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| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | | 2007 | First Half 2006 |
|---------------------------|--------------------------|---------------------------|------------|----------------------------------|---------|--------------------|
| 7,266 | 4,664 | 7,376 | | Profit for the period* | 12,040 | 12,889 |
| (1,148) | (303) | (1,289) | | Inventory holding (gains) losses | (1,592) | (1,506) |
| 6,118 | 4,361 | 6,087 | | Replacement cost profit | 10,448 | 11,383 |
| 16.59 | 11.54 | 15.96 | - | per ordinary share (pence) | 27.50 | 31.25 |
| 30.28 | 22.50 | 31.67 | - | per ordinary share (cents) | 54.17 | 55.94 |
| 1.82 | 1.35 | 1.90 | - | per ADS (dollars) | 3.25 | 3.36 |

- BP's second quarter replacement cost profit was \$6,087 million, compared with \$6,118 million a year ago, a decrease of 1%. For the half year, replacement cost profit was \$10,448 million compared with \$11,383 million, down 8%.
- The second quarter result included a net non-operating gain of \$741 million compared with a net non-operating gain of \$6 million in the second quarter of 2006. For the half year, the net non-operating gain was \$1,104 million compared with a net non-operating charge of \$11 million for the first half of 2006.
- Net cash provided by operating activities for the quarter and half year was \$6.1 billion and \$14.1 billion compared with \$9.1 billion and \$18.1 billion a year ago.
- The effective tax rate on replacement cost profit from continuing operations for both the second quarter and half year was 35%; the rate was 36% for the second quarter and first half of 2006.
- Net debt at the end of the quarter was \$21.1 billion. The ratio of net debt to net debt plus equity was 19% compared with 15% a year ago.
- Capital expenditure, excluding acquisitions and asset exchanges, was \$4.4 billion for the quarter and for the half year was \$8.0 billion. Total capital expenditure and acquisitions was \$4.7 billion for the quarter and \$9.5 billion for the half year. The half year included \$1.1 billion in respect of the acquisition of Chevron's Netherlands manufacturing company. Disposal proceeds were \$2.7 billion for the quarter and were \$3.7 billion for the half year.
- The quarterly dividend, to be paid in September, is 10.825 cents per share (\$0.6495 per ADS) compared with 9.825 cents per share a year ago. For the half year, the dividend showed an increase of 10%. In sterling terms, the quarterly dividend is 5.278 pence per share, compared with 5.324 pence per share a year ago; for the half year, the decrease was 1%. During the quarter, the company repurchased 176 million of its own shares for cancellation at a cost of \$2.0 billion. For the first half, share repurchases were 414 million at a cost of \$4.5 billion.
- Information on fair value accounting effects in relation to Refining

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and Marketing and Gas, Power and Renewables is set out on page 10.

* Profit attributable to BP shareholders.

The commentaries above and following are based on replacement cost profit and should be read in conjunction with the cautionary statement on page 11.

