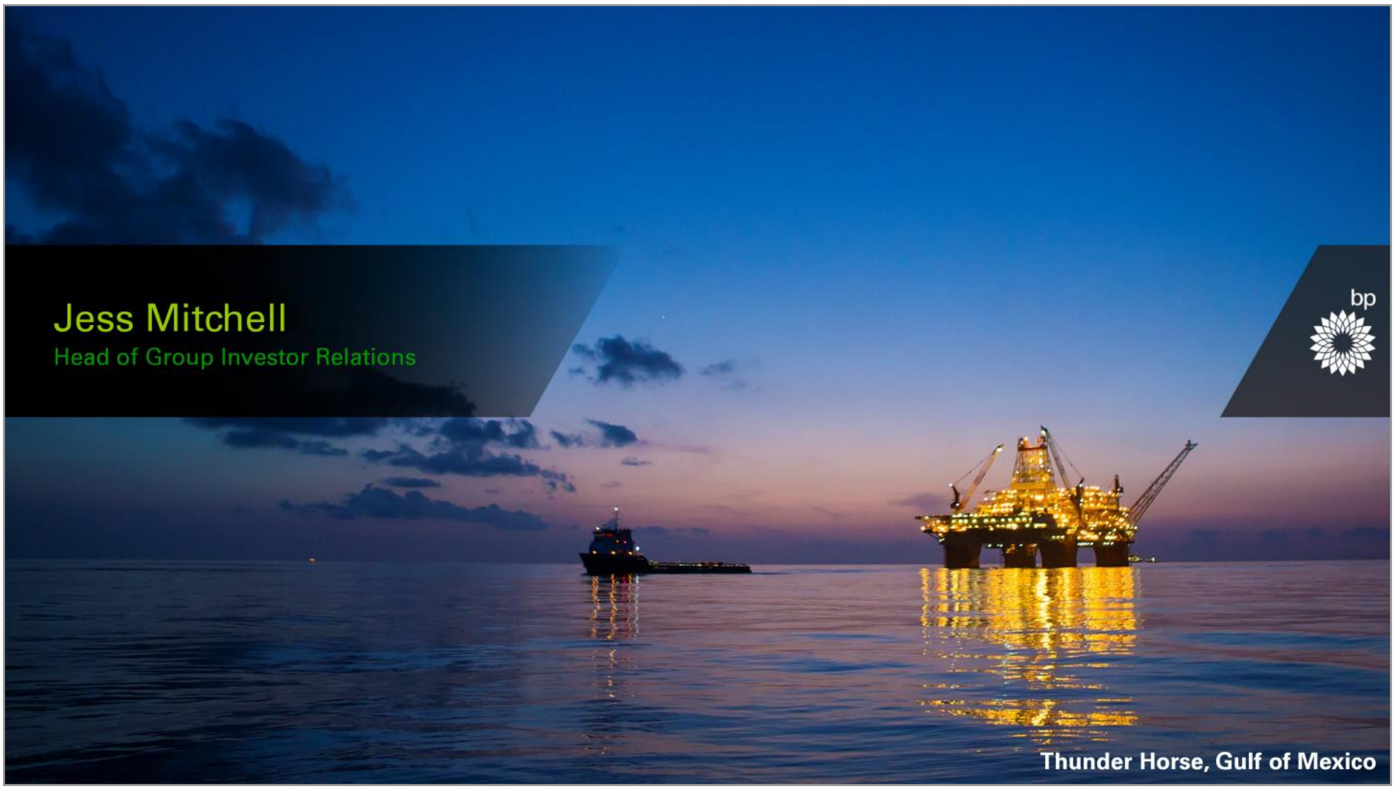
Full year 2014 results & Investor Update

3rd February 2015



Hello and welcome. This is BP's full-year 2014 results webcast and conference call.

I'm Jess Mitchell, BP's Head of Investor Relations and I'm here with our Group Chief Executive Bob Dudley, Chief Financial Officer Brian Gilvary, Upstream Chief Executive Lamar McKay and our Downstream Chief Executive Tufan Erginbilgic. Before we start, I need to draw your attention to our cautionary statement.

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 these items, in particular statements regarding future global energy trends; BP's plans to par back activity, re-phase spend and take advantage of expected deflation and continue ongoing review and re-working of the capital budget; expectations regarding the level of 2015 capital expenditure; plans regarding the divestment of $10 billion in assets in 2015 and the use of proceeds from such divestment; expectations regarding the BP's future competitive position and the future industry business environment; expectations and plans regarding the right-sizing of group's cost base and the benefits accruing therefrom; expectations regarding the delivery of efficiencies in 2015, the delivery of $1.6 billion per annum of efficiency savings by 2018 versus 2014 and the benefits accruing therefrom; BP's expectations regarding a total of about $1 billion in non-operating restructuring charges by the end of 2015; expectations regarding potential growth in operating cash and improved returns from the gas value chains over the next decade; expectations regarding future growth in returns from Whiting; plans regarding compliance with applicable sanctions; plans and expectations regarding the 'BP Proposition'; BP's plans and expectations regarding the current industry reset phase through 2015 and the medium term, including continued business delivery, operating off a reset base, the next wave of Upstream major projects, leveraging advantaged assets and growing returns in the Downstream and re-establishing balance in BP's financial framework; expectations regarding the visibility of the effect of the sharp fall in oil prices through the first quarter and beyond; expectations regarding first quarter 2015 reported production; expectations regarding refining margins, the effects of refinery turnaround and gradual improvement in the petrochemicals margin environment in 2015; expectations regarding BP's 2015 production, organic capital expenditure, depreciation, depletion and amortisation, Other business and corporate: average underlying quarterly charge and effective tax rate; expectations regarding BP's ability to support its 2015 dividend down to oil prices of around $50 per barrel while staying in the upper limit of its gearing band; expectations regarding the response of industry margin structure to deflation and BP's plan to reset costs accordingly; expectations regarding growing distributions to shareholders, including progressive divided policy and surplus cash biased to future distributions; expectations and plans regarding BP's continued focus on capital expenditure and cost discipline; the prospects for, expected timing, locations, composition and future production of major projects and new wells in 2015 and beyond; expectations regarding future operations and cost efficiencies in the US Lower 48 oil and gas business; plans to cease refinery operations at Bulwer Island in 2015; plans and expectations regarding Downstream strategy, including refining capacity in 2015 and refining availability out through the medium term, operation of BP's portfolio at top quartile availability and improved efficiency, a 35% improvement in cash breakeven performance in Petrochemicals by 2018 through restructuring of the aromatics portfolio, extension of the "iPlan" program, growing third party licensing income and delivery of increased turnaround efficiency and reliability and positive effects from the deployment of latest technologies; plans to increase Retail exposure to growth markets; expectations of further business expansion and sustained profit growth in Lubricants; and expectations regarding legal and trial proceedings, court decisions, potential investigations and civil actions by regulators, 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; changes in sanctions and other trade restrictions; 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 Rosneft'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, cyber-attacks or sabotage; and other factors discussed under "Principal risks and uncertainties" in BP's Stock Exchange Announcement for the period ended 30 June 2014.

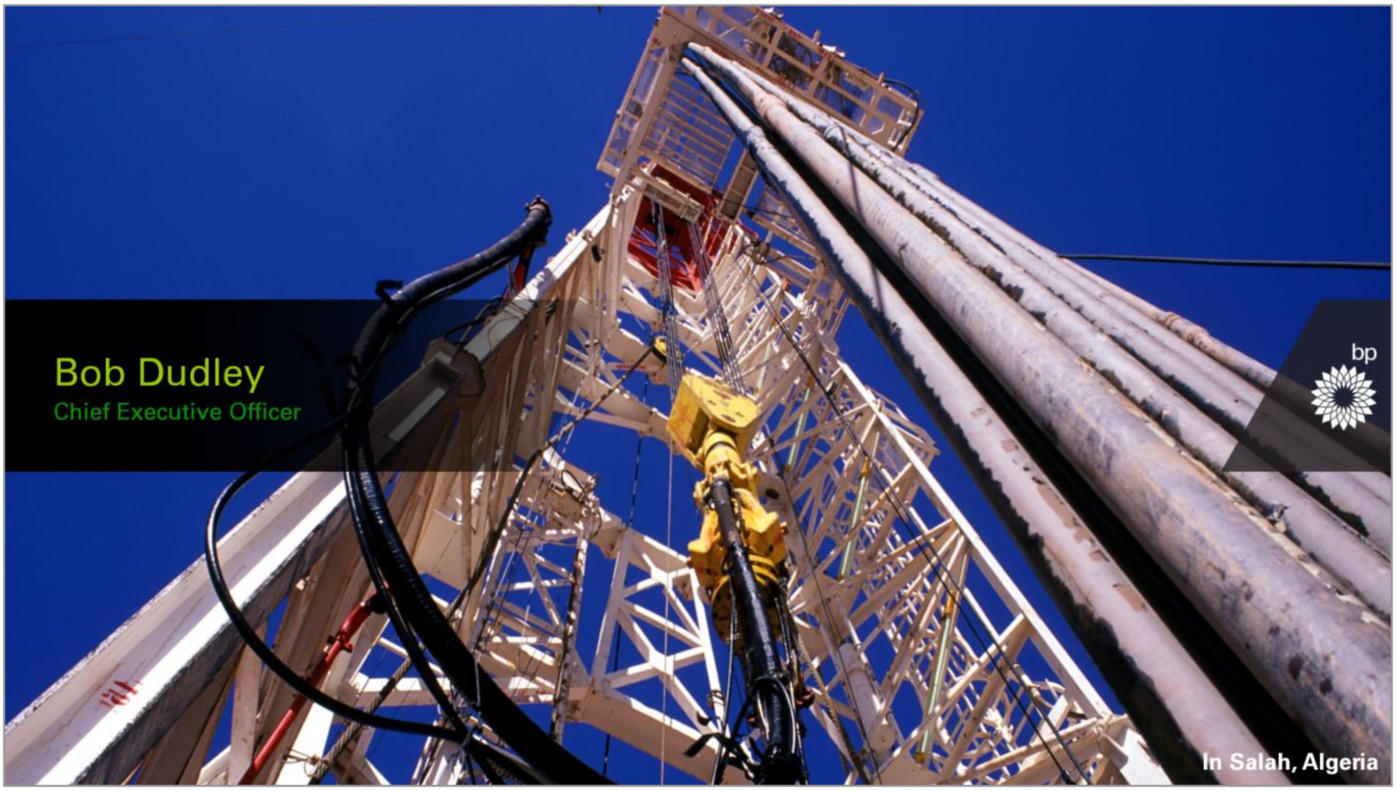
Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance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

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

February 2015

During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors that we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange Announcement and SEC filings for more details. These documents are available on our website.

Thank you, and now over to Bob.



Thanks Jess and welcome everyone to today's call

Agenda

Group overview and full year 2014 results	Bob Dudley
4Q 2014 results and financial framework	Brian Gilvary
Upstream	Lamar McKay
Downstream	Tufan Erginbilgic
Looking ahead	Bob Dudley
Q&A	

Today is an important day for BP, particularly as it marks the fulfilment of our ten-point plan and the start of a new phase.

We're here to look back on a turbulent last quarter, a strong 2014 and a three-year period in which we did what we said we would do.

And we're here to look ahead to a tough period for the industry - but one that we are prepared for.

I'll start with an overview of where we've got to and our future plans, and then I'll hand over to Brian to take us through the detail of the fourth-quarter results and update you on key elements of guidance for 2015.

Then Lamar and Tufan will talk in some more detail about their areas of the business. And at the end there will be time to take your questions.

10-point plan delivered

- Improved safety performance
- Portfolio more focused and less complex
- Exploration pipeline reloaded
- 15 major projects started-up since the beginning of 2012
- Whiting Refinery Modernisation Project completed
- $32.8bn of operating cash flow in 2014
- Growth in shareholder distributions

6

So the first thing to say is that with 2014 now complete, we can confirm that we have delivered the 10-point plan we laid out back in 2011.

As part of that plan we set a series of goals that we would accomplish over a three year period. We said we would focus relentlessly on safety. We undertook to manage our portfolio actively while playing to our strengths and to generate around $30 billion of operating cash flow in a $100 per barrel oil price world. And we committed to strengthening our balance sheet to be more capable of weathering uncertainty. This all had a core purpose of creating a stronger, simpler and more focused BP. As we stand today I believe we have achieved all that and more.

Back in 2011, we were just one year into a recovery from a major incident, with multiple legal, financial, environmental and strategic implications. The progress we have made says a lot about how BP and our people have worked over the past three years. But to me it says more about BP's prospects over the next few years. We are adaptable to change and capable of taking on tough challenges.

To briefly summarise the key achievements.

We have improved the safety and reliability of our operations. In 2014 we had fewer serious process safety incidents and fewer leaks and spills than in 2011.

To meet our obligations to the US Gulf States we completed an initial $38 billion of divestments in 2013 and have since been working towards a further $10 billion of divestments which are well underpinned.

In the Upstream, we made 13 significant discoveries and delivered 15 new major project start-ups over the last three years, while also transforming the business to operate under a new functional model.

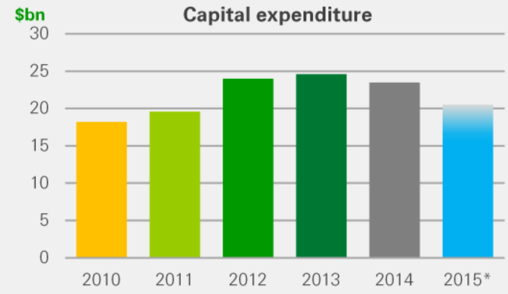
It's been a similar story in the Downstream where we have invested in the major upgrade of our Whiting refinery and at the same time divested two large US refineries and some related marketing assets, leaving a portfolio of more advantaged assets.

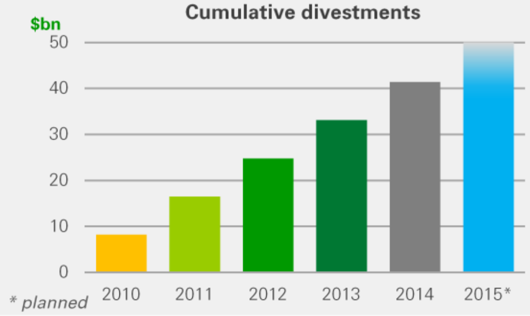
In all, the choices we have made around our portfolio have provided us with a more focused footprint, a less complex business and a stronger overall set of assets. At the same time we resumed payment of our dividend in 2011 and have since grown shareholder distributions. This includes repurchasing $10.3 billion of our own shares, largely using funds from the sale of our interests in TNK-BP.

We leave 2014 behind with a proven track record of delivery in our underlying business and better placed to navigate the new and challenging world we have all entered in 2015.

A focused business model

- Diverse, integrated portfolio
- Rigorous through-cycle capital allocation
- Capital budget reset for 2015
- Right-sizing the group's cost base already underway
- Financial framework
  - Gearing at 16.7%
  - $10bn of divestments during 2014 and 2015





7

The recent sharp fall in the oil price is of course the big story in the industry today. A lot has been said and written about this so I'm going to concentrate today on how BP is positioned in this environment.

How well we navigate the road ahead will be a test of our business model. We have a diverse portfolio, a rigorous process to allocate capital and an already established focus on efficiency.

