bp

John Browne

welcome and agenda

agenda

● strategy and prospects	John Browne
● plans, targets and indicators	
● dividends and share repurchases	
● implementing the strategy	
▸ upstream	Tony Hayward
▸ TNK-BP	Bob Dudley
▸ gas, power & renewables	Ralph Alexander
▸ petrochemicals	Iain Conn
▸ refining & marketing	John Manzoni
● corporate items	Byron Grote
● q & a	

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Byron Grote

introductory remarks

Forward Looking Statements Cautionary Statement

March 2004

This presentation and the associated slides and discussion contain forward-looking statements particularly those regarding BP's asset portfolio and changes in it, capital expenditure, capital efficiency, capital employed, cash flow, costs, decline rates, divestments, dividends and other distributions to shareholders, earnings, environmental remediation provisions, future performance, growth, gearing, industry growth and other trend projections, impact of foreign exchange exposure, interest expense, investments, margins, new projects and discoveries, operating efficiency, pension funding, prices, production and production growth, profit, reserves, reserves replacement rates, returns, rollouts of fuel and convenience offers, tax rates, timing of pending transactions. Forward-looking statements by their nature 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 these statements depending on a variety of factors including the following: the timing of bringing new fields on stream, 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 regulations, exchange rate fluctuations, development and use of new technology, changes in public expectations, successful commercial relationships, the actions of competitors, natural disasters and other changes in business conditions, wars and acts of terrorism or sabotage and other factors discussed elsewhere in this presentation

Cautionary Statement for 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 conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as oil and gas resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC.

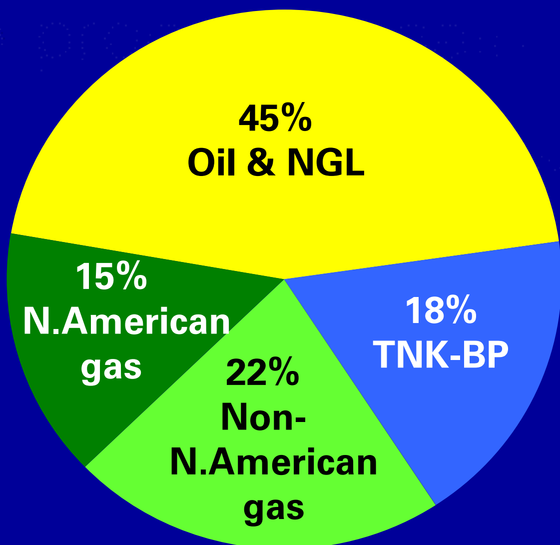
Reconciliations to GAAP

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

methodology

- cash returns
  - segments pre-tax
- capital in service
- production
- growth rates
- historical data at financial planning case
  - Brent $20/bbl
  - HH $3.5/mcf
  - refining $2.70/bbl

2004 estimated rules of thumb

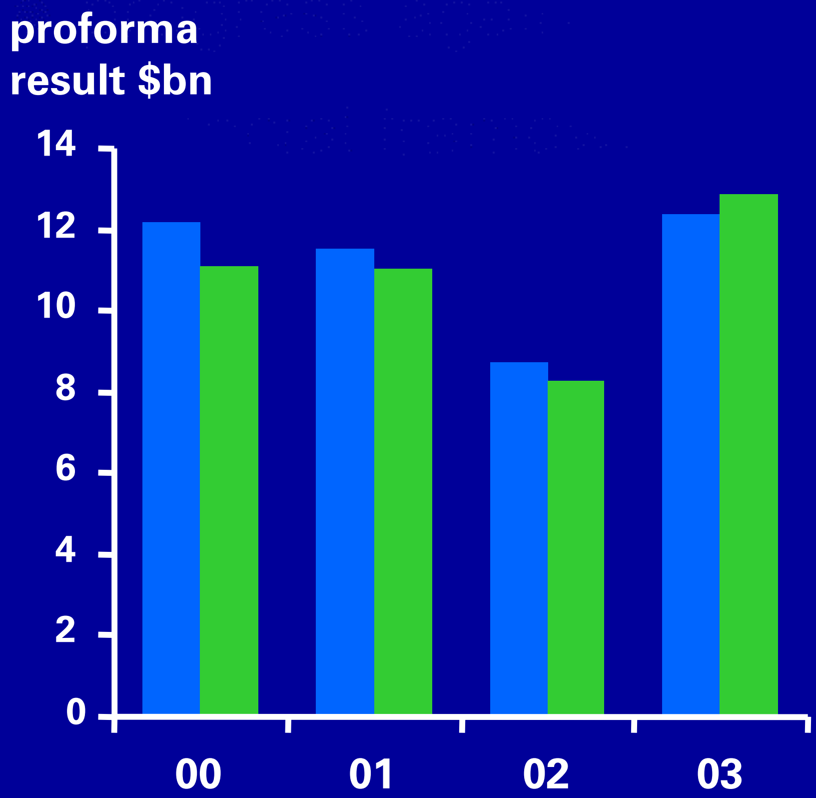


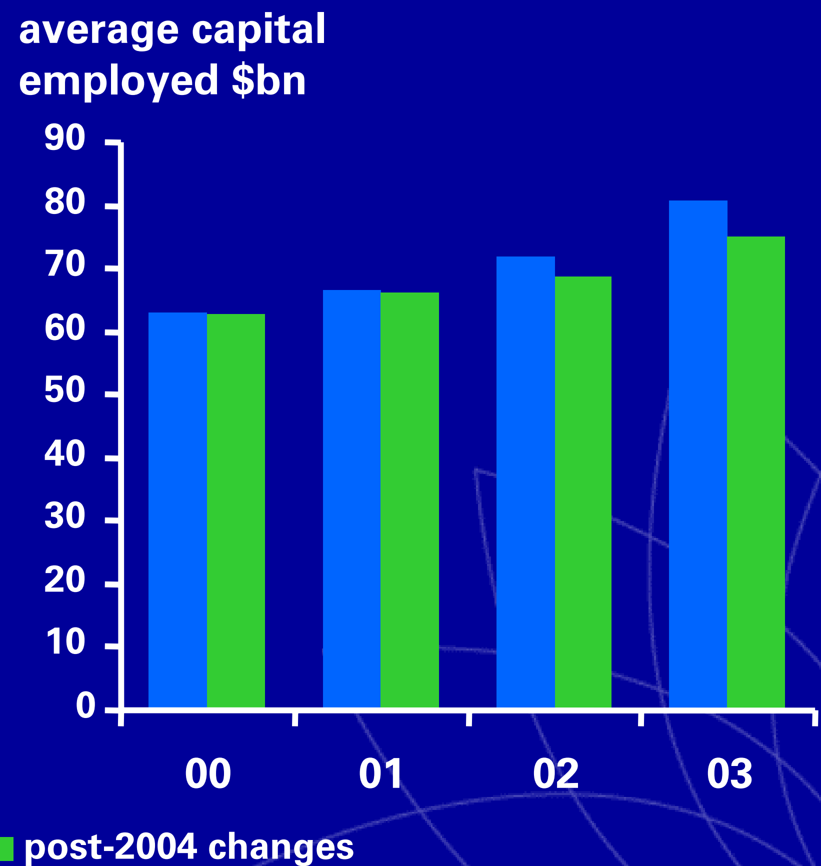
4Q03 production mix

	full year pre-tax
oil price Brent +/- $1/bbl	$570m
gas price HH +/- $0.1/mcf	$110m
refining margin +/- $1/bbl	$1120m

2004 reporting changes

- FRS 17*, ESOP accounting, earnings format, NGL transfer
- no cash flow impact





* FRS 17 restatements for 2002 and 2003 only

reserves

- governance process
  - reserve bookings aligned with financial commitment
  - central internal review in place for 15 years
  - changes > 25m barrels require authorisation
  - quarterly due diligence
- reporting standards
  - UK listed company reporting under principles of UK Statement of Recommended Practice (SORP)

bp

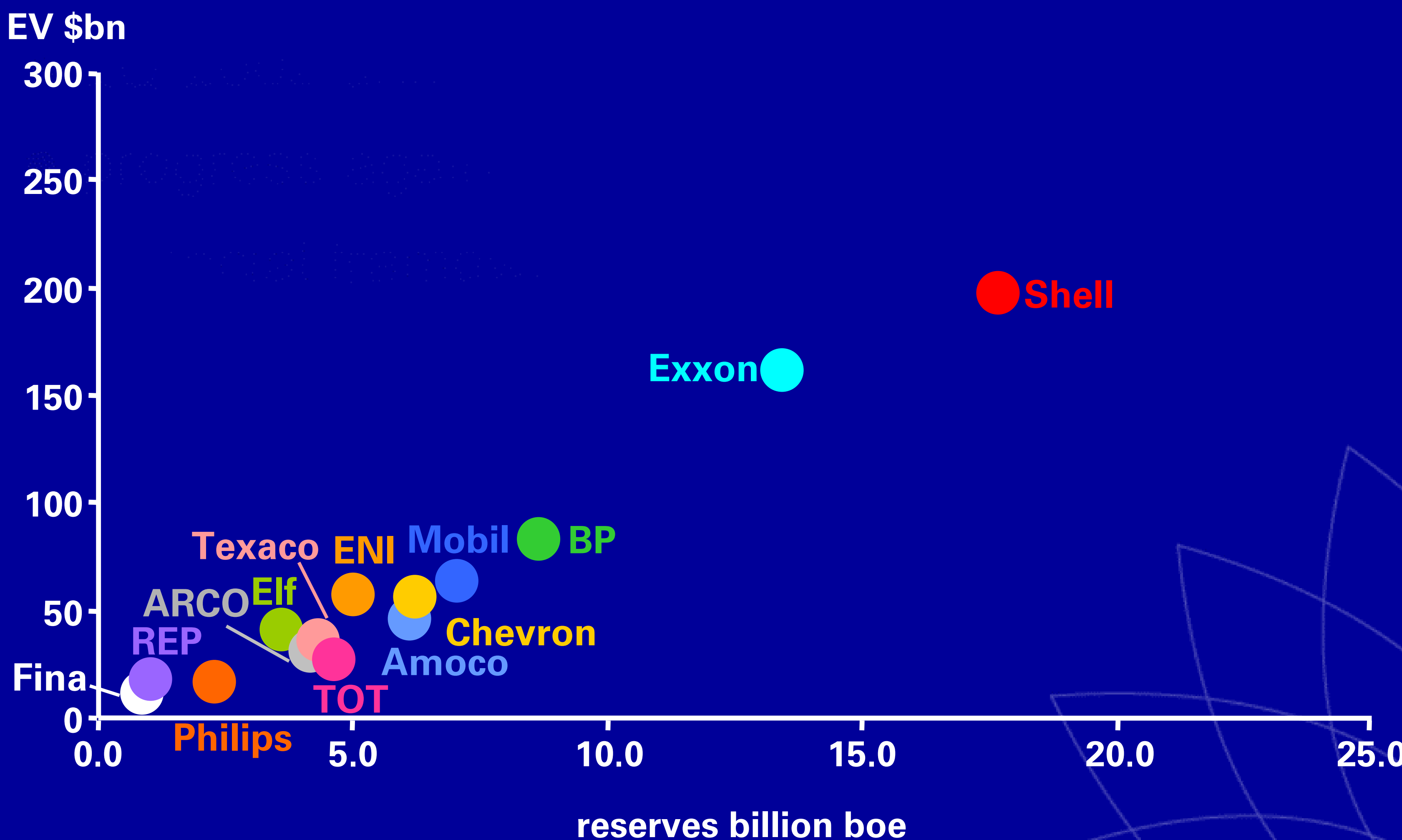
John Browne

BP’s strategy: progress and prospects

the purpose of consolidation

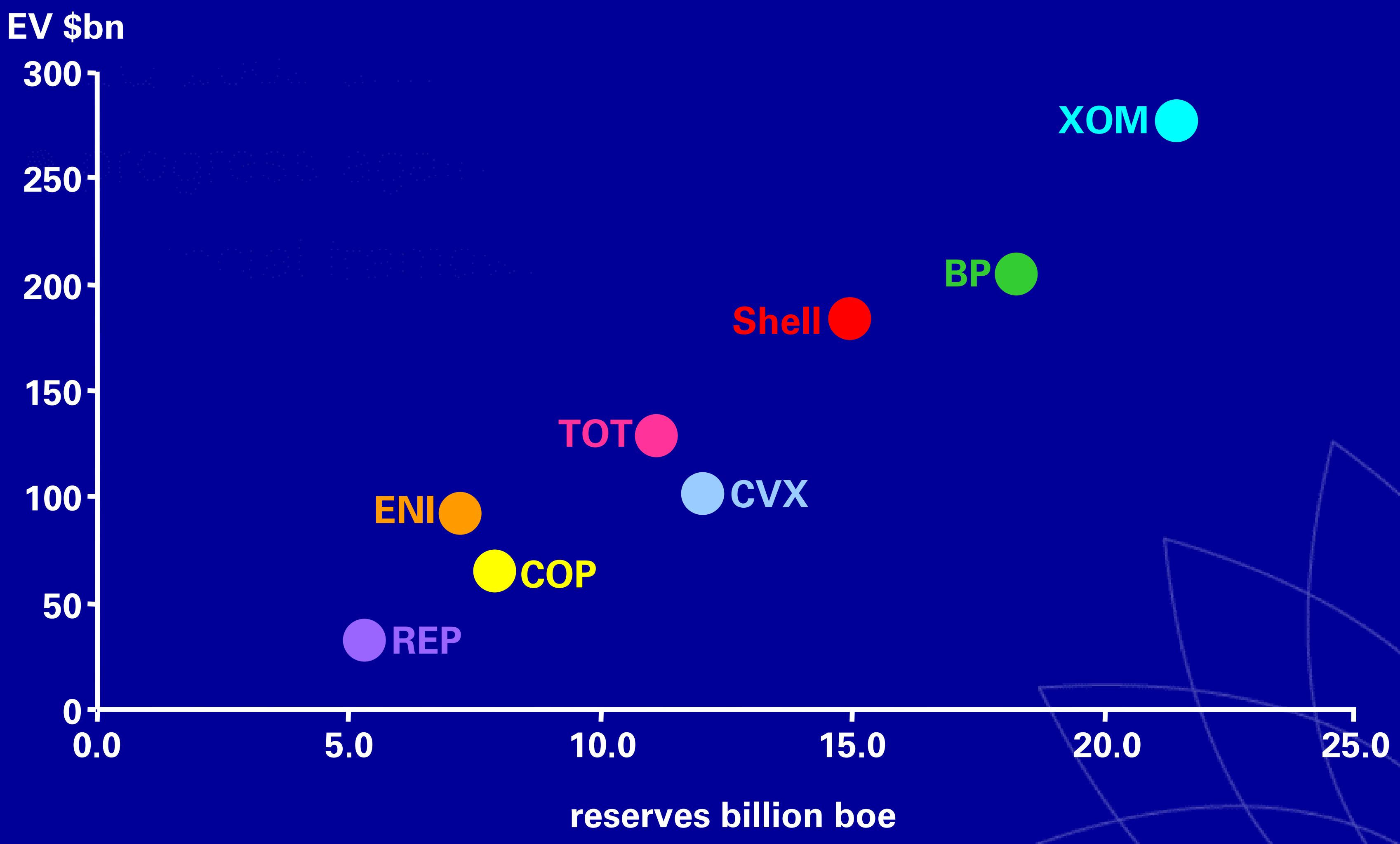
- scale
- scope
- capability
- capacity

reserves and enterprise value: 1997



end of year 1997, based on published data

reserves and enterprise value: current



end of year 2003 reserves. 19/03/04 enterprise value. based on published data. BP includes share of TNK-BP reserves. Shell (post reserves restatement), ENI and Repsol are BP estimates.

sources and uses of cash 2000-2003

sources

	$bn
cash from operations	69
divestments	25

uses

	$bn
capex	52
acquisitions	14
stock buy backs	6
dividends	20
pensions	2

resources and customer facing businesses

00-03 $bn	**resources**	**customer facing**
divestments	10	6
capex	(33)	(16)
acquisitions	(7)	(10)

- all cash flow from customer facing businesses reinvested 2000-03

note: excludes corporate items

customer facing businesses

- quality and scale
- lower volatility
- balance risk and return

selection of assets and markets

maximise long run shareholder value

- expand capital base
- maintain cash returns
- grow cash flow

strategy

resources

- build production with steadily improving cash returns
- invest in the largest, lowest cost basins
- manage decline of existing production assets

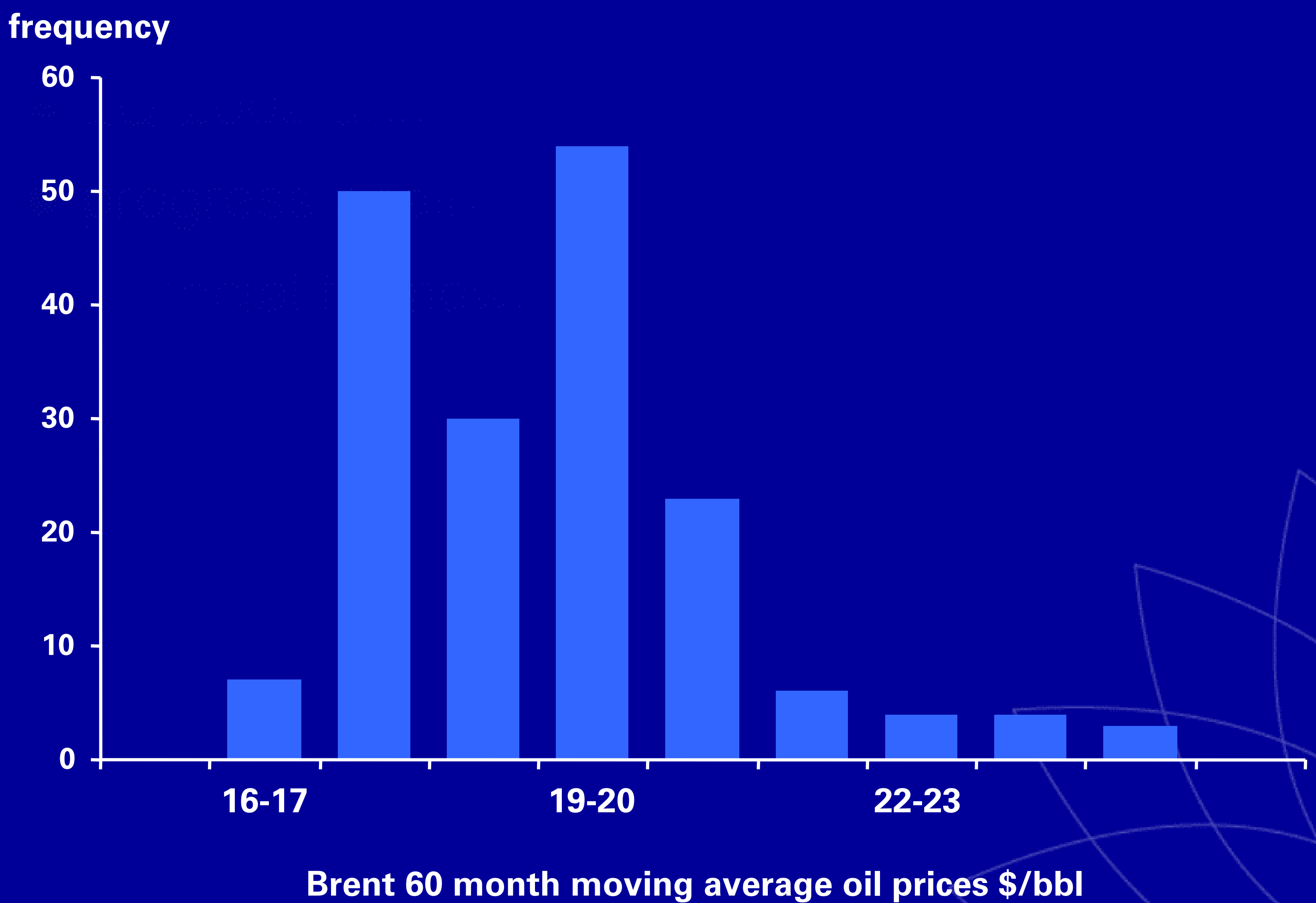
customer facing

- expand customer capture
- improve quality to grow gross margin
- grow cash flow at constant cash returns

oil price uncertainties

- demand
- supply
  - OPEC
  - non OPEC

oil prices: the last 20 years



oil prices

- $20/bbl for resource allocation
- $16/bbl for contingency planning
- $20/bbl for financial planning

future oil prices

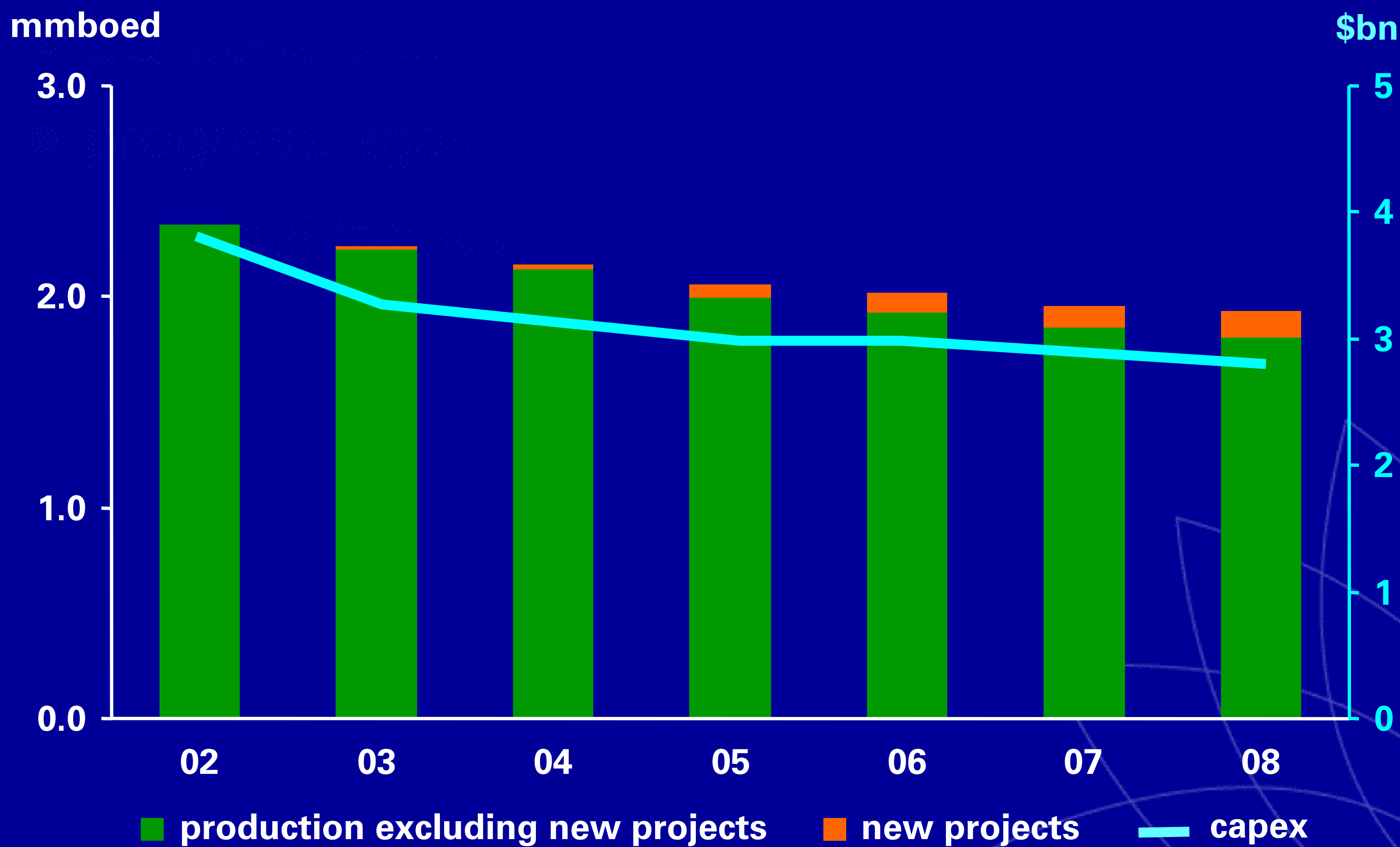
considerations

- OPEC's track record
- OPEC dynamics
- demand
- historical real oil prices ($24/bbl)
- forward markets

business segments

- resources business
  - existing profit centres
  - new profit centres
  - Russia
  - future growth
- customer facing businesses
  - refining and marketing
  - petrochemicals
  - gas, power & renewables

existing profit centres: production and capex

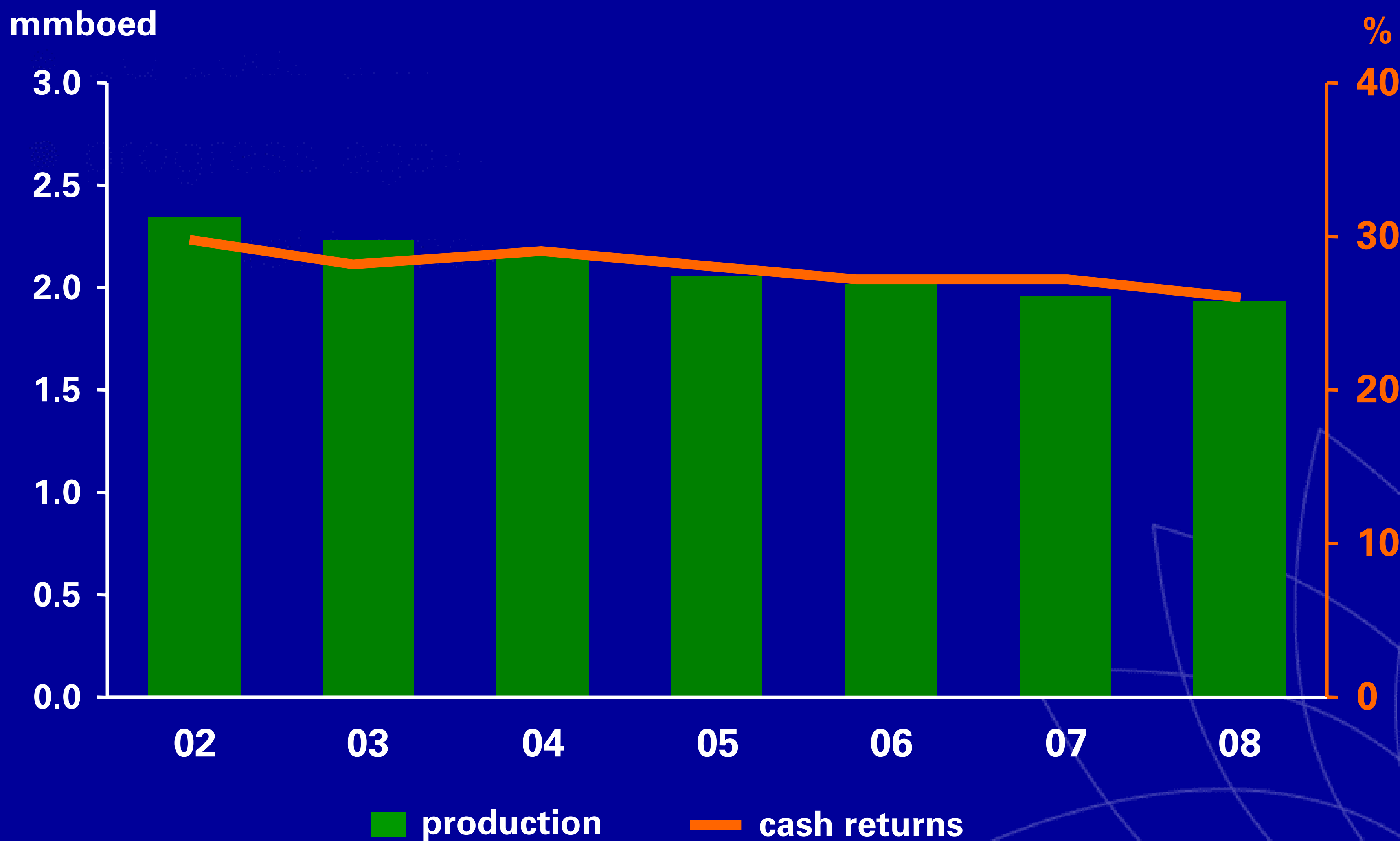


04-08 BP estimates

existing profit centres: managing production

- new projects
- operational uptime
- addition of reserves
- control of investments and costs