Analysis of Replacement Cost Profit and Reconciliation to Profit for the Period

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First Quarter 2007 |
|---------------------------|--------------------------|---------------------------|--|--------------------------|
| ===== | | | | ===== |
| 7,826 | 6,043 | 6,893 | Exploration and Production | 12,936 |
| 1,856 | 838 | 2,740 | Refining and Marketing | 3,578 |
| 453 | 206 | 190 | Gas, Power and Renewables | 396 |
| (193) | (116) | (164) | Other businesses and corporate | (280) |
| (277) | 83 | (69) | Consolidation adjustment | 14 |
| ----- | | | | ----- |
| 9,665 | 7,054 | 9,590 | RC profit before interest and tax | 16,644 |
| ----- | | | | ----- |
| (107) | (171) | (155) | Finance costs and other finance income | (326) |
| (3,441) | (2,440) | (3,283) | Taxation | (5,723) |
| (77) | (82) | (65) | Minority interest | (147) |
| ----- | | | | ----- |
| 6,040 | 4,361 | 6,087 | RC profit from continuing operations attributable to BP shareholders (a) | 10,448 |
| ===== | | | | ===== |
| 1,148 | 303 | 1,289 | Inventory holding gains (losses) for continuing operations | 1,592 |
| ----- | | | | ----- |
| 7,188 | 4,664 | 7,376 | Profit for the period from continuing operations attributable to BP shareholders | 12,040 |
| 78 | - | - | Profit (loss) for the period from Innovene operations (b) | - |
| ----- | | | | ----- |
| 7,266 | 4,664 | 7,376 | Profit for the period attributable to BP shareholders | 12,040 |
| ===== | | | | ===== |
| 6,040 | 4,361 | 6,087 | RC profit from continuing operations attributable to BP shareholders | 10,448 |
| 78 | - | - | RC profit (loss) from Innovene operations | - |
| ----- | | | | ----- |
| 6,118 | 4,361 | 6,087 | Replacement cost profit | 10,448 |
| ===== | | | | ===== |

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- (a) 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.
- (b) See further detail in Note 3.

Results include Non-operating Items

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First 2007 |
|---------------------------|--------------------------|---------------------------|--------------------------------|---------------|
| | | | | |
| 479 | 748 | 399 | Exploration and Production | 1,147 |
| (464) | (229) | 767 | Refining and Marketing | 538 |
| 106 | 9 | (36) | Gas, Power and Renewables | (27) |
| 26 | 34 | 7 | Other businesses and corporate | 41 |
| | | | | |
| 147 | 562 | 1,137 | | 1,699 |
| (53) | (199) | (396) | Taxation(a) | (595) |
| | | | | |
| 94 | 363 | 741 | Continuing operations | 1,104 |
| | | | | |
| (88) | - | - | Innovene operations | - |
| - | - | - | Taxation | - |
| | | | | |
| 6 | 363 | 741 | Total for all operations | 1,104 |
| | | | | |

An analysis of non-operating items by type is provided on page 21.

- (a) Tax on non-operating items is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

Per Share Amounts

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| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|--------------------------------------|------------------|
| ===== | | | Results for the period (\$ million) | ===== |
| 7,266 | 4,664 | 7,376 | Profit(a) | 12,040 |
| 6,118 | 4,361 | 6,087 | Replacement cost profit | 10,448 |
| ----- | | | | ----- |
| | | | Shares in issue at period end | |
| 19,993,613 | 19,290,540 | 19,133,973 | (thousand) (b) | 19,133,973 |
| 3,332,269 | 3,215,090 | 3,188,996 | ADS equivalent (thousand) (b) | 3,188,996 |
| | | | Average number of shares outstanding | |
| 20,171,546 | 19,384,508 | 19,186,461 | (thousand) (b) | 19,284,938 |
| 3,361,924 | 3,230,751 | 3,197,744 | ADS equivalent (thousand) (b) | 3,214,156 |
| | | | Shares repurchased in the period | |
| 375,744 | 237,916 | 175,806 | (thousand) | 413,722 |
| | | | Per ordinary share (cents) | |
| 35.94 | 24.06 | 38.37 | Profit for the period | 62.43 |
| 30.28 | 22.50 | 31.67 | RC profit for the period | 54.17 |
| | | | Per ADS (cents) | |
| 215.64 | 144.36 | 230.22 | Profit for the period | 374.58 |
| 181.68 | 135.00 | 190.02 | RC profit for the period | 325.02 |
| ----- | | | | ----- |

(a) Profit attributable to BP shareholders.

(b) Excludes treasury shares.

Dividends

Dividends Payable

BP today announced a dividend of 10.825 cents per ordinary share to be paid in September. Holders of ordinary shares will receive 5.278 pence per share and holders of American Depository Receipts (ADRs) \$0.6495 per ADS. The dividend is payable on 4 September to shareholders on the register on 10 August. 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 4 September.