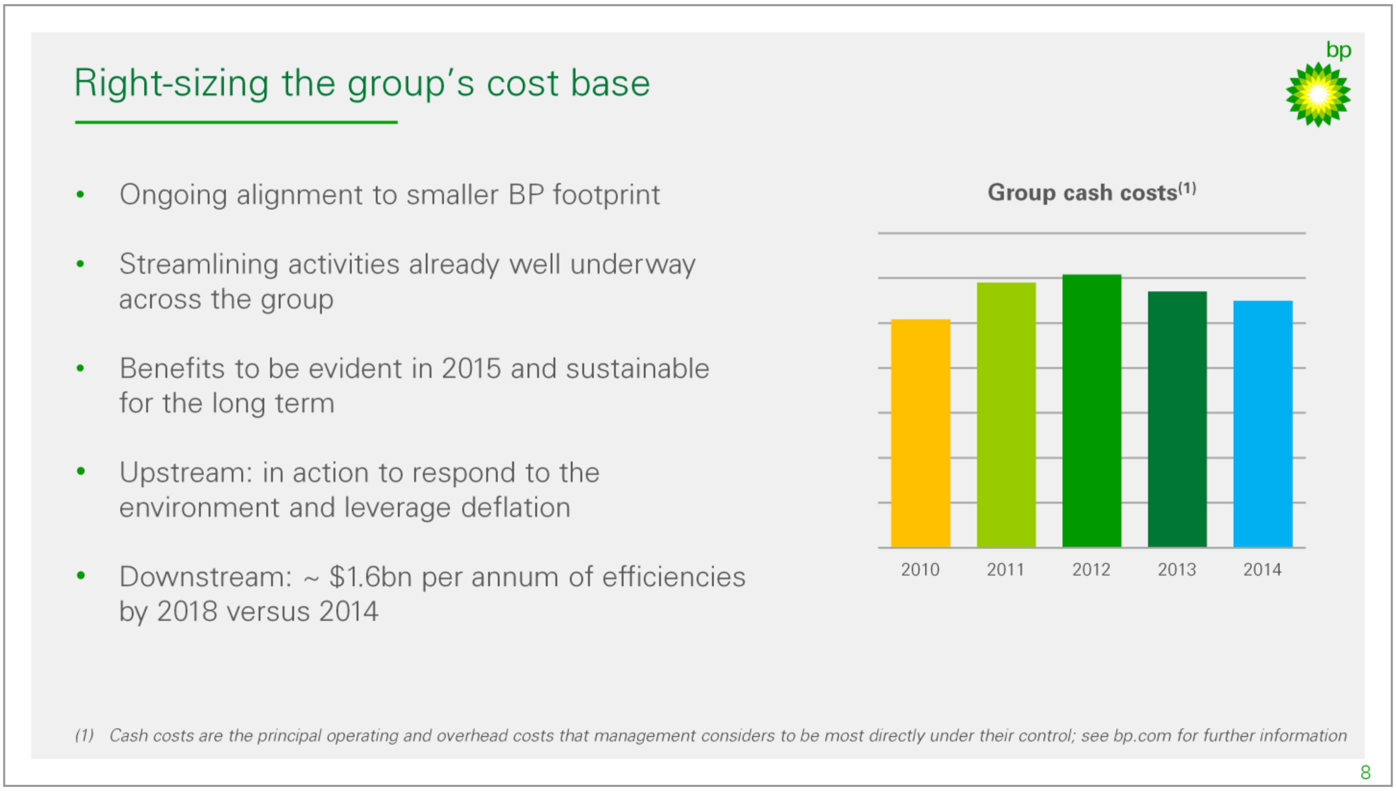
As well as being an integrated oil company with a strong Downstream, our portfolio has around one third of upstream production coming from Production Sharing Agreements and a growing portfolio of high-quality gas projects, both of which make us less sensitive to oil price fluctuations.

We are a long-range business and we look to generate competitive returns across the full life-cycle of a project. Over the last 3 to 4 years we have been sanctioning Upstream projects at $80 per barrel, while testing projects for resilience at $60 per barrel. Of course, in the current volatile times we will look closely at each investment decision taking account of current price levels, our ability to leverage deflation and our long-term outlook for the environment. As and when prices look to have reset in a structural way we would moderate these assumptions accordingly.

We also drive capital discipline by constraining the total level of capital spend in any one year, taking account of the opportunities available and the flexibility of our balance sheet. We are currently paring back activity and looking to re-phase spend to reflect the expected deflation. We are resetting our capital expenditure in 2015 to around $20 billion, well below our previous guidance. Our overall capital budget will be the subject of ongoing review as we re-work our medium-term plans.

At this moment we benefit from being an organisation that is already very focused on cost discipline. We began to streamline activity and increase efficiency some 18 months ago in response to becoming a smaller, more focused company. This timing gives us an advantage as the benefits are already becoming evident. More on that in a moment.

Going into 2015 our balance sheet reflects gearing of 16.7% and we are working steadily towards divesting a further $10 billion of assets over the 2014 to 2015 period. So we are where we planned to be but the outlook for the environment is now much weaker. The interventions we are currently making on capital and costs have become critical to ensuring we can rebalance our financial framework to the new environment. Brian will take you through the specifics for 2015 shortly.



So let me now spend a moment on how we intend to deepen our focus on costs in the different parts of our business.

The background to this, as you know, is that BP invested significantly in certain areas of functional capability following the Deepwater Horizon incident, which was also a period of strong inflation. At the same time we started divesting non-core assets. This triggered a need to streamline our supporting functions and structures so they are the right size to support our new portfolio, without sacrificing safety and risk management in any way.

At the corporate and functional level, as part of the outlook we showed you last year, we identified over 60 simplification initiatives, many of which are well underway. You will recall this included consolidation in our Global Business Services organisation and combining a number of our corporate functions, among other initiatives.

As Lamar highlighted in December, simplification in the Upstream primarily reflects a continued focus on doing the right activity at the right time, active management of our supply chain and aligning business support costs with the reduced size of our operations. It also includes making choices in our portfolio such as the restructuring of the Lower 48 in the United States. We are now further intensifying our efforts in response to current market conditions and will be actively looking to take advantage of the deflationary opportunity. We will do this without compromise to safety. Of course the outcome of this is as much about the industry as about BP so we are not going to put a number to what we think is achievable today. We would say that we expect to at least maintain our competitive position as industry costs rebase to lower oil prices.

In the Downstream too, we have developed a track record of delivery on cost efficiency. Tufan has brought renewed focus to this since assuming leadership of the segment, with 26 simplification initiatives currently underway. We aim to deliver around

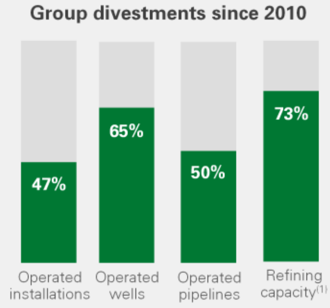
$1.6 billion per year of efficiency savings by 2018 versus 2014 as Tufan will explain.

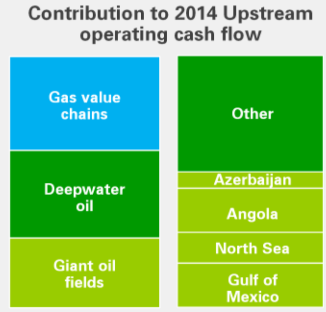
This all works together to right-size our total cash cost base. In 2014 we saw a reduction in total group cash costs of over $1 billion relative to 2013. We expect ongoing activity to deliver further efficiencies in 2015 and to be sustainable over the long term. Consistent with this we announced in December that we expect the group to incur about $1 billion of non-operating restructuring charges before the end of 2015. Given the uncertainty of the outlook we now also see it as prudent to reset our cost base for a more sustained period of lower oil prices. We are deepening our efforts and looking even more closely at all forms of activity across the group. This will be an area of intense focus for 2015 and we will keep you updated as we put more detail to these plans.

Quality portfolio

- Integrated oil and gas company
- Smaller, simpler and more focused
- Ongoing portfolio management
- Upstream
  - Balance of deepwater, giant fields and gas value chains
  - Growing exposure to long-life gas assets
- Downstream
  - Quality assets and businesses
  - Growth in returns
- Rosneft investment is a long-term position

(1) Refining capacity since 2000





9

Turning to our portfolio.

Today's environment is a good reminder of the logic of being an integrated business with a focused portfolio of high-quality assets.

The repositioning of our portfolio following our divestments has made us less complex, with a lower risk footprint, and positioned to focus resources for the greater discipline demanded by current conditions.

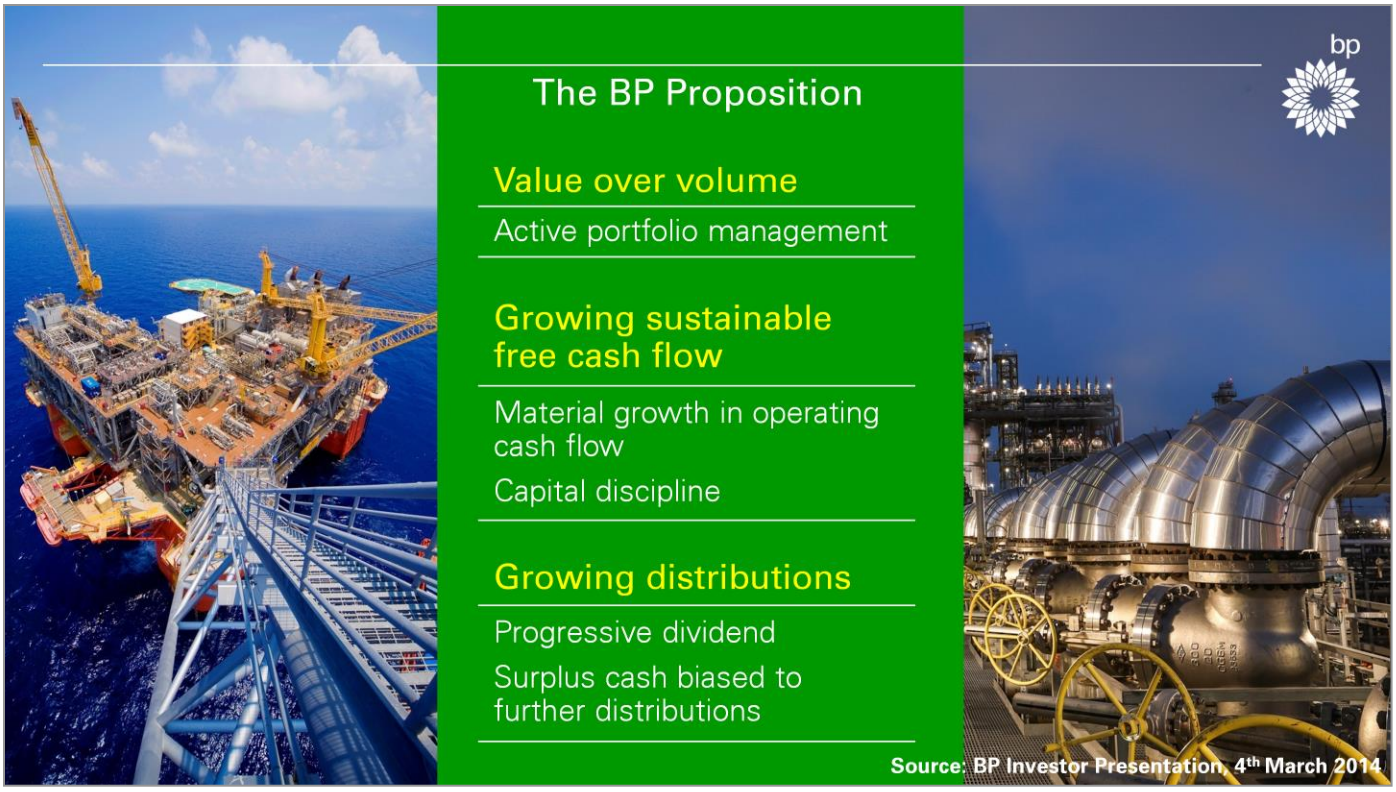
We keep our portfolio constantly under review, looking for ways to unlock value whether by exiting assets that no longer fit our strategy or transforming a business model that could work harder, as with the Lower 48. It also includes remaining alert to opportunities for investing in assets that fit our core strategy, that could arise in the current market conditions.

In the Upstream, our portfolio reflects a balance of investment in giant fields, deepwater and gas value chains with strong incumbent positions in our four key geographic regions of Angola, the Gulf of Mexico, Azerbaijan and the North Sea. The portfolio is sufficiently diverse to balance exposure to fiscal and geo-political risk but concentrated enough to allow us to focus on our strengths. It provides a distinctive platform for the future. Our gas positions have the potential to grow operating cash and improve returns over the next decade, along with our established oil positions.

Our repositioned Downstream business, with our newly upgraded Whiting refinery, is not only an important cash generator for the group but still has potential to grow returns as we focus on growth markets and efficiency.

With respect to Russia, the current geo-political context remains challenging. Nonetheless, Russia remains today the world's largest oil and gas producer and we remain committed to our strategic investment in Rosneft, a position with attractive opportunities for the long term. BP will continue to comply with all relevant sanctions.

So, overall we believe we have re-shaped a portfolio over the last few years that will allow us to succeed over the long term. Lamar and Tufan will both provide more colour around their respective businesses.

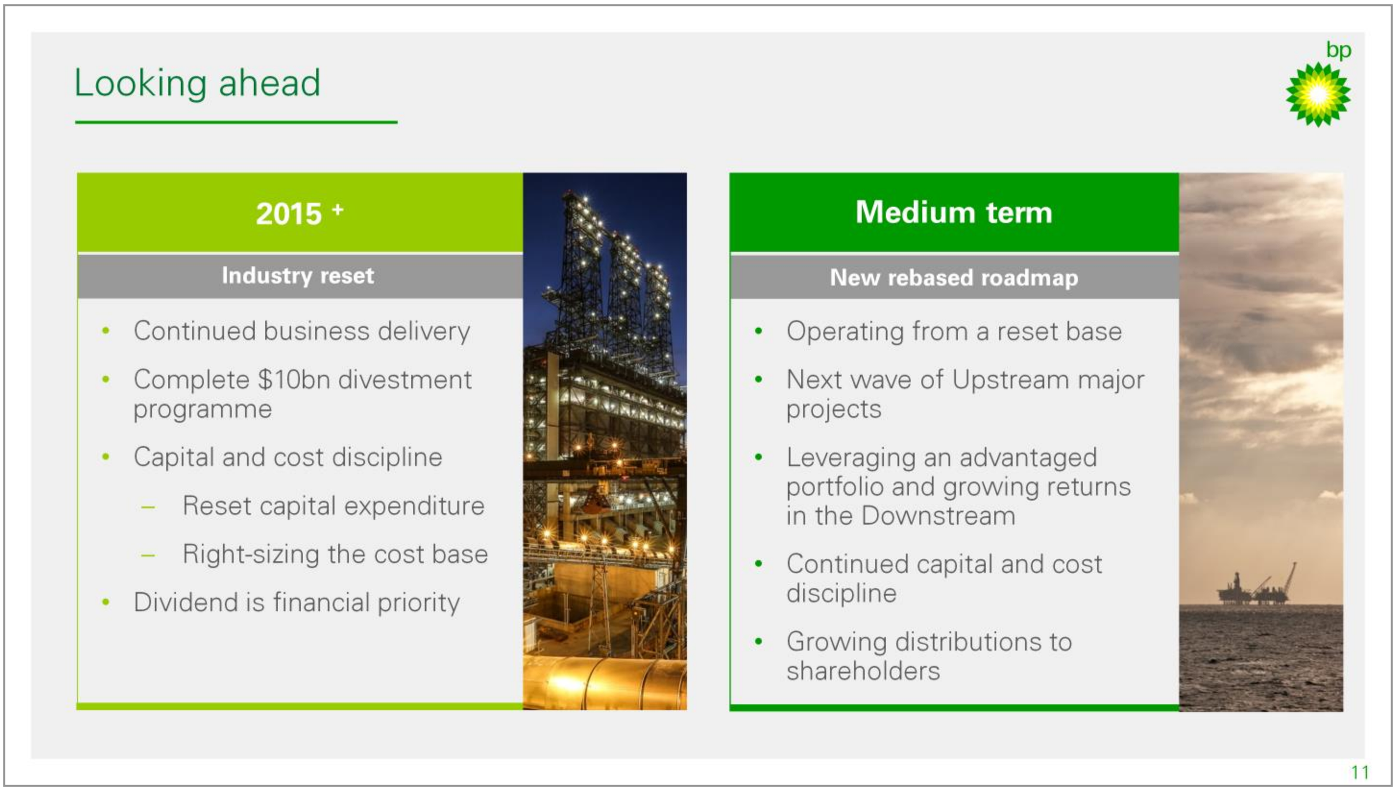


Turning to our overall proposition to investors, this is a slide we showed you in March last year. Of course a lot has changed since then but the fundamental principles of that proposition remain unchanged over the long term.

