



## Edgar Filing: BP PLC - Form 6-K

STRONG ENVIRONMENT, STRONG PERFORMANCE

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million                          | Nine Months |         |    |
|--------------------------|---------------------------|--------------------------|-------------------------------------|-------------|---------|----|
|                          |                           |                          |                                     | 2005        | 2004    | %  |
| 4,818                    | 5,591                     | 6,463                    | Profit for the period*              | 18,656      | 14,065  |    |
| (1,027)                  | (610)                     | (2,053)                  | Inventory holding<br>(gains) losses | (3,774)     | (2,137) |    |
| 3,791                    | 4,981                     | 4,410                    | Replacement cost profit             | 14,882      | 11,928  | 25 |
| 9.61                     | 12.67                     | 11.86                    | - per ordinary share (pence)        | 38.08       | 29.93   |    |
| 17.49                    | 23.42                     | 21.04                    | - per ordinary share (cents)        | 70.07       | 54.48   | 29 |
| 1.05                     | 1.40                      | 1.26                     | - per ADS (dollar)                  | 4.20        | 3.27    |    |

As a result of the announced sale, Innovene operations have been treated as discontinued operations and presented accordingly within this document.

- o BP's third quarter replacement cost profit was \$4,410 million compared with \$3,791 million a year ago, an increase of 16%. The result includes the loss on re-measurement to fair value of Innovene as a result of the recently announced divestment, and significant impacts from the effects of hurricanes Katrina and Rita. For the nine months, replacement cost profit was \$14,882 million compared with \$11,928 million, up 25%.
- o The third quarter result includes a net non-operating charge of \$921 million compared with a net non-operating charge of \$394 million in the third quarter of 2004. For the nine months, the net non-operating charge was \$1,201 million compared with a net gain of \$189 million for the nine months of 2004.
- o The third quarter trading environment was generally stronger than a year ago with higher oil and gas realizations and higher refining margins, but with lower retail marketing and olefins margins.
- o Net cash provided by operating activities for the quarter and nine months was \$6.4 billion and \$22.5 billion, respectively, compared with \$6.1 billion and \$18.2 billion a year ago.
- o The ratio of net debt to net debt plus equity was 19% compared with 20% a year ago.
- o The quarterly dividend, to be paid in December, is 8.925 cents per share (\$0.5355 per ADS) compared with 7.10 cents per share a year ago. For the nine months, the dividend showed an increase of 26%. In sterling terms, the quarterly dividend is 5.061 pence per share,

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compared with 3.910 pence per share a year ago; for the nine months the increase was 26%. During the nine months, the company repurchased 728 million of its own shares at a cost of \$7.9 billion.

BP Group Chief Executive, Lord Browne, said:

"The recent hurricanes in the US have impacted our results. However, underlying performance is strong, amplified by high but volatile prices of oil, gas and products. The announced sale of Innovene for cash is a good outcome. We continue to invest in opportunities which remain robust to future changes in the operating environment, to pay an increasing dividend per share over time and to return excess free cash flow to investors".

\* Profit attributable to BP shareholders.

### Summary Quarterly Results

Exploration and Production's third quarter result was up 36% on a year ago reflecting higher realizations in both liquids and gas, partially offset by slightly lower volumes and higher operating costs and revenue investments.

The Refining and Marketing result reflects record refining margins but significantly lower retail marketing margins compared with a year ago.

In Gas, Power and Renewables the result increased compared with a year ago primarily due to higher contributions from the gas marketing business.

Interest and Other finance expense was \$181 million for the quarter compared with \$162 million in the previous quarter. This reflects higher interest costs partially offset by higher capitalized interest.

The effective tax rate on replacement cost profit of continuing operations was 33.7%.

Capital expenditure was \$3.3 billion for the quarter; there were no significant acquisitions. Disposal proceeds were \$0.2 billion.

Net debt at the end of the quarter was \$20 billion. The ratio of net debt to net debt plus equity was 19%.

During the third quarter, the company repurchased 332 million of its own shares, at a cost of \$3.8 billion. These shares are held in treasury.

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On 7 October 2005, BP announced that it is to sell Innovene to INEOS. The \$9 billion cash sale, subject to regulatory approvals, includes manufacturing sites, markets and technologies. The sale is expected to be concluded early in 2006.

The commentaries above and following are based on replacement cost profit.

TNK-BP operational and financial information has been estimated.

The financial information for 2004 has been restated to reflect the following, all with effect from 1 January 2005: (a) the adoption by the group of International Financial Reporting Standards (IFRS) (see Note 1); (b) the transfer of the aromatics and acetyls operations from the former Petrochemicals segment to the Refining and Marketing segment; (c) the transfer of the Olefins and Derivatives operations from the former Petrochemicals segment to Other businesses and corporate (as noted above we have announced the sale of Innovene and have categorized the majority of Olefins and Derivatives as discontinued operations); (d) the transfer of the Grangemouth and Lavera refineries from the Refining and Marketing segment into Olefins and Derivatives; (e) the transfer of the Mardi Gras pipeline from the Exploration and Production segment to the Refining and Marketing segment; and (f) the transfer of the Hobbs fractionator from the Gas, Power and Renewables segment to Olefins and Derivatives. Note 2 provides further detail of the resegmentation.

### Non-operating Items

| \$ million                     | Third<br>Quarter<br>2005 |
|--------------------------------|--------------------------|
|                                | =====                    |
| Exploration and Production     | (147)                    |
| Refining and Marketing         | (154)                    |
| Gas, Power and Renewables      | 95                       |
| Other businesses and corporate | (290)                    |
|                                | -----                    |
|                                | (496)                    |
| Taxation(a)                    | 167                      |
|                                | -----                    |
| Continuing operations          | (329)                    |
| Innovene Operations            | (759)                    |
| Taxation(a)                    | 167                      |
|                                | -----                    |
| Total for all operations       | (921)                    |
|                                | =====                    |

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- (a) Non-operating items related to Innovene operations, primarily the loss on re-measurement to fair value, are tax effected at 22%; other non-operating items are tax effected at 33.7%, the effective tax rate for continuing operations.

### Reconciliation of Replacement Cost Profit to Profit for the Period

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million   | Nine Months<br>2005      2004 |         |
|--------------------------|---------------------------|--------------------------|--|-------------------------------|---------|
| 4,822                    | 5,903                     | 6,535                    | Exploration and Production   | 18,924                        | 13,327  |
| 1,318                    | 1,286                     | 1,858                    | Refining and Marketing   | 4,565                         | 3,903   |
| 30                       | 174                       | 314                      | Gas, Power and Renewables  | 892                           | 420     |
| (441)                    | (156)                     | (452)                    | Other businesses and<br>corporate  | (783)                         | 400     |
| (95)                     | (4)                       | (285)                    | Consolidation adjustment<br>Unrealized profit<br>in inventory                            | (442)                         | (248)   |
| 89                       | 159                       | 144                      | Net profit on transactions<br>between continuing and<br>Innovene operations (a)          | 399                           | 157     |
| 5,723                    | 7,362                     | 8,114                    | RC profit before interest<br>and tax   | 23,555                        | 17,959  |
| (183)                    | (162)                     | (181)                    | Interest and other<br>finance expense  | (544)                         | (528)   |
| (1,657)                  | (2,291)                   | (2,674)                  | Taxation(b)  | (7,444)                       | (5,263) |
| (52)                     | (69)                      | (68)                     | Minority interest  | (198)                         | (128)   |
| 3,831                    | 4,840                     | 5,191                    | RC profit for continuing<br>operations attributable<br>to BP shareholders (c)            | 15,369                        | 12,040  |
| 904                      | 648                       | 1,938                    | Inventory holding gains<br>(losses) for continuing<br>operations                         | 3,547                         | 1,854   |
| 4,735                    | 5,488                     | 7,129                    | Profit for the period for<br>continuing operations<br>attributable to BP<br>shareholders | 18,916                        | 13,894  |
| 83                       | 103                       | (666)                    | Profit (loss) for the period<br>from Innovene operations(d)                              | (260)                         | 171     |
| 4,818                    | 5,591                     | 6,463                    | Profit for the period<br>attributable<br>to BP shareholders                              | 18,656                        | 14,065  |
| 3,831                    | 4,840                     | 5,191                    | RC profit for continuing<br>operations attributable to<br>BP shareholders                | 15,369                        | 12,040  |
| (40)                     | 141                       | (781)                    | RC profit for Innovene<br>operations   | (487)                         | (112)   |

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|       |       |       |                         |        |        |
|-------|-------|-------|-------------------------|--------|--------|
| 3,791 | 4,981 | 4,410 | Replacement cost profit | 14,882 | 11,928 |
|-------|-------|-------|-------------------------|--------|--------|

- (a) In the circumstances of discontinued operations, Accounting Standards require that the profits earned by the discontinued operations, in this case the Innovene operations, on sales to the continuing operations and vice versa, be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations. This net adjustment principally represents the net margin on crude refined by Innovene as substantially all crude for their refineries is supplied by BP and most of the refined products manufactured are taken by BP. The profits attributable to individual segments are not affected by this adjustment. Neither does this representation indicate the profits earned by continuing or Innovene operations, as if they were stand-alone entities, for past periods or likely to be earned in future periods.
- (b) The third quarter effective tax rate on continuing operations of 33.7% is calculated as the tax charge (\$2,674 million) divided by RC profit for continuing operations after interest (\$8,114-\$181=\$7,933 million).
- (c) Replacement cost profit reflects the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure. Operating cash flow is calculated from the starting point of profit before taxation which includes inventory holding gains and losses. Operating cash flow also reflects working capital movements including inventories, trade and other receivables and trade and other payables. The carrying value of these working capital items will change for various reasons, including movements in oil, gas and products prices.
- (d) See further detail in Note 3.

Per Share Amounts

| Third Quarter 2004   | Second Quarter 2005 | Third Quarter 2005 | Nine Months |            |
|--|---------------------|--------------------|-------------|------------|
|  |                     |                    | 2005        | 2004       |
| Results for the period (\$m)   |                     |                    |             |            |
| 4,818  | 5,591               | 6,463              | 18,656      | 14,065     |
| 3,791  | 4,981               | 4,410              | 14,882      | 11,928     |
| Shares in issue at period end (thousand) - ADS equivalent (thousand) |                     |                    |             |            |
| 21,713,966   | 21,174,934          | 20,984,851         | 20,984,851  | 21,713,966 |
| 3,618,994  | 3,529,156           | 3,497,475          | 3,497,475   | 3,618,994  |
| Average number of  |                     |                    |             |            |

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| 21,683,963 | 21,270,485 | 21,007,316 | shares outstanding<br>(thousand)         | 21,238,117 | 21,891,936 |
|------------|------------|------------|--|------------|------------|
| 3,613,994  | 3,545,081  | 3,501,219  | - ADS equivalent<br>(thousand)           | 3,539,686  | 3,648,656  |
|            |            |            |  |            |            |
|            |            |            | Per ordinary share<br>(cents)            |            |            |
| 22.21      | 26.30      | 30.75      | Profit for the period                    | 87.84      | 64.24      |
| 17.49      | 23.42      | 21.04      | RC profit<br>for the period              | 70.07      | 54.48      |
| 133.26     | 157.80     | 184.50     | Per ADS (cents)<br>Profit for the period | 527.04     | 385.44     |
| 104.94     | 140.52     | 126.24     | RC profit<br>for the period              | 420.42     | 326.88     |
|            |            |            |  |            |            |

\* Profit attributable to BP shareholders.