Dividends Paid

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|--|------------------|
|---------------------------|--------------------------|---------------------------|--|------------------|

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| Dividends paid per ordinary share | | | |
|-----------------------------------|--------|--------|--------------------------------|
| 9.375 | 10.325 | 10.325 | Cents |
| 5.251 | 5.258 | 5.151 | Pence |
| 56.25 | 61.95 | 61.95 | Dividends paid per ADS (cents) |

Net Debt Ratio - Net Debt: Net Debt + Equity

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First Half 2007 |
|---------------------|--------------------|---------------------|---------------------------|-----------------|
| 19,286 | 23,728 | 23,754 | Gross debt | 23,754 |
| 4,852 | 1,956 | 2,643 | Cash and cash equivalents | 2,643 |
| 14,434 | 21,772 | 21,111 | Net debt | 21,111 |
| 82,356 | 85,749 | 89,423 | Equity | 89,423 |
| 15% | 20% | 19% | Net debt ratio | 19% |

Exploration and Production

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First Half 2007 |
|---------------------|--------------------|---------------------|---|-----------------|
| 7,827 | 6,054 | 6,894 | Profit before interest and tax(a) | 12,948 |
| (1) | (11) | (1) | Inventory holding (gains) losses | (12) |
| 7,826 | 6,043 | 6,893 | Replacement cost profit before interest and tax | 12,936 |
| By region: | | | | |
| 1,834 | 1,062 | 1,113 | UK | 2,175 |
| 393 | 720 | 183 | Rest of Europe | 903 |
| 2,254 | 1,652 | 2,038 | US | 3,690 |
| 3,345 | 2,609 | 3,559 | Rest of World | 6,168 |
| 7,826 | 6,043 | 6,893 | | 12,936 |

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| | | | | | |
|-------|-------|-------|---|-------|-------|
| ===== | | | | ===== | |
| | | | Results include: | | |
| | | | Non-operating items | | |
| 386 | 145 | 187 | UK | | 332 |
| 83 | 533 | (2) | Rest of Europe | | 531 |
| 9 | (8) | 177 | US | | 169 |
| 1 | 78 | 37 | Rest of World | | 115 |
| ----- | | | | ----- | |
| 479 | 748 | 399 | | | 1,147 |
| ===== | | | | ===== | |
| | | | Exploration expense | | |
| - | 20 | 7 | UK | | 27 |
| - | - | - | Rest of Europe | | - |
| 55 | 77 | 54 | US | | 131 |
| 42 | 59 | 94 | Rest of World | | 153 |
| ----- | | | | ----- | |
| 97 | 156 | 155 | | | 311 |
| ===== | | | | ===== | |
| | | | Production (net of royalties) (b) | | |
| | | | Liquids (mb/d) (net of royalties) (c) | | |
| 280 | 236 | 218 | UK | | 227 |
| 64 | 59 | 43 | Rest of Europe | | 52 |
| 565 | 526 | 532 | US | | 529 |
| 1,622 | 1,625 | 1,656 | Rest of World | | 1,640 |
| ----- | | | | ----- | |
| 2,531 | 2,446 | 2,449 | | | 2,448 |
| ===== | | | | ===== | |
| | | | Natural gas (mmcf/d) (net of royalties) | | |
| 911 | 907 | 731 | UK | | 818 |
| 83 | 41 | 22 | Rest of Europe | | 32 |
| 2,493 | 2,163 | 2,165 | US | | 2,164 |
| 5,138 | 5,391 | 4,941 | Rest of World | | 5,165 |
| ----- | | | | ----- | |
| 8,624 | 8,502 | 7,859 | | | 8,179 |
| ===== | | | | ===== | |
| | | | Total hydrocarbons (mboe/d) (d) | | |
| 437 | 393 | 344 | UK | | 368 |
| 78 | 66 | 47 | Rest of Europe | | 57 |
| 995 | 899 | 905 | US | | 902 |
| 2,508 | 2,554 | 2,508 | Rest of World | | 2,530 |
| ----- | | | | ----- | |
| 4,018 | 3,912 | 3,804 | | | 3,857 |
| ===== | | | | ===== | |
| | | | Average realizations (e) | | |
| 62.86 | 53.43 | 62.58 | Total liquids (\$/bbl) | | 57.96 |
| 4.44 | 4.86 | 4.45 | Natural gas (\$/mcf) | | 4.66 |
| 44.58 | 41.06 | 44.97 | Total hydrocarbons (\$/boe) | | 42.97 |
| ===== | | | | ===== | |

