adjusted to (i) remove TNEBP dividends from 2013 operating cash flow, (ii) include BP's estimate of Bonus dividends, and (iii) include the impact of payments in respect of the settlements reached of all criminal and securities claims with the US government. These projections do not reflect any cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Gulf of Mexico oil spill which may or may not arise during such periods. As disclosed in BP's Stock Exchange Announcement for the period ended 31 March 2014, we are not today able to reliably estimate the amount or timing of a number of contingent liabilities.

Cautionary note to US investors – This presentation contains references to unproved resources and production outlooks based on unproved resources that the SEC's rules prohibit us from including in our filings with the SEC. US investors are urged to consider closely the disclosures in our Form 20-F, SEC Fik 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-3330 or by logging on to their website at www.sec.gov.

Tables and projections in this presentation are BP projections unless otherwise stated.

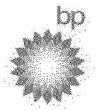
May 2014.

Source: IQ 14 results

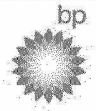


Contents

- I. Overview of BP
- 2. Strategic progress
 - i. Group
 - ii. Upstream
 - iii. Downstream
- 3. US legal update
- 4. Financial results
- 5. Financial profile



1. Overview of BP



Our organization

- **Upstream**

- Finding, producing and transporting oil and gas to market
- Operating in 27 countries
- Three functional divisions: Exploration, Development and Production

- **Downstream**

- Focusing on supply and trading, refining, marketing and transportation of oil and petroleum products
- Active in around 80 countries

- **Alternative Energy**

- Through our alternative energy business we are investing in the low-carbon energy sources of the future
- Biofuels and wind

Source: Treasury

- **Upstream** - functional model ensuring consistency globally – Global Wells, Global Projects, Global Operations
- **Downstream** - Refining and FVCs / Aviation & Marine / IST / Petchems / Lubes



BP key facts and figures

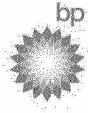
BP operates at the frontiers of the energy industry. We use world-class assets, technology, capability and know-how to meet energy needs and deliver

long-term value

In business since	Amoco 1889; ARCO 1866; BP 1909
Market capitalisation	\$150 billion
Sales & Other operating revenue	\$379 billion
Capital employed	\$130 billion
Operating cash flow	\$21 billion
Number of employees	83,900
Production	2.3 million barrels of oil equivalent per day (3.2mmboe/d incl. Rosneft share)
Proved reserves	11,422 million barrels of oil equivalent (17,996mmboe incl. Rosneft share)
Reserves replacement ratio	129% excluding A&D (20 year average > 100%)
Refining throughput	1,791 thousand barrels per day
Refined product sales	5,659 thousand barrels per day
Retail sites	17,800

Year end 2013 figures.

Source: Treasury (from ARA largely)



Source: Much strategy update

Key global energy trends to 2035

Chart one: continued strong growth in energy demand

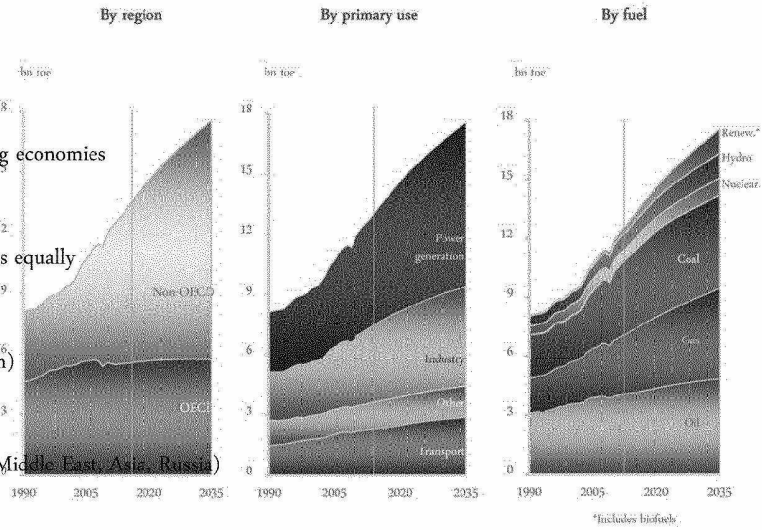
- Energy demand rises by 40% to 2035
- Nearly all (95%) will be non-OECD emerging economies
- Oil, gas and coal expected to deliver 81% of global demand by 2035, in similar shares

Chart three:

- Industry needs to continue to open new fossil fuels to dominate (>80%) – coal/oil/gas equally frontiers and to apply technology and learning
- Gas growth greatest – 1.9%
- Oil slowest at 0.8% but robust (transportation)

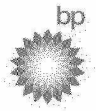
Supply – plenty of resource to meet demand

- Shale gas and liquids, tight gas and oil (US, Middle East, Asia, Russia)
- Deepwater
- Heavy oil



BP strategy aligned

- Exploration
- Giant fields (Iraq, Az)
- Deepwater (GoM, Angola, Brazil)
- Unconventionals (US shale, MENA tight gas, Canadian heavy)



2. Strategic progress

i. Group

BP is at an inflection point

A multi-year journey



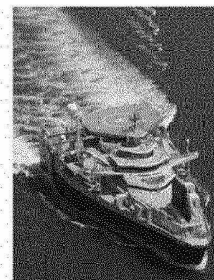
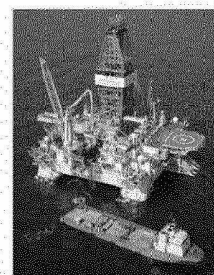
2010 - 2011	2012	2013
Stabilised <ul style="list-style-type: none">• Trust fund established• Safety and operational risk organisation in place• Upstream re-organised• Resumed drilling in Gulf of Mexico• 10-point plan announced	Reset <ul style="list-style-type: none">• Sale of TNK-BP announced• \$38bn divestments agreed a year earlier than planned• Material new access• 5 major projects online	Re-energised <ul style="list-style-type: none">• Rosneft and TNK-BP transactions complete• Announced further \$10bn divestments by end 2015• 7 exploration discoveries• 3 further major projects online• Whiting commissioning complete

Source: March strategy update

- 2010 – recovery, stabilisation
- 2011 – fix everything incl. S&OR org - increased efficiency and industry leading standards
 - * 10 point plan
 - * Value over volume ; Active portfolio management - \$38bn divestments
 - * Play to strengths – exploration, deepwater, giant fields, gas value chains
 - * 50% OCF growth through major projects
- 2012 – reset & milestones
 - * New future in Russia
 - * Platform for growth – re-loaded exploration hopper
 - * 10 point plan delivery – divestments 1yr early, 5 major projects, US progress
 - * DWHOST \$20bn funded, PSC, Criminal DoJ
- 2013 – execution
 - * Rosneft deal
 - * 7 of 17 exploration success
 - * 3 major projects (Angola LNG, Atlantis North Expansion, North Rankin 2) plus Whiting
- 2014 – performance comes through - 50% increase in OCF
 - * 7 major projects (Na Kika 3, Chirag Oil, Atlantis North Expansion 2, Mars B.....CLOV, Sunrise 1, Kinnoull)