### Exploration and Production

| Third<br>Quarter<br>2004          | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million   | Nine months |        |
|-----------------------------------|---------------------------|--------------------------|--|-------------|--------|
|                                   |                           |                          |  | 2005        | 2004   |
|                                   |                           |                          |  |             |        |
| 4,827                             | 5,906                     | 6,536                    | Profit before interest and tax(a)                                    | 18,933      | 13,340 |
| (5)                               | (3)                       | (1)                      | Inventory holding (gains) losses                                     | (9)         | (13)   |
|                                   |                           |                          |  |             |        |
| 4,822                             | 5,903                     | 6,535                    | Replacement cost profit<br>before interest and tax                   | 18,924      | 13,327 |
|                                   |                           |                          |  |             |        |
| Results include:                  |                           |                          |  |             |        |
| 16                                | (3)                       | (106)                    | Impairment and gain (loss) on sale of<br>businesses and fixed assets | 831         | (233)  |
| -                                 | -                         | -                        | Environmental and other provisions                                   | -           | -      |
| -                                 | -                         | -                        | Restructuring, integration and<br>rationalization costs              | -           | -      |
| -                                 | (674)                     | (53)                     | Fair value gain (loss) on<br>embedded derviatives                    | (887)       | -      |
| (35)                              | 25                        | 12                       | Other  | 37          | (35)   |
|                                   |                           |                          |  |             |        |
| (19)                              | (652)                     | (147)                    | Total non-operating items  | (19)        | (268)  |
|                                   |                           |                          |  |             |        |
| 135                               | 139                       | 177                      | Exploration expense  | 476         | 379    |
| of which:                         |                           |                          |  |             |        |
| 34                                | 47                        | 93                       | Exploration expenditure written off                                  | 224         | 123    |
|                                   |                           |                          |  |             |        |
| Production (Net of Royalties) (b) |                           |                          |  |             |        |
| 2,298                             | 2,437                     | 2,313                    | Crude oil (mb/d)   | 2,385       | 2,320  |
| 181                               | 182                       | 159                      | Natural gas liquids (mb/d)   | 176         | 190    |
| 2,479                             | 2,619                     | 2,472                    | Total liquids (mb/d) (c)   | 2,561       | 2,510  |
| 8,275                             | 8,661                     | 7,841                    | Natural gas (mmcf/d)   | 8,412       | 8,433  |
| 3,906                             | 4,112                     | 3,824                    | Total hydrocarbons (mboe/d) (d)                                      | 4,011       | 3,964  |
|                                   |                           |                          |  |             |        |
| Average realizations (e)          |                           |                          |  |             |        |

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|                                   |       |       |                                    |       |       |
|-----------------------------------|-------|-------|------------------------------------|-------|-------|
| 39.43                             | 47.79 | 56.83 | Crude oil (\$/bbl)                 | 49.07 | 34.93 |
| 28.77                             | 29.86 | 36.70 | Natural gas liquids (\$/bbl)       | 31.30 | 25.13 |
| 38.29                             | 45.95 | 54.80 | Total liquids (\$/bbl)             | 47.22 | 33.89 |
| 3.66                              | 4.38  | 4.75  | Natural gas (\$/mcf)               | 4.45  | 3.71  |
| 30.08                             | 36.11 | 41.68 | Total hydrocarbons (\$/boe)        | 36.97 | 28.03 |
| =====                             |       |       |                                    |       |       |
| Average oil marker prices(\$/bbl) |       |       |                                    |       |       |
| 41.54                             | 51.63 | 61.63 | Brent                              | 53.68 | 36.31 |
| 43.88                             | 53.08 | 63.18 | West Texas Intermediate            | 55.43 | 39.18 |
| 41.82                             | 50.10 | 60.91 | Alaska North Slope US West Coast   | 52.08 | 37.70 |
| =====                             |       |       |                                    |       |       |
| Average natural gas marker prices |       |       |                                    |       |       |
| 5.75                              | 6.74  | 8.53  | Henry Hub gas price (\$/mmbtu) (f) | 7.19  | 5.81  |
| UK Gas - National                 |       |       |                                    |       |       |
| 23.63                             | 30.15 | 29.26 | Balancing Point (p/therm)          | 32.42 | 22.98 |
| =====                             |       |       |                                    |       |       |

- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Includes BP's share of production of equity-accounted entities.
- (c) Crude oil and natural gas liquids.
- (d) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
- (e) Based on turnover of consolidated subsidiaries only - this excludes equity-accounted entities.
- (f) Henry Hub First of the Month Index.

Exploration and Production

The replacement cost profit before interest and tax for the third quarter was \$6,535 million, an increase of 36% over the third quarter of 2004. This result benefited from higher realizations in both liquids and gas, partially offset by slightly lower volumes and higher operating costs and revenue investments. The results of the third quarter were significantly affected by hurricanes Katrina and Rita and their aftermath. The effects include profits foregone owing to lost oil and gas production from the US Gulf of Mexico and additional costs incurred because of damage to facilities.

Net non-operating charges for the third quarter total \$147 million, primarily arising from fair value losses of \$53 million on embedded derivatives relating to North Sea gas contracts and a charge for impairment of \$100 million in respect of a field in the Gulf of Mexico Shelf following the hurricane damage, which continues to be assessed. The corresponding quarter in 2004 contained non-operating charges for impairments and other items of \$42 million and gains on sales of assets of \$23 million.

Production for the quarter at 3,824 mboe/d was 2% lower than the third quarter



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of 2004. This primarily reflected the loss in production owing to the hurricanes in the Gulf of Mexico and higher planned maintenance shutdowns in the North Sea, partly offset by production growth from major projects in the New Profit Centres and TNK-BP.

The replacement cost profit before interest and tax of \$18,924 million for the nine months represented an increase of some 42% over the same period of the previous year. This result benefited from higher realizations and higher volumes partly offset by higher operating costs and revenue investments. The nine months result included net gains on sales of assets of \$1,061 million, fair value losses of \$887 million on embedded derivatives and charges for impairments of \$230 million.

In the Gulf of Mexico, repairs to the Thunder Horse are proceeding offshore, with production expected to start in the second half of 2006. The costs incurred to secure and repair the facility were \$107 million for the quarter.

Elsewhere, projects remain on track. In Azerbaijan, line-fill of the Baku-Tbilisi-Ceyhan (BTC) oil export pipeline continues and the inauguration of the Georgian section of the pipeline was held in early October. In Angola, Kizomba B started producing in early July. In Trinidad, both the Cannonball project and the Atlantic LNG Train 4 remain on course for start-up of production in the fourth quarter. In October, we announced the planned investment of \$2.2 billion in the Wamsutter natural gas field in Wyoming, USA.

We have had continued exploration success in Angola with the 'Juno-1' 'Astraea-1' and 'Hebe-1' oil discoveries in ultra-deepwater Block 31. These bring the number of successful discoveries that BP has drilled in Block 31 to nine. Also, we have made a second discovery offshore Sakhalin Island with the Udachnaya well.

### Customer Facing Segments

#### Refining and Marketing

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million                         | Nine Months |         |
|--------------------------|---------------------------|--------------------------|------------------------------------|-------------|---------|
| 2004                     | 2005                      | 2005                     |                                    | 2005        | 2004    |
| 2,190                    | 1,950                     | 3,697                    | Profit before interest and tax(a)  | 8,010       | 5,733   |
| (872)                    | (664)                     | (1,839)                  | Inventory holding (gains) losses   | (3,445)     | (1,830) |
| -----                    |                           |                          | Replacement cost profit            |             |         |
| 1,318                    | 1,286                     | 1,858                    | before interest and tax            | 4,565       | 3,903   |
| =====                    |                           |                          | Results include:                   |             |         |
|                          |                           |                          | Impairment and gain (loss) on sale |             |         |

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|   |        |       |                                    |       |        |
|---|--------|-------|------------------------------------|-------|--------|
| (18)  | 75     | (14)  | of businesses and fixed assets     | 34    | (123)  |
| (206)                                       | -      | (140) | Environmental and other provisions | (140) | (206)  |
| -   | -      | -     | Restructuring, integration and     |       |        |
|   |        |       | rationalization costs              | -     | -      |
| -   | -      | -     | Fair value gain (loss) on          |       |        |
| -   | (733)  | -     | embedded derivatives               | -     | -      |
|   |        |       | Other                              | (733) | -      |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| (224)                                       | (658)  | (154) | Total non-operating items          | (839) | (329)  |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |
| Refinery throughputs(b) (mb/d)              |        |       |                                    |       |        |
| 211   | 210    | 202   | UK                                 | 192   | 205    |
| 696   | 671    | 687   | Rest of Europe                     | 668   | 712    |
| 1,417                                       | 1,350  | 1,328 | USA                                | 1,360 | 1,351  |
| 296   | 305    | 296   | Rest of World                      | 300   | 357    |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| 2,620                                       | 2,536  | 2,513 | Total throughput                   | 2,520 | 2,625  |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |
| 95.1  | 93.1   | 92.6  | Refining availability (%)          | 93.6  | 95.0   |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |
| Oil sales volumes (mb/d)                    |        |       |                                    |       |        |
| Refined products                            |        |       |                                    |       |        |
| 334   | 356    | 369   | UK                                 | 354   | 318    |
| 1,406                                       | 1,346  | 1,402 | Rest of Europe                     | 1,357 | 1,359  |
| 1,696                                       | 1,656  | 1,674 | USA                                | 1,660 | 1,689  |
| 621   | 604    | 599   | Rest of World                      | 608   | 641    |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| 4,057                                       | 3,962  | 4,044 | Total marketing sales              | 3,979 | 4,007  |
| 2,627                                       | 2,129  | 2,010 | Trading/supply sales               | 2,112 | 2,463  |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| 6,684                                       | 6,091  | 6,054 | Total refined product sales        | 6,091 | 6,470  |
| 3,679                                       | 4,123  | 3,888 | Crude oil                          | 3,882 | 3,833  |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| 10,363                                      | 10,214 | 9,942 | Total oil sales                    | 9,973 | 10,303 |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |
| Global Indicator Refining Margin(c)         |        |       |                                    |       |        |
| (\$/bbl)                                    |        |       |                                    |       |        |
| 4.37  | 5.68   | 7.78  | NWE                                | 5.46  | 4.13   |
| 6.99  | 9.37   | 17.12 | USGC                               | 11.31 | 7.70   |
| 5.01  | 7.45   | 13.40 | Midwest                            | 8.28  | 6.23   |
| 11.28                                       | 14.53  | 17.57 | USWC                               | 15.02 | 11.58  |
| 5.48  | 6.30   | 6.52  | Singapore                          | 5.94  | 3.90   |
| 6.39  | 8.42   | 12.35 | BP Average                         | 8.93  | 6.52   |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |
| Chemicals production (kte)                  |        |       |                                    |       |        |
| 357   | 317    | 284   | UK                                 | 918   | 986    |
| 799   | 735    | 771   | Rest of Europe                     | 2,312 | 2,410  |
| 1,194                                       | 1,107  | 890   | USA                                | 3,215 | 3,521  |
| 1,004                                       | 981    | 1,115 | Rest of World                      | 3,105 | 3,026  |
| <hr style="border-top: 1px dashed black;"/> |        |       |                                    |       |        |
| 3,354                                       | 3,140  | 3,060 | Total production                   | 9,550 | 9,943  |
| <hr style="border-top: 3px double black;"/> |        |       |                                    |       |        |

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

(b) Refinery throughputs exclude the Grangemouth and Lavera refineries which are now treated as discontinued operations within Other

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businesses and corporate.

- (c) The Global Indicator Refining Margin (GIM) is the average of six regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate. The GIM data shown above excludes the Grangemouth and Lavera refineries.

### Customer Facing Segments

#### Refining and Marketing

The replacement cost profit before interest and tax for the third quarter was a record \$1,858 million. This is compared to \$1,318 million for the same period last year. The nine months' result was \$4,565 million, an increase of \$662 million, or 17%, year-on-year.

The quarter's result includes a charge of \$154 million for non-operating items. This is primarily in respect of new, and revisions to existing, environmental and other provisions. The non-operating charge for the corresponding quarter in 2004 was \$224 million.

This quarter's result reflects record refining margins and significantly lower retail marketing margins. The impact of hurricanes Katrina and Rita on the third quarter's result was significant. The effects include margin foregone due to refinery and other production shutdowns and supply disruptions to marketing operations. BP's increase in the third quarter refining margin was lower than the increase reflected in the Global Indicator Margin (GIM) as a result of the actual yield differing from the yields assumed in the GIM.

Refinery throughputs for the quarter and nine months were 2,513 mb/d and 2,520 mb/d respectively, lower than in the corresponding periods of 2004 due to the effects of the Texas City incident in March 2005 and the complete shut down of the refinery late in the quarter in advance of hurricane Rita. The Texas City refinery is expected to resume production late in the fourth quarter, with initial gasoline production expected during December.

Marketing sales were 4,044 mb/d for the third quarter and 3,979 mb/d for the first nine months of the year, compared with 4,057 mb/d and 4,007 mb/d for the corresponding periods in the previous year. The third quarter result reflects depressed retail marketing margins caused by a quarter of rapidly rising wholesale product prices not fully recovered in the market place. The marketing result was also affected by supply disruptions caused by the hurricanes in the USA, which led to plant shutdowns within the Aromatics and Acetyls business.

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During the quarter, we announced plans for a second PTA plant at the BP Zhuhai Chemical Company Limited site in Guangdong Province, China, subject to approval from the Government. The new plant will have operating capacity of 900,000 tonnes a year and will be the first plant to use BP's latest generation PTA technology. Also, the transaction announced in 2004 for the sale of BP's 70% shareholding in BP Malaysia Sdn Bhd to Lembaga Tabung Angkatan Tentera (LTAT) was successfully concluded.

During early October, BP has agreed terms for the disposal to Osterreichische Mineralol Verwaltung Aktiengesellschaft (OMV) of BP's network of 70 Retail sites in the Czech Republic and signed a letter of intent with Hindustan Petroleum Corporation Limited to form a 50/50 strategic joint venture covering the refining and marketing sector in India.