We are pursuing value over volume, which means investing in high-quality activities which play to our strengths, divesting non-core assets and finding new ways to create long-term value through portfolio management. This is central to our strategy no matter what the environment.

In the new environment our focus has to be on rebalancing our financial framework to manage through a period of low oil prices, while underpinning our dividend and meeting our legal obligations in the United States.

Looking further out our aim remains to grow sustainable free cash flow through a combination of growth in underlying operating cash flow from our business and a strong focus on capital discipline. I believe we have already demonstrated our ability to maintain an affordable capital frame. Over time this aims to support growth in distributions to shareholders.



Looking ahead to what we expect to happen over the next few years.

We see this year, and probably the next several years, as an **industry reset phase** – a period of intense change, the outcomes of which will be defined by oil and gas prices, the pace of deflation, the realisation of efficiencies across the sector and possible inorganic activity.

At BP we will be focusing on **a clear set of priorities**. For simplicity I like to think of this under the 4 headings of **delivery, divestments, discipline and the dividend.**

By **delivery** I mean consolidating the underlying momentum of the last 3 years in our businesses through continued safe, reliable and efficient execution.

Divestments is about completing the $10 billion programme of divestments.

Discipline has two parts:

- Firstly, resetting the capital budget to ensure every dollar of capital spend delivers value for shareholders, paring back activity as necessary and taking advantage of deflation; and

- Secondly, right-sizing the cost base to match our footprint and withstand a sustained period of lower oil prices.

And most importantly, the **dividend** – which is firmly established as the first priority within our financial framework

Looking beyond this phase and into the medium term, we expect to be operating off a reset base.

We expect this reset base to be underpinned by the next wave of Upstream major projects and longer-term opportunities for resource progression.

In the Downstream we see us moving to the next level of competitiveness and efficiency as we leverage our advantaged portfolio.

And we will be continuing our focus on capital and cost efficiency.

So there is a lot that may be unclear, particularly in this current phase. But there is one point we are completely clear on – our focus throughout will be on growing value for shareholders.

Full year 2014 results

- Underlying replacement cost profit of $12.1bn[1]
- Post-tax operating cash flow of $32.8bn
- Organic capital expenditure of $22.9bn[2]
- Divestment proceeds of $3.5bn
- Gearing at 16.7%; within target range of 10% to 20%
- Dividend paid of $5.9bn and share buybacks of $4.8bn
- Reserves replacement ratio of 62%[3]

(1) Post-tax underlying replacement cost profit. See Stock Exchange Announcement (SEA) for further information on the basis of the calculation
(2) Capital expenditure excluding acquisitions and asset exchanges, and other acquired interests as noted in the SEA
(3) Combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and divestments

12

Now let me now turn specifically to our full-year 2014 results. Our underlying replacement cost profit was $12.1 billion.

As you would expect, in the Upstream this was significantly affected by the weaker environment, particularly in the fourth quarter. We also experienced some higher costs – DD&A and exploration write-offs in particular.

The depreciation of the rouble and lower oil prices also had a negative impact on our share of Rosneft's net income for the year.

However, in the Downstream, despite a weaker refining environment, we delivered improved performance from our fuels marketing business and benefitted from the ramp-up of the modernised Whiting refinery. This reminds us of the importance of being an integrated oil company.

Post-tax operating cash flow in 2014 was $32.8 billion and as indicated this has fulfilled a major goal of the ten-point plan.

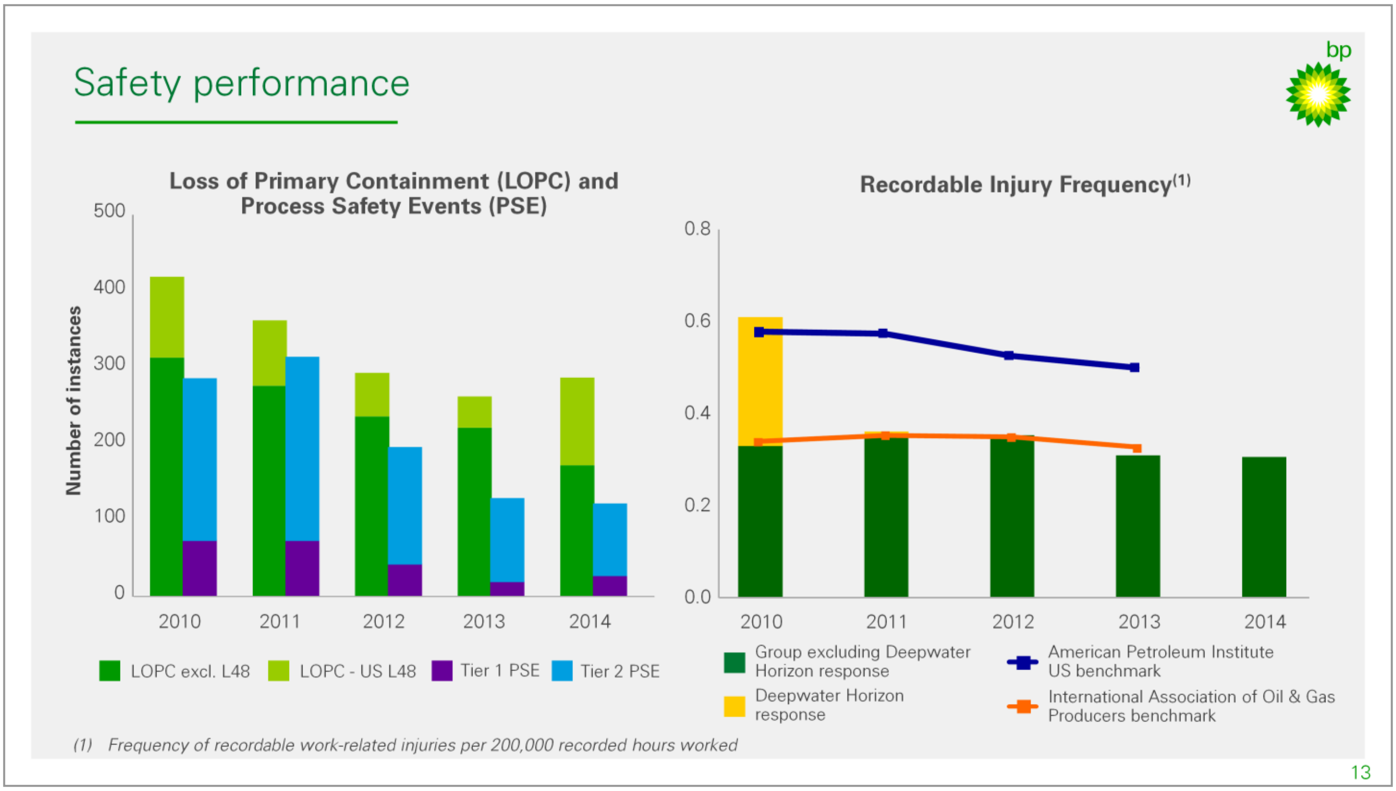
Our organic capital expenditure in 2014 was $22.9 billion, $1.1 billion below the lower end of the guidance range given at the start of the year. This demonstrates our strong commitment to capital discipline.

Proceeds during the year from divestments totalled $3.5 billion.

As already noted, our gearing at the end of the year was well within our target band of 10 to 20%.

We distributed $5.9 billion in cash to shareholders through dividends and we also bought back $4.8 billion of our own shares last year.

And finally, our reserves replacement ratio for 2014 is estimated at 62%, excluding the impact of acquisitions and divestments.



So now I want to walk you through the important area of our safety performance in 2014.

These charts show an encouraging overall trend since 2010 which I believe reflects the disciplined approach we are taking to our operations around the globe.

Looking first at Losses Of Primary Containment - or LOPC's - which reflect even very small releases of any hazardous material, we have seen a small increase in these instances against a strong result in 2013. Newly available data from enhanced automation in our Lower 48 operations in the United States was the reason for the increase in our LOPC's in 2014, and we continue to focus our efforts in this area.

We also track Process Safety Events, the American Petroleum Institute (API) industry metric. Looking at Tier 1 and Tier 2 events combined, the overall downward year-on-year trend has continued.

As regards personal safety, our Recordable Injury Frequency rate remains level with 2013.

Safety is good business. It remains the primary focus in our operations and we are always striving to improve our performance.

US legal update

- MDL 2179 progress
  - Phase 1 ruling received. BP has appealed
  - Phase 2 ruling assessed spill volume at 3.19 million barrels
  - Penalty phase now underway
- Staying the course
  - Pursuing fair outcomes in all legal proceedings
  - Contesting BEL[1] claims we believe are unfounded
- Our focus remains on BP's core businesses

(1) Business Economic Loss

Lastly, let me briefly touch on the ongoing Gulf of Mexico litigation processes in the United States.

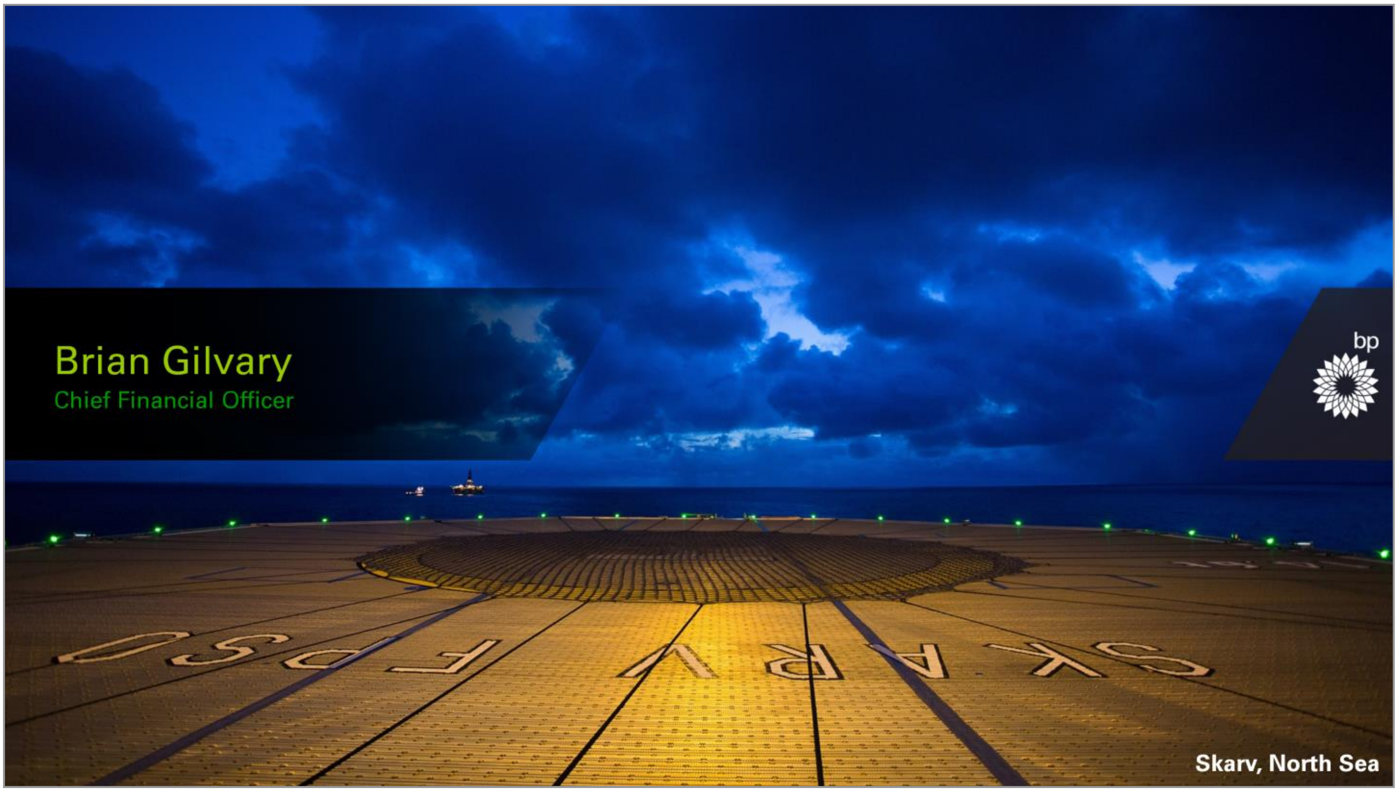
The penalty phase of the MDL 2179 trial is now underway. This is the third of three steps in the process of determining the amount of penalties under the Clean Water Act. Following the first phase, the court issued rulings which included findings of gross negligence and wilful misconduct by BP. We strongly disagree with these findings and have appealed. Regarding Phase 2, the court recently ruled that 3.19 million barrels of oil were spilled into the Gulf as a result of the incident and found no gross negligence in our source control efforts.

As we have said before, we will pursue fair outcomes in all legal matters, while protecting the best interests of you, our shareholders, at all times. Further to the recent decision of the US Supreme Court not to hear BP's appeal on the issue of causation in relation to business economic loss claims, we have a responsibility to continue to contest what we believe to be unfounded claims. I should also point out that the deadline for submission of any further economic loss claims has now been set for June 8th of this year.

