BP PLC
Form 6-K
February 07, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended 07 February 2006

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F |X| Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No |X|

BP p.l.c.
Group Results
4th Quarter and Full Year 2005

London 7 February 2006

FOR IMMEDIATE RELEASE

RECORD 2005 RESULT, CASH FLOWS AND SHAREHOLDER DISTRIBUTIONS

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| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | $ million | Year 2005 | Year 2004 | % |
|---|---|---|---|---|---|---|
| 3,010 | 6,463 | 3,685 | Profit for the period* | 22,341 | 17,075 | |
| 494 | (2,053) | 747 | Inventory holding (gains) losses | (3,027) | (1,643) | |
| 3,504 | 4,410 | 4,432 | Replacement cost profit | 19,314 | 15,432 | 25 |
| 8.71 | 11.86 | 12.15 | - per ordinary share (pence) | 50.23 | 38.64 | |
| 16.23 | 21.04 | 21.34 | - per ordinary share (cents) | 91.41 | 70.71 | 29 |
| 0.97 | 1.26 | 1.28 | - per ADS (dollar) | 5.48 | 4.24 | |

Innovene operations have been treated as discontinued operations and presented accordingly within this document.

o BP's fourth quarter replacement cost profit was $4,432 million compared with $3,504 million a year ago, an increase of 26%. For the year, replacement cost profit was $19,314 million compared with $15,432 million, up 25%.

o The fourth quarter result includes a net non-operating charge of $553 millon compared with a net non-operating charge of $1,261 million in the fourth quarter of 2004. In addition, the fourth quarter 2005 result for the Refining and Marketing and Gas, Power and Renewables segments reflects significant volatility arising under IFRS fair value accounting. Furthermore, the Refining and Marketing result includes a significant charge in respect of planned restructuring actions. For the year, the net non-operating charge was $1,754 million compared with a net charge of $1,072 million for the year 2004.

o The fourth quarter trading environment was stronger than a year ago with higher oil and gas realizations and higher refining and retail marketing margins but with lower olefins margins.

o Net cash provided by operating activities for the quarter and year was $4.2 billion and $26.7 billion, respectively, compared with $5.2 billion and $23.4 billion a year ago.

o The sale of Innovene to INEOS completed on 16 December 2005.

o The ratio of net debt to net debt plus equity was 17% compared with 22% a year ago.

o The quarterly dividend, to be paid in March, is 9.375 cents per share ($0.5625 per ADS) compared with 8.50 cents per share a year ago. For the year, the dividend showed an increase of 21%. In sterling terms, the quarterly dividend is 5.288 pence per share, compared with 4.522 pence per share a year ago; for the year the increase was 24%. During the year, the company repurchased 1,060 million of its own shares at a cost of $11.6 billion. Notwithstanding shares issued in respect of the TNK-BP transaction during the year, shares in issue at end 2005 were 4% lower than a year previously.

BP Group Chief Executive, Lord Browne, said:

"BP's fourth quarter result was particularly hit by the continued shutdown of our Texas City refinery, during its refurbishment, and significant non-economic effects of the application of IFRS fair value accounting. Our 2005 result was a record; this reflects the quality of our asset base and operations. Innovene has been sold for an attractive price and earlier than expected. Strong operating cash flows and proceeds from disposals have enabled record distributions to shareholders".

* Profit attributable to BP shareholders.

## Summary Quarterly Results

Exploration and Production's fourth quarter result was a record and up 38% on a year ago. This result benefited from higher realizations, partially offset by the hurricane impact on volumes and associated repair costs, the cost of the Thunder Horse stability incident, and higher operating and revenue investment costs.

The Refining and Marketing result reflects the impact of the shutdown of the Texas City refinery for the whole quarter, due to hurricane Rita, along with other storm related disruptions, a significant negative impact related to IFRS fair value accounting and a significant charge in respect of rationalization and efficiency programmes.

In Gas, Power and Renewables, the result reflects lower contributions from the gas trading and marketing business. It also includes a positive impact related to IFRS fair value accounting, in addition to a significant charge related to embedded derivatives.

Finance costs and Other finance expense was $215 million for the quarter compared with $181 million in the previous quarter. This reflects higher interest costs partially offset by higher capitalized interest.

The consolidation adjustment, which removes the margin on sales between segments in respect of inventory at the period end, was a credit of $234 million in the fourth quarter, mainly reflecting the changes in supply patterns and inventory levels due to the shutdown of the Texas City refinery.

The effective tax rate on replacement cost profit of continuing operations was 32.4%.

Capital expenditure was $4.8 billion for the quarter; there were no significant acquisitions. Disposal proceeds were $9.2 billion, primarily from the sale of Innovene to INEOS.

Net debt at the end of the quarter was $16.2 billion. The ratio of net debt to net debt plus equity was 17%.

During the fourth quarter, the company repurchased 332 million of its own shares, at a cost of $3.7 billion. These shares are held in treasury.

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

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 change in accounting policy for sales and purchases (see Note 4); (c) the Mardi Gras pipeline system has been transferred from Exploration and Production to Refining and Marketing; (d) the aromatics and acetyls operations and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany have been transferred from the former Petrochemicals segment to Refining and Marketing;

(e) the olefins and derivatives operations have been transferred from the former Petrochemicals segment to the Olefins and Derivatives business. The legacy historical results of other petrochemicals assets that had been divested during 2004 and 2003 are included within Other businesses and corporate; (f) the Grangemouth and Lavera refineries have been transferred from Refining and Marketing to the Olefins and Derivatives business; and (g) the Hobbs fractionator has been transferred from Gas, Power and Renewables to the Olefins and Derivatives business. The Olefins and Derivatives business is reported within Other businesses and corporate. This re-organisation was a precursor to seeking to divest the Olefins and Derivatives business. As indicated in Note 3, during 2005 we have divested Innovene and shown these activities as discontinued operations in these accounts. Innovene represented the majority of the Olefins and Derivatives business.

Non-operating Items

| $ million | | Fourth Quarter 2005 |
|---|---|---|
| Exploration and Production | | (979) |
| Refining and Marketing | | 50 |
| Gas, Power and Renewables | | (307) |
| Other businesses and corporate | | (64) |
| | | (1,300) |
| Taxation(a) | | 421 |
| Continuing operations | | (879) |
| Innovene Operations | 136 | |
| Taxation(a) | 190 | 326 |
| Total for all operations | | (553) |

(a) Taxation on non-operating items related to Innovene operations includes the actual tax effects arising on the loss on re-measurement to fair value and the sale to INEOS; other non-operating items are tax effected at 32.4%, the effective tax rate for continuing operations.

Reconciliation of Replacement Cost Profit to Profit for the Period

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | $ million | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| 4,750 | 6,535 | 6,567 | Exploration and Production | 25,491 | 18,077 |
| 1,337 | 1,858 | (160) | Refining and Marketing | 4,405 | 5,240 |
| 495 | 314 | 117 | Gas, Power and Renewables | 1,009 | 915 |
| (245) | (452) | (403) | Other businesses and corporate | (1,186) | 156 |
| | | | Consolidation adjustments | | |
| 57 | (285) | 234 | Unrealized profit in inventory | (208) | (191) |
| 31 | 144 | 128 | Net profit on transactions between continuing and Innovene operations (a) | 527 | 188 |
| | | | RC profit before interest | | |

| | | | | | |
|---|---|---|---|---|---|
| 6,425 | 8,114 | 6,483 | and tax | 30,038 | 24,385 |
| (264) | (181) | (215) | Finance costs and other finance expense | (761) | (780) |
| (1,818) | (2,674) | (2,029) | Taxation(b) | (9,473) | (7,082) |
| (59) | (68) | (93) | Minority interest | (291) | (187) |
| 4,284 | 5,191 | 4,146 | RC profit for continuing operations attributable to BP shareholders (c) | 19,513 | 16,336 |
| (493) | 1,938 | (903) | Inventory holding gains (losses) for continuing operations | 2,644 | 1,361 |
| 3,791 | 7,129 | 3,243 | Profit for the period for continuing operations attributable to BP shareholders | 22,157 | 17,697 |
| (781) | (666) | 442 | Profit (loss) for the period from Innovene operations(d) | 184 | (622) |
| 3,010 | 6,463 | 3,685 | Profit for the period attributable to BP shareholders | 22,341 | 17,075 |
| 4,284 | 5,191 | 4,146 | RC profit for continuing operations attributable to BP shareholders | 19,513 | 16,336 |
| (780) | (781) | 286 | RC profit for Innovene operations | (199) | (904) |
| 3,504 | 4,410 | 4,432 | Replacement cost profit | 19,314 | 15,432 |

(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 be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations and vice versa. This adjustment has two offsetting elements: 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; and the margin on sales of feedstock from BP's US refineries to Innovene's manufacturing plants. 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 fourth quarter effective tax rate on continuing operations of 32.4% is calculated as the tax charge ($2,029 million) divided by RC profit for continuing operations after interest ($6,483-$215=$6,268 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

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| | | | Results for the period ($m) | | |
| 3,010 | 6,463 | 3,685 | Profit* | 22,341 | 17,075 |
| 3,504 | 4,410 | 4,432 | Replacement cost profit | 19,314 | 15,432 |
| 21,525,978 | 20,984,851 | 20,657,045 | Shares in issue at period end (thousand) | 20,657,045 | 21,525,978 |
| 3,587,663 | 3,497,475 | 3,442,841 | - ADS equivalent (thousand) | 3,442,841 | 3,587,663 |
| 21,607,872 | 21,007,316 | 20,792,896 | Average number of shares outstanding (thousand) | 21,125,902 | 21,820,535 |
| 3,601,312 | 3,501,219 | 3,465,483 | - ADS equivalent (thousand) | 3,520,984 | 3,636,756 |
| | | | Per ordinary share (cents) | | |
| 14.00 | 30.75 | 17.90 | Profit for the period | 105.74 | 78.24 |
| 16.23 | 21.04 | 21.34 | RC profit for the period | 91.41 | 70.71 |
| | | | Per ADS (cents) | | |
| 84.00 | 184.50 | 107.40 | Profit for the period | 634.44 | 469.44 |
| 97.38 | 126.24 | 128.04 | RC profit for the period | 548.46 | 424.26 |

* Profit attributable to BP shareholders.