(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.

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- (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 sales of consolidated subsidiaries only - this excludes equity-accounted entities.
- (f) Because of rounding, some totals may not agree exactly with the sum of their component parts.

Exploration and Production

The replacement cost profit before interest and tax for the second quarter was \$6,893 million, a decrease of 12% from the second quarter of 2006. This result was impacted by lower reported volumes and higher costs, reflecting the continued impact of sector-specific inflation, increased integrity spend and higher depreciation charges associated primarily with the change to SEC guidelines for reserves reporting as well as increased decommissioning provisions. Net non-operating gains for the second quarter were \$399 million, mainly arising from net gains on the disposal of interests in the Permian, Entrada and Kaybob assets in North America and fair value gains on embedded derivatives relating to North Sea gas contracts, partially offset by an impairment charge related to the cancellation of the DF1 project in Scotland.

Reported production for the quarter was 3,804 mboe/d, down 5% compared with the second quarter of 2006. After adjusting for the effect of disposals and entitlement changes in our production sharing agreements, production for the quarter was down 1%. Full year production in 2007 is expected to be in the range of 3.8 to 3.9 mboe/d, in line with the guidance provided earlier in the year.

The replacement cost profit before interest and tax of \$12,936 million for the half year represented a decrease of 12% over the same period of the previous year. This result was impacted by lower oil and gas realizations as well as lower reported volumes and higher costs, reflecting sector-specific inflation, increased integrity spend and higher depreciation charges. The half-year result included net non-operating gains of \$1,147 million.

Reported production for the half year was 3,857 mboe/d, 4% lower than in the first half of 2006. After adjusting for the effect of disposals and entitlement changes in our production-sharing agreements, production for the half year was broadly flat compared with the prior year.

During the quarter, we had first production from the Rosa project in Angola, where BP holds a 16.67% working interest. Also in Angola, we made our 14th discovery in Block 31 (Cordelia). Additionally, we announced the Isabela discovery in the deepwater Gulf of Mexico.

In May, we signed agreements with Occidental Petroleum Corporation to dispose of our 100% interest in the West Texas pipeline system and our interests in non-core Permian assets in the US. In exchange, BP acquired a 42% interest in the Badin field in Pakistan and a 33 1/3% interest in Horn Mountain in the deepwater Gulf of Mexico and received a cash payment. Separately, in April, we divested our interest in the Entrada field in the Gulf of Mexico and in June we divested some of our interests in the Kaybob field in Alberta, Canada.

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During the quarter, we also announced a major exploration and production agreement with Libya's National Oil Company, a memorandum of understanding to establish a global strategic alliance with Gazprom and TNK-BP and the proposed divestment of TNK-BP's interests in the Kovytko gas project.