Delivering the 10-point plan

- ✦ Improved safety performance and BP-operated plant efficiency
- ✦ More focused portfolio: \$38bn divestment programme completed; a further \$10bn of divestments planned by end of 2015;
- ✦ New future in Russia: completion of TNK-BP and Rosneft transactions
- ✦ New model for US Lower 48 onshore business
- ✦ Discoveries in Angola, Brazil, Egypt, GoM, India; GoM lease sale success
- ✦ Major project momentum
 - ▬ Major project start-ups: 3 in 2013; 4 so far in 2014 with 3 more on-track;
 - ▬ Major Project FIDs⁽¹⁾ in Oman and Azerbaijan in 4Q 13
- ✦ Whiting Refinery Modernisation Project: commissioning completed 4Q 13; Heavy crude throughput circa 200,000 barrels per day at end 1Q14
- ✦ Stronger balance sheet: 1Q 14 gearing at 16.2%
- ✦ Growth in shareholder distributions: increased dividend and share buybacks



(1) Final Investment Decision (FID)

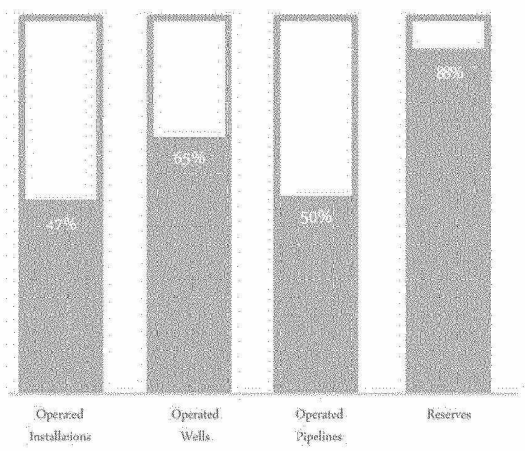
Source: Combination of March strategy update and 1Q 14 results slides

- Safety continues as top priority – record improved. Delivering improved Upstream and Downstream efficiency
- Next phase of divestments (\$3bn of \$10bn) – part of ongoing active portfolio management
- A unique position in Russia
- New model for Lower 48 to compete with the independents
- Exploration in BP's DNA; hopper recharged – recent discoveries very encouraging
- Back to business in GoM – 10 rigs operational (highest ever); lease sale success (highest bidder on 24 of 31)
- Major projects on-track – underpinning cash flow growth
- Whiting and EoR FVC structurally repositioned – and heavy crude processing increasing (280kbpd expected in 2Q)
- Strong balance sheet maintained

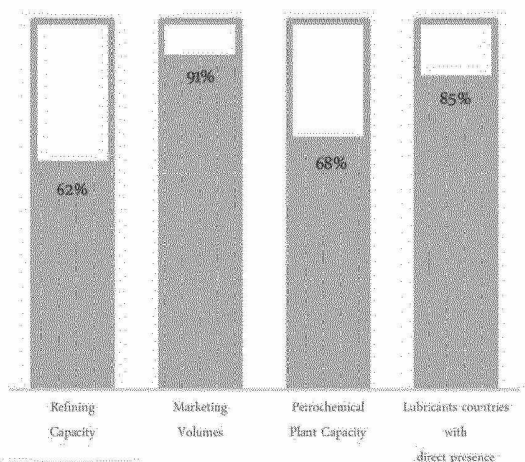


Smaller, simpler and more focused

Upstream⁽¹⁾



Downstream⁽²⁾



(1) Divestments since 2010
 (2) Divestments since 2000 (2007 for Lubricants)



Source: March strategy update

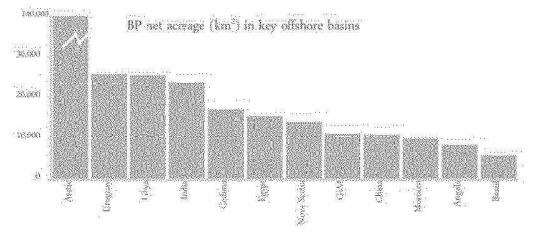
- \$38bn programme initially for liquidity but became an opportunity to re-position portfolio
 - * Less complex
 - * Lower risk footprint (e.g. younger assets, more mgt focus)
 - * More efficient
 - * Value over volume
 - * 50% installations, 50% pipelines, 35% wells but only 10% reserves divested
- Downstream – decade long transformation – refining capacity down 38% but only 9% marketing



Playing to our strengths

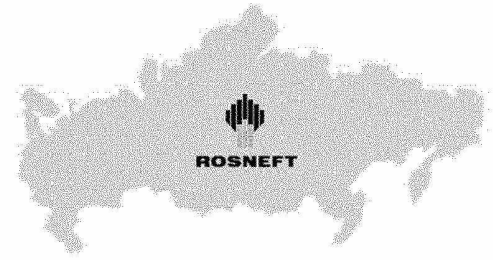
Geographic balance

Reloaded exploration pipeline⁽¹⁾

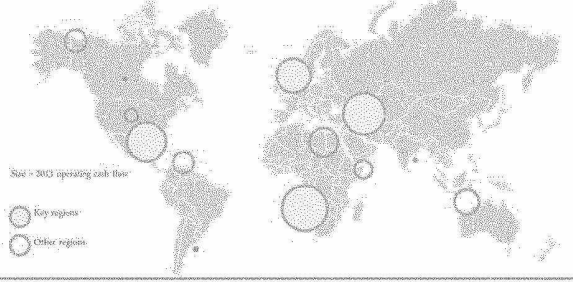


(1) Includes 18.5% of license

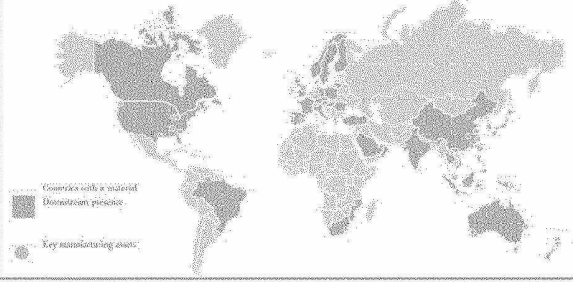
Unique position in Russia



Upstream key investment regions

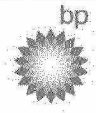


Quality Downstream businesses



Source: March strategy update

- More focused portfolio - playing to strengths
- Platform for growth
- Diverse upstream portfolio:
 - Access – reloaded pipeline of promising positions
 - Investment – focused on strong incumbent high margin positions
 - Azerbaijan
 - Angola
 - North Sea
 - GoM
- Downstream – carefully selected portfolio of quality assets
 - Advantaged location, scale & configuration, markets
 - Lubes & Petchems
- Russia – unique investment in growing energy industry