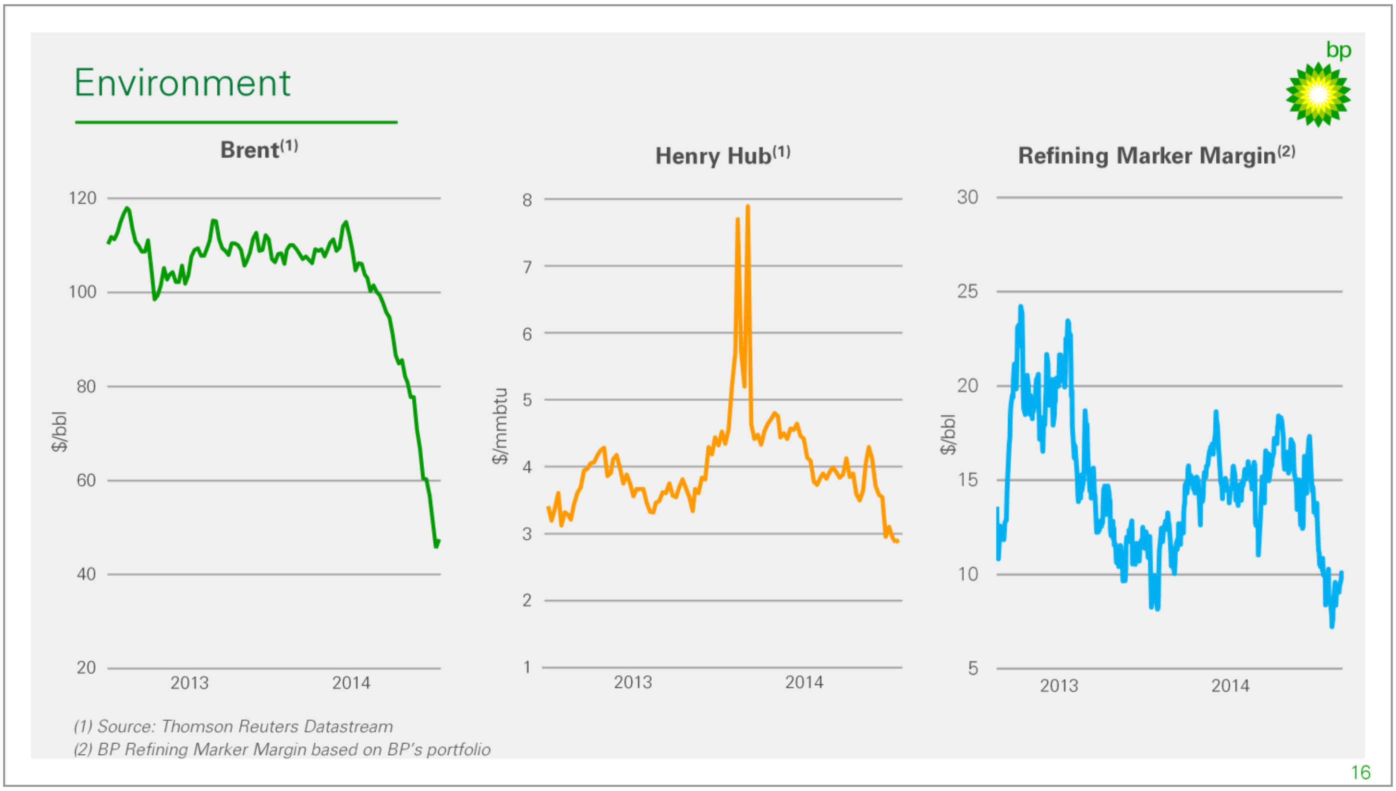
Brian will give the usual update on the financial impacts for the quarter shortly.

As always, we are continuing to compartmentalise these legal activities and BP's operational delivery teams remain fully focused on our core businesses.

So let me now hand over to Brian.



Thanks Bob



I'll start by touching briefly on the price environment in what continues to be a very weak market.

In the fourth quarter, Brent fell to an average of just under $77 per barrel, the lowest quarterly average since the third quarter of 2010, and has averaged $48 per barrel so far this quarter.

As is now well documented, oil prices softened in the latter part of 2014 as market fundamentals reflected production growth in the United States, other increases in global supply, and weaker global demand. Prices weakened further following OPEC's decision to maintain production in November.

Henry Hub prices continued to fall through 2014 as growth in United States shale production outpaced consumption. European and Asian spot prices fell reflecting modest demand and rising LNG supplies. Henry Hub gas prices for the fourth quarter averaged almost exactly $4 per million British Thermal Units and now stand around $2.70 per million British Thermal Units.

The overall refining environment was lower in the fourth quarter, impacted by the seasonal reduction in refining margins along with falling crude differentials in the United States.

As you will have seen, the sharp fall in oil and gas prices has had an impact on our Upstream results for the fourth quarter. However, the full run-rate effect of the fall in prices will only be visible as we move through the first quarter and beyond. As Bob mentioned, against this backdrop we are making a number of interventions to rebalance our financial framework that I will come back to shortly.

4Q 2014 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	4Q13	3Q14	4Q14	% y-o-y
Upstream	3.9	3.9	2.2	
Downstream	0.1	1.5	1.2	
Other businesses & corporate	(0.6)	(0.3)	(0.1)	
Underlying business RCPBIT (1)	**3.3**	**5.1**	**3.3**	**1%**
Rosneft (2)	1.1	0.1	0.5	
Consolidation adjustment - unrealised profit in inventory	(0.2)	0.4	0.3	
Underlying RCPBIT (1)	**4.2**	**5.6**	**4.1**	**(2)%**
Finance costs (3)	(0.4)	(0.3)	(0.4)	
Tax	(0.9)	(2.2)	(1.4)	
Minority interest	(0.1)	(0.0)	(0.0)	
Underlying replacement cost profit	**2.8**	**3.0**	**2.2**	**(20)%**
Underlying earnings per share (cents)	**15.0**	**16.5**	**12.3**	**(18)%**
Dividend paid per share (cents)	**9.50**	**9.75**	**10.00**	**5%**
Operating cash flow (4)	**5.4**	**9.4**	**7.2**	**34%**

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

(2) Rosneft earnings are after interest, tax and minority interest; 4Q14 based on Rosneft preliminary results

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

(4) Operating cash flow is net cash provided by (used in) operating activities

17

Turning to the results.

BP's fourth-quarter underlying replacement cost profit was $2.2 billion, down 20% on the same period a year ago, and 26% lower than the third quarter.

Compared to the fourth quarter of 2013, the result reflects:

- Significantly lower liquids realisations; and
- A lower contribution from our shareholding in Rosneft.

Offset by:

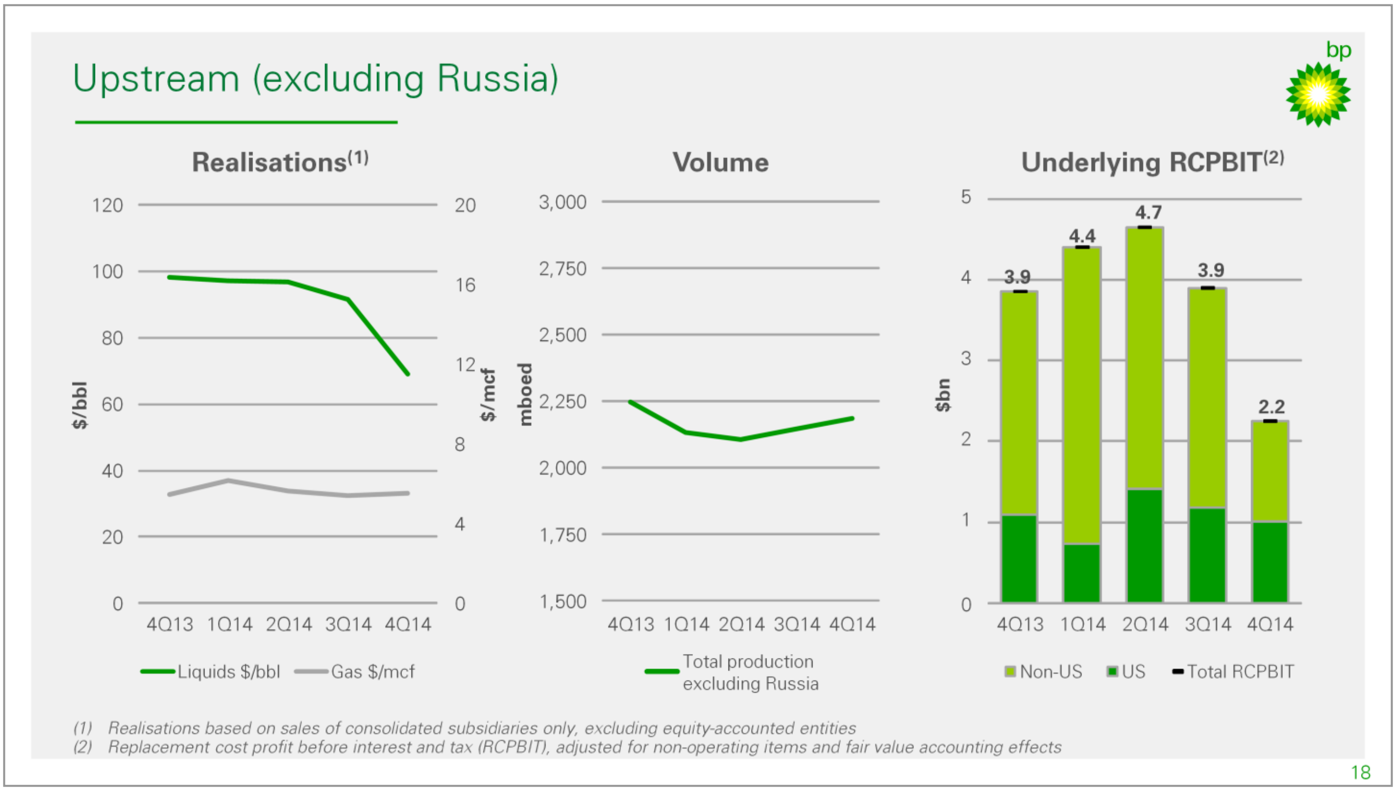
- Improved Downstream earnings; and
- Increased Upstream production in higher-margin areas.

You will have seen from our Stock Exchange Announcement that we have booked a pre-tax non-operating non-cash charge of $6.5 billion - or $3.0 billion post-tax - for impairments in the fourth quarter. These are mainly Upstream assets, reflecting the impact of the lower near-term price environment, revisions to reserves and other factors.

Fourth-quarter operating cash flow was $7.2 billion. This did not benefit from any unwinding of working capital, which remained broadly flat between quarters.

The fourth-quarter dividend payable in the first quarter of 2015 remains unchanged at 10 cents per ordinary share.

Turning to the highlights at a segment level.



In Upstream, the underlying fourth-quarter replacement cost profit before interest and tax of $2.2 billion compares with $3.9 billion a year ago and $3.9 billion in the third quarter.

Compared to the fourth quarter of 2013 the result reflects:

- Significantly lower liquids realisations;
- The absence of the one-off benefit to production taxes in the fourth quarter of 2013; and
- Higher exploration write-offs.

These were partly offset by:

- Lower costs;
- Increased production in higher-margin areas; and
- Stronger gas marketing and trading.

Excluding Russia, fourth-quarter reported production versus a year ago was 2.6% lower, primarily due to the Abu Dhabi onshore concession expiry in January 2014. After adjusting for this, and for entitlement and divestment impacts, underlying production increased by 2.3%. Underlying production growth for the full year was 2.2%.

Compared to the third quarter, the result reflects:

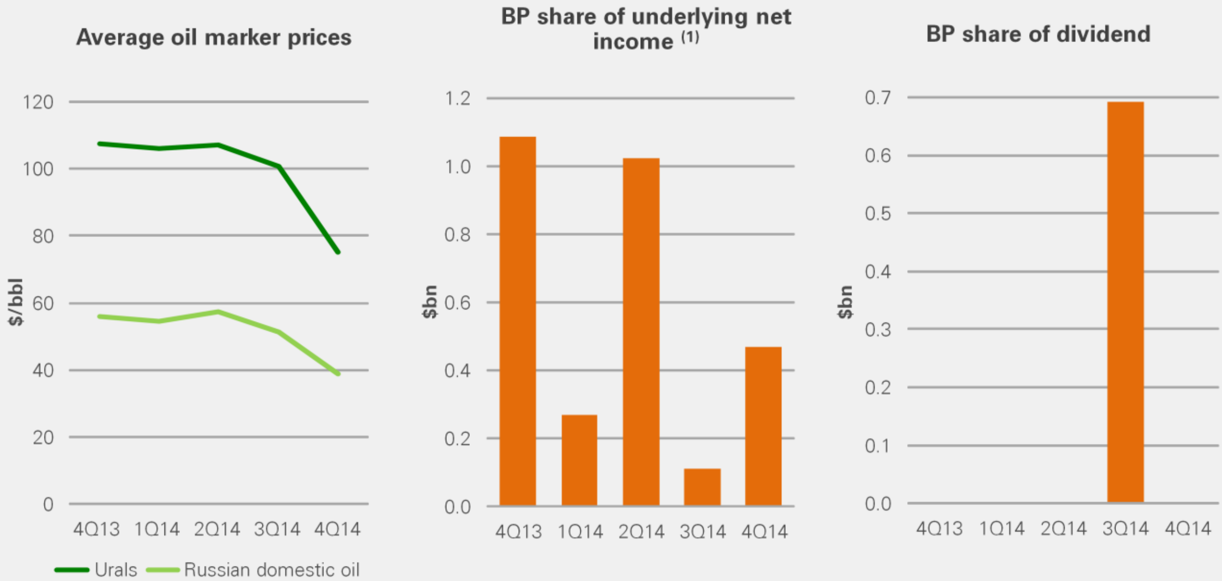
- Significantly lower liquids realisations; and
- Higher exploration write-offs.

Partly offset by:

- Significantly stronger gas marketing and trading;
- Higher production; and
- Lower costs.

Looking ahead, we expect first-quarter 2015 reported production to be higher than the fourth quarter, reflecting higher entitlements in PSA regions, based on lower oil prices.

Rosneft



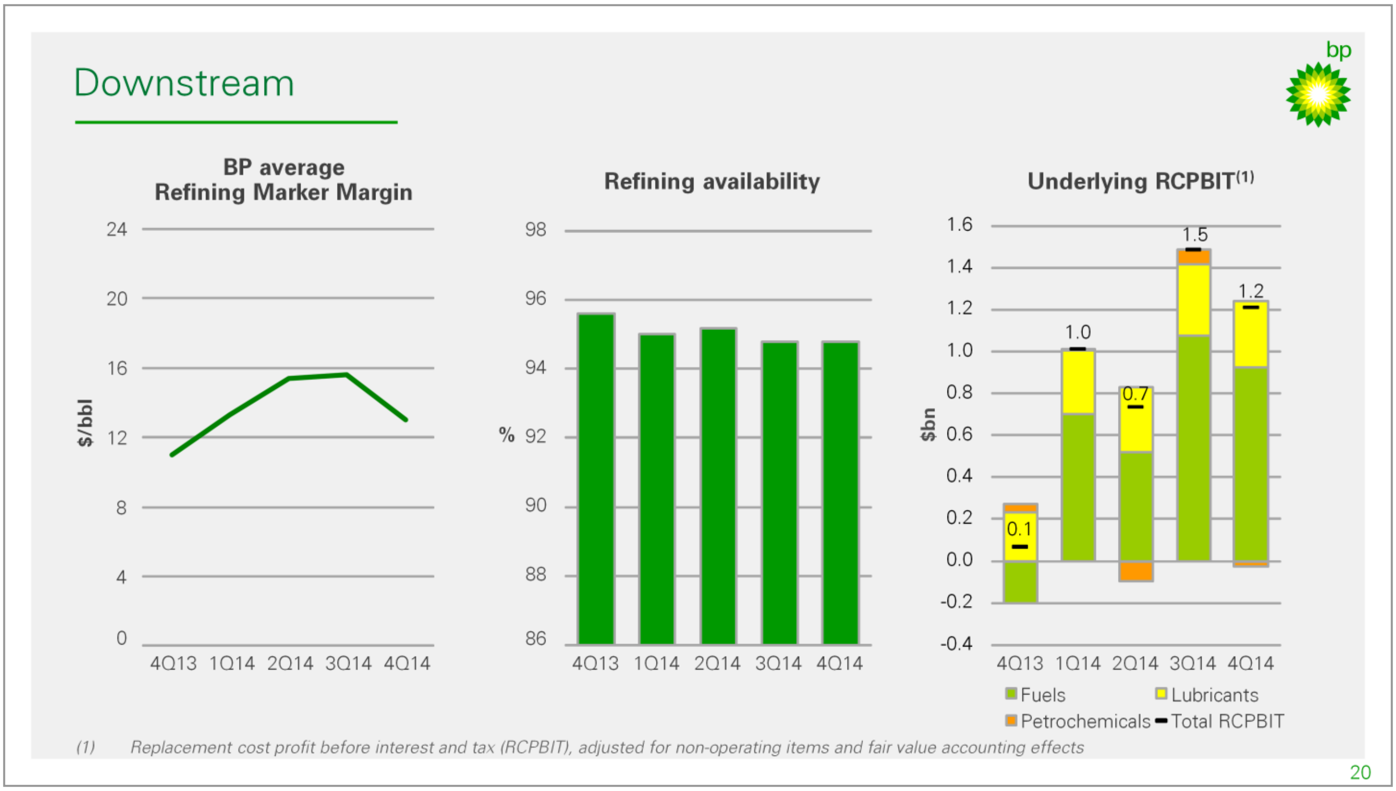
(1) *On a replacement cost basis and adjusted for non-operating items; 4Q14 based on preliminary Rosneft results*

19

For the fourth quarter of 2014 we have recognised $470 million as our estimate of BP's share of Rosneft's underlying net income, compared to $1.1 billion a year ago and $110 million in the third quarter.