Refining and Marketing

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First H 2007 |
|-----------------------------|--------------------------|---------------------------|---|-----------------|
| 2,992 | 1,129 | 3,981 | Profit before interest and tax(a) | 5,110 |
| (1,136) | (291) | (1,241) | Inventory holding (gains) losses | (1,532) |
| 1,856 | 838 | 2,740 | Replacement cost profit (loss) before interest and tax | 3,578 |
| By region: | | | | |
| 171 | (10) | 963 | UK | 953 |
| 584 | 298 | 584 | Rest of Europe | 882 |
| 749 | 122 | 964 | US | 1,086 |
| 352 | 428 | 229 | Rest of World | 657 |
| 1,856 | 838 | 2,740 | | 3,578 |
| Results include: | | | | |
| Non-operating items | | | | |
| (1) | (163) | 844 | UK | 681 |
| (29) | (12) | (44) | Rest of Europe | (56) |
| (446) | (58) | 170 | US | 112 |
| 12 | 4 | (203) | Rest of World | (199) |
| (464) | (229) | 767 | | 538 |
| Refinery throughputs (mb/d) | | | | |
| 162 | 148 | 123 | UK | 136 |
| 671 | 640 | 700 | Rest of Europe | 670 |
| 1,200 | 1,152 | 996 | US | 1,074 |
| 256 | 292 | 309 | Rest of World | 300 |
| 2,289 | 2,232 | 2,128 | Total throughput | 2,180 |
| 86.4 | 81.6 | 82.7 | Refining availability (%) (b) | 82.2 |
| Oil sales volumes (mb/d) | | | | |
| Refined products | | | | |
| 354 | 335 | 343 | UK | 339 |
| 1,311 | 1,246 | 1,271 | Rest of Europe | 1,258 |
| 1,631 | 1,564 | 1,579 | US | 1,571 |
| 579 | 624 | 615 | Rest of World | 620 |
| 3,875 | 3,769 | 3,808 | Total marketing sales | 3,788 |
| 1,682 | 2,026 | 1,867 | Trading/supply sales | 1,947 |

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| | | | | |
|---|-------|-------|-----------------------------|-------|
| 5,557 | 5,795 | 5,675 | Total refined product sales | 5,735 |
| 1,996 | 2,017 | 2,161 | Crude oil | 2,089 |
| 7,553 | 7,812 | 7,836 | Total oil sales | 7,824 |
| ===== | | | | |
| Global Indicator Refining Margin (\$/bbl) (c) | | | | |
| 5.78 | 4.16 | 7.12 | NWE | 5.65 |
| 17.74 | 10.14 | 24.46 | USGC | 17.34 |
| 14.75 | 7.62 | 26.05 | Midwest | 16.89 |
| 21.27 | 22.21 | 22.71 | USWC | 22.46 |
| 6.83 | 4.84 | 6.01 | Singapore | 5.43 |
| 12.59 | 9.45 | 16.66 | BP Average | 13.07 |
| ===== | | | | |
| Chemicals production (kte) | | | | |
| 298 | 256 | 246 | UK | 251 |
| 741 | 748 | 655 | Rest of Europe | 701 |
| 816 | 1,076 | 1,047 | US | 1,062 |
| 1,728 | 1,520 | 1,497 | Rest of World | 1,509 |
| ----- | | | | |
| 3,583 | 3,600 | 3,445 | Total production | 3,523 |
| ===== | | | | |

- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Refining availability is defined as the ratio of units which are available for processing, regardless of whether they are actually being used, to total capacity. Where there is planned maintenance, such capacity is not regarded as being available. During 2006, there was planned maintenance of a substantial part of the Texas City refinery.
- (c) The Global Indicator Refining Margin (GIM) is the average of 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.

Refining and Marketing

The replacement cost profit before interest and tax for the second quarter and half year was \$2,740 million and \$3,578 million respectively. The results in the equivalent periods of 2006 were \$1,856 million and \$3,468 million respectively.

The results include net non-operating gains of \$767 million in the second quarter and \$538 million for the half year. The second quarter gain comprised of disposal gains of \$1,025 million primarily related to the sale of the Coryton refinery, which completed on 31 May 2007, and the sale of the US West Texas pipeline system to Occidental Petroleum Corporation, partially offset by an impairment charge of \$258 million.

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Compared with 2006, both the second quarter and half-year results benefited from significantly stronger refining margins, particularly in the US; marketing margins were also stronger. However, these benefits were more than offset by the impact of operational issues and scheduled turnarounds at a number of our refineries in the US. Compared with 2006, the second quarter and first half results reflect higher integrity management and refinery turnaround costs as well as lower supply optimization benefits, partially offset by a positive impact from non-operating items.