A unique position in Russia

- Russia is one of the world's largest oil and gas producers
- BP has a long and successful track record
- BP has a leading position in production and reserves vs. peers

	bp	ExxonMobil	Shell	TOTAL	Statoil
Exposure to Russian shelf exploration without \$14bn carried financing	36	48	163	192	6
Net production 2013 ⁽¹⁾ mbobd					
Cooperation on expertise					
Net Russia reserves ⁽²⁾	14.3	0.3	0.8	2.8	0.03
Potential to partner on standalone projects					
Opportunity set: potential in Russia	48	74	0	1.3	8
Onshore brownfield recoveries					

* Onshore greenfield

(1) - With refinery optimisation

(2) - Wood Mackenzie data except BP's 19.75% of Rosneft's year-end 2013 proved plus probable Russia reserves

(3) - Wood Mackenzie data except BP, Exxon and Statoil, 33% JV share; Total 25% Shokman JV share; BP reflects 19.75% shareholding in Rosneft

* Logistics

* Arctic

* Unconventionals

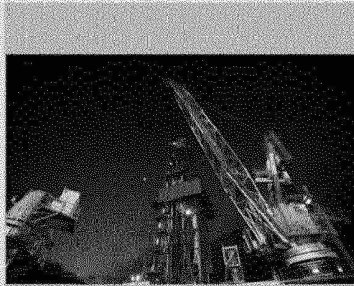
The BP Proposition

Simple proposition to investors

- Value over volume & active portfolio management
 - Value over volume
 - Pipeline of ~50 higher margin major projects
 - Active portfolio management
 - Exploration hopper to appraise and drill
- Growing sustainable free cash flow
 - ...gives rise to...
 - Material growth in operating cash flow
 - Growth in sustainable Free Cash Flow, through
 - Capital discipline
 - Underlying operational cash flow growth
 - Growing distributions
 - Capital discipline
 - Progressive dividend
 - ...leads to...
 - Surplus cash biased to further distributions
- Shareholder distribution growth



Three key drivers



1. Active portfolio management



2. Disciplined capital allocation



3. Safe, reliable & efficient execution

Source: March strategy update

Three key drivers to deliver these cash flow outcomes

1. Active portfolio management

- * Constantly review and optimise portfolio
- * Selectively....
 - Farm-out early life assets to diversify risk and pool innovation
 - Trade mature assets with declining cash flow for higher returning assets
- * Restructure e.g. Lower 48

2. Disciplined allocation of capital

- * Within financial framework boundaries
- * 80% upstream
- * Deliberately constrained to ensure best choices

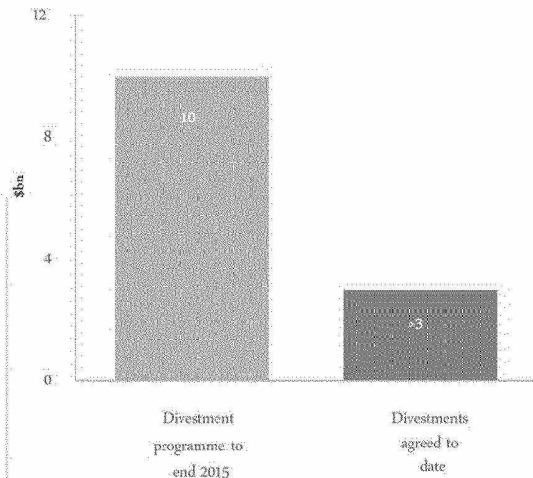
3. Safe reliable and efficient execution

- * Most important driver of success
- * Journey never complete but Group safety performance improved again in 2013
- * Our investment in operating integrity is transforming in reliability and efficiency...and performance

Active portfolio management

- \$38bn divestment programme completed in 2013
- \$10bn of further divestments planned by end 2015
 - Over \$3bn of divestments agreed to date
 - Includes sale of package of assets in Alaska for \$1.25bn
- New model for BP's US Lower 48 onshore business

Additional \$10bn divestments by end 2015

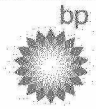


Source: 1Q 14 results (+ March strategy update, for slide in slide, with green dot added for Alaska)

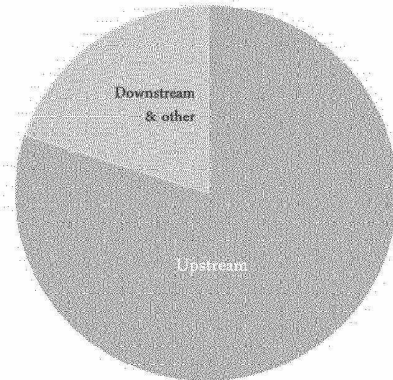
- Divestments unlocked value and organised portfolio into areas of distinctive capability
- Assets sold where risk profile was high relative to rewards e.g. midstream
- Active portfolio management – constantly review and optimise portfolio
- Trade mature assets with declining cash flows for those with higher returns
- Selectively farm out early life assets to diversify risk and pool innovation
- Selectively acquire assets complementary to portfolio
- \$10bn to end 2015; proceeds biased to buybacks
- \$3bn signed to date (incl. Alaska \$1.25bn)
- >2015 depends on strategy and value over volume. Assume \$2bn - \$2bn p.a.
- Run Lower 48 as a separate business to compete more effectively with independents

Disciplined capital allocation

Driving quality through choice



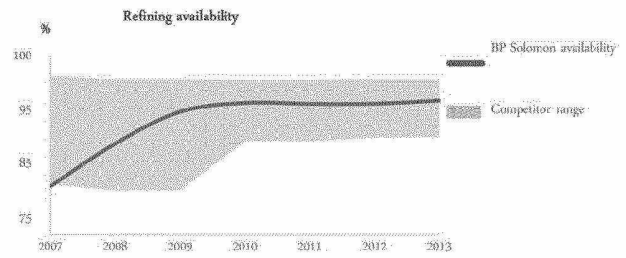
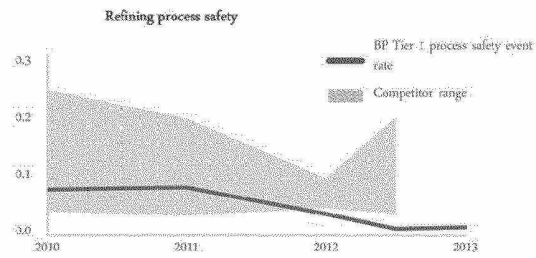
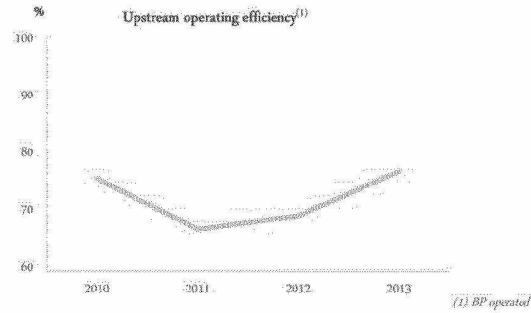
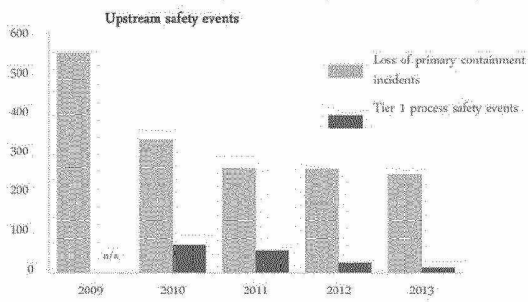
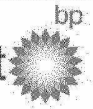
Capital expenditure split
2014 to 2018