Exploration and Production

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | $ million | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| 4,747 | 6,536 | 6,575 | Profit before interest and tax(a) | 25,508 | 18,087 |
| 3 | (1) | (8) | Inventory holding (gains) losses | (17) | (10) |
| 4,750 | 6,535 | 6,567 | Replacement cost profit before interest and tax | 25,491 | 18,077 |

Results include:
Impairment and gain (loss) on sale of

| | | | | | |
|---|---|---|---|---|---|
| (236) | (106) | 62 | businesses and fixed assets | 893 | (469) |
| - | - | - | Environmental and other provisions | - | - |
| - | - | - | Restructuring, integration and rationalization costs | - | - |
| - | (53) | (801) | Fair value gain (loss) on embedded derivatives | (1,688) | - |
| 8 | 12 | (240) | Other | (203) | (27) |
| (228) | (147) | (979) | Total non-operating items | (998) | (496) |
| 258 | 177 | 208 | Exploration expense | 684 | 637 |
| | | | Of which: | | |
| 151 | 93 | 81 | Exploration expenditure written off | 305 | 274 |
| | | | Production (Net of Royalties) (b) | | |
| 2,396 | 2,313 | 2,400 | Crude oil (mb/d) | 2,389 | 2,340 |
| 197 | 159 | 164 | Natural gas liquids (mb/d) | 173 | 191 |
| 2,593 | 2,472 | 2,564 | Total liquids (mb/d)(c) | 2,562 | 2,531 |
| 8,714 | 7,841 | 8,458 | Natural gas (mmcf/d) | 8,424 | 8,503 |
| 4,095 | 3,824 | 4,022 | Total hydrocarbons (mboe/d)(d) | 4,014 | 3,997 |
| | | | Average realizations (e) | | |
| 41.01 | 56.83 | 53.92 | Crude oil ($/bbl) | 50.27 | 36.45 |
| 31.20 | 36.70 | 39.29 | Natural gas liquids ($/bbl) | 33.23 | 26.75 |
| 39.88 | 54.80 | 52.44 | Total liquids ($/bbl) | 48.51 | 35.39 |
| 4.28 | 4.75 | 6.24 | Natural gas ($/mcf) | 4.90 | 3.86 |
| 32.64 | 41.68 | 44.56 | Total hydrocarbons ($/boe) | 38.86 | 29.20 |
| | | | Average oil marker prices($/bbl) | | |
| 43.85 | 61.63 | 56.87 | Brent | 54.48 | 38.27 |
| 48.29 | 63.18 | 60.01 | West Texas Intermediate | 56.58 | 41.49 |
| 42.62 | 60.91 | 57.89 | Alaska North Slope US West Coast | 53.55 | 38.96 |
| | | | Average natural gas marker prices | | |
| 7.07 | 8.53 | 13.00 | Henry Hub gas price ($/mmbtu)(f) | 8.65 | 6.13 |
| 28.51 | 29.26 | 65.30 | UK Gas - National Balancing Point (p/therm) | 40.71 | 24.39 |

(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 fourth quarter was $6,567 million, a record result, up 38% from the fourth quarter of 2004. This result benefited from higher realizations, partially offset by the hurricane impact on volumes and associated repair costs, the cost of the Thunder Horse stability incident, and higher operating and revenue investment costs.

Included in the result for the quarter were net non-operating charges of $979 million, primarily arising from fair value losses of $801 million on embedded derivatives relating to North Sea gas contracts, and a charge of $265 million on the cancellation of an intra-group gas supply contract (which is offset by a gain in our Gas, Power and Renewables segment). The corresponding quarter of 2004 contained net non-operating charges of $228 million.

The replacement cost profit before interest and tax for the full year at $25,491 million was a record, up 41% on a year ago. This reflects higher realizations, partly offset by costs associated with the hurricanes and Thunder Horse, and higher operating and revenue investment costs. The year's result included net non-operating charges of $998 million primarily arising from fair value losses on embedded derivatives of $1,688 million, net gains on sales of assets of $1,159 million, mainly from the sale of Ormen Lange in the first quarter, and net impairment charges of $266 million. The full year results in 2004 included net non-operating charges of $496 million.

Production for the quarter at 4,022 mboe/d was 2% lower than in the fourth quarter of 2004, principally as a result of the lost production owing to the hurricane damage in the Gulf of Mexico.

Total production for the year was 4,014 mboe/d, compared with 3,997 mboe/d in 2004. Increases in production in our New Profit Centres and TNK-BP were offset by the effect of the hurricanes, higher planned maintenance shutdowns, anticipated decline and operational issues in our Existing Profit Centres.

We estimate the opportunity losses caused by the hurricanes in the fourth quarter and year to be in the region of $950 million for the fourth quarter and $1,600 million for the full year.

Projects in our New Profit Centres are progressing well. During the quarter the West Azeri project in Azerbaijan achieved first production four months ahead of schedule, and good progress is being made on the completion of the BTC pipeline with the first lifting at Ceyhan in Turkey expected in the second quarter of 2006. In Trinidad, Atlantic LNG Train 4 started production in mid December with the Cannonball gas development expected to start production in the first quarter of 2006. Repairs and construction of the Thunder Horse platform in the Gulf of Mexico are proceeding offshore, and production is expected to start in the second half of 2006. In Russia, TNK-BP disposed of non-core producing assets in the Saratov region, along with the Orsk refinery. In our Existing Profit Centres, production commenced from the Rhum and Farragon fields in the North Sea.

BP's proved reserve replacement ratio, on a UK SORP basis, was 100% on a combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and disposals. This is the thirteenth consecutive year that we have at least replaced our production.

## Refining and Marketing

Fourth Third Fourth

| Quarter 2004 | Quarter 2005 | Quarter 2005 | $ million | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| 811 | 3,697 | (1,068) | Profit (loss) before interest and tax(a) | 6,942 | 6,544 |
| 526 | (1,839) | 908 | Inventory holding (gains) losses | (2,537) | (1,304) |
| 1,337 | 1,858 | (160) | Replacement cost profit (loss) before interest and tax | 4,405 | 5,240 |
| | | | Results include: | | |
| (333) | (14) | 50 | Impairment and gain (loss) on sale of businesses and fixed assets | 84 | (456) |
| - | (140) | - | Environmental and other provisions | (140) | (206) |
| (32) | - | - | Restructuring, integration and rationalization costs | - | (32) |
| - | - | - | Fair value gain (loss) on embedded derivatives | - | - |
| - | - | - | Other | (733) | - |
| (365) | (154) | 50 | Total non-operating items | (789) | (694) |
| | | | Refinery throughputs(b) (mb/d) | | |
| 218 | 202 | 144 | UK | 180 | 208 |
| 601 | 687 | 664 | Rest of Europe | 667 | 684 |
| 1,436 | 1,328 | 942 | USA | 1,255 | 1,373 |
| 296 | 296 | 288 | Rest of World | 297 | 342 |
| 2,551 | 2,513 | 2,038 | Total throughput | 2,399 | 2,607 |
| 96.5 | 92.6 | 90.9 | Refining availability (%) | 92.9 | 95.4 |
| | | | Oil sales volumes (mb/d) | | |
| | | | Refined products | | |
| 335 | 369 | 358 | UK | 355 | 322 |
| 1,363 | 1,402 | 1,343 | Rest of Europe | 1,354 | 1,360 |
| 1,664 | 1,674 | 1,559 | USA | 1,634 | 1,682 |
| 627 | 599 | 573 | Rest of World | 599 | 638 |
| 3,989 | 4,044 | 3,833 | Total marketing sales | 3,942 | 4,002 |
| 2,194 | 2,010 | 1,448 | Trading/supply sales | 1,946 | 2,396 |
| 6,183 | 6,054 | 5,281 | Total refined product sales | 5,888 | 6,398 |
| 2,569 | 2,803 | 2,710 | Crude oil | 2,804 | 2,691 |
| 8,752 | 8,857 | 7,991 | Total oil sales | 8,692 | 9,089 |
| | | | Global Indicator Refining Margin(c) ($/bbl) | | |
| 4.72 | 7.78 | 5.51 | NWE | 5.47 | 4.28 |
| 5.52 | 17.12 | 11.64 | USGC | 11.40 | 7.15 |
| 1.65 | 13.40 | 7.91 | Midwest | 8.19 | 5.08 |
| 10.36 | 17.57 | 8.90 | USWC | 13.49 | 11.27 |
| 8.02 | 6.52 | 4.42 | Singapore | 5.56 | 4.94 |
| 5.69 | 12.35 | 7.60 | BP Average | 8.60 | 6.31 |
| | | | Chemicals production (kte) | | |
| 316 | 284 | 281 | UK | 1,199 | 1,302 |
| 779 | 771 | 811 | Rest of Europe | 3,123 | 3,189 |
| 1,122 | 890 | 676 | USA | 3,891 | 4,643 |

| | | | | | |
|---|---|---|---|---|---|
| 990 | 1,115 | 1,049 | Rest of World | 4,154 | 4,016 |
| 3,207 | 3,060 | 2,817 | Total production | 12,367 | 13,150 |

(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 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.

## Refining and Marketing

The replacement cost loss before interest and tax for the fourth quarter was $160 million compared with a profit of $1,337 million for the same period in 2004. The replacement cost profit before interest and tax for the year was $4,405 million compared with $5,240 million in 2004.

The reduction in the fourth quarter result compared with a year ago was driven by three significant factors. Firstly, the impact of the shutdown, throughout the quarter, of the Texas City refinery, along with other storm-related supply disruptions to a number of our US-based businesses. Compared with the fourth quarter of 2004, the reduction in replacement cost profit before interest and tax in respect of these disruptions was some $870 million; compared with the third quarter of 2005 the reduction was $670 million. Secondly, the fourth quarter's result was adversely impacted by $454 million of accounting effects. This resulted from a combination of changes in both inventory levels and the forward trajectory of market prices across the quarter, and compares to a net gain of $114 million in the third quarter of 2005. The third factor was a charge of $467 million in respect of rationalization and efficiency programmes, mainly across our marketing activities in Europe. This has not been identified as a non-operating item.

The fourth quarter's result includes a net non-operating gain of $50 million primarily from retail divestments. In comparison, the net charge for non-operating items in the fourth quarter of 2004 was $365 million.

Supply disruptions in the USA and market uncertainty continued into the fourth quarter of 2005. The average refining Global Indicator Margin (GIM) fell sharply from the record levels of last quarter but was higher than those of the equivalent quarter last year. Retail marketing margins recovered strongly from the third quarter and were above those of the equivalent quarter last year, although margins in our other marketing businesses were lower. In addition to the impact of the three significant factors identified above, the fourth quarter result also reflects the impact of lower refining availability compared to the equivalent quarter last year.

Refining throughputs for the quarter were 2,038 mb/d, some 513 mb/d lower than in the fourth quarter of 2004 due principally to the complete shut down of the Texas City refinery late in the third quarter. Marketing volumes were 3,833 mb/

d, lower than those in the same quarter last year due primarily to hurricane-related supply disruptions in the USA.