BP's share of Rosneft's production for the fourth quarter is estimated at just over 1 million barrels of oil equivalent per day, 4% higher compared with a year ago.

Rosneft's results for the period were affected by an unfavourable duty lag, lower oil prices and other items, as well as foreign exchange effects which had a favourable impact on the result. Further details will be provided by Rosneft when they report their fourth-quarter results.



In the Downstream, the fourth-quarter underlying replacement cost profit before interest and tax was $1.2 billion compared with $70 million a year ago and $1.5 billion in the third quarter.

The fuels business reported an improved underlying replacement cost profit before interest and tax of $930 million in the fourth quarter, compared with a loss of $200 million in the same quarter last year. This was driven by:

- Higher fuels marketing performance;
- Increased heavy crude processing in the United States;
- An improved result from supply and trading; and
- Lower turnaround activity.

Partly offset by:

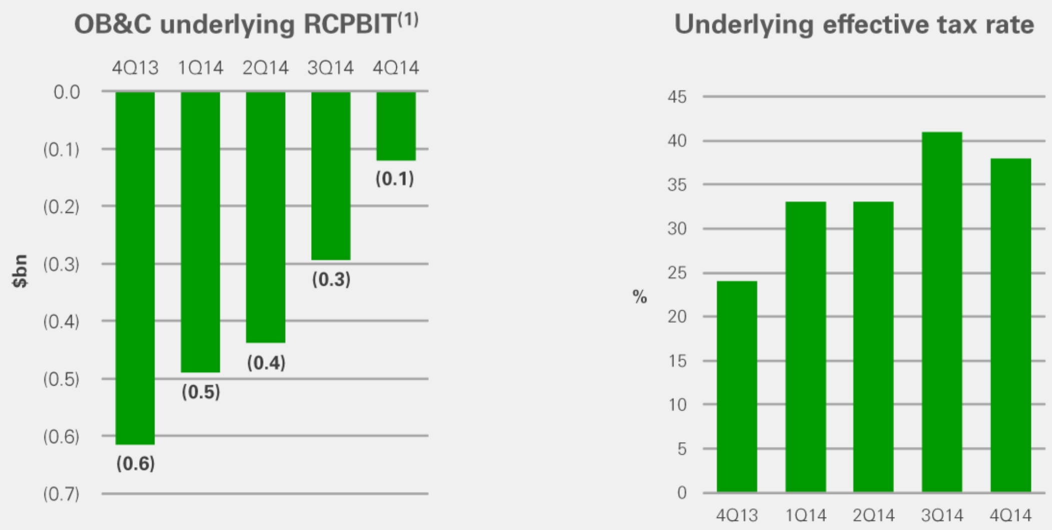
- A weaker refining environment, primarily due to falling crude differentials in the United States.

The lubricants business delivered an underlying replacement cost profit of $310 million compared with $230m in the same quarter last year. This reflects continued gross margin improvement in growth markets and the absence of restructuring charges, partially offset by adverse foreign exchange impacts.

The petrochemicals business reported an underlying replacement cost loss of $30 million in the fourth quarter, compared to a profit of $40 million in the same period last year. The result reflects a continuation of the weak margin environment, particularly in the Asian aromatics sector and unplanned operational events.

Looking to 2015, we anticipate weaker refining margins due to narrowing crude differentials in the low crude price environment. We expect the financial impact of refinery turnarounds to be at similar levels as 2014 and the petrochemicals margin environment to gradually improve.

Other items



(1) *Other businesses and corporate replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items*

21

In Other Businesses and Corporate, the pre-tax underlying replacement cost charge was $120 million for the fourth quarter, a reduction of $490 million on the same period a year ago, mainly due to improved results in our other businesses, lower corporate and function costs and a number of one-off credits.

As a result of the very low charge in the fourth quarter, the full-year pre-tax underlying charge of $1.3 billion is lower than the guidance range we provided in February.

The effective tax rate on underlying replacement cost profit for the fourth quarter was 38%, taking the full-year effective tax to 36%, in line with the guidance for 2014.

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

$bn	To end 2013	FY 2014	Cumulative to date
Income statement			
Charge for the period	**42.7**	**0.8**	**43.5**
Balance sheet [(2)]			
Brought forward		**8.5**	
Charge to income statement	42.7	0.8	43.5
Payments into Trust Fund	(20.0)	-	(20.0)
Cash settlements received	5.4	-	5.4
Other related payments in the period [(3)]	(19.6)	(1.3)	(20.9)
Carried forward	**8.5**	**8.0**	**8.0**
Cash outflow	**34.2**	**1.3**	**35.5**

(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 fourth-quarter Stock Exchange Announcement

22

The charge for the Gulf of Mexico oil spill was $480 million for the fourth quarter, primarily reflecting increased costs related to business economic loss claims, litigation and the ongoing costs of the Gulf Coast Restoration Organisation.

The total cumulative pre-tax charge for the incident to date is $43.5 billion. This does not include any provision for business economic loss claims that are yet to be received, processed or paid – other than a provision for claims that have been processed and are not subject to appeal within the claims facility. The charge in the fourth quarter relating to business economic loss claims was $235 million.

As we have previously advised, it is still not possible to reliably estimate the remaining liability for business economic loss claims. We continue to review this each quarter.

Regarding the Clean Water Act, we have filed notice of appeal of the Phase 1 gross negligence ruling and the penalty phase is underway. We continue to believe that our original provision of $3.5 billion represents a reliable estimate of the penalty in the event we are successful in our appeal and we have maintained the provision at this level.

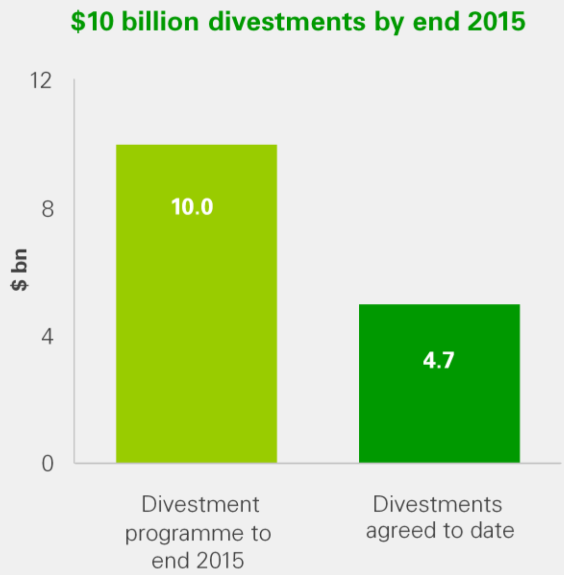
The pre-tax cash outflow on costs related to the oil spill for the full-year 2014 was $1.3 billion, including $740 million relating to fines and penalties.

As previously disclosed, the cumulative amount estimated to be payable from the Trust Fund has now reached $20 billion. Additional costs not provided for will be charged to the income statement as they arise.

At the end of the quarter, the aggregate remaining cash balances in the Trust and qualified settlement funds totalled $5.1 billion, including $1.1 billion remaining in the Seafood Compensation Fund, with $20 billion paid in and $14.9 billion paid out.

Divestments

- $38bn of divestments completed in 2013
- $10bn of further divestments planned by end 2015
- $4.7bn of divestments agreed to date including
  - Package of assets on Alaskan North Slope
  - Oman-Khazzan farm-down
  - Gulf of Mexico Paleogene assets farm-down
  - Global Aviation Turbine Oils Business



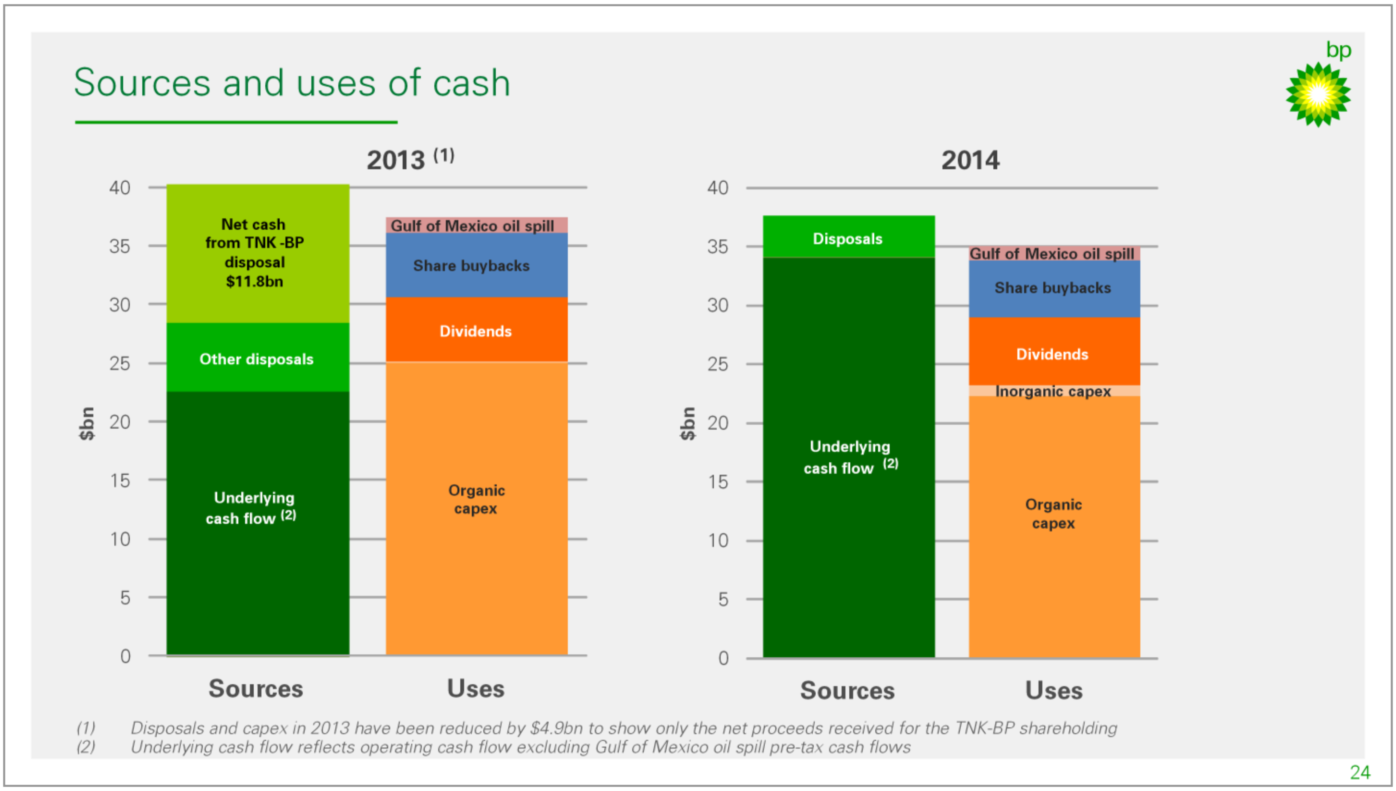
23

Now turning to progress on divestments and our objective to divest $10 billion of assets by the end of 2015.

Agreed deals to date have reached $4.7 billion. These include:

- The sale of a package of assets on the Alaskan North Slope;
- The farm-down of 40% of our interest in the Oman-Khazzan project;
- Monetisation of part of our interest in the Tiber and Gila fields in the Gulf of Mexico Paleogene; and
- The sale of our Global Aviation Turbine Oils business.

We remain on track to reach our $10 billion objective this year.



Now looking at our full-year cash flow movements, this slide compares our sources and uses of cash in 2013 and 2014.

Operating cash flow for 2014 was $32.8 billion, marking delivery of the ten-point plan operating cash flow target. This includes $7.2 billion generated in the fourth quarter. Excluding oil spill related outgoings, underlying operating cash flow for the year was $11.6 billion higher than in 2013.

This includes a working capital release of $2.2 billion for the year.

Full-year organic capital expenditure was $22.9 billion, in line with our revised guidance provided with the third-quarter results. Organic capital expenditure in the fourth quarter was $6.6 billion.

In 2014 we have bought back $4.8 billion of shares, including $800 million in the fourth quarter. The cumulative total since early 2013 is now $10.3 billion. Around $8 billion of this reflects the proceeds of the sale of our interest in TNK-BP, with the balance coming from the proceeds of our $10 billion divestment programme.

2015 guidance

bp

	Full year 2014 actual	Full year 2015 guidance
Production (excluding Rosneft)	2,143mboed	~ flat, underlying(1)
Organic capital expenditure	$22.9bn	~ $20bn
DD&A(2)	$15.2bn	flatter trend
Other businesses and corporate: average underlying quarterly charge	$335m	~ $400m
Effective tax rate (3)	36%	lower

(1) The actual reported number will depend on divestments, OPEC quotas, and entitlement impacts in production-sharing agreements (PSAs)
(2) Depreciation, Depletion and Amortisation (DD&A)
(3) Effective tax rate on underlying replacement cost profit; guidance based on current portfolio of assets

25

Turning to our forward-looking guidance for 2015.

We expect full-year underlying production in 2015 to be broadly flat compared with 2014, with base decline offset by new major project volumes. The actual reported outcome will depend on divestments, OPEC quotas and entitlement impacts.

As mentioned, organic capital expenditure in 2014 was $22.9 billion. We now expect 2015 organic capital expenditure to be around $20 billion, relative to our previously signalled capital frame of $24-26 billion in 2015. This reflects a rebalancing of our uses of cash in the current price environment. In the Upstream the reduction is expected to come from paring back exploration and access spend, shelving a number of marginal projects, prioritising activity in our base operations and the reduced spending we anticipate in projects operated by others. This does not rely on supply chain deflation in the near term. Depending on where prices settle we would expect deflation to become evident in the ongoing review of our capital frame as we move into 2016 and beyond. These interventions in the Upstream will further be supported by not advancing selected projects in the Downstream and our other businesses.

The DD&A charge was $15.2 billion in 2014 reflecting a steep rise compared to 2013 as a result of the significant production delivered from new Upstream major projects and the commissioning of the refurbished Whiting refinery. In 2015 we see a flatter trend for DD&A relative to 2014.

In Other Businesses and Corporate, the average underlying quarterly charge is expected to be around $400 million, although this may fluctuate between individual quarters.

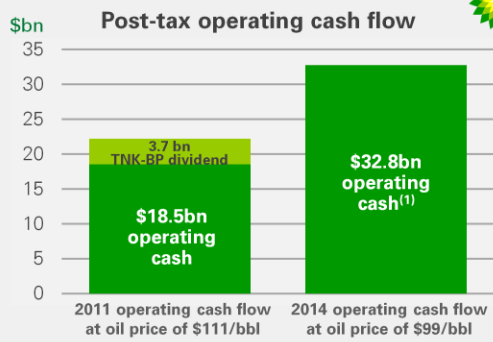
In the current environment, and with our current portfolio of assets, the effective tax rate is expected to be lower during 2015.