### Customer Facing Segments

Gas, Power and Renewables

| Third<br>Quarter<br>2004   | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million   | Nine Months |        |
|----------------------------|---------------------------|--------------------------|--|-------------|--------|
|                            |                           |                          |  | 2005        | 2004   |
| 57                         | 160                       | 412                      | Profit before interest and tax(a)                                    | 990         | 431    |
| (27)                       | 14                        | (98)                     | Inventory holding (gains) losses                                     | (98)        | (11)   |
| -----                      |                           |                          |  |             |        |
| 30                         | 174                       | 314                      | Replacement cost profit<br>before interest and tax                   | 892         | 420    |
| =====                      |                           |                          |  |             |        |
| Results include:           |                           |                          |  |             |        |
| 16                         | 20                        | (2)                      | Impairment and gain (loss) on sale<br>of businesses and fixed assets | 81          | 16     |
| -                          | -                         | 6                        | Environmental and other provisions                                   | 6           | -      |
| -                          | -                         | -                        | Restructuring, integration and<br>rationalization costs              | -           | -      |
| -                          | 67                        | 91                       | Fair value gain (loss)<br>on embedded derivatives                    | 200         | -      |
| -                          | -                         | -                        | Other  | -           | -      |
| -----                      |                           |                          |  |             |        |
| 16                         | 87                        | 95                       | Total non-operating items  | 287         | 16     |
| =====                      |                           |                          |  |             |        |
| Gas sales volumes (mmcf/d) |                           |                          |  |             |        |
| 4,463                      | 4,699                     | 3,858                    | UK   | 4,651       | 5,091  |
| 485                        | 382                       | 300                      | Rest of Europe   | 356         | 398    |
| 13,585                     | 14,501                    | 15,552                   | USA  | 14,752      | 13,228 |
| 13,250                     | 14,933                    | 15,031                   | Rest of World  | 15,195      | 13,078 |
| -----                      |                           |                          |  |             |        |
| 31,783                     | 34,515                    | 34,741                   | Total gas sales volumes  | 34,954      | 31,795 |
| =====                      |                           |                          |  |             |        |
| NGL sales volumes (mb/d)   |                           |                          |  |             |        |
| 9                          | 4                         | 7                        | UK   | 7           | 7      |
| 7                          | 12                        | 7                        | Rest of Europe   | 11          | 4      |
| 358                        | 317                       | 384                      | USA  | 358         | 385    |

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|       |     |     |                         |       |     |
|-------|-----|-----|-------------------------|-------|-----|
| 161   | 162 | 178 | Rest of World           | 197   | 190 |
| ----- |     |     |                         | ----- |     |
| 535   | 495 | 576 | Total NGL sales volumes | 573   | 586 |
| ===== |     |     |                         | ===== |     |

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the third quarter and nine months was \$314 million and \$892 million respectively, compared with \$30 million and \$420 million a year ago.

The third quarter result is higher than the same period in 2004 primarily due to higher contributions from the gas marketing business. The nine months result is higher than the same period in 2004 reflecting higher gains from non-operating items as well as higher contribution from the operating businesses. Results reflect changes to fair value accounting following the introduction of IFRS in 2005 which have created increased volatility in the Gas, Power and Renewables results.

Other Businesses and Corporate

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | \$ million                         | Nine Months |       |
|--------------------------|---------------------------|--------------------------|------------------------------------|-------------|-------|
| -----                    |                           |                          |                                    | 2005        | 2004  |
| =====                    |                           |                          |                                    | =====       |       |
|                          |                           |                          | Profit (loss) before               |             |       |
| (441)                    | (161)                     | (452)                    | interest and tax(a)                | (788)       | 400   |
| -                        | 5                         | -                        | Inventory holding (gains) losses   | 5           | -     |
| -----                    |                           |                          |                                    | -----       |       |
| (441)                    | (156)                     | (452)                    | Replacement cost profit            | (783)       | 400   |
| =====                    |                           |                          | before interest and tax (b)        | =====       |       |
|                          |                           |                          | Results include:                   |             |       |
| (36)                     | 34                        | 4                        | Impairment and gain (loss) on sale | 38          | 1,158 |
| (283)                    | 22                        | (296)                    | of businesses and fixed assets     | (274)       | (283) |
| (19)                     | (28)                      | (6)                      | Environmental and other provisions | (77)        | (19)  |
| -                        | (14)                      | 8                        | Restructuring, integration and     |             |       |
| -                        | 3                         | -                        | rationalization costs              | (10)        | -     |
|                          |                           |                          | Fair value gain (loss) on          | 3           | -     |
|                          |                           |                          | embedded derivatives               |             |       |
|                          |                           |                          | Other                              |             |       |
| -----                    |                           |                          |                                    | -----       |       |
| (338)                    | 17                        | (290)                    | Total non-operating items          | (320)       | 856   |
| =====                    |                           |                          |                                    | =====       |       |

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- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Includes the portion of Olefins and Derivatives not included in the sale of Innovene to INEOS. This includes the equity-accounted investments in China and Malaysia that were part of Olefins and Derivatives.

Other businesses and corporate comprises Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The group's interests in PetroChina and Sinopec were divested in early 2004. The third quarter's result includes a net charge of \$290 million in respect of non-operating items. This includes a charge of \$296 million relating to new, and revisions to existing, environmental and other provisions.

### Dividends Payable

| December<br>2004 | September<br>2005 | December<br>2005 |                              | June,<br>and December<br>2005 | September<br>and December<br>2004 |
|------------------|-------------------|------------------|------------------------------|-------------------------------|-----------------------------------|
| =====            |                   |                  |                              | =====                         |                                   |
|                  |                   |                  | Dividends per ordinary share |                               |                                   |
| 7.10             | 8.925             | 8.925            | cents                        | 26.35                         | 20.95                             |
| 3.910            | 5.119             | 5.061            | pence                        | 14.630                        | 11.577                            |
| 42.60            | 53.55             | 53.55            | Dividends per ADS (cents)    | 158.10                        | 125.70                            |
| -----            |                   |                  |                              | -----                         |                                   |

BP today announced a dividend of 8.925 cents per ordinary share to be paid in December. Holders of ordinary shares will receive 5.061 pence per share and holders of American Depository Receipts (ADRs) \$0.5355 per ADS share. The dividend is payable on 5 December to shareholders on the register on 11 November. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 5 December.

### Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic growth appears to have been sustained at close to trend rates, despite the disruptions and uncertainties following hurricanes Katrina and Rita.

"Crude oil prices averaged \$61.63 per barrel (Dated Brent) in the third quarter,

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an increase of \$10 per barrel from the second quarter average, and more than \$20 per barrel above the same period last year. Hurricanes Katrina and Rita resulted in the loss of as much as 1.5 mmb/d of production in the US Gulf of Mexico. However, in recent weeks, the temporary loss of Gulf Coast refining capacity and signs of weaker consumption have caused crude prices to drift downward. Nonetheless, prices are expected to be well supported into the winter.

"US natural gas prices averaged \$8.53/mmbtu (Henry Hub first of month index) in the third quarter, up nearly \$2 per mmbtu versus the second quarter. Hurricanes Katrina and Rita shut in about 20% of US domestic output and raised prices to around imputed distillate parity. We expect US gas prices to continue to trade close to distillate parity.

"Average global refining margins reached a record \$12.35/bbl in the third quarter. Hurricanes Katrina and Rita caused extensive damage to refining facilities in the US Gulf, shutting-in 5mmb/d of refining capacity, of which 1.5 mmb/d is yet to return to operation. Oil product stocks and anticipated recoveries in refining capacity generally are adequate to meet current demand but the situation remains finely balanced and vulnerable to further disruptions or a colder than normal winter. Therefore, refining margins are likely to remain high during the fourth quarter.

"During the third quarter, retail margins have been impacted negatively by high and rising product prices. As the fourth quarter opens, some easing in wholesale gasoline prices is evident. However, significant uncertainty exists about the strength of the consequent margin recovery and the outlook for marketing margins remains highly volatile.

"We anticipate production from the deepwater Gulf of Mexico to be back to normal, with the exception of the Shell-operated Mars project, by the end of the year. Thunder Horse is expected to start production in the second half of 2006. The Texas City refinery is expected to resume production late in the fourth quarter, with initial gasoline production expected during December.

"Our strategy is unchanged. We continue to execute it with discipline and focus. Our ability to capture the benefit of current prices and margin strength underpins continued dividend growth and continuing share buybacks subject to market conditions and constraints. Capital expenditure is now expected to be approximately \$14 billion for the year and around \$15 billion in 2006."

-----  
The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding capital expenditure, costs, demand, dividends, future performance, growth and other trend projections, margins, prices, production, share buybacks, supply and the timing of projects. By their nature, forward looking statements involve risks and uncertainties and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new

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fields on stream; industry product supply; demand and pricing; currency exchange rates; operational problems; general economic conditions including inflationary pressures; political stability and economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2004 and our 2004 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

### BP p.l.c. and Subsidiaries

#### Summarized Group Income Statement

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |  | Nine months<br>2005 | 2004    |
|--------------------------|---------------------------|--------------------------|--|---------------------|---------|
| =====                    |                           |                          |  | =====               |         |
| \$ million               |                           |                          |  | \$ million          |         |
| 65,764                   | 83,471                    | 96,520                   | Sales and other operating revenues (Note 4)                        | 255,180             | 199,584 |
| 636                      | 739                       | 1,020                    | Earnings from jointly controlled entities - after interest and tax | 2,245               | 1,460   |
| 127                      | 104                       | 112                      | Earnings from associates - after interest and tax                  | 330                 | 331     |
| 189                      | 141                       | 26                       | Interest and other revenues  | 379                 | 438     |
| -----                    |                           |                          |  | -----               |         |
| 66,716                   | 84,455                    | 97,678                   | Total revenues   | 258,134             | 201,813 |
| 15                       | 201                       | 47                       | Gain on sale of businesses and fixed assets                        | 1,448               | 1,629   |
| -----                    |                           |                          |  | -----               |         |
| 66,731                   | 84,656                    | 97,725                   | Total revenues and other income                                    | 259,582             | 203,442 |
| 49,877                   | 64,030                    | 76,237                   | Purchases  | 197,581             | 153,424 |
| 3,914                    | 5,827                     | 4,821                    | Production and manufacturing expenses                              | 14,969              | 12,287  |
| 553                      | 697                       | 834                      | Production and similar taxes (Note 5)                              | 2,180               | 1,502   |
| 2,056                    | 2,232                     | 2,041                    | Depreciation, depletion and amortization                           | 6,420               | 6,099   |
| 37                       | 75                        | 165                      | Impairment and losses on sale of businesses and fixed assets       | 464                 | 811     |
| 135                      | 139                       | 177                      | Exploration expense (Note 5)                                       | 476                 | 379     |
| 3,532                    | 3,025                     | 3,444                    | Distribution and administration expenses                           | 9,693               | 9,127   |
| -                        | 621                       | (46)                     | Fair value (gain) loss on embedded derivatives                     | 697                 | -       |
| -----                    |                           |                          |  | -----               |         |
| 6,627                    | 8,010                     | 10,052                   | Profit before interest and taxation from continuing operations     | 27,102              | 19,813  |



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|       |       |       |                                   |        |        |
|-------|-------|-------|-----------------------------------|--------|--------|
| 104   | 128   | 144   | Interest payable (Note 6)         | 444    | 297    |
| 79    | 34    | 37    | Other finance expense (Note 7)    | 100    | 231    |
| <hr/> |       |       |                                   |        |        |
|       |       |       | Profit before taxation            |        |        |
| 6,444 | 7,848 | 9,871 | from continuing operations        | 26,558 | 19,285 |
| 1,657 | 2,291 | 2,674 | Taxation                          | 7,444  | 5,263  |
| <hr/> |       |       |                                   |        |        |
| 4,787 | 5,557 | 7,197 | Profit from continuing operations | 19,114 | 14,022 |
|       |       |       | Profit (loss) from Innovene       |        |        |
| 83    | 103   | (666) | operations (Note 3)               | (260)  | 171    |
| <hr/> |       |       |                                   |        |        |
| 4,870 | 5,660 | 6,531 | Profit for the period             | 18,854 | 14,193 |
| <hr/> |       |       |                                   |        |        |
|       |       |       | Attributable to:                  |        |        |
| 4,818 | 5,591 | 6,463 | BP shareholders                   | 18,656 | 14,065 |
| 52    | 69    | 68    | Minority interest                 | 198    | 128    |
| <hr/> |       |       |                                   |        |        |
| 4,870 | 5,660 | 6,531 |                                   | 18,854 | 14,193 |
| <hr/> |       |       |                                   |        |        |
|       |       |       | Earnings per share - cents        |        |        |
|       |       |       | Profit for the period             |        |        |
|       |       |       | attributable to BP shareholders   |        |        |
| 22.21 | 26.30 | 30.75 | Basic                             | 87.84  | 64.24  |
| 21.96 | 25.94 | 30.54 | Diluted                           | 86.84  | 63.12  |
| <hr/> |       |       |                                   |        |        |
|       |       |       | Profit from continuing operations |        |        |
|       |       |       | Attributable to BP shareholders   |        |        |
| 21.83 | 25.81 | 33.87 | Basic                             | 89.06  | 63.46  |
| 21.58 | 25.46 | 33.62 | Diluted                           | 88.05  | 62.35  |
| <hr/> |       |       |                                   |        |        |