existing profit centres: cash returns

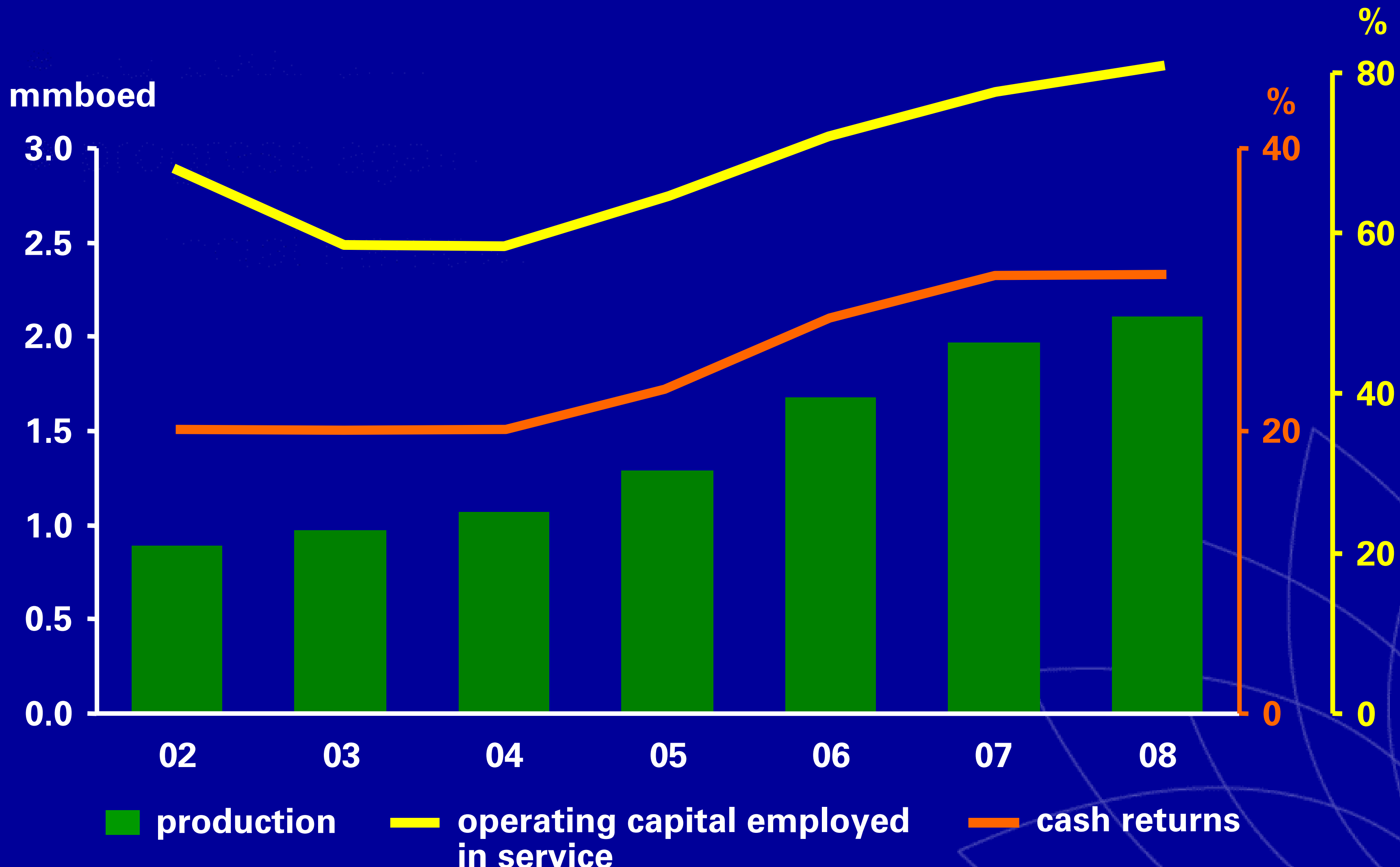


04-08 BP estimates

new profit centres: projects

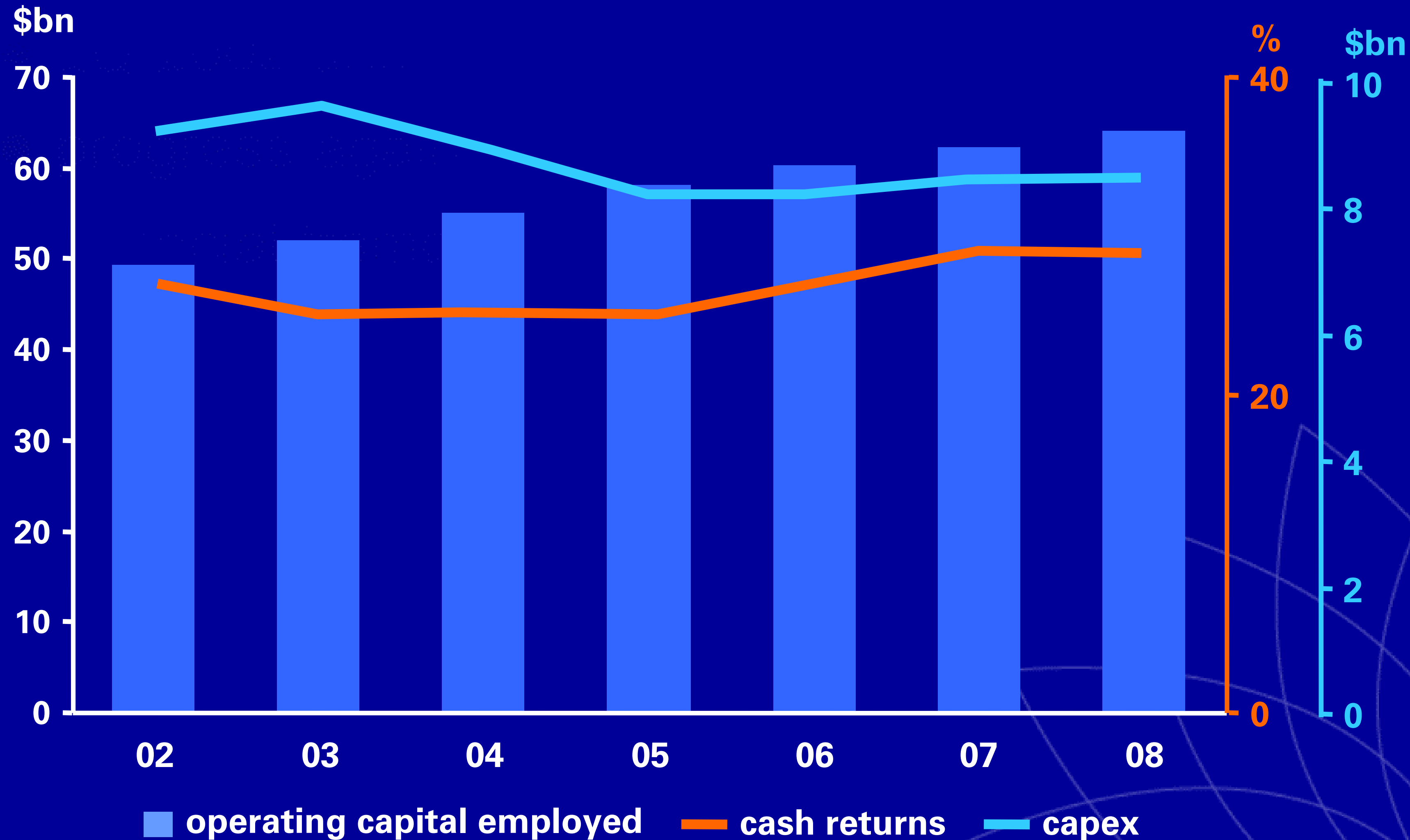
2004	2005
Atlas Methanol	Mad Dog
In Salah	Thunderhorse
Kizomba A	Azeri
Holstein	BTC
NW Shelf LNG T4	In Amenas
	Trinidad LNG T4

new profit centres: cash returns



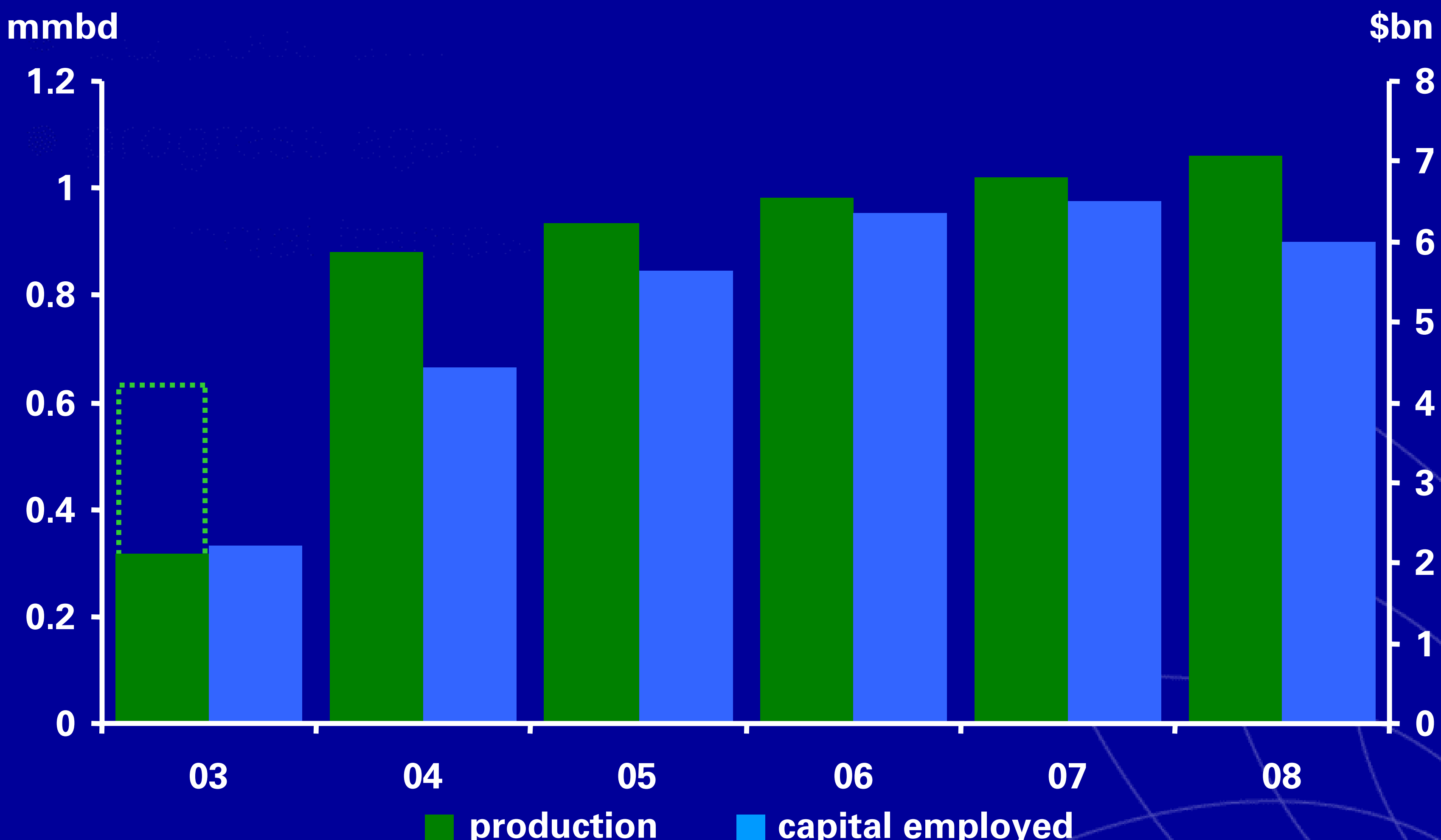
04-08 BP estimates

existing and new profit centres



04-08 BP estimates

TNK-BP:
capital employed and oil production



data prior to August 2003 represents BP interest in assets contributed to TNK-BP.
2003 partial year production. 04-08 BP estimates. includes Slavneft.

TNK-BP

- synergies and additional production
- dividend from strong residual cash flow
- continued investment self-financed
- longer term importance

e&p: beyond 2008

- resources
  - existing and new profit centres 24bn boe
  - Russia 13bn boe
- capex (2007 and beyond) $8-9bn p.a.
- long term production growth

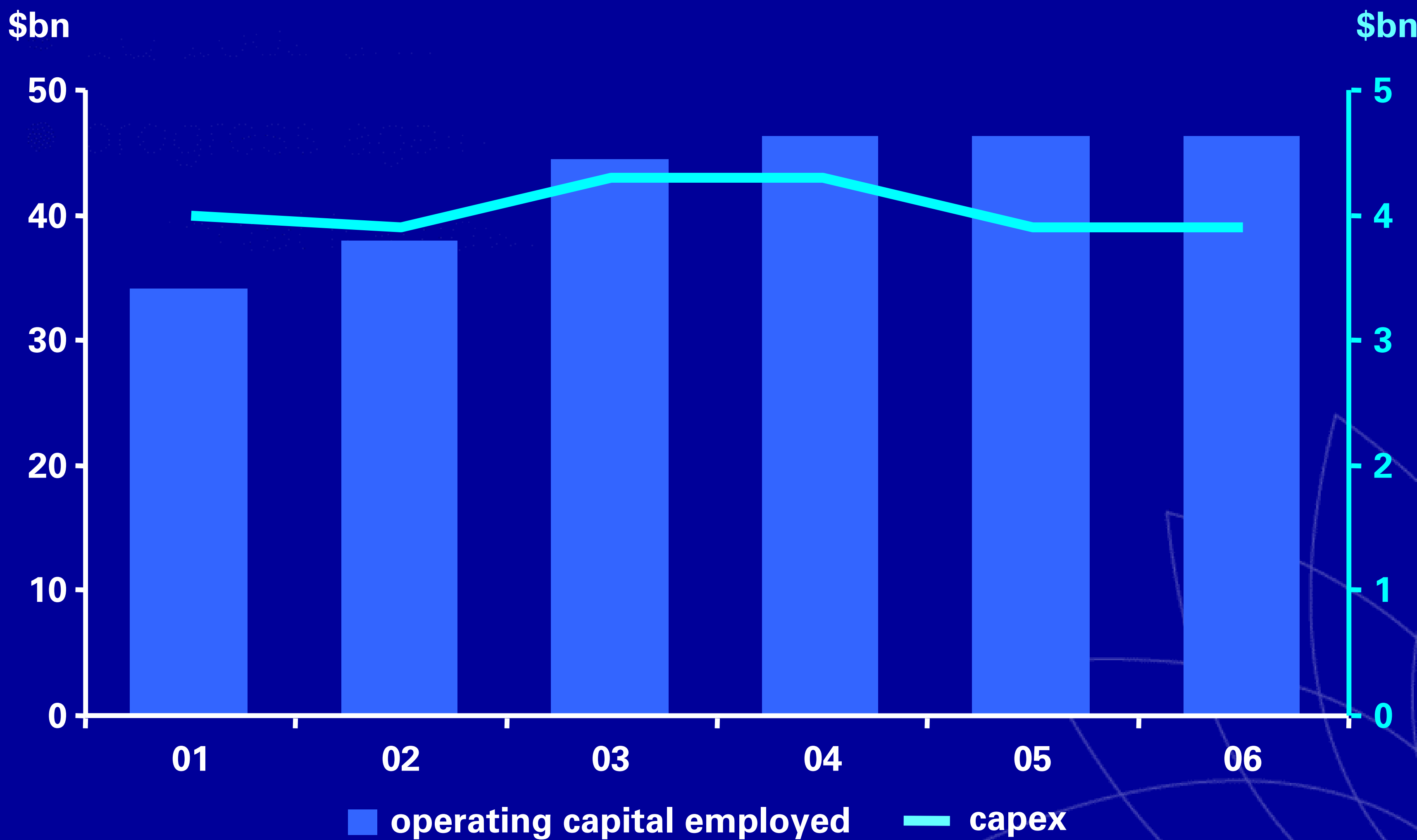
resources business summary

- existing profit centres
  - managing decline
- new profit centres
  - capital in service
- TNK-BP
  - dividends

business segments

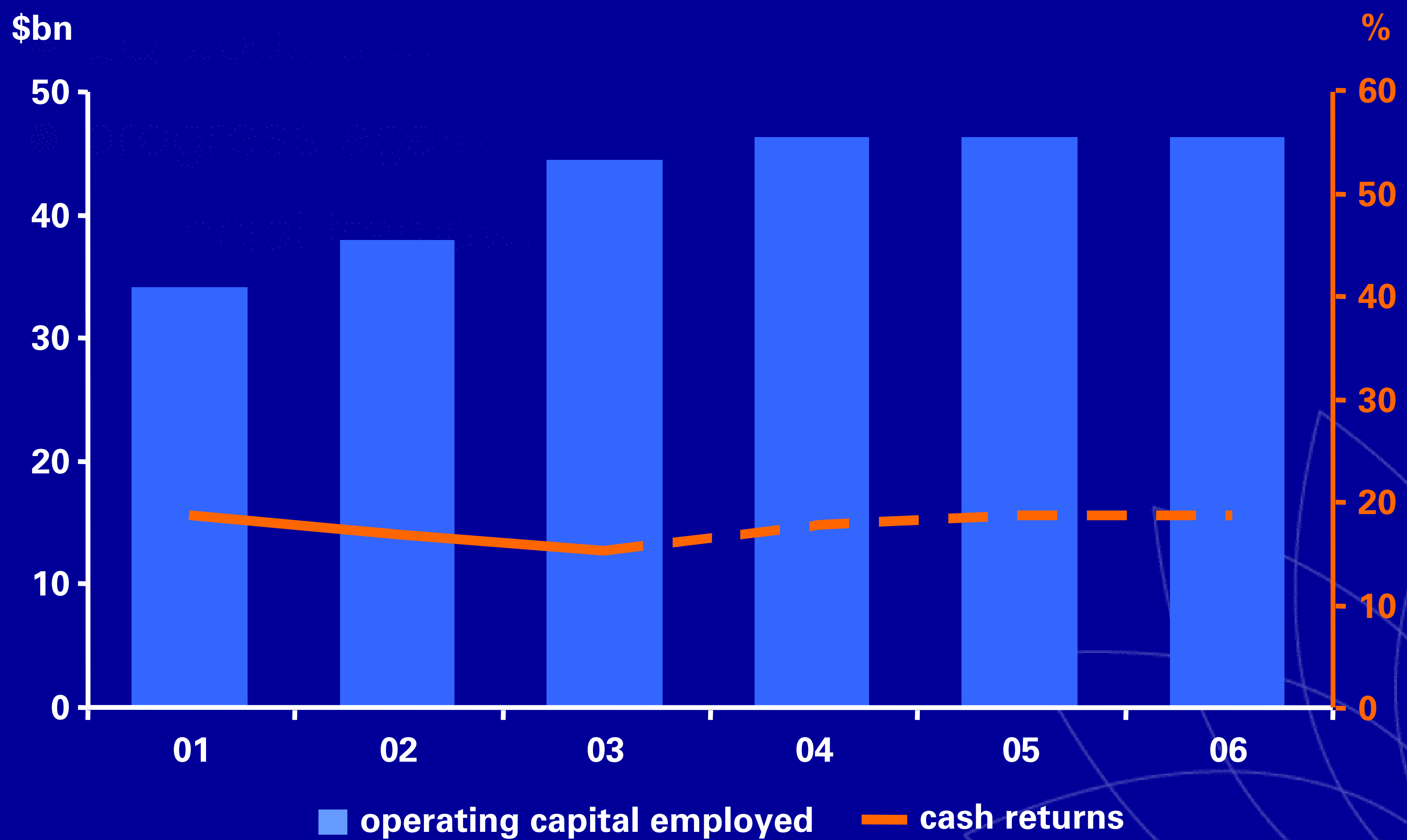
- resources business
  - existing profit centres
  - new profit centres
  - Russia
  - future growth
- customer facing businesses
  - refining and marketing
  - petrochemicals
  - gas, power & renewables

customer facing businesses: investment



04-06 BP estimates

customer facing businesses: returns



04-06 BP estimates

refining & marketing

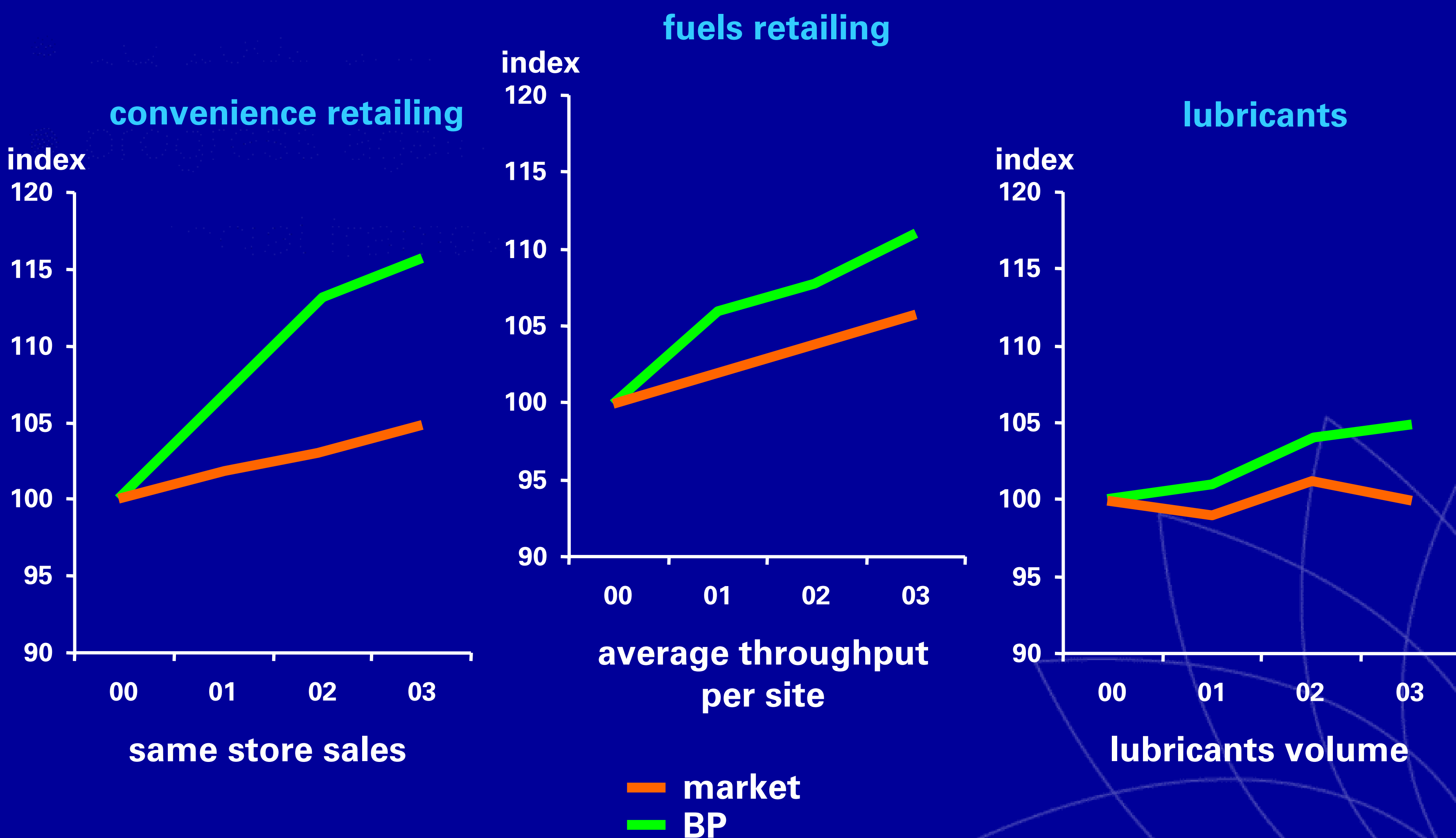
refining

- portfolio US and Europe
- availability and costs
- capex declining

marketing

- new formats and products
- sales growth
- market leadership

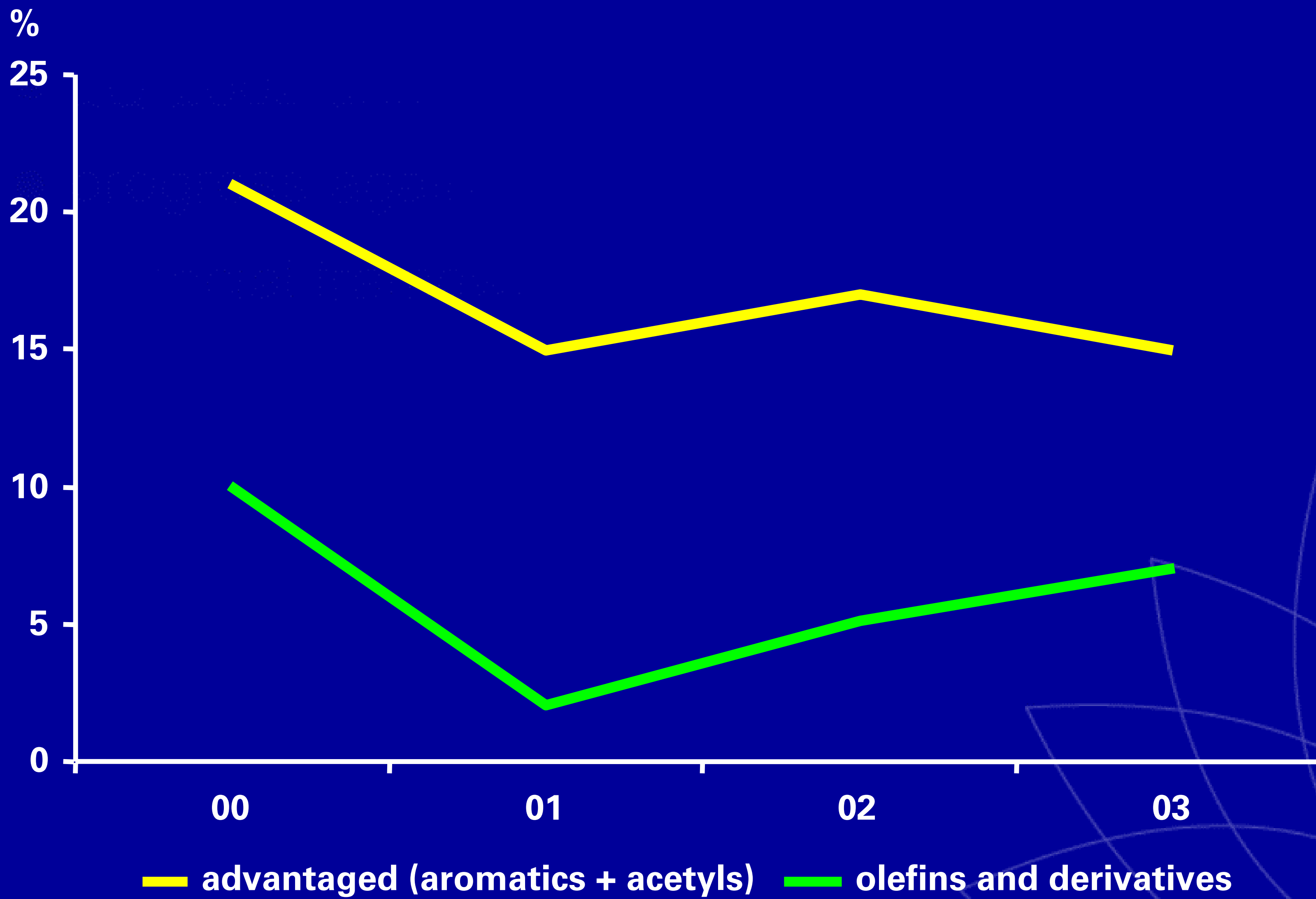
oil products marketing



petrochemicals

- returns
- disposals
- operations
  - reliability
  - cost reductions
- portfolio
  - advantaged products
  - olefins and derivatives

petrochemicals: cash returns



gas, power and renewables

- developing customers for equity gas
- three principal sub-segments
  - marketing and trading
  - NGLs
  - LNG

summary: customer facing segments

- portfolio
- returns
- skills
- new products and offers

patterns of investment

$bn	2003	2004	2005-06
capital expenditure	**14.0**	**13.5**	**12.0-12.5 p.a.**
upstream	9.7	9.0	
gp&r	0.3	0.6	
refining & marketing	3.0	2.8	
petrochemicals	0.8	0.9	
other	0.2	0.2	
acquisitions	**6.0**	**1.4**	
divestments	**(6.4)**	**(3.0-4.0)**	**(1.0) p.a.**

note:

TNK-BP consideration (equity)		**1.25**	**1.25 p.a.**

04-06 BP estimates

group cash returns: pre-tax

04-06 BP estimates

distributions

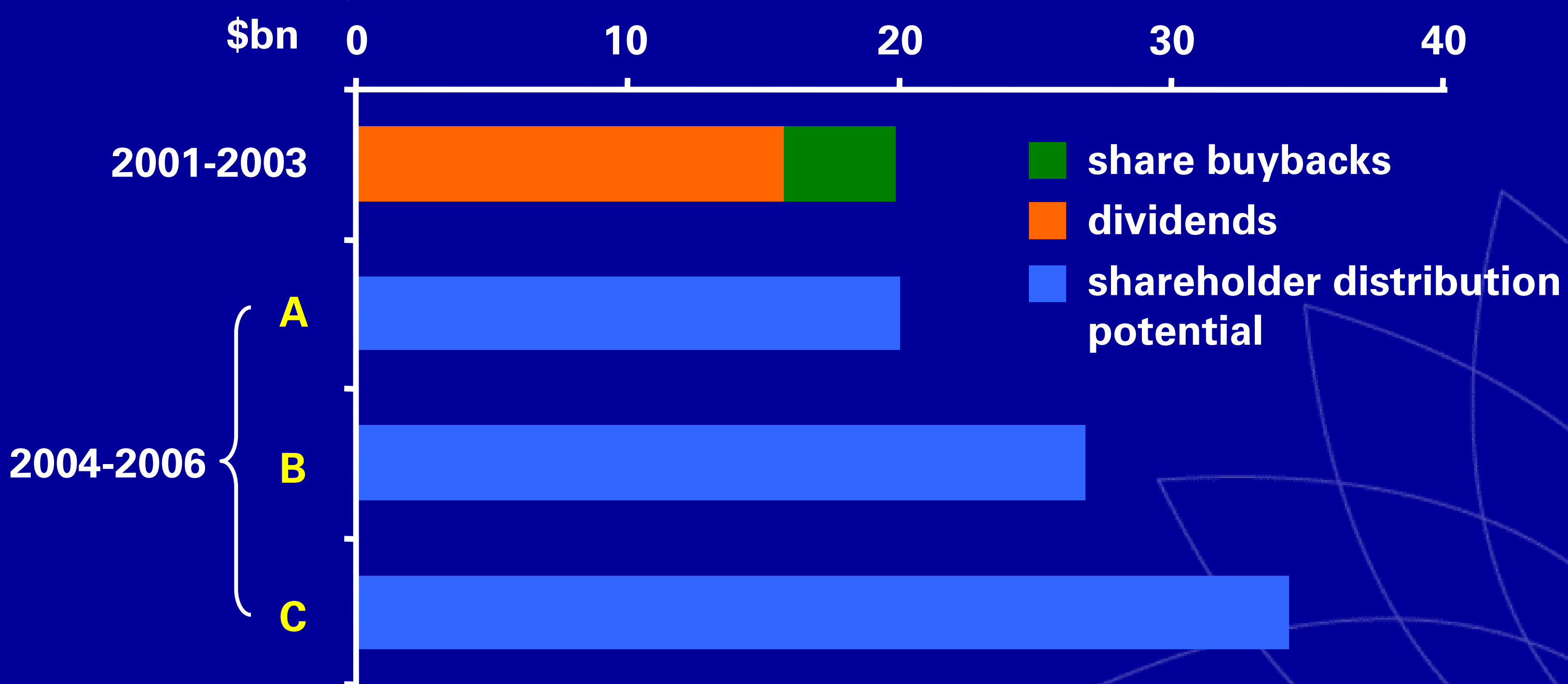
- dividends
- gearing
- excess free cash flow

gearing

- gearing band unchanged
- manage weighted average cost of capital
- headroom at low oil prices
- distribute excess cash

shareholder distribution potential

2001-2003		2004-2006 cases		
avg.	case	A	B	C
26	Brent $/bbl	20	25	30
4.3	HH $/mcf	3.5	4.4	5.3
3.3	refining $/bbl	2.7	2.7	2.7



04-06 BP estimates

organisation

- new framework
- individual accountabilities
- control processes
- targets
- deliver performance
- manage risk

summary

- free cash flow
- financial strength
- asset quality
- returns

targets

- reinvest for long term growth
- increase dividends
- distribute 100% of excess cash flow

strategic indicators

- production growth from 2003 to 2008
  - 5% p.a. average without TNK-BP
  - 7% p.a. average with TNK-BP
- pre-tax cash returns improvement of around 2 percentage points by end 2006
- pre-tax operating capital employed growth of around 15% by end 2006
- F&D costs in range of $4-5/bbl for 2004-06
- capex in range of $12-12.5bn p.a. to end 2006

04-08 BP estimates

Tony Hayward

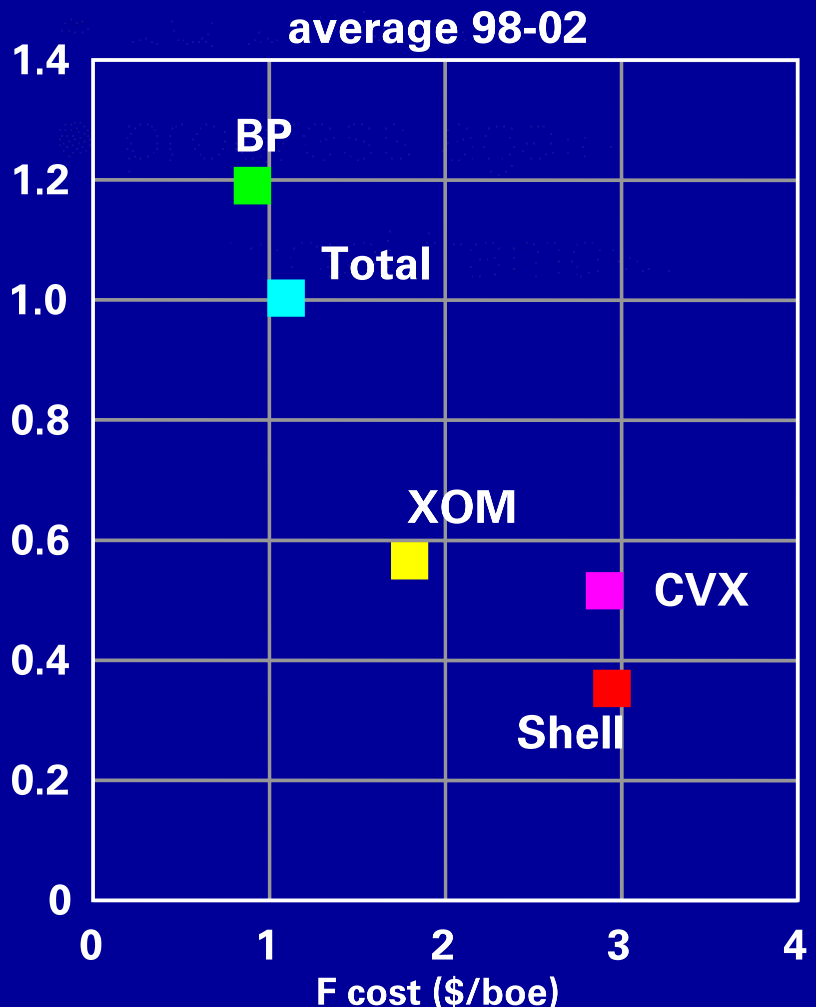
exploration and production

exploration and production

- exploration and reserve base
- managing decline in our existing profit centres
- progress in developing our new profit centres
- TNK-BP
- 2008 and beyond

reserves replacement

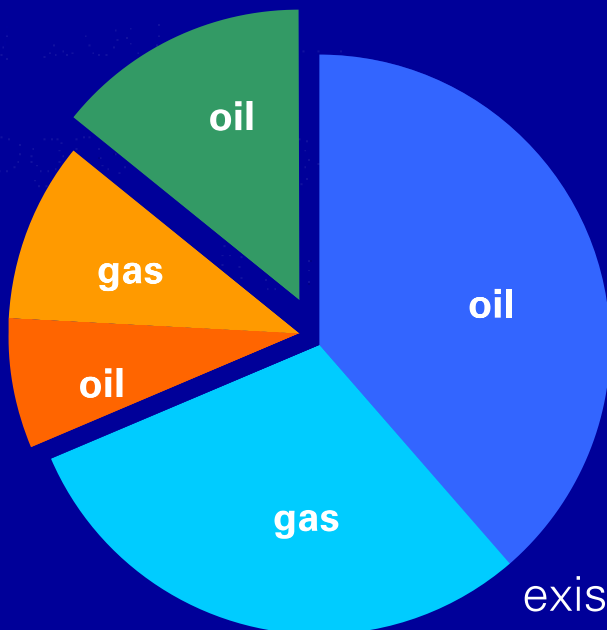
replacement ratio:
extensions and discoveries



source: company reports

proved reserves

TNK-BP

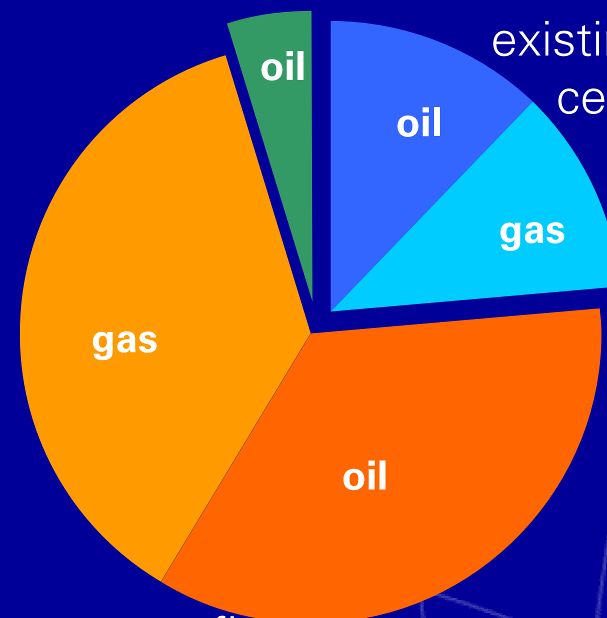


new profit centres

existing profit centres

developed
9.8bn boe *

TNK-BP



existing profit centres

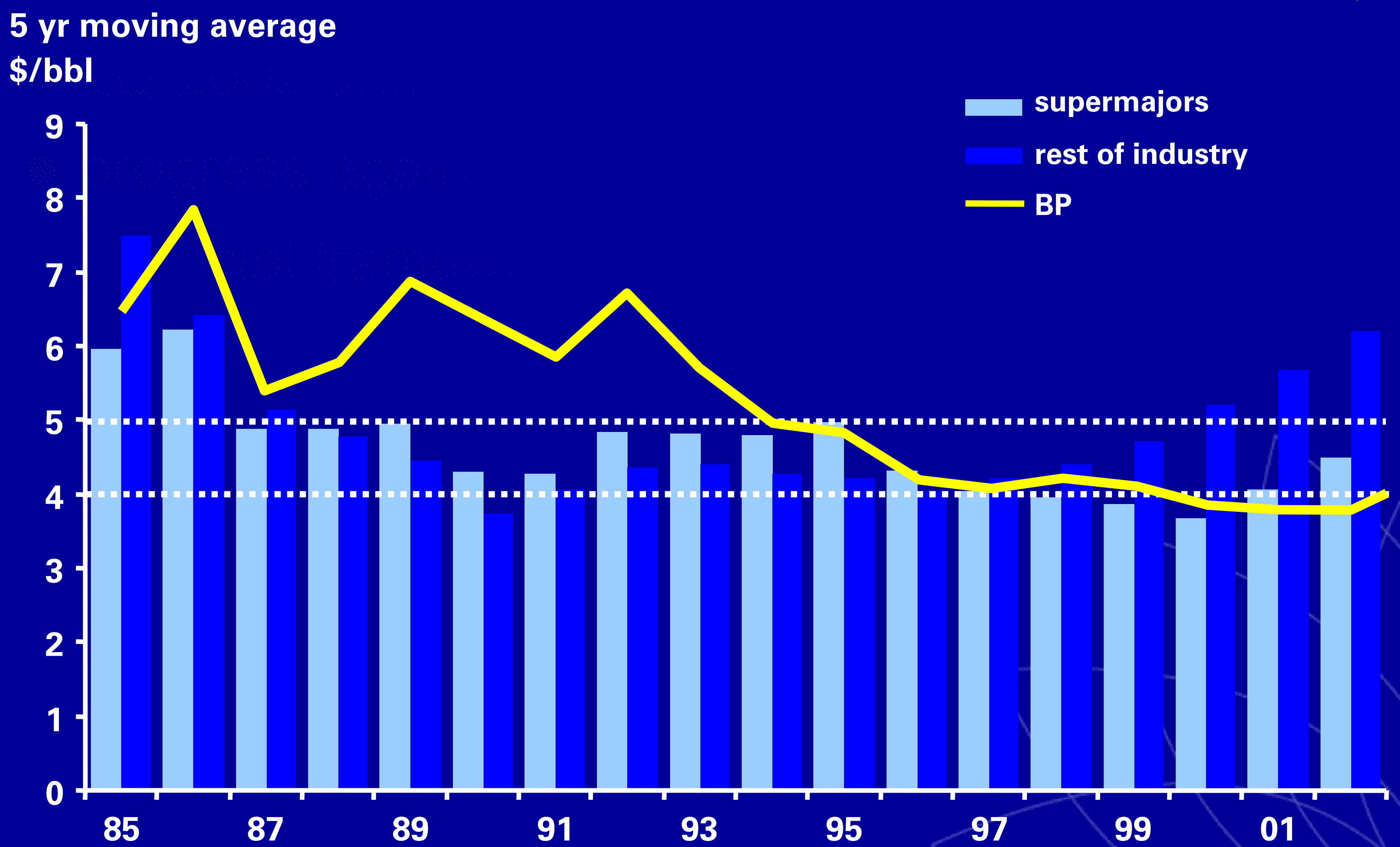
new profit centres

undeveloped
8.5bn boe *

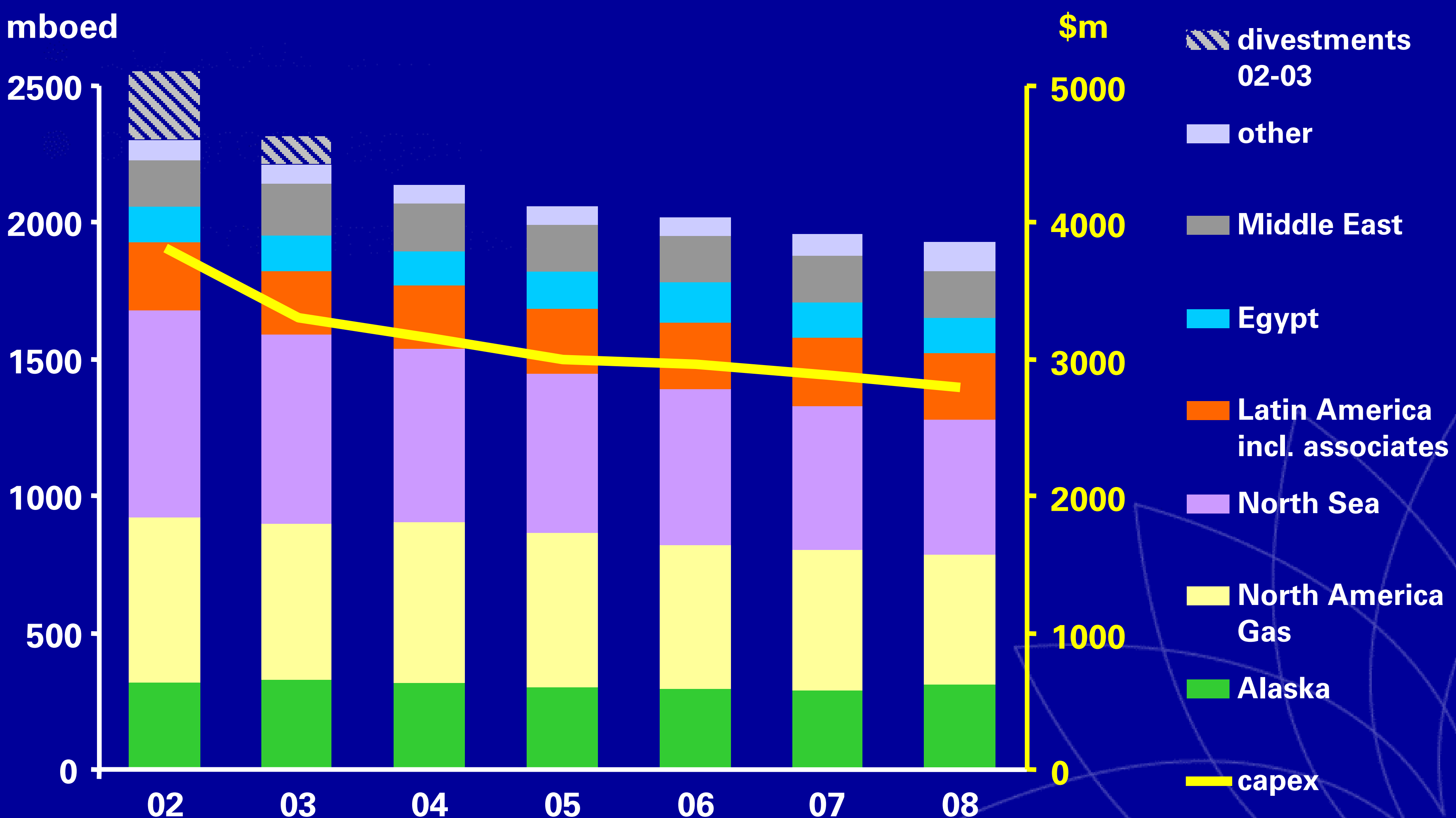
total proved reserves: 18.3 billon boe, 56% oil and 44% gas