Today's fourth quarter result also includes a $433 million non-operating restructuring charge against the $1 billion charge we expect to see before the end of this year.

Clearly, as Bob outlined, this is a year of transition, as we adjust to the reality of current and expected lower oil prices. As we re-balance the companies sources and uses of cash, we will update you on progress quarter-by-quarter.

Financial outlook

- 10-point plan delivered
  - $32.8bn of operating cash flow in 2014
- Financial outlook
  - Near term
    - Complete $10bn divestment programme
    - ~$20bn capital expenditure in 2015
    - Resizing the cost base
  - Longer term
    - Financial framework rebalanced to lower oil prices
- Gearing(2) within 10 to 20% band while uncertainties remain



(1) 2014 includes Rosneft dividend received of $693 million
(2) Gearing (Net debt ratio) = net debt / (net debt + equity)
Net debt includes the fair value of associated derivative financial instruments used to hedge finance debt

26

Turning to our financial outlook.

Our 2014 operating cash delivery of $32.8 billion reflects the reliable operating performance in our business and a release of working capital that is less than half of the build we saw in 2013. This exceeds our 10-point plan target of $30-31 billion in a $100 per barrel oil price environment.

Net debt at the year-end was $22.6 billion, putting gearing at 16.7%. We remain committed to keeping gearing in the 10-20% range while uncertainties remain.

We are now entering a phase of uncertainty while the industry transitions to a period of weaker prices. We are very clear on the actions we need to take to complete our current $10 billion divestment programme, reset our capital frame to around $20 billion for 2015 and resize our cost base.

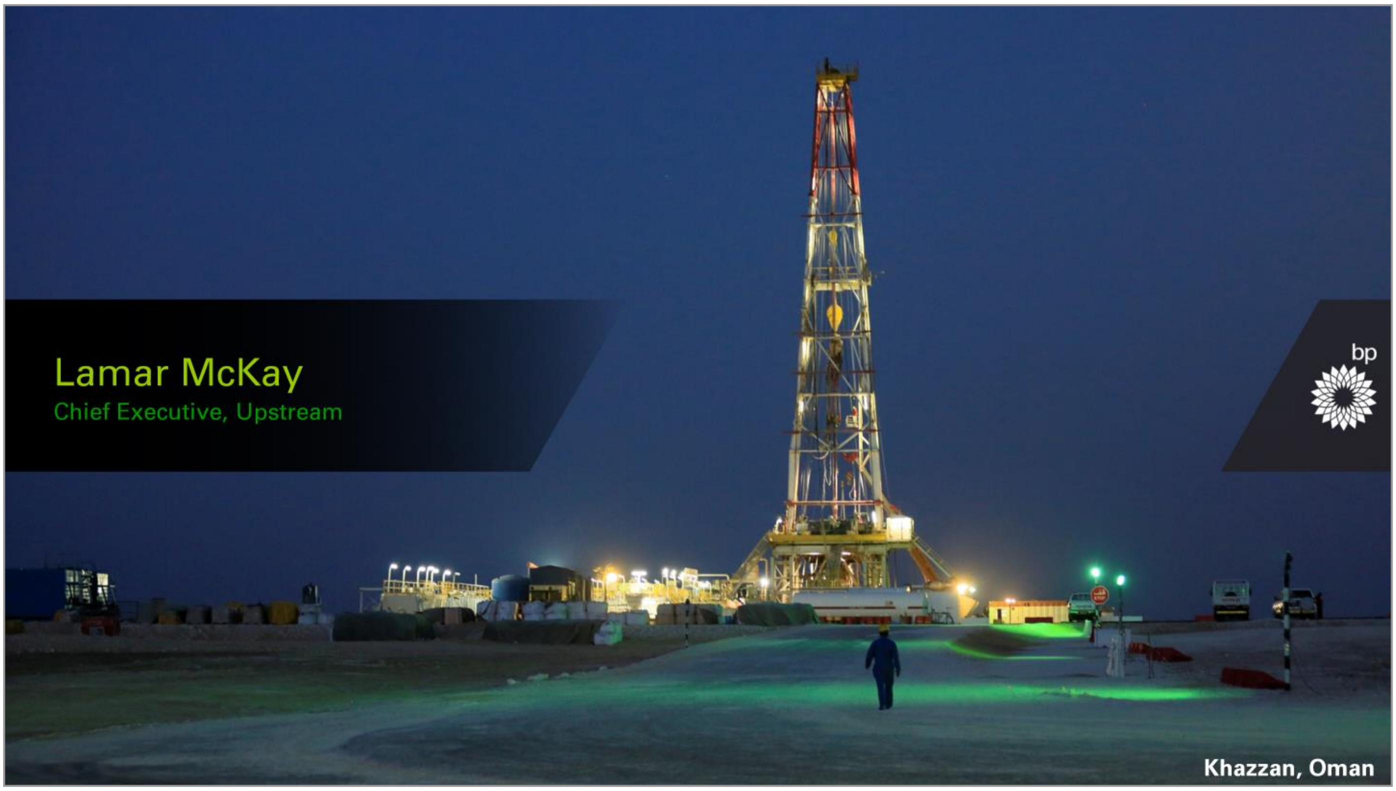
With the interventions we are making we believe we have sufficient flexibility to support our dividend in 2015 in the current price environment while staying within our gearing band.

Current circumstances aside, our objective over time is to reflect a position where underlying operating cash flow covers capital expenditure and dividends. We will be actively working to re-establish this balance in our financial framework over the medium term. Over the course of this year we expect industry margin structures to start to respond to deflation as we also reset our own controllable costs to be sustainable to a lower price environment. This will put us in a better position to define the longer-term financial implications for the group.

To re-enforce Bob's earlier words, our first priority within the financial framework is the dividend. As we adjust to the new environment we will continue to judge the uses of cash for discretionary re-investment and distributions on an ongoing basis, with a bias to distributions.

We will continue to keep you updated as our plans evolve through the year.

Now let me hand over to Lamar to talk about the Upstream business.



Thanks Brian.

In December I shared with you some significant detail about our strategy and plans for the Upstream, so I do not intend to go into a lot of detail today.

I'll start with a look back at 2014, followed by a reminder of the key activities driving value in our business and other recent and near-term developments. I'll end with a brief recap of the key pillars of the strategy I outlined in December.

2014 - milestones and progress

- Exploration and access
  - 5 new discoveries in Angola, Egypt, Brazil, North Sea and Gulf of Mexico
  - New access in Morocco, Australia, Greenland, North Sea and Gulf of Mexico
- Major projects
  - Sunrise 1 and Kinnoull started-up in 4Q
  - Total of 7 start-ups in 2014
- Operations and wells – improving safety and reliability
  - 8 major turnarounds completed this year
  - All priority wells completed

28

We achieved a number of key milestones in 2014.

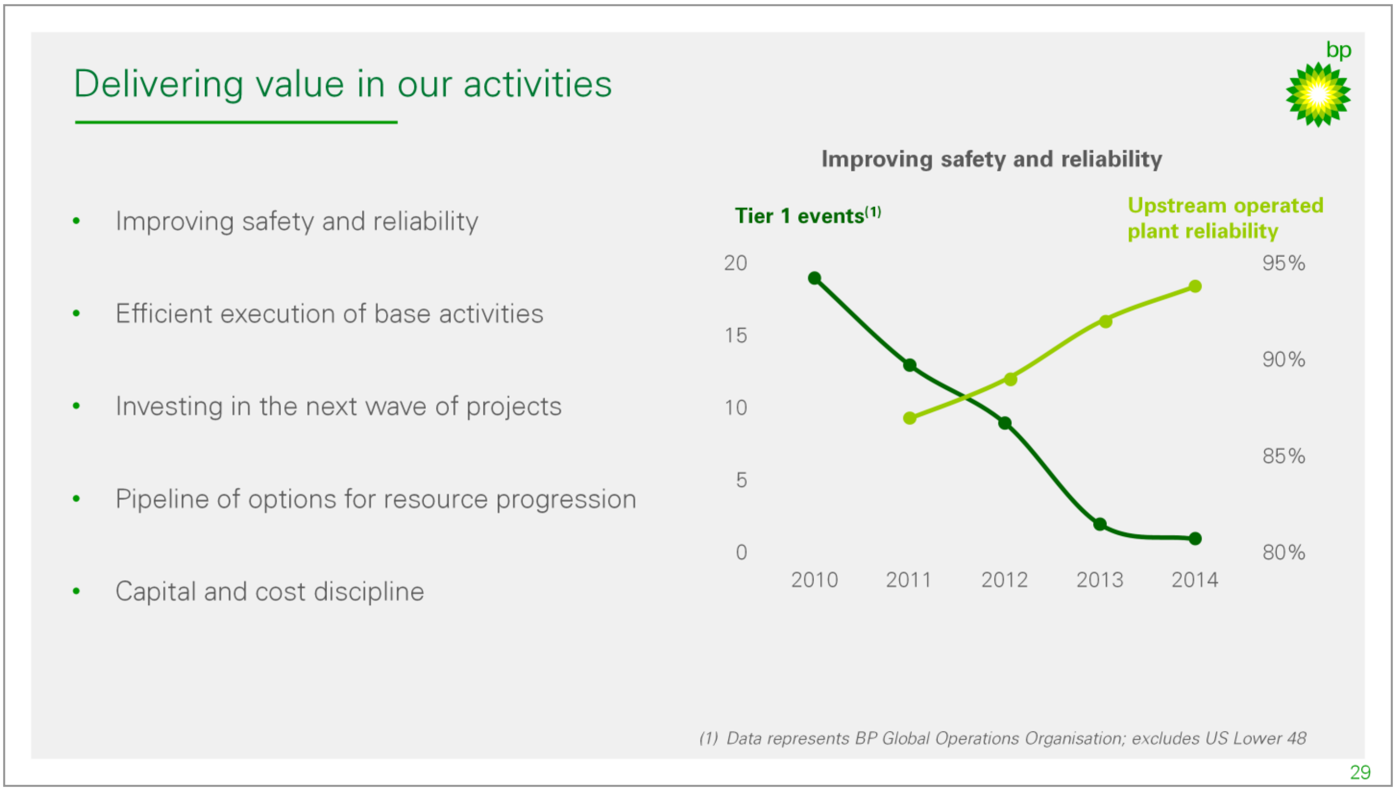
Eighteen exploration wells were drilled in the year. We made five new discoveries at Orca in Angola, Notus in Egypt, Xerelete in Brazil, Vorlich in the North Sea and Guadalupe in the Gulf of Mexico.

We also continued to achieve new access including the UK North Sea licensing round in the fourth quarter. In December, we signed a new production sharing agreement with SOCAR in Azerbaijan to jointly explore for and develop potential prospects in the shallow water area around the Absheron Peninsula in the Azerbaijian sector of the Caspian Sea, pending final government approval. This is in addition to blocks awarded earlier in the year in Morocco, Australia, Greenland, the prior North Sea licensing round and the Gulf of Mexico. Last month, we formally received the licenses for the El Matariya and Karawan concessions in Egypt, following the announcement of the award last year.

Turning to major projects, our 2014 start-ups continue to ramp-up as planned. The start-up of both Sunrise Phase 1 in Canada and Kinnoull in the UK North Sea during December takes the total 2014 major project start-ups to seven. Production from the Andrew platform - which the Kinnoull project ties into - is forecast to peak at more than 50,000 barrels per day. Sunrise Phase 1, operated by our 50% Joint Venture partner Husky, represents our first in-situ oil sands operation and an asset which we expect to generate steady production for decades.

Turning to operations, we successfully completed our final 2014 turnaround in December on schedule, taking the total completed in 2014 to eight. Additionally, operations at the Rhum gas field in the central North Sea resumed in the fourth quarter, in accordance with the agreed temporary management scheme.

Our well delivery execution has also improved in 2014. We completed all of our priority wells and had the highest production from new wells and wellwork since 2009.



As I described in December, our core business activities are designed to drive value growth and competitive returns.

In our base operations we are focused on driving systematic delivery of safe and increasingly reliable operations, with our operated plant reliability increasing by 7% since 2010 and strong levels of plant reliability in our top fields.

We are also focused on efficient reservoir management and wells execution in order to optimise recovery and value from our base assets. Managing existing wells is just as important and we maintain these through timely well interventions to either restore or enhance production.

We continue to move forward with a set of quality major projects. We have around 60 projects, with a balance between deepwater, giant fields and gas value chains which are also balanced across different geographies and stages of development. More on this year's project start-ups in a moment.

We have reloaded our exploration pipeline over recent years through significant access to new opportunities. This has given us many opportunities for resource progression into the next decade.

Finally, but importantly, we have a strong focus on capital and cost discipline. In the current environment we are intensifying this focus to reset our cost base as Bob and Brian have explained. With regard to capital expenditure, we expect to pare back exploration and access spend, rephase certain projects and we will continually prioritise all of our activity. We have uncommitted spend and flexibility to manage pace of investment and to take advantage of any deflation in the sector. On cost discipline, we expect to align our cost base with the reduced size of our operations through actively managing our supply chain, prioritising activity, focusing our efforts on where we have distinctive capability and making choices in our portfolio.

Now I'll look more specifically at the four major projects we expect to start-up in 2015, which are progressing on time and within budgets.

In Angola, the Kizomba Satellites Phase 2 project is progressing well. Subsea installation is going to plan and three production wells are complete.

Also in Angola, the Greater Plutonio Phase 3 subsea development is making good progress with the first well already completed.

In Algeria, the In Salah Southern Fields project is on track. The pipeline is under construction and commissioning of the plant is ongoing.

And finally, in Australia, brownfield activities and subsea installations are moving ahead on the Western Flank A project.

In total we have 15 projects which we have passed through the final investment decision and are in the construction stage across the world.

The remaining projects in our pipeline are in the design or appraisal stage. Going forward we will sanction and progress these projects at the right time. We fully intend to make use of the current environment to secure reasonable contract rates, continue negotiation of fair price and fiscal terms in certain regions and to access market deflation by phasing investment for the appropriate projects.

US portfolio update

- Lower 48
  - Separation plans on track
  - Streamlined organisation
  - Cash costs down 25% since 2012
- Alaska
  - Strategic divestments
  - Giant Prudhoe Bay field retained
- Gulf of Mexico
  - 4 operated assets; 3 non-operated assets
  - New partnership with Chevron in Paleogene assets

31

I will now focus a little more on our portfolio and recent developments in the United States where we have 3 main Upstream businesses:

- The Lower 48;
- Alaska; and
- The Gulf of Mexico.

We have initiated change to actively pursue more efficient operating models in each of these businesses.

In March 2014, we announced our plan to separate our US Lower 48 oil and gas business into a separate unit. The rationale was that a new operating model was needed to improve performance in this business against its direct competitors, the US independents. We expect faster decision making, more innovation and shorter cycle times through the value chain – and expect that significant capital and cost efficiencies will follow. Our plans - which include reporting separate financials - are on track. We are already seeing positive results from the more streamlined organisation. We have had a workforce reduction of 900 employees and contractors and seen cash costs fall by around 25% between 2012 and 2014.

In Alaska, we sold the Endicott and Northstar assets and farmed-down in the Liberty and the Milne Point fields to Hilcorp in the second quarter of 2014. The intent of this transaction was to put funds towards our obligations to the US Gulf States and to allow us to focus our footprint to operate only one material asset, the giant Prudhoe Bay field whilst divesting those worth more to others. At the same time we sought to find an experienced partner to operate those assets where we diluted our interests, in order to drive incremental value.