The full year result of $4,405 million was also impacted by the factors outlined above: the Texas City refinery outage, adverse impacts related to fair value accounting and costs associated with the rationalization and efficiency programmes.

The full year average GIM was higher than that for the full year 2004, and consistent with the increase in BP's actual realized refining margin. Retail marketing margins, despite the recovery in the fourth quarter, were significantly lower than those for the full year 2004, although partly offset by increases in our other marketing businesses. Our purchased energy costs and operating and investment costs were higher year-on-year due to refinery repair, manufacturing integrity costs and the initial charges for the rationalization and efficiency programmes mentioned above.

The full year result includes a charge of $789 million for non-operating items compared with a charge of $694 million in 2004. Included in the 2005 charge is $700 million in respect of fatality and personal injury claims associated with the Texas City incident and charges in respect of new, and revisions to existing, environmental and other provisions.

The total opportunity loss in respect of the Texas City refinery shutdown and storms, at prevailing margins, is estimated at around $1,800 million for the year.

## Gas, Power and Renewables

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | $ million | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| 523 | 412 | 114 | Profit before interest and tax(a) | 1,104 | 954 |
| (28) | (98) | 3 | Inventory holding (gains) losses | (95) | (39) |
| 495 | 314 | 117 | Replacement cost profit before interest and tax | 1,009 | 915 |
| | | | Results include: | | |
| 40 | (2) | (26) | Impairment and gain (loss) on sale of businesses and fixed assets | 55 | 56 |
| - | 6 | - | Environmental and other provisions | 6 | - |
| - | - | - | Restructuring, integration and rationalization costs | - | - |
| - | 91 | (546) | Fair value gain (loss) on embedded derivatives | (346) | - |
| - | - | 265 | Other | 265 | - |
| 40 | 95 | (307) | Total non-operating items | (20) | 56 |

(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 fourth quarter and full year was $117 million and $1,009 million respectively, compared with $495 million and $915 million a year ago. Non-operating items for the fourth quarter include fair value losses on embedded derivatives of $546 million and $265 million compensation received on the cancellation of an intra-group gas supply contract (which is offset by a loss in our Exploration and Production segment).

The fourth quarter result is lower than the same period in 2004 primarily due to lower contributions from the gas trading and marketing business and the net non-operating charge described above, partially offset by a $289 million positive impact related to IFRS fair value accounting. The full year result is higher than in 2004 reflecting higher contributions from the operating businesses.

Other Businesses and Corporate

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | $ million | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| (237) | (452) | (403) | Profit (loss) before interest and tax(a) | (1,191) | 164 |
| (8) | - | - | Inventory holding (gains) losses | 5 | (8) |
| (245) | (452) | (403) | Replacement cost profit (loss) before interest and tax (b) | (1,186) | 156 |
| | | | Results include: | | |
| 8 | 4 | - | Impairment and gain (loss) on sale of businesses and fixed assets | 38 | 1,164 |
| - | (296) | (4) | Environmental and other provisions | (278) | (283) |
| (85) | (6) | (57) | Restructuring, integration and rationalization costs | (134) | (102) |
| - | 8 | (3) | Fair value gain (loss) on embedded derivatives | (13) | - |
| 66 | - | - | Other | 3 | 66 |
| (11) | (290) | (64) | Total non-operating items | (384) | 845 |

(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 fourth quarter's result includes a net charge of $64 million in respect of non-operating items.

Dividends Payable

| March 2005 | December 2005 | March 2006 | | June, September, December and March 2005/06 | June, September, December and March 2004/05 |
|---|---|---|---|---|---|
| | | | Dividends per ordinary share | | |
| 8.50 | 8.925 | 9.375 | cents | 35.725 | 29.45 |
| 4.522 | 5.061 | 5.288 | pence | 19.918 | 16.099 |
| 51.0 | 53.55 | 56.25 | Dividends per ADS (cents) | 214.35 | 176.70 |

BP today announced a dividend of 9.375 cents per ordinary share to be paid in March. Holders of ordinary shares will receive 5.288 pence per share and holders of American Depository Receipts (ADRs) $0.5625 per ADS share. The dividend is payable on 13 March to shareholders on the register on 24 February. 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 13 March.

## Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic growth has continued at near trend rates. In addition to sustained growth in the US and Asia, there has been an acceleration of activity in Europe; the near-term global outlook appears solid.

"Crude oil prices averaged $56.87 per barrel (Dated Brent) in the fourth quarter, a decline of nearly $5 per barrel from the third quarter average but more than $13 per barrel above the same period last year. Prices weakened in face of ample inventories and relatively mild weather in the early part of the fourth quarter, and despite large production losses from hurricanes Katrina and Rita. Prices rebounded in December with the onset of colder weather and have been sustained above $60 in 2006. Oil prices are expected to remain strong but remain dependent upon OPEC production levels and geopolitical concerns.

"US natural gas prices averaged $13/mmbtu (Henry Hub first of month index) in the fourth quarter, up nearly $4.50 per mmbtu versus the third quarter. Lost supply following hurricanes Katrina and Rita and the onset of the winter heating season pushed prices above distillate parity for most of December. In recent weeks prices have traded closer to parity with residual fuel oil. US gas prices are expected to track oil prices but remain vulnerable to weather-related price spikes in the months ahead.

"UK gas prices (National Balancing Point) more than doubled in the fourth quarter to 65.3 pence per therm from 29.3 pence per therm in the third quarter in face of concerns about gas availability through the winter. Prompt prices have recently eased but remain volatile. Supplies are expected to be adequate in the face of normal winter weather.

"Average global refining margins softened to $7.60/bbl in the fourth quarter. The disruptions caused by last autumn's hurricanes eased during the quarter as new sources of product supply were accessed. Oil product stocks currently appear adequate to meet winter demand and global margins have softened further during 2006 to date. However, margin spikes are still possible during extended periods of cold weather and a heavier than normal maintenance programme.

"During the fourth quarter, retail margins benefited from falling product prices particularly in the first two months of the quarter. During December and so far in 2006, a rise in wholesale gasoline and crude prices is evident. Marketing margins are expected to remain volatile.

"Following a comprehensive refurbishment, the steam system at the Texas City refinery was successfully recommissioned in December 2005. Initial production is expected to commence in the first quarter, with further units restarting in a phased programme, primarily in the second and third quarters.

"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 excluding acquisitions for the year was about $14 billion and is expected to be around $15 billion in 2006 with divestments in the region of $3 billion."

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The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding first lifting of oil from the BTC pipeline, the start-up of production from the Cannonball gas development, the timing of production from the Thunder Horse platform, world economic growth, oil prices, US and UK gas prices and supplies, oil product stocks, margins, production at Texas City, dividends and share buy-backs and capital expenditure. 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 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.

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BP p.l.c. and Subsidiaries
Summarized Group Income Statement

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| 53,343 | 69,310 | 64,708 | Sales and other operating revenues (Notes 4 and 5) | 249,465 | 199,876 |
| 358 | 1,020 | 835 | Earnings from jointly controlled entities - after interest and tax | 3,083 | 1,818 |
| 130 | 112 | 133 | Earnings from associates - after interest and tax | 460 | 462 |
| 230 | 113 | 229 | Interest and other revenues | 613 | 615 |
| 54,061 | 70,555 | 65,905 | Total revenues | 253,621 | 202,771 |
| 273 | 30 | 210 | Gain on sale of businesses and fixed assets | 1,538 | 1,685 |
| 54,334 | 70,585 | 66,115 | Total revenues and other income | 255,159 | 204,456 |
| 36,210 | 49,345 | 45,541 | Purchases | 172,699 | 135,907 |
| 4,420 | 4,590 | 6,118 | Production and manufacturing expenses | 21,092 | 17,330 |
| 647 | 834 | 830 | Production and similar taxes (Note 6) | 3,010 | 2,149 |
| 2,430 | 2,041 | 2,351 | Depreciation, depletion and amortization | 8,771 | 8,529 |
| 796 | 148 | 124 | Impairment and losses on sale of businesses and fixed assets | 468 | 1,390 |
| 258 | 177 | 208 | Exploration expense (Note 6) | 684 | 637 |

| | | | | | |
|---|---|---|---|---|---|
| 3,641 | 3,444 | 4,013 | Distribution and administration expenses | 13,706 | 12,768 |
| - | (46) | 1,350 | Fair value (gain) loss on embedded derivatives | 2,047 | - |
| 5,932 | 10,052 | 5,580 | Profit before interest and taxation from continuing operations | 32,682 | 25,746 |
| 143 | 144 | 172 | Finance costs (Note 7) | 616 | 440 |
| 121 | 37 | 43 | Other finance expense (Note 8) | 145 | 340 |
| 5,668 | 9,871 | 5,365 | Profit before taxation from continuing operations | 31,921 | 24,966 |
| 1,818 | 2,674 | 2,029 | Taxation (includes overseas Taxation of $9,082 million, 2004 $5,461 million) | 9,473 | 7,082 |
| 3,850 | 7,197 | 3,336 | Profit from continuing operations | 22,448 | 17,884 |
| (781) | (666) | 442 | Profit (loss) from Innovene operations (Note 3) | 184 | (622) |
| 3,069 | 6,531 | 3,778 | Profit for the period | 22,632 | 17,262 |
| | | | Attributable to: | | |
| 3,010 | 6,463 | 3,685 | BP shareholders | 22,341 | 17,075 |
| 59 | 68 | 93 | Minority interest | 291 | 187 |
| 3,069 | 6,531 | 3,778 | | 22,632 | 17,262 |
| | | | Earnings per share - cents | | |
| | | | Profit for the period attributable to BP shareholders | | |
| 14.00 | 30.75 | 17.90 | Basic | 105.74 | 78.24 |
| 13.75 | 30.54 | 17.68 | Diluted | 104.52 | 76.87 |
| | | | Profit from continuing operations Attributable to BP shareholders | | |
| 17.57 | 33.87 | 15.82 | Basic | 104.87 | 81.09 |
| 17.26 | 33.62 | 15.62 | Diluted | 103.66 | 79.66 |