*as at end of 2003

finding & development costs

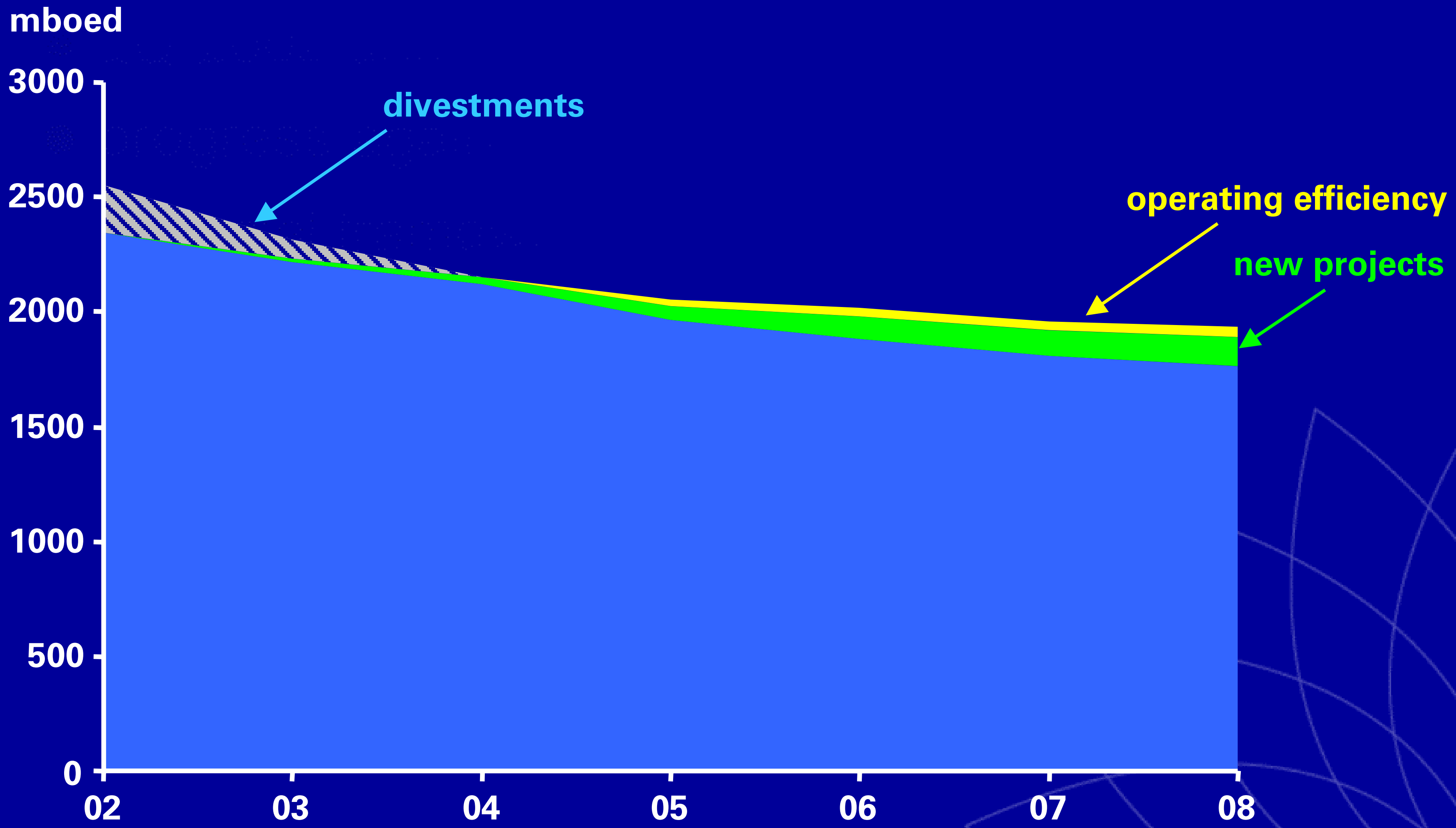


existing profit centres: managed decline



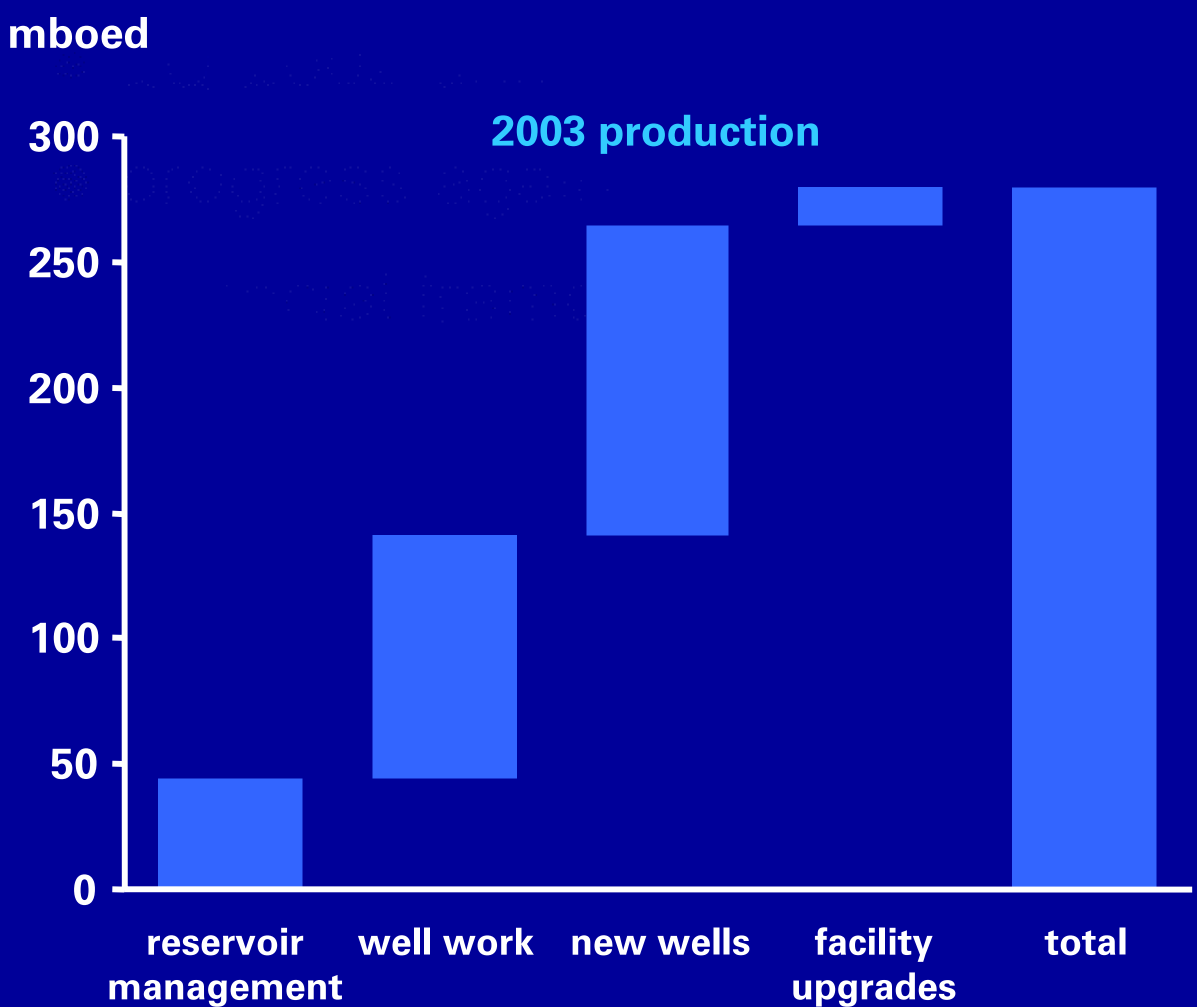
04-08 BP estimates

existing profit centres: managed decline



04-08 BP estimates

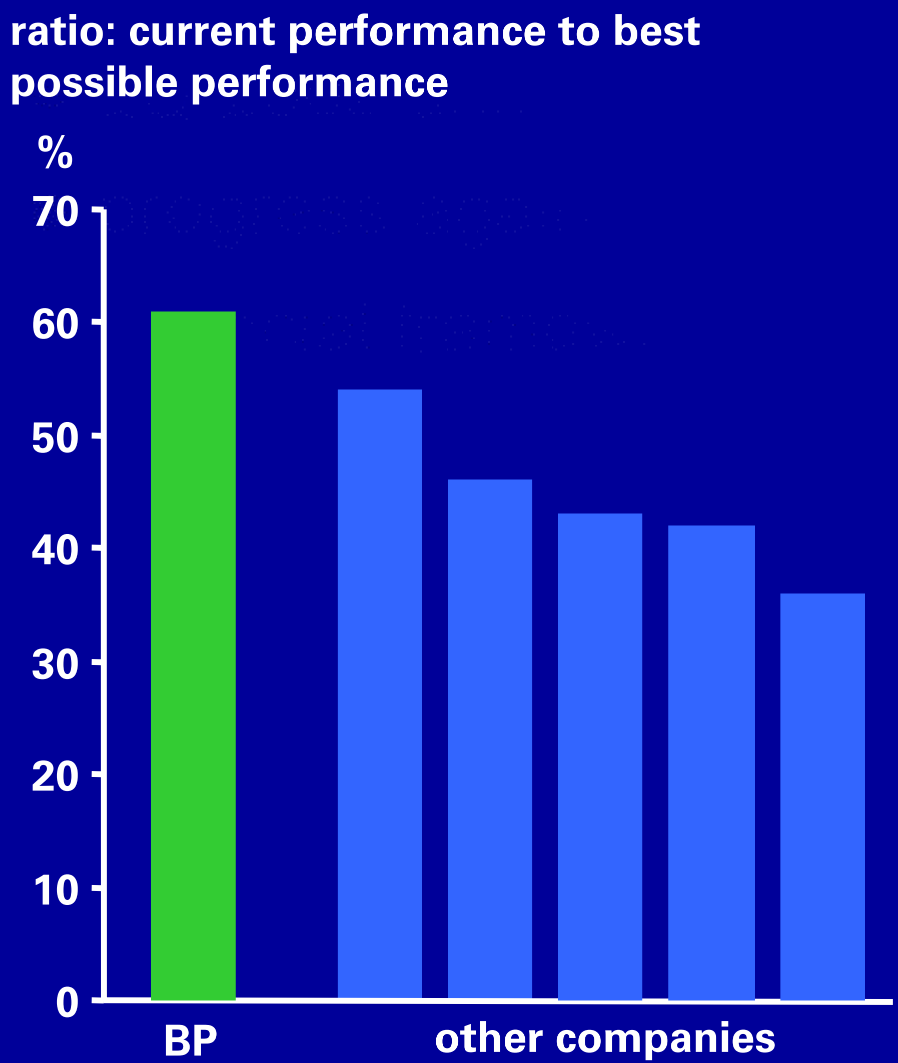
existing profit centres: decline management



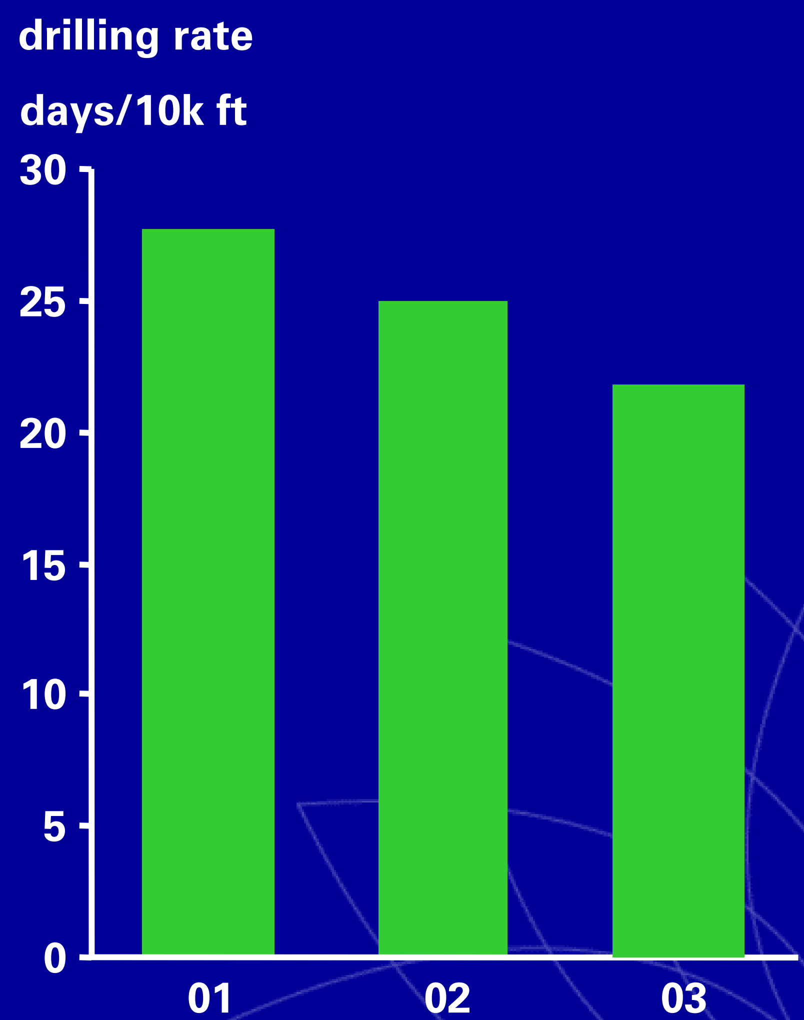
added 280mboed for $2.1bn in 2003 from the following activities:

- reservoir management
- wellwork
- new development wells
- facility upgrades

drilling performance

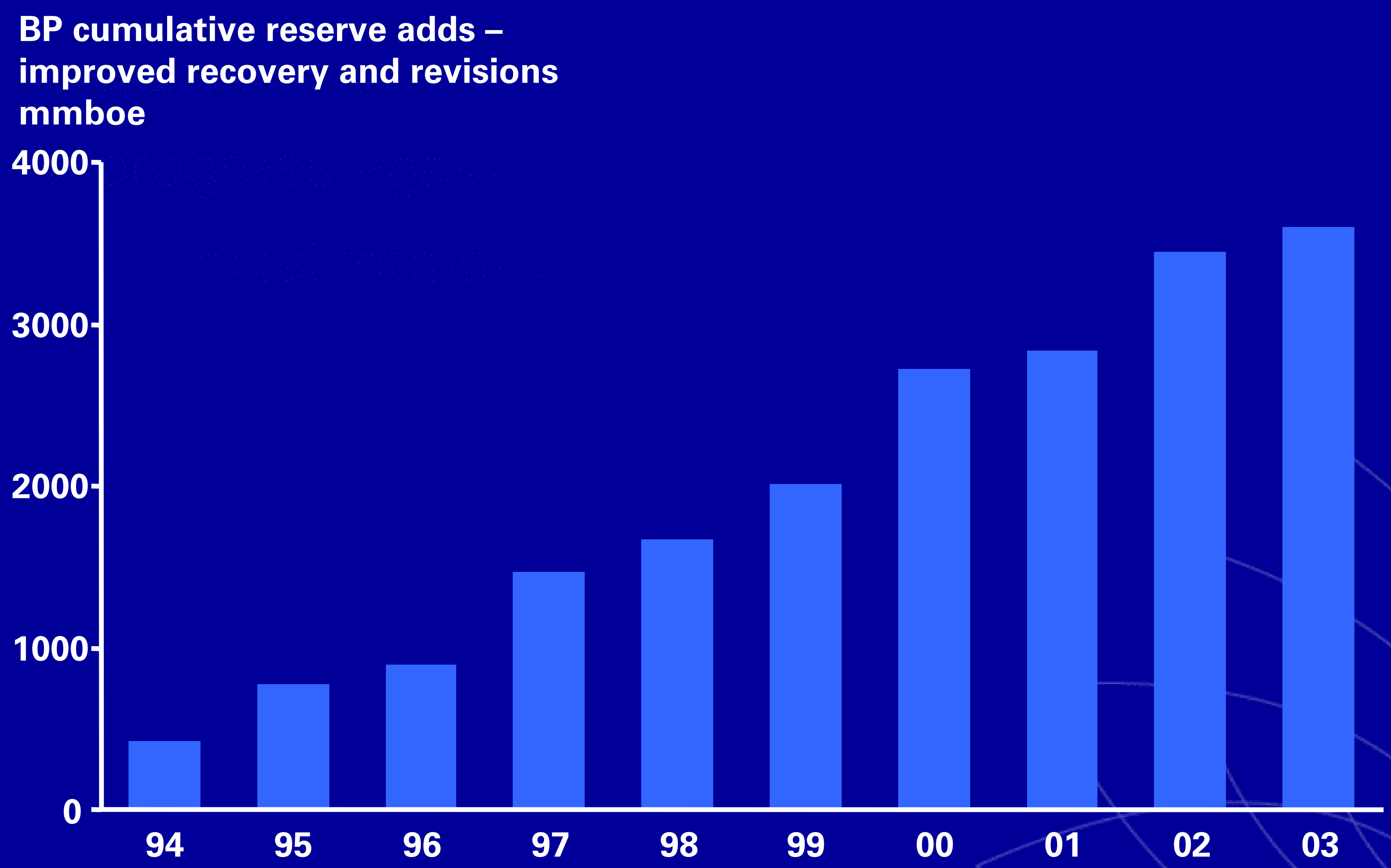


Internal benchmarking from public databases, 2002

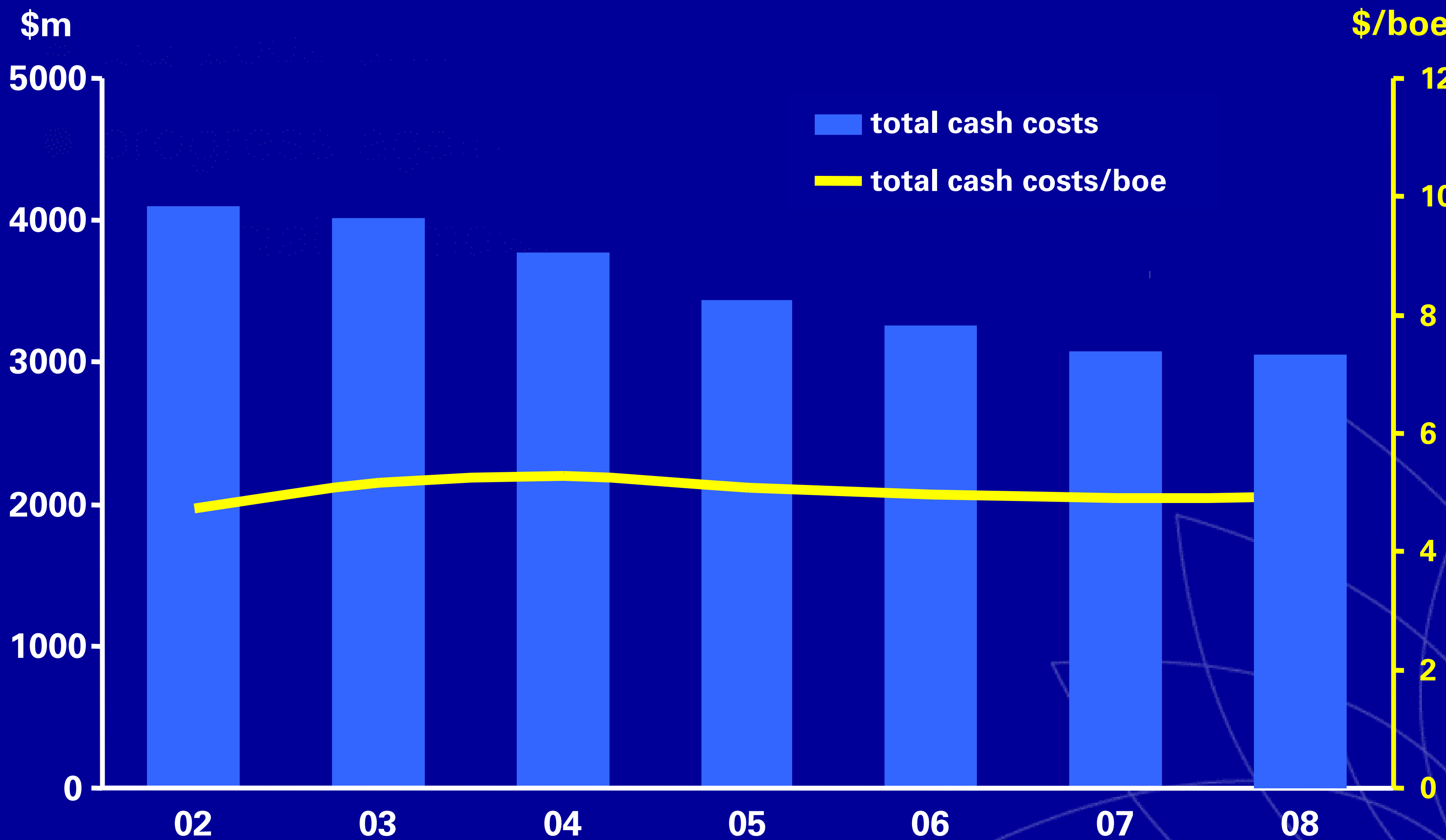


BP data (normalised for '01 portfolio)

additions from reservoir management

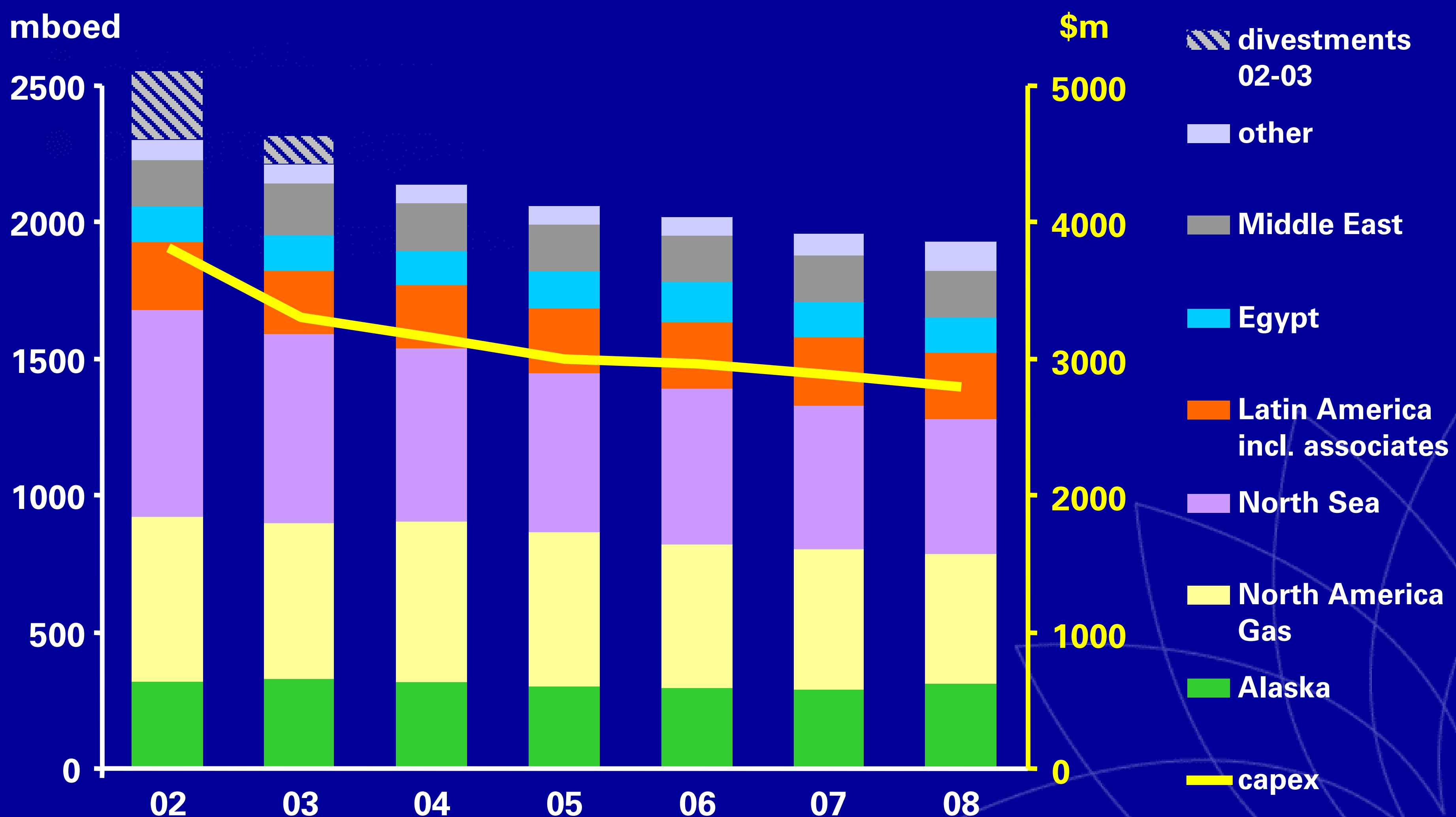


existing profit centres: cash costs



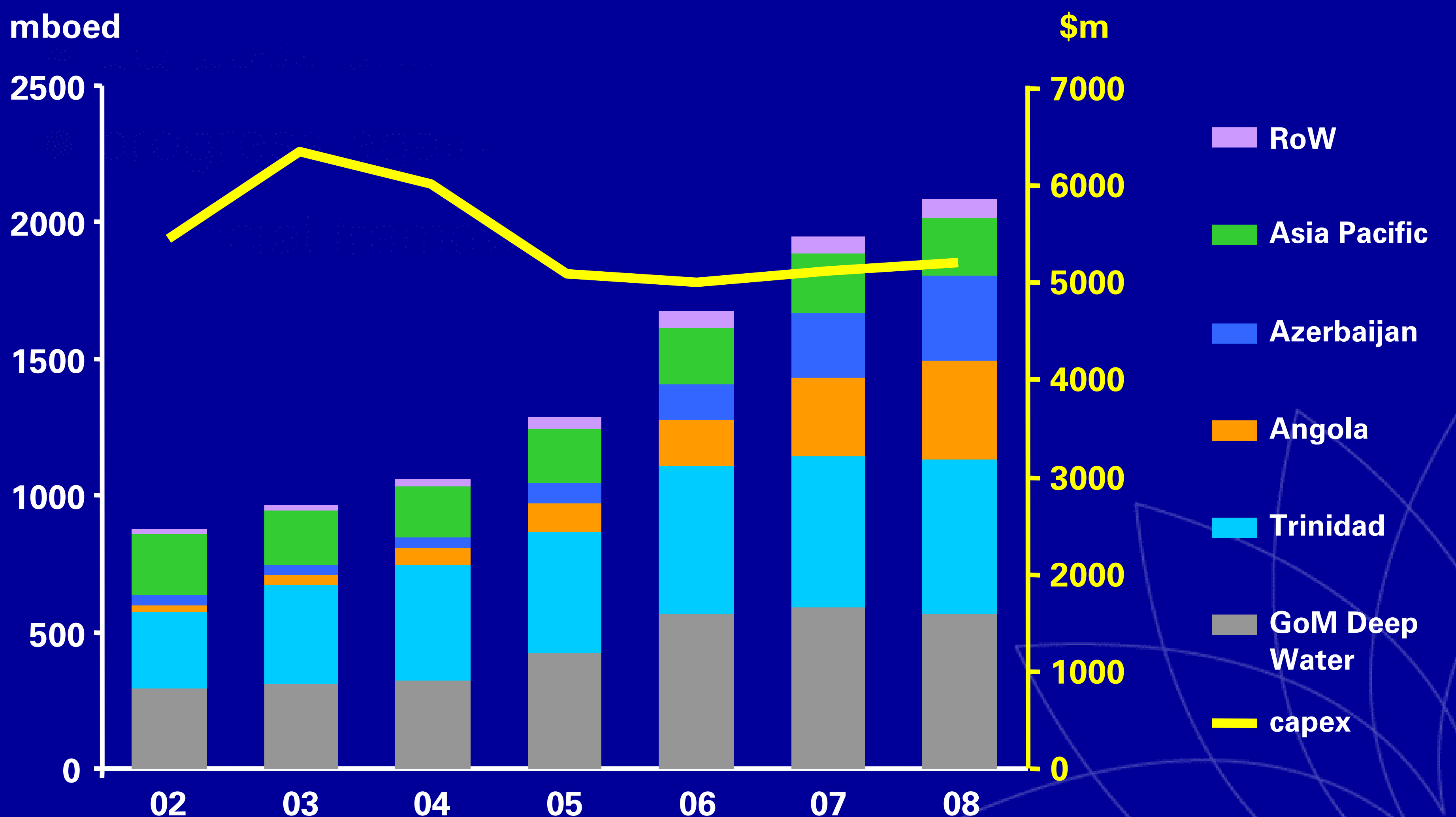
04-08 BP estimates

existing profit centres: managed decline



04-08 BP estimates

new profit centres: production and capex



04-08 BP estimates

new profit centres: project start-ups

2003

start-ups

	Feb 03 view	Current view
Trinidad LNG Train 3	Mid '03	
Jasmim		
Xikomba	Early '04	
Na Kika	Early '04	

2004

start-ups

	Feb 03 view	Current view
Atlas Methanol	early '04	
In Salah		Mid '04
Australia LNG Train 4	2004	
Kizomba A	late '04	
Holstein	end '04	

2005

start-ups

	Feb 03 view	Current view
Mad Dog	early '05	
Azeri	2005	
Cannonball		4Q '05
Thunder Horse	2005	
Trinidad LNG Train 4	end '05 - early '06	
In Amenas		end '05 – early '06

