Presentation to the financial community

7th February 2006

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Head of Investor Relations

Cautionary statement

Forward-looking Statements

This presentation and the associated slides and discussion contain forward looking statements, particularly those regarding BP's asset portfolio and changes to it, acquisitions, capital expenditure, cash flow and cash generation, competitive position, costs and cost inflation, cost reduction plans, demand for oil and gas, divestments, dividends, finance cost and interest, free cash flow levels, future performance, gearing, growth, impact of inflation, margins, pension and benefit plan funding, prices, production capacity, production decline rates, productivity, resource additions, returns, share buybacks and other distributions to shareholders, tax rates and the effect of tax increases, and the progress and timing of projects. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation.

Reconciliations to GAAP

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

Cautionary Note to US Investors

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "resources" and "reserves", that the SEC's guidelines strictly prohibit us from including in our filings with the SEC. We also include certain operating measures which are calculated using proved reserves attributed to equity accounted entities as well as consolidated entities and which exclude acquisitions and divestitures. SEC Staff guidance states that such measures should not include both proved reserve additions attributable to consolidated entities and equity accounted entities and should be based on beginning and ending proved reserve quantities as disclosed in the Form 20-F. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-6262, available from us at 1 St. James's Square, London SW1Y 4PD. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

February 2006

John Browne

Group Chief Executive

Agenda

- Results
- Strategy
- Discussion

2005

- Record level of net income
- Record free cash flow of $25bn
- Reduced gearing to below 17%
- Sold Innovene for $8.3bn cash
- Replaced 100% of production
- Started 7 new upstream projects
- Launched BP Alternative Energy
- Distributed $19bn of cash to shareholders
- Increased dividend by 10% year on year

The outlook

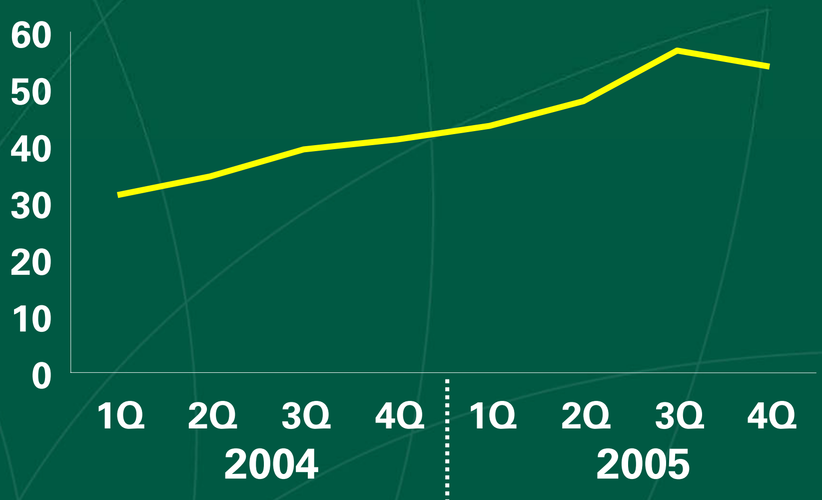
- Increasing production by 4% p.a. at $40/bbl ’05-‘10
- Maintaining capital discipline
- High-grading portfolio – ca. $3bn divestments p.a.
- Shareholder distribution potential $50bn ’06-’08 at $41/bbl:
  - +25% on ’03-’05 in similar environment

Byron Grote

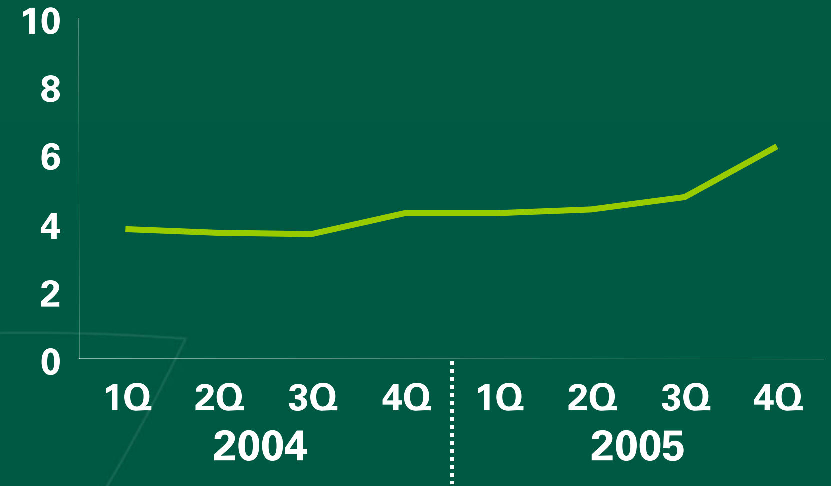
Chief Financial Officer

Trading environment

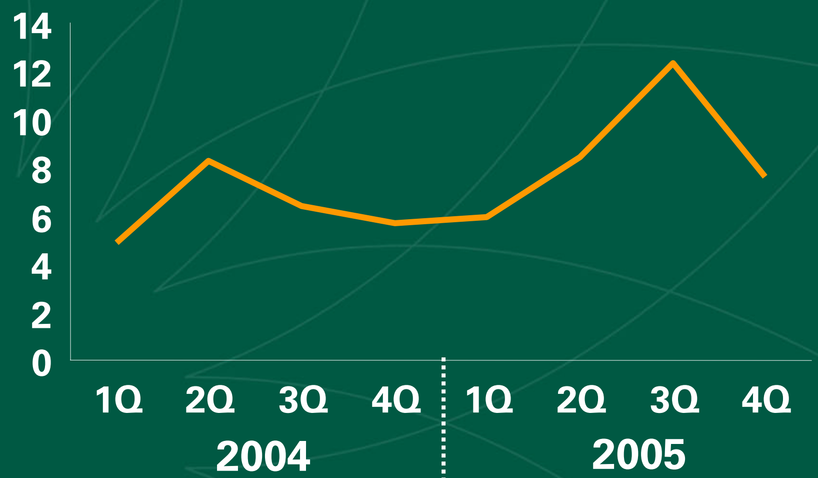
$/bbl Oil realisation



$/mcf Gas realisation



$/bbl Refining indicator margin



	change vs. 2004	
Average realisations	**4Q**	**Year**
Crude oil $/bbl	31%	38%
Natural gas $/mcf	46%	27%
Total hydrocarbon $/boe	37%	33%
Refining indicator margin $/bbl	**34%**	**36%**

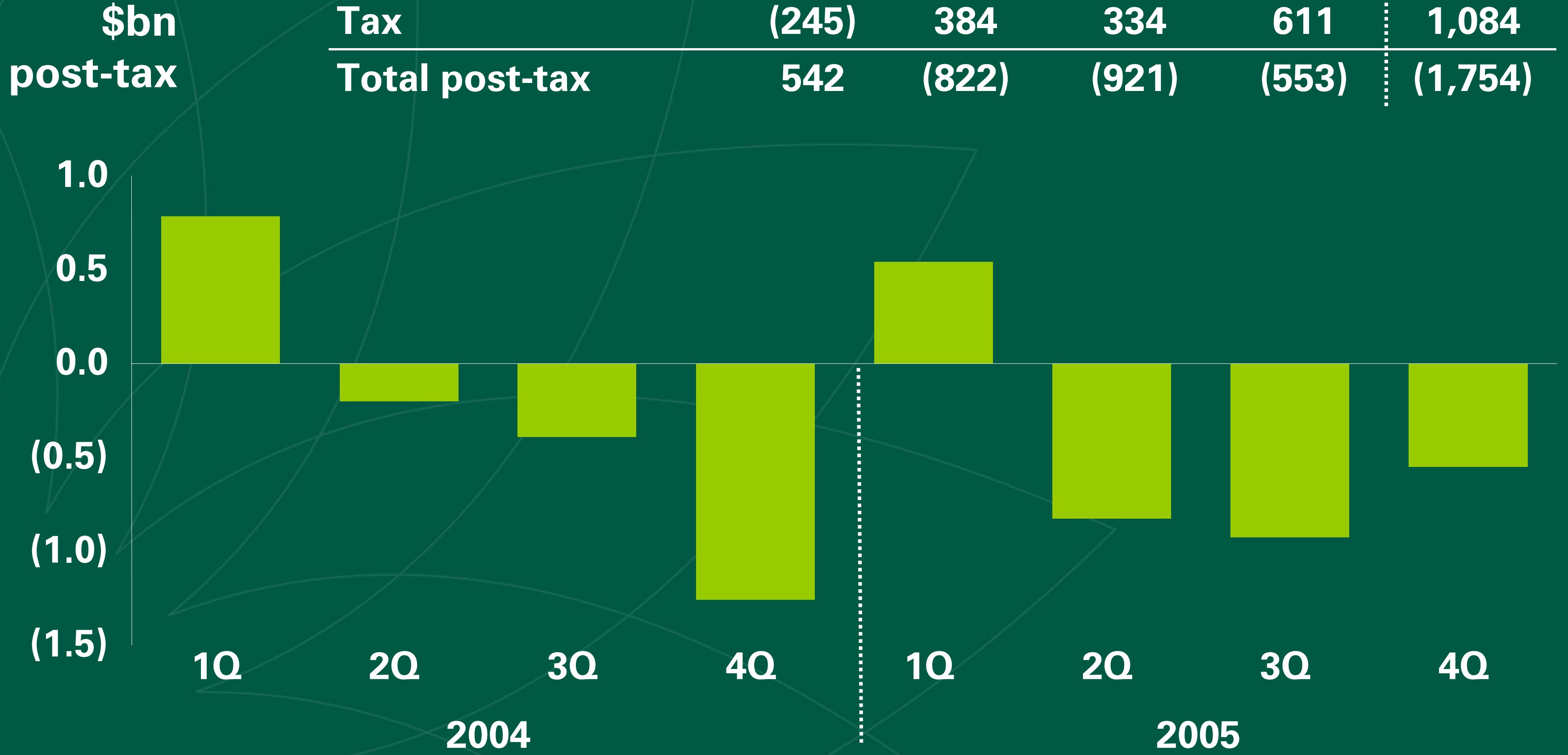
Financial results

Results for the fourth quarter	$bn	Change vs. 2004 %	Change vs. 2004 % per share
Replacement cost profit	4.4	+26	+31
Profit including inventory gains/losses	3.7	+22	+28
Net cash provided by operating activities	4.2	(18)	(14)
	¢/share		
Dividend to be paid next quarter	9.375	+10	

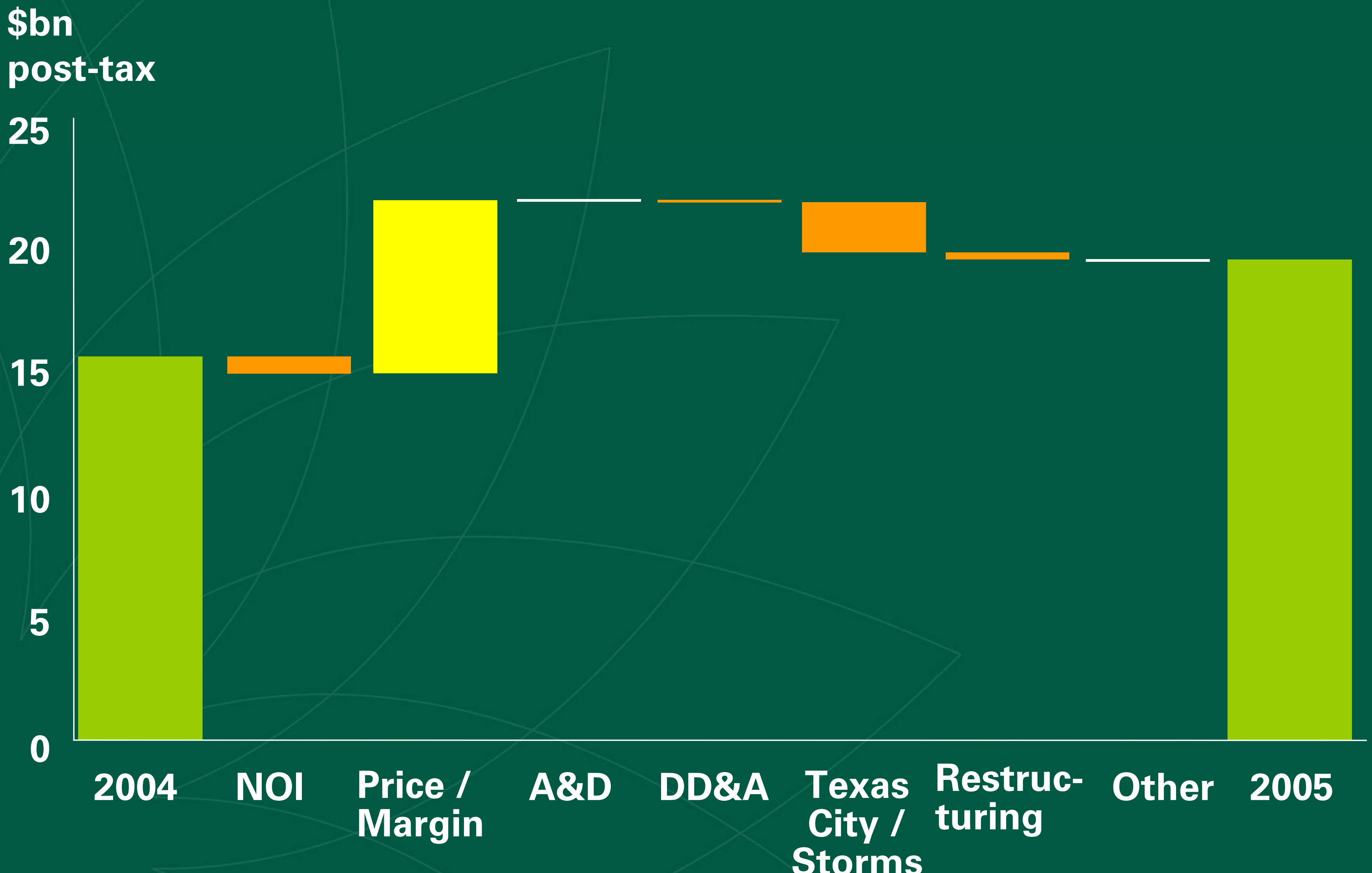
Results for the full year	$bn	Change vs. 2004 %	Change vs. 2004 % per share
Replacement cost profit	19.3	+25	+29
Profit including inventory gains/losses	22.3	+31	+35
Net cash provided by operating activities	26.7	+14	+18

Non-operating items (NOIs)

	2005				
$m	1Q	2Q	3Q	4Q	Year
Non-operating items	787	(1,206)	(1,255)	(1,164)	(2,838)
Tax	(245)	384	334	611	1,084
Total post-tax	542	(822)	(921)	(553)	(1,754)

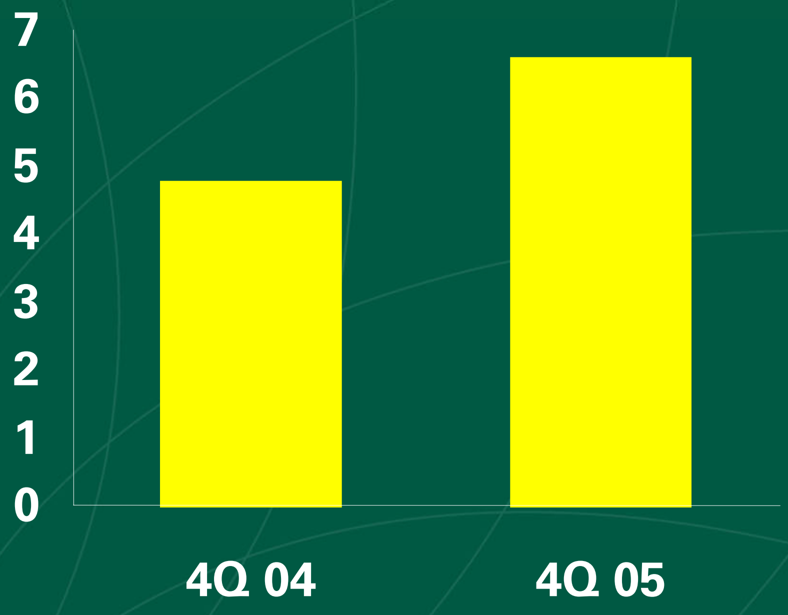


2005 vs. 2004 group result



Exploration & Production

4Q result - $bn pre-tax*



	4Q 04	4Q 05
NOIs included above	**$(228)m**	**$(979)m**

- Higher oil and gas prices
- IFRS embedded derivative charge (NOI)
- Hurricane impacts
- Increased TNK-BP contribution
- Full year production growth impacted by hurricanes

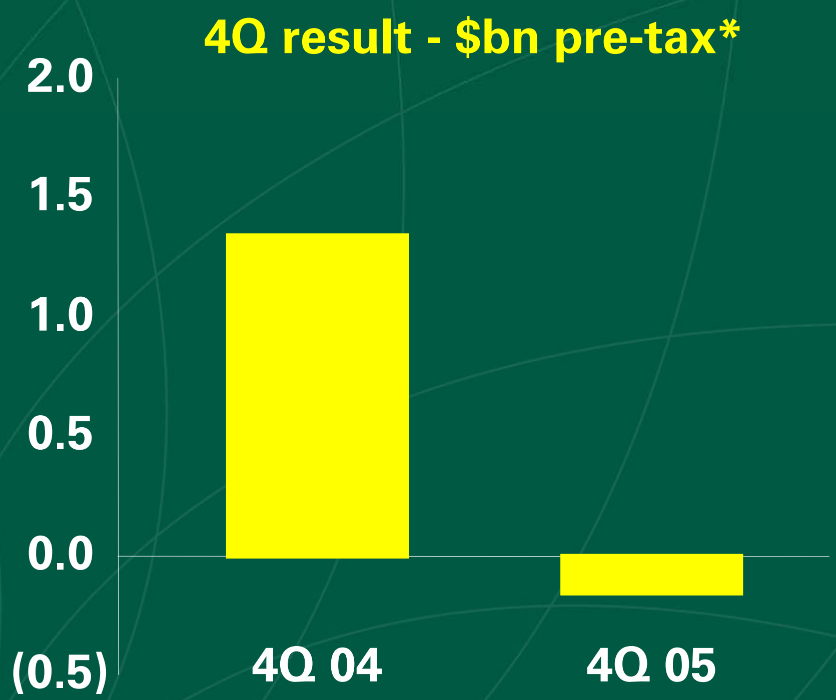
Note: **Under IFRS includes profit after interest and tax of equity-accounted entities*

Reserves replacement ratio*

	2004	2005
UK GAAP / SORP Long term planning prices (2004 $20/bbl, 2005 $25/bbl)	110%	100%
US GAAP / SEC Year end prices (2004 $40/bbl, 2005 $58/bbl)	89%	95%

** Discoveries, extensions, revisions and improved recovery only, excludes A&D activity*

Refining & Marketing

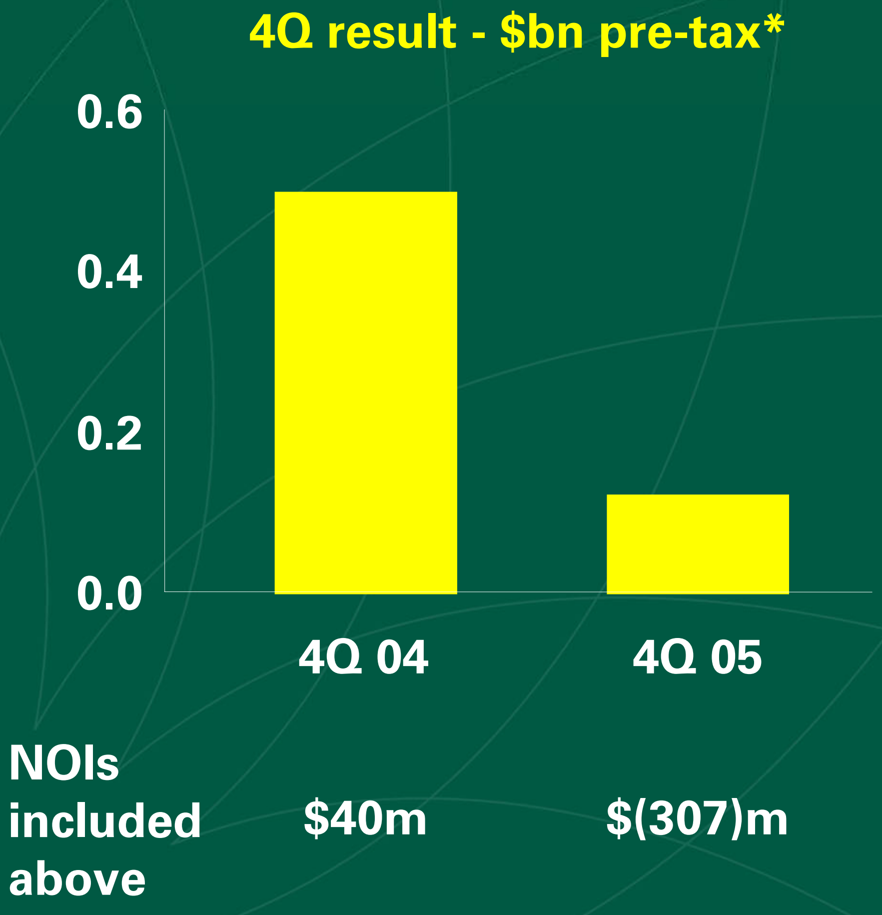


NOIs included above	**$(365)m**	**$50m**

- Stronger refining and retail margins
- Texas City and Hurricanes
- Restructuring charges
- IFRS fair value accounting: negative impact