Source: March strategy update

- Within boundaries of our financial framework we balance reinvestment and distributions
- 80% Upstream
- Capital discipline:
 1. Constrain capital relative to opportunity set ensuring highest quality activities are selected
 2. Rigorous bottom-up process for investment choices, tested at various price scenarios and commercial and technical risk sensitivities
 3. Detailed process of post-project evaluation to learn lessons

Execution: safer, more reliable and increasingly efficient



Source: March strategy update

- Safe and reliable ops is most important driver of success
- Journey is never complete but Group safety performance improved again in 2013
 - * Fewer major incidents, leaks and spills, injuries
- This, plus our investment in operating integrity is driving a transformation in reliability and efficiency
 - * ...which drives better business outcomes
- Encouraging trend across key metrics such as Upstream efficiency and Downstream refining availability
- There are areas where we can drive even greater efficiency

Growing sustainable free cash flow

2014: Rebasing operating cash flow



* > 50% growth in operating cash flow in 2014 at \$100/bbl versus 2011⁽¹⁾

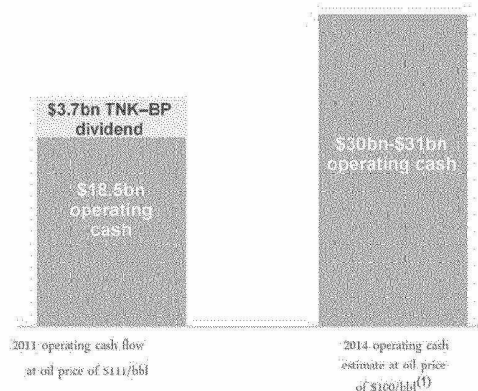
— Completion of payments into the Gulf of Mexico Trust Fund

— Upstream major projects ramp-up

— Ramp-up of Whiting Refinery Modernisation Project

* Capital expenditure of \$24bn to \$25bn

Operating cash flow



⁽¹⁾ See Statement of Assumptions under cautiousness statement

2014 based upon: \$100/bbl oil, \$5/mmbtu Henry Hub gas

Adjusted to remove TNK-BP dividends from 2011 operating cash flow; 2014 includes BP estimate of Russian dividend

Includes the impact of payments in respect of the settlement of all criminal and securities claims with the US Government; does not reflect other potential future cash flows arising from the Gulf of Mexico oil spill

Source: March strategy update

- 2014 is a critical year for BP – delivering on promise of 50% OCF growth vs. 2011 @ \$100/bbl
 - * DWHOST payments completed
 - * Delivery of major projects and Whiting
- Capex discipline - \$24bn - \$25bn

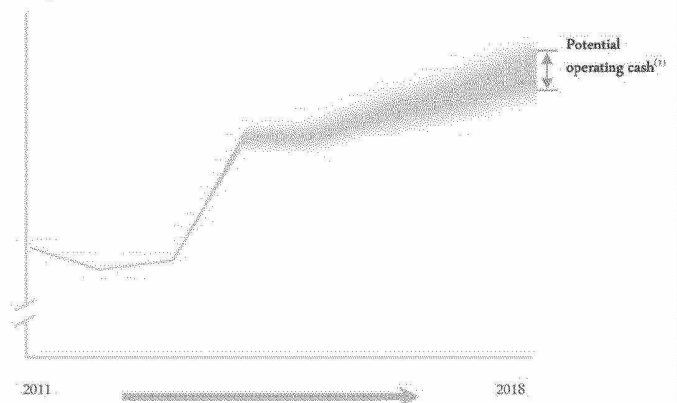


Growing sustainable free cash flow

2015 to 2018

- * **Material growth in operating cash flow**
 - Upstream: extending high value activities in existing operations and continued ramp-up of major projects
 - Downstream: full-year benefits of the Whiting upgrade, margin expansion and access to growth markets
 - Group-wide efficiency improvements
- * **Strong capital discipline**
 - \$24bn to \$26bn from 2015 to 2018
- * **Portfolio constantly under review**
 - Further \$10bn of divestments by end 2015
- * **Gearing target of 10% to 20%**

Operating cash flow \$bn



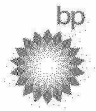
(1) See Statement of Assumptions under cautionary statement

2014 based upon \$20bn to \$21bn.

2015 to 2018: based on \$100/bbl Brent and \$50/mmbtu Henry-Hub gas; real. Based on current portfolio. Includes the impact of payments in respect of the settlement of all criminal and securities claims with the US Government; does not reflect any other potential future cash flows arising from the Gulf of Mexico oil spill

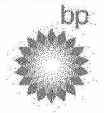
Source: March strategy update

- Material OCF growth to 2018
- Faster than production growth, reflecting quality of barrels
- 2015 similar to 2014, sustaining 2014 material increase
- Steady growth thereafter:
 - * Extending high value activities in existing operations
 - * Ramp-up of new and existing major projects
- Strong capex discipline
- \$10bn divestments by end 2015
- 10% - 20% gearing