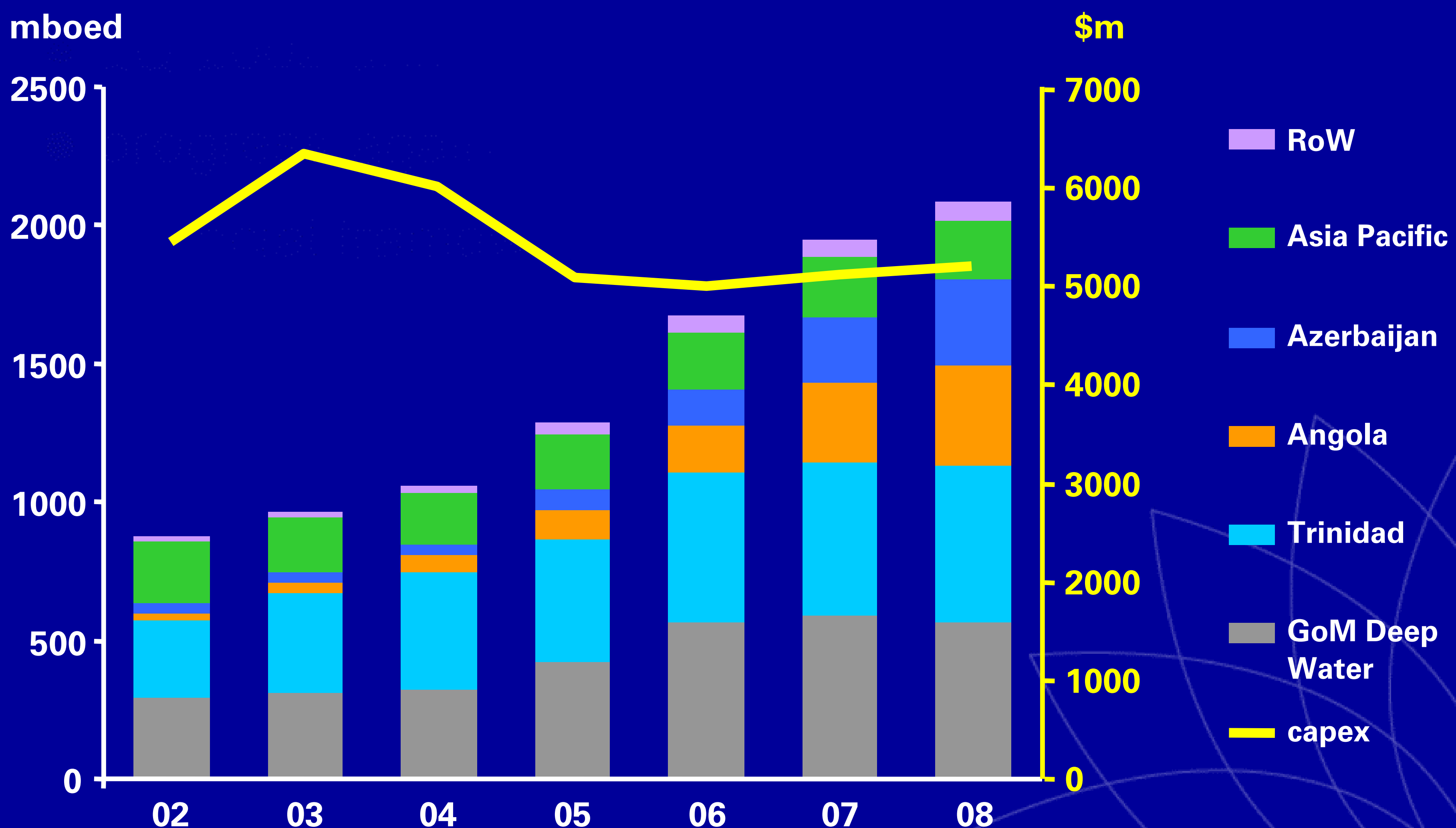
2006-7

start-ups

	Feb 03 view	Current view
Kizomba B	late '05 - early '06	
Atlantis	2006	
Dalia	2006	
Shah Deniz	late '06	
Gt. Plutonio - Block 18	2007	

04-07 BP estimates

new profit centres: production and capex



04-08 BP estimates

Bob Dudley
CEO, TNK-BP

TNK-BP update

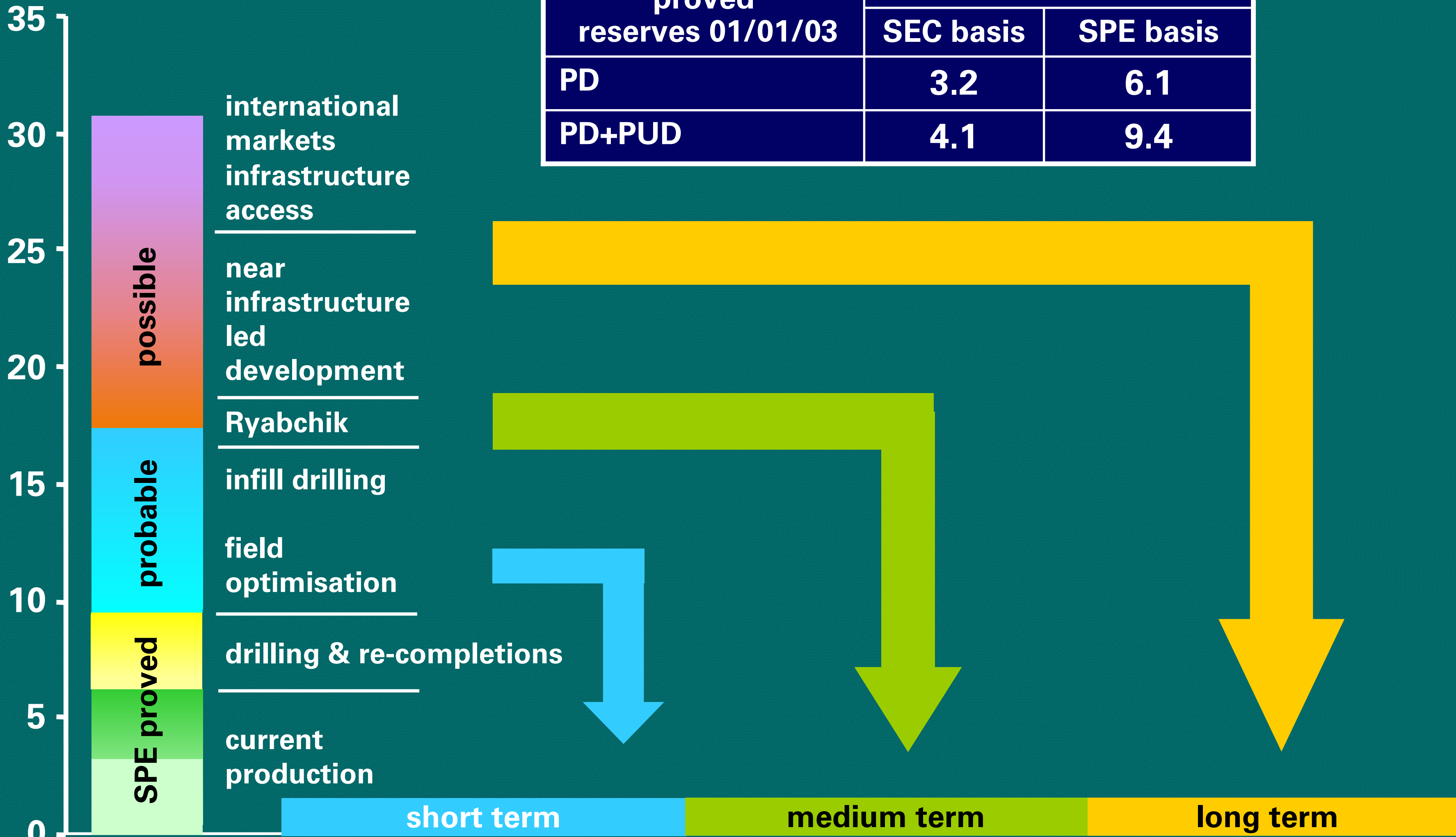
TNK-BP strategic priorities

- resources to reserves to production
- margin enhancement
- gas - longer term monetisation

resources to reserves to production

estimated resources
30.8bn boe

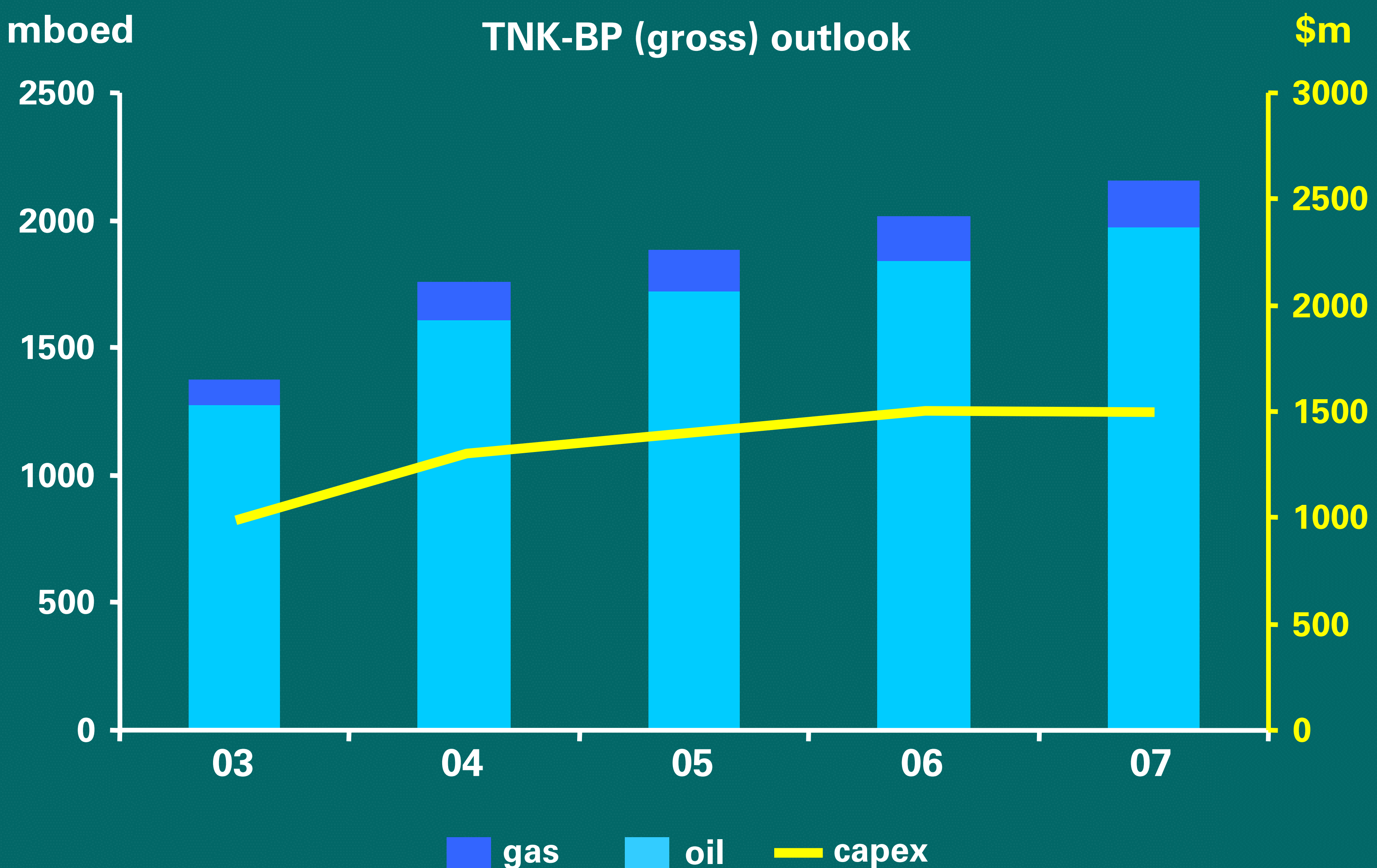
proved reserves 01/01/03	estimated (bn boe)	
	SEC basis	SPE basis
PD	3.2	6.1
PD+PUD	4.1	9.4



margin enhancement

- upgrading opportunities
  - refinery yield enhancement
- debottlenecking export options
  - short term: rail and barge
- high oil price environment
  - tariffs, taxes

TNK-BP: production and capex



04-07 BP estimates

TNK BP summary

- operations and performance to plan
- production growth strong, extended
- continued investment self-funded
- closed Slavneft acquisition

Tony Hayward

exploration and production

2008 and beyond

existing PCs

- **base efficiency**
- **tie backs**
  – Egypt: Saqqara
- **Projects**
  – Pt. Thompson
  – Alaska Gas
- **LNG**
  – Egypt

new PCs

- **projects**
  – Angola: Block 15
  Kizomba C
  – Angola: Block 17
  Rosa
  – ACG Phase 3
- **LNG**
  – Tangguh
  – NW Shelf T5

discoveries

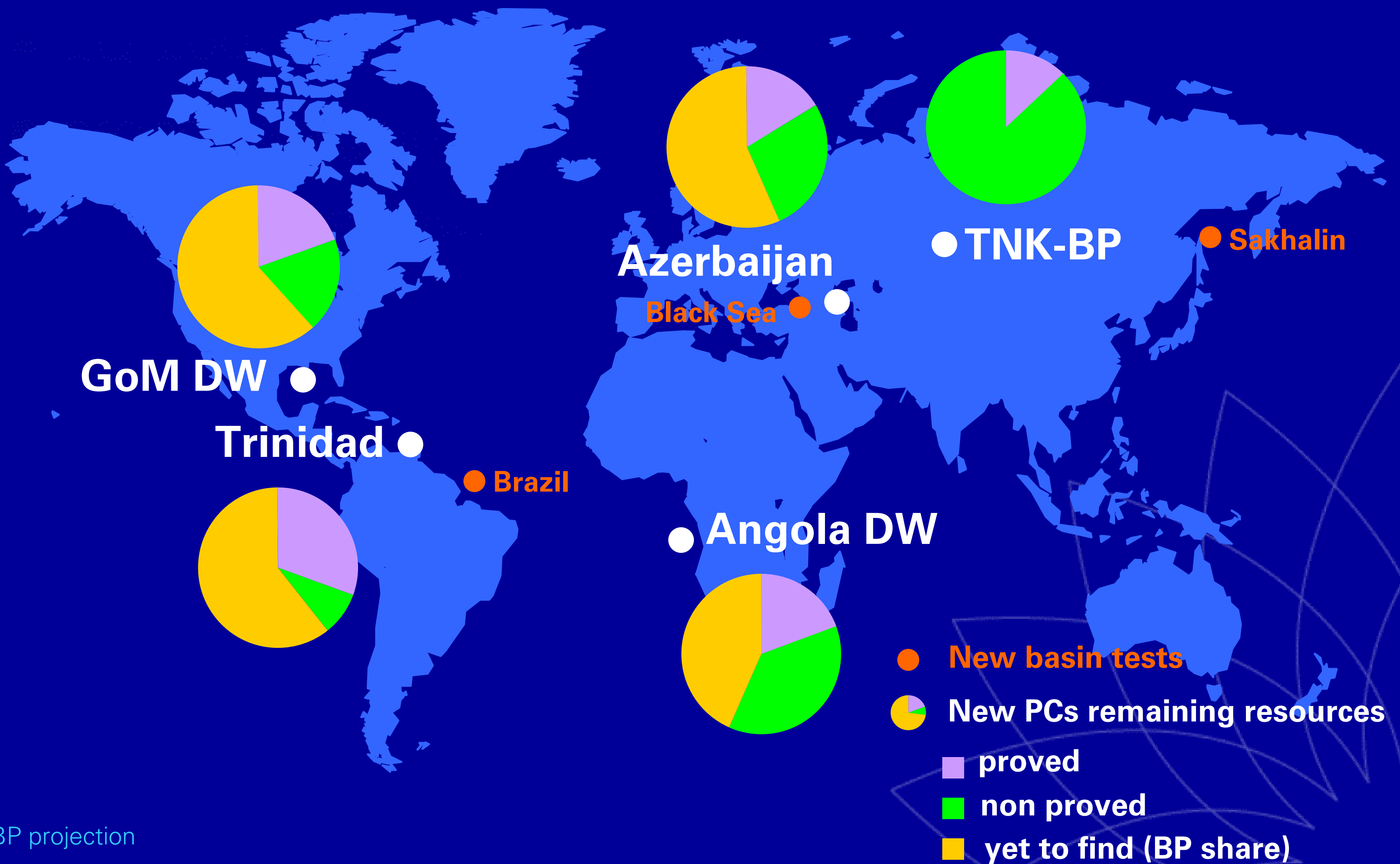
- **Gulf of Mexico**
  – Tubular Bells
  – Puma
  – Cascade
  – Shenzi
- **Angola**
  – Block 31
  – Block 18
  – Block 15

Russia

- **Kovytka Gas**
- **exploration**
  – Sakhalin

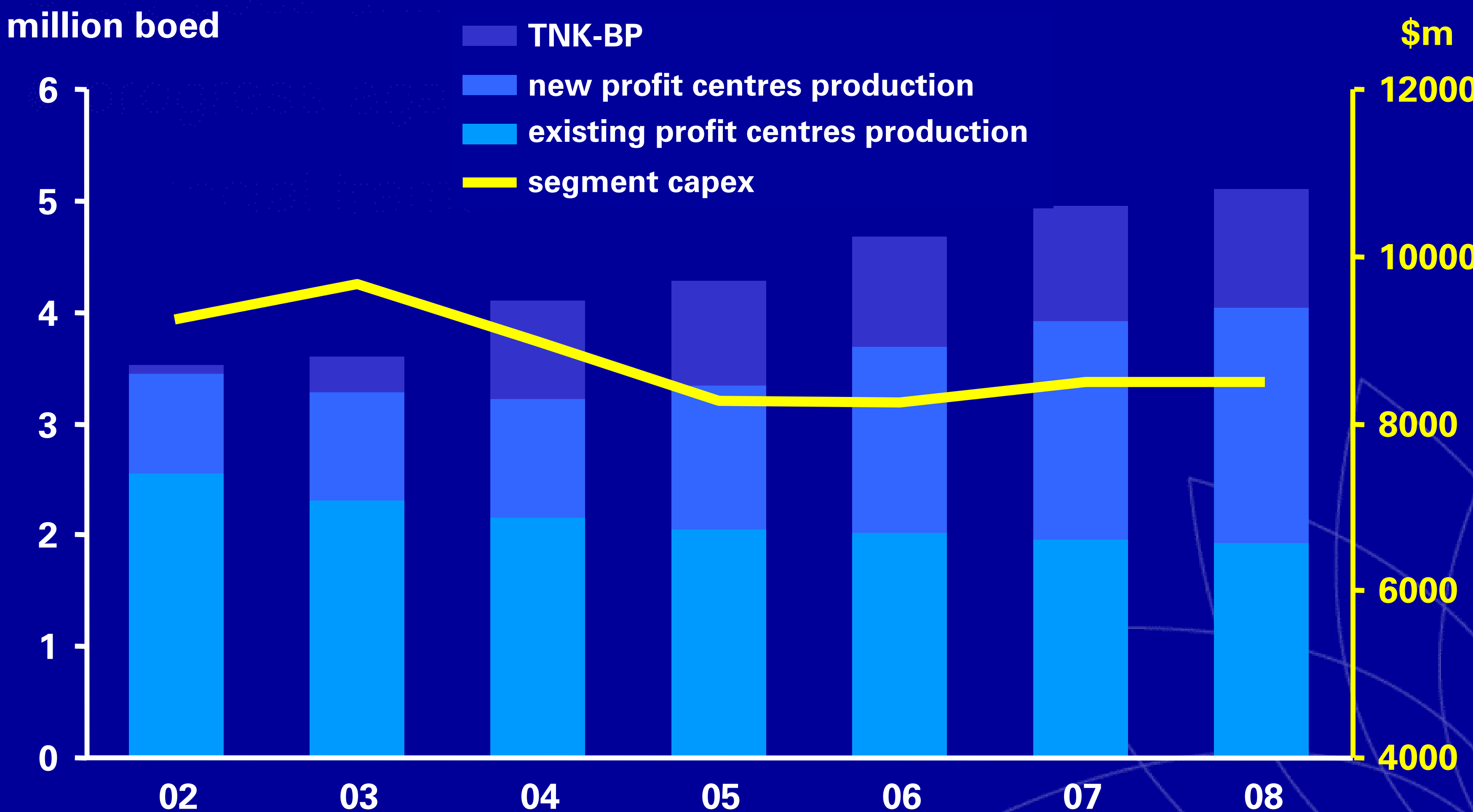
BP projection

new profit centres: resource base



BP projection

e&p segment: production and capex



04-08 BP estimates

e&p segment summary

- exploration track record continues
- 11 years of reserve replacement above 100%
- existing profit centres
  - decline at 3%
  - cash returns reduced slightly
- new profit centres
  - projects on track
  - strong volume growth
  - cash returns increasing
- TNK-BP
  - improving operating performance
  - resource potential
- options for growth beyond 2008

bp

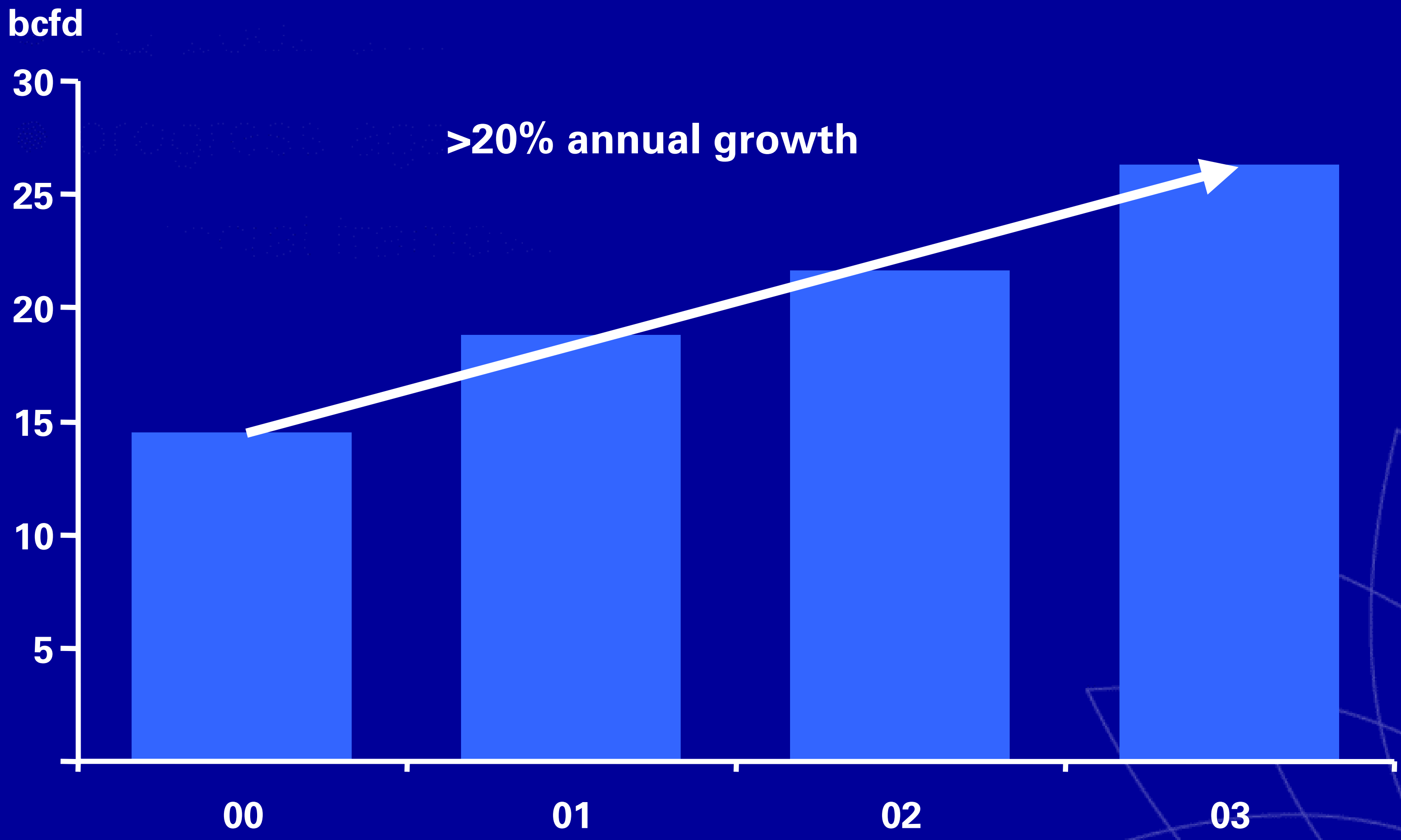
Ralph Alexander

gas, power & renewables

participating at scale

- market leadership in gas
- market leadership in North American NGLs
- LNG plans accelerating

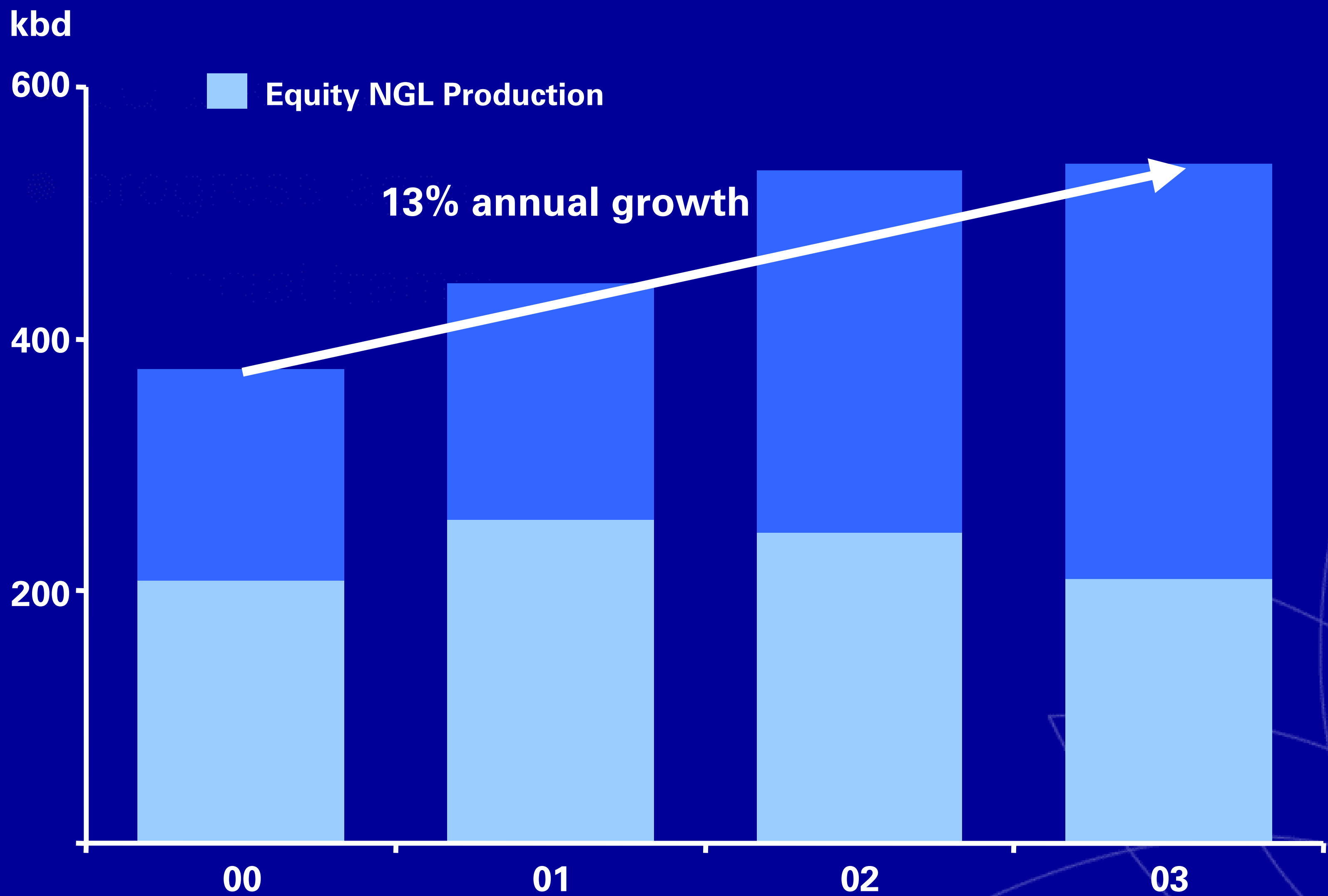
group gas sales



going forward

- grow gas sales volumes 3-5% per year
- increase share of target market segments
- deliver economies of scale

group NGL sales



going forward

- grow NGL sales volume around 5% per year
- commission new plants
- increase share of target market segments
- deliver economies of scale