**Under IFRS includes profit after interest and tax of equity-accounted entities*

Gas, Power & Renewables

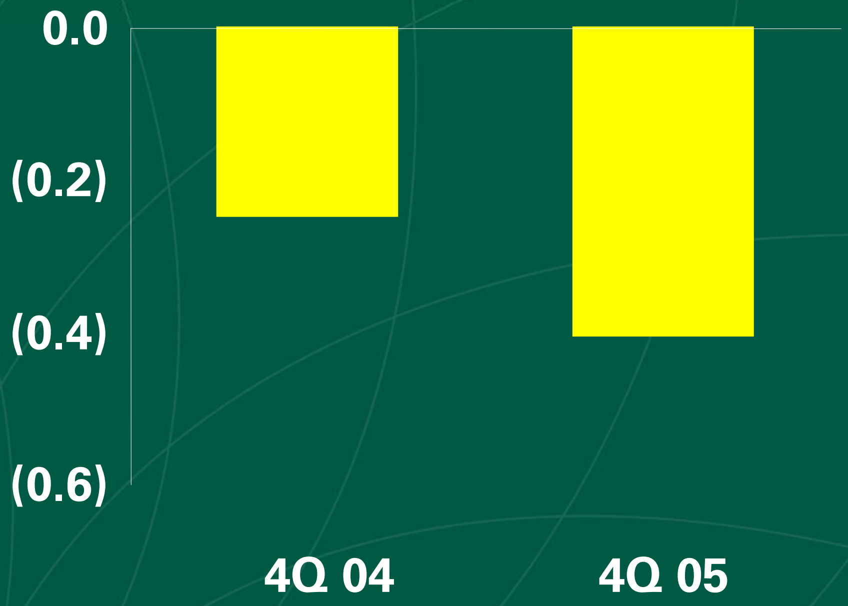


- IFRS embedded derivatives charge (NOI)
- Lower gas marketing and trading contribution
- IFRS fair value accounting: positive impact

**Under IFRS includes profit after interest and tax of equity-accounted entities*

Other Business & Corporate

4Q result - excluding Innovene
$bn pre-tax*



	4Q 04	4Q 05
NOIs included above	**$(11)m**	**$(64)m**

- Corporate activities phasing

**Under IFRS includes profit after interest and tax of equity-accounted entities*

Olefins & Derivatives

- Innovene
  - Sale completed 16th December
  - $8.3bn cash proceeds
- Retained operations
  - Reported in OB&C during 2005
  - Transfer to R&M in 2006

Guidance on 2006 group items

- Other Business & Corporate (OB&C):
  - $(900)m / year ± $200m
- Interest expense:
  - Finance costs: proportionate to debt level and market interest rates
  - Other finance expense: $200 million improvement
- Pensions & Benefits:
  - Operating expense: similar to 2005
  - Cash contributions: similar to 2005

Guidance on tax rate

	2005	2006*
Effective tax rate (ETR)		
Underlying ETR	**35%**	**37%**
One-time items	**(3)%**	**2%**
Reported ETR	**32%**	**39%**
Marginal ETR	**40%**	**42%**
Cash tax rate	**31%**	**40%**

Cash tax rate expected to fall back to 35% beyond 2006

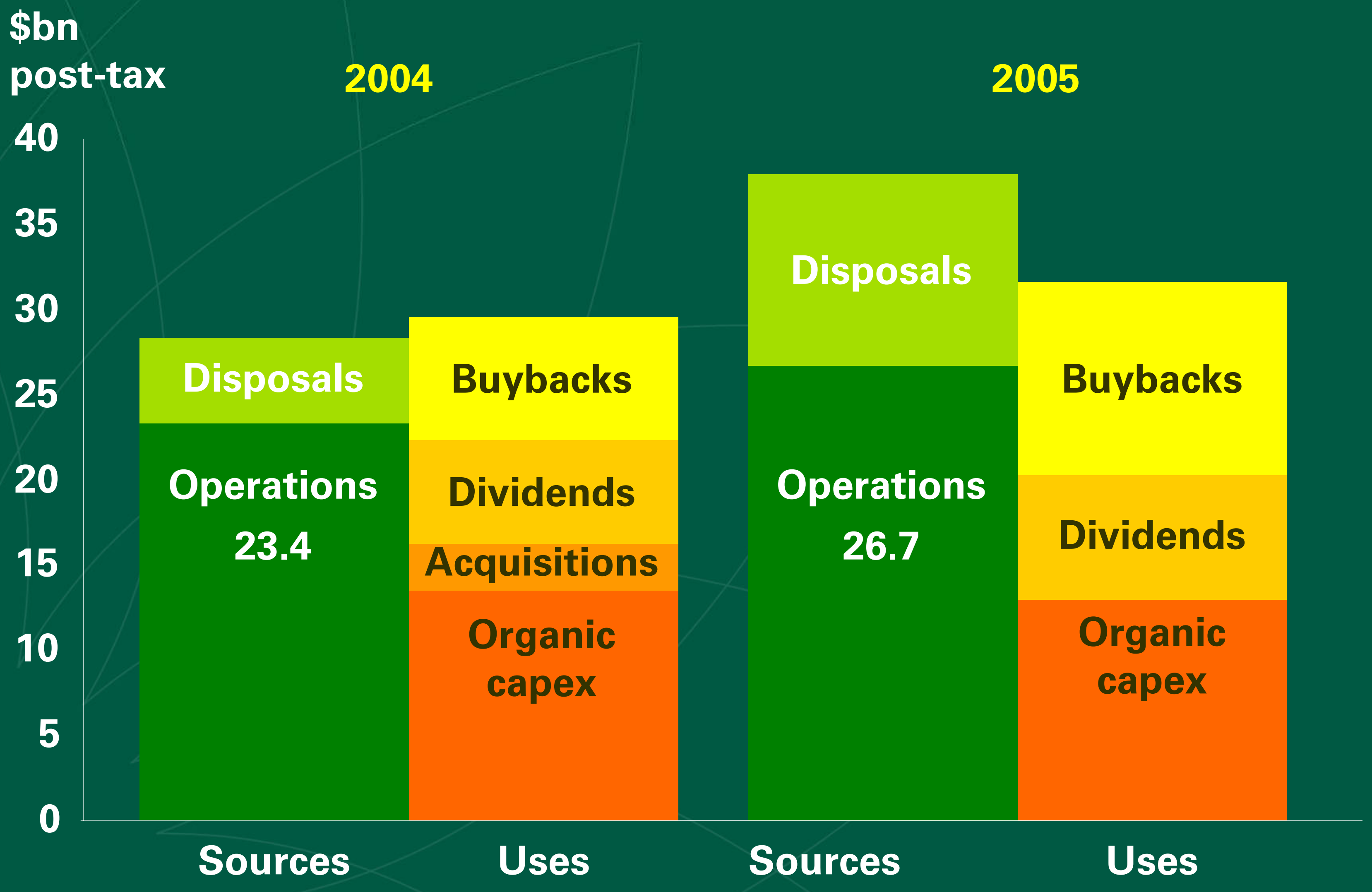
**2006 estimate based on similar prices and margins as in 2005*

2006 estimated rules of thumb

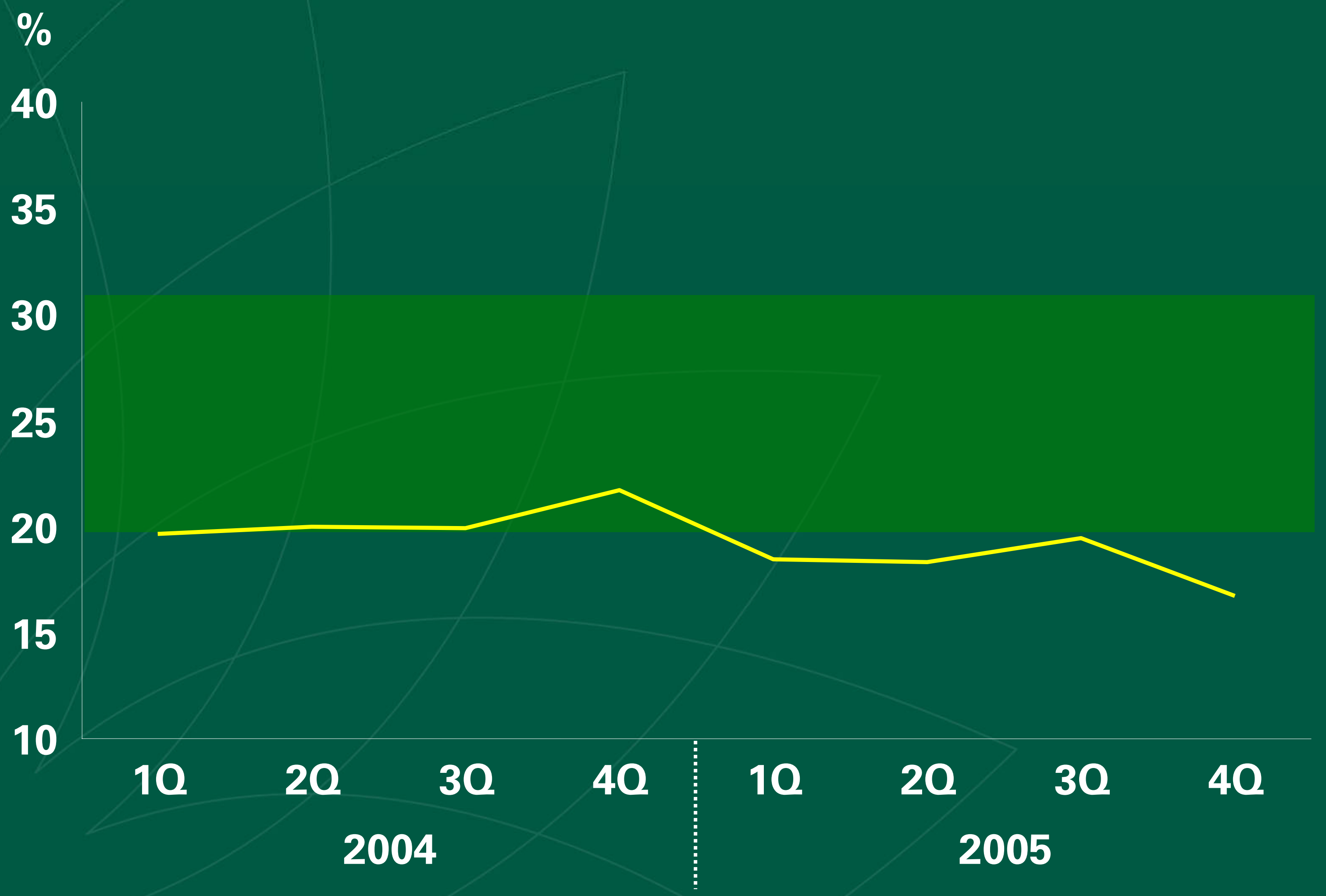
Full year (pre-tax)	$m
Oil price Brent ± $1/bbl	500
Gas price Henry Hub ± $0.1/mmbtu	80
Refining margin GIM ± $1/bbl	950

- Rules of thumb are approximate
- Actual impacts will depend on:
  - Volumes / portfolio mix
  - Absolute price level
  - Refining availability

Sources and uses of cash

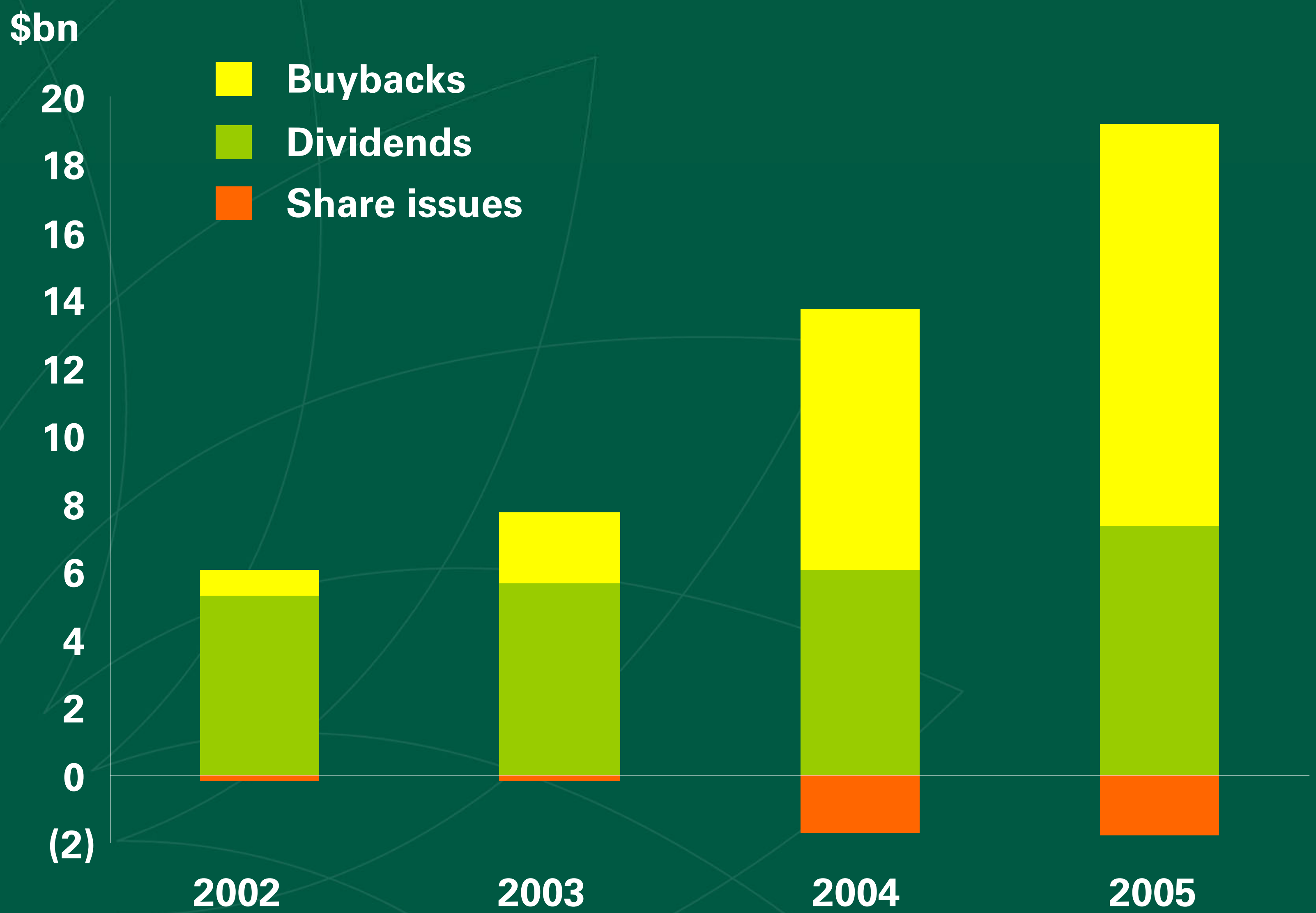


Net debt ratio



Net debt ratio = net debt / (net debt + equity)

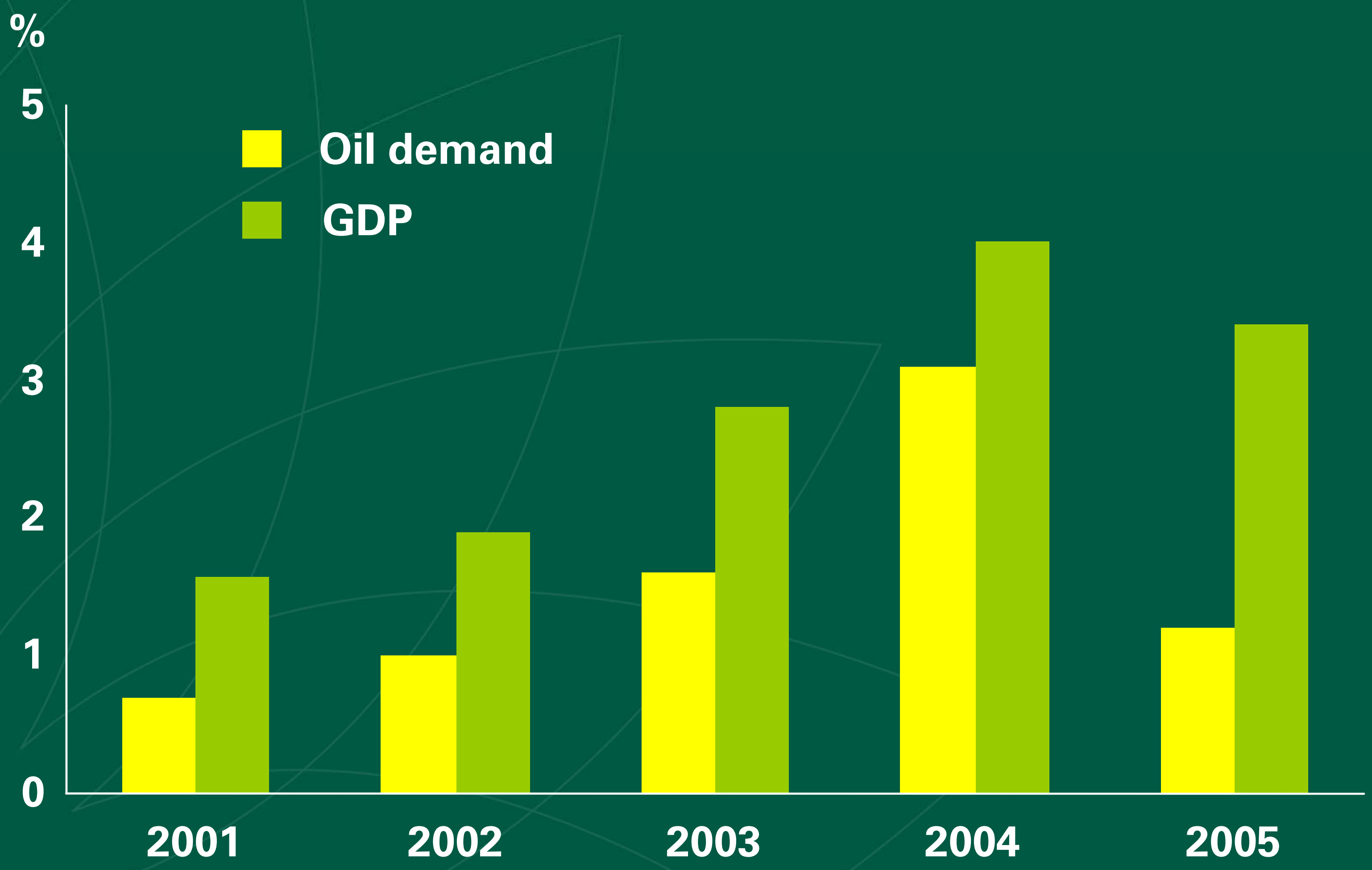
Shareholder distributions



External environment

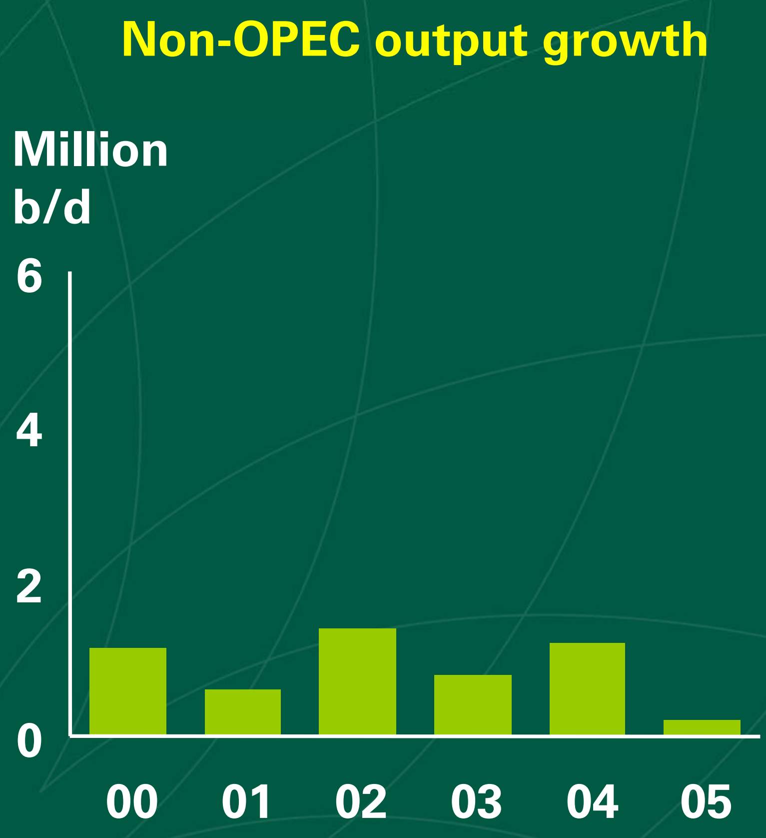
- Oil prices
- Gas prices
- Refining margins

