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Bumi Resources will purchase BP and Rio Tinto's interests in KPC together for \$500million, in cash including assumed debt, which will be divided equally between BP and Rio Tinto. Subject to approval by PT Bumi Resources shareholders and other approvals, the parties anticipate completion of the deal in October 2003.

Having sold its other coal interests in 1989-90, BP's shareholding in KPC is its only interest in coal operations worldwide.

KPC operates a world-class coal mine located near Sangatta in East Kalimantan, Indonesia. The mine produces around 18 million tonnes of steaming coal annually for exports to key markets in the Asia Pacific region, Europe and the United States. KPC directly employs about 2,700 people and contributes around \$450 million each year in export revenue to Indonesia.

Bumi Resources has interests in oil, natural gas and mining, hotel and tourism and related services and general trading. Established in 1973, it became a public company in 1990 and is fully listed on the Jakarta and Surabaya Stock Exchanges. Bumi Resources already own PT Arutmin Indonesia - one of Indonesia's largest coal producers.

BP and Rio Tinto will work with Bumi Resources to ensure a smooth transition of ownership and are committed to ensuring that there will be no impact on service to customers. KPC will brief staff and local communities on the transition process.

The financial advisor on the transaction is JP Morgan. Linklaters is acting as legal counsel to BP on the sale.

Further enquiries:

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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: 21 July 2003

/s/ D. J. PEARL
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D. J. PEARL