### Summarized Group Balance Sheet

|  | 30 September<br>2005 | 31 December<br>2004 |
|--|----------------------|---------------------|
| <hr/>                                      |                      |                     |
| \$ million                                 |                      |                     |
| Non-current assets                         |                      |                     |
| Property, plant and equipment              | 84,489               | 93,092              |
| Goodwill                                   | 10,440               | 10,857              |
| Other intangible assets                    | 4,762                | 4,205               |
| Investments in jointly controlled entities | 14,110               | 14,556              |
| Investments in associates                  | 6,140                | 5,486               |
| Other investments                          | 785                  | 467                 |
| <hr/>                                      |                      |                     |
| Fixed assets                               | 120,726              | 128,663             |
| Loans and other receivables                | 6,367                | 2,419               |
| Defined benefit pension plan surplus       | 2,132                | 2,105               |
| <hr/>                                      |                      |                     |
|  | 129,225              | 133,187             |
| <hr/>                                      |                      |                     |
| Current assets                             |                      |                     |
| Inventories                                | 19,507               | 15,645              |
| Trade and other receivables                | 51,921               | 44,282              |

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|   |         |         |
|---|---------|---------|
| Current tax receivable  | 112     | 157     |
| Cash and cash equivalents   | 2,182   | 1,359   |
|   | -----   | -----   |
|   | 73,722  | 61,443  |
| Innovene assets classified as held for sale   | 11,379  | -       |
|   | -----   | -----   |
|   | 85,101  | 61,443  |
|   | -----   | -----   |
| Total assets  | 214,326 | 194,630 |
|   | =====   | =====   |
| Current liabilities   |         |         |
| Trade and other payables  | 58,414  | 48,096  |
| Finance debt  | 10,480  | 10,184  |
| Current tax payable   | 4,383   | 4,131   |
| Provisions  | 1,020   | 715     |
|   | -----   | -----   |
|   | 74,297  | 63,126  |
|   | -----   | -----   |
| Non-current liabilities   |         |         |
| Other payables  | 7,290   | 4,438   |
| Finance debt  | 11,679  | 12,907  |
| Deferred tax liabilities  | 16,404  | 16,701  |
| Provisions  | 9,579   | 8,884   |
| Defined benefit pension plan and other<br>post-retirement benefit plan deficits         | 9,426   | 10,339  |
|   | -----   | -----   |
|   | 54,378  | 53,269  |
|   | -----   | -----   |
| Liabilities directly associated with the<br>Innovene assets classified as held for sale | 2,925   | -       |
|   | -----   | -----   |
|   | 57,303  | 53,269  |
|   | -----   | -----   |
| Total liabilities   | 131,600 | 116,395 |
|   | -----   | -----   |
| Net assets  | 82,726  | 78,235  |
|   | =====   | =====   |
| Equity  |         |         |
| BP shareholders' equity   | 81,580  | 76,892  |
| Minority interest   | 1,146   | 1,343   |
|   | -----   | -----   |
|   | 82,726  | 78,235  |
|   | =====   | =====   |

Movement in BP Shareholders' Equity

|                                      |            |
|--------------------------------------|------------|
| Movement in BP shareholders' equity: | \$ million |
| At 31 December 2004                  | 76,892     |
| Adoption of IAS 39                   | (243)      |
|                                      | -----      |
| As restated at 1 January 2005        | 76,649     |
| Profit for the period                | 18,656     |

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|  |         |
|--|---------|
| Distribution to shareholders                               | (5,503) |
| Currency translation differences (net of tax)              | (2,152) |
| Issue of ordinary share capital for employee share schemes | 504     |
| Issue of ordinary share capital for TNK-BP                 | 1,250   |
| Purchase of shares by ESOP trusts                          | (254)   |
| Share based payment accrual (net of tax)                   | 452     |
| Available-for-sale investments (net of tax)                | 25      |
| Cash flow hedges (net of tax)                              | (169)   |
| Repurchase of ordinary share capital                       | (7,878) |
|  | -----   |
| At 30 September 2005                                       | 81,580  |
|  | =====   |

### Summarized Group Cash Flow Statement

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |  | Nine months<br>2005 | 2004    |
|--------------------------|---------------------------|--------------------------|--|---------------------|---------|
| =====                    |                           |                          |  | =====               |         |
| \$ million               |                           |                          |  | \$ million          |         |
|                          |                           |                          | Operating activities   |                     |         |
| 6,444                    | 7,848                     | 9,871                    | Profit before taxation from continuing operations  | 26,558              | 19,285  |
|                          |                           |                          | Adjustments to reconcile profits before tax to net cash provided by operating activities |                     |         |
| 34                       | 47                        | 93                       | Exploration expenditure written off  | 224                 | 123     |
| 2,056                    | 2,232                     | 2,041                    | Depreciation, depletion and amortization   | 6,420               | 6,099   |
| 22                       | (126)                     | 118                      | Impairment and (gain) loss on sale of businesses and fixed assets                        | (984)               | (818)   |
| (763)                    | (843)                     | (1,132)                  | Earnings from jointly controlled entities and associates                                 | (2,575)             | (1,791) |
| 1,130                    | 741                       | 893                      | Dividends received from jointly controlled entities and associates                       | 1,989               | 1,443   |
| (3,186)                  | (2,692)                   | (5,718)                  | Working capital and other movements  | (9,297)             | (6,074) |
| -----                    |                           |                          |  | -----               |         |
| 5,737                    | 7,207                     | 6,166                    | Net cash provided by operating activities of continuing operations                       | 22,335              | 18,267  |
| 318                      | (470)                     | 205                      | Net cash provided by (used in) operating activities of Innovene operations               | 147                 | (46)    |
| -----                    |                           |                          |  | -----               |         |
| 6,055                    | 6,737                     | 6,371                    | Net cash provided by operating activities  | 22,482              | 18,221  |
| -----                    |                           |                          |  | -----               |         |
|                          |                           |                          | Investing activities   |                     |         |
| (3,083)                  | (2,911)                   | (3,069)                  | Capital expenditure  | (8,805)             | (8,481) |
| -                        | -                         | -                        | Acquisitions, net of cash acquired   | -                   | (14)    |
| (88)                     | (36)                      | (2)                      | Net investment in jointly controlled entities  | (53)                | (1,514) |
| (171)                    | (186)                     | (82)                     | Net investment in associates   | (367)               | (752)   |

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|   |         |         |  |          |          |
|---|---------|---------|--|----------|----------|
|   |         |         | Proceeds from disposal of businesses<br>and fixed assets                     | 1,978    | 4,067    |
| 574   | 425     | 226     |  |          |          |
| -   | 48      | 11      | Proceeds from loan repayments  | 91       | 3        |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| (2,768)                                     | (2,660) | (2,916) | Net cash used in investing<br>activities                                     | (7,156)  | (6,691)  |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| Financing activities                        |         |         |  |          |          |
| (2,180)                                     | (2,034) | (3,661) | Net repurchase of shares   | (7,628)  | (5,266)  |
| 717   | 482     | 497     | Proceeds from long-term financing  | 1,790    | 1,775    |
| (13)  | (1,011) | (420)   | Repayments of long-term financing  | (3,623)  | (1,283)  |
| (130)                                       | 149     | 2,983   | Net increase (decrease) in short-<br>term debt                               | 966      | (2,553)  |
| (1,536)                                     | (1,809) | (1,871) | Dividends paid - BP shareholders   | (5,503)  | (4,506)  |
| (15)  | (15)    | (87)    | - Minority interest  | (422)    | (25)     |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| (3,157)                                     | (4,238) | (2,559) | Net cash used in financing<br>activities                                     | (14,420) | (11,858) |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| 21  | -       | (74)    | Currency translation differences<br>relating to cash and cash<br>equivalents | (83)     | 13       |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| 151   | (161)   | 822     | Increase (decrease) in cash and<br>cash equivalents                          | 823      | (315)    |
| 1,590                                       | 1,521   | 1,360   | Cash and cash equivalents at<br>beginning of period                          | 1,359    | 2,056    |
| <hr style="border-top: 1px dashed black;"/> |         |         |  |          |          |
| 1,741                                       | 1,360   | 2,182   | Cash and cash equivalents at<br>end of period                                | 2,182    | 1,741    |
| <hr style="border-top: 3px double black;"/> |         |         |  |          |          |

### Summarized Group Cash Flow Statement

|         | Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |  | Nine months<br>2005 | 2004    |
|---------|--------------------------|---------------------------|--------------------------|--|---------------------|---------|
|         | =====                    |                           |                          |  | =====               |         |
|         | \$ million               |                           |                          |  | \$ million          |         |
|         |                          |                           |                          | Working capital and other movements  |                     |         |
| (46)    | (102)                    | (86)                      | (86)                     | Interest receivable  | (251)               | (155)   |
| 56      | 78                       | 81                        | 81                       | Interest received  | 193                 | 138     |
| 104     | 128                      | 144                       | 144                      | Interest payable   | 444                 | 297     |
| (152)   | (119)                    | (384)                     | (384)                    | Interest paid  | (835)               | (471)   |
| 79      | 34                       | 37                        | 37                       | Other finance expense  | 100                 | 231     |
| 41      | 79                       | 66                        | 66                       | Share-based payments   | 222                 | 156     |
| 39      | (6)                      | (21)                      | (21)                     | Net operating charge for pensions and<br>other post-retirement benefits,<br>less contributions | (37)                | (18)    |
| 416     | 507                      | 440                       | 440                      | Net charge for provisions,<br>less payments  | 884                 | 416     |
| (2,305) | (1,786)                  | (3,737)                   | (3,737)                  | (Increase) decrease in inventories   | (6,320)             | (3,309) |
| (3,413) | (4,608)                  | (10,116)                  | (10,116)                 | (Increase) decrease in trade and<br>other receivables  | (16,041)            | (6,065) |
| 3,787   | 5,536                    | 10,425                    | 10,425                   | Increase (decrease) in trade and<br>other payables   | 18,328              | 6,698   |
| (1,792) | (2,433)                  | (2,567)                   | (2,567)                  | Income taxes paid  | (5,984)             | (3,992) |

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|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| (3,186) | (2,692) | (5,718) | (9,297) | (6,074) |
|---------|---------|---------|---------|---------|

Capital Expenditure and Acquisitions

| Third Quarter<br>2004 | Second Quarter<br>2005 | Third Quarter<br>2005 |                                  | Nine months<br>2005 | 2004   |
|-----------------------|------------------------|-----------------------|----------------------------------|---------------------|--------|
| \$ million            |                        |                       |                                  | \$ million          |        |
|                       |                        |                       | By business                      |                     |        |
|                       |                        |                       | Exploration and Production       |                     |        |
| 191                   | 213                    | 221                   | UK                               | 610                 | 555    |
| 68                    | 37                     | 50                    | Rest of Europe                   | 118                 | 161    |
| 983                   | 942                    | 930                   | USA                              | 2,869               | 2,853  |
| 1,152                 | 1,289                  | 1,292                 | Rest of World (a)                | 3,678               | 4,841  |
| 2,394                 | 2,481                  | 2,493                 |                                  | 7,275               | 8,410  |
|                       |                        |                       | Refining and Marketing           |                     |        |
| 82                    | 97                     | 65                    | UK                               | 205                 | 225    |
| 148                   | 111                    | 99                    | Rest of Europe                   | 277                 | 351    |
| 298                   | 219                    | 282                   | USA                              | 691                 | 829    |
| 104                   | 88                     | 115                   | Rest of World                    | 234                 | 194    |
| 632                   | 515                    | 561                   |                                  | 1,407               | 1,599  |
|                       |                        |                       | Gas, Power and Renewables        |                     |        |
| 6                     | 16                     | 3                     | UK                               | 20                  | 12     |
| 2                     | 6                      | 4                     | Rest of Europe                   | 11                  | 7      |
| 14                    | 19                     | 22                    | USA                              | 54                  | 38     |
| 40                    | 10                     | 10                    | Rest of World                    | 26                  | 142    |
| 62                    | 51                     | 39                    |                                  | 111                 | 199    |
|                       |                        |                       | Other businesses and corporate   |                     |        |
| 113                   | 82                     | 92                    | UK                               | 249                 | 159    |
| 73                    | 58                     | 40                    | Rest of Europe                   | 118                 | 144    |
| 60                    | 53                     | 29                    | USA                              | 146                 | 171    |
| 15                    | 34                     | 3                     | Rest of World                    | 53                  | 101    |
| 261                   | 227                    | 164                   |                                  | 566                 | 575    |
| 3,349                 | 3,274                  | 3,257                 |                                  | 9,359               | 10,783 |
|                       |                        |                       | By geographical area             |                     |        |
| 392                   | 408                    | 381                   | UK                               | 1,084               | 951    |
| 291                   | 212                    | 193                   | Rest of Europe                   | 524                 | 663    |
| 1,355                 | 1,233                  | 1,263                 | USA                              | 3,760               | 3,891  |
| 1,311                 | 1,421                  | 1,420                 | Rest of World (a)                | 3,991               | 5,278  |
| 3,349                 | 3,274                  | 3,257                 |                                  | 9,359               | 10,783 |
|                       |                        |                       | Included above:                  |                     |        |
| -                     | 66                     | -                     | Acquisitions and asset exchanges | 151                 | 14     |
| 184                   | 125                    | 103                   | Innovene operations              | 357                 | 376    |

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- (a) Nine months 2004 included \$1,354 million investment in TNK's interest in Slavneft within TNK-BP.