Oil demand

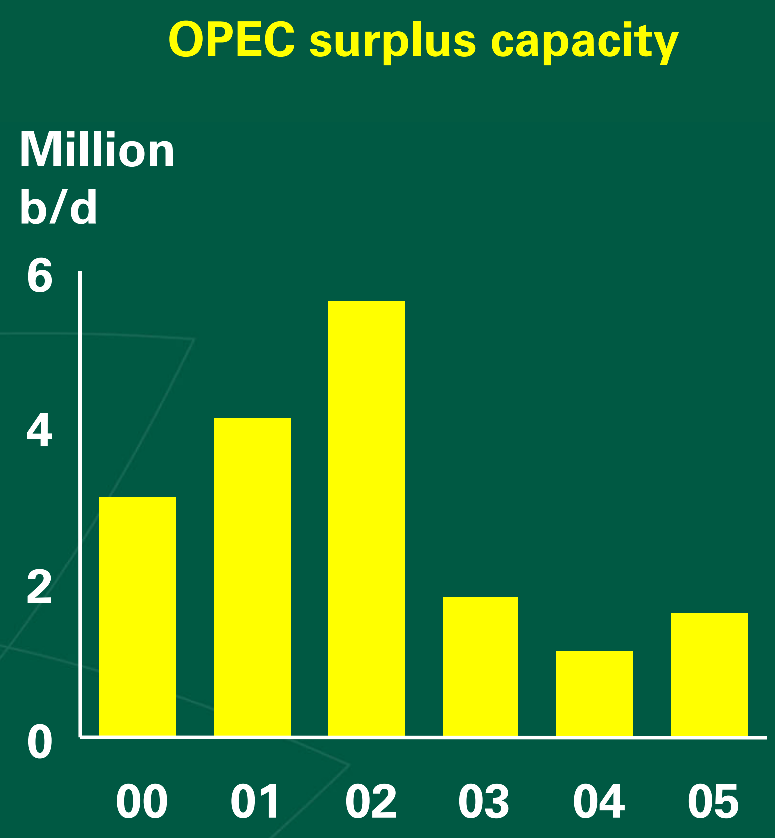


Source: Oil demand, BP estimate; GDP, Oxford Economic Forecasting

Oil supply



Year-on-year change; source: BP



End year; source: ’00 – ’03 DOE/EIA; ’04 – ’05 BP estimates

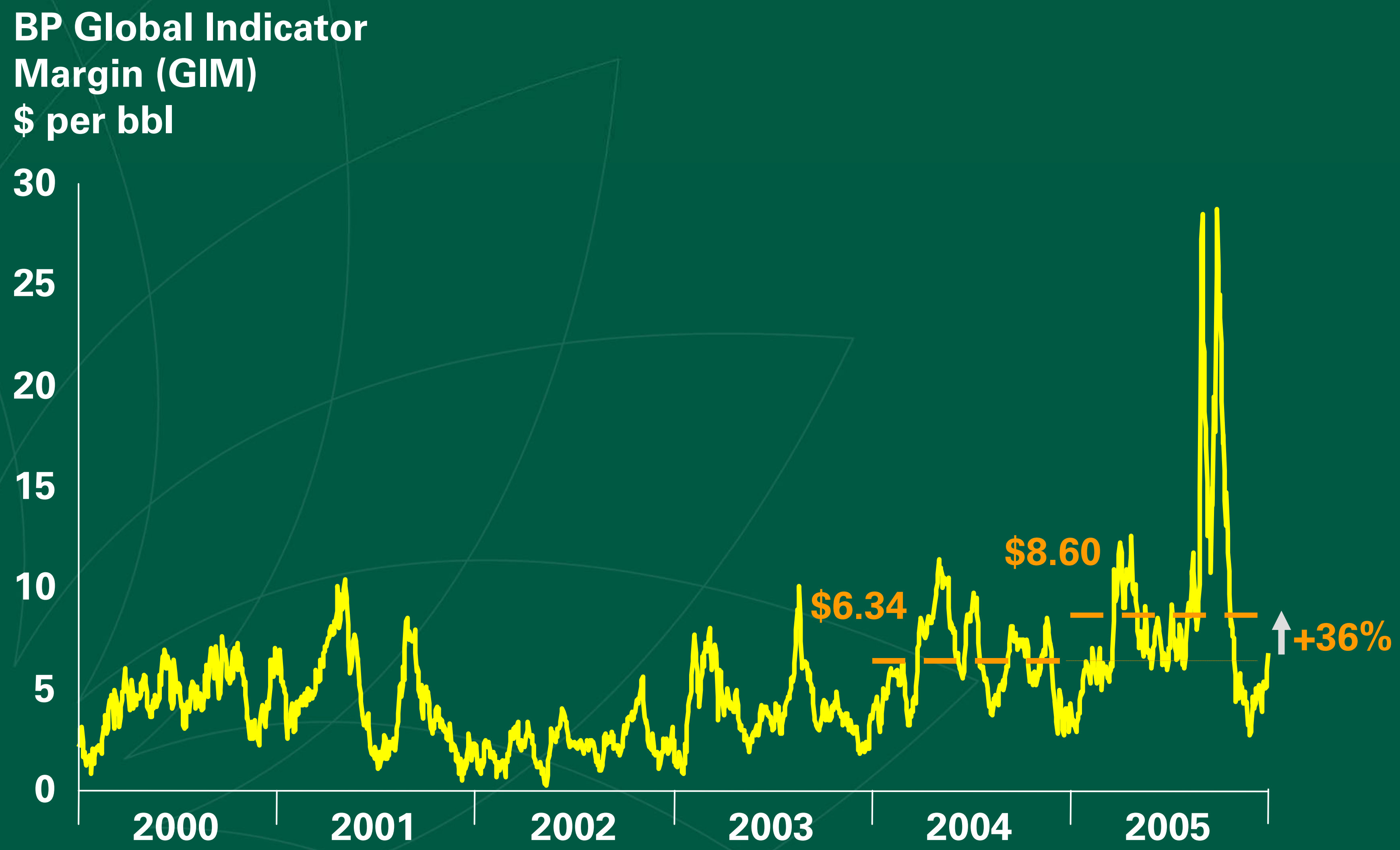
Crude oil prices

Daily prices
Source: USGC Platts quotes

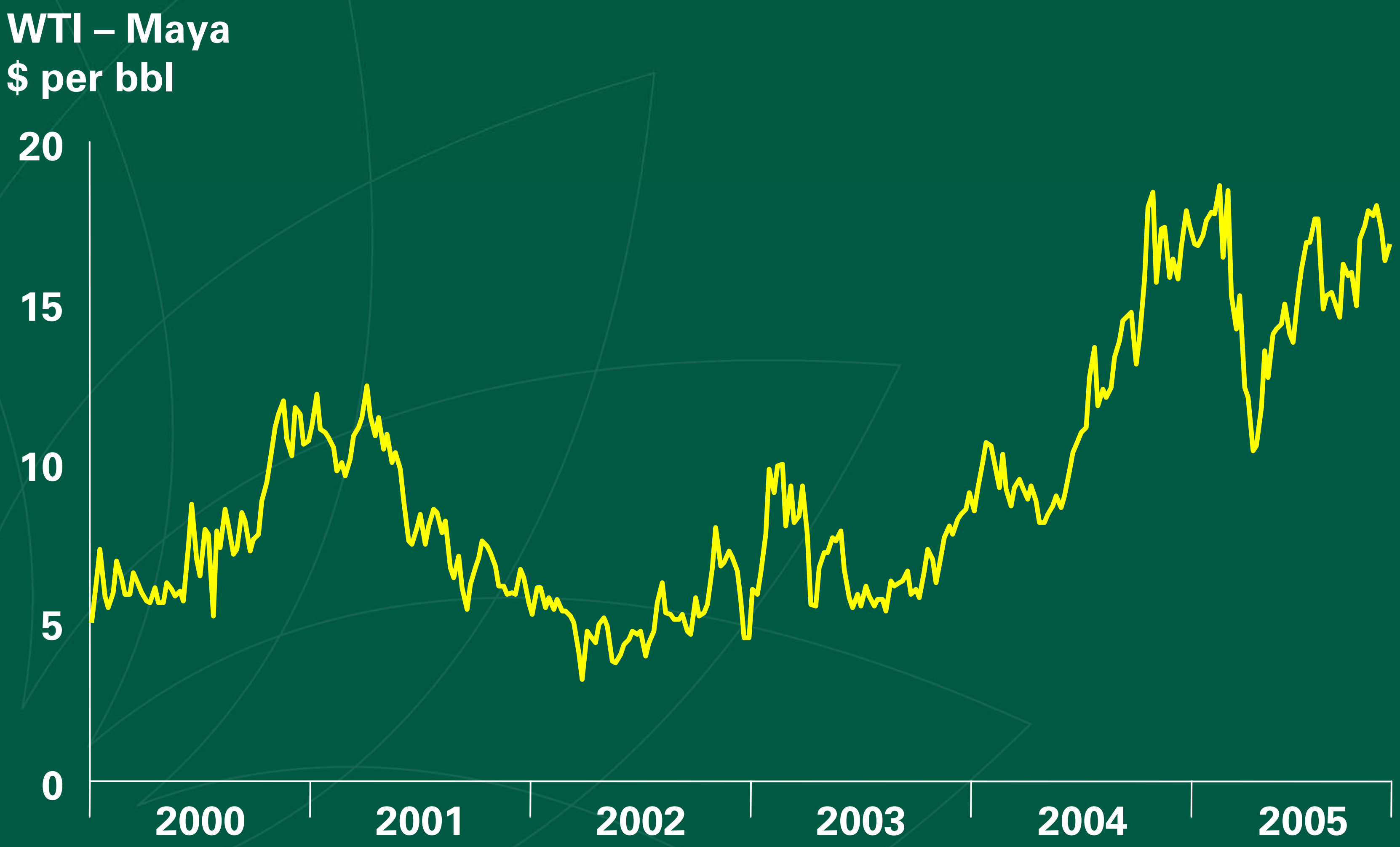
Gas prices

Daily prices
Source: USGC Platts quotes

Refining margins



Refining: light heavy spreads



Weekly averages
Source: USGC Platts quotes

Exploration & Production

- Consistent and enduring strategy
- Start-up of 20 new projects over the next 3 years
- Improvement in unit margins
- Resource base: 18bn boe proved, 41bn boe non-proved
- Russia
- Disciplined increase in capital spending
- Scale and quality of the portfolio: continuous high-grading

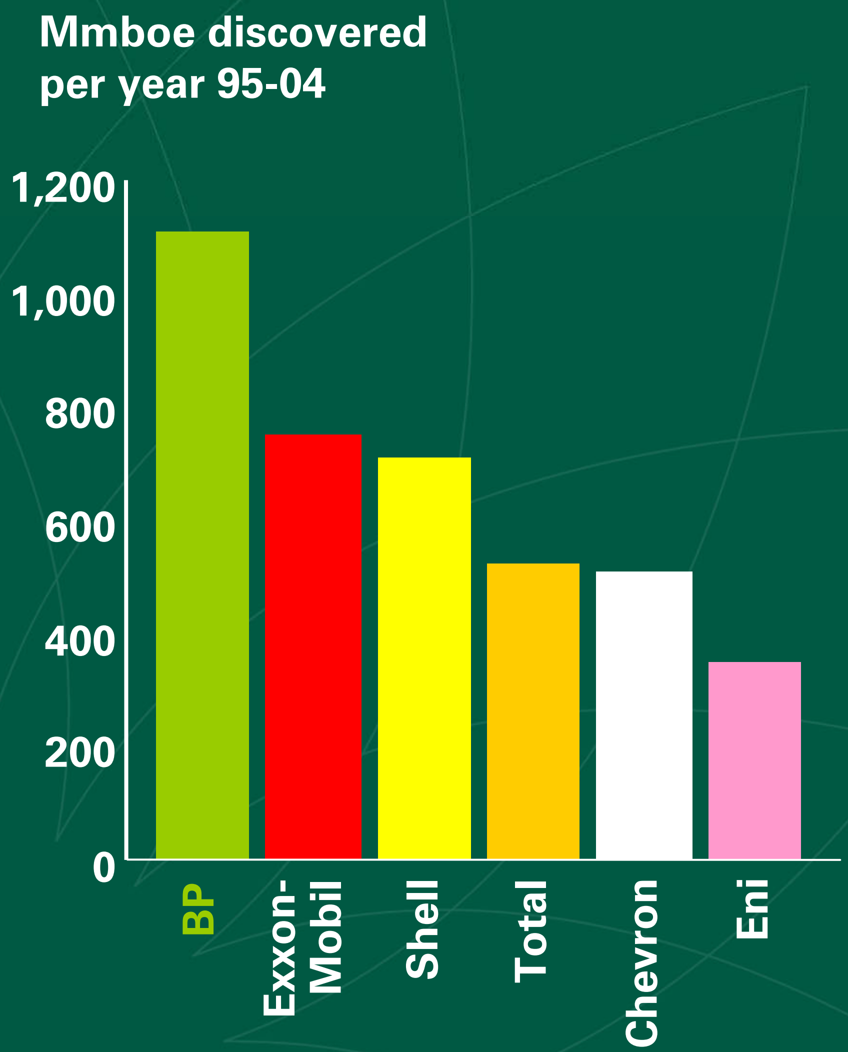
Tony Hayward

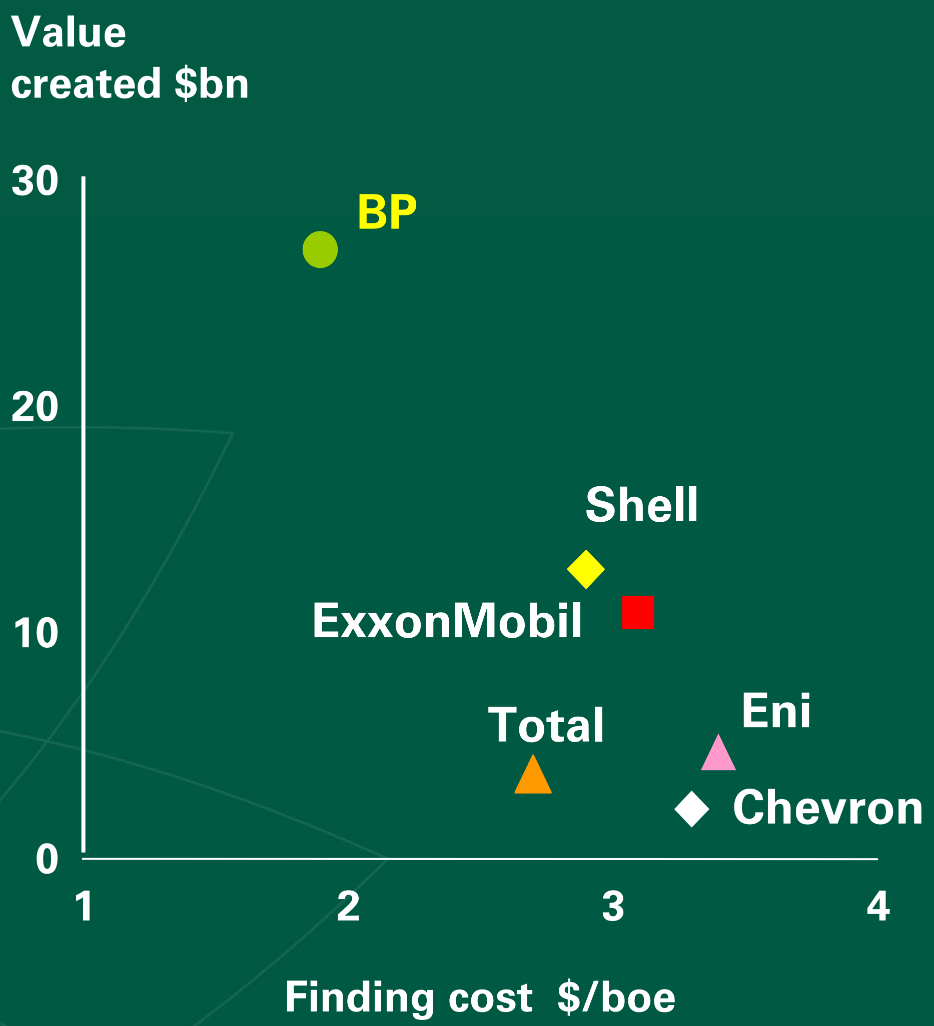
Chief Executive, Exploration & Production

Strategy

- Build production with improving returns
- Focus
  - Material positions
  - Biggest fields
- First mover – create number one or two positions
- Manage decline
- Portfolio

Exploration track record (external view)