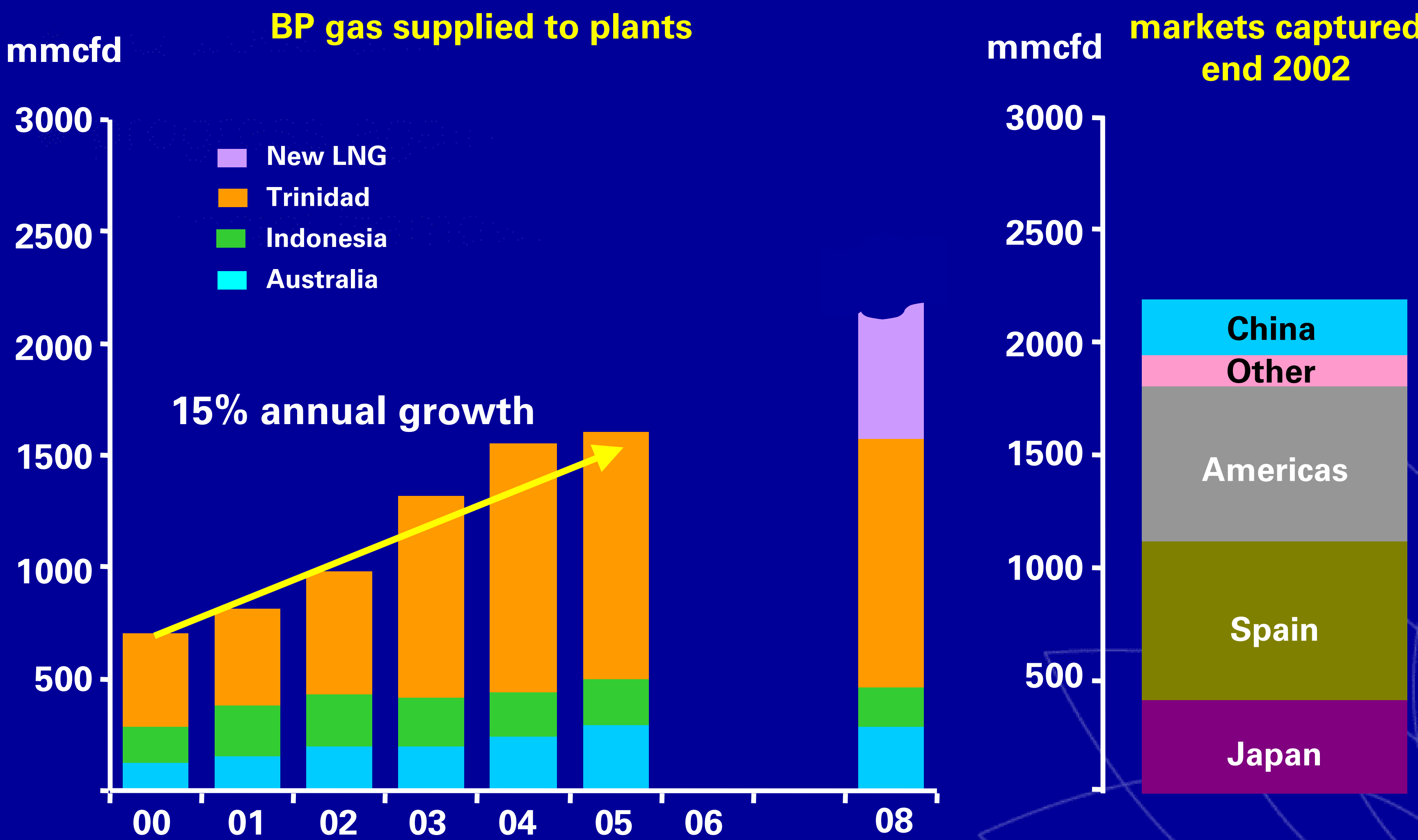
LNG

- capture markets ahead of supply
- maximise gas resource value
- focus on key markets
- 35 bcf/d market potential

Atlantic Basin

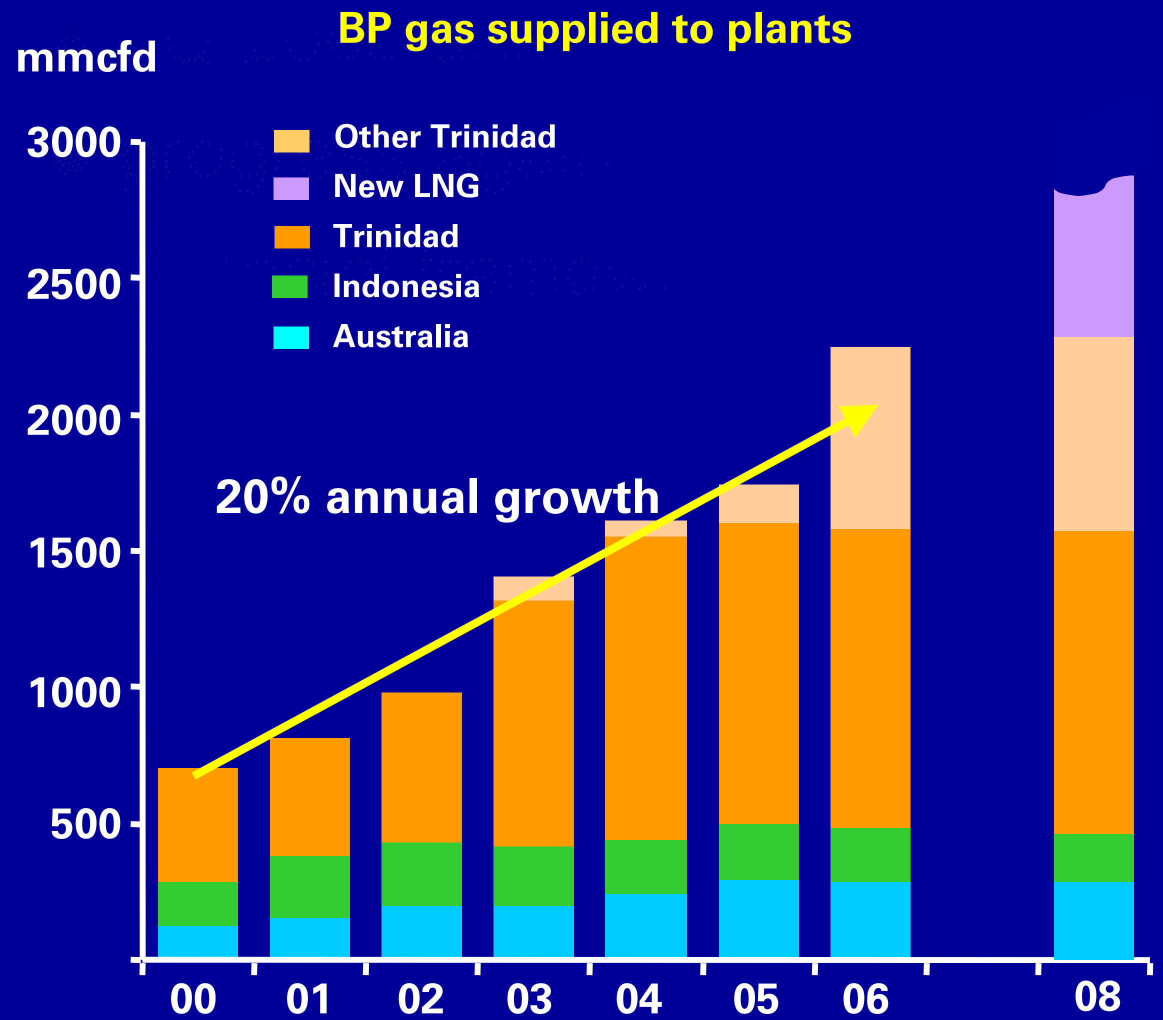
Pacific Basin

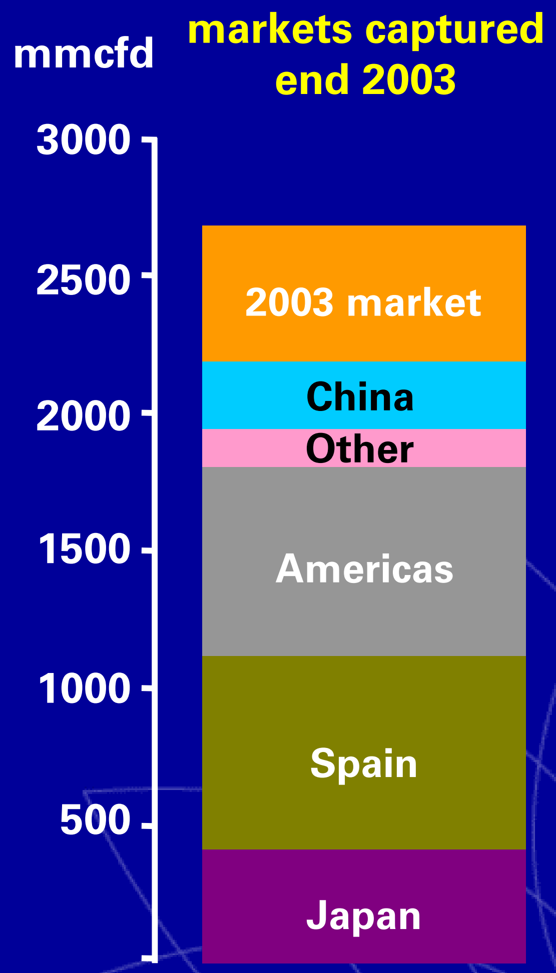
LNG: markets ahead of supply



BP estimates 04 - 05, 08

LNG: markets ahead of supply





BP estimates 04 - 05, 08

solar

- business restructured
- cost base reduced
- uncompetitive technologies eliminated

summary

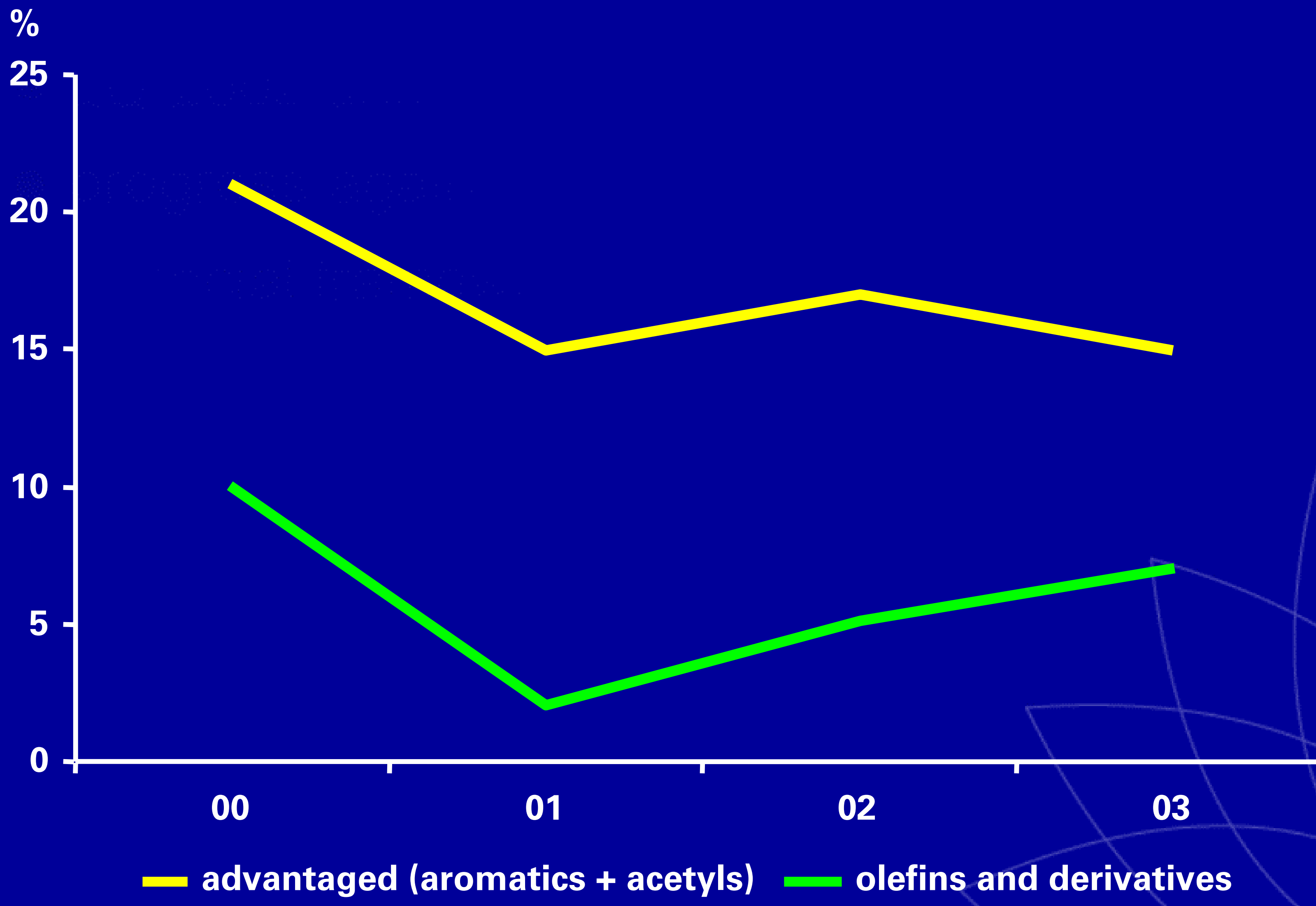
- deliver marketing plans
- leverage economies of scale
- capture LNG markets ahead of supply

bp

Iain Conn

petrochemicals

petrochemicals: cash returns



advantaged products

- 40% of segment capital employed ($5bn)
- high growth, 2-4x GDP
- leading global market shares
- distinctive technology
- material exposure to Asia

segment capital employed refers to average operating capital employed

olefins & derivatives

- 60% of segment capital employed ($8bn)
- moderate growth, 1-2x GDP
- low global market shares
- competitive but undifferentiated technology
- bias to Europe and US

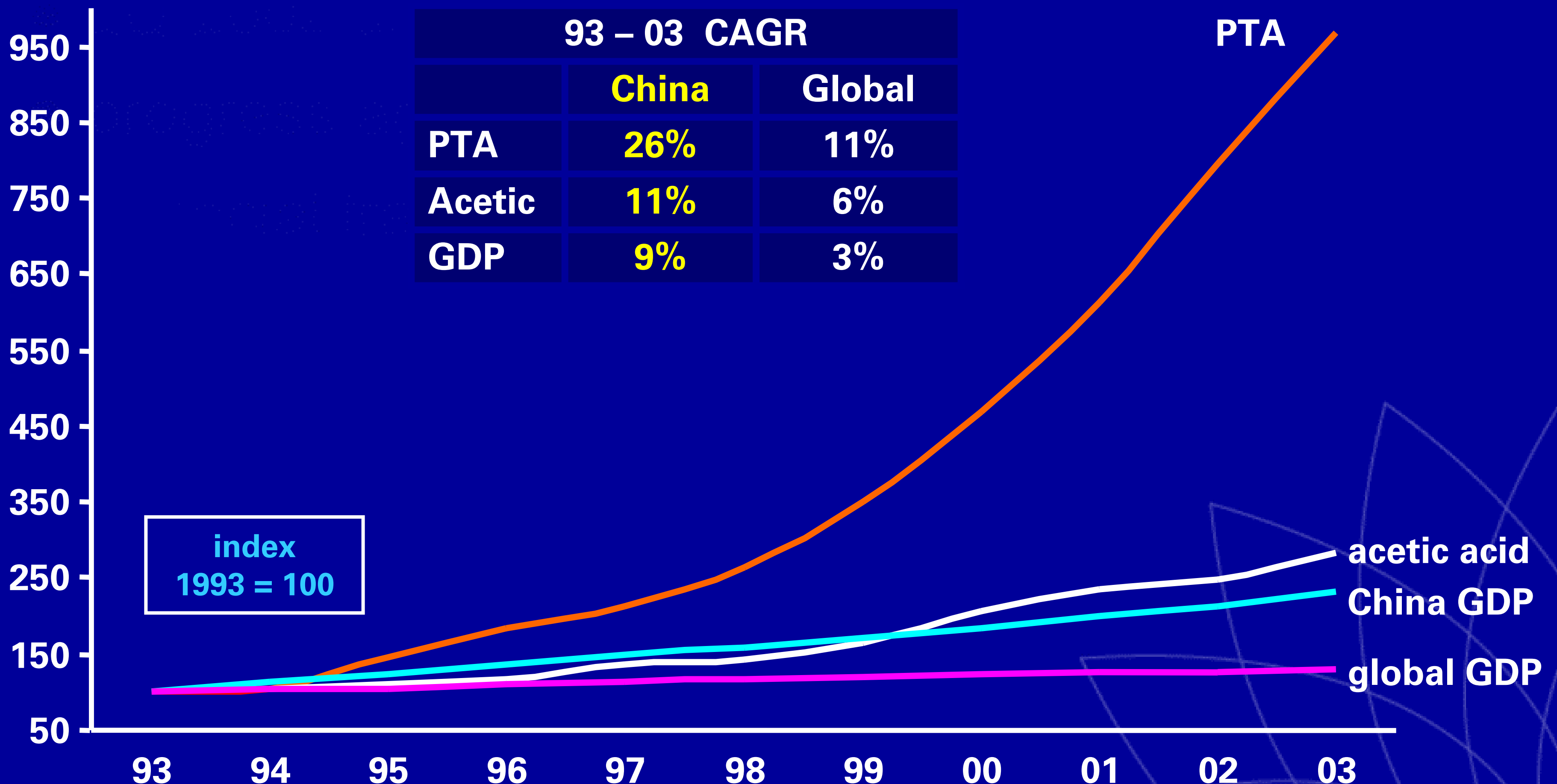
segment capital employed refers to average operating capital employed

market trends

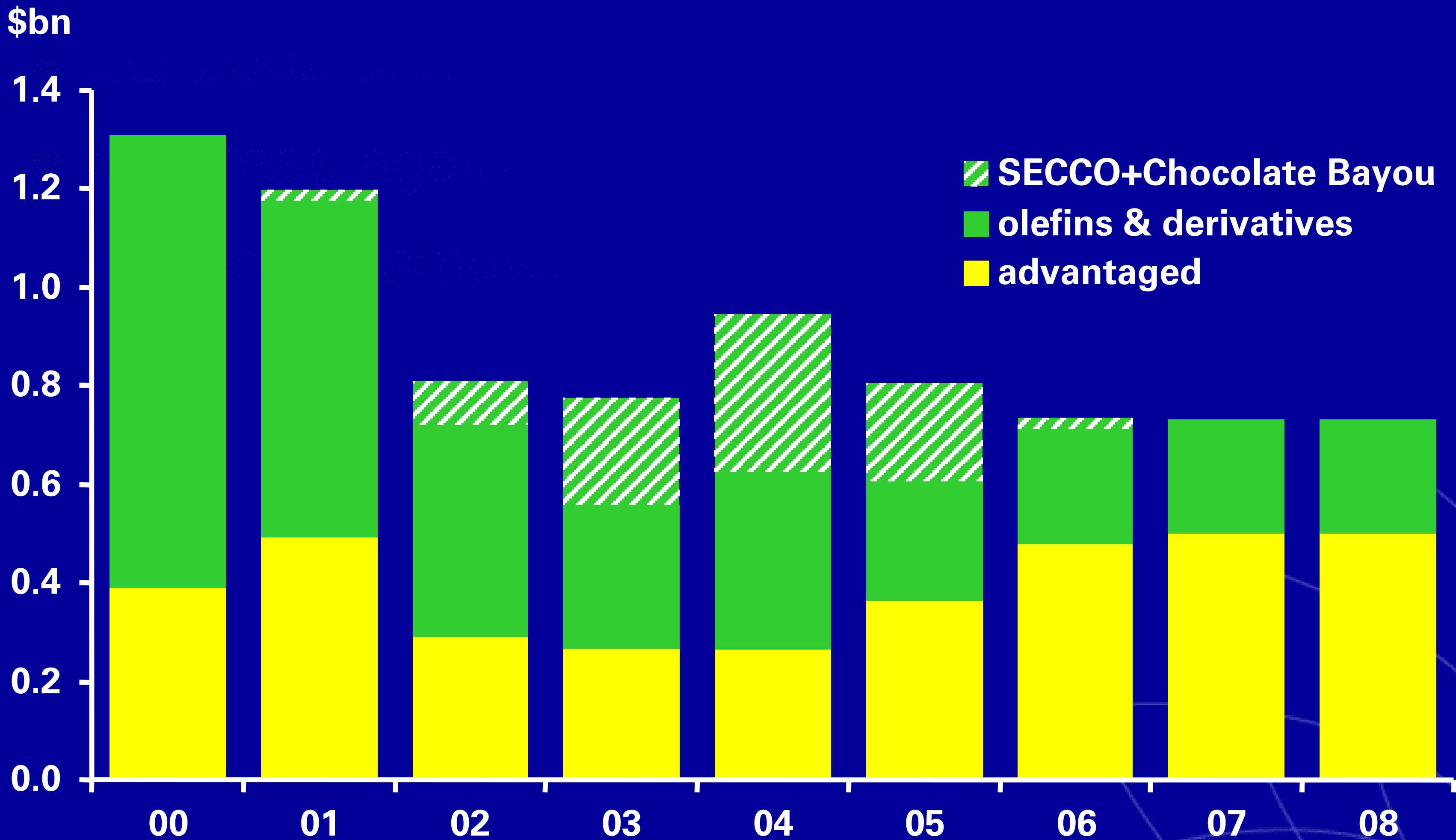
- experience curve – margin erosion
- globalising product markets
- middle east gas feedstock advantaged at higher oil prices
- strong euro
- china – major driver of:
    - growth
    - price setting mechanisms
    - finished products exports

china growth

93 – 03 CAGR		
	China	Global
PTA	26%	11%
Acetic	11%	6%
GDP	9%	3%



petrochemicals capex



notes: excludes inorganics

04-08 BP estimates

portfolio

- disposals
  - fabrics and fibres
  - linear and poly alpha olefins
- on track for 90% capital employed associated with core by end 2006

performance improvement

- margin capture
  - enhance reliability/ uptime
  - marketing/ system optimisation
- costs
  - continue fixed/ variable costs reductions
  - focused revenue investment
  - reduce overhead

petrochemicals: summary

- different management approach
  - advantaged products
  - olefins & derivatives
- capex lower post 2005
  - bias to advantaged products
- olefins & derivatives - cash returns focus