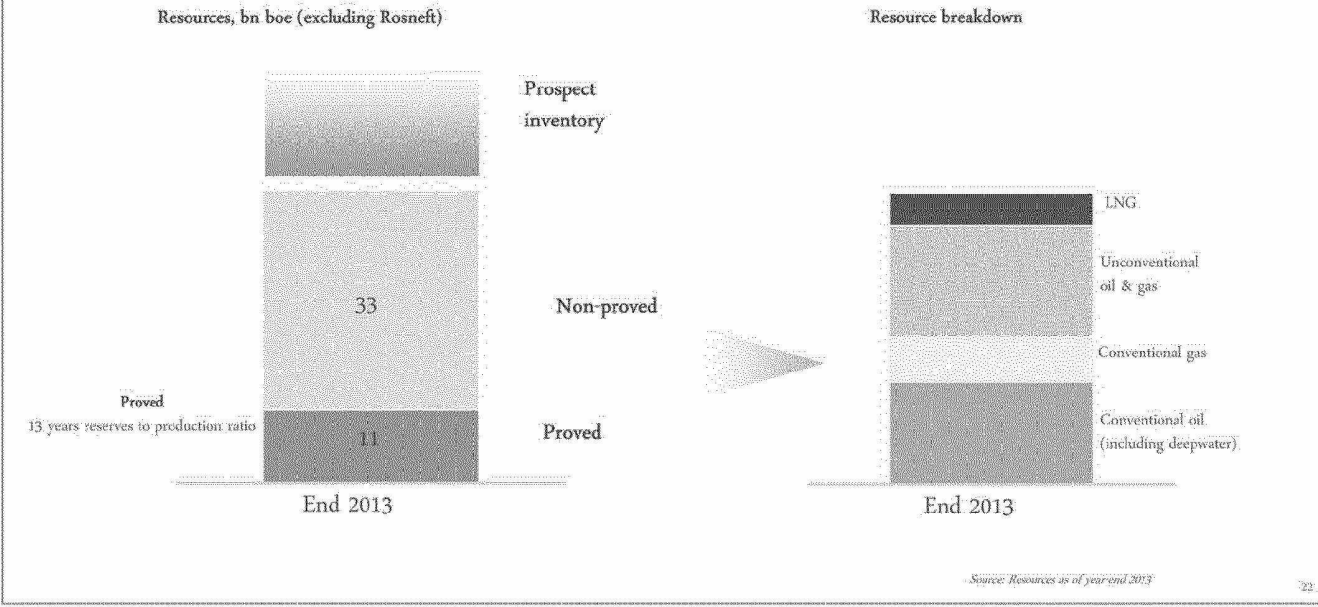


2. Strategic progress

ii. Upstream



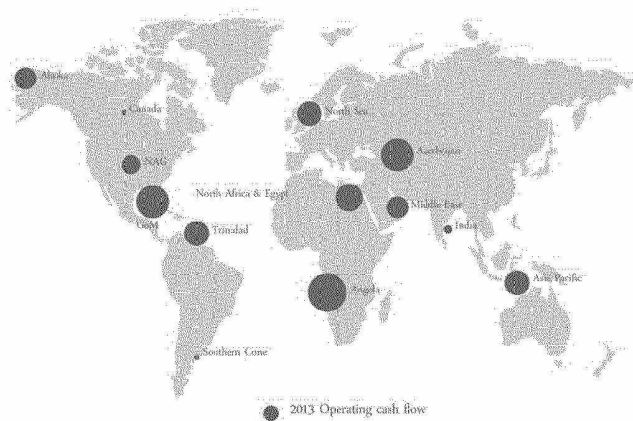
Holding a deep and diverse resource portfolio



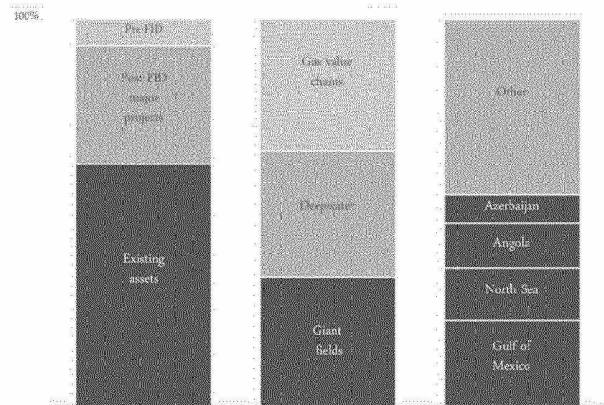
Source: March strategy update

- Quality resource pipeline, balance portfolio of opportunities
- 44bn boe at end 2013, excluding Rosneft. 38% unconventional
- 13 years proved reserves vs. production
- 4% resource growth per annum, despite divestment programme

Delivering value from our existing operations



Operating cash flow snapshot in 2018



Efficient operations

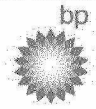
Maximising utilisation of infrastructure

Extensive resource base

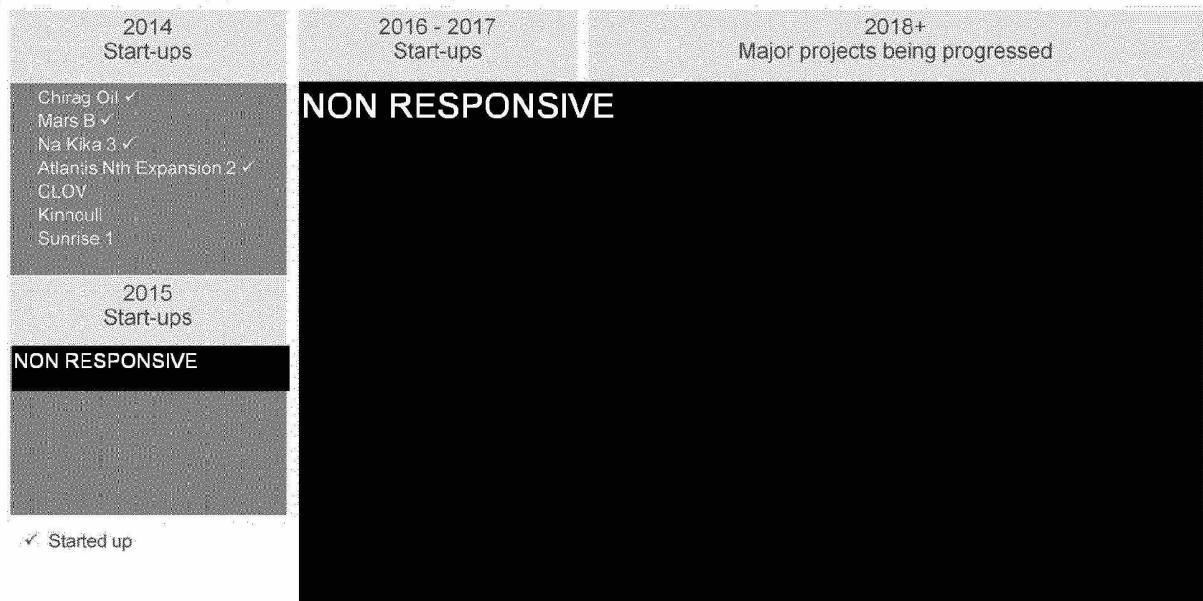
Disciplined investment

Source: March strategy update

- 90% of 2018 OCF from existing fields or committed major projects
 - * i.e. underpinned – confidence, youth of portfolio
- Optimise further through:
 - * Efficiency improvements especially in GoM and North Sea
 - * Leveraging resource base around hubs
 - * Ramp-up of in-fill drilling and water recovery
- 4 high margin key regions generate >50% of OCF i.e. underpinned
- Balance of deepwater, giant fields, gas value chains
- Oil bias – easier to transport, monetise immediately, gas needs a value chain and long-term buyers and has regional pricing