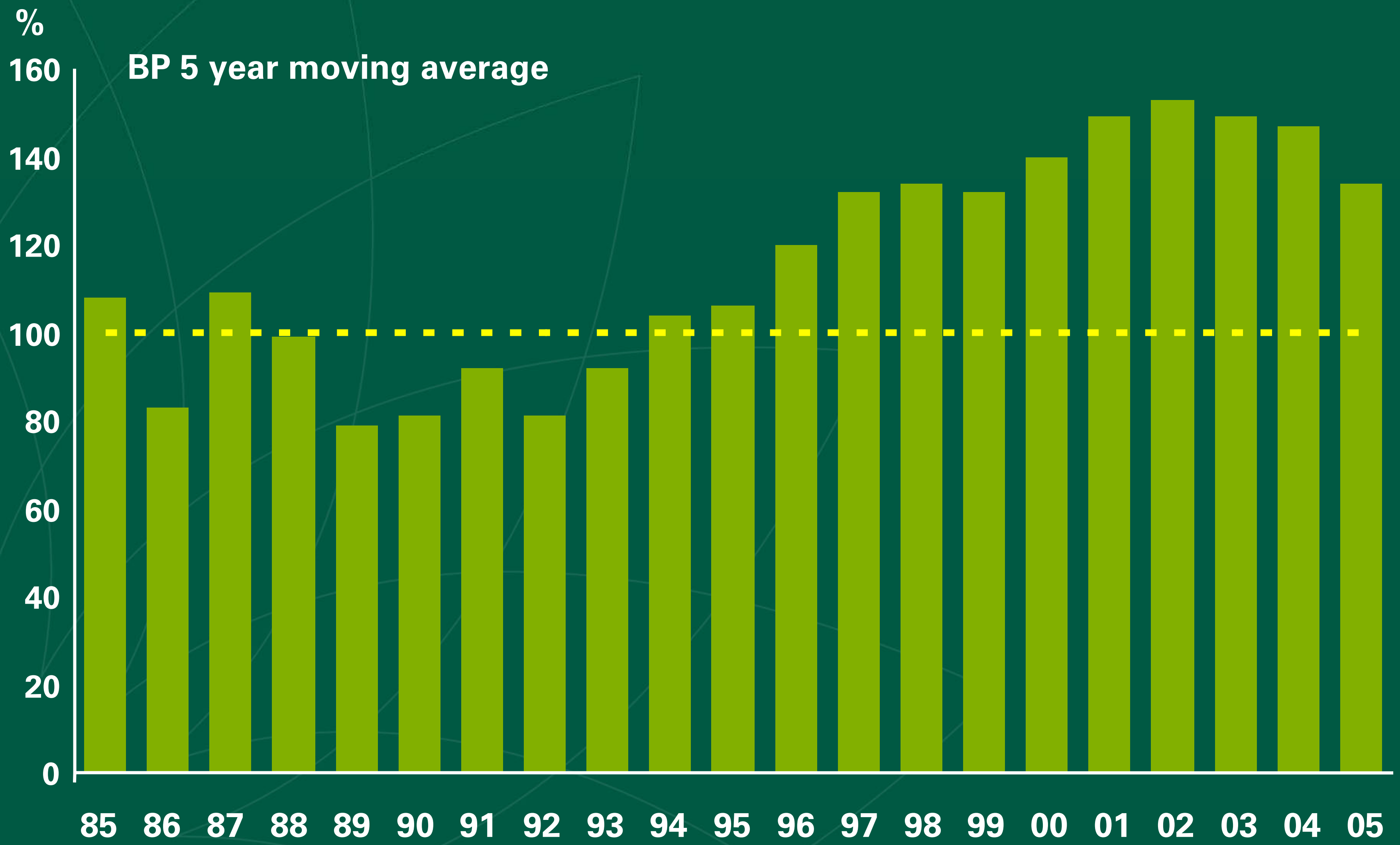




Source: Wood MacKenzie Exploration Strategy and Performance study, September 2005

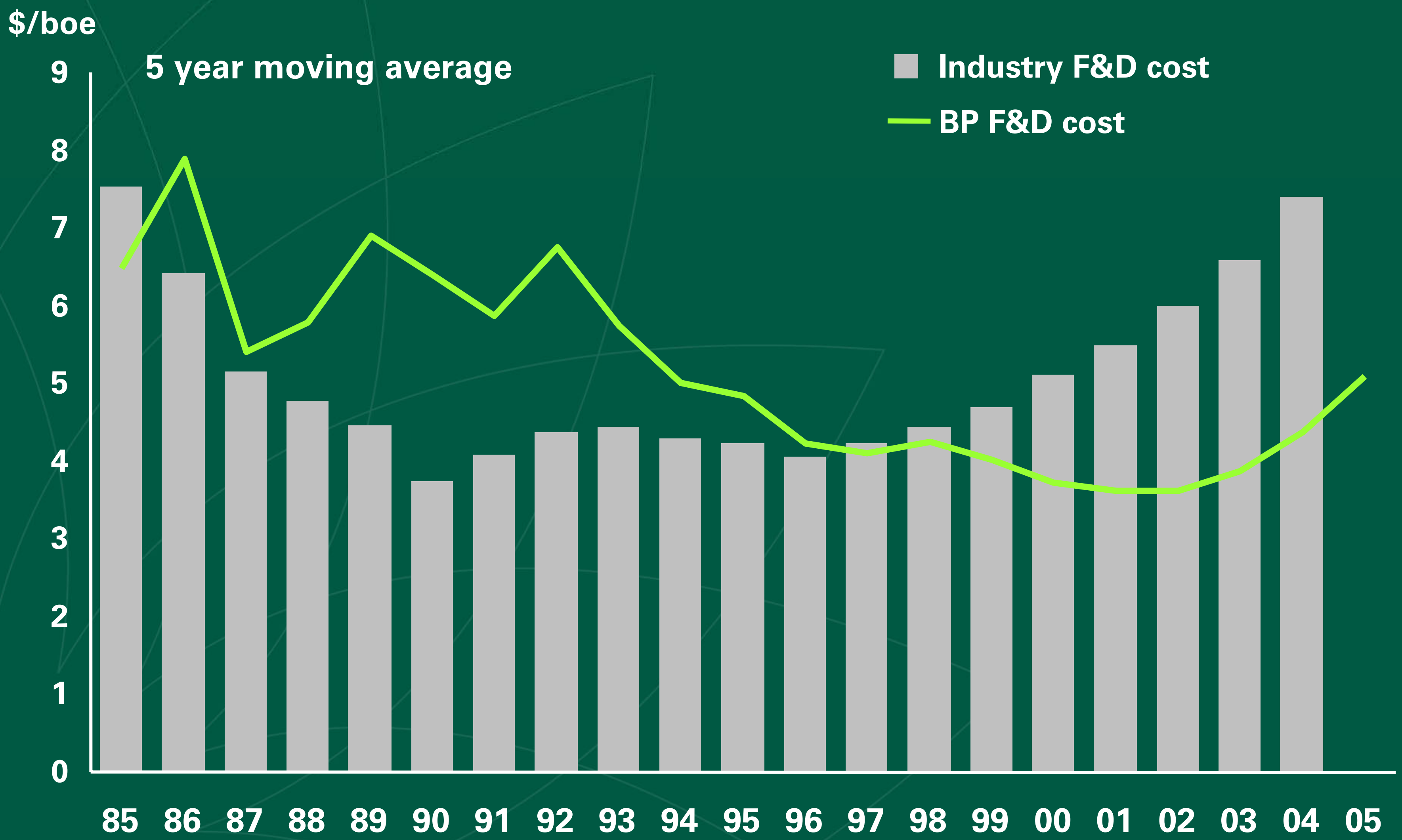
Exploration focus

Reserves replacement



Reserve replacement for subsidiaries + associates, excludes A&D

Finding & development costs

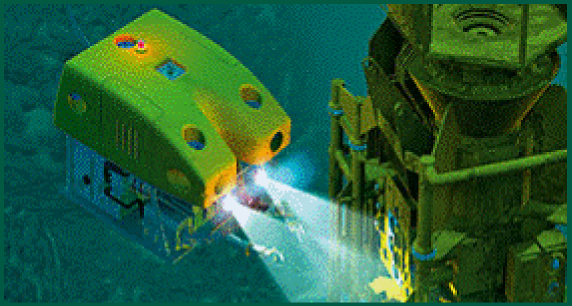


BP F&D is for subsidiaries + associates; industry data is for subsidiaries only

Andy Inglis

Deputy Chief Executive, Exploration & Production

Project start-ups



2003 - 2005

- ✓ Trinidad Train 3
- ✓ Jasmim
- ✓ Xikomba
- ✓ Atlas Methanol
- ✓ Mardi Gras
- ✓ Na Kika
- ✓ Bombax
- ✓ Kapok
- ✓ In Salah
- ✓ Australia LNG Train 4
- ✓ Kizomba A
- ✓ Holstein
- ✓ Valhall Flank & WaterFlood
- ✓ Clair
- ✓ Mad Dog
- ✓ Central Azeri
- ✓ West Azeri
- ✓ Kizomba B
- ✓ Rhum
- ✓ Trinidad LNG Train 4
- ✗ BTC
- ✗ Thunder Horse

2006 - 2008

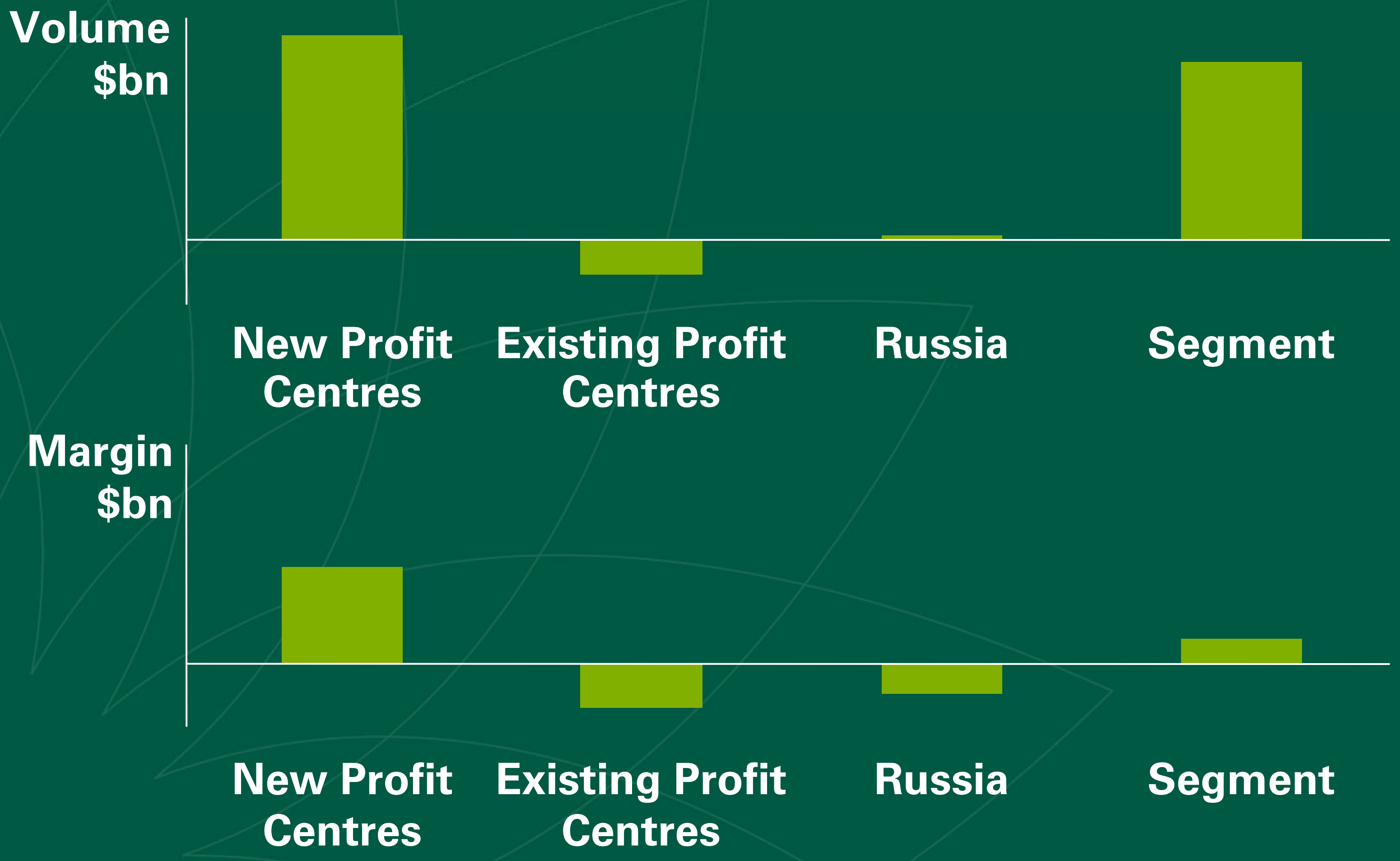
- ACG Phase 3
- Angel
- Atlantis
- Australia LNG T5
- Cannonball
- Dalia
- East Azeri
- Egypt LNG T1
- Greater Plutonio
- In Amenas
- King Sub-sea Pump
- Kizomba A Phase 2
- Kizomba C
- Magnus Extension
- North West Area Development
- Red Mango
- Rosa
- Saqqara
- Shah Deniz
- Tangguh Ph1
- Temsah Redevelopment
- Wamsutter

2009 and beyond

- Alaska Gas
- Atlantis North Flank
- Block 18 West
- Block 31 North
- Clair Ridge
- Colombia GTL
- Great White
- Harding Gas
- Kovykta Export
- Mad Dog SW Ridge
- Pt Thomson
- Puma
- Rospan
- San Juan North
- Shenzi
- Skarv
- Tangguh Ph2
- Tubular Bells
- Upper Miocene Pole Block 17
- Ursa Waterflood
- Uvat
- Valhall Redevelopment

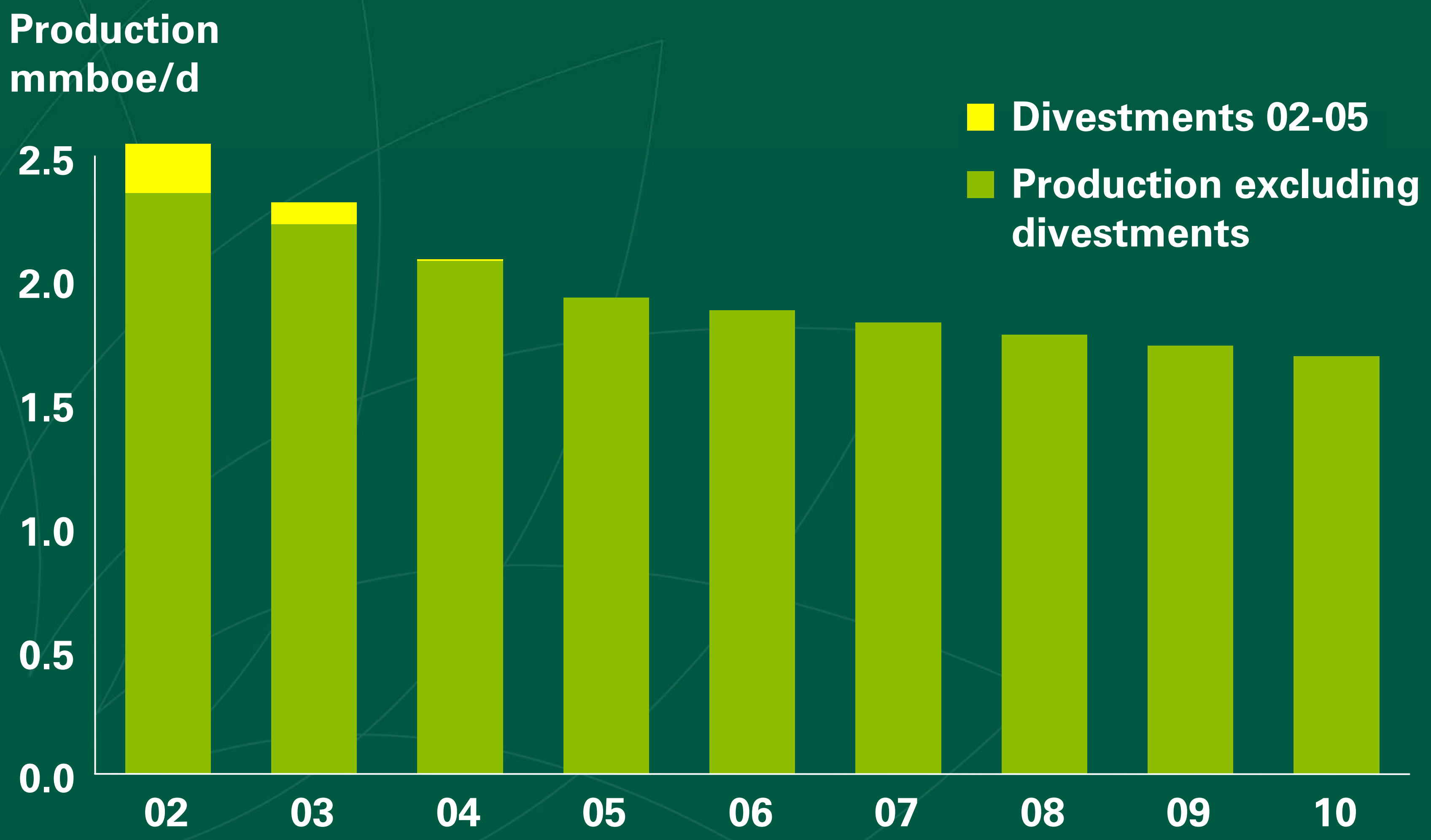
✓ on stream | in development | under appraisal