Finally in the Gulf of Mexico, we focus our efforts on four operated hubs and three non-operated positions which have the potential to deliver production growth. At the same time we will also consider how we can most efficiently support the logistics of those BP-operated assets.

We also continue to explore and appraise new positions and participated in three exploration wells in the Gulf of Mexico during 2014. As these exploration activities provide potential new development opportunities, we will continue to consider where and how much we operate.

In light of this, last week we announced a new ownership and operating model with Chevron and ConocoPhillips to advance current and future Paleogene discoveries in the deepwater Gulf of Mexico. We are diluting around half of our current 62% equity interest in the Gila and Tiber fields to Chevron, operatorship to them at the same time, and we also gain exploration access to the Gibson prospect. This alliance will enable us to do three things that are at the core of our strategy in the Gulf of Mexico. Namely:

- To support exploration and development in the Paleogene, which we expect to be a key part of our future in the region;
- To share development costs and maximise synergies which will allow us to manage and improve capital efficiency; and
- To increase our focus on maximising production at our existing operated hubs.

Upstream strategy

- Improving safety and reliability
- Value over volume
  - Simpler, more focused footprint
  - Execution in base, quality major projects, access and exploration
- Capital discipline - balanced investment in our 3 growth engines
- Focus on execution delivering competitive operating cash growth

32

So, to close, I would like to revisit the key take-aways from our Upstream Day in December:

- We are building a track record of delivery;
- We are improving safety and making our operations more reliable;
- We are focused on value over volume, by investing in high-quality activities. We have a more focused footprint and we are continuing to actively manage our portfolio;
- We are delivering value today through the efficient execution of our base activities; by progressing a quality set of major projects; and we continue to make discoveries from our exploration portfolio;
- To deliver long-term growth, we will continue to maintain a disciplined investment approach into three distinctive classes of asset: deepwater, gas value chains and giant fields. We will continue to maintain a balanced portfolio of opportunities;
- And finally, we drive the efficient execution of our activities through our functional operating model – and this is delivering results.

These remain the pillars of our Upstream strategy, regardless of the oil price environment.

Our strategy aims to deliver competitive operating cash growth through focusing on safe and reliable base operations, selecting and executing our capital projects at the right time and ensuring sustainability through cost and capital discipline.

I'll now hand over to Tufan to talk about the Downstream.

Thanks Lamar.

In the next few slides I will provide a brief update on our progress in 2014 and will set out the opportunity I see for further performance improvement across the Downstream and the strategy we will be following to capture this opportunity.

2014 – milestones and progress

- Process safety performance improvement
- Strong Fuels operational performance and continued portfolio restructuring
  - Whiting capability fully on-stream
  - Bulwer cessation of operations announced
- Continued Lubricants growth
- Petrochemicals strategic review
- Operating cash flow growth

34

In terms of progress in 2014.

We have seen continued improvement in our process safety performance, particularly on loss of primary containment where we have achieved around 20 percent reduction in incidents year-on-year during 2014, which represents our best recorded annual performance.

In Fuels we continue to deliver strong operational performance across our refining system, with Solomon refining availability sustained at around 95% for the year. Our recently repositioned Whiting refinery near Chicago is now fully on-stream. We also announced our intention to cease refining operations at Bulwer refinery in Australia during 2015.

In Lubricants, our focus on growth markets and premium brands continues to deliver like-for-like profit growth.

And in Petrochemicals, in response to a continued difficult environment, we have undergone a strategic review to create a higher earnings potential business which is more resilient to bottom-of-cycle conditions. I will cover this in more detail later in the presentation.

This operational progress across many fronts has resulted in operating cash flow growth. Our 2014 progress gives us a great base to build on and I believe there is further performance improvement opportunity for us to capture in Downstream.

Capturing performance improvement opportunity
Downstream strategy

- Safe and reliable operations
- Advantaged manufacturing
  - Refining: top quartile
  - Petrochemicals: higher earning potential
- Profitable marketing growth
  - Investing in high-returning businesses generating operating cash growth
- Portfolio quality
  - Competitively advantaged portfolio
  - Focus on capital discipline
- Simplification and efficiency

Significantly improved returns

Growing cash flows

Industry leading net income per barrel

35

Our strategy focuses on improving returns, growing operating and free cash flow, and building a quality Downstream business which leads the industry, as measured by net income per refining barrel.

Our strategy to deliver this performance opportunity has 5 main themes:

1) Our first priority remains safe and reliable operations and we will continue to drive for performance improvement both in personal and process safety.

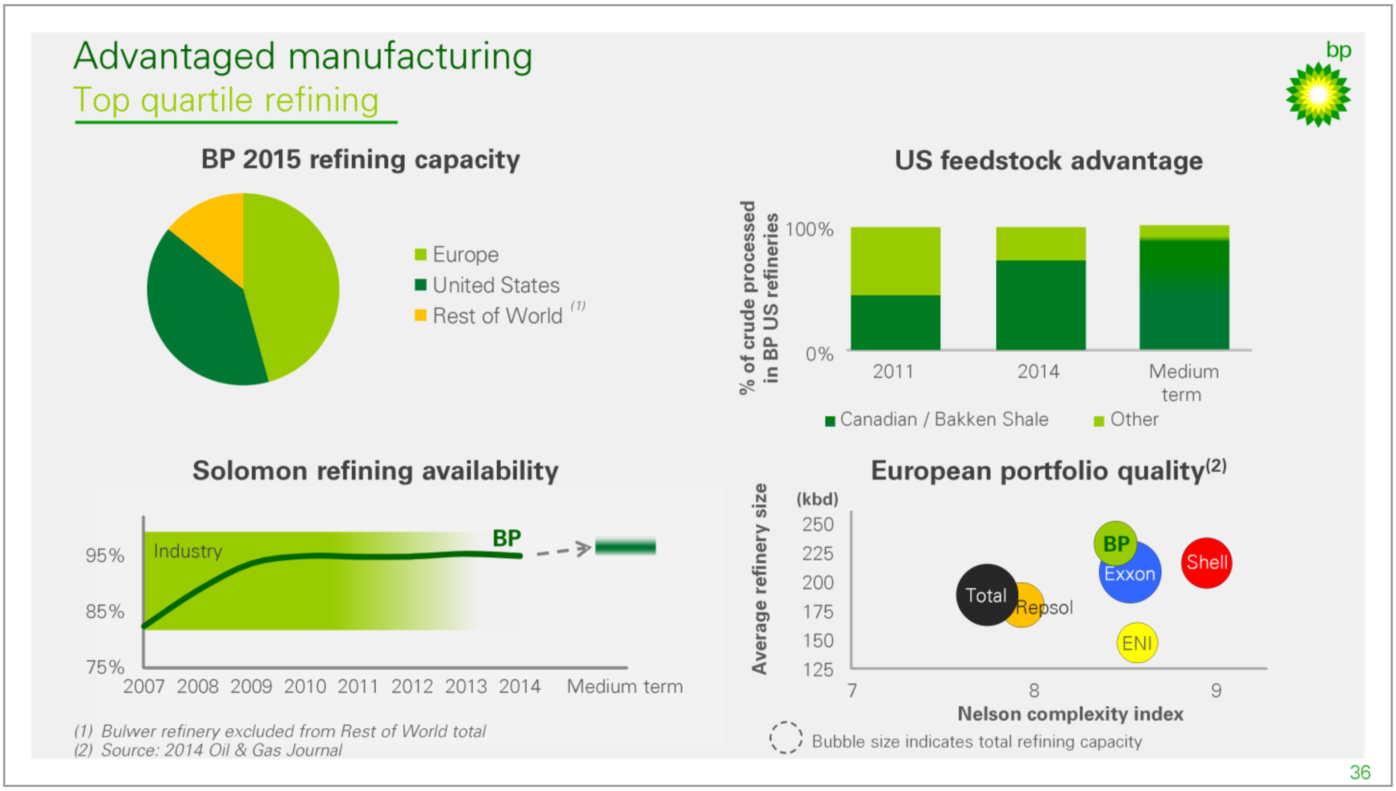
2) Advantaged manufacturing in refining means we will continue to build a top quartile refining business by having a competitively advantaged portfolio which is underpinned by operations excellence. In Petrochemicals it means creating a business with higher earnings potential which is significantly more robust to a bottom-of-cycle environment.

3) In fuels marketing and lubricants we have material and reliable profit and cash businesses. We will differentially invest in higher returning businesses which have operating cash growth potential. This should improve Downstream returns and operating cash flow growth.

4) Our strategy has a constant focus on portfolio quality through the high-grading of assets and capital discipline. Where businesses do not fit our strategic frame, we will seek to divest.

5) And finally, as Bob has already mentioned, we have launched a simplification and efficiency programme to support our strategy to deliver performance improvement and to make our businesses even more competitive.

I will now briefly talk about the key elements of our strategy, beginning with advantaged manufacturing.



We have improved our refining portfolio quality in terms of both feedstock advantage and scale, and sustained competitive complexity through portfolio rationalisation and selective investment.

We have divested or closed 14 refineries since 2000. This gives us a smaller, more focused, higher-quality refining portfolio which, as the top left chart shows is largely concentrated in Europe and the United States.

We believe that having a quality refining portfolio connected to strong marketing positions is core to our integrated fuels value chain businesses as this provides optimisation opportunities in highly competitive markets.

Turning to each of the regions.

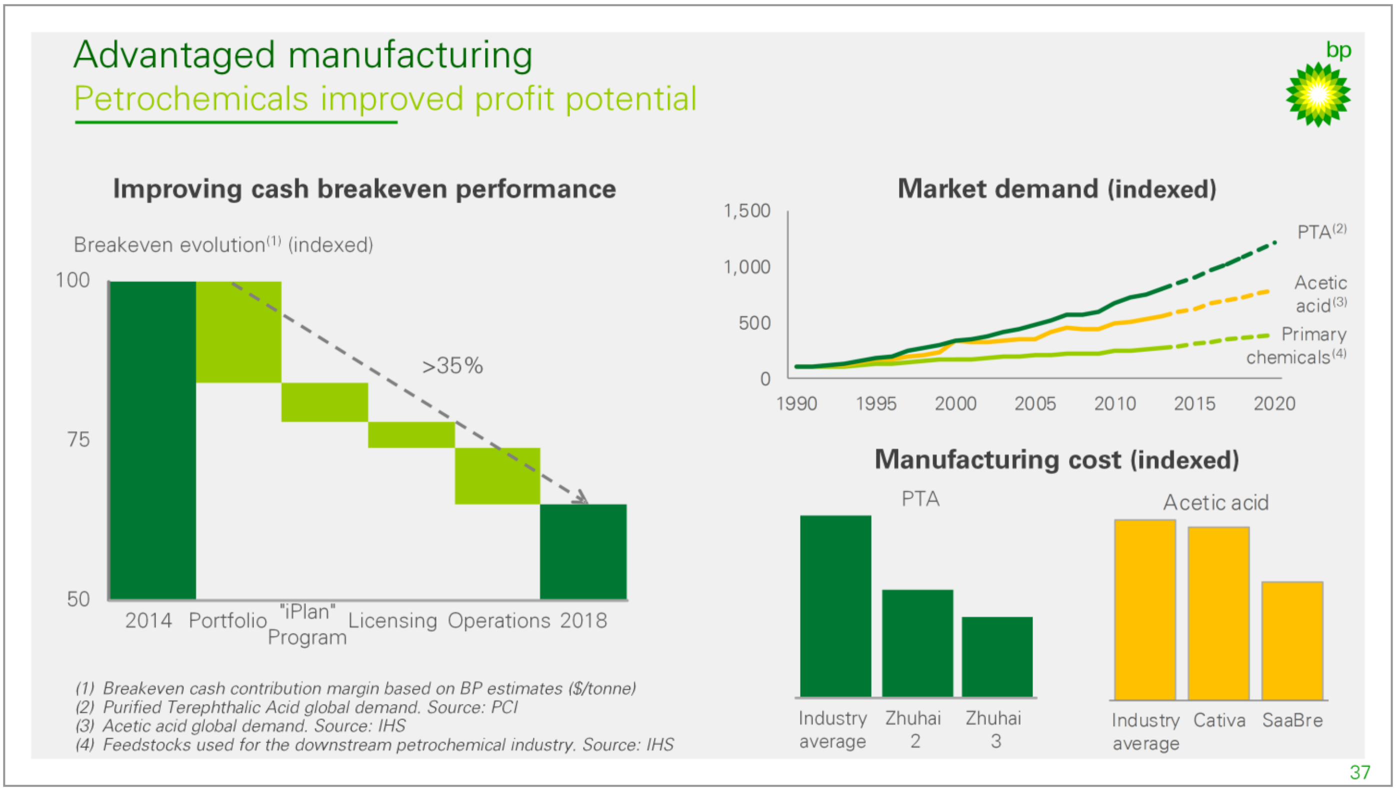
In the US, the top right chart illustrates how feedstock advantage has grown materially and has the potential to further improve due to refinery repositioning and logistics investments which are largely complete. Our 3 US refineries have access to Canadian crudes and US shale oil, both of which typically price at a discount to other crudes. Our US refineries are also location advantaged versus Gulf Coast refineries due to Canadian crude supply proximity. Feedstock flexibility enables us to fully optimise our crude slate depending on relative crude differentials – an important capability given today's volatile energy markets.

In Europe, the bottom right chart illustrates we have a top quartile refining portfolio in terms of scale, and a smaller refining exposure than our primary competitors. Our refining portfolio is also competitive in Nelson complexity. Excluding our Rotterdam refinery, which as you know has significant trading and logistics flexibility, our average European Nelson complexity rises to around 11.

And outside of the US and Europe where we have refineries in Africa and Australia, these are industry leading in their region in terms of scale and have top quartile profit capability.

Across all regions we expect to operate our portfolio at top quartile availability and with improved efficiency. The bottom left chart illustrates our performance over time, together with our aim for further improvement. To underpin this operational delivery, a program of "Operations Excellence" has recently been launched.

This advantaged portfolio and our business improvement programs should ensure the portfolio delivers further performance improvement and is more resilient to volatility in the environment. This supports our strategy of creating a refining business with "last man standing" portfolio quality and performance in the regions in which they operate.



Our Petrochemicals portfolio is focused in large on two main end products – Purified Terephthalic Acid (PTA) and Acetic Acid

We are taking steps to significantly improve the cash breakeven performance of the business. This will improve our earnings potential and make the business more robust to a bottom-of-cycle environment.