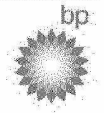


Deep pipeline of projects



Source: March strategy update

- High quality pipeline of >50 major projects being progressed
- Expect FID on five this year
- Rigorous process of concept selection, project optimisation and execution
- 2014-14 major projects are particularly high-margin at around double 2013 Upstream segment average delivering cash flow growth out to 2018
- Following wave is around 35% higher than 2013 e.g. Khazzan, SD2, Clair Ridge
 - * Progressing significant resource
 - * Providing future optionality
 - * Attractive long term production profiles
 - * Very competitive - lower development costs per bbl, given the scale



Long term growth: access, exploration & appraisal

Reloaded portfolio and focused drill-out programme

Balanced portfolio of options

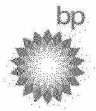


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Source: March strategy update

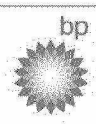
Turning to longer term...

- Rebuilt exploration portfolio with largest access in decades
 - * 2013 alone - Egypt, UK, Nova Scotia, Brazil, China, Norway, Greenland, Morocco, Arctic
- **NON RESPONSIVE**
- Almost tripled prospect inventory vs. 8 years ago
- **NON RESPONSIVE**
-



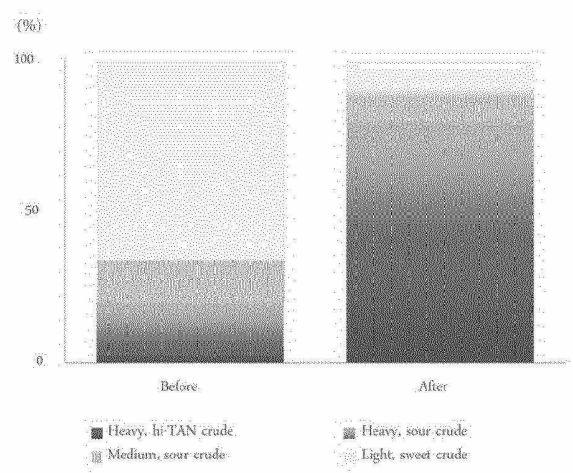
2. Strategic progress

iii. Downstream



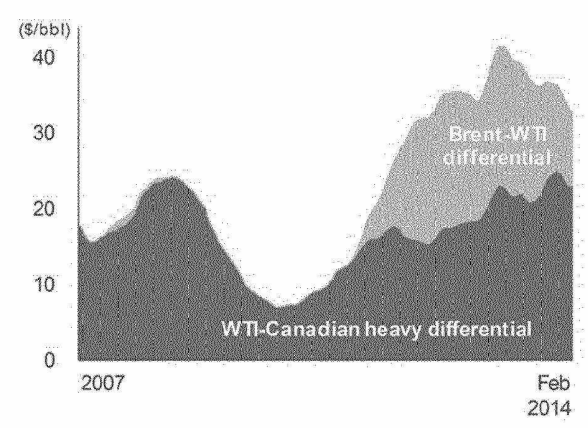
Feedstock advantage: Whiting refinery

Transforms heavy crude capability⁽¹⁾



⁽¹⁾ Refinery feedstock capability of new refinery optimised configuration
 Actual throughputs will depend on prevailing crude differentials, product demand and margin opportunities
⁽²⁾ Rolling yearly average of daily prices. Source: Platts

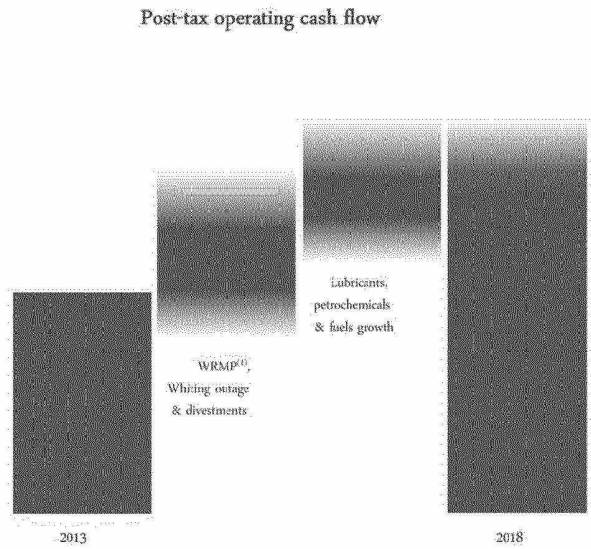
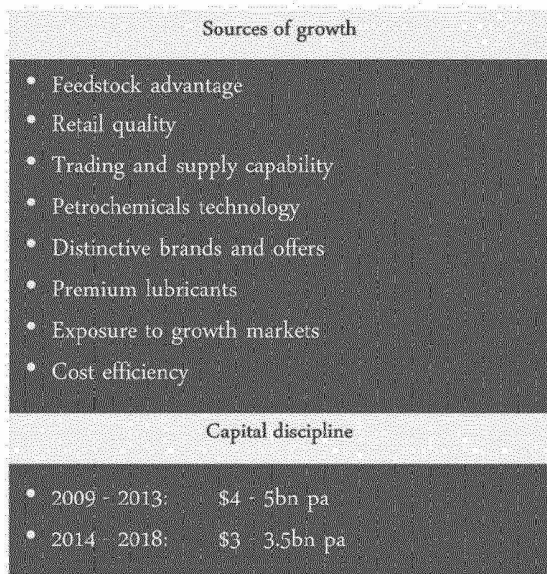
Accesses advantaged crude differentials⁽²⁾



Source: March strategy update

- Whiting refinery upgrade onstream end 2013
- Significant part of OCF growth - \$1bn per annum
- Feedstock advantage – move from 20% heavy crude to 80%. Average \$20/bbl advantage
- Location advantage
 - * WTI-Brent differential vs. Atlantic Basin
 - * Freight differential (closer to Canada)

Material and growing cash flows



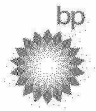
(1) Whiting Refinery Modernisation Project

Source: March strategy update

- Downstream re-positioned
 - Focus on advantaged refineries and FVCs (scale, location, configuration)
 - US – access to heavy crude, Bakken plus high quality value chains
 - Europe – Rotterdam – runs > 70 crude grades, access to Europoort; Germany – high quality value chain
 - Simplified and narrowed footprint
 - Great brands and technology (Castrol, Petchems)

...gives rise to...