Sources of EBITDA improvement 2005 - 2008



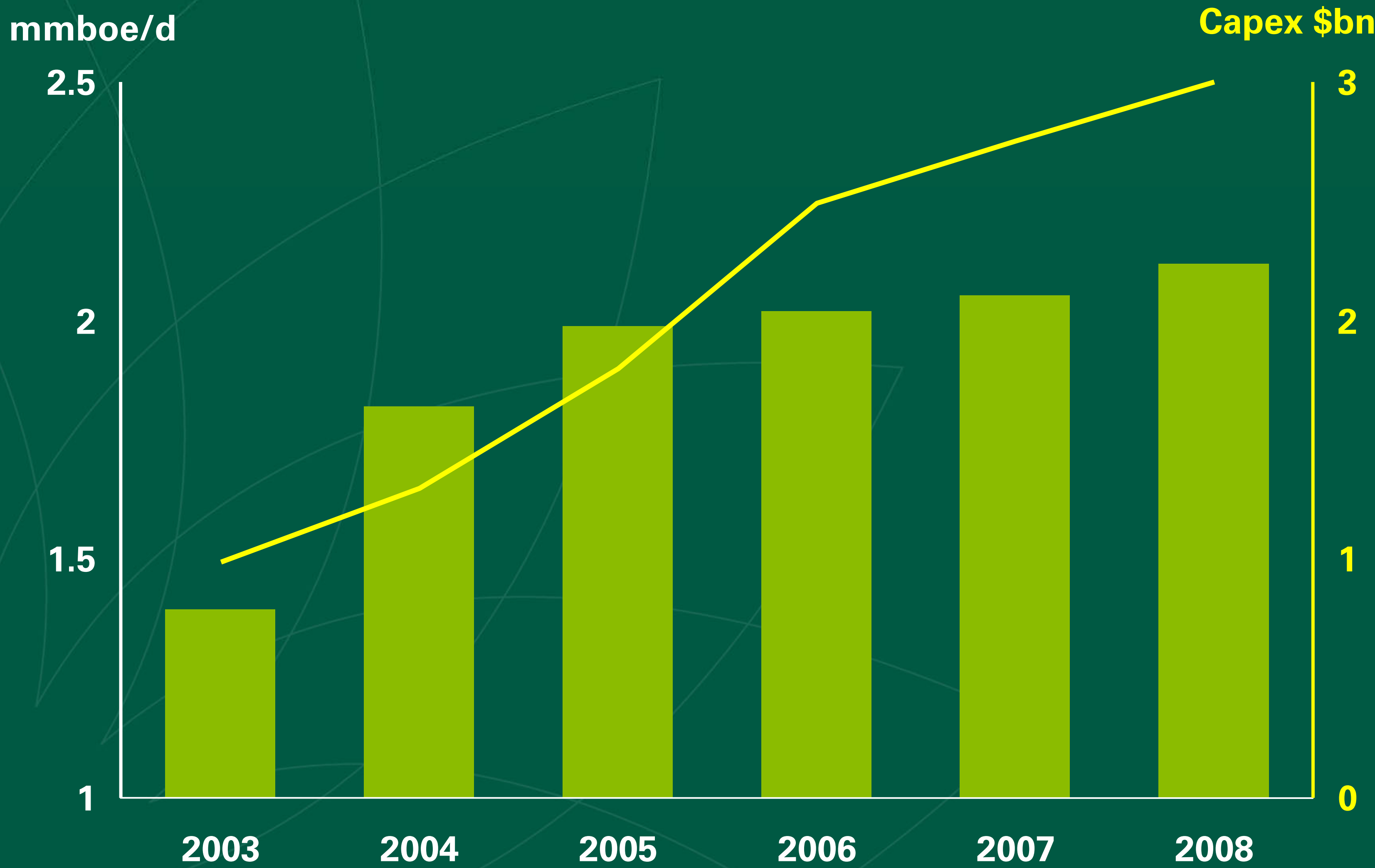
BP projection

Existing profit centres



2006 onwards - BP projection at $40/bbl Brent

TNK-BP: production and capex

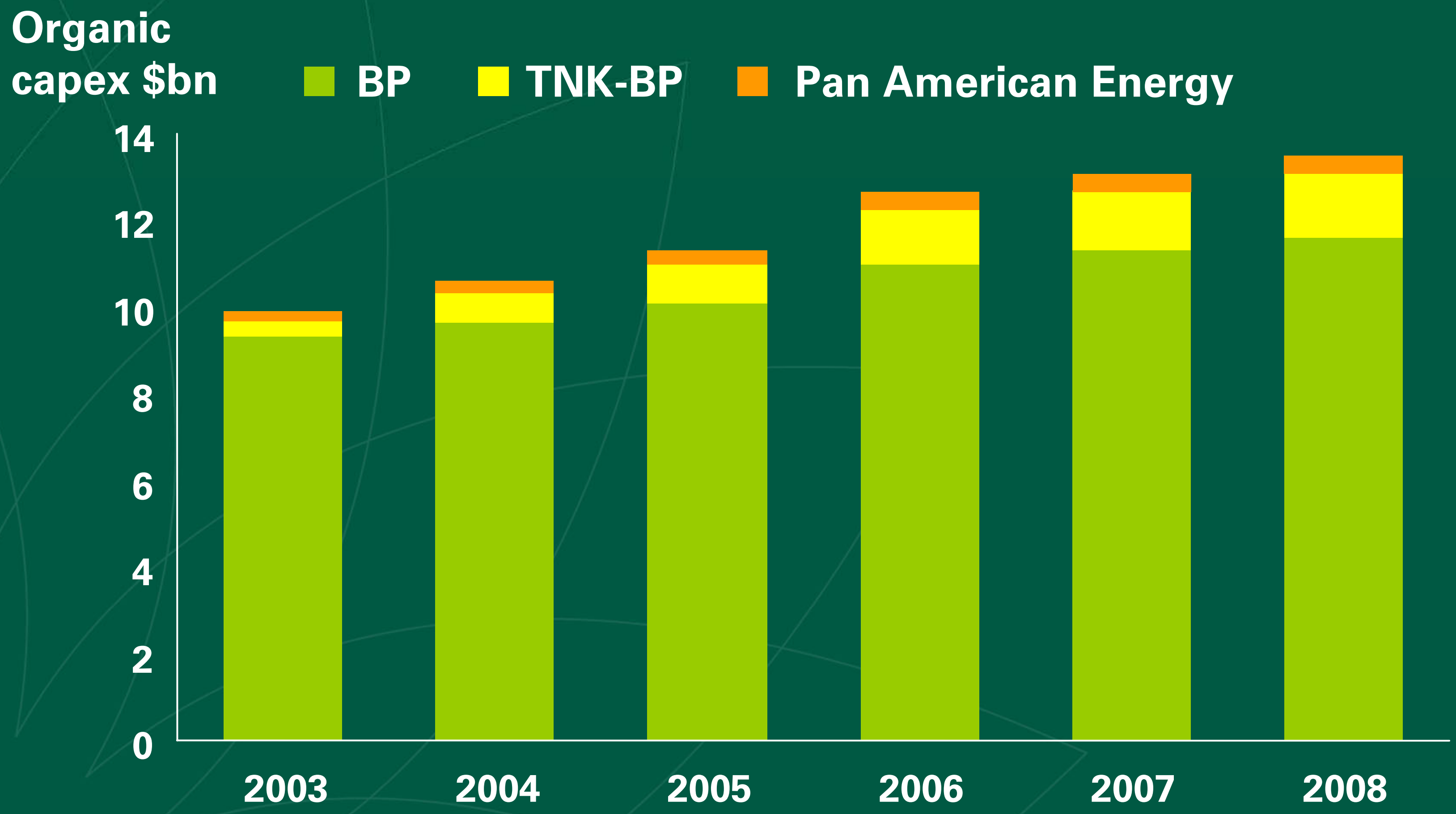


TNK-BP gross: 2006 onwards - BP projection

TNK-BP

- Refining and marketing enhancements
- Portfolio high-grading
- Organisational capability improving
- Dividends

E&P investment



BP projection for '06-'08
2003 TNK-BP capex reflects BP's estimated net share post-merger
TNK-BP and PAE are self-funding.

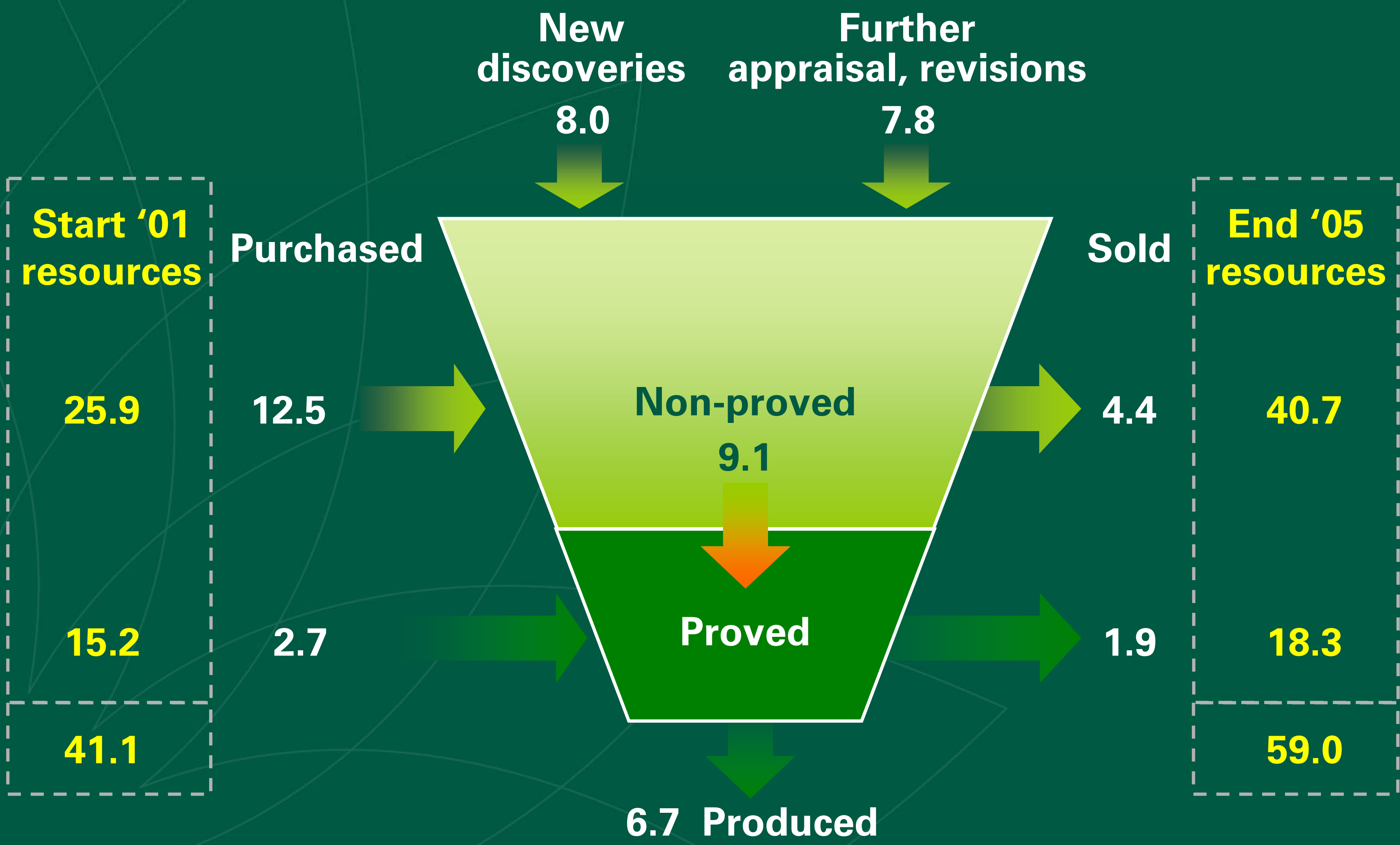
Costs and taxes

- Portfolio
- Sector specific cost escalation
- Supply chain management
- Discipline and focus
- Taxes

Production

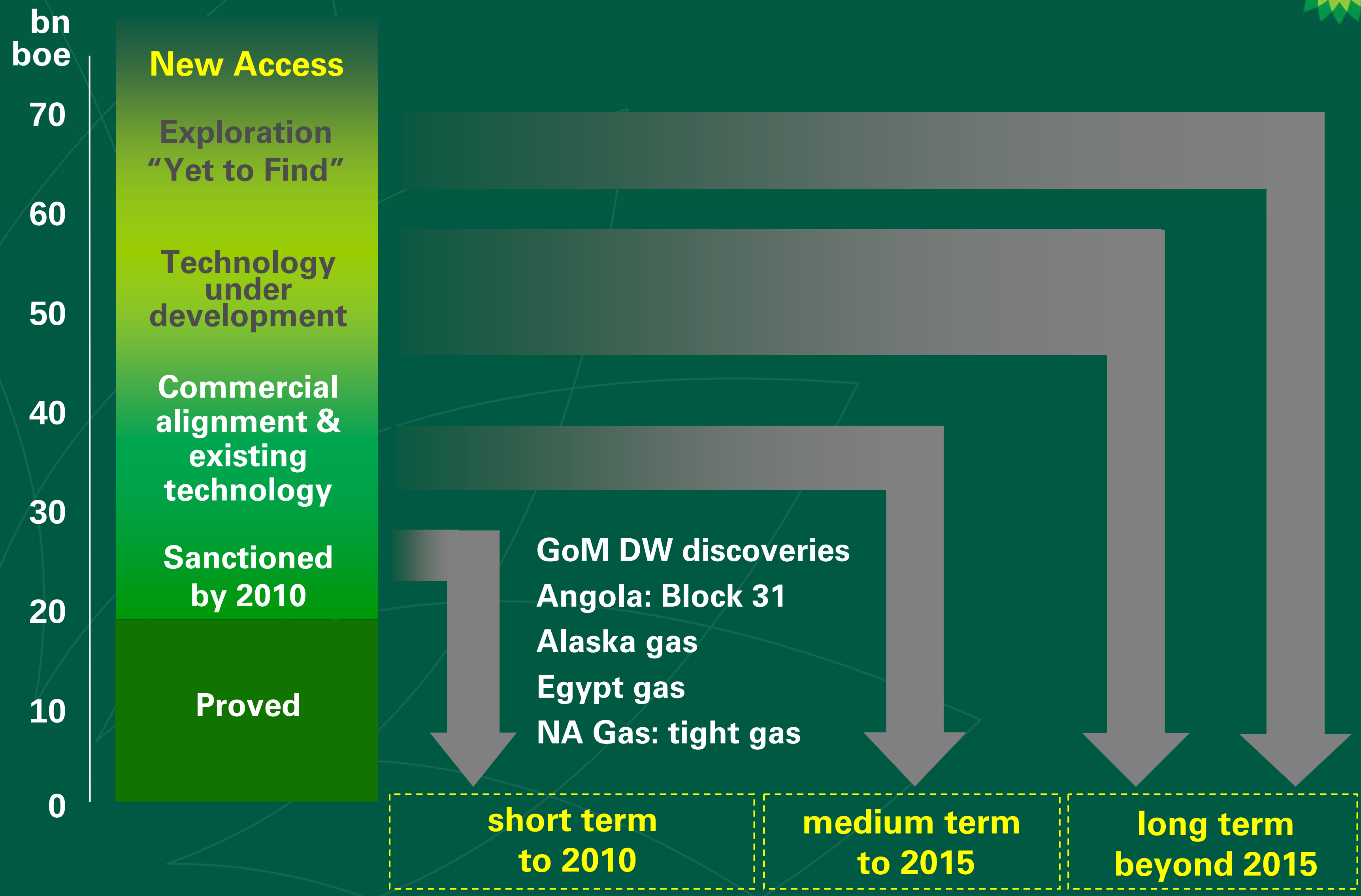
BP projection for '06-'10 with end '05 portfolio

Resource growth & progression 2001- 2005



Totals in billion boe
Proved UK SORP, non-proved BP data

Reserves and resources progression



Proved UK SORP, non-proved BP data

E&P summary

- Focussed exploration strategy
- 13 years reserve replacement of 100% or more
- 4% p.a. production growth ’05-’10 at $40/bbl
  - Major projects on track
  - Decline in existing centres 3% p.a.
  - Strong operating performance from TNK-BP
- Strong and growing resource base
- Discipline and focus

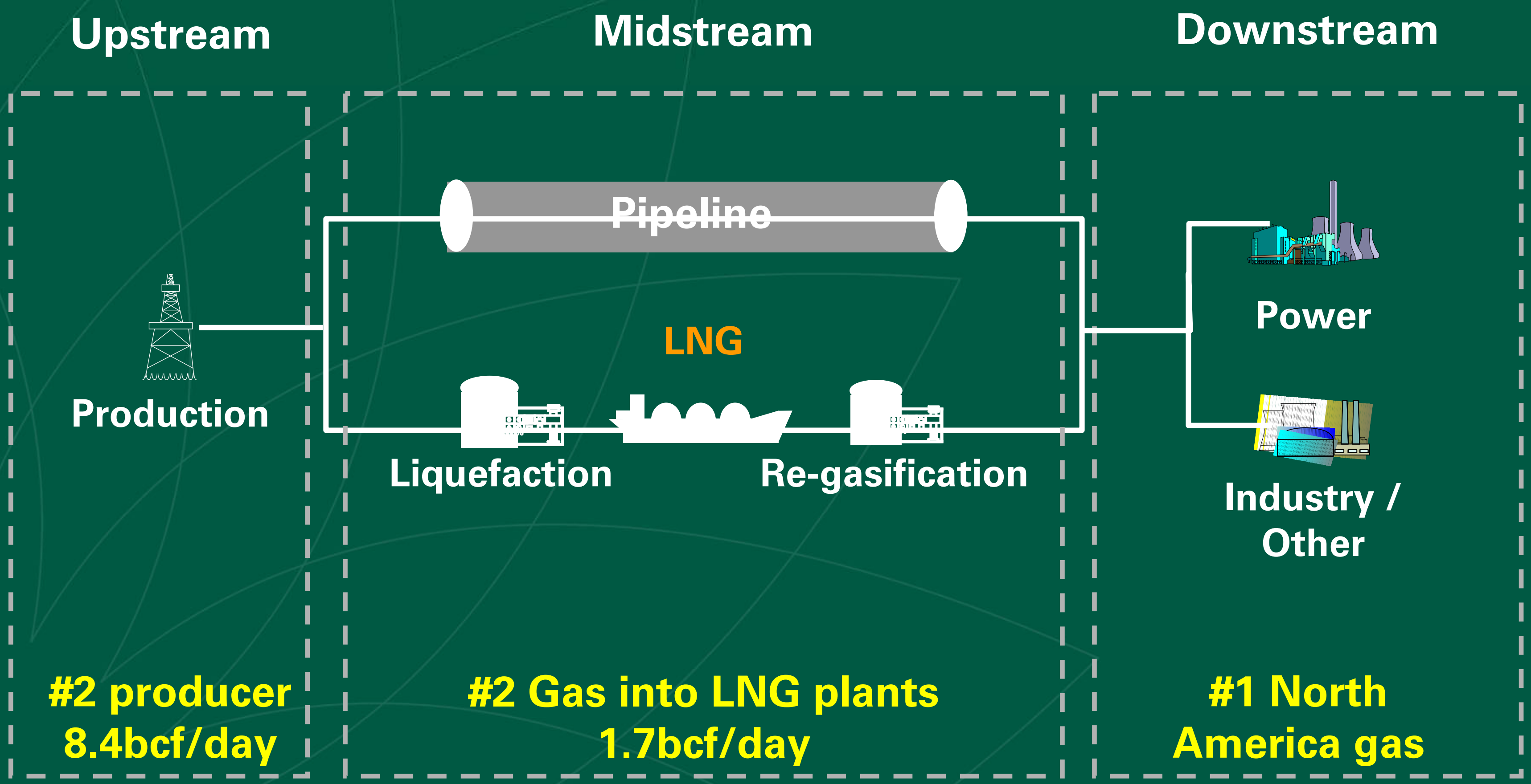
Gas

- Second largest natural gas producer amongst the International Oil Companies
- Largest supplier of gas to North America
- Operating a fully integrated gas business
- Access to key infrastructure to place natural gas into high value markets
- LNG business growing rapidly