These actions include:

- A significant portfolio restructuring in our aromatics business to shut down older capacity in the United States or Asia and to sell less advantaged assets provided we can get good value for them. We also expect to commission Zhuhai 3 in China, our latest generation of PTA plant in the next couple of months.
- Secondly, extending the "iPlan" program to retro-fit our best technology into our advantaged sites and thus reduce overall operating costs.
- Thirdly, creating additional value from our leading petrochemical technologies by growing third party licensing income.
- And finally, we plan to deliver operational improvements such as turnaround efficiency and improved reliability

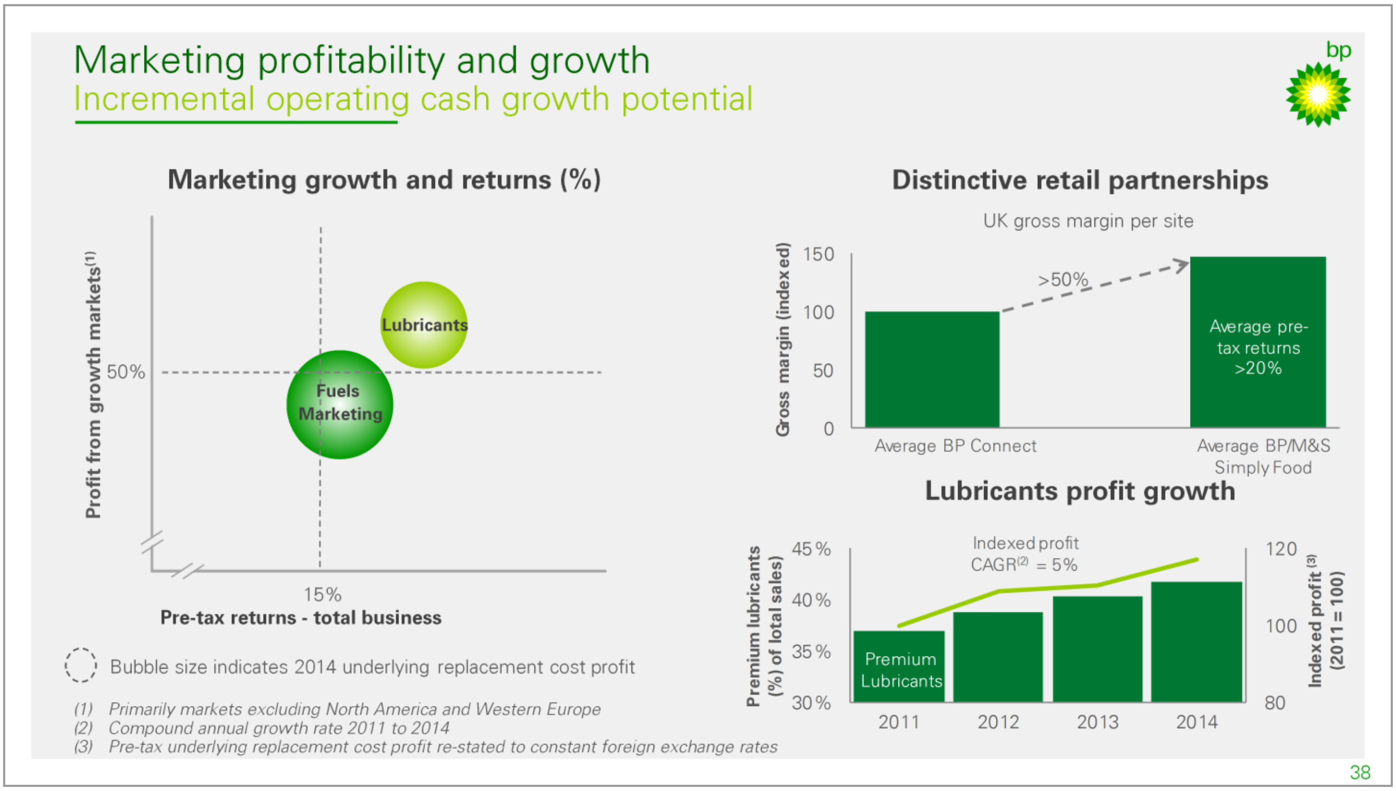
As illustrated in the left-hand chart, taken together, we expect these actions will lead to over 35% improvement in our Petrochemicals cash breakeven performance.

The top right chart confirms that market demand growth for our primary Petrochemical products, PTA and acetic acid, has been stronger than the overall chemicals market. Industry analysts forecast continued growth in the 5-6% per annum range.

We believe the market fundamentals for the acetic acid business are positive and improving, with strong demand growth which presents the opportunity to selectively invest to capture extra earnings potential.

The bottom right chart illustrates the cost advantage enjoyed from our latest technologies. Deployment of these leading technologies, plus portfolio actions should deliver performance uplift, improve earnings potential of the business and ensure our portfolio is more resilient to bottom-of-cycle conditions.

Moving now from advantaged manufacturing to marketing.



Fuels marketing and Lubricants are both key to our profitable growth strategy.

In left-hand chart, the bubble size illustrates total 2014 business profit generation, plotted against business returns and the percentage of profit generated from growth markets.

These are businesses which have good returns and are reliable in terms of profit and cash generation. They deliver these returns and growth through differentiated offers and distinctive partnerships.

The Retail business is the most material element of fuels marketing operations and is proving to be a significant source of growth opportunity – both today and into the future.

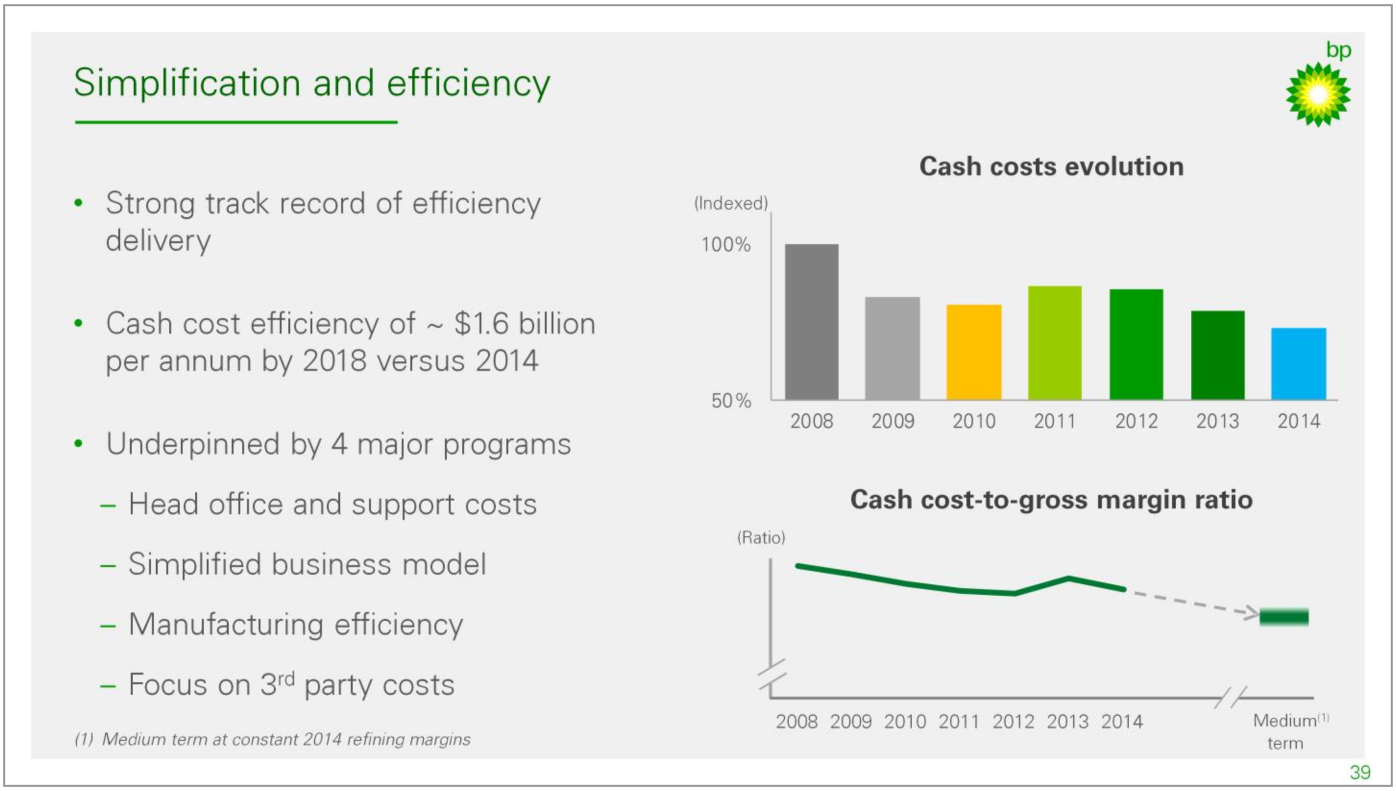
To give you an appreciation of the scale of our Retail network, it comprises over 17,000 sites spanning 16 countries and services over 8 million customers per day which is comparable to Starbucks.

This business has good exposure to growth markets and we intend to increase it further.

To reinforce our differentiated position, we partner with leading retailers globally, creating distinctive offers which deliver good returns and material growth potential. Our partnership with Marks & Spencer (M&S) in the UK is a good example of this. As illustrated in the top right chart, we are able to generate more than 50% incremental gross margin when we bring in our new offer compared to a traditional BP Connect site. This uplift is primarily through shop sales.

Additionally, this combined quality offer generates incremental customer foot-fall and positions the sites for further growth. It also provides a more balanced profit mix, helping reduce reliance on fuel margins. This BP owned and operated network delivers returns of over 20%.

Including M&S, we have distinctive partnerships underway in 6 countries with leading retailers and have ambitions to further extend elsewhere.



We have a good track record of generating cost efficiencies as shown in the top right chart. Going forward, to improve our performance and competitiveness, simplification and efficiency programs will form key elements of our Downstream strategy.

As you can see in this slide, we have 4 main programs in our efficiency agenda now underway:

1) We are in the process of simplifying and streamlining the Downstream head office and functions.

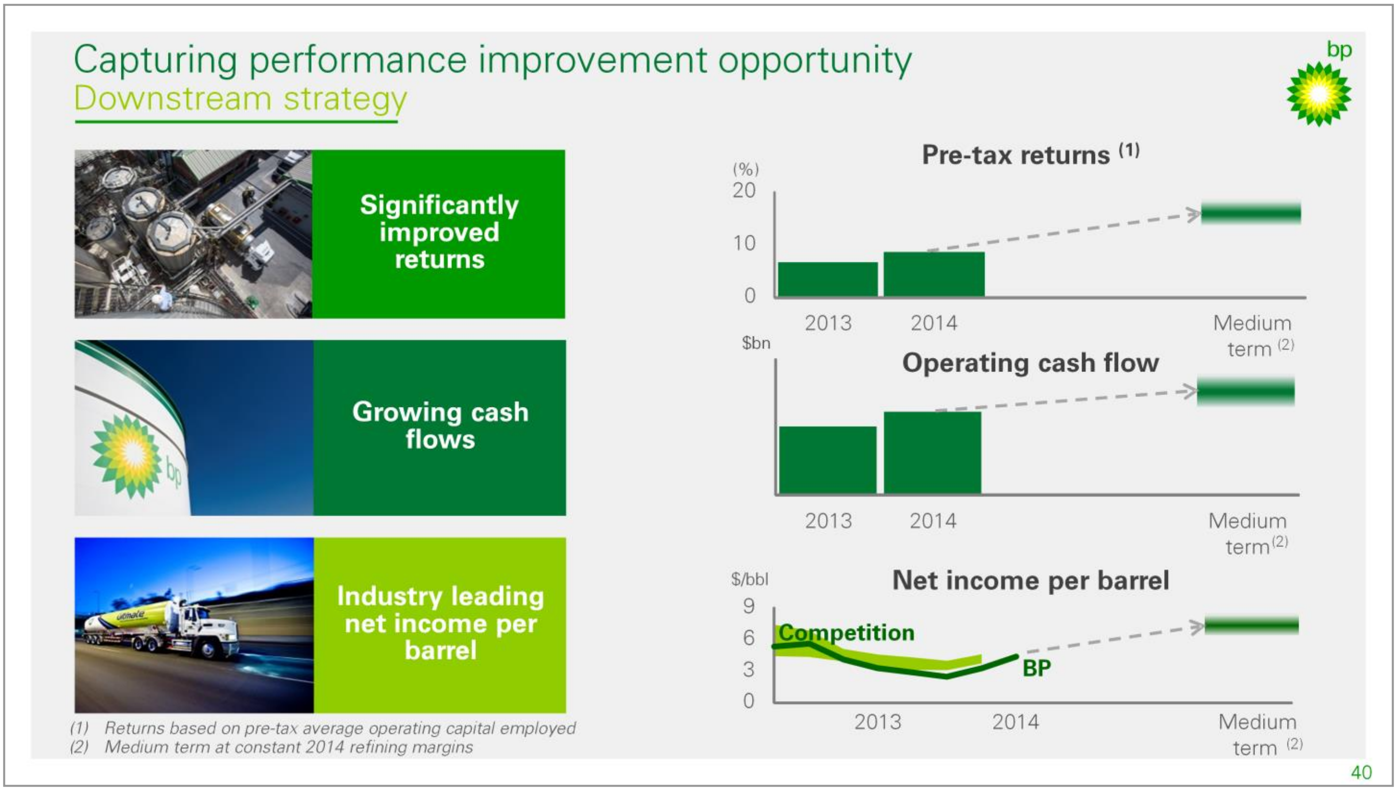
2) A new Fuels organisation, and restructuring within Lubricants will eliminate duplication, reduce interfaces, and where appropriate, simplify our route to market.

3) In manufacturing, our first priority remains safe and reliable operations. As I mentioned before, in Refining we are building plans by refinery to further improve our competitiveness and in Petrochemicals, we are pursuing the same aims by deploying advantaged technology across our portfolio.

4) And lastly, we are focused on identifying efficiency opportunities in our third party costs

We have 26 simplification initiatives currently underway across these programs. Taking it all together, we aim to deliver around $1.6 billion per annum of efficiencies by 2018, versus a 2014 baseline.

This delivery will contribute to our operating cash flow growth and improved returns. It will also further enhance our competitiveness as measured by our ratio of cash costs to gross margin as illustrated in the bottom right chart.



Now, let me summarise the key elements of our strategy to capture further performance improvement:

– Within Refining and Petrochemicals, we will focus on building an advantaged manufacturing portfolio, improving the earnings potential of the business through increasingly advantaged assets, operational excellence and distinctive technology.

– In Marketing, we will selectively invest in higher return, differentiated marketing businesses which have operating cash flow growth potential.

– Efficiency and simplification will be central to our strategy and will further enhance our competitiveness and improve our resilience to volatility and bottom-of-cycle conditions.

– And we will do all of these with safety remaining our first priority.

Taking all these together, there is potential to expand the operating cash flow and to improve returns of the Downstream from a 2014 base.

Capturing the performance improvement opportunity should deliver industry leading earnings quality measured by net income per barrel of refining capacity, a measure we have shown consistently in the past.

Implementation of this strategy is expected to lead to a growing Downstream earnings profile and increasingly, make the business more robust to external environment impacts.

Growing operating cash flows and capital discipline will ensure that the Downstream remains a source of increasing cash flows for BP – now and into the future.

As the new Chief Executive of the Downstream business, I am excited by the opportunity I see and the calibre of our people to deliver it.

Let me now hand you back to Bob.

Thanks Tufan

Now to summarise the key points we want to leave you with today.

We leave 2014 behind having delivered some significant milestones over the last three years including everything we said you should expect and be able to measure as part of our 10-point plan. We now have a track record of delivery, real momentum in our business operations and a proven ability to adapt to tough times.

We are well aware that the industry is going into a very challenging phase as we reset to a lower price environment but our business model is a very focused one and we are already well in action to respond.

Our near-term priorities are very clear and about delivery in our business, completion of our $10 billion divestment programme, a disciplined reset of both our capital and cost base and a commitment to the dividend as the first priority within our financial framework.

Looking beyond the near term we have a roadmap for the future – it's based on the potential of our Upstream business, the opportunity to leverage an advantaged portfolio and improve returns in our Downstream business and our resolve to continue our focus on capital and cost efficiency.

All of this works towards our intention, over time, to grow distributions in line with the improving circumstances of the firm and to maintain a progressive dividend policy.

Now with that we are ready to take your questions.

Q&A

Bob Dudley
Group Chief Executive

Brian Gilvary
Chief Financial Officer

Lamar McKay
Chief Executive,
Upstream

Tufan Erginbilgic
Chief Executive,
Downstream

Jess Mitchell
Head of Group Investor Relations