

Strategic progress

BP's primary focus is on safe and reliable operations and the company's safety metrics have continued an improving trend over the first half of 2013. There has been a significant reduction in unplanned outages in the Upstream and refining availability of 95.3% in the second quarter is the highest achieved in the last decade.

Since April 2013 BP has gained interests in 16 new exploration licence blocks - 13 in the Brazilian Equatorial Margin, two in the Barents Sea in Norway and one in the South China Sea. Eleven exploration wells are currently being drilled and four have already been completed this year - in Brazil, the North Sea and India. In India there was a significant gas/condensate discovery in block KG-D6, below the currently producing D1-D3 gas fields.

Two major upstream projects began production in the quarter, Angola LNG and the Atlantis North Expansion in the Gulf of Mexico, and BP expects to start up another two in the second half of the year. BP expects to take final investment decisions on five further major projects this year.

The new crude distillation unit at the Whiting refinery came on stream at the end of the quarter, allowing the refinery to return to full processing capacity. The full Whiting refinery modernisation project remains on track to be completed in the second half of 2013. The divestment of the Carson refinery in California and associated marketing assets was also completed in the quarter.

US legal issues

The first phase of the MDL 2179 trial in New Orleans completed in April; there is no indication when the Court will issue a ruling. The second phase of the trial is now scheduled to begin on 30 September.

BP continues to challenge the Claims Administrator's and District Court's interpretation of the settlement agreement reached with the Plaintiff's Steering Committee. BP has appealed to the US Court of Appeals for the Fifth Circuit and awaits the Court's ruling in New Orleans.

The total cumulative net charge to BP's accounts was increased by \$0.2 billion to \$42.4 billion at the end of the quarter, reflecting an increase in provision for litigation.

Within the overall \$42.4 billion charge, the provision taken for the settlement agreement with the Plaintiffs' Steering Committee was increased by \$1.4 billion to \$9.6 billion, taking the cumulative charge for items to be covered under the \$20 billion trust fund to \$19.7 billion. The increase in the provision for the settlement agreement comprised \$0.9 billion to reflect additional notices issued for claims received and processed, and \$0.5 billion for additional claims administration costs.

Note to editors:

- Underlying replacement cost profit and underlying quarterly tax rate are adjusted for non-operating items and fair value accounting effects.

Further information:

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Cautionary Statement:

This press release contains certain forecasts, projections and forward-looking statements - that is, statements related to future, not past events - with respect to the financial conditions, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements generally, but not always, are identified by the use of words such as "will", "expected to", "is intended to", "projected" or similar expressions. In particular, among other statements, certain statements regarding BP's commitment to materially increase operating cash flow in 2014; the expected level of production in the third quarter; BP's intentions to target the net debt ratio in the 10-20% range; the expected quarterly dividend payment; the expected timing of the completion of the Whiting refinery modernization project; the quantum of, prospects for and timing of future Upstream projects including expected Final Investment Decisions and start ups; and the anticipated timing of, prospects for and BP's prospective responses to legal and trial proceedings, court decisions, potential investigations and civil actions by regulators, government entities and/or other entities or parties; are all forward looking in nature. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors including the timing of bringing new fields onstream; the timing and level of maintenance and/or turnaround activity; the nature, timing and volume of refinery additions and outages; the timing, quantum and nature of divestments; the receipt of relevant third-party and/or regulatory approvals; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including court decisions, the

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types of enforcement action pursued and the nature of remedies sought or imposed; the impact on our reputation following the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners, creditors, rating agencies and others; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed under "Principal risks and uncertainties" in our Stock Exchange Announcement for the period ended 30 June 2013.

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

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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: 30 July, 2013

/s/ J. BERTELSEN
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J. BERTELSEN
Deputy Company Secretary