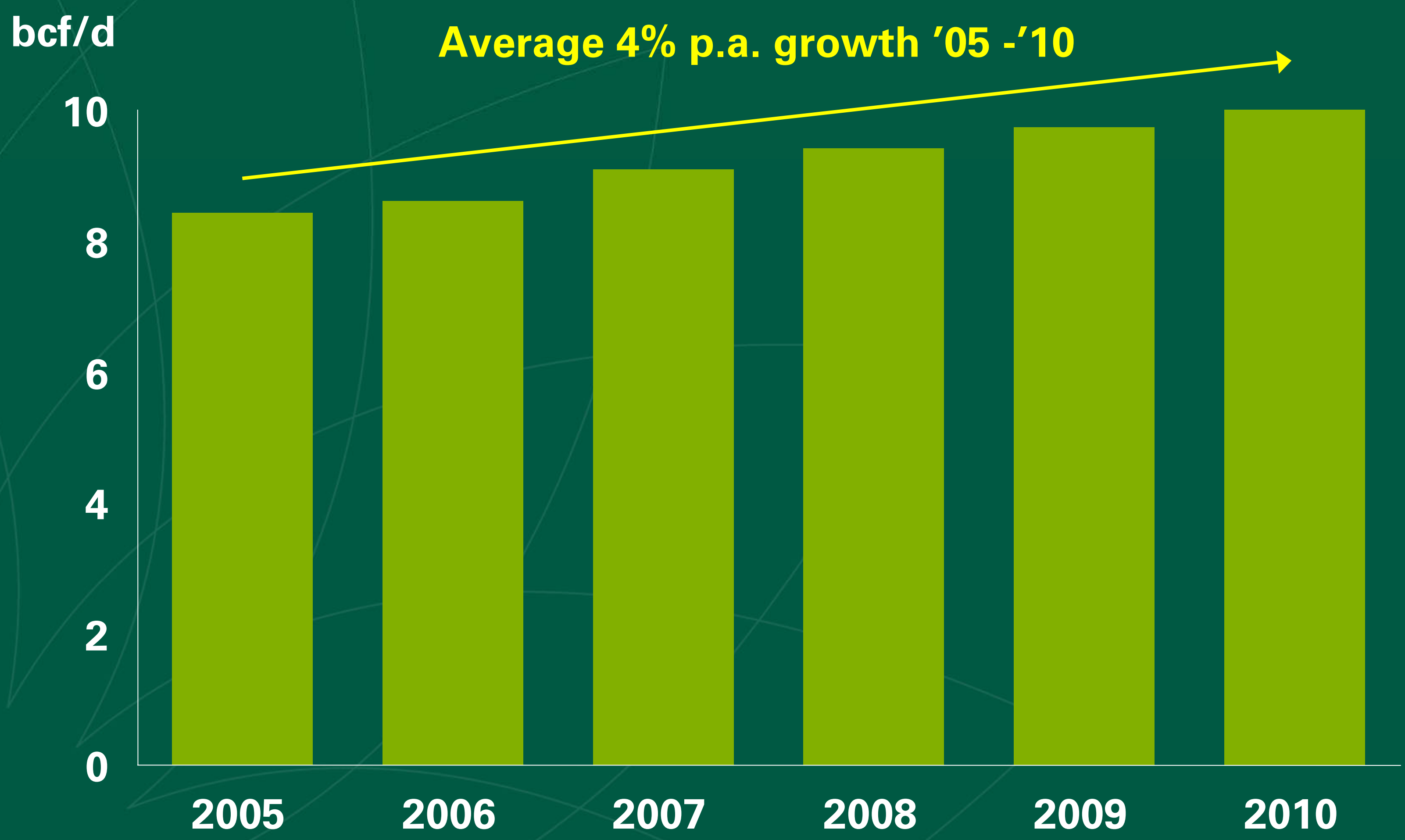
Vivienne Cox

Chief Executive, Gas, Power & Renewables

Gas: integration



Gas: production



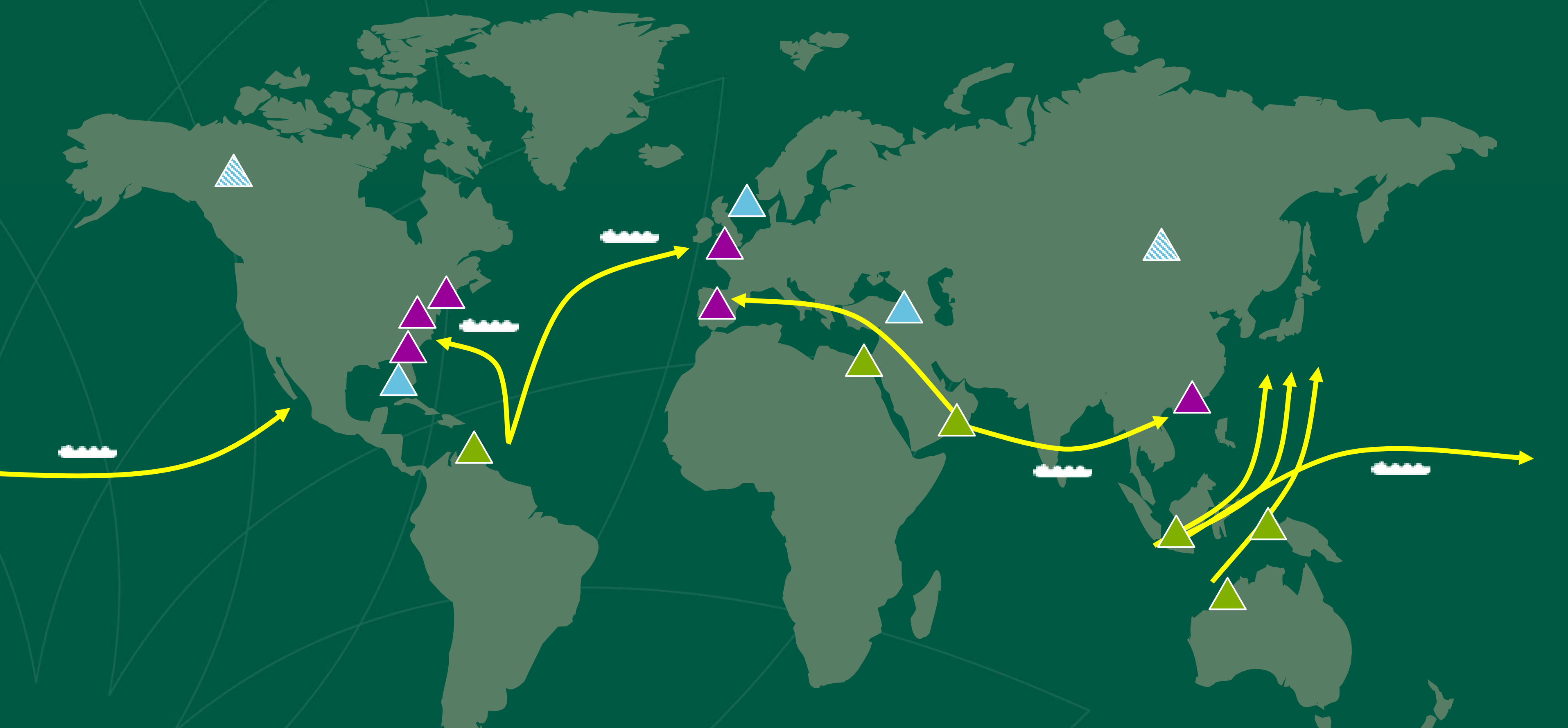
'06 onwards BP projection

Gas: resources

Gas resources

Includes BP share of TNK-BP

Gas: infrastructure



Major pipelines

Future pipeline options

Gas liquefaction plants 1.7bcf/day

LNG re-gasification terminals >1bcf/day

Includes projects under development and contractual rights to liquefaction / re-gasification

Gas: monetisation

- 2005: 80% pipeline, 20% LNG
- 2010: 70% pipeline, 30% LNG
- Growing LNG
  - Tangguh / NW Shelf
  - Shipping / merchant trading
  - Re-gasification: US, UK, Spain, China
- Other routes to market
  - Power generation
  - Gas to Liquids (GTL)
  - Gas marketing: North American leader

Alternative energy

2006 — 2015

Grow wind power to 450MW

Cut greenhouse gas emissions by 24 million tonnes/year

BP projections

Gas summary

- 2nd largest gas producer with distinctive production growth
- 2nd largest supplier of gas into LNG plants
- Strong marketing positions in large and growing markets
- Integrated to provide value across the gas chain
- Moving ahead with low carbon power

Refining & Marketing

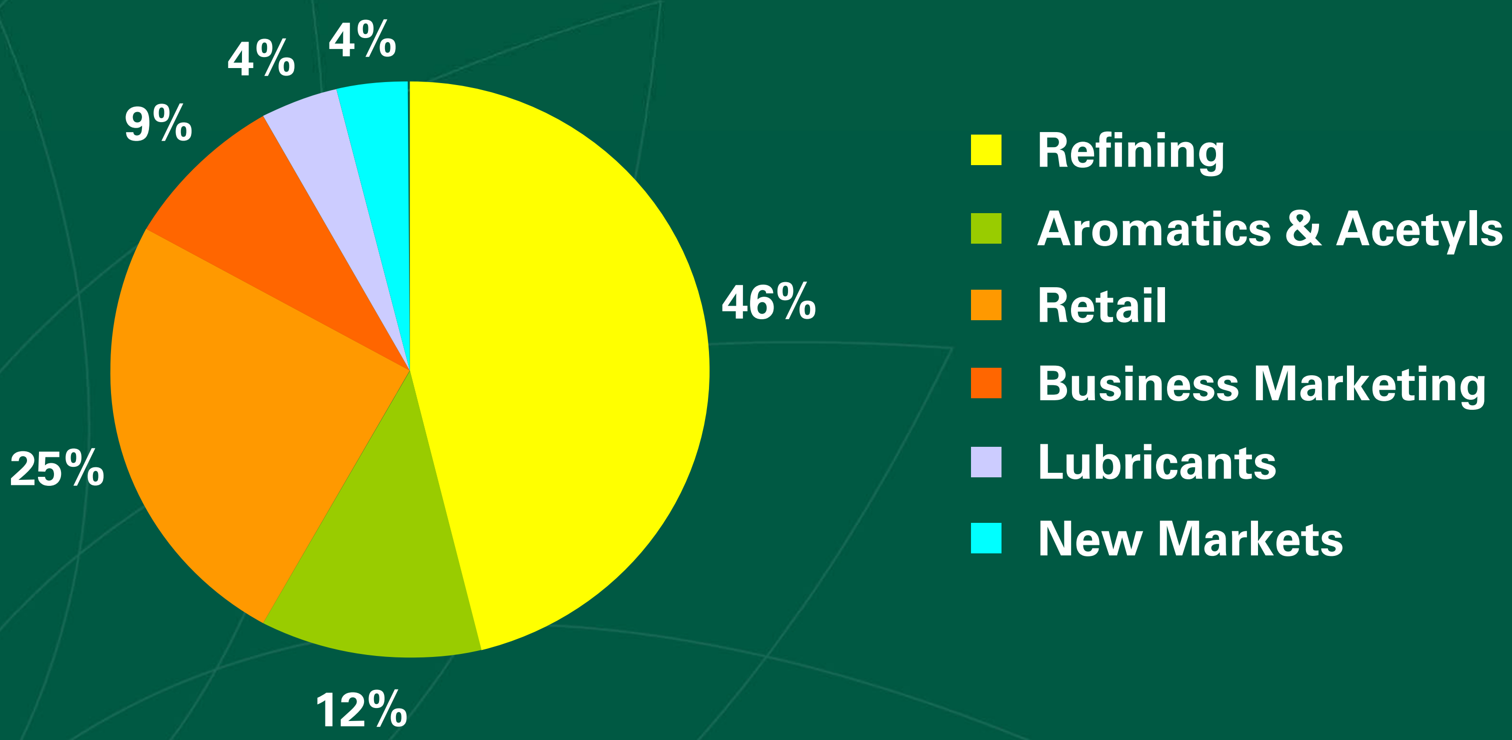
- Refurbishing Texas City and restarting production 1Q onwards
- Increasing investment in advantaged refineries
- Developing low-cost supply envelopes around our refineries
- Improving margins through superior customer offers and rigorous cost management: reducing unit costs
- Building acetic acid and PTA capacity in Asia to maintain global competitive position

John Manzoni

Chief Executive, Refining & Marketing

R&M: shape

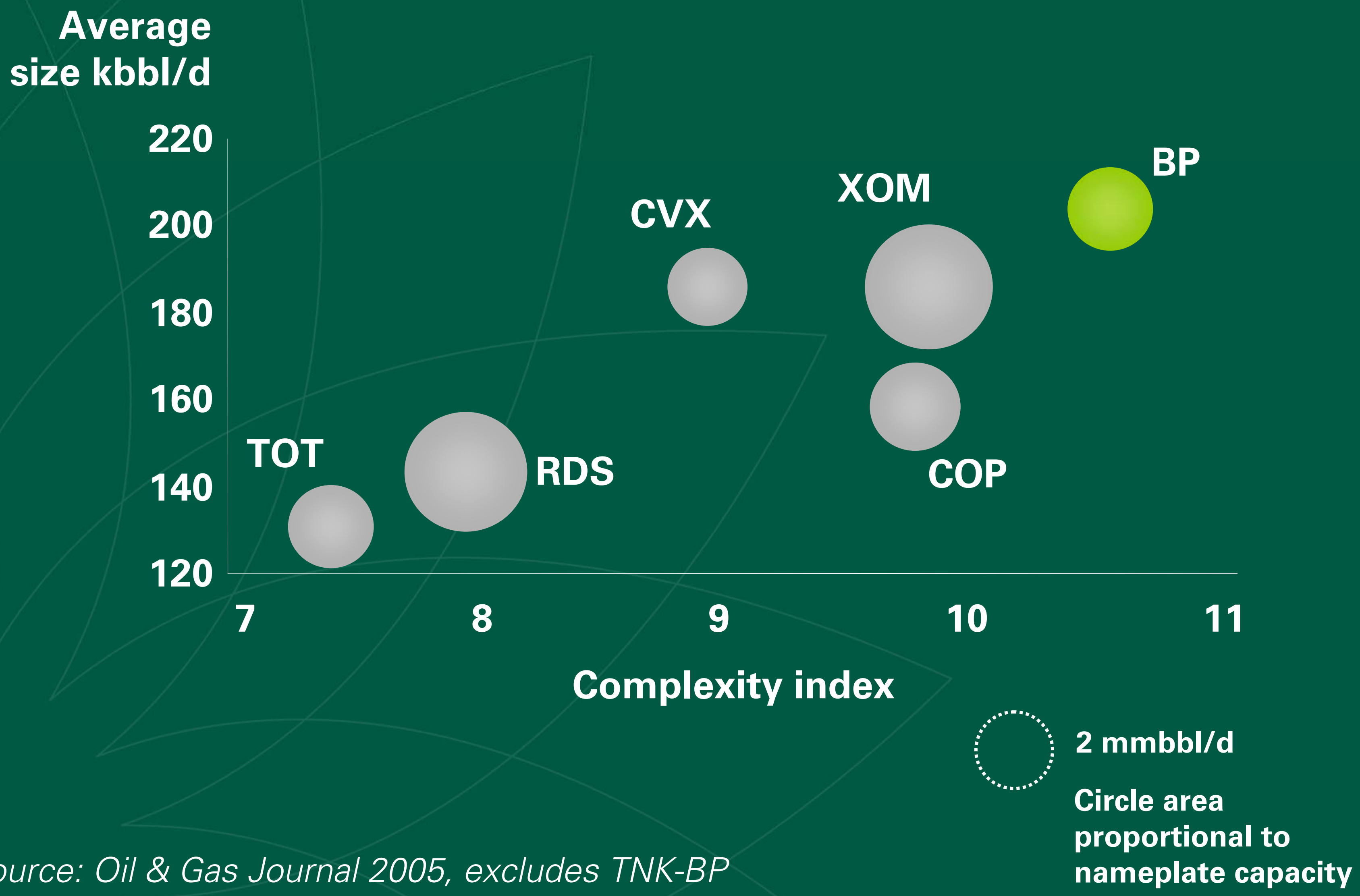
2005 operating capital employed



Refining: Texas City

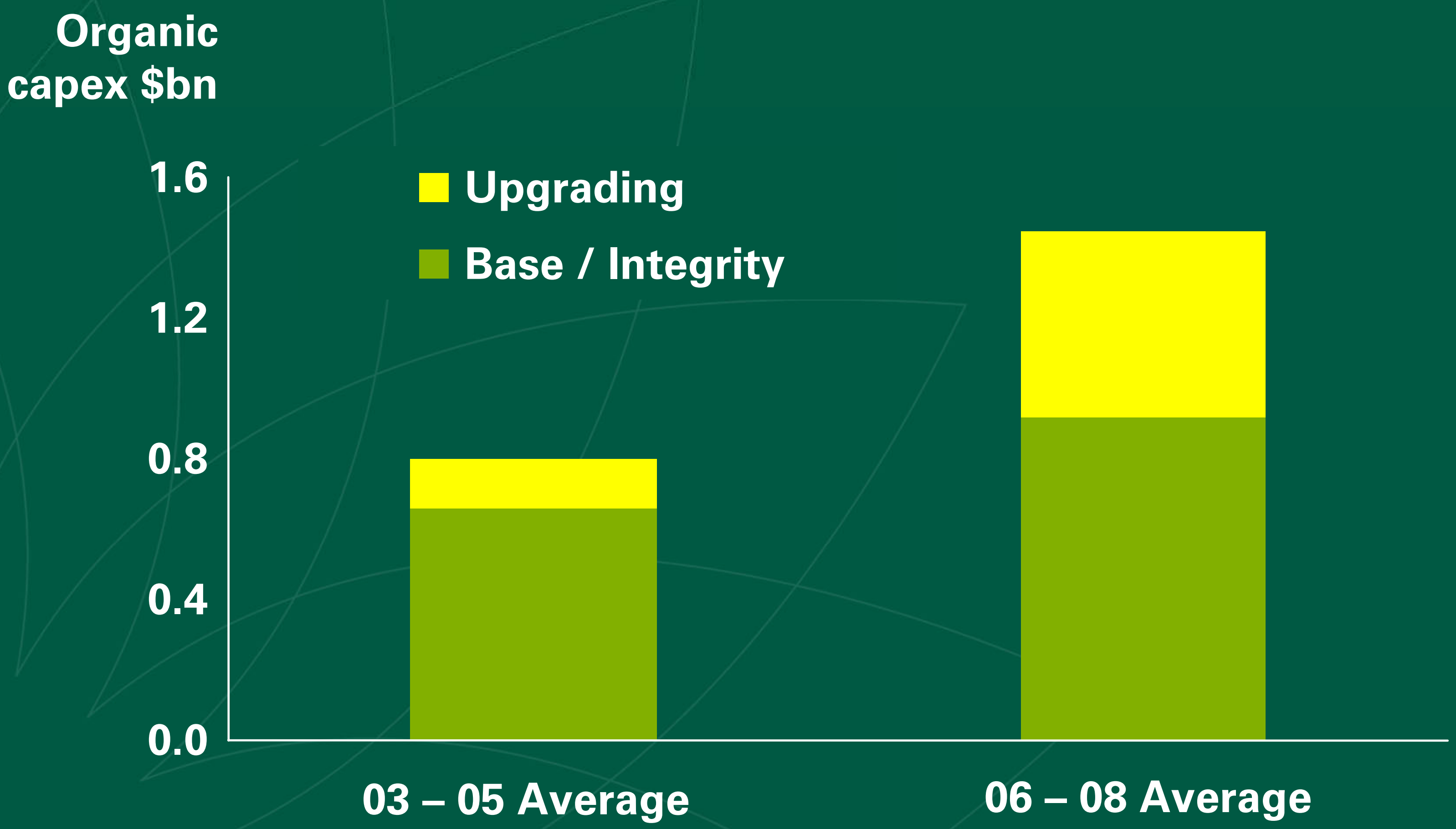
- 23rd March explosion
- 21st September Hurricane Rita shutdown
- Inspection and engineering evaluation
- Repairs and modification programme
- Training and accountabilities
- Phased start-up from 1Q

Refining: portfolio



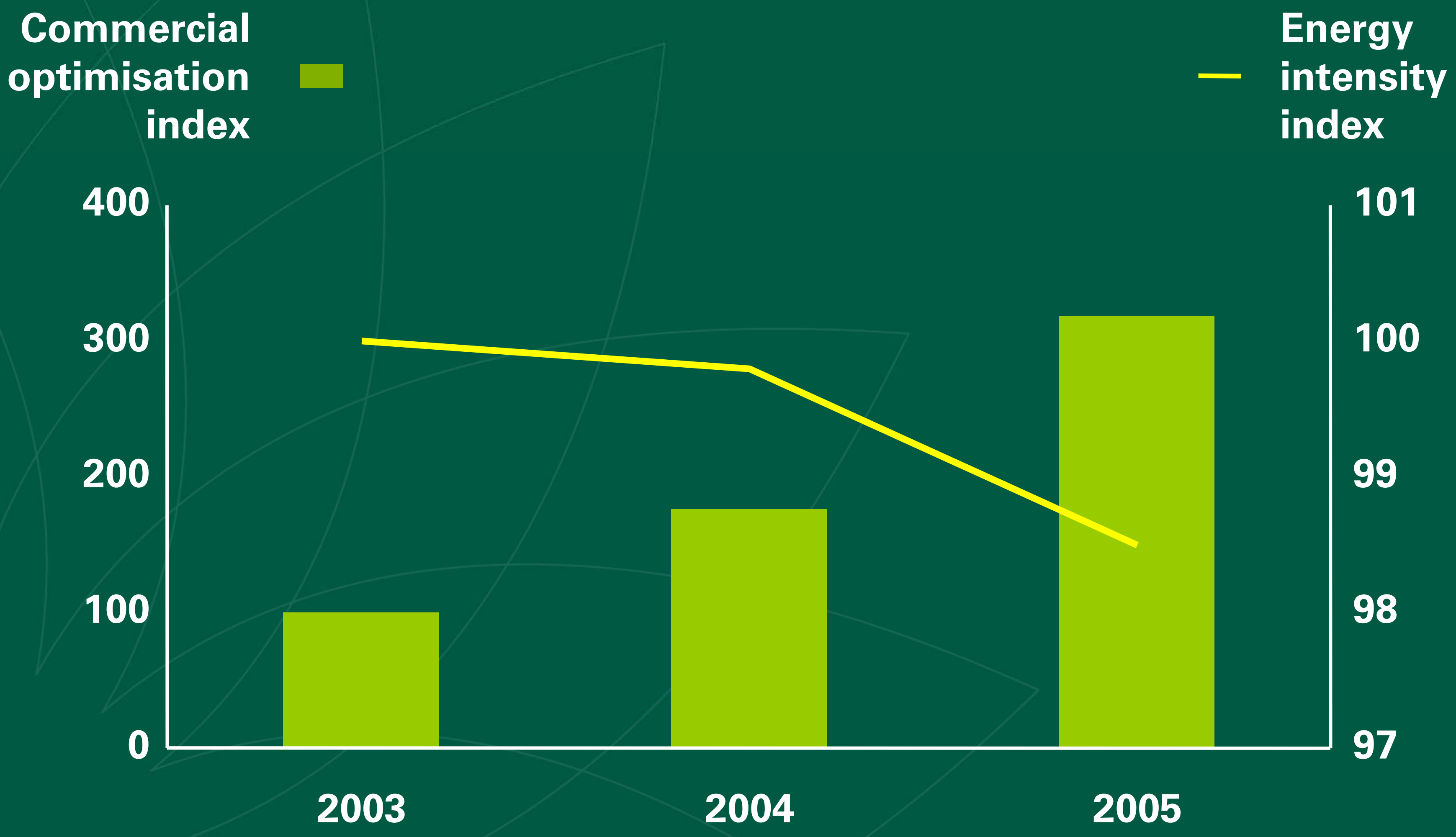
Source: Oil & Gas Journal 2005, excludes TNK-BP