### Exchange rates

|       |      |      |                                    |       |      |
|-------|------|------|------------------------------------|-------|------|
|       |      |      | US dollar/sterling average rate    |       |      |
| 1.82  | 1.86 | 1.78 | for the period                     | 1.84  | 1.82 |
| 1.80  | 1.80 | 1.76 | US dollar/sterling period-end rate | 1.76  | 1.80 |
|       |      |      | US dollar/euro average rate        |       |      |
| 1.22  | 1.26 | 1.22 | for the period                     | 1.26  | 1.23 |
| 1.23  | 1.21 | 1.20 | US dollar/euro period-end rate     | 1.20  | 1.23 |
| ===== |      |      |                                    | ===== |      |

### Analysis of Profit Before Interest and Tax

|       | Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |                                |            | Nine months<br>2005 | 2004 |
|-------|--------------------------|---------------------------|--------------------------|--------------------------------|------------|---------------------|------|
|       | \$ million               |                           |                          |                                | \$ million |                     |      |
|       |                          |                           |                          | By business                    |            |                     |      |
|       |                          |                           |                          | Exploration and Production     |            |                     |      |
| 763   | 574                      | 939                       |                          | UK                             | 2,424      | 2,455               |      |
| 246   | 294                      | 301                       |                          | Rest of Europe                 | 1,923      | 615                 |      |
| 1,804 | 2,441                    | 2,071                     |                          | USA                            | 6,520      | 5,210               |      |
| 2,014 | 2,597                    | 3,225                     |                          | Rest of World                  | 8,066      | 5,060               |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
| 4,827 | 5,906                    | 6,536                     |                          |                                | 18,933     | 13,340              |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
|       |                          |                           |                          | Refining and Marketing         |            |                     |      |
| (18)  | (73)                     | 316                       |                          | UK                             | (6)        | (232)               |      |
| 866   | 982                      | 1,122                     |                          | Rest of Europe                 | 2,939      | 1,947               |      |
| 1,018 | 691                      | 1,701                     |                          | USA                            | 3,821      | 2,997               |      |
| 324   | 350                      | 558                       |                          | Rest of World                  | 1,256      | 1,021               |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
| 2,190 | 1,950                    | 3,697                     |                          |                                | 8,010      | 5,733               |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
|       |                          |                           |                          | Gas, Power and Renewables      |            |                     |      |
| (90)  | 124                      | (17)                      |                          | UK                             | 223        | (74)                |      |
| (11)  | (8)                      | 4                         |                          | Rest of Europe                 | 2          | (28)                |      |
| 144   | 39                       | 403                       |                          | USA                            | 614        | 316                 |      |
| 14    | 5                        | 22                        |                          | Rest of World                  | 151        | 217                 |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
| 57    | 160                      | 412                       |                          |                                | 990        | 431                 |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
|       |                          |                           |                          | Other businesses and corporate |            |                     |      |
| (170) | (209)                    | (144)                     |                          | UK                             | (532)      | (424)               |      |
| 4     | 30                       | 11                        |                          | Rest of Europe                 | 45         | (3)                 |      |
| (265) | (13)                     | (361)                     |                          | USA                            | (383)      | (585)               |      |
| (10)  | 31                       | 42                        |                          | Rest of World                  | 82         | 1,412               |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |
| (441) | (161)                    | (452)                     |                          |                                | (788)      | 400                 |      |
| ----- |                          |                           |                          |                                | -----      |                     |      |

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|       |       |        |   |        |        |
|-------|-------|--------|---|--------|--------|
| 6,633 | 7,855 | 10,193 |   | 27,145 | 19,904 |
| (95)  | (4)   | (285)  | Unrealized profit in inventory  | (442)  | (248)  |
| 89    | 159   | 144    | Net profit on transactions between continuing and Innovene operations | 399    | 157    |
| 6,627 | 8,010 | 10,052 | Total for continuing operations                                       | 27,102 | 19,813 |
|       |       |        | Innovene operations   |        |        |
| (9)   | 164   | (289)  | UK  | (67)   | (99)   |
| 226   | 129   | (88)   | Rest of Europe  | 407    | 483    |
| 11    | (16)  | (220)  | USA   | (124)  | 52     |
| 3     | 16    | (28)   | Rest of World   | (16)   | 11     |
| 231   | 293   | (625)  |   | 200    | 447    |
| (89)  | (159) | (144)  | Net profit on transactions between continuing and Innovene operations | (399)  | (157)  |
| 142   | 134   | (769)  | Total for Innovene operations   | (199)  | 290    |
| 6,769 | 8,144 | 9,283  | Total for period  | 26,903 | 20,103 |
|       |       |        | By geographical area  |        |        |
| 513   | 463   | 1,138  | UK  | 2,206  | 1,793  |
| 1,166 | 1,406 | 1,523  | Rest of Europe  | 5,175  | 2,620  |
| 2,606 | 3,158 | 3,543  | USA   | 10,165 | 7,690  |
| 2,342 | 2,983 | 3,848  | Rest of World   | 9,556  | 7,710  |
| 6,627 | 8,010 | 10,052 | Total for continuing operations                                       | 27,102 | 19,813 |

Analysis of Replacement Cost Profit

Before Interest and Tax

| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |                            | Nine months 2005 | 2004   |
|--------------------|---------------------|--------------------|----------------------------|------------------|--------|
| \$ million         |                     |                    |                            | \$ million       |        |
|                    |                     |                    | By business                |                  |        |
|                    |                     |                    | Exploration and Production |                  |        |
| 763                | 574                 | 939                | UK                         | 2,424            | 2,455  |
| 246                | 294                 | 301                | Rest of Europe             | 1,923            | 615    |
| 1,799              | 2,438               | 2,070              | USA                        | 6,511            | 5,197  |
| 2,014              | 2,597               | 3,225              | Rest of World              | 8,066            | 5,060  |
| 4,822              | 5,903               | 6,535              |                            | 18,924           | 13,327 |
|                    |                     |                    | Refining and Marketing     |                  |        |
| (69)               | (59)                | 268                | UK                         | (61)             | (315)  |
| 534                | 658                 | 657                | Rest of Europe             | 1,738            | 1,403  |
| 611                | 373                 | 563                | USA                        | 1,939            | 2,027  |
| 242                | 314                 | 370                | Rest of World              | 949              | 788    |
| 1,318              | 1,286               | 1,858              |                            | 4,565            | 3,903  |

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|       |       |       |   |               |
|-------|-------|-------|---|---------------|
| ----- |       |       | -----   |               |
|       |       |       | Gas, Power and Renewables   |               |
| (90)  | 124   | (17)  | UK  | 223 (74)      |
| (12)  | (1)   | (4)   | Rest of Europe  | 1 (29)        |
| 138   | 43    | 378   | USA   | 584 330       |
| (6)   | 8     | (43)  | Rest of World   | 84 193        |
| ----- |       |       | -----   |               |
| 30    | 174   | 314   |   | 892 420       |
| ----- |       |       | -----   |               |
|       |       |       | Other businesses and corporate  |               |
| (170) | (209) | (144) | UK  | (532) (424)   |
| 4     | 30    | 10    | Rest of Europe  | 45 (3)        |
| (265) | (13)  | (366) | USA   | (383) (585)   |
| (10)  | 36    | 48    | Rest of World   | 87 1,412      |
| ----- |       |       | -----   |               |
| (441) | (156) | (452) |   | (783) 400     |
| ----- |       |       | -----   |               |
| 5,729 | 7,207 | 8,255 | Unrealized profit in inventory  | 23,598 18,050 |
| (95)  | (4)   | (285) | Net profit on transactions<br>between continuing and<br>Innovene operations | (442) (248)   |
| ----- |       |       | -----   |               |
| 89    | 159   | 144   |   | 399 157       |
| ----- |       |       | -----   |               |
| 5,723 | 7,362 | 8,114 | Total for continuing operations   | 23,555 17,959 |
| ----- |       |       | -----   |               |
|       |       |       | Innovene operations   |               |
| (49)  | 152   | (276) | UK  | (137) (173)   |
| 174   | 120   | (169) | Rest of Europe  | 256 370       |
| (14)  | 42    | (258) | USA   | (126) (36)    |
| (3)   | 17    | (37)  | Rest of World   | (20) 3        |
| ----- |       |       | -----   |               |
| 108   | 331   | (740) |   | (27) 164      |
| ----- |       |       | -----   |               |
|       |       |       | Net profit on transactions<br>between continuing and<br>Innovene operations | (399) (157)   |
| ----- |       |       | -----   |               |
| (89)  | (159) | (144) |   | (399) (157)   |
| ----- |       |       | -----   |               |
| 19    | 172   | (884) | Total for Innovene operations   | (426) 7       |
| ----- |       |       | -----   |               |
| 5,742 | 7,534 | 7,230 | Total for period  | 23,129 17,966 |
| ===== |       |       | =====   |               |
|       |       |       | By geographical area  |               |
| 462   | 477   | 1,089 | UK  | 2,151 1,710   |
| 833   | 1,089 | 1,049 | Rest of Europe  | 3,972 2,075   |
| 2,188 | 2,841 | 2,376 | USA   | 8,245 6,721   |
| 2,240 | 2,955 | 3,600 | Rest of World   | 9,187 17,453  |
| ----- |       |       | -----   |               |
| 5,723 | 7,362 | 8,114 | Total for continuing operations   | 23,555 17,959 |
| ===== |       |       | =====   |               |

Analysis of Non-operating Items

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 | Nine months<br>2005 2004 |  |
|--------------------------|---------------------------|--------------------------|--------------------------|--|
| =====                    |                           |                          | =====                    |  |
| \$ million               |                           |                          | \$ million               |  |

By business



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|       |         |       |                                 |         |       |
|-------|---------|-------|---------------------------------|---------|-------|
|       |         |       | Exploration and Production      |         |       |
| (3)   | (678)   | (53)  | UK                              | (1,021) | (6)   |
| (1)   | 3       | -     | Rest of Europe                  | 1,030   | (1)   |
| 31    | (3)     | (106) | USA                             | (110)   | (105) |
| (46)  | 26      | 12    | Rest of World                   | 82      | (156) |
| ----- |         |       |                                 | -----   |       |
| (19)  | (652)   | (147) |                                 | (19)    | (268) |
| ----- |         |       |                                 | -----   |       |
|       |         |       | Refining and Marketing          |         |       |
| (25)  | (23)    | (3)   | UK                              | (18)    | (119) |
| (46)  | (12)    | (53)  | Rest of Europe                  | (64)    | (10)  |
| (143) | (634)   | (96)  | USA                             | (725)   | (141) |
| (10)  | 11      | (2)   | Rest of World                   | (32)    | (59)  |
| ----- |         |       |                                 | -----   |       |
| (224) | (658)   | (154) |                                 | (839)   | (329) |
| ----- |         |       |                                 | -----   |       |
|       |         |       | Gas, Power and Renewables       |         |       |
| -     | 66      | 90    | UK                              | 261     | -     |
| -     | -       | -     | Rest of Europe                  | -       | -     |
| -     | 21      | 5     | USA                             | 26      | -     |
| 16    | -       | -     | Rest of World                   | -       | 16    |
| ----- |         |       |                                 | -----   |       |
| 16    | 87      | 95    |                                 | 287     | 16    |
| ----- |         |       |                                 | -----   |       |
|       |         |       | Other businesses and corporate  |         |       |
| (44)  | (6)     | (6)   | UK                              | (54)    | (43)  |
| (54)  | 12      | -     | Rest of Europe                  | 11      | (54)  |
| (251) | 11      | (284) | USA                             | (277)   | (447) |
| 11    | -       | -     | Rest of World                   | -       | 1,400 |
| ----- |         |       |                                 | -----   |       |
| (338) | 17      | (290) |                                 | (320)   | 856   |
| ----- |         |       |                                 | -----   |       |
| (565) | (1,206) | (496) | Total before taxation           | (891)   | 275   |
| 171   | 384     | 167   | for continuing operations       | 296     | (83)  |
| ----- |         |       |                                 | -----   |       |
| (394) | (822)   | (329) | Total after taxation for        | (595)   | 192   |
| ----- |         |       | continuing operations           | -----   |       |
|       |         |       | Innovene operations             |         |       |
| -     | -       | (301) | UK                              | (325)   | (5)   |
| -     | -       | (224) | Rest of Europe                  | (224)   | -     |
| -     | -       | (208) | USA                             | (208)   | -     |
| -     | -       | (26)  | Rest of World                   | (26)    | -     |
| ----- |         |       |                                 | -----   |       |
| -     | -       | (759) | Total before taxation for       | (783)   | (5)   |
| -     | -       | 167   | (a) Innovene operations         | 177     | 2     |
| ----- |         |       | Taxation credit (charge)        | -----   |       |
| -     | -       | (592) | Total after taxation for        | (606)   | (3)   |
| ----- |         |       | Innovene operations             | -----   |       |
| (394) | (822)   | (921) | Total after taxation for period | (1,201) | 189   |
| ===== |         |       |                                 | =====   |       |

(a) Includes the loss on re-measurement to fair value of \$724 million in the third quarter and impairment charges of \$24 million and \$35 million in the first and third quarters of 2005, respectively.