Information on fair value accounting effects is set out on page 10.

Refining throughputs for the quarter and half year were 2,128 mb/d and 2,180 mb/d respectively, compared with 2,289 mb/d and 2,156 mb/d for the same periods last year. The lower throughputs were mainly due to the outages in our Mid West US refineries and were only partially offset by the benefits of the ongoing recommissioning at the Texas City refinery.

Operational issues at the Whiting refinery in the US have limited the site's throughput and ability to make low-sulphur gasoline from sour crude oil. Repairs are ongoing and we expect to resume sour crude processing in the fourth quarter of 2007 and to restore the refinery to its full flexibility and crude capacity in the first half of 2008.

Marketing sales were 3,808 mb/d for the quarter and 3,788 mb/d for the half year, slightly lower than the comparative periods in the previous year, mainly due to divestments and lower European heating oil demand as a result of milder weather.

On 26 June 2007, BP, Associated British Foods and DuPont announced investment of \$400 million in the construction of a world-scale bioethanol plant with expected annual production capacity of some 420 million litres from wheat feedstock, to be commissioned in late 2009. On 29 June 2007, BP announced a joint venture with D1 Oils plc, a UK-based global producer of biodiesel, for the development of jatropha as a new energy crop.

Gas, Power and Renewables

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First 2007 |
|---------------------------|--------------------------|---------------------------|---|---------------|
| 463 | 206 | 235 | Profit before interest and tax(a) | 441 |
| (10) | - | (45) | Inventory holding (gains) losses | (45) |
| | | | | |
| 453 | 206 | 190 | Replacement cost profit before interest and tax | 396 |
| | | | | |
| By region: | | | | |
| 188 | 48 | (38) | UK | 10 |
| (4) | 7 | (8) | Rest of Europe | (1) |
| 250 | 26 | 102 | US | 128 |
| 19 | 125 | 134 | Rest of World | 259 |
| | | | | |
| 453 | 206 | 190 | | 396 |

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| Results include: | | | |
|---------------------|---|------|------------------|
| Non-operating items | | | |
| 107 | 7 | (38) | UK (31) |
| - | - | - | Rest of Europe - |
| (1) | 1 | 1 | US 2 |
| - | 1 | 1 | Rest of World 2 |
| 106 | 9 | (36) | (27) |

(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 second quarter and half year was \$190 million and \$396 million respectively, compared with \$453 million and \$754 million a year ago. Included in the result for the quarter was a net charge for non-operating items of \$36 million primarily arising from fair value losses of \$23 million on embedded derivatives related to long-term gas contracts and an impairment charge.

The second quarter result decreased by 58% over the second quarter of 2006 and the first half result was also lower. The results for both periods were impacted by weaker contributions from the gas trading and marketing business, higher expenditure in the Alternative Energy business and a negative impact in respect of non-operating items.

Information on fair value accounting effects is set out on page 10.

In May, BP and Rio Tinto announced the formation of a new jointly owned company, Hydrogen Energy, which will develop decarbonized energy projects around the world. The venture will initially focus on hydrogen-fuelled power generation, using fossil fuels and carbon capture and storage (CCS) technology to produce new large-scale supplies of clean electricity.

Other Businesses and Corporate

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First Half 2007 |
|---------------------|--------------------|---------------------|--|-----------------|
| (192) | (115) | (162) | Profit (loss) before interest and tax(a) | (277) |
| (1) | (1) | (2) | Inventory holding (gains) losses | (3) |
| (193) | (116) | (164) | Replacement cost profit (loss) before interest and tax | (280) |
| (80) | (46) | (25) | By region: UK | (71) |