bp

John Manzoni

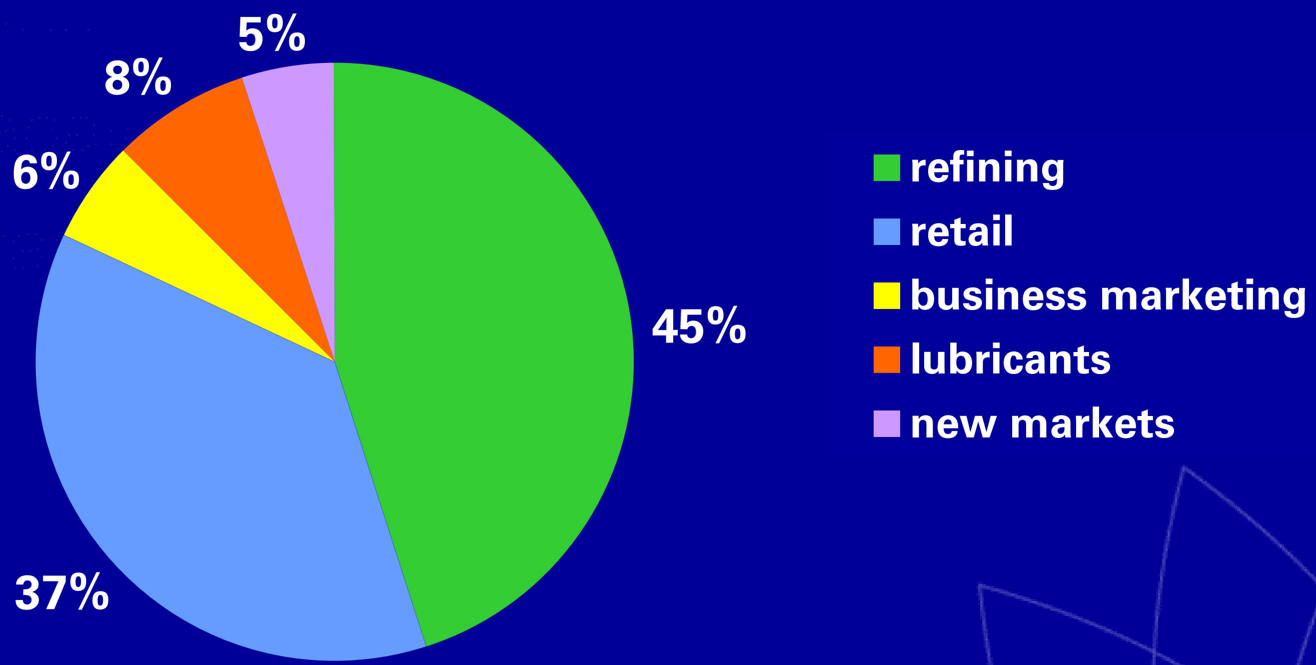
refining & marketing

r&m: summary

- capture more customers
- upgrade offer quality and unit margin
- grow cash

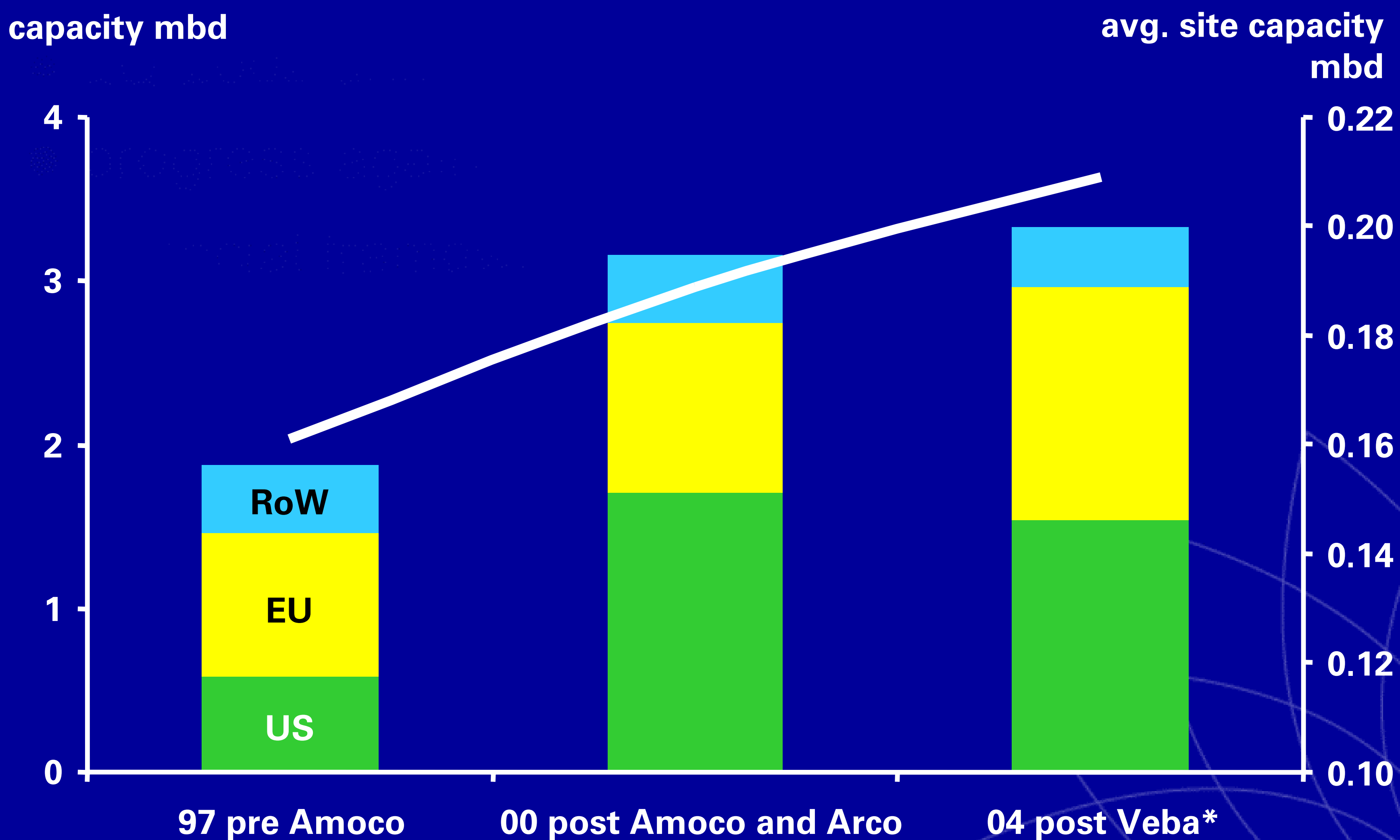
r&m : business models

2003 operating capital employed (pro forma)*



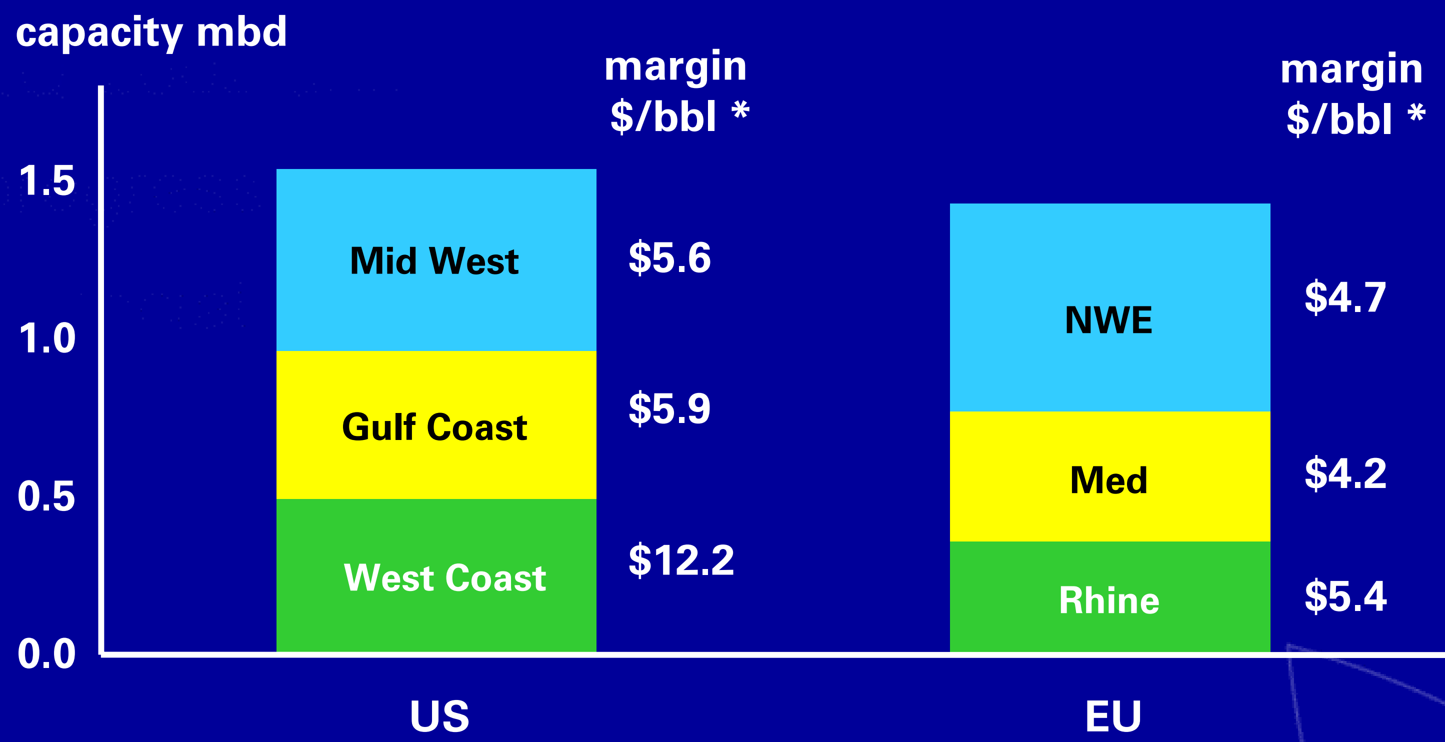
* Year End 2003

refining: portfolio journey



* 04 BP estimate

refining: portfolio quality



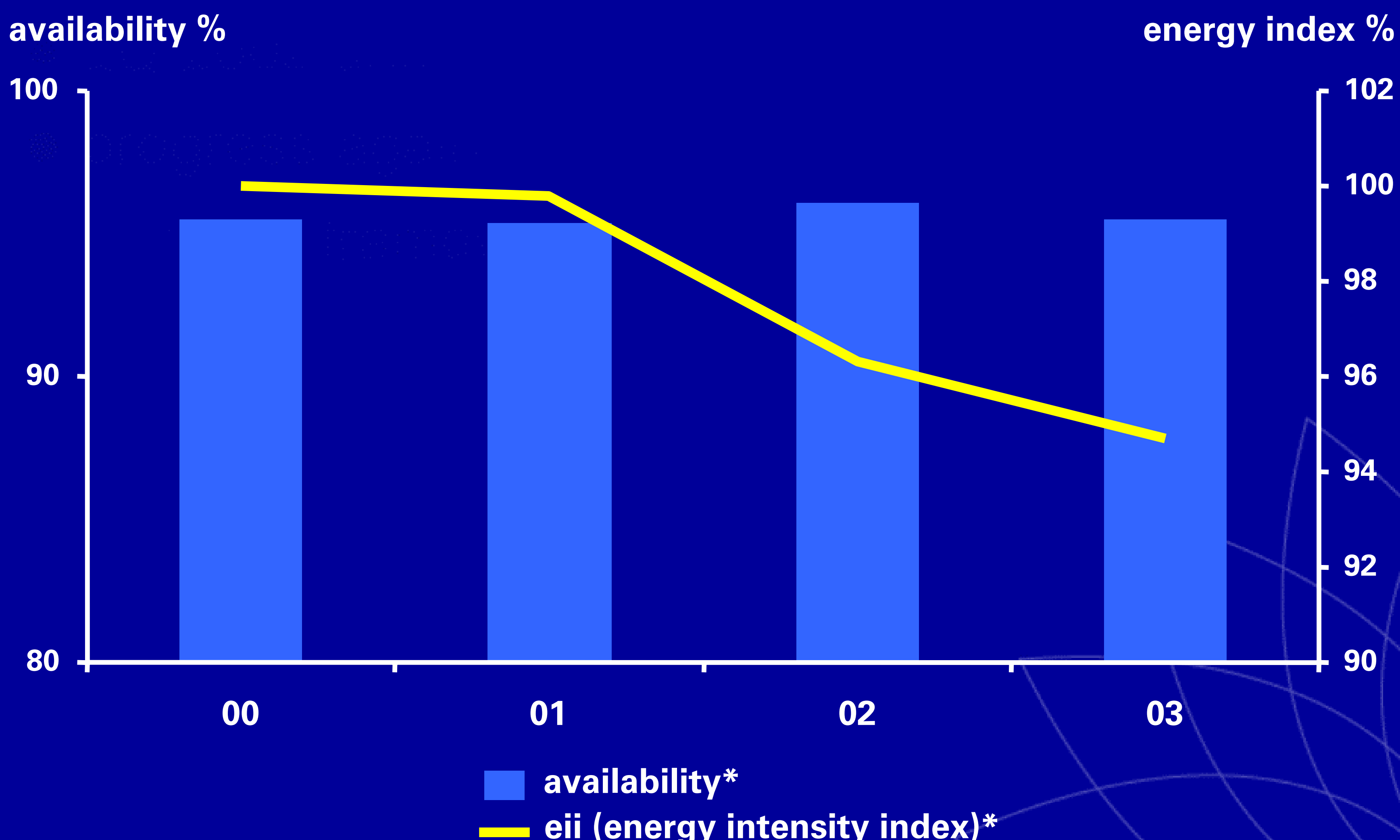
upgrading %

	97**	04
US	55	66
EU	16	36

* 5-year average regional market crack spreads

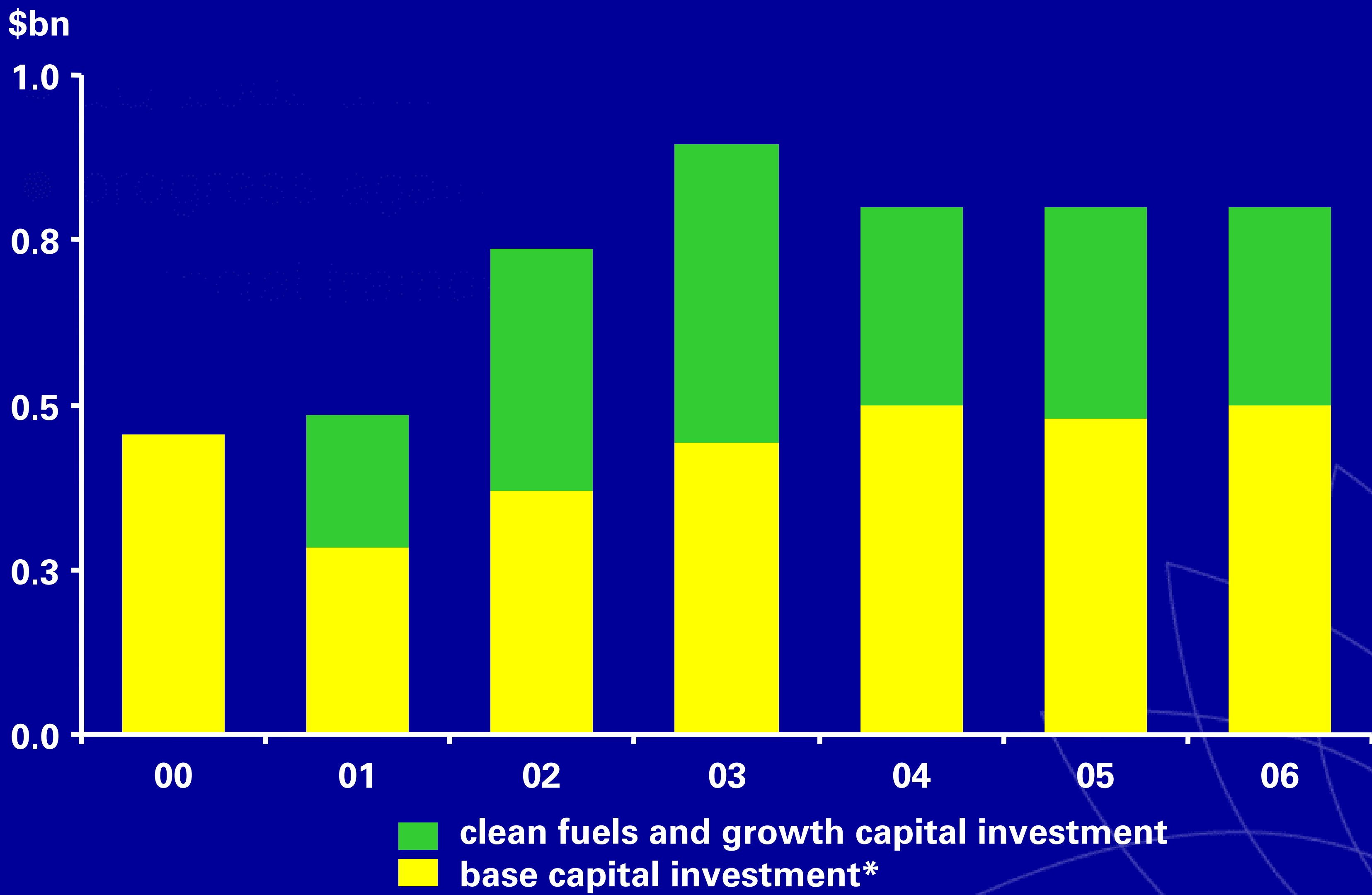
** pre amoco merger

refining: operations



* measures calculated using solomon methodology

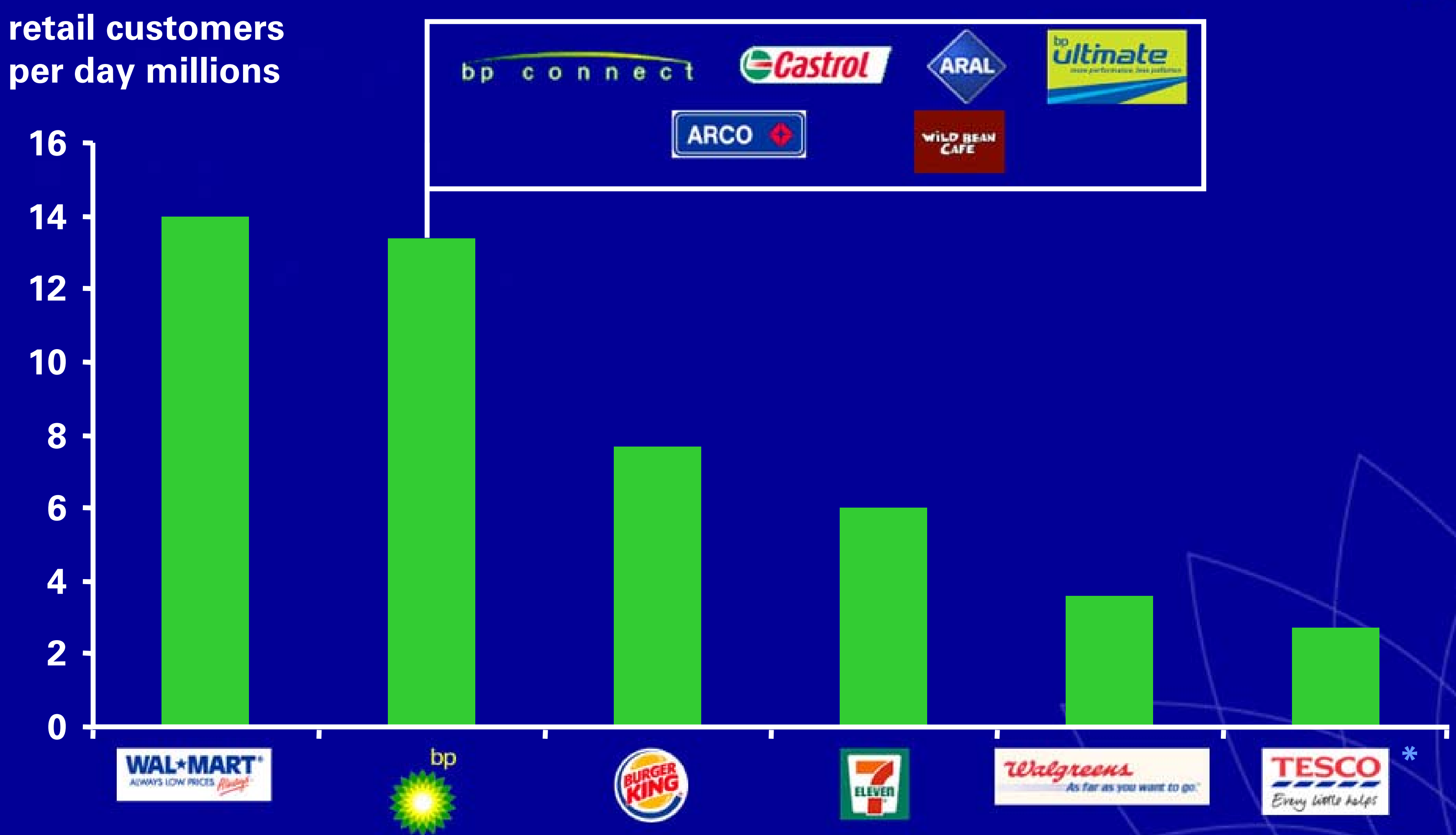
refining: investment



04–06 BP estimates

* excludes capital investment for turnarounds

marketing: scale



* BP estimate

source: corporate websites

marketing: business customers

we are the largest supplier of American, the world's biggest airline

BP provided the lubricants for the mars probe

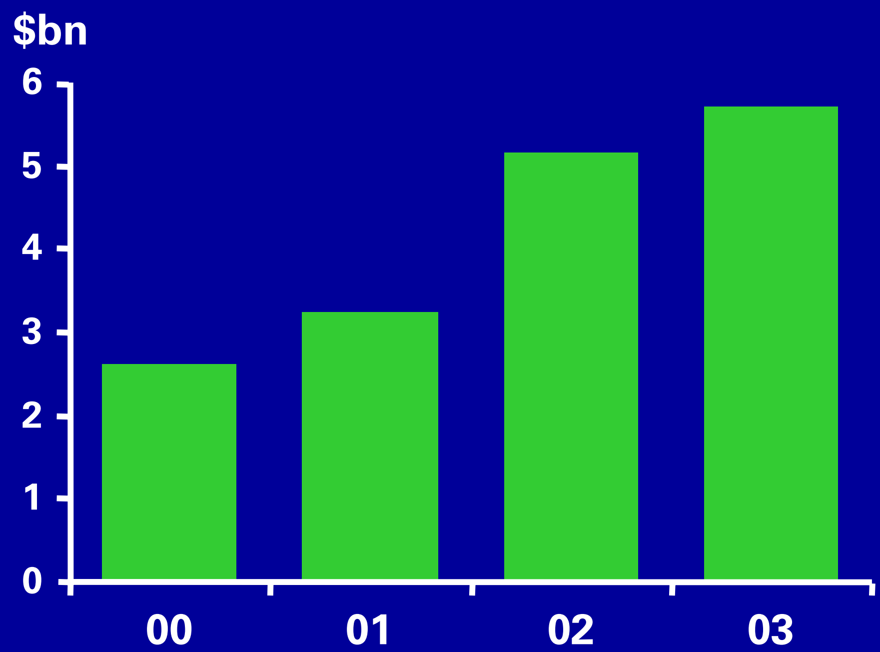
23% of all LPG imports into China are made by BP

joint activities with Ford

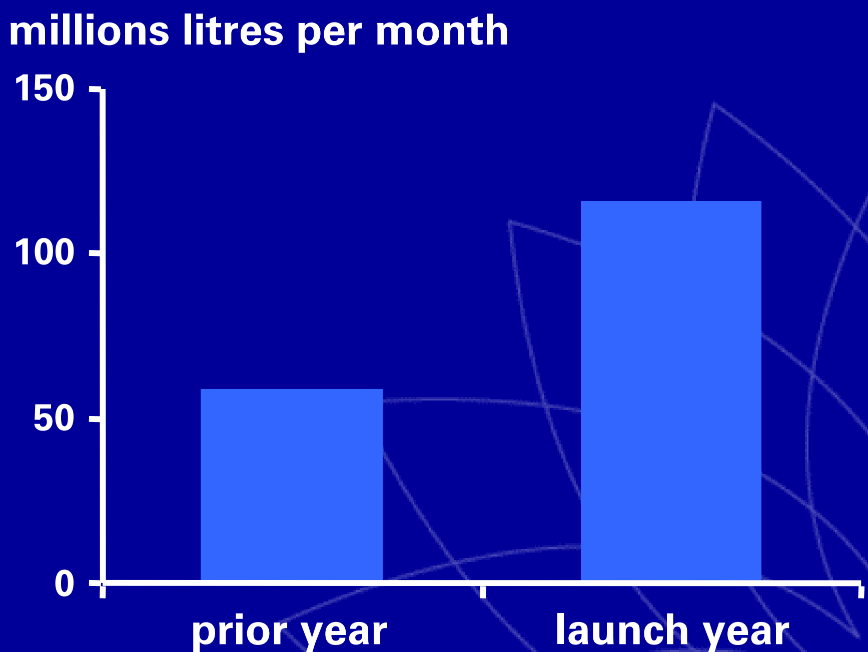
Castrol is the leading passenger car lubricants brand in the world