Refining: investments



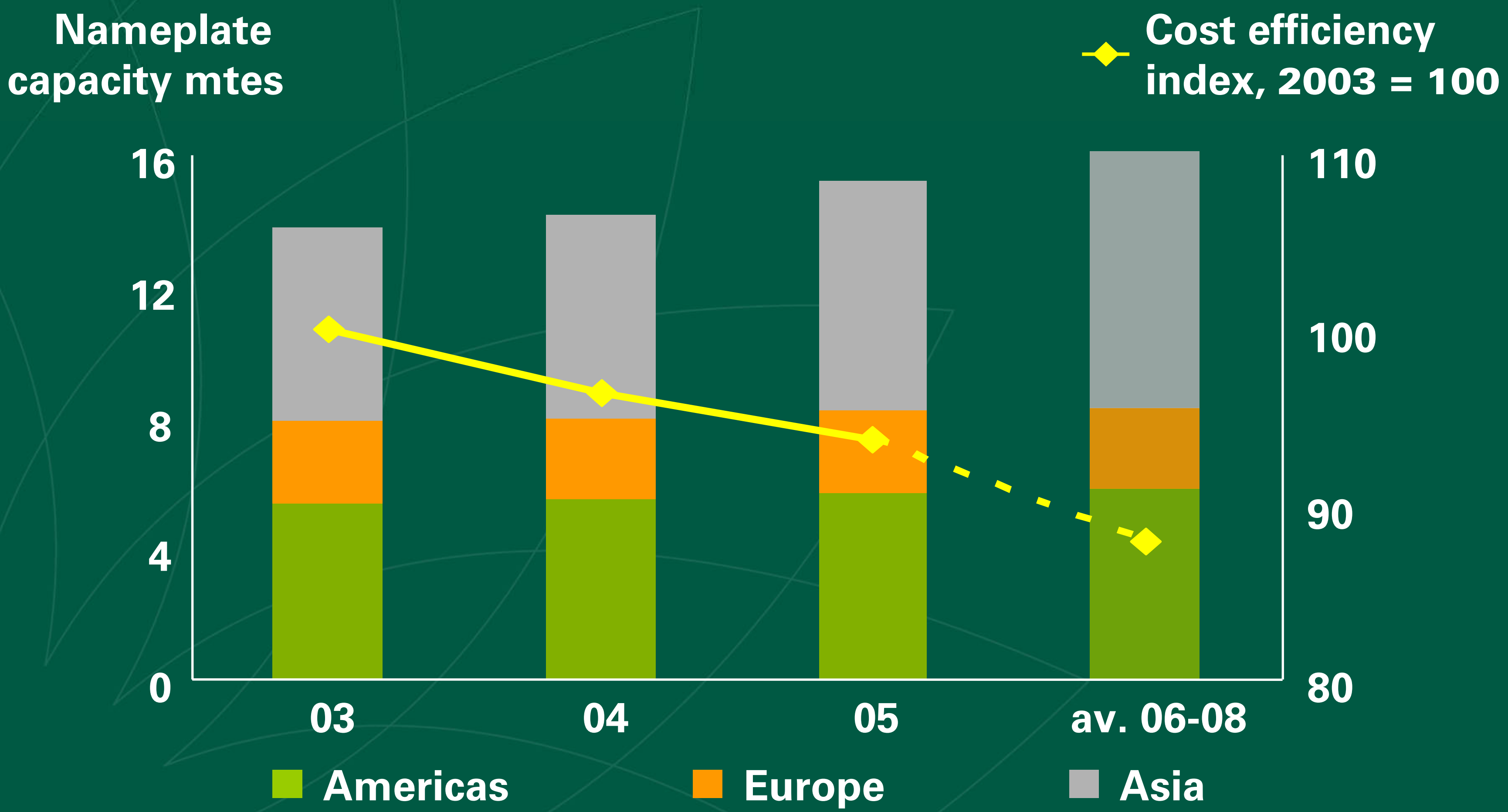
BP projection '06-'08

Refining: optimisation & cost efficiency



BP data, indexed 2003 = 100

A&A: growth & cost efficiency



BP projection '06-'08

Retail: brands

bp

Castrol

bp ultimate

Wild Bean Cafe

ampm

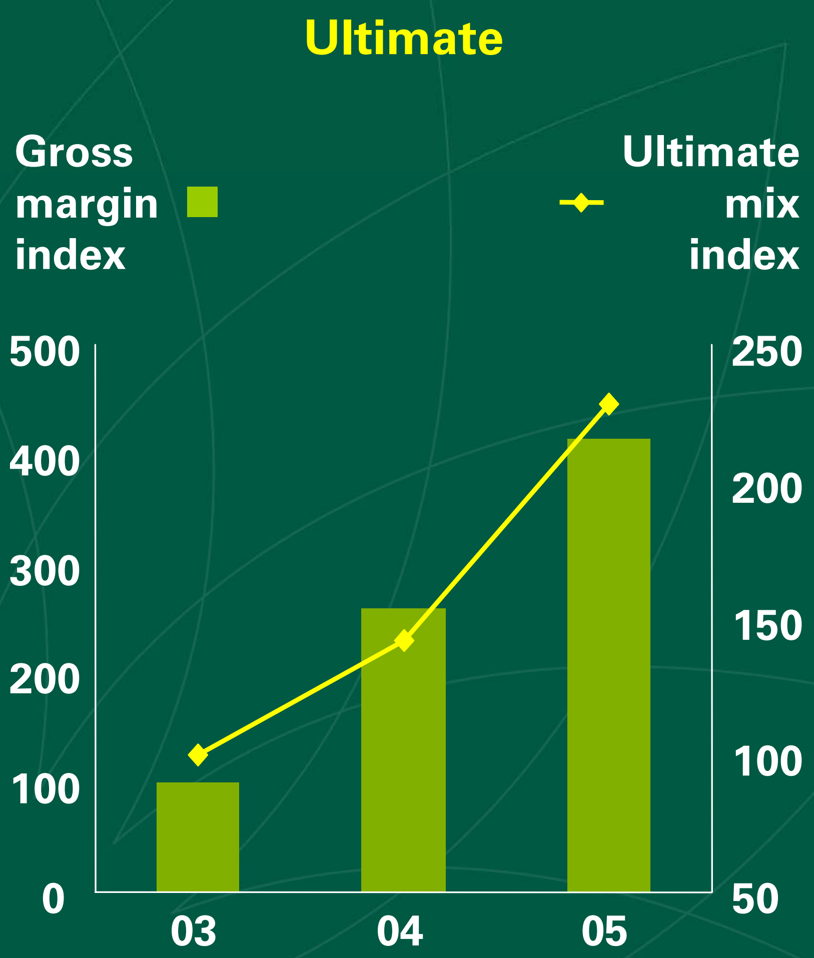
ARCO

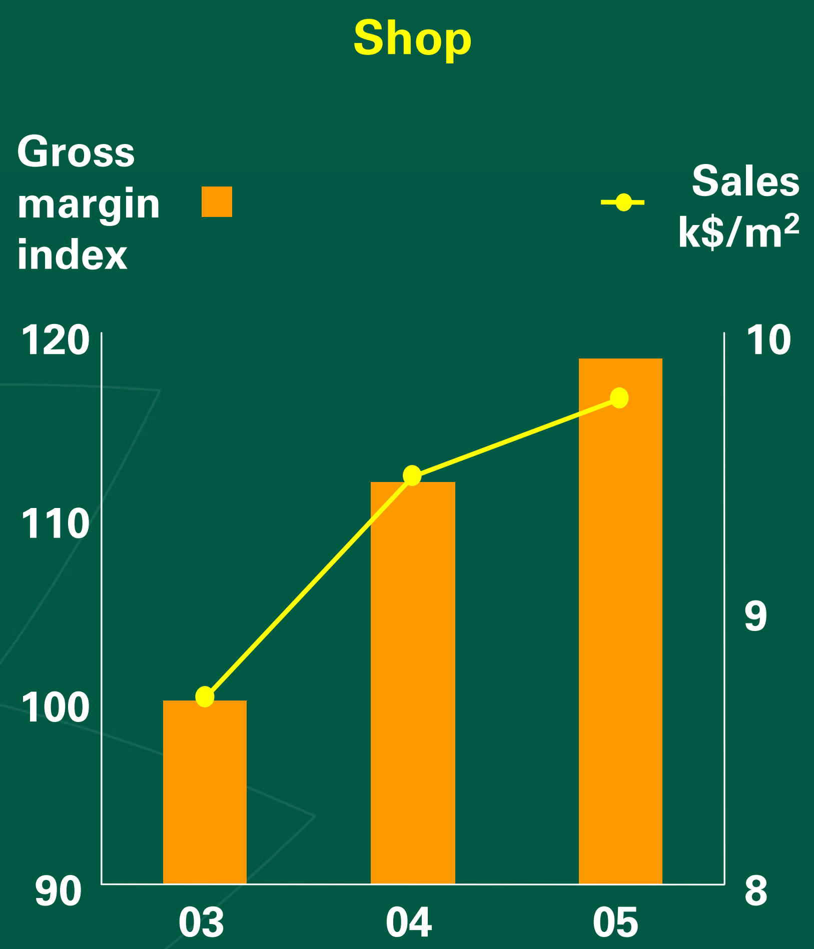
bp connect

ARAL

Amoco ultimate

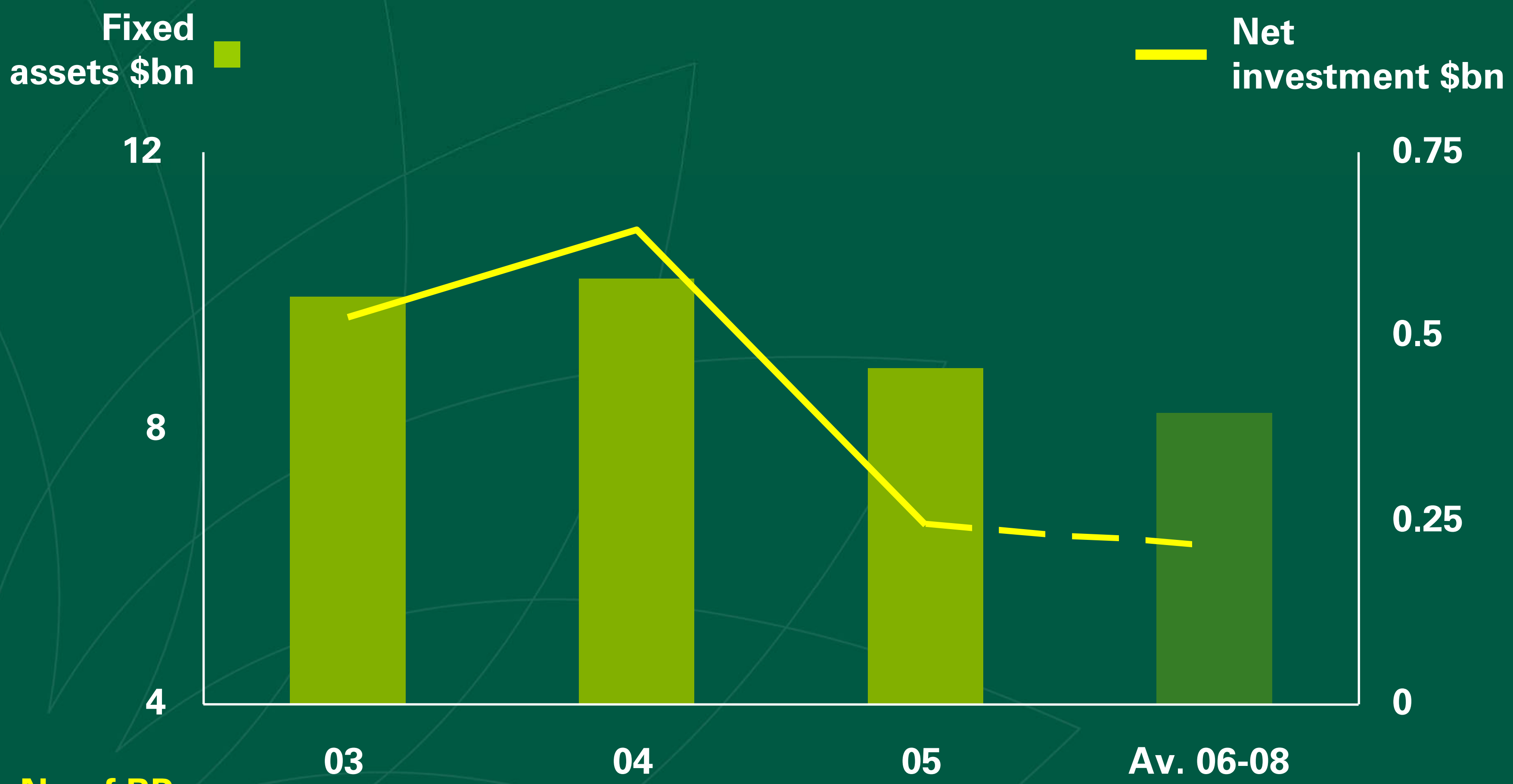
Retail: offer quality





BP data. Gross margin and Ultimate mix indexed 2003 = 100

Retail: portfolio



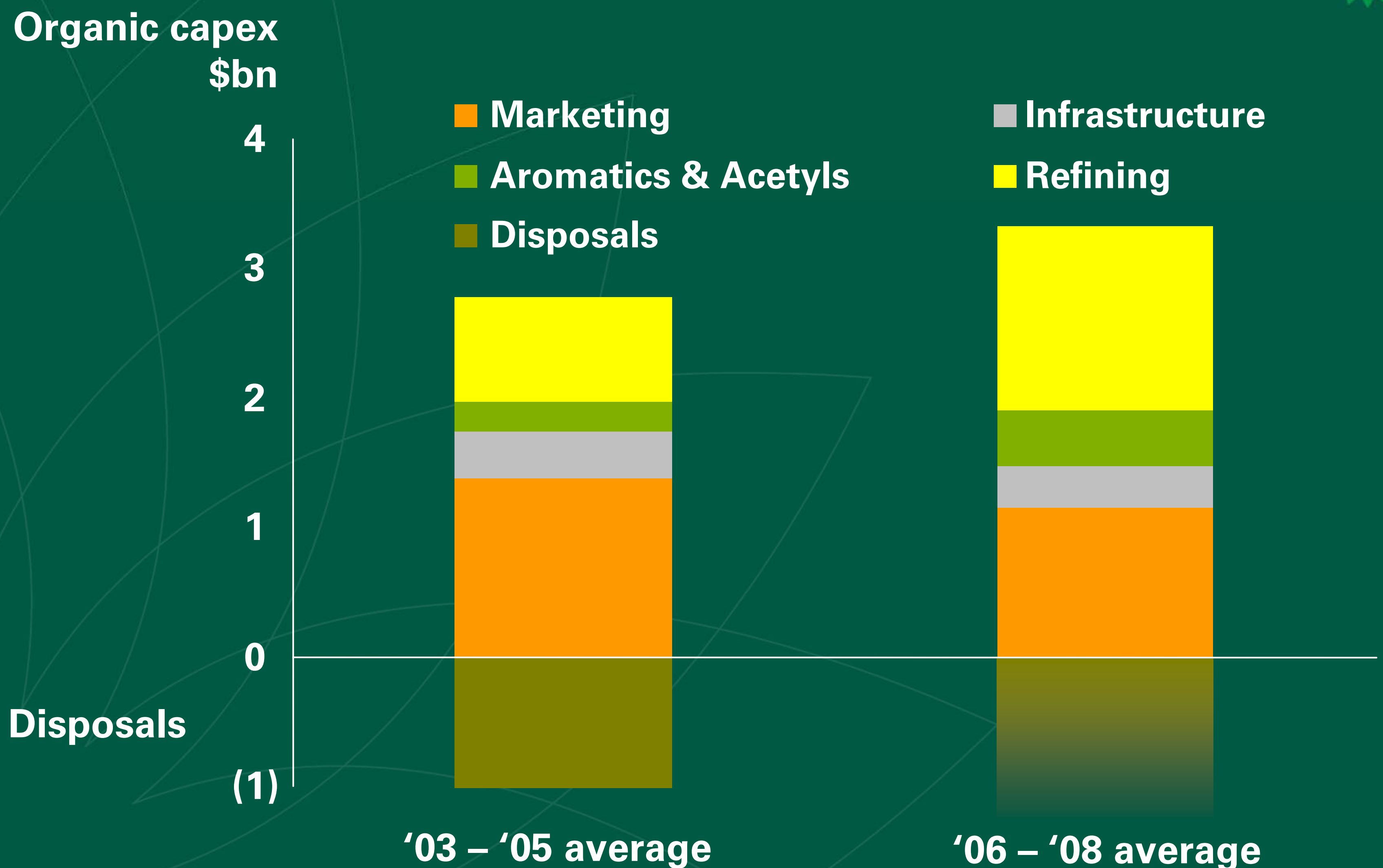
No of BP owned sites (thousands)	8.6	8.4	7.6	5.8

BP projection '06-'08

R&M: cost efficiency programmes

- Phase 1: in execution
  - Marketing operating / overhead costs
  - Complete by end ’07
  - $0.5bn cost reduction in ‘08
  - 10% improvement in marketing unit costs targeted
- Phase 2: in final planning
  - Transaction system effectiveness
  - Further productivity improvement