- OCF growth and disciplined capex \$3bn - \$3.5bn per annum for integrity management and growth markets margin expansion
- Downstream is a material and growing source of cash flow for BP (can cover dividend)



3. US legal update



US legal update

MDL 2179 trial

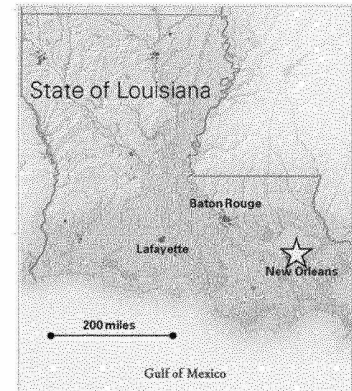
- * Phase 1 and 2 proceedings complete
- * Penalty phase scheduled to begin 20th January 2015

PSC settlement⁽¹⁾

- * Fifth Circuit rulings on BEL⁽²⁾ contract misinterpretation
 - New matching policy approved by District Court
 - En banc review requests pending on causation issue and related issue of final approval of settlement
- * Temporary injunction remains in place for all BEL claims

EPA⁽³⁾ suspension and debarment lifted

- * BP and EPA reached administrative agreement resolving suspension/debarment issues



⁽¹⁾ Plaintiff's Steering Committee (PSC)
⁽²⁾ Business Economic Loss (BEL)
⁽³⁾ Environmental Protection Agency (EPA)

Source: 1Q 14 results

- Ring-fenced and compartmentalised to avoid distraction to operating teams
- Determined to pursue fair outcomes in all legal proceedings
- Prepared for long haul

CWA

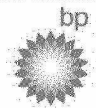
- Phases 1 and 2 completed. Penalty phase (Jan-15) considers penalty factors
- BP believes it was not grossly negligent – trial and independent investigations point to multiple parties and causes

CSSP

- BP will pay legitimate claims
- Successfully challenged matching issue
- Will continue to contest causation issue

EPA

- Agreement reached with EPA
- BP eligible to contract with US gov, including new leases



Gulf of Mexico oil spill costs and provisions pre-tax⁽¹⁾

\$bn	To end 2013	1Q14	Cumulative to date
Income statement			
Charge for the period	42.7	0.0	42.7
Balance sheet⁽²⁾			
Brought forward		8.5	
Charge to income statement	42.7	0.0	42.7
Payments into Trust Fund	(20.0)		(20.0)
Cash settlements received	5.4	-	5.4
Other related payments in the period ⁽³⁾	(19.6)	(0.7)	(20.3)
Carried forward	8.5	7.8	7.8
Cash outflow	34.2	0.7	34.9

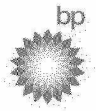
⁽¹⁾ Includes contributions received from Mitsui, Weatherford, Anadarko and Cameron

⁽²⁾ Balance sheet amount includes all provisions, other payables and the asset balances related to the Gulf of Mexico oil spill

⁽³⁾ Please refer to details as disclosed in the first quarter Stock Exchange Announcement

Source: 1Q 14 results

- Cumulative charge of **\$42.7bn**; **\$34.9bn** paid out; **\$7.8bn** remains as a balance sheet liability
- **\$19.3bn** provided for through Trust Fund, leaving unallocated headroom of **\$0.7bn**
- Of the **\$20bn** Trust Fund, **\$13.4bn** paid out, **\$1.2bn** ring-fenced for Seafood Fund, leaving **\$5.4bn** available cash
- **\$3.2bn** offers issued for BEL claims, of which **\$2.2bn** paid. No provision for future BEL claims not yet paid



4. Financial results

Financial results summary



Underlying earnings figures are adjusted for the costs associated with the Gulf of Mexico oil spill, other non-operating items and fair value accounting effects

\$bn	1Q 14	2013	2012
Upstream	4.4	18.3	19.4
Downstream	1.0	3.6	6.5
Other businesses & corporate	(0.5)	(1.9)	(2.0)
Underlying business RCPBIT⁽¹⁾	4.9	20.0	23.9
TNK-BP ⁽²⁾	-	-	3.1
Rosneft ⁽³⁾	0.3	2.2	-
Consolidation adjustment – unrealised profit in inventory	0.1	0.6	(0.6)
Underlying RCPBIT	5.3	22.8	26.4
Finance costs ⁽³⁾	(0.4)	(1.5)	(1.6)
Tax	(1.6)	(7.5)	(7.5)
Minority interest	(0.1)	(0.3)	(0.2)
Underlying replacement cost profit	3.2	13.4	17.1
Operating cash flow	8.2	21.1	20.5

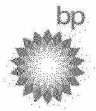
(1) Replacement cost profit before interest and tax (RCPBIT)

(2) TNK-BP and Rosneft earnings are after interest, tax and minority interest. 1Q 14 based on preliminary Rosneft results

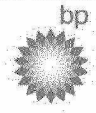
(3) Finance costs and net finance income or expense relating to pensions and other post-retirement benefits

Source: Treasury (from SEAs)

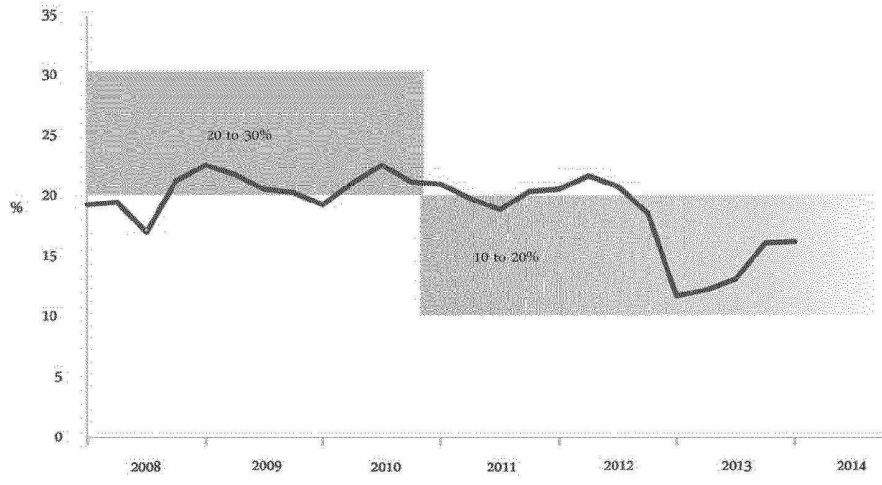
- Underlying replacement cost profit of \$13.4bn
- Post-tax operating cash flow of \$21.1bn
- Gearing at 16.2%, within target range of 10% to 20%
- Reserves replacement ratio
 - 129% organic growth⁽⁴⁾
 - 199% including repositioning in Russia



5. Financial profile



Net debt ratio



*Net debt ratio = net debt / (net debt + equity)
Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt*

Source: 1Q 14 results

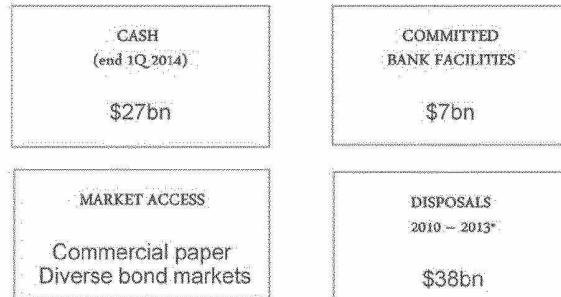
- Gearing band amended in mid-2010 in response to Macondo, from 20% - 30% to 10% - 20%
- End 1Q net debt of \$25.3 bn with gearing at 16.2%.
- Intention remains to keep gearing in a target band of 10 to 20% while uncertainties remain.