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| | | | | |
|-------|-------|-------|---------------------|-------|
| (46) | 21 | (2) | Rest of Europe | 19 |
| (37) | (114) | (112) | US | (226) |
| (30) | 23 | (25) | Rest of World | (2) |
| ----- | | | | ----- |
| (193) | (116) | (164) | | (280) |
| ===== | | | | ===== |
| | | | Results include: | |
| | | | Non-operating items | |
| - | - | - | UK | - |
| (1) | 28 | - | Rest of Europe | 28 |
| 10 | 6 | 7 | US | 13 |
| 17 | - | - | Rest of World | - |
| ----- | | | | ----- |
| 26 | 34 | 7 | | 41 |
| ===== | | | | ===== |

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

Other businesses and corporate comprises Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The second quarter's result includes a net gain of \$7 million in respect of non-operating items.

Explanatory Note

Information on fair value accounting effects

BP uses derivative instruments to manage the economic exposure relating to inventories above normal operating requirements of crude oil, natural gas and petroleum products as well as certain contracts to supply physical volumes at future dates. Under IFRS, these inventories and contracts are recorded at historic cost and on an accruals basis respectively. The related derivative instruments, however, are required to be recorded at fair value with gains and losses recognized in income because hedge accounting is either not permitted or not followed, principally due to the impracticality of effectiveness testing requirements. Therefore, measurement differences in relation to recognition of gains and losses occur. Gains and losses on these inventories and contracts are not recognized until the commodity is sold in a subsequent accounting period. Gains and losses on the related derivative commodity contracts are recognized in the income statement from the time the derivative commodity contract is entered into on a fair value basis using forward prices consistent with the contract maturity.

IFRS requires that inventory held for trading be recorded at its fair value using period end spot prices whereas any related derivative commodity instruments are required to be recorded at values based on forward prices consistent with the contract maturity. Depending on market conditions, these forward prices can be either higher or lower than spot prices resulting in measurement differences.

The Gas, Power and Renewables business enters into contracts for pipelines and storage capacity which, under IFRS, are recorded on an accruals basis. These

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contracts are risk managed using a variety of derivative instruments which are fair valued under IFRS. This results in measurement differences in relation to recognition of gains and losses.

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table below. Information for all quarters of 2005 and 2006 can be found at www.bp.com/FVAE.

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | \$ million | First Hal 2007 |
|---------------------------|--------------------------|---------------------------|---|-------------------|
| ===== | | | | ===== |
| | | | Refining and Marketing | |
| | | | Unrecognized gains (losses) brought forward from previous period | 157 |
| 406 | 157 | 750 | | |
| (336) | (750) | (446) | Unrecognized (gains) losses carried forward | (446) |
| ----- | | | | ----- |
| 70 | (593) | 304 | Favourable/(unfavourable) impact relative to management's measure of performance | (289) |
| ===== | | | | ===== |
| | | | Gas, Power and Renewables | |
| | | | Unrecognized gains (losses) brought forward from previous period | 155 |
| 226 | 155 | 124 | | |
| (376) | (124) | (198) | Unrecognized (gains) losses carried forward | (198) |
| ----- | | | | ----- |
| (150) | 31 | (74) | Favourable/(unfavourable) impact relative to management's measure of performance | (43) |
| ===== | | | | ===== |
| (80) | (562) | 230 | | (332) |
| 29 | 199 | (80) | Taxation(a) | 119 |
| ===== | | | | ===== |
| (51) | (363) | 150 | | (213) |
| ===== | | | | ===== |
| | | | By region | |
| | | | Refining and Marketing | |
| 7 | (181) | 83 | UK | (98) |
| 41 | (165) | 48 | Rest of Europe | (117) |
| 22 | (219) | 141 | US | (78) |
| - | (28) | 32 | Rest of World | 4 |
| ----- | | | | ----- |
| 70 | (593) | 304 | | (289) |
| ===== | | | | ===== |
| | | | Gas, Power and Renewables | |
| - | 38 | (4) | UK | 34 |
| - | - | - | Rest of Europe | - |
| (147) | (6) | (71) | US | (77) |
| (3) | (1) | 1 | Rest of World | - |