Summarized Group Balance Sheet

| | 31 December 2005 | 31 December 2004 |
|---|---|---|
| | $ million | |
| Non-current assets | | |
| Property, plant and equipment | 85,947 | 93,092 |
| Goodwill | 10,371 | 10,857 |
| Other intangible assets | 4,772 | 4,205 |
| Investments in jointly controlled entities | 13,556 | 14,556 |
| Investments in associates | 6,217 | 5,486 |
| Other investments | 967 | 394 |
| Fixed assets | 121,830 | 128,590 |
| Loans | 821 | 811 |
| Other receivables | 770 | 429 |
| Derivative financial instruments | 3,652 | 898 |
| Prepayments and accrued income | 1,269 | 354 |
| Defined benefit pension plan surplus | 3,282 | 2,105 |

| | | |
|---|---|---|
| | 131,624 | 133,187 |
| Current assets | | |
| Loans | 132 | 193 |
| Inventories | 19,760 | 15,645 |
| Trade and other receivables | 40,902 | 37,099 |
| Derivative financial instruments | 9,726 | 5,317 |
| Prepayments and accrued income | 1,598 | 1,671 |
| Current tax receivable | 212 | 159 |
| Cash and cash equivalents | 2,960 | 1,359 |
| | 75,290 | 61,443 |
| Total assets | 206,914 | 194,630 |
| Current liabilities | | |
| Trade and other payables | 42,136 | 38,540 |
| Derivative financial instruments | 9,083 | 5,074 |
| Accruals and deferred income | 5,970 | 4,482 |
| Finance debt | 8,932 | 10,184 |
| Current tax payable | 4,274 | 4,131 |
| Provisions | 1,102 | 715 |
| | 71,497 | 63,126 |
| Non-current liabilities | | |
| Other payables | 1,935 | 3,581 |
| Derivative financial instruments | 3,696 | 158 |
| Accruals and deferred income | 3,164 | 699 |
| Finance debt | 10,230 | 12,907 |
| Deferred tax liabilities | 16,443 | 16,701 |
| Provisions | 9,954 | 8,884 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | 9,230 | 10,339 |
| | 54,652 | 53,269 |
| Total liabilities | 126,149 | 116,395 |
| Net assets | 80,765 | 78,235 |
| Equity | | |
| BP shareholders' equity | 79,976 | 76,892 |
| Minority interest | 789 | 1,343 |
| | 80,765 | 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 year | 22,341 |
| Distribution to shareholders | (7,359) |
| Currency translation differences (net of tax) | (2,479) |
| Exchange differences on translation of foreign operations | |

| | |
|---|---|
| transferred to loss on sale (net of tax) | (220) |
| Actuarial gain on pension and other post-retirement benefits plans (net of tax) | 619 |
| Repurchase of ordinary share capital | (11,597) |
| Issue of ordinary share capital for employee share schemes | 534 |
| Issue of ordinary share capital for TNK-BP | 1,250 |
| Purchase of shares by ESOP trusts | (251) |
| Share-based payment accrual (net of tax) | 412 |
| Available-for-sale investments (net of tax) | 190 |
| Cash flow hedges (net of tax) | (113) |
| At 31 December 2005 | 79,976 |

Summarized Group Cash Flow Statement

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Operating activities | | |
| 5,668 | 9,871 | 5,365 | Profit before taxation from continuing operations | 31,921 | 24,966 |
| | | | Adjustments to reconcile profits before tax to net cash provided by operating activities | | |
| 151 | 93 | 81 | Exploration expenditure written off | 305 | 274 |
| 2,430 | 2,041 | 2,351 | Depreciation, depletion and amortization | 8,771 | 8,529 |
| 523 | 118 | (86) | Impairment and (gain) loss on sale of businesses and fixed assets | (1,070) | (295) |
| (488) | (1,132) | (968) | Earnings from jointly controlled entities and associates | (3,543) | (2,280) |
| 756 | 893 | 844 | Dividends received from jointly controlled entities and associates | 2,833 | 2,199 |
| (3,098) | (5,718) | (4,171) | Working capital and other movements | (13,466) | (9,346) |
| 5,942 | 6,166 | 3,416 | Net cash provided by operating activities of continuing operations | 25,751 | 24,047 |
| (785) | 205 | 823 | Net cash provided by (used in) operating activities of Innovene operations | 970 | (669) |
| 5,157 | 6,371 | 4,239 | Net cash provided by operating activities | 26,721 | 23,378 |
| | | | Investing activities | | |
| (3,805) | (3,069) | (3,476) | Capital expenditure | (12,281) | (12,286) |
| (1,489) | - | (60) | Acquisitions, net of cash acquired | (60) | (1,503) |
| (134) | (2) | (132) | Investment in jointly controlled entities | (185) | (1,648) |
| (190) | (82) | (252) | Investment in associates | (619) | (942) |
| 894 | 226 | 825 | Proceeds from disposal of fixed assets | 2,803 | 4,236 |
| - | - | 8,397 | Proceeds from disposal of businesses | 8,397 | 725 |
| 84 | 11 | 32 | Proceeds from loan repayments | 123 | 87 |
| - | - | 93 | Other | 93 | - |

| | | | | | |
|---|---|---|---|---|---|
| (4,640) | (2,916) | 5,427 | Net cash provided by (used in) investing activities | (1,729) | (11,331) |
| | | | Financing activities | | |
| (1,942) | (3,661) | (3,687) | Net repurchase of shares | (11,315) | (7,208) |
| 900 | 497 | 685 | Proceeds from long-term financing | 2,475 | 2,675 |
| (921) | (420) | (1,197) | Repayments of long-term financing | (4,820) | (2,204) |
| 2,529 | 2,983 | (2,423) | Net increase (decrease) in short-term debt | (1,457) | (24) |
| (1,535) | (1,871) | (1,856) | Dividends paid - BP shareholders | (7,359) | (6,041) |
| (8) | (87) | (405) | - Minority interest | (827) | (33) |
| (977) | (2,559) | (8,883) | Net cash used in financing activities | (23,303) | (12,835) |
| 78 | (74) | (5) | Currency translation differences relating to cash and cash equivalents | (88) | 91 |
| (382) | 822 | 778 | Increase (decrease) in cash and cash equivalents | 1,601 | (697) |
| 1,741 | 1,360 | 2,182 | Cash and cash equivalents at beginning of period | 1,359 | 2,056 |
| 1,359 | 2,182 | 2,960 | Cash and cash equivalents at end of period | 2,960 | 1,359 |

Summarized Group Cash Flow Statement

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Working capital and other movements | | |
| (129) | (86) | (228) | Interest receivable | (479) | (284) |
| 193 | 81 | 208 | Interest received | 401 | 331 |
| 143 | 144 | 172 | Interest payable | 616 | 440 |
| (227) | (384) | (292) | Interest paid | (1,127) | (698) |
| 121 | 37 | 43 | Other finance expense | 145 | 340 |
| 68 | 66 | 56 | Share-based payments | 278 | 224 |
| (54) | (21) | (398) | Net operating charge for pensions and other post-retirement benefits, less contributions | (435) | (84) |
| (364) | 440 | (284) | Net charge for provisions, less payments | 600 | (110) |
| 127 | (3,737) | (318) | (Increase) decrease in inventories | (6,638) | (3,182) |
| (4,160) | (10,116) | (386) | (Increase) decrease in trade and other receivables | (16,427) | (10,225) |
| 3,580 | 10,425 | 300 | Increase (decrease) in trade and other payables | 18,628 | 10,290 |
| (2,396) | (2,567) | (3,044) | Income taxes paid | (9,028) | (6,388) |
| (3,098) | (5,718) | (4,171) | | (13,466) | (9,346) |

Group Statement of Recognized Income and Expense

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| 2,424 | 216 | (308) | Currency translation differences | (2,490) | 2,283 |
| - | - | (315) | Exchange gain on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets | (315) | (78) |
| 107 | - | 975 | Actuarial gain relating to pensions and other post-retirement benefits | 975 | 107 |
| - | 47 | 236 | Available-for-sale investments | 262 | - |
| - | (11) | (5) | Cash flow hedges | (176) | - |
| 94 | - | - | Unrealized gain on acquisition of further investment in equity-accounted investments | - | 94 |
| (52) | (17) | (295) | Taxation | (259) | (73) |
| 2,573 | 235 | 288 | Net income recognized directly in equity | (2,003) | 2,333 |
| 3,069 | 6,531 | 3,778 | Profit for the period | 22,632 | 17,262 |
| 5,642 | 6,766 | 4,066 | Total recognized income and expense relating to the year | 20,629 | 19,595 |
| - | - | - | Change in accounting policy - adoption of IAS 32 and 39 on 1 January 2005 | (243) | - |
| 5,642 | 6,766 | 4,066 | Total recognized income and expense since last annual accounts | 20,386 | 19,595 |
| | | | Attributable to: | | |
| 5,583 | 6,698 | 3,973 | BP shareholders | 20,095 | 19,408 |
| 59 | 68 | 93 | Minority interest | 291 | 187 |
| 5,642 | 6,766 | 4,066 | | 20,386 | 19,595 |

Capital Expenditure and Acquisitions

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | By business | | |
| | | | Exploration and Production | | |
| 207 | 221 | 211 | UK | 821 | 762 |
| 94 | 50 | 79 | Rest of Europe | 197 | 255 |
| 1,060 | 930 | 1,001 | USA | 3,870 | 3,913 |
| 1,237 | 1,292 | 1,671 | Rest of World (a) | 5,349 | 6,078 |
| 2,598 | 2,493 | 2,962 | | 10,237 | 11,008 |
| | | | Refining and Marketing | | |
| 186 | 65 | 203 | UK | 408 | 411 |
| 248 | 99 | 291 | Rest of Europe | 568 | 599 |
| 485 | 282 | 535 | USA | 1,226 | 1,314 |

| | | | | | |
|---|---|---|---|---|---|
| 301 | 115 | 336 | Rest of World | 570 | 495 |
| 1,220 | 561 | 1,365 | | 2,772 | 2,819 |
| | | | Gas, Power and Renewables | | |
| 154 | 3 | 10 | UK | 30 | 166 |
| 12 | 4 | 15 | Rest of Europe | 26 | 19 |
| 42 | 22 | 42 | USA | 96 | 80 |
| 117 | 10 | 57 | Rest of World | 83 | 259 |
| 325 | 39 | 124 | | 235 | 524 |
| | | | Other businesses and corporate | | |
| 244 | 92 | 90 | UK | 339 | 403 |
| 880 | 40 | 71 | Rest of Europe | 189 | 1,024 |
| 527 | 29 | 131 | USA | 277 | 698 |
| 74 | 3 | 47 | Rest of World | 100 | 175 |
| 1,725 | 164 | 339 | | 905 | 2,300 |
| 5,868 | 3,257 | 4,790 | | 14,149 | 16,651 |
| | | | By geographical area | | |
| 791 | 381 | 514 | UK | 1,598 | 1,742 |
| 1,234 | 193 | 456 | Rest of Europe | 980 | 1,897 |
| 2,114 | 1,263 | 1,709 | USA | 5,469 | 6,005 |
| 1,729 | 1,420 | 2,111 | Rest of World (a) | 6,102 | 7,007 |
| 5,868 | 3,257 | 4,790 | | 14,149 | 16,651 |
| | | | Included above: | | |
| 1,482 | - | 60 | Acquisitions and asset exchanges | 211 | 2,841 |
| 1,539 | 103 | 140 | Innovene operations | 497 | 1,915 |