R&M: investment patterns

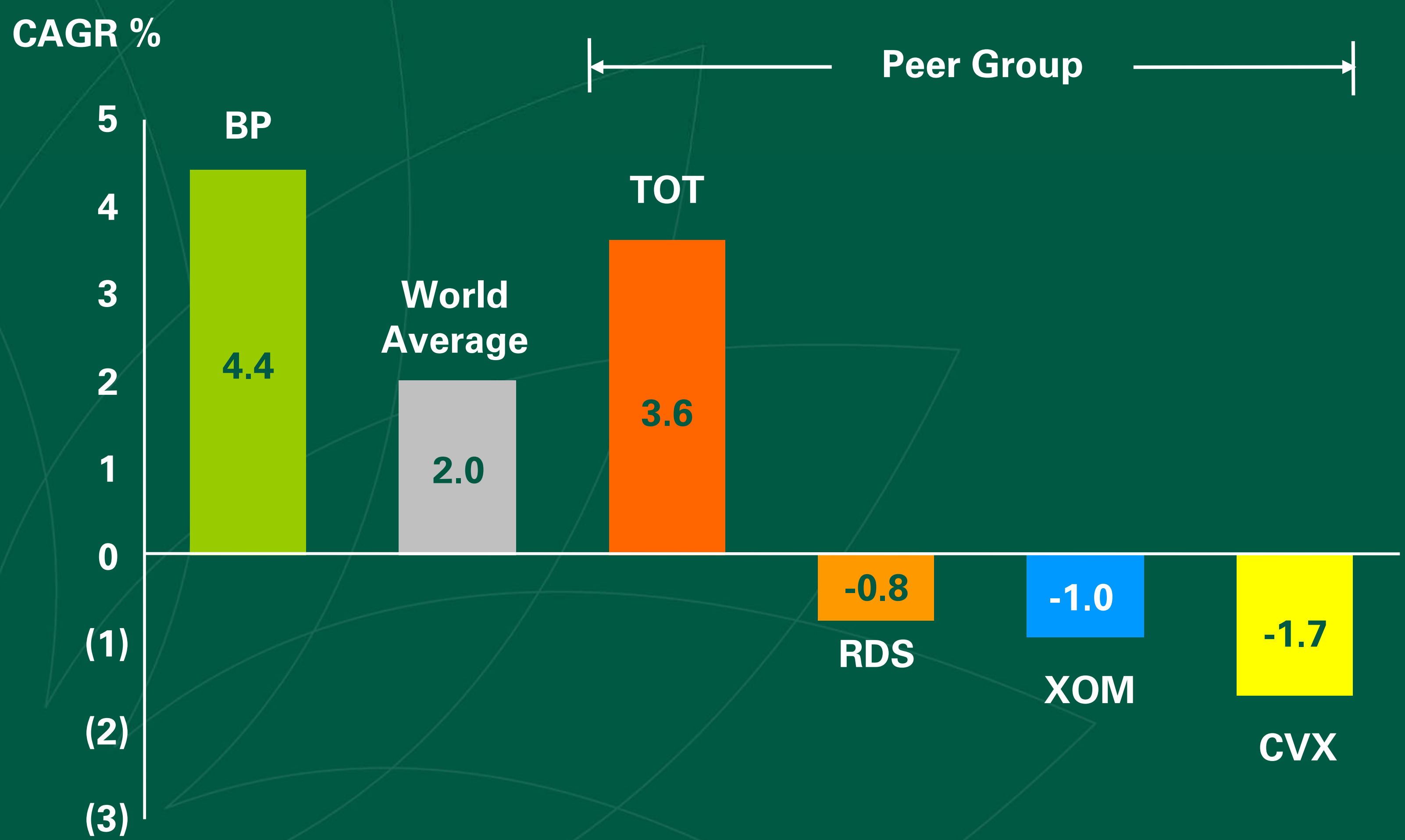


BP projection '06-'08

R&M: summary

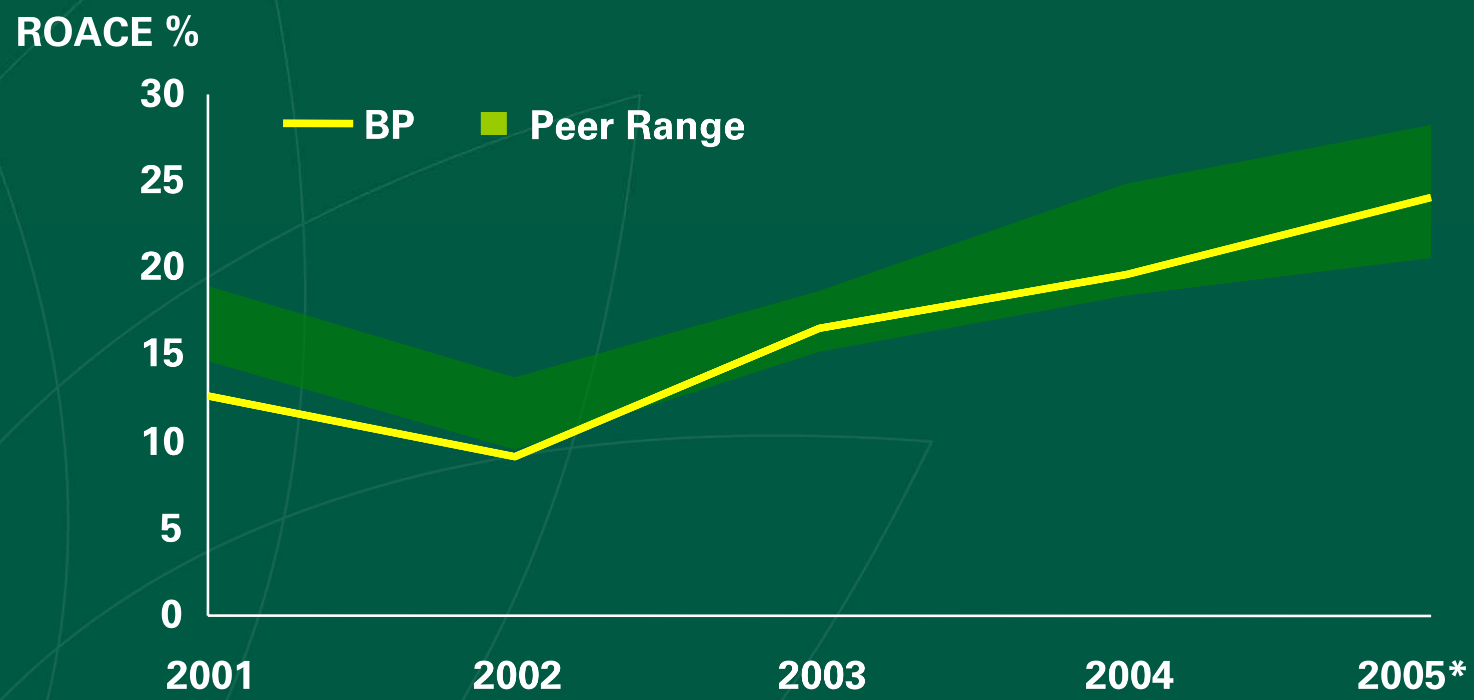
- Focus on safety and integrity
- Invest into advantaged capacity
- Deliver efficiency improvements
- Improve customer offers

Production growth 2000 - 2005



Source: company reports, broker estimates for Total 4Q05

Underlying ROACE vs. competition

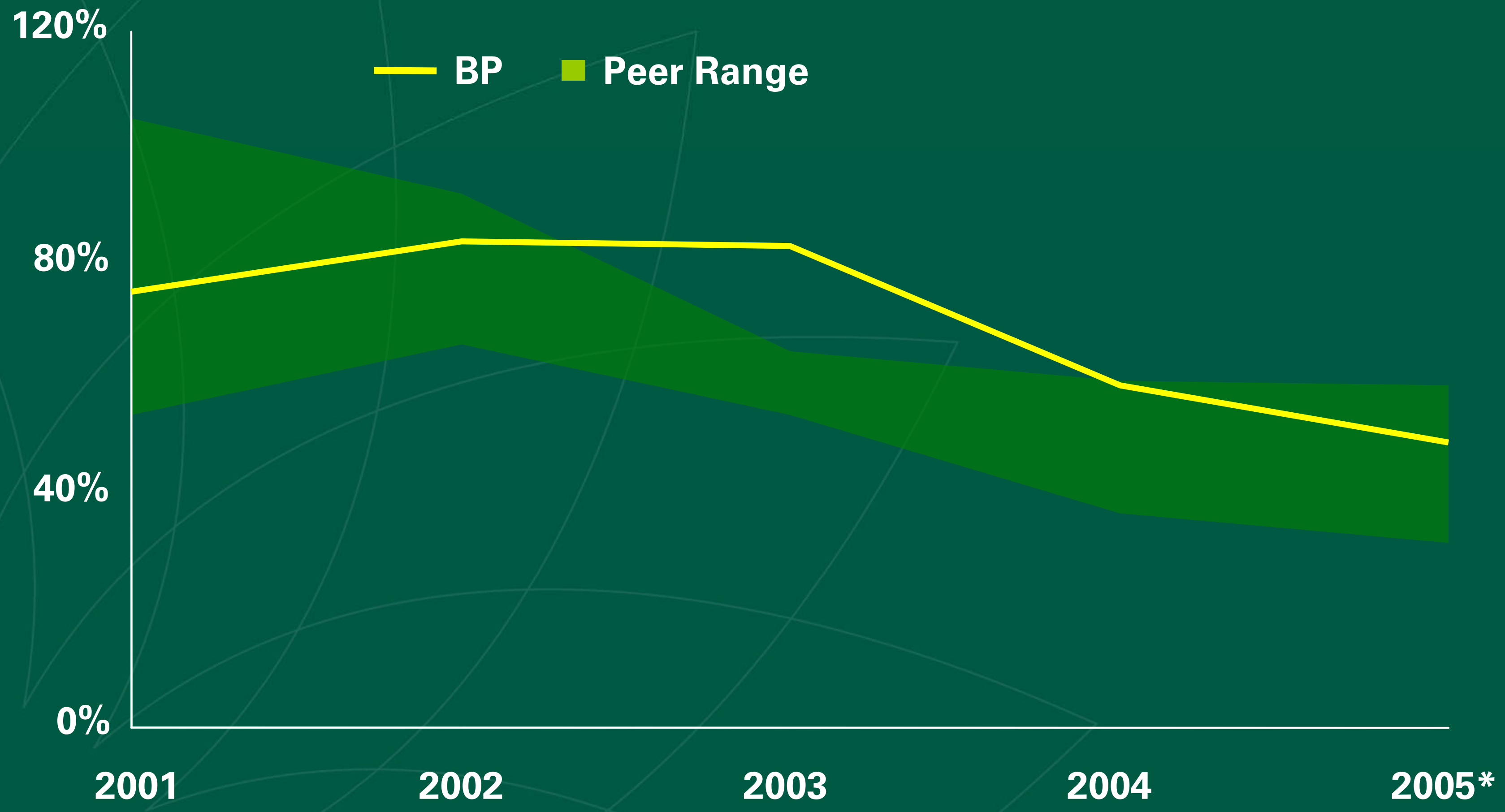


BP ROACE

	2001	2002	2003	2004	2005*
Headline	11%	7%	15%	16%	20%
Underlying	13%	9%	17%	20%	24%

*Peer range: ExxonMobil, Shell, Chevron, Total; peer source: published reports *2005 rolling 4Qs to 3Q05*
BP data: '01-'02 UK GAAP; '03-'05 IFRS
Headline ROACE = (Net Income + MI + Interest post tax) / (Average capital employed)
Underlying ROACE = (Net Income + MI + Interest post tax + non-operating items) / (Average capital employed excl. goodwill)

Reinvestment ratios



Peer range: ExxonMobil, Shell, Chevron, Total
*Peer source: Published reports *2005 rolling 4Qs to 3Q05*

BP data: '01-'02 UK GAAP; '03-'05 IFRS
reinvestment ratio = organic capex / cash from operations

Investment

$bn	2004	2005	2006
Capital expenditure	13.8	13.9	~15
Exploration & Production	9.7	10.1	~11
Refining & Marketing	2.7	2.7	3.3
Gas, Power & Renewables	0.5	0.2	0.5
Other	0.9	0.9	0.2
Acquisitions	2.8	0.2	-
Divestments	(5.0)	(11.2)	(3)

Source: Company reports; '06 BP projection
Divestments pre-tax. '04-'05 capital expenditure includes Innovene

Free cash flow

- Grow sustainable free cash flow
- 2005: a record $25bn, helped by environment and Innovene sale
- ’03-’05 average:
  - around $15bn p.a. at $41/bbl average oil price
  - around $13bn p.a. after adjusting for divestments and working capital changes

Five point business plan

Objective: Grow sustainable Free Cash Flow

1. Grow production 4% p.a. ‘05-’10 at $40/bbl
2. Control cost increases below inflation
3. Increase ROACE relative to peer group
4. Maintain capital discipline: ~around $15bn ’06
   ~$0.5bn/yr increase ’07-’08
5. Divest $3bn per year average

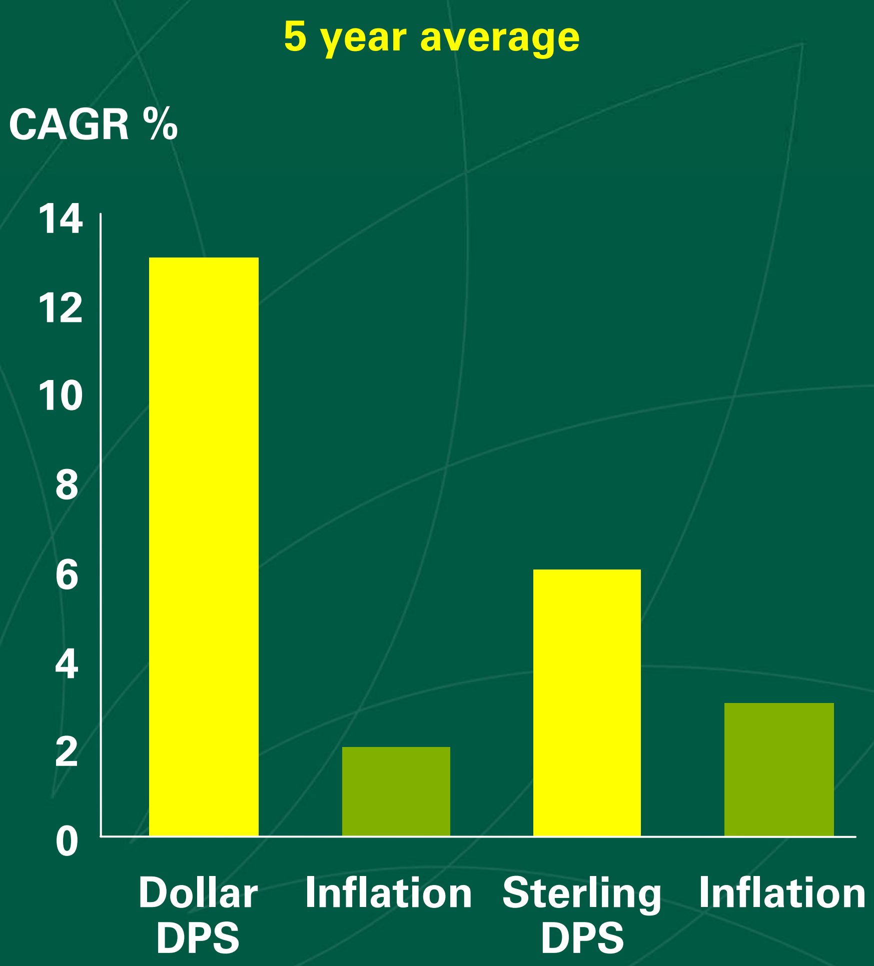
Financial framework

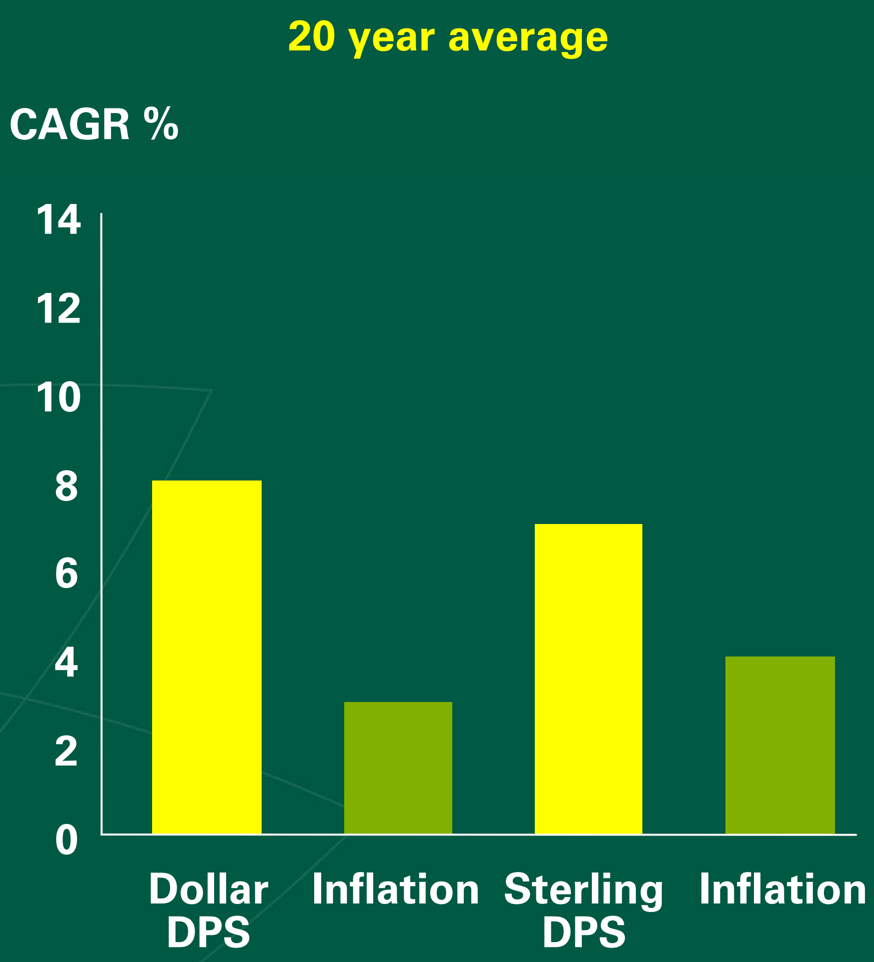
- Dividends
- Gearing
- Use of excess free cash flow

Dividends

- Progressive
- Sustainable:
  - test under downside conditions: $25/bbl
- Dynamic:
  - per-share dividend benefits from reduction in equity base from buyback programme

Historical dividend

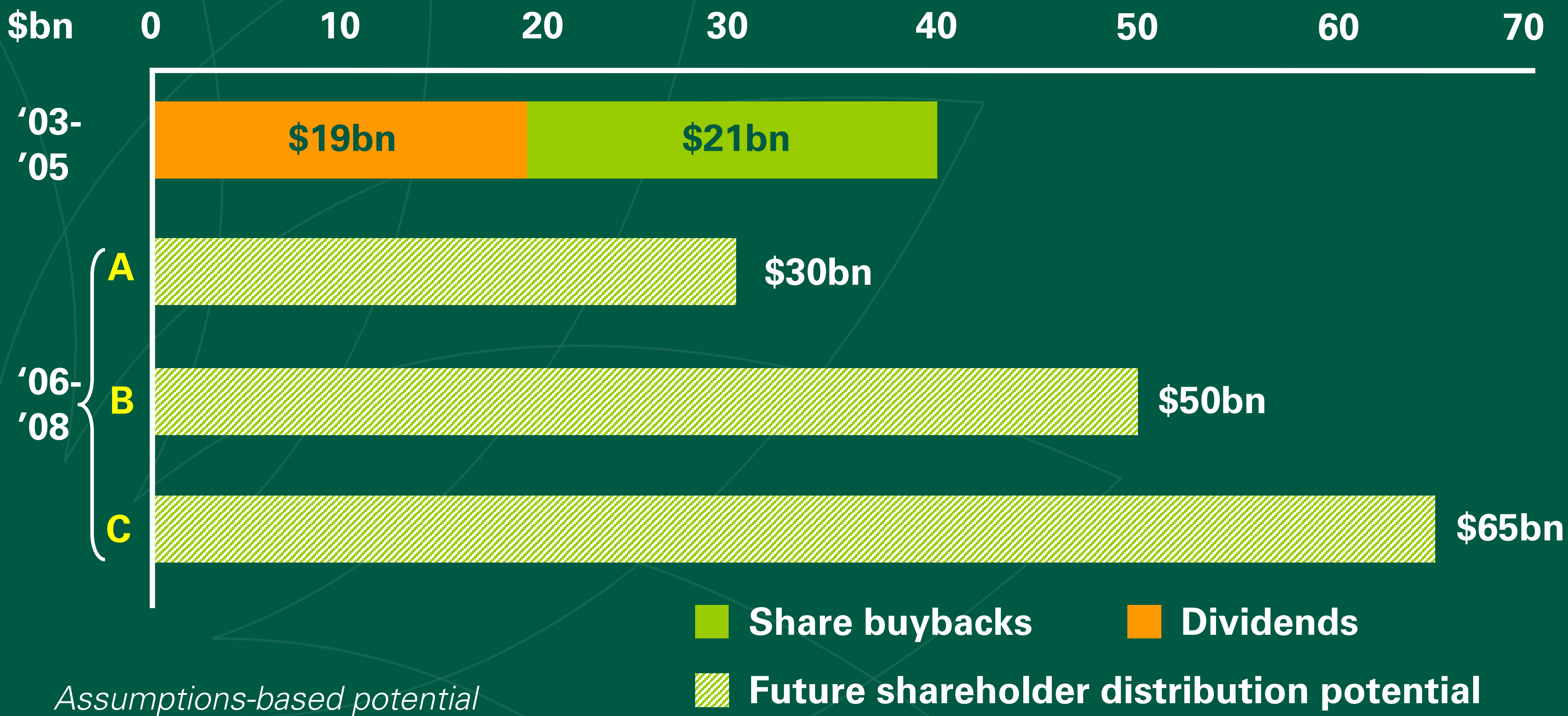




Dividends as paid basis, 2005 YTD inflation

Shareholder distribution potential

2003 - 2005 average		2006 - 2008 cases A	B	C
41	Brent $/bbl	25	41	60
6.7	HH $/mcf	4.0	6.7	9.5
6.4	refining $/bbl	3.5	6.4	6.4



Assumptions-based potential

2006 guidance

- Production in the range of 4.1 - 4.2 mmboe/d at $40/bbl
- Capital spending around $15bn
- Divestment level to be around $3bn

Summary

- Strong near term operating environment
- Growth momentum underpinned by quality of incumbent positions in resources and assets
- Maintaining capital and cost discipline
- Commitment to grow and distribute free cash flow

bp

Q&A

John Browne
Group Chief Executive

Byron Grote
Chief Financial Officer

Tony Hayward
Chief Executive
Exploration & Production

Andy Inglis
Deputy Chief Executive
Exploration & Production

Vivienne Cox
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Gas, Power & Renewables

John Manzoni
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