Liquidity overview

- Strong cash flow from operations
 - \$21bn during 2013
 - \$8bn in 1Q 14
 - Forecast \$30-31bn for FY 2014
- Significant liquidity maintained
- Disposals programme
- Access to diverse range of debt markets
 - Commercial paper
 - International bond markets

Financial Strength



* Excludes the sale of TNE BP.

2010	2011	2012	2Q 2013	3Q 2013	4Q 2013	1Q 2014
\$6.3bn equiv in \$ and €	\$10.8 bn equiv. in \$, €, GBP and CNH	\$11.0bn equiv. in \$, €, CS and AS	\$250mn 5yr FRN \$1.25bn 5yr \$1.5bn 10 yr	€600mn 1.7yr \$750mn 5yr FRN \$900mn 5yr \$750mn 10yr	\$1.5bn 18mth, 2yr & 3yr FRNs CS\$450mn 7yr AS\$300mn 5yr CNH 1.2b 5yr	\$2.5bn 5 and 10yr CHF 500mn, 7 and 10yr €2bn 7 and 12yr CNH 1bn, 5yr

Source: Treasury

- Operational/financial momentum underpins Group's strong financial position
- \$27bn cash and \$7bn of committed, undrawn bank facilities as at end 1Q 14
- Continued strong access to the international capital markets
 - \$11bn issued in 2011 and 2012
 - \$8.6bn in 2013
 - \$6bn, to date, during 2014
- BP has accessed a wide range of international bond markets; such diversification is valuable to BP
- N.B. \$43bn issued since GoM incident



Committed liabilities

Finance debt

* \$53.2bn as at end 1Q 2014

Short term debt

* \$8.7bn as at end 1Q 2014

• \$7.4bn bonds and loans

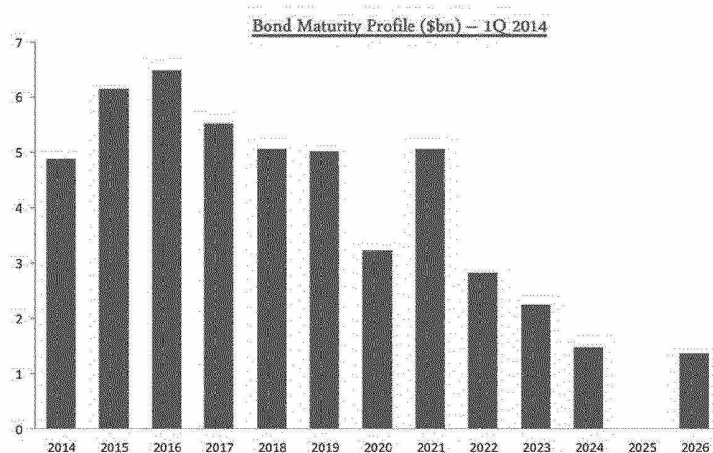
• \$1bn CP

Long term debt

* \$44.6bn as at end 1Q 2014

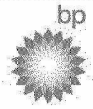
Capital expenditure

* Expected to be \$24 – \$25bn in 2014.



Source: Treasury

- \$8.7bn of finance debt due within one year as at end 1Q 14
 - * \$7.4bn related to bond maturities
 - * \$1bn CP (\$0.3bn other short term bank loans and overdrafts in local currencies)
- Typically keep long-term debt maturities to \$6bn in any one year
- BP expects organic capital expenditure to total \$24/25 billion this year.



BP bond issuance

- * Debt programmes: active in US, European and other markets
 - Consistent global pricing levels (3month \$LIBOR spread)
- * Use of proceeds
 - General corporate purposes; deepening our liquidity resources
- * Long term credit ratings
 - Moody's: A2 (stable outlook)
 - S&P: A (positive outlook)
- * Issuer: BP Capital Markets p.l.c., a company registered in England and Wales, 100% indirectly owned by BP p.l.c.
- * Guarantor: BP p.l.c., parent company registered in England and Wales

Source: Treasury

Markets

- Main market is USD – functional currency of oil and gas
- Other markets - EUR, euro\$, CHF, CAD, AUD (GBP, JPY) – swap to USD

Rate/pricing

- Floating rate bias – cheaper over time; BP balance sheet can withstand volatility
- Benchmark bonds vs. USD floating – use non-USD to diversify and avoid USD price breaks
 - * - where all-in pricing (after swaps) is comparable to marginal cost of USD issuance

Tenor


- Typically issue 5-10 year maturity – not to pay term premium of >10 years

Asian currencies

- CNH – three offerings, 2011-14, to fund China JV
- SGD – would consider where pricing is comparable to marginal USD

Rating/entities

- A2 stable by Moody's and single A positive outlook by S&P
- Issuance is by BP Capital Markets p.l.c. indirect 100% sub of BP p.l.c.
- Bonds are guaranteed by BP p.l.c.



2014 to 2018

THE BP PROPOSITION

Value over volume

Active portfolio management

Growing sustainable free cash flow

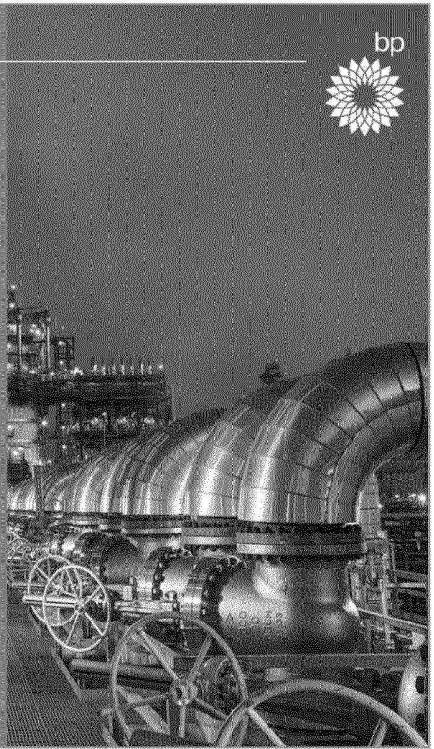

Material growth in operating cash flow

Capital discipline

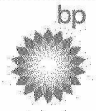
Growing distributions

Progressive dividend

Surplus cash biased to further distributions



Source: March strategy update



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Source: Treasury