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

| | | | | | |
|---|---|---|---|---|---|
| | | | Exchange rates | | |
| | | | US dollar/sterling average rate | | |
| 1.86 | 1.78 | 1.75 | for the period | 1.82 | 1.83 |
| 1.92 | 1.76 | 1.73 | US dollar/sterling period-end rate | 1.73 | 1.92 |
| | | | US dollar/euro average rate | | |
| 1.29 | 1.22 | 1.19 | for the period | 1.24 | 1.24 |
| 1.36 | 1.20 | 1.18 | US dollar/euro period-end rate | 1.18 | 1.36 |

## Analysis of Profit Before Interest and Tax

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | By business | | |
| | | | Exploration and Production | | |
| 998 | 939 | (295) | UK | 2,129 | 3,453 |
| 222 | 301 | 398 | Rest of Europe | 2,321 | 837 |
| 1,597 | 2,071 | 2,972 | USA | 9,492 | 6,807 |

| | | | | | |
|---|---|---|---|---|---|
| 1,930 | 3,225 | 3,500 | Rest of World | 11,566 | 6,990 |
| 4,747 | 6,536 | 6,575 | | 25,508 | 18,087 |
| | | | Refining and Marketing | | |
| (395) | 316 | (588) | UK | (594) | (627) |
| 353 | 1,122 | (266) | Rest of Europe | 2,673 | 2,300 |
| 619 | 1,701 | (307) | USA | 3,514 | 3,616 |
| 234 | 558 | 93 | Rest of World | 1,349 | 1,255 |
| 811 | 3,697 | (1,068) | | 6,942 | 6,544 |
| | | | Gas, Power and Renewables | | |
| 158 | (17) | (159) | UK | 64 | 84 |
| (3) | 4 | (19) | Rest of Europe | (17) | (31) |
| 102 | 403 | 132 | USA | 746 | 418 |
| 266 | 22 | 160 | Rest of World | 311 | 483 |
| 523 | 412 | 114 | | 1,104 | 954 |
| | | | Other businesses and corporate | | |
| 207 | (144) | (141) | UK | (673) | (217) |
| (132) | 11 | (124) | Rest of Europe | (79) | (134) |
| (197) | (361) | (22) | USA | (405) | (782) |
| (115) | 42 | (116) | Rest of World | (34) | 1,297 |
| (237) | (452) | (403) | | (1,191) | 164 |
| 5,844 | 10,193 | 5,218 | | 32,363 | 25,749 |
| 57 | (285) | 234 | Unrealized profit in inventory | (208) | (191) |
| 31 | 144 | 128 | Net profit on transactions between continuing and Innovene operations | 527 | 188 |
| 5,932 | 10,052 | 5,580 | Total for continuing operations | 32,682 | 25,746 |
| | | | Innovene operations | | |
| (71) | (289) | 490 | UK | 423 | (170) |
| (468) | (88) | (1) | Rest of Europe | 406 | 14 |
| (311) | (220) | (42) | USA | (166) | (259) |
| (122) | (28) | 21 | Rest of World | 5 | (111) |
| (972) | (625) | 468 | | 668 | (526) |
| (31) | (144) | (128) | Net profit on transactions between continuing and Innovene operations | (527) | (188) |
| (1,003) | (769) | 340 | Total for Innovene operations | 141 | (714) |
| 4,929 | 9,283 | 5,920 | Total for period | 32,823 | 25,032 |
| | | | By geographical area | | |
| 1,082 | 1,138 | (1,039) | UK | 1,167 | 2,875 |
| 500 | 1,523 | 31 | Rest of Europe | 5,206 | 3,121 |
| 2,035 | 3,543 | 2,974 | USA | 13,139 | 9,725 |
| 2,315 | 3,848 | 3,614 | Rest of World | 13,170 | 10,025 |
| 5,932 | 10,052 | 5,580 | Total for continuing operations | 32,682 | 25,746 |

Analysis of Replacement Cost Profit
Before Interest and Tax

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | By business | | |
| | | | Exploration and Production | | |
| 998 | 939 | (295) | UK | 2,129 | 3,453 |
| 222 | 301 | 398 | Rest of Europe | 2,321 | 837 |
| 1,600 | 2,070 | 2,964 | USA | 9,475 | 6,797 |
| 1,930 | 3,225 | 3,500 | Rest of World | 11,566 | 6,990 |
| 4,750 | 6,535 | 6,567 | | 25,491 | 18,077 |
| | | | Refining and Marketing | | |
| (375) | 268 | (514) | UK | (575) | (690) |
| 585 | 657 | (170) | Rest of Europe | 1,568 | 1,988 |
| 847 | 563 | 363 | USA | 2,302 | 2,874 |
| 280 | 370 | 161 | Rest of World | 1,110 | 1,068 |
| 1,337 | 1,858 | (160) | | 4,405 | 5,240 |
| | | | Gas, Power and Renewables | | |
| 158 | (17) | (159) | UK | 64 | 84 |
| (3) | (4) | (18) | Rest of Europe | (17) | (32) |
| 90 | 378 | 138 | USA | 722 | 420 |
| 250 | (43) | 156 | Rest of World | 240 | 443 |
| 495 | 314 | 117 | | 1,009 | 915 |
| | | | Other businesses and corporate | | |
| 207 | (144) | (141) | UK | (673) | (217) |
| (132) | 10 | (124) | Rest of Europe | (79) | (134) |
| (197) | (366) | (22) | USA | (405) | (782) |
| (123) | 48 | (116) | Rest of World | (29) | 1,289 |
| (245) | (452) | (403) | | (1,186) | 156 |
| 6,337 | 8,255 | 6,121 | | 29,719 | 24,388 |
| 57 | (285) | 234 | Unrealized profit in inventory | (208) | (191) |
| 31 | 144 | 128 | Net profit on transactions between continuing and Innovene operations | 527 | 188 |
| 6,425 | 8,114 | 6,483 | Total for continuing operations | 30,038 | 24,385 |
| | | | Innovene operations | | |
| (71) | (276) | 428 | UK | 291 | (244) |
| (423) | (169) | (4) | Rest of Europe | 252 | (54) |
| (362) | (258) | (127) | USA | (253) | (398) |
| (115) | (37) | 15 | Rest of World | (5) | (112) |
| (971) | (740) | 312 | | 285 | (808) |
| (31) | (144) | (128) | Net profit on transactions between continuing and Innovene operations | (527) | (188) |
| (1,002) | (884) | 184 | Total for Innovene operations | (242) | (996) |
| 5,423 | 7,230 | 6,667 | Total for period | 29,796 | 23,389 |

| | | | | | |
|---|---|---|---|---|---|
| | | | By geographical area | | |
| 1,102 | 1,089 | (965) | UK | 1,186 | 2,812 |
| 732 | 1,049 | 128 | Rest of Europe | 4,100 | 2,808 |
| 2,254 | 2,376 | 3,643 | USA | 11,888 | 8,975 |
| 2,337 | 3,600 | 3,677 | Rest of World | 12,864 | 9,790 |
| 6,425 | 8,114 | 6,483 | Total for continuing operations | 30,038 | 24,385 |

Analysis of Non-operating Items

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | By business | | |
| | | | Exploration and Production | | |
| (15) | (53) | (975) | UK | (1,996) | (21) |
| - | - | 6 | Rest of Europe | 1,036 | (1) |
| (268) | (106) | (121) | USA | (231) | (373) |
| 55 | 12 | 111 | Rest of World | 193 | (101) |
| (228) | (147) | (979) | | (998) | (496) |
| | | | Refining and Marketing | | |
| (411) | (3) | (8) | UK | (26) | (530) |
| (25) | (53) | (33) | Rest of Europe | (97) | (35) |
| 89 | (96) | 118 | USA | (607) | (52) |
| (18) | (2) | (27) | Rest of World | (59) | (77) |
| (365) | (154) | 50 | | (789) | (694) |
| | | | Gas, Power and Renewables | | |
| - | 90 | (306) | UK | (45) | - |
| (1) | - | - | Rest of Europe | - | (1) |
| 1 | 5 | - | USA | 26 | 1 |
| 40 | - | (1) | Rest of World | (1) | 56 |
| 40 | 95 | (307) | | (20) | 56 |
| | | | Other businesses and corporate | | |
| (87) | (6) | (57) | UK | (111) | (130) |
| (12) | - | - | Rest of Europe | 11 | (66) |
| 100 | (284) | (7) | USA | (284) | (347) |
| (12) | - | - | Rest of World | - | 1,388 |
| (11) | (290) | (64) | | (384) | 845 |
| (564) | (496) | (1,300) | Total before taxation for continuing operations | (2,191) | (289) |
| 166 | 167 | 421 | Taxation credit (charge) | 717 | 83 |
| (398) | (329) | (879) | Total after taxation for continuing operations | (1,474) | (206) |
| | | | Innovene operations | | |
| (218) | (301) | 221 | UK | (83) | (223) |
| (427) | (224) | (30) | Rest of Europe | (273) | (427) |

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| (355) | (208) | (50) | USA | (259) | (355) |
| (114) | (26) | (5) | Rest of World | (32) | (114) |
| (1,114) | (759) | 136 | Total before taxation for Innovene operations (a) | (647)(a) | (1,119) |
| 251 | 167 | 190 | Taxation credit (charge) | 367 | 253 |
| (863) | (592) | 326 | Total after taxation for Innovene operations | (280) | (866) |
| (1,261) | (921) | (553) | Total after taxation for period | (1,754) | (1,072) |

(a) Includes the loss on re-measurement to fair value of $724 million and $(133) million in the third and fourth quarters of 2005, impairment charges of $24 million and $35 million in the first and third quarters of 2005 respectively, and a gain on disposal of $3 million in the fourth quarter of 2005.