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 (150) 31 (74)
 =====

 (43)
 =====

(a) Tax is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

Cautionary Statement: The foregoing discussion contains forward looking statements particularly those regarding capital expenditure, production and the timing and anticipated production capacity of projects. By their nature, forward looking statements involve risk and uncertainty 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; operational problems; general economic conditions (including inflation); political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations and quotas; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors; 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 in this Announcement. For more information you should refer to our Annual Report and Accounts 2006 and our 2006 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Summarized Group Income Statement

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|--|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| 72,132 | 61,307 | 71,872 | Sales and other operating revenues (Note 4) | 133,179 |
| 818 | 333 | 910 | Earnings from jointly controlled entities - after interest and tax | 1,243 |
| 114 | 163 | 173 | Earnings from associates - after interest and tax | 336 |
| 106 | 233 | 128 | Interest and other revenues | 361 |
| ----- | | | | |
| 73,170 | 62,036 | 73,083 | Total revenues | 135,119 |
| 541 | 680 | 1,309 | Gain on sale of businesses and fixed assets | 1,989 |
| ----- | | | | |
| 73,711 | 62,716 | 74,392 | Total revenues and other income | 137,108 |
| ----- | | | | |
| 50,427 | 42,660 | 49,983 | Purchases | 92,643 |
| 5,876 | 5,752 | 6,276 | Production and manufacturing expenses | 12,028 |
| 855 | 747 | 827 | Production and similar taxes (Note 5) | 1,574 |
| 2,309 | 2,519 | 2,535 | Depreciation, depletion and amortization | 5,054 |
| 79 | 223 | 455 | Impairment and losses on sale of businesses and fixed assets | 678 |
| 97 | 156 | 155 | Exploration expense | 311 |

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| | | | | |
|---|-------|--------|--|--------|
| 3,516 | 3,457 | 3,565 | Distribution and administration expenses | 7,022 |
| (261) | (155) | (283) | Fair value (gain) loss on embedded derivatives | (438) |
| ----- | | | | |
| 10,813 | 7,357 | 10,879 | Profit before interest and taxation from continuing operations | 18,236 |
| 153 | 264 | 251 | Finance costs (Note 6) | 515 |
| (46) | (93) | (96) | Other finance income (Note 7) | (189) |
| ----- | | | | |
| 10,706 | 7,186 | 10,724 | Profit before taxation from continuing operations | 17,910 |
| 3,441 | 2,440 | 3,283 | Taxation | 5,723 |
| ----- | | | | |
| 7,265 | 4,746 | 7,441 | Profit from continuing operations | 12,187 |
| 78 | - | - | Profit (loss) from Innovene operations (Note 3) | - |
| ----- | | | | |
| 7,343 | 4,746 | 7,441 | Profit for the period | 12,187 |
| ===== | | | | |
| Attributable to: | | | | |
| 7,266 | 4,664 | 7,376 | BP shareholders | 12,040 |
| 77 | 82 | 65 | Minority interest | 147 |
| ----- | | | | |
| 7,343 | 4,746 | 7,441 | | 12,187 |
| ===== | | | | |
| Earnings per share - cents | | | | |
| Profit for the period attributable to BP shareholders | | | | |
| 35.94 | 24.06 | 38.37 | Basic | 62.43 |
| 35.59 | 23.94 | 38.18 | Diluted | 62.12 |
| Profit from continuing operations attributable to BP shareholders | | | | |
| 35.57 | 24.06 | 38.37 | Basic | 62.43 |
| 35.21 | 23.94 | 38.18 | Diluted | 62.12 |

Summarized Group Balance Sheet

| | 30 June 2007 | 31 D |
|--|-----------------|------|
| | ===== | |
| | \$ million | |
| Non-current assets | | |
| Property, plant and equipment | 95,193 | |
| Goodwill | 11,055 | |
| Intangible