Depreciation of Fixed Asset Revaluation Adjustment

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| Third Quarter<br>2004 | Second Quarter<br>2005 | Third Quarter<br>2005 |   | Nine months<br>2005 | 2004 |
|-----------------------|------------------------|-----------------------|---|---------------------|------|
| =====                 |                        |                       |   | =====               |      |
| \$ million            |                        |                       |   | \$ million          |      |
|                       |                        |                       | Exploration and Production                              |                     |      |
| 6                     | 12                     | 6                     | UK  | 25                  | 25   |
| 98                    | 70                     | 64                    | USA   | 211                 | 281  |
| 4                     | 3                      | 5                     | Rest of World   | 12                  | 16   |
| -----                 |                        |                       |   | -----               |      |
| 108                   | 85                     | 75                    |   | 248                 | 322  |
| -----                 |                        |                       |   | -----               |      |
|                       |                        |                       | Refining and Marketing                                  |                     |      |
| 31                    | 31                     | 31                    | USA   | 93                  | 93   |
| -----                 |                        |                       |   | -----               |      |
| 31                    | 31                     | 31                    |   | 93                  | 93   |
| -----                 |                        |                       |   | -----               |      |
| 139                   | 116                    | 106                   | Total depreciation of revaluation<br>adjustment (a) (b) | 341                 | 415  |
| =====                 |                        |                       |   | =====               |      |

(a) Relates to the revaluation adjustment consequent upon the ARCO acquisition.

(b) Excludes impairment of the revaluation adjustment which is included in non-operating items.

Net Debt Ratio - Net Debt: Net Debt + Equity

| Third Quarter<br>2004 | Second Quarter<br>2005 | Third Quarter<br>2005 |                           | 30 September<br>2005 | 2004   |
|-----------------------|------------------------|-----------------------|---------------------------|----------------------|--------|
| =====                 |                        |                       |                           | =====                |        |
| \$ million            |                        |                       |                           | \$ million           |        |
| 20,445                | 19,302                 | 22,159                | Gross debt                | 22,159               | 20,445 |
| 1,741                 | 1,360                  | 2,182                 | Cash and cash equivalents | 2,182                | 1,741  |
| -----                 |                        |                       |                           | -----                |        |
| 18,704                | 17,942                 | 19,977                | Net debt                  | 19,977               | 18,704 |
| -----                 |                        |                       |                           | -----                |        |
| 75,114                | 80,097                 | 82,726                | Equity                    | 82,726               | 75,114 |
| 20%                   | 18%                    | 19%                   | Net debt ratio            | 19%                  | 20%    |
| =====                 |                        |                       |                           | =====                |        |

Production and Realizations

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| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |   | Nine months<br>2005 | 2004  |
|--------------------------|---------------------------|--------------------------|---|---------------------|-------|
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Production (a)                                |                     |       |
|                          |                           |                          | Crude oil (mb/d) (net of royalties)           |                     |       |
| 281                      | 290                       | 224                      | UK  | 267                 | 315   |
| 68                       | 73                        | 64                       | Rest of Europe                                | 71                  | 74    |
| 495                      | 546                       | 427                      | USA   | 511                 | 533   |
| 1,454                    | 1,528                     | 1,598                    | Rest of World                                 | 1,536               | 1,398 |
| -----                    |                           |                          |   | -----               |       |
| 2,298                    | 2,437                     | 2,313                    | Total crude oil production                    | 2,385               | 2,320 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Natural gas liquids (mb/d) (net of royalties) |                     |       |
| 13                       | 20                        | 12                       | UK  | 16                  | 18    |
| 3                        | 4                         | 4                        | Rest of Europe                                | 4                   | 4     |
| 134                      | 127                       | 113                      | USA   | 125                 | 138   |
| 31                       | 31                        | 30                       | Rest of World                                 | 31                  | 30    |
| -----                    |                           |                          |   | -----               |       |
| 181                      | 182                       | 159                      | Total natural gas liquids production          | 176                 | 190   |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Liquids (b) (mb/d) (net of royalties)         |                     |       |
| 294                      | 310                       | 236                      | UK  | 283                 | 333   |
| 71                       | 77                        | 68                       | Rest of Europe                                | 75                  | 78    |
| 629                      | 673                       | 540                      | USA   | 636                 | 671   |
| 1,485                    | 1,559                     | 1,628                    | Rest of World                                 | 1,567               | 1,428 |
| -----                    |                           |                          |   | -----               |       |
| 2,479                    | 2,619                     | 2,472                    | Total liquids production                      | 2,561               | 2,510 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Natural gas (mmcf/d) (net of royalties)       |                     |       |
| 903                      | 1,136                     | 831                      | UK  | 1,068               | 1,156 |
| 110                      | 106                       | 99                       | Rest of Europe                                | 109                 | 129   |
| 2,685                    | 2,727                     | 2,456                    | USA   | 2,610               | 2,781 |
| 4,577                    | 4,692                     | 4,455                    | Rest of World                                 | 4,625               | 4,367 |
| -----                    |                           |                          |   | -----               |       |
| 8,275                    | 8,661                     | 7,841                    | Total natural gas production                  | 8,412               | 8,433 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Average realizations (c)                      |                     |       |
|                          |                           |                          | Crude oil (\$/bbl)                            |                     |       |
| 40.33                    | 48.76                     | 57.77                    | UK  | 50.15               | 34.21 |
| 39.52                    | 49.27                     | 56.64                    | USA   | 49.15               | 35.87 |
| 38.01                    | 44.57                     | 55.89                    | Rest of World                                 | 47.68               | 33.83 |
| 39.43                    | 47.79                     | 56.83                    | BP Average                                    | 49.07               | 34.93 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Natural gas liquids (\$/bbl)                  |                     |       |
| 34.29                    | 34.34                     | 47.49                    | UK  | 36.03               | 28.84 |
| 27.59                    | 28.04                     | 36.39                    | USA   | 30.15               | 24.31 |
| 30.63                    | 33.77                     | 32.97                    | Rest of World                                 | 32.63               | 25.81 |
| 28.77                    | 29.86                     | 36.70                    | BP Average                                    | 31.30               | 25.13 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Liquids (a) (\$/bbl)                          |                     |       |
| 40.06                    | 47.83                     | 57.26                    | UK  | 49.35               | 33.92 |
| 37.46                    | 45.92                     | 53.17                    | USA   | 46.05               | 33.96 |
| 37.53                    | 43.94                     | 54.63                    | Rest of World                                 | 46.79               | 33.30 |
| 38.29                    | 45.95                     | 54.80                    | BP Average                                    | 47.22               | 33.89 |
| =====                    |                           |                          |   | =====               |       |
|                          |                           |                          | Natural gas (\$/mcf)                          |                     |       |
| 3.60                     | 4.82                      | 4.45                     | UK  | 5.01                | 4.03  |

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|       |      |      |               |       |      |
|-------|------|------|---------------|-------|------|
| 4.94  | 5.83 | 6.77 | USA           | 5.95  | 4.92 |
| 2.71  | 3.20 | 3.43 | Rest of World | 3.24  | 2.64 |
| 3.66  | 4.38 | 4.75 | BP Average    | 4.45  | 3.71 |
| ===== |      |      |               | ===== |      |

- (a) Includes BP's share of production of equity-accounted entities.
- (b) Crude oil and natural gas liquids.
- (c) Based on turnover of consolidated subsidiaries only - this excludes equity-accounted entities.

### Notes

#### 1. Transition to International Financial Reporting Standards

For all periods up to and including the year ended 31 December 2004, BP prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). From 1 January 2005 BP is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Commission ('EC'). Consequently, financial information for interim quarters of 2005 must be prepared on the basis of IFRS.

The general principle that should be applied on first-time adoption of IFRS is that standards in force at the first reporting date (that is, for BP, 31 December 2005) should be applied retrospectively. However, IFRS 1 'First-time Adoption of International Financial Reporting Standards' contains a number of exemptions which companies are permitted to apply. BP has elected:

- not to present comparative information in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.
- not to restate its financial information for acquisitions occurring before 1 January 2003.
- to deem cumulative translation differences to be zero at 1 January 2003.
- to recognize all actuarial gains and losses on pensions and other post-retirement benefits directly in shareholders' equity at 1 January 2003. This is consistent with the group's adoption of IFRS 17 'Retirement Benefits' in 2004.
- to apply IFRS 2 'Share-based Payment' retrospectively to all share-based payments.

As a result of the above exemptions certain changes apply from 1 January 2003 (BP's Date of Transition) followed by further changes (due to IAS 32 and IAS 39) to apply from 1 January 2005.

The quarterly information for 2005 and the restatement of financial information for the year ended 31 December 2004 and the interim quarters of 2004 have been prepared on the basis of all International Financial Reporting Standards (IFRSs) (with the exception of IAS 32 and IAS 39 (as

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amended) for the 2004 information) and Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) expected to be in effect for the year ending 31 December 2005. It is possible that there will be changes to these standards and interpretations before the end of 2005, which might require further adjustments to this information before it is included in the 2005 Annual Report and Accounts. In addition, BP has decided to early adopt IFRS 6 'Exploration for and Evaluation of Mineral Resources', the amendment to IAS 19 'Amendment to international accounting standard IAS 19 Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures', the amendment to IAS 39 'Financial Instruments: Recognition and Measurement - Cash Flow Hedge Accounting of Forecast Intra-group Transactions' and IFRIC 4 'Determining whether an Arrangement contains a Lease'.

In the restatement information for the year ended 31 December 2004 and the interim quarters of 2004 financial assets and financial liabilities are accounted for on the basis of UK GAAP.

Under UK GAAP, all derivatives used for trading purposes are recognized on the balance sheet at fair value. However, derivative financial instruments used for hedging purposes are recognized by applying either the accrual method or the deferral method. Under the accrual method, amounts payable or receivable in respect of derivatives are recognized rateably in earnings over the period of the contracts. Changes in the derivative's fair value are not recognized. On the deferral method, gains and losses from derivatives are deferred and recognized in earnings or as adjustments to carrying amounts as the underlying hedged transaction matures or occurs.

From 1 January 2005 for IFRS all financial assets and financial liabilities have to be recognized initially at fair value. In subsequent periods the measurement of these financial instruments depends on their classification into one of the following measurement categories: i) financial assets or financial liabilities at-fair-value-through-profit-and-loss (such as those used for trading purposes, and all derivatives which do not qualify for hedge accounting); ii) loans and receivables; iii) available-for-sale financial assets (including certain investments held for the long term) and iv) other liabilities.

The effect of adopting IAS 39 at 1 January 2005 is shown as a movement in BP shareholders' equity for 2005.

### Notes

#### 1. Transition to International Financial Reporting Standards (continued)

The principal differences for the group between reporting on the basis of UK GAAP and IFRS are as follows:

- ceasing to amortize goodwill.
- setting up deferred taxation on:
  - acquisitions;
  - inventory valuation differences;
  - unremitted earnings of subsidiaries, associates and jointly

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controlled entities.

- expensing a greater proportion of major maintenance costs.
- no longer recognizing dividends proposed but not declared as a liability at the balance sheet date.
- recognizing an expense for the fair value of employee share option schemes rather than the intrinsic value.
- recording asset swaps on the basis of fair value.
- embedded derivatives measured at fair value.

BP has produced an explanatory note setting out its accounting policies under IFRS, the major differences between UK GAAP and IFRS for BP, and reconciliations of UK GAAP to IFRS for its 2003 and 2004 Income and Cash Flow Statements, its Balance Sheets at 1 January 2003, 31 December 2003, 31 December 2004 and 1 January 2005. This information can be found at the Investor Centre [www.bp.com](http://www.bp.com). In addition, the reconciliations for 2004 interim periods included in this report are shown below.

|  | Third<br>Quarter<br>2004 | Nine<br>Months<br>2004 |
|--|--------------------------|------------------------|
|  | =====                    |                        |
|  | \$ million               |                        |
| Profit for the period under UK GAAP    | 4,541                    | 13,351                 |
| Adjustments                            |                          |                        |
| Goodwill amortization                  | 361                      | 1,077                  |
| Major maintenance expenditure          | (35)                     | (123)                  |
| Share-based payments                   | (74)                     | (109)                  |
| Asset swaps                            | 1                        | 3                      |
| Recycling foreign exchange on disposal | -                        | 78                     |
| Deferred tax                           | 104                      | (50)                   |
| Other                                  | (28)                     | (34)                   |
|  | -----                    |                        |
| Profit for the period under IFRS       | 4,870                    | 14,193                 |
|  | =====                    |                        |

|                                       | 30 September<br>2004 |
|---------------------------------------|----------------------|
|                                       | =====                |
|                                       | \$ million           |
| BP shareholders' equity under UK GAAP | 74,941               |
| Adjustments                           |                      |
| Goodwill amortization                 | 2,499                |
| Major maintenance expenditure         | (667)                |
| Share-based payments                  | (299)                |
| Asset swaps                           | (139)                |
| Deferred tax                          | (3,971)              |
| Dividend accrual                      | 1,536                |

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|                                    |        |
|------------------------------------|--------|
| Other                              | (69)   |
|                                    | -----  |
| BP shareholders' equity under IFRS | 73,831 |
|                                    | =====  |

### Notes

#### 2. Resegmentation

With effect from 1 January 2005 there have been the following changes to the business segments reported by the group.

- (a) Our petrochemicals operations were divided between the Refining and Marketing segment and Other businesses and corporate. The Aromatics and Acetyls businesses and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany became part of Refining and Marketing. The Olefins and Derivatives business was reported within Other businesses and corporate. This segment was also restated to include the legacy historical results of other petrochemicals assets that had been divested during 2004. In addition we also combined our Grangemouth and Lavera refineries into the Olefins and Derivatives business to maintain current operating synergies. As indicated below we have agreed to sell our Olefins and Derivatives business and have categorized the majority of this business as discontinued operations.
- (b) A small US operation, the Hobbs fractionator, which supplies petrochemicals feedstock, has been transferred from Gas, Power and Renewables to Olefins and Derivatives.
- (c) The Mardi Gras pipeline system in the Gulf of Mexico has been transferred from Exploration and Production to Refining and Marketing.

Comparative financial and operating information is shown after resegmentation and the adoption of International Financial Reporting Standards. Further information regarding these adjustments can be found at the BP investor centre [www.bp.com](http://www.bp.com).

#### 3. Sale of Olefins and Derivatives business

BP announced on 7 October 2005, its intention to sell Innovene, its olefins, derivatives and refining group to UK-based INEOS for \$9 billion in cash. The transaction, which is subject to regulatory approvals, includes all Innovene's manufacturing sites, markets and technologies. The equity-accounted investments in China and Malaysia which were part of the Olefins and Derivatives business will remain with BP and are included within Other businesses and corporate.

The proposed sale was sufficiently well advanced at the end of September for the Innovene operations to be classified as a 'disposal group' and for the assets and related liabilities to be shown as held for sale at 30 September. In these circumstances the Innovene operations should be carried on the group's balance sheet at the lower of cost and fair value less costs to sell. The re-measurement to fair value resulted in a loss

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of \$724 million before tax.

The Innovene operations represent a separate major line of business for BP. As a result of the proposed sale, these operations have been treated as discontinued operations at 30 September 2005. A single amount is shown on the face of the income statement comprising the post-tax result of discontinued operations and the post-tax loss recognized on the re-measurement to fair value less costs to sell of the discontinued operation. That is, the income and expenses of Innovene are reported separately from the continuing operations of the BP group. The table below provides further detail of the amount shown on the income statement. The income statements for prior periods have been restated to conform this style of presentation.

In the cash flow statement the cash provided by the operating activities of Innovene has been separated from that of the rest of the group and reported as a single line item.

### Notes

#### 3. Sale of Olefins and Derivatives business (continued)

| Third<br>Quarter<br>2004 | Second<br>Quarter<br>2005 | Third<br>Quarter<br>2005 |   | Nine Months<br>2005 | 2004  |
|--------------------------|---------------------------|--------------------------|---|---------------------|-------|
| =====                    |                           |                          |   | =====               |       |
| \$ million               |                           |                          |   | \$ million          |       |
| 231                      | 293                       | 99                       | Profit before tax from<br>Innovene operations                               | 924                 | 447   |
| (89)                     | (159)                     | (144)                    | Net profit on transactions<br>between continuing and<br>Innovene operations | (399)               | (157) |
| -----                    |                           |                          |   | -----               |       |
| 142                      | 134                       | (45)                     | Profit before taxation  | 525                 | 290   |
| -                        | -                         | (724)                    | Loss recognized on the<br>re-measurement to<br>fair value                   | (724)               | -     |
| -----                    |                           |                          |   | -----               |       |
| 142                      | 134                       | (769)                    | Taxation  | (199)               | 290   |
| (59)                     | (31)                      | (56)                     | Related to profit<br>before tax   | (220)               | (119) |
| -                        | -                         | 159                      | Related to re-measurement<br>to fair value                                  | 159                 | -     |
| -----                    |                           |                          |   | -----               |       |
| 83                       | 103                       | (666)                    | Profit (loss) from<br>Innovene operations                                   | (260)               | 171   |
| =====                    |                           |                          |   | =====               |       |

### Notes

#### 4. Sales and other operating revenues



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| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |  | Nine Months 2005 | Nine Months 2004 |
|--------------------|---------------------|--------------------|--|------------------|------------------|
| =====              |                     |                    |  | =====            |                  |
| \$ million         |                     |                    |  | \$ million       |                  |
| 8,601              | 10,934              | 11,321             | By business                                |                  |                  |
| 46,639             | 61,022              | 68,790             | Exploration and Production                 | 32,441           | 24,870           |
| 20,443             | 23,110              | 28,917             | Refining and Marketing                     | 181,458          | 141,795          |
|                    |                     |                    | Gas, Power and Renewables                  | 75,694           | 59,852           |
|                    |                     |                    | Other businesses                           |                  |                  |
| 137                | 174                 | 161                | and corporate                              | 507              | 390              |
| -----              |                     |                    |  | -----            |                  |
| 75,820             | 95,240              | 109,189            | Sales by continuing operations             | 290,100          | 226,907          |
| 7,873              | 7,843               | 8,511              | Less: sales between businesses             | 24,723           | 21,367           |
| 2,183              | 3,926               | 4,158              | sales to Innovene operations               | 10,197           | 5,956            |
| -----              |                     |                    |  | -----            |                  |
| 65,764             | 83,471              | 96,520             | Third party sales of continuing operations | 255,180          | 199,584          |
| =====              |                     |                    |  | =====            |                  |
|                    |                     |                    | By geographical area                       |                  |                  |
| 20,355             | 29,998              | 37,406             | UK   | 92,233           | 52,075           |
| 11,499             | 16,916              | 16,904             | Rest of Europe                             | 49,644           | 32,309           |
| 30,476             | 38,115              | 45,759             | USA  | 116,818          | 94,037           |
| 16,552             | 20,028              | 19,595             | Rest of World                              | 58,237           | 47,806           |
| -----              |                     |                    |  | -----            |                  |
| 78,882             | 105,057             | 119,664            | Sales by continuing operations             | 316,932          | 226,227          |
| 10,935             | 17,660              | 18,986             | Less: sales between areas                  | 51,555           | 20,687           |
| 2,183              | 3,926               | 4,158              | sales to Innovene operations               | 10,197           | 5,956            |
| -----              |                     |                    |  | -----            |                  |
| 65,764             | 83,471              | 96,520             |  | 255,180          | 199,584          |
| =====              |                     |                    |  | =====            |                  |

Notes

5. Operating profits are after charging:

| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |                                  | Nine Months 2005 | Nine Months 2004 |
|--------------------|---------------------|--------------------|----------------------------------|------------------|------------------|
| =====              |                     |                    |                                  | =====            |                  |
| \$ million         |                     |                    |                                  | \$ million       |                  |
|                    |                     |                    | Exploration expense              |                  |                  |
| 4                  | 13                  | 3                  | UK                               | 21               | 9                |
| 7                  | -                   | 1                  | Rest of Europe                   | 2                | 15               |
| 58                 | 85                  | 120                | USA                              | 308              | 218              |
| 66                 | 41                  | 53                 | Rest of World                    | 145              | 137              |
| -----              |                     |                    |                                  | -----            |                  |
| 135                | 139                 | 177                |                                  | 476              | 379              |
| =====              |                     |                    |                                  | =====            |                  |
|                    |                     |                    | Production and similar taxes (a) |                  |                  |
| 51                 | 153                 | 95                 | UK                               | 362              | 223              |
| 502                | 544                 | 739                | Overseas                         | 1,818            | 1,279            |
| -----              |                     |                    |                                  | -----            |                  |
| 553                | 697                 | 834                |                                  | 2,180            | 1,502            |

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=====  
(a) Production taxes are charged against Exploration and Production's operating profit.  
=====

6. Interest payable

|       |      |      |                                    |       |       |
|-------|------|------|------------------------------------|-------|-------|
| 161   | 204  | 237  | Group interest payable             | 632   | 456   |
| (57)  | (76) | (93) | Capitalized                        | (245) | (159) |
| ----- |      |      |                                    | ----- |       |
| 104   | 128  | 144  |                                    | 387   | 297   |
| -     | -    | -    | Early redemption of finance leases | 57    | -     |
| ----- |      |      |                                    | ----- |       |
| 104   | 128  | 144  |                                    | 444   | 297   |
| ===== |      |      |                                    | ===== |       |

7. Other finance expense

|       |       |       |   |         |         |
|-------|-------|-------|---|---------|---------|
| 502   | 509   | 502   | Interest on pension and other post-retirement benefit plan liabilities                  | 1,525   | 1,493   |
| (493) | (542) | (528) | Expected return on pension and other post-retirement benefit plan assets                | (1,617) | (1,482) |
| ----- |       |       |   | -----   |         |
| 9     | (33)  | (26)  | Interest net of expected return on plan assets  | (92)    | 11      |
| 48    | 50    | 49    | Unwinding of discount on provisions   | 144     | 146     |
| 22    | 17    | 14    | Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | 48      | 74      |
| ----- |       |       |   | -----   |         |
| 79    | 34    | 37    |   | 100     | 231     |
| ===== |       |       |   | =====   |         |

Notes

8. Dividends paid

| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |                                    | Nine Months 2005 | Nine Months 2004 |
|--------------------|---------------------|--------------------|------------------------------------|------------------|------------------|
| =====              |                     |                    |                                    | =====            |                  |
| 7.10               | 8.50                | 8.925              | Dividends per ordinary share cents | 25.925           | 20.6             |
| 3.860              | 4.450               | 5.119              | pence                              | 14.091           | 11.341           |
| 42.6               | 51.0                | 53.55              | Dividends per ADS (cents)          | 155.55           | 123.6            |
| =====              |                     |                    |                                    | =====            |                  |

9. Analysis of changes in net debt

| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |  | Nine Months 2005 | Nine Months 2004 |
|--------------------|---------------------|--------------------|--|------------------|------------------|
| =====              |                     |                    |  | =====            |                  |
|                    |                     |                    |  |                  |                  |

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| =====      |        |         |                             | =====      |        |
|------------|--------|---------|-----------------------------|------------|--------|
| \$ million |        |         |                             | \$ million |        |
|            |        |         | Opening balance             |            |        |
| 19,858     | 19,564 | 19,302  | Finance debt                | 23,091     | 22,325 |
|            |        |         | Less: Cash and cash         |            |        |
| 1,590      | 1,521  | 1,360   | equivalents                 | 1,359      | 2,056  |
| -----      |        |         |                             | -----      |        |
| 18,268     | 18,043 | 17,942  | Opening net debt            | 21,732     | 20,269 |
| -----      |        |         |                             | -----      |        |
|            |        |         | Closing balance             |            |        |
| 20,445     | 19,302 | 22,159  | Finance debt                | 22,159     | 20,445 |
|            |        |         | Less: Cash and cash         |            |        |
| 1,741      | 1,360  | 2,182   | equivalents                 | 2,182      | 1,741  |
| -----      |        |         |                             | -----      |        |
| 18,704     | 17,942 | 19,977  | Closing net debt            | 19,977     | 18,704 |
| -----      |        |         |                             | -----      |        |
|            |        |         | Decrease (increase)         |            |        |
| (436)      | 101    | (2,035) | in net debt                 | 1,755      | 1,565  |
| =====      |        |         |                             | =====      |        |
|            |        |         | Movement in cash and cash   |            |        |
|            |        |         | equivalents (excluding      |            |        |
| 130        | (161)  | 896     | exchange adjustments)       | 906        | (328)  |
|            |        |         | Net cash outflow (inflow)   |            |        |
| (563)      | 380    | (3,060) | from financing(excluding    | 867        | 2,104  |
| -          | -      | -       | share capital)              | (147)      | -      |
| -          | 17     | 8       | Adoption of IAS 39          | 123        | -      |
| 10         | 53     | 33      | Fair value hedge adjustment | 135        | 31     |
| -----      |        |         |                             | -----      |        |
| (423)      | 289    | (2,123) | Movement in net debt before | 1,884      | 1,807  |
| (13)       | (188)  | 88      | exchange effects            | (129)      | (242)  |
| -----      |        |         |                             | -----      |        |
| (436)      | 101    | (2,035) | Decrease (increase)         | 1,755      | 1,565  |
| =====      |        |         |                             | =====      |        |

Notes

10. TNK-BP Operational and Financial Information

| Third Quarter | Second Quarter | Third Quarter |                                 | Nine Months |       |
|---------------|----------------|---------------|---------------------------------|-------------|-------|
| 2004          | 2005           | 2005          |                                 | 2005        | 2004  |
| =====         |                |               |                                 | =====       |       |
|               |                |               | Production (Net of royalties)   |             |       |
|               |                |               | (BP share)                      |             |       |
| 858           | 903            | 930           | Crude oil (mb/d)                | 903         | 813   |
| 505           | 429            | 449           | Natural gas (mmcf/d)            | 468         | 446   |
| 945           | 977            | 1,007         | Total hydrocarbons (mboe/d) (a) | 983         | 889   |
| =====         |                |               |                                 | =====       |       |
| \$ million    |                |               |                                 | \$ million  |       |
|               |                |               | Income statement (BP share)     |             |       |
| 807           | 920            | 1,253         | Profit before interest and tax  | 2,788       | 1,762 |
| (23)          | (32)           | (37)          | Interest expense *              | (98)        | (79)  |
| (222)         | (227)          | (347)         | Taxation                        | (741)       | (491) |
| (6)           | (20)           | (46)          | Minority interest               | (74)        | (26)  |

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| Third Quarter 2004 | Second Quarter 2005 | Third Quarter 2005 |  |             |
|--------------------|---------------------|--------------------|--|-------------|
| 556                | 641                 | 823                | Net Income   | 1,875 1,166 |
| =====              |                     |                    | =====  |             |
| 22                 | 17                  | 14                 | * Excludes unwinding of discount on deferred consideration | 48 74       |
| =====              |                     |                    | =====  |             |
|                    |                     |                    | Cash Flow  |             |
| -                  | -                   | -                  | Additional investment in TNK-BP joint venture              | - (1,416)   |
| 23                 | -                   | -                  | Dividends related to period prior to acquisition           | - 166       |
| -----              |                     |                    | -----  |             |
| 23                 | -                   | -                  | Net investment in TNK-BP joint venture                     | - (1,250)   |
| =====              |                     |                    | =====  |             |
| 1,031              | 425                 | 750                | Dividends received (b)                                     | 1,425 1,150 |
| =====              |                     |                    | =====  |             |
|                    |                     |                    | Average oil marker prices (\$/bbl)                         |             |
| 37.23              | 48.08               | 57.13              | Urals (NWE - cif)  | 49.30 32.85 |
| 37.41              | 48.49               | 57.39              | Urals (Med - cif)  | 49.75 33.00 |
| 23.33              | 27.39               | 36.60              | Domestic Oil   | 27.77 20.04 |
| =====              |                     |                    | =====  |             |

| Balance Sheet                              | 30 September 2005 | 31 December 2004 |
|--|-------------------|------------------|
| Investments in jointly controlled entities | 8,744             | 8,294            |
| Deferred consideration                     |                   |                  |
| Due within one year                        | 1,219             | 1,227            |
| Due after more than one year               | -                 | 1,194            |
|  | -----             | -----            |
|  | 1,219             | 2,421            |
|  | =====             | =====            |

- (a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
- (b) Dividends received since the inception of the TNK-BP joint venture are \$3,649 million (including \$464 million relating to the period prior to completion of the acquisition).

TNK-BP operational and financial information has been estimated and includes adjustments to net income in respect of prior periods amounting to a charge of \$8 million in 3Q 2005 and a charge of \$14 million in nine months 2005.

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As reported at previous quarters, various TNK-BP group companies had received tax notifications totalling approximately \$1 billion in respect of 2001. Significant progress was made during this quarter towards resolving these matters. Claims totalling approximately \$870 million have been settled by TNK-BP for approximately \$250 million, with the lower courts also finding in favour of TNK-BP in early October in respect of a claim totalling \$143 million. BP's share of these settlements is covered by indemnities that BP had received from its co-venturers on entering into the joint venture arrangement. Audits of tax years 2002 and 2003 are currently ongoing, and no tax notifications in respect of these periods have as yet been issued.

### Notes

#### 11. Equity-accounted entities

The group's profit for the period includes the following in respect of equity-accounted entities.

|                                | RC profit<br>(loss)<br>before<br>interest<br>and tax | Inventory<br>holding<br>gains<br>(losses) | Profit<br>(loss)<br>before<br>interest<br>and tax |
|--------------------------------|--|---|---|
| -----                          |  |   |   |
| \$ million                     |  |   |   |
| Third Quarter 2005             |  |   |   |
| Exploration and Production     | 1,523  | -   | 1,523   |
| Refining and Marketing         | 126  | 4   | 130   |
| Gas, Power and Renewables      | (2)  | -   | (2)   |
| Other businesses and corporate | 62   | -   | 62  |
| -----                          |  |   |   |
| Continuing operations          | 1,709  | 4   | 1,713   |
| Innovene operations            | -  | -   | -   |
| -----                          |  |   |   |
|                                | 1,709  | 4   | 1,713   |
| =====                          |  |   |   |
| Second Quarter 2005            |  |   |   |
| Exploration and Production     | 1,163  | -   | 1,163   |
| Refining and Marketing         | 72   | (10)                                      | 62  |
| Gas, Power and Renewables      | 9  | -   | 9   |
| Other businesses and corporate | 2  | (5)                                       | (3)   |
| -----                          |  |   |   |
| Continuing operations          | 1,246  | (15)                                      | 1,231   |
| Innovene operations            | 3  | -   | 3   |
| -----                          |  |   |   |
|                                | 1,249  | (15)                                      | 1,234   |
| =====                          |  |   |   |
| Third Quarter 2004             |  |   |   |
| Exploration and Production     | 980  | -   | 980   |
| Refining and Marketing         | 123  | (7)                                       | 116   |
| Gas, Power and Renewables      | 6  | -   | 6   |
| Other businesses and corporate | 21   | (6)                                       | 15  |
| -----                          |  |   |   |

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|                       |       |       |       |
|-----------------------|-------|-------|-------|
| Continuing operations | 1,130 | (13)  | 1,117 |
| Innovene operations   | 6     | 2     | 8     |
|                       | ----- | ----- | ----- |
|                       | 1,136 | (11)  | 1,125 |
|                       | ===== | ===== | ===== |

Notes

11. Equity-accounted entities (continued)

|                                | Interest   | Tax   | Minority<br>interest | Profit<br>(loss)<br>for the<br>period |
|--------------------------------|------------|-------|----------------------|---------------------------------------|
|                                | -----      |       |                      |                                       |
|                                | \$ million |       |                      |                                       |
| Third Quarter 2005             |            |       |                      |                                       |
| Exploration and Production     | (63)       | (421) | (46)                 | 993                                   |
| Refining and Marketing         | (6)        | (23)  | -                    | 101                                   |
| Gas, Power and Renewables      | (1)        | (4)   | -                    | (7)                                   |
| Other businesses and corporate | (17)       | -     | -                    | 45                                    |
|                                | -----      | ----- | -----                | -----                                 |
| Continuing operations          | (87)       | (448) | (46)                 | 1,132                                 |
| Innovene operations            | -          | -     | -                    | -                                     |
|                                | -----      | ----- | -----                | -----                                 |
|                                | (87)       | (448) | (46)                 | 1,132                                 |
|                                | =====      | ===== | =====                | =====                                 |
| Second Quarter 2005            |            |       |                      |                                       |
| Exploration and Production     | (56)       | (289) | (20)                 | 798                                   |
| Refining and Marketing         | (5)        | (13)  | -                    | 44                                    |
| Gas, Power and Renewables      | (3)        | (1)   | -                    | 5                                     |
| Other businesses and corporate | (1)        | -     | -                    | (4)                                   |
|                                | -----      | ----- | -----                | -----                                 |
| Continuing operations          | (65)       | (303) | (20)                 | 843                                   |
| Innovene operations            | -          | -     | -                    | 3                                     |
|                                | -----      | ----- | -----                | -----                                 |
|                                | (65)       | (303) | (20)                 | 846                                   |
|                                | =====      | ===== | =====                | =====                                 |
| Third Quarter 2004             |            |       |                      |                                       |
| Exploration and Production     | (45)       | (273) | (6)                  | 656                                   |
| Refining and Marketing         | (4)        | (22)  | -                    | 90                                    |
| Gas, Power and Renewables      | (2)        | (1)   | -                    | 3                                     |
| Other businesses and corporate | (1)        | -     | -                    | 14                                    |
|                                | -----      | ----- | -----                | -----                                 |
| Continuing operations          | (52)       | (296) | (6)                  | 763                                   |
| Innovene operations            | (3)        | -     | -                    | 5                                     |
|                                | -----      | ----- | -----                | -----                                 |
|                                | (55)       | (296) | (6)                  | 768                                   |
|                                | =====      | ===== | =====                | =====                                 |

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11. Equity-accounted entities (continued)

|                                | RC profit<br>(loss)<br>before<br>interest<br>and tax | Inventory<br>holding<br>gains<br>(losses) | Profit<br>(loss)<br>before<br>interest<br>and tax |                                       |
|--------------------------------|--|---|---|---------------------------------------|
| -----                          |  |   |   |                                       |
| \$ million                     |  |   |   |                                       |
| Nine Months 2005               |  |   |   |                                       |
| Exploration and Production     | 3,527  | -   | 3,527   |                                       |
| Refining and Marketing         | 274  | (10)                                      | 264   |                                       |
| Gas, Power and Renewables      | 12   | -   | 12  |                                       |
| Other businesses and corporate | 63   | (5)                                       | 58  |                                       |
| -----                          |  |   |   |                                       |
| Continuing operations          | 3,876  | (15)                                      | 3,861   |                                       |
| Innovene operations            | 3  | -   | 3   |                                       |
| -----                          |  |   |   |                                       |
|                                | 3,879  | (15)                                      | 3,864   |                                       |
| =====                          |  |   |   |                                       |
| Nine Months 2004               |  |   |   |                                       |
| Exploration and Production     | 2,357  | -   | 2,357   |                                       |
| Refining and Marketing         | 293  | (14)                                      | 279   |                                       |
| Gas, Power and Renewables      | 8  | -   | 8   |                                       |
| Other businesses and corporate | 69   | (23)                                      | 46  |                                       |
| -----                          |  |   |   |                                       |
| Continuing operations          | 2,727  | (37)                                      | 2,690   |                                       |
| Innovene operations            | (16)   | 8   | (8)   |                                       |
| -----                          |  |   |   |                                       |
|                                | 2,711  | (29)                                      | 2,682   |                                       |
| =====                          |  |   |   |                                       |
|                                | Interest   | Tax                                       | Minority<br>interest                              | Profit<br>(loss)<br>for the<br>period |
| -----                          |  |   |   |                                       |
| \$ million                     |  |   |   |                                       |
| Nine Months 2005               |  |   |   |                                       |
| Exploration and Production     | (171)  | (937)                                     | (74)  | 2,345                                 |
| Refining and Marketing         | (16)   | (54)                                      | -   | 194                                   |
| Gas, Power and Renewables      | (6)  | (7)                                       | -   | (1)                                   |
| Other businesses and corporate | (21)   | -   | -   | 37                                    |
| -----                          |  |   |   |                                       |
| Continuing operations          | (214)  | (998)                                     | (74)  | 2,575                                 |
| Innovene operations            | -  | -   | -   | 3                                     |
| -----                          |  |   |   |                                       |
|                                | (214)  | (998)                                     | (74)  | 2,578                                 |
| =====                          |  |   |   |                                       |
| Nine Months 2004               |  |   |   |                                       |
| Exploration and Production     | (141)  | (653)                                     | (26)  | 1,537                                 |
| Refining and Marketing         | (12)   | (58)                                      | -   | 209                                   |
| Gas, Power and Renewables      | (5)  | (1)                                       | -   | 2                                     |
| Other businesses and corporate | (3)  | -   | -   | 43                                    |
| -----                          |  |   |   |                                       |
| Continuing operations          | (161)  | (712)                                     | (26)  | 1,791                                 |

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|                     |       |       |      |       |
|---------------------|-------|-------|------|-------|
| Innovene operations | (3)   | -     | -    | (11)  |
|                     | ----- |       |      |       |
|                     | (164) | (712) | (26) | 1,780 |
|                     | ===== |       |      |       |

Notes

12. Fourth quarter results

BP's fourth quarter results will be announced on 7 February 2006.

13. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2004 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

Contacts

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<http://www.bp.com/investors>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.  
(Registrant)

Dated: 25 October 2005

/s/ D. J. PEARL  
.....  
D. J. PEARL  
Deputy Company Secretary