Depreciation of Fixed Asset Revaluation Adjustment

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Exploration and Production | | |
| 9 | 6 | 7 | UK | 33 | 34 |
| 81 | 64 | 62 | USA | 272 | 362 |
| 3 | 5 | 5 | Rest of World | 18 | 19 |
| 93 | 75 | 74 | | 323 | 415 |
| | | | Refining and Marketing | | |
| 31 | 31 | 31 | USA | 124 | 124 |
| 31 | 31 | 31 | | 124 | 124 |
| 124 | 106 | 105 | Total depreciation of revaluation adjustment (a)(b) | 447 | 539 |

(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

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | 31 December 2005 | 31 December 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| 23,091 | 22,159 | 19,162 | Gross debt | 19,162 | 23,091 |
| 1,359 | 2,182 | 2,960 | Cash and cash equivalents | 2,960 | 1,359 |
| 21,732 | 19,977 | 16,202 | Net debt | 16,202 | 21,732 |
| 78,235 | 82,726 | 80,765 | Equity | 80,765 | 78,235 |
| 22% | 19% | 17% | Net debt ratio | 17% | 22% |

Production and Realizations

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| | | | Production (a) | | |
| | | | Crude oil (mb/d) (net of royalties) | | |
| 301 | 224 | 244 | UK | 261 | 312 |
| 70 | 64 | 69 | Rest of Europe | 71 | 73 |
| 519 | 427 | 432 | USA | 491 | 530 |
| 1,506 | 1,598 | 1,655 | Rest of World | 1,566 | 1,425 |
| 2,396 | 2,313 | 2,400 | Total crude oil production | 2,389 | 2,340 |
| | | | Natural gas liquids (mb/d) (net of royalties) | | |
| 19 | 12 | 16 | UK | 16 | 18 |
| 4 | 4 | 4 | Rest of Europe | 4 | 4 |
| 142 | 113 | 111 | USA | 122 | 138 |
| 32 | 30 | 33 | Rest of World | 31 | 31 |
| 197 | 159 | 164 | Total natural gas liquids production | 173 | 191 |
| | | | Liquids (b)(mb/d) (net of royalties) | | |
| 320 | 236 | 260 | UK | 277 | 330 |
| 74 | 68 | 73 | Rest of Europe | 75 | 77 |
| 661 | 540 | 543 | USA | 613 | 668 |
| 1,538 | 1,628 | 1,688 | Rest of World | 1,597 | 1,456 |
| 2,593 | 2,472 | 2,564 | Total liquids production | 2,562 | 2,531 |
| | | | Natural gas (mmcf/d) (net of royalties) | | |
| 1,227 | 831 | 1,156 | UK | 1,090 | 1,174 |
| 113 | 99 | 107 | Rest of Europe | 108 | 125 |
| 2,651 | 2,456 | 2,359 | USA | 2,547 | 2,748 |
| 4,723 | 4,455 | 4,836 | Rest of World | 4,679 | 4,456 |
| 8,714 | 7,841 | 8,458 | Total natural gas production | 8,424 | 8,503 |
| | | | Average realizations (c) | | |
| | | | Crude oil ($/bbl) | | |
| 42.01 | 57.77 | 54.70 | UK | 51.22 | 36.11 |
| 42.07 | 56.64 | 57.40 | USA | 50.98 | 37.40 |
| 38.29 | 55.89 | 49.93 | Rest of World | 48.32 | 34.99 |
| 41.01 | 56.83 | 53.92 | BP Average | 50.27 | 36.45 |
| | | | Natural gas liquids ($/bbl) | | |
| 40.23 | 47.49 | 43.68 | UK | 37.95 | 31.79 |
| 29.31 | 36.39 | 37.78 | USA | 31.94 | 25.67 |
| 33.10 | 32.97 | 42.10 | Rest of World | 35.11 | 27.76 |

| | | | | | |
|---|---|---|---|---|---|
| 31.20 | 36.70 | 39.29 | BP Average | 33.23 | 26.75 |
| | | | Liquids ($/bbl) | | |
| 41.91 | 57.26 | 54.02 | UK | 50.45 | 35.87 |
| 39.73 | 53.17 | 53.98 | USA | 47.83 | 35.41 |
| 37.94 | 54.63 | 49.51 | Rest of World | 47.56 | 34.51 |
| 39.88 | 54.80 | 52.44 | BP Average | 48.51 | 35.39 |
| | | | Natural gas ($/mcf) | | |
| 5.16 | 4.45 | 6.96 | UK | 5.53 | 4.32 |
| 5.72 | 6.77 | 9.48 | USA | 6.78 | 5.11 |
| 3.00 | 3.43 | 4.08 | Rest of World | 3.46 | 2.74 |
| 4.28 | 4.75 | 6.24 | BP Average | 4.90 | 3.86 |

(a) Includes BP's share of production of equity-accounted entities.

(b) Crude oil and natural gas liquids.

(c) Based on sales 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 adopted by the European Commission ('EC'). Consequently, financial information for year 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 FRS 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 annual 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 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) in effect for the year ending 31 December 2005. 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 financial 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 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.

- measuring embedded derivatives 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. In addition, the reconciliations for 2004 interim periods included in this report are shown below.

| | Fourth Quarter 2004 | Year 2004 |
|---|---|---|
| | $ million | |
| Profit for the period under UK GAAP | 2,610 | 15,961 |
| Adjustments | | |
| Goodwill amortization | 412 | 1,489 |
| Major maintenance expenditure | (94) | (217) |
| Share-based payments | 85 | (24) |
| Asset swaps | 36 | 39 |
| Recycling foreign exchange on disposal | - | 78 |
| Deferred tax | (24) | (74) |
| Other | 44 | 10 |
| Profit for the period under IFRS | 3,069 | 17,262 |

| | 31 December 2004 |
|---|---|
| | $ million |
| BP shareholders' equity under UK GAAP | 76,656 |
| Adjustments | |
| Goodwill amortization | 2,985 |
| Major maintenance expenditure | (794) |
| Share-based payments | 353 |
| Asset swaps | (190) |
| Deferred tax | (3,986) |
| Dividend accrual | 1,821 |
| Other | 47 |
| BP shareholders' equity under IFRS | 76,892 |

Notes

2. Resegmentation

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

(a) The Mardi Gras pipeline system in the Gulf of Mexico has been transferred from Exploration and Production to Refining and Marketing.

(b) The aromatics and acetyls operations and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany have been transferred from the former Petrochemicals segment to Refining and Marketing.

(c) The olefins and derivatives operations have been transferred from the former Petrochemicals segment to the Olefins and Derivatives business. The legacy historical results of other petrochemicals assets that had been divested during 2004 and 2003 are included within Other businesses and corporate.

(d) The Grangemouth and Lavera refineries have been transferred from Refining and Marketing to the Olefins and Derivatives business to maintain existing operating synergies with the co-located olefin and derivatives operations.

(e) A small US operation, the Hobbs fractionator, which supplies petrochemicals feedstock, has been transferred from Gas, Power and Renewables to the Olefins and Derivatives business.

The Olefins and Derivatives business is reported within Other businesses and corporate. This re-organisation was a precursor to seeking to divest the Olefins and Derivatives business. As indicated in Note 3, during 2005 we have divested Innovene and shown these activities as discontinued operations in these accounts. Innovene represented the majority of the Olefins and Derivatives business.

Comparative financial and operating information is shown after resegmentation and the adoption of International Financial Reporting Standards.

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 INEOS. The transaction became unconditional on 9 December on receipt of European Commission clearance and was completed on 16 December 2005. The transaction included 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 remain with BP and are included within Other businesses and corporate.

The Innovene operations represent a separate major line of business for BP. As a result of the sale, these operations have been treated as discontinued operations for the year ended 31 December 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 to 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.

Gross proceeds received amounted to $8,477 million and there were selling costs of $120 million and initial closing adjustments of $43 million. The proceeds are subject to final closing adjustments. The re-measurement to fair value less costs to sell resulted in a loss of $591 million before tax. The originally announced transaction value of $9,000 million has been reduced by the value of certain liabilities transferred to INEOS and certain assets retained by BP on closing.

Notes

3. Sale of Olefins and Derivatives business (continued)

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Profit (loss) before tax from | | |
| (972) | 99 | 335 | Innovene operations | 1,259 | (526) |
| | | | Net profit on transactions between continuing and | | |
| (31) | (144) | (128) | Innovene operations | (527) | (188) |
| | | | Profit (loss) before | | |
| (1,003) | (45) | 207 | Interest and taxation | 732 | (714) |
| (5) | - | 1 | Other finance income (expense) | 3 | (17) |
| | | | (Loss)/gain recognized on the re-measurement to | | |
| - | (724) | 133 | fair value | (591) | - |
| (1,008) | (769) | 341 | | 144 | (731) |
| | | | Taxation | | |
| | | | Related to profit | | |
| 227 | (56) | (86) | before tax | (306) | 109 |
| | | | Related to re-measurement | | |
| - | 159 | 187 | to fair value | 346 | - |
| | | | Profit (loss) from | | |
| (781) | (666) | 442 | Innovene operations | 184 | (622) |

4. Change in accounting policy

The group's accounting policy has been to present oil, natural gas and power forward sales and purchases gross in the income statement. However, during 2005, a review was undertaken into the presentation of these commodity derivative transactions and related activity. These transactions have previously been presented gross in the income statement, although in certain areas of the group's activity physical delivery can be optional and avoided by buying or selling offsetting contracts through a market mechanism. This led to the conclusion that it was more appropriate to represent transactions in these areas net rather than gross. These sale and purchase transactions are now offset and reported net in sales and other operating revenues. Other derivative contracts where physical delivery is the norm continue to be reported gross.

This change in accounting policy, while reducing sales and other operating revenues and purchases, has no impact on reported profit, cash flows and balance sheet.

Sales and other operating revenues for earlier quarters of 2005 and for 2004 have been restated as have purchases. The restated sales and other operating revenues information is set out below. The impact of the change in accounting policy on sales and other operating revenues and purchases for the year ended 31 December 2005 was approximately $105,000 million.