retail: offer quality

shop sales

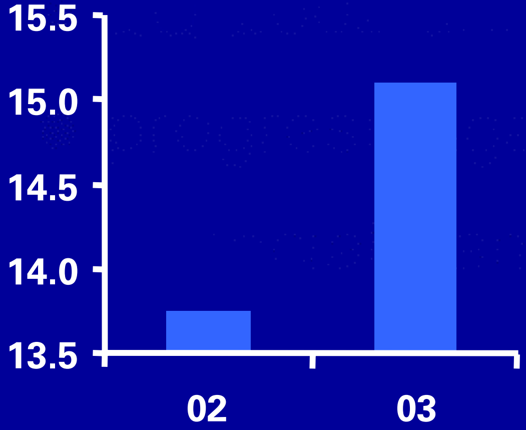


premium fuels since launch

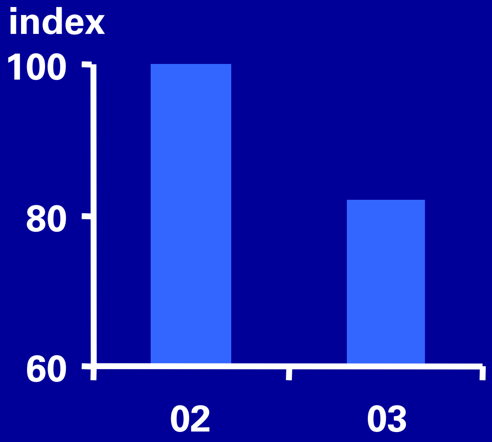


retail: case study – the UK

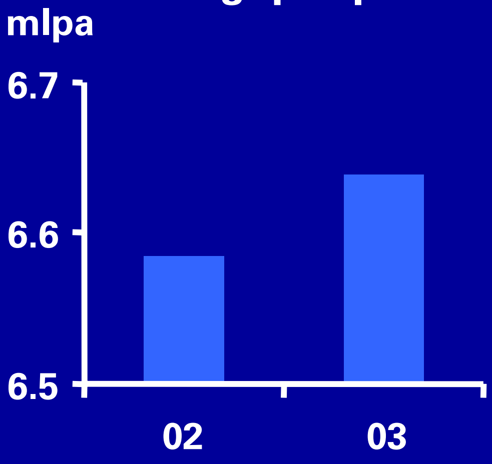
\$k/m² growth



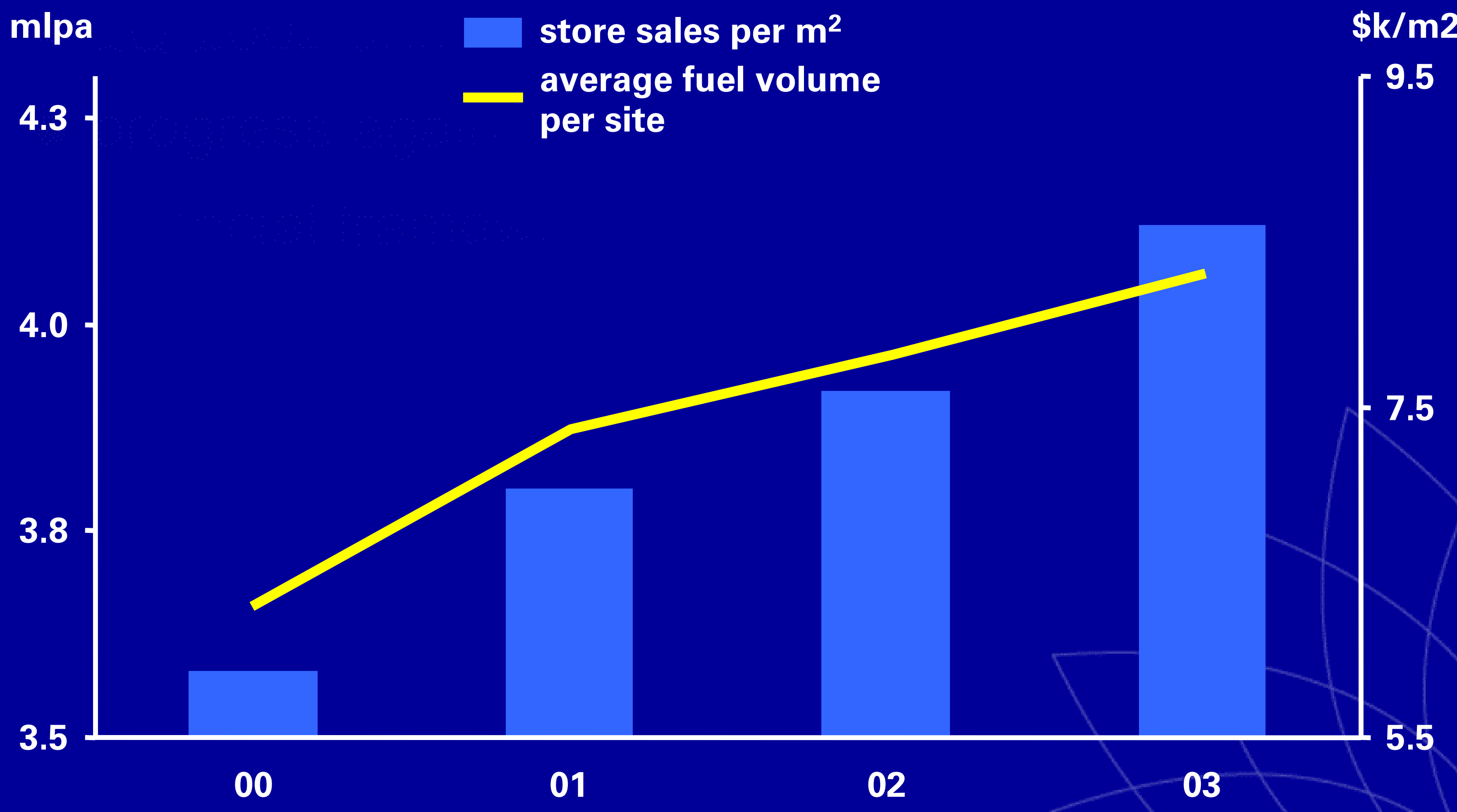
site labour costs



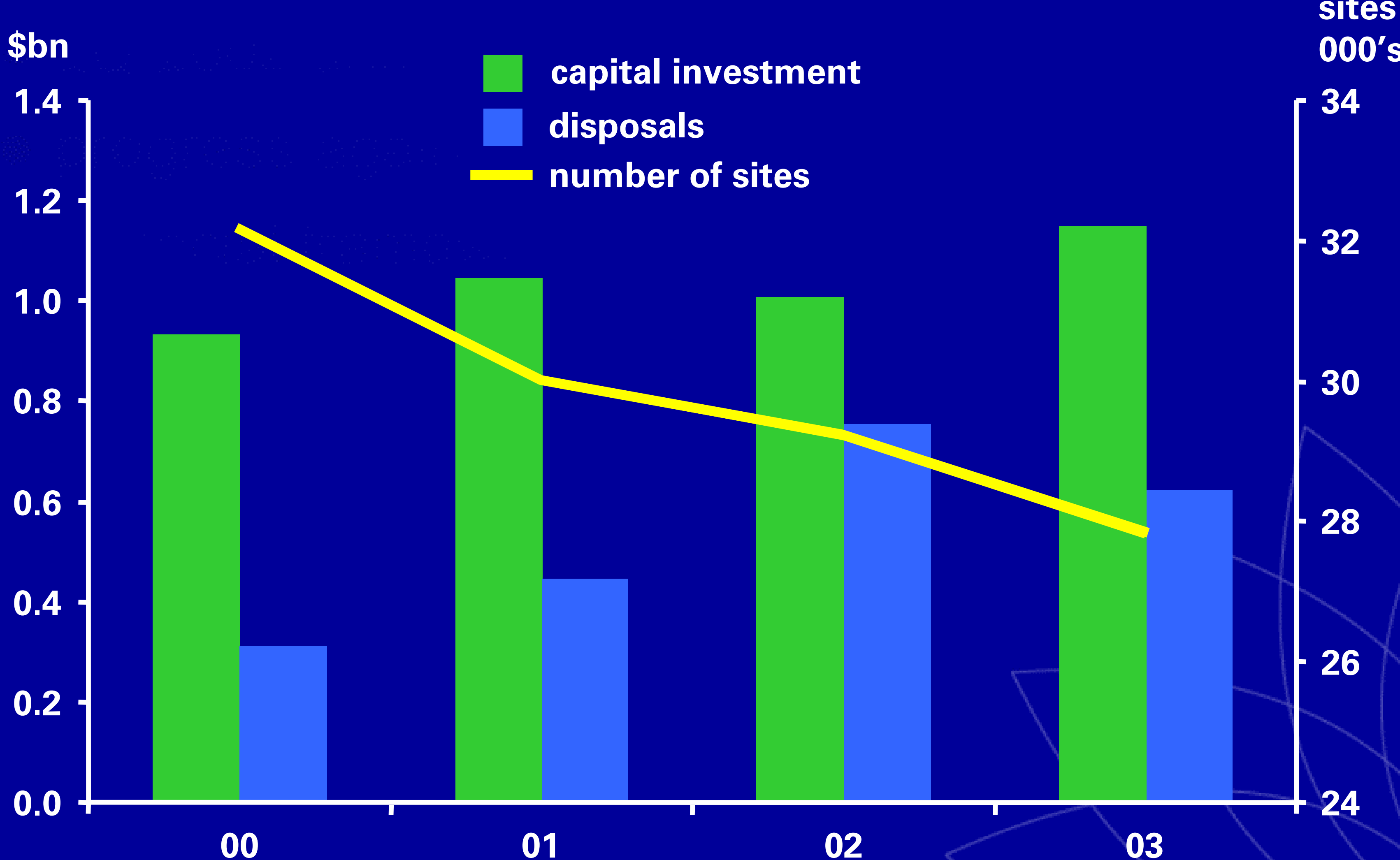
throughput per site



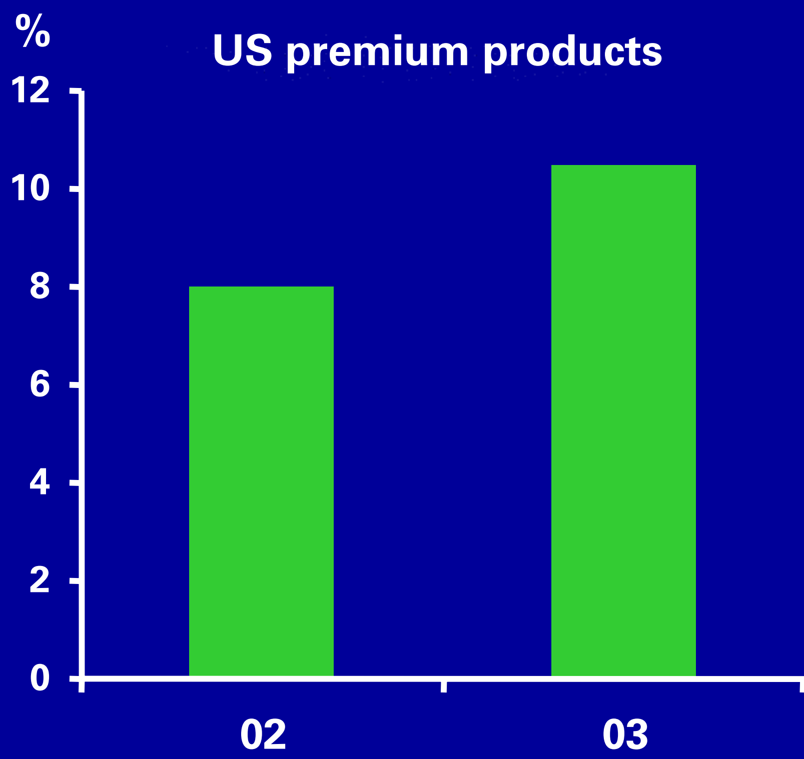
retail: operations

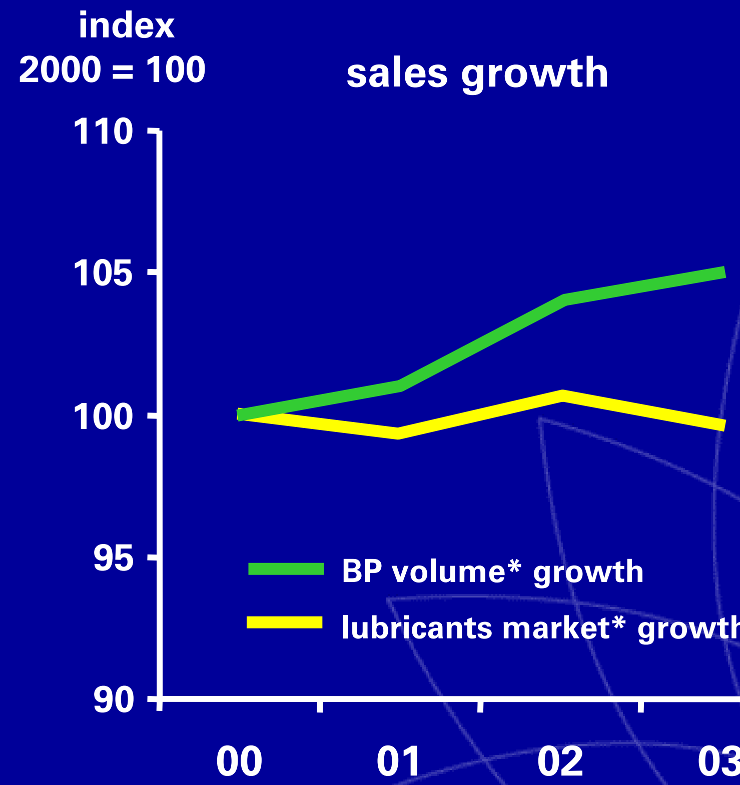


retail: investment



lubricants: offer quality





*market growth from PFC, BP projection 03, 04
lubricants market is automotive lubricants

r&m: summary

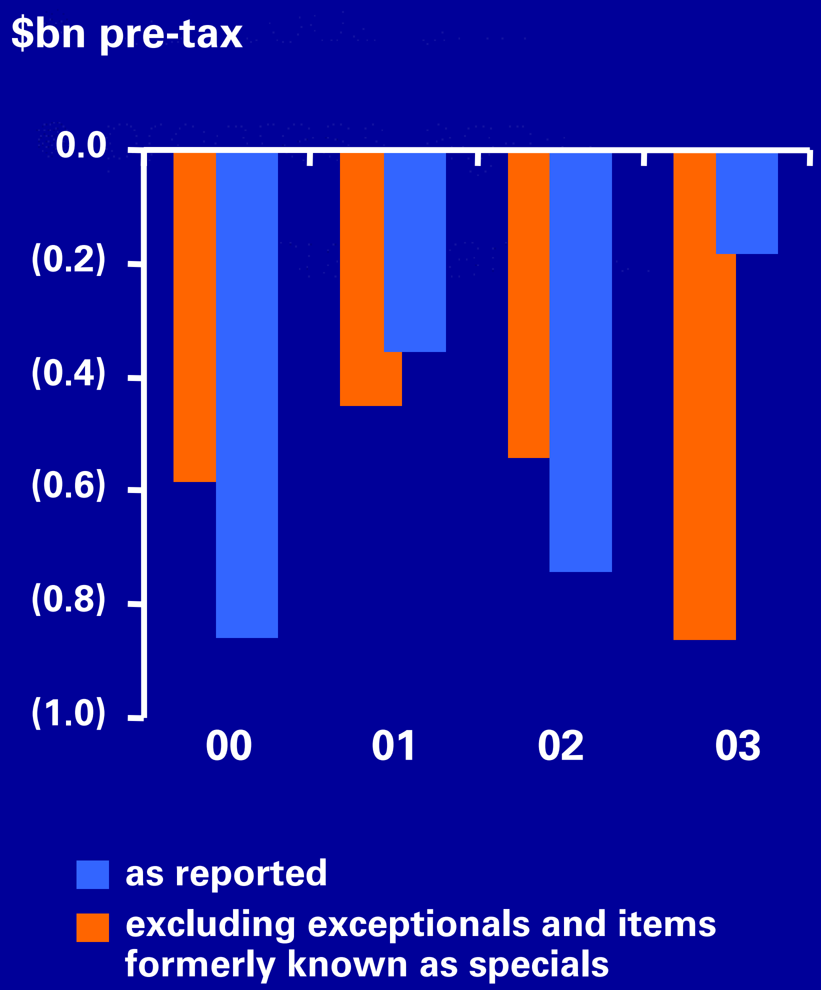
- world scale marketing business
- strong refining portfolio
- high quality offer; continuously improving
- focused on leading market positions

bp

Byron Grote

ob&c and group

ob&c result



history

- reported result volatile due to non-operating items
- 2000-2003 average c.$(600)m

outlook

- structural changes
  - disposals
  - compliance
  - environmental
  - interest income
- $(900)m / year ± $200m

forex

estimated 2004 exposure 10% weaker $

$bn pre-tax	**cash flow**	**earnings**
gross margin	1.1	1.1
cash costs	(1.1)	(1.1)
DD&A	-	(0.3)
operations	**-**	**(0.3)**
capex	(0.2)	-
annual hedge	0.1	0.1
total	**(0.1)**	**(0.2)**

interest expense

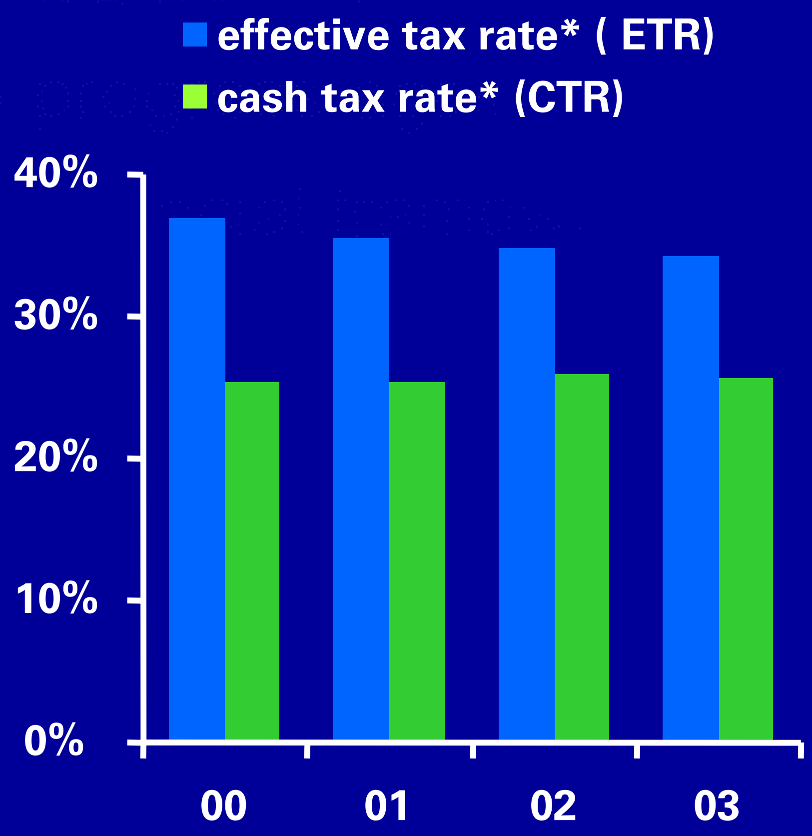
history

- maintain minimal cash balance
- move towards fully floating debt
- gearing in 25-35% band

outlook

- interest on BP debt will move proportionately to:
  - capital employed
  - market interest rates

income tax



history

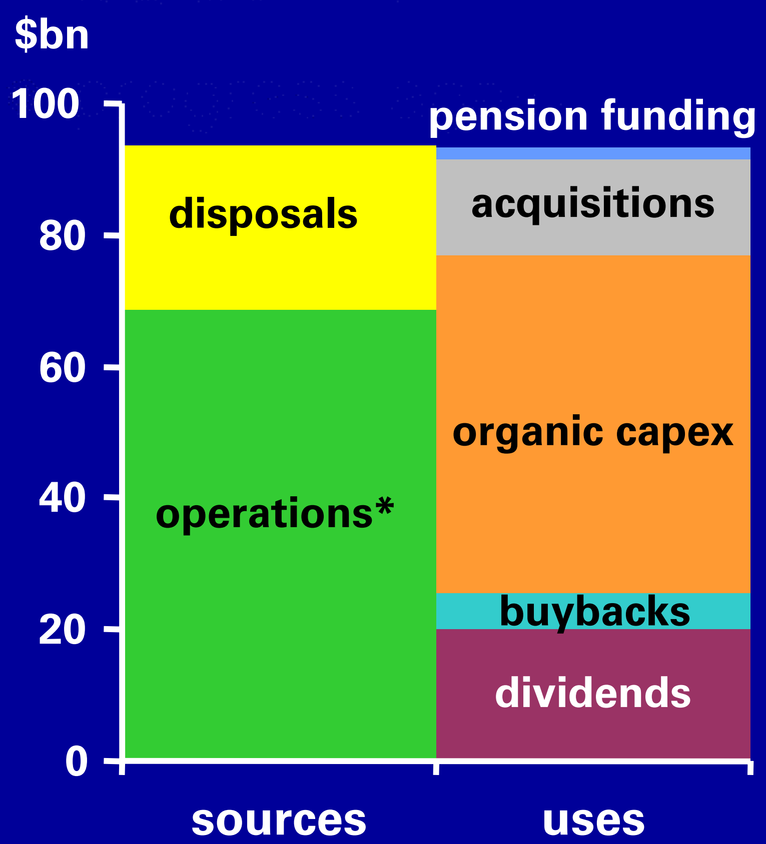
- ETR reduced to 34-35%
- CTR at 26%

outlook

- rates flat in similar environment
- marginal ETR & CTR: 40%

* before impact of exceptional items and one-time non-operating tax charges

net cash flow 2000 – 2003



history

cash balanced

$26bn shareholder distribution

outlook

lower pension funding

lower net investment

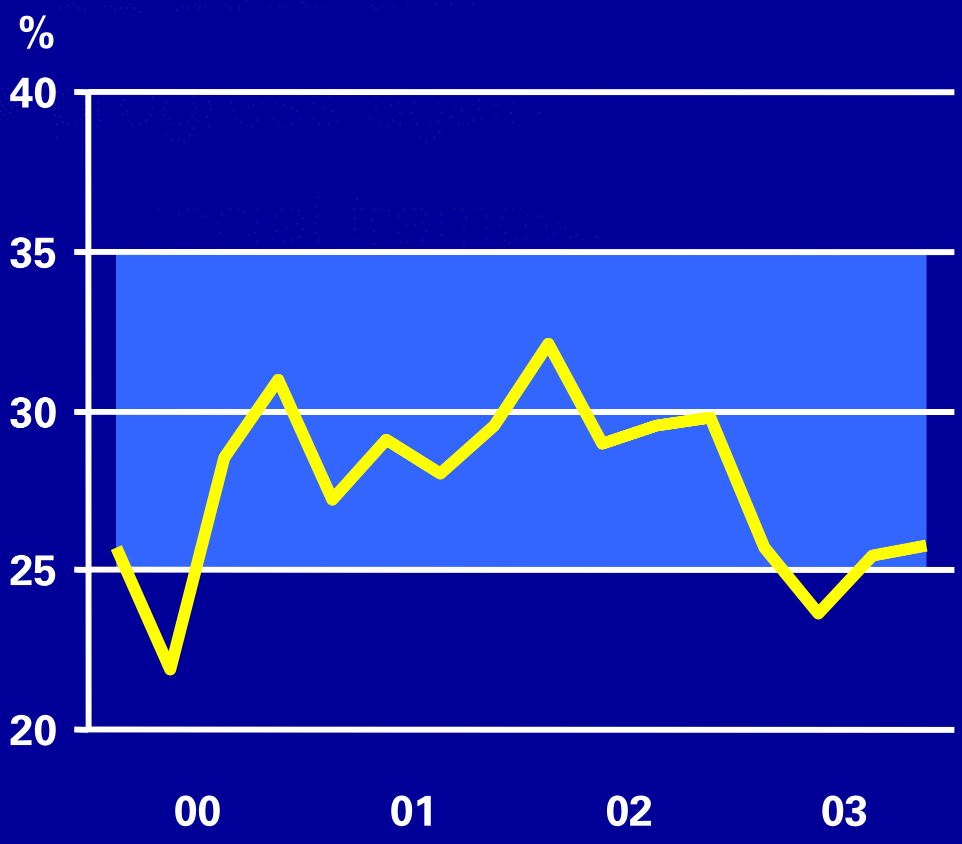
increased cash from operations

new profit centres in E&P

customer facing segments

*cash from operations before pension funding

gearing
proforma net debt ratio*



history

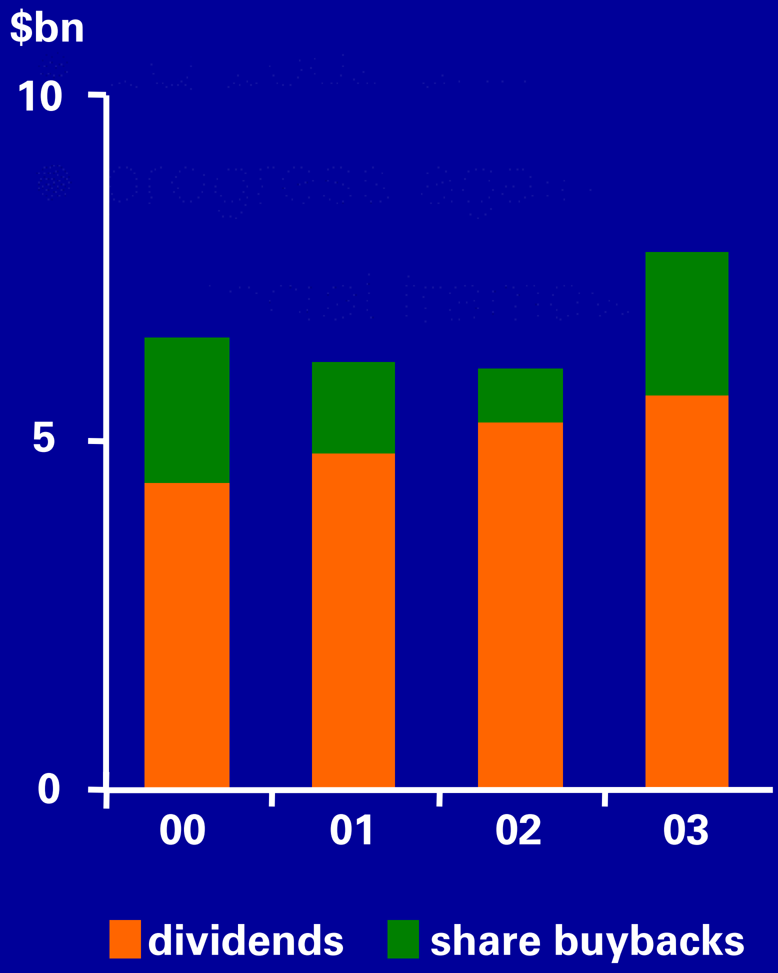
gearing maintained at or below midpoint of band

outlook

no change in financial framework

* proforma net debt ratio = net debt / (net debt + proforma equity)

shareholder distributions



history

dividends: +7% per year since 1999

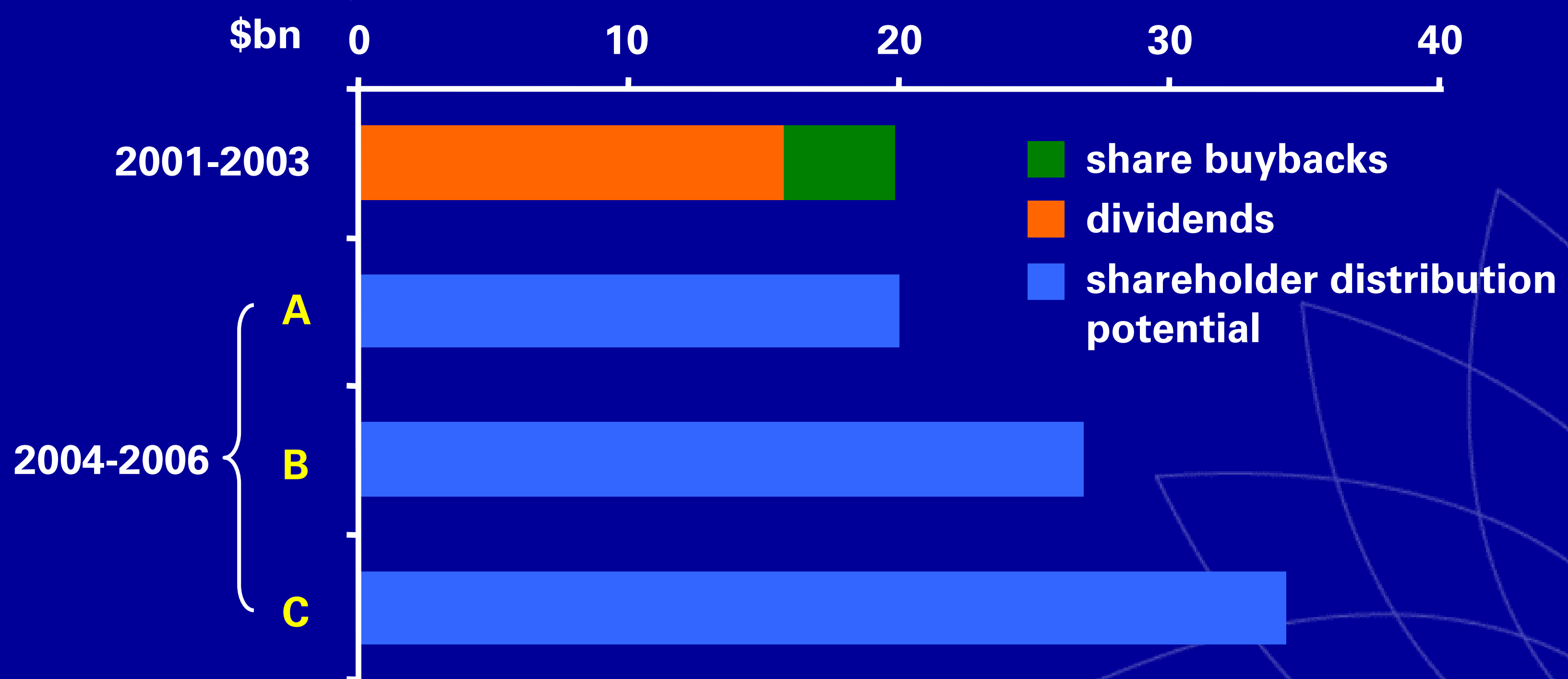
buybacks: $6bn 2000-2003

outlook

distribute all surplus cash flow

shareholder distribution potential

2001-2003 avg.	case	2004-2006 cases A	B	C
26	Brent $/bbl	20	25	30
4.3	HH $/mcf	3.5	4.4	5.3
3.3	refining $/bbl	2.7	2.7	2.7



04-06 BP estimates

q&a session

John Browne	group chief executive
Dick Olver	deputy group chief executive
Byron Grote	chief financial officer
Tony Hayward	chief executive, e&p
Bob Dudley	CEO, TNK-BP
Ralph Alexander	chief executive, gp&r
John Manzoni	chief executive, r&m
Iain Conn	chief executive, petrochemicals
David Allen	chief of staff