Notes

4. Change in accounting policy (continued)

| Sales and other operating revenues for 2005 as reported | First Quarter | Second Quarter | Third Quarter | Nine Months |
|---|---|---|---|---|
| | $ million | | | |
| By business | | | | |
| Exploration and Production | 10,186 | 10,934 | 11,321 | 32,441 |
| Refining and Marketing | 51,646 | 61,022 | 68,790 | 181,458 |
| Gas, Power and Renewables | 23,667 | 23,110 | 28,917 | 75,694 |
| Other businesses and corporate | 172 | 174 | 161 | 507 |
| Sales by continuing operations | 85,671 | 95,240 | 109,189 | 290,100 |
| Less: sales between businesses | 8,369 | 7,843 | 8,511 | 24,723 |
| sales to Innovene operations | 2,113 | 3,926 | 4,158 | 10,197 |
| Third party sales of continuing operations | 75,189 | 83,471 | 96,520 | 255,180 |
| Innovene sales | 7,120 | 5,951 | 5,824 | 18,895 |
| Less: sales to continuing operations | 3,311 | 2,605 | 2,667 | 8,583 |
| Third party sales of Innovene operations | 3,809 | 3,346 | 3,157 | 10,312 |
| Total third party sales | 78,998 | 86,817 | 99,677 | 265,492 |
| By geographical area | | | | |
| UK | 24,829 | 29,998 | 37,406 | 92,233 |
| Rest of Europe | 15,824 | 16,916 | 16,904 | 49,644 |
| USA | 32,944 | 38,115 | 45,759 | 116,818 |
| Rest of World | 18,614 | 20,028 | 19,595 | 58,237 |
| Sales by continuing operations | 92,211 | 105,057 | 119,664 | 316,932 |
| Less: sales between areas | 14,909 | 17,660 | 18,986 | 51,555 |
| sales to Innovene operations | 2,113 | 3,926 | 4,158 | 10,197 |
| | 75,189 | 83,471 | 96,520 | 255,180 |

| Sales and other operating revenues for 2005 as restated | First Quarter | Second Quarter | Third Quarter | Nine Months |
|---|---|---|---|---|
| | $ million | | | |

| | | | | |
|---|---|---|---|---|
| By business | | | | |
| Exploration and Production | 10,186 | 10,934 | 11,321 | 32,441 |
| Refining and Marketing | 47,762 | 55,115 | 63,278 | 166,155 |
| Gas, Power and Renewables | 7,105 | 6,250 | 7,219 | 20,574 |
| Other businesses and corporate | 172 | 174 | 161 | 507 |
| Sales by continuing operations | 65,225 | 72,473 | 81,979 | 219,677 |
| Less: sales between businesses | 8,369 | 7,843 | 8,511 | 24,723 |
| sales to Innovene operations | 2,113 | 3,926 | 4,158 | 10,197 |
| Third party sales of continuing operations | 54,743 | 60,704 | 69,310 | 184,757 |
| Innovene sales | 7,120 | 5,951 | 5,824 | 18,895 |
| Less: sales to continuing operations | 3,311 | 2,605 | 2,667 | 8,583 |
| Third party sales of Innovene operations | 3,809 | 3,346 | 3,157 | 10,312 |
| Total third party sales | 58,552 | 64,050 | 72,467 | 195,069 |
| By geographical area | | | | |
| UK | 19,821 | 25,246 | 32,863 | 77,930 |
| Rest of Europe | 15,824 | 16,916 | 16,904 | 49,644 |
| USA | 23,395 | 25,881 | 30,724 | 80,000 |
| Rest of World | 12,725 | 14,247 | 11,963 | 38,935 |
| Sales by continuing operations | 71,765 | 82,290 | 92,454 | 246,509 |
| Less: sales between areas | 14,909 | 17,660 | 18,986 | 51,555 |
| sales to Innovene operations | 2,113 | 3,926 | 4,158 | 10,197 |
| | 54,743 | 60,704 | 69,310 | 184,757 |

Notes

4. Change in accounting policy (continued)

| Sales and other operating revenues for 2004 as reported | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year |
|---|---|---|---|---|---|
| | | | $ million | | |
| By business | | | | | |
| Exploration and Production | 8,186 | 8,083 | 8,601 | 9,830 | 34,700 |
| Refining and Marketing | 45,307 | 49,849 | 46,639 | 51,122 | 192,917 |
| Gas, Power and Renewables | 20,975 | 18,434 | 20,443 | 23,468 | 83,320 |
| Other businesses and corporate | 121 | 132 | 137 | 156 | 546 |
| Sales by continuing operations | 74,589 | 76,498 | 75,820 | 84,576 | 311,483 |
| Less: sales between businesses | 6,726 | 6,769 | 7,873 | 8,236 | 29,604 |
| sales to Innovene operations | 1,824 | 1,948 | 2,183 | 2,271 | 8,226 |
| Third party sales of continuing operations | 66,039 | 67,781 | 65,764 | 74,069 | 273,653 |
| Innovene sales | 3,698 | 3,779 | 4,437 | 5,534 | 17,448 |
| Less: sales to continuing operations | 1,276 | 1,246 | 1,774 | 1,873 | 6,169 |
| Third party sales of Innovene operations | 2,422 | 2,533 | 2,663 | 3,661 | 11,279 |

| | | | | | |
|---|---|---|---|---|---|
| Total third party sales | 68,461 | 70,314 | 68,427 | 77,730 | 284,932 |
| By geographical area | | | | | |
| UK | 15,839 | 15,881 | 20,355 | 23,013 | 75,088 |
| Rest of Europe | 9,787 | 11,023 | 11,499 | 12,549 | 44,858 |
| USA | 30,931 | 32,629 | 30,476 | 32,556 | 126,592 |
| Rest of World | 15,721 | 15,533 | 16,552 | 19,504 | 67,310 |
| Sales by continuing operations | 72,278 | 75,066 | 78,882 | 87,622 | 313,848 |
| Less: sales between areas | 4,415 | 5,337 | 10,935 | 11,282 | 31,969 |
| sales to Innovene operations | 1,824 | 1,948 | 2,183 | 2,271 | 8,226 |
| | 66,039 | 67,781 | 65,764 | 74,069 | 273,653 |

| Sales and other operating revenues for 2004 as restated | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year |
|---|---|---|---|---|---|
| | | | $ million | | |
| By business | | | | | |
| Exploration and Production | 8,186 | 8,083 | 8,601 | 9,830 | 34,700 |
| Refining and Marketing | 41,380 | 47,809 | 41,057 | 46,104 | 176,350 |
| Gas, Power and Renewables | 6,685 | 5,916 | 5,749 | 7,760 | 26,110 |
| Other businesses and corporate | 121 | 132 | 137 | 156 | 546 |
| Sales by continuing operations | 56,372 | 61,940 | 55,544 | 63,850 | 237,706 |
| Less: sales between businesses | 6,726 | 6,769 | 7,873 | 8,236 | 29,604 |
| sales to Innovene operations | 1,824 | 1,948 | 2,183 | 2,271 | 8,226 |
| Third party sales of continuing operations | 47,822 | 53,223 | 45,488 | 53,343 | 199,876 |
| Innovene sales | 3,698 | 3,779 | 4,437 | 5,534 | 17,448 |
| Less: sales to continuing Operations | 1,276 | 1,246 | 1,774 | 1,873 | 6,169 |
| Third party sales of Innovene operations | 2,422 | 2,533 | 2,663 | 3,661 | 11,279 |
| Total third party sales | 50,244 | 55,756 | 48,151 | 57,004 | 211,155 |
| By geographical area | | | | | |
| UK | 11,584 | 13,901 | 16,407 | 18,259 | 60,151 |
| Rest of Europe | 9,787 | 11,023 | 11,499 | 12,549 | 44,858 |
| USA | 22,062 | 24,351 | 18,571 | 22,216 | 87,200 |
| Rest of World | 10,628 | 11,233 | 12,129 | 13,872 | 47,862 |
| Sales by continuing operations | 54,061 | 60,508 | 58,606 | 66,896 | 240,071 |
| Less: sales between areas | 4,415 | 5,337 | 10,935 | 11,282 | 31,969 |
| sales to Innovene operations | 1,824 | 1,948 | 2,183 | 2,271 | 8,226 |
| | 47,822 | 53,223 | 45,488 | 53,343 | 199,876 |

Notes

5. Sales and other operating revenues

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | By business | | |
| 9,830 | 11,321 | 14,769 | Exploration and Production | 47,210 | 34,700 |
| 46,104 | 63,278 | 53,979 | Refining and Marketing | 220,134 | 176,350 |
| 7,760 | 7,219 | 7,987 | Gas, Power and Renewables | 28,561 | 26,110 |
| 156 | 161 | 161 | Other businesses and corporate | 668 | 546 |
| 63,850 | 81,979 | 76,896 | Sales by continuing operations | 296,573 | 237,706 |
| 8,236 | 8,511 | 10,595 | Less: sales between businesses | 35,318 | 29,604 |
| 2,271 | 4,158 | 1,593 | sales to Innovene operations | 11,790 | 8,226 |
| 53,343 | 69,310 | 64,708 | Third party sales of continuing operations | 249,465 | 199,876 |
| 5,534 | 5,824 | 3,509 | Innovene sales | 20,627 | 17,448 |
| 1,873 | 2,667 | 1,445 | Less: sales to continuing operations | 8,251 | 6,169 |
| 3,661 | 3,157 | 2,064 | Third party sales of Innovene operations | 12,376 | 11,279 |
| 57,004 | 72,467 | 66,772 | Total third party sales | 261,841 | 211,155 |
| | | | By geographical area | | |
| 18,259 | 32,863 | 18,204 | UK | 96,134 | 60,151 |
| 12,549 | 16,904 | 14,661 | Rest of Europe | 64,305 | 44,858 |
| 22,216 | 30,724 | 23,185 | USA | 103,185 | 87,200 |
| 13,872 | 11,963 | 20,693 | Rest of World | 59,628 | 47,862 |
| 66,896 | 92,454 | 76,743 | Sales by continuing operations | 323,252 | 240,071 |
| 11,282 | 18,986 | 10,442 | Less: sales between areas | 61,997 | 31,969 |
| 2,271 | 4,158 | 1,593 | sales to Innovene operations | 11,790 | 8,226 |
| 53,343 | 69,310 | 64,708 | | 249,465 | 199,876 |

Notes

6. Operating profits are after charging:

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Exploration expense | | |
| 17 | 3 | 11 | UK | 32 | 26 |
| 10 | 1 | - | Rest of Europe | 2 | 25 |
| 143 | 120 | 117 | USA | 425 | 361 |
| 88 | 53 | 80 | Rest of World | 225 | 225 |
| 258 | 177 | 208 | | 684 | 637 |
| | | | Production and similar taxes (a) | | |
| 112 | 95 | 133 | UK | 495 | 335 |

| | | | | | |
|---|---|---|---|---|---|
| 535 | 739 | 697 | Overseas | 2,515 | 1,814 |
| 647 | 834 | 830 | | 3,010 | 2,149 |

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

7. Finance costs

| | | | | | |
|---|---|---|---|---|---|
| 188 | 237 | 278 | Interest payable | 910 | 644 |
| (45) | (93) | (106) | Capitalized | (351) | (204) |
| 143 | 144 | 172 | | 559 | 440 |
| - | - | - | Early redemption of finance leases | 57 | - |
| 143 | 144 | 172 | | 616 | 440 |

8. Other finance expense

| | | | | | |
|---|---|---|---|---|---|
| 519 | 502 | 497 | Interest on pension and other post-retirement benefit plan liabilities | 2,022 | 2,012 |
| (501) | (528) | (521) | Expected return on pension and other post-retirement benefit plan assets | (2,138) | (1,983) |
| 18 | (26) | (24) | Interest net of expected return on plan assets | (116) | 29 |
| 50 | 49 | 57 | Unwinding of discount on provisions | 201 | 196 |
| 17 | 14 | 9 | Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | 57 | 91 |
| 41 | - | - | Change in discount rate for provision | - | 41 |
| 126 | 37 | 42 | | 142 | 357 |
| (5) | - | 1 | Innovene operations | 3 | (17) |
| 121 | 37 | 43 | Continuing operations | 145 | 340 |

Notes

9. Dividends paid

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| | | | Dividends per ordinary share | | |
| 7.10 | 8.925 | 8.925 | cents | 34.85 | 27.70 |
| 3.910 | 5.119 | 5.061 | pence | 19.152 | 15.251 |
| 42.6 | 53.55 | 53.55 | Dividends per ADS (cents) | 209.10 | 166.20 |

10. Analysis of changes in net debt

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| $ million | | | | $ million | |
| | | | Opening balance | | |
| 20,445 | 19,302 | 22,159 | Finance debt | 23,091 | 22,325 |
| 1,741 | 1,360 | 2,182 | Less: Cash and cash equivalents | 1,359 | 2,056 |
| 18,704 | 17,942 | 19,977 | Opening net debt | 21,732 | 20,269 |
| | | | Closing balance | | |
| 23,091 | 22,159 | 19,162 | Finance debt | 19,162 | 23,091 |
| 1,359 | 2,182 | 2,960 | Less: Cash and cash equivalents | 2,960 | 1,359 |
| 21,732 | 19,977 | 16,202 | Closing net debt | 16,202 | 21,732 |
| (3,028) | (2,035) | 3,775 | Decrease (increase) in net debt | 5,530 | (1,463) |
| (460) | 896 | 783 | Movement in cash and cash equivalents (excluding exchange adjustments) | 1,689 | (788) |
| (2,535) | (3,060) | 2,936 | Net cash outflow (inflow) from financing(excluding share capital) | 3,803 | (431) |
| - | - | - | Adoption of IAS 39 | (147) | - |
| - | 8 | 48 | Fair value hedge adjustment | 171 | - |
| 37 | 33 | 11 | Other movements | 146 | 68 |
| (2,958) | (2,123) | 3,778 | Movement in net debt before exchange effects | 5,662 | (1,151) |
| (70) | 88 | (3) | Exchange adjustments | (132) | (312) |
| (3,028) | (2,035) | 3,775 | Decrease (increase) in net debt | 5,530 | (1,463) |

Notes

11. TNK-BP Operational and Financial Information

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| | | | Production (Net of royalties) (BP share) | | |
| 884 | 930 | 936 | Crude oil (mb/d) | 911 | 830 |
| 515 | 449 | 530 | Natural gas (mmcf/d) | 482 | 463 |
| 972 | 1,007 | 1,027 | Total hydrocarbons (mboe/d)(a) | 994 | 910 |
| $ million | | | | $ million | |
| | | | Income statement (BP share) | | |
| 659 | 1,253 | 1,029 | Profit before interest and tax | 3,817 | 2,421 |

| | | | | | |
|---|---|---|---|---|---|
| (22) | (37) | (30) | Interest expense * | (128) | (101) |
| (184) | (347) | (234) | Taxation | (976) | (675) |
| (17) | (46) | (31) | Minority interest | (104) | (43) |
| 436 | 823 | 734 | Net Income (b) | 2,609 | 1,602 |
| | | | * Excludes unwinding of discount | | |
| 17 | 14 | 9 | on deferred consideration | 57 | 91 |
| | | | Cash Flow | | |
| | | | Additional investment in | | |
| - | - | - | TNK-BP joint venture | - | (1,416) |
| | | | Dividends related to period | | |
| - | - | - | prior to acquisition | - | 166 |
| | | | Net investment in TNK-BP | | |
| - | - | - | joint venture | - | (1,250) |
| 610 | 750 | 525 | Dividends received | 1,950 | 1,760 |
| - | - | 771 | Dividends receivable | 771 | - |

| Fourth Quarter 2004 | Third Quarter 2005 | Fourth Quarter 2005 | | Year 2005 | Year 2004 |
|---|---|---|---|---|---|
| | | | Average oil marker prices ($/bbl) | | |
| 37.75 | 57.13 | 53.23 | Urals (NWE - cif) | 50.29 | 34.08 |
| 38.82 | 57.39 | 54.07 | Urals (Med - cif) | 50.84 | 34.45 |
| 22.30 | 36.60 | 31.73 | Domestic Oil | 28.77 | 20.61 |

| Balance Sheet | 31 December 2005 | 31 December 2004 |
|---|---|---|
| Investments in jointly controlled entities | 8,089 | 8,294 |
| Deferred consideration | | |
| Due within one year | 1,227 | 1,227 |
| Due after more than one year | - | 1,194 |
| | 1,227 | 2,421 |

(a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

(b) Fourth quarter 2005 includes a net gain of $270 million on the disposal of non-core producing assets in the Saratov region, along with the Orsk refinery.

As reported in previous quarters, various TNK-BP companies have received tax notifications. Upon entering into the joint venture arrangement, each party received indemnities from its co-venturers in respect of historical tax liabilities related to assets contributed to the joint venture. BP believes existing provisions are adequate for its share of any liabilities arising from tax claims not covered by these indemnities.

Notes

12. Equity-accounted entities

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

| | RC profit (loss) before interest and tax | Inventory holding gains (losses) | Profit (loss) before interest and tax |
|---|---|---|---|
| | | $ million | |
| Fourth Quarter 2005 | | | |
| Exploration and Production | 1,292 | - | 1,292 |
| Refining and Marketing | 71 | 8 | 79 |
| Gas, Power and Renewables | 22 | - | 22 |
| Other businesses and corporate | 21 | - | 21 |
| Continuing operations | 1,406 | 8 | 1,414 |
| Innovene operations | (17) | - | (17) |
| | 1,389 | 8 | 1,397 |
| 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 |
| Fourth Quarter 2004 | | | |
| Exploration and Production | 889 | - | 889 |
| Refining and Marketing | 71 | 7 | 78 |
| Gas, Power and Renewables | 7 | - | 7 |
| Other businesses and corporate | (17) | - | (17) |
| Continuing operations | 950 | 7 | 957 |
| Innovene operations | (2) | 2 | - |
| | 948 | 9 | 957 |

Notes

12. Equity-accounted entities (continued)

| | Interest | Tax | Minority interest | Profit (loss) for the period |
|---|---|---|---|---|
| | | $ million | | |
| Fourth Quarter 2005 | | | | |
| Exploration and Production | (56) | (313) | (30) | 893 |
| Refining and Marketing | (8) | (27) | - | 44 |
| Gas, Power and Renewables | (1) | (1) | - | 20 |

| | | | | |
|---|---|---|---|---|
| Other businesses and corporate | (10) | - | - | 11 |
| Continuing operations | (75) | (341) | (30) | 968 |
| Innovene operations | - | - | - | (17) |
| | (75) | (341) | (30) | 951 |
| 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 |
| Fourth Quarter 2004 | | | | |
| Exploration and Production | (48) | (376) | (17) | 448 |
| Refining and Marketing | (3) | (25) | - | 50 |
| Gas, Power and Renewables | (2) | (1) | - | 4 |
| Other businesses and corporate | (1) | 4 | - | (14) |
| Continuing operations | (54) | (398) | (17) | 488 |
| Innovene operations | - | - | - | - |
| | (54) | (398) | (17) | 488 |

Notes

12. Equity-accounted entities (continued)

| | RC profit (loss) before interest and tax | Inventory holding gains (losses) | Profit (loss) before interest and tax |
|---|---|---|---|
| | | $ million | |
| Year 2005 | | | |
| Exploration and Production | 4,819 | - | 4,819 |
| Refining and Marketing | 345 | (2) | 343 |
| Gas, Power and Renewables | 34 | - | 34 |
| Other businesses and corporate | 84 | (5) | 79 |
| Continuing operations | 5,282 | (7) | 5,275 |
| Innovene operations | (14) | - | (14) |
| | 5,268 | (7) | 5,261 |
| Year 2004 | | | |
| Exploration and Production | 3,246 | - | 3,246 |
| Refining and Marketing | 336 | 21 | 357 |
| Gas, Power and Renewables | 15 | - | 15 |
| Other businesses and corporate | 23 | 7 | 30 |
| Continuing operations | 3,620 | 28 | 3,648 |
| Innovene operations | (19) | 10 | (9) |
| | 3,601 | 38 | 3,639 |

| | Interest | Tax | Minority interest | Profit (loss) for the period |
|---|---|---|---|---|
| | $ million | | | |
| Year 2005 | | | | |
| Exploration and Production | (227) | (1,250) | (104) | 3,238 |
| Refining and Marketing | (24) | (81) | - | 238 |
| Gas, Power and Renewables | (7) | (8) | - | 19 |
| Other businesses and corporate | (31) | - | - | 48 |
| Continuing operations | (289) | (1,339) | (104) | 3,543 |
| Innovene operations | - | - | - | (14) |
| | (289) | (1,339) | (104) | 3,529 |
| Year 2004 | | | | |
| Exploration and Production | (189) | (1,029) | (43) | 1,985 |
| Refining and Marketing | (15) | (83) | - | 259 |
| Gas, Power and Renewables | (7) | (2) | - | 6 |
| Other businesses and corporate | (4) | 4 | - | 30 |
| Continuing operations | (215) | (1,110) | (43) | 2,280 |
| Innovene operations | (3) | - | - | (12) |
| | (218) | (1,110) | (43) | 2,268 |

Notes

13. First quarter results

BP's first quarter results will be announced on 25 April 2006.

14. Statutory accounts

The above financial information does not constitute statutory accounts. The summarized group income statement, summarized group balance sheet, summarized group cash flow statement, group statement of recognized income and expenses and the notes thereon (except Note 11) for the years ended 31 December 2005 and 2004 are an extract from BP Annual Report and Accounts 2005, approved by a duly appointed and authorised committee of the Board of Directors at the Results Committee meeting held on 6 February 2006, but not yet delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified. BP Annual Report and Accounts 2005 will be published on 14 March 2006.

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: 07 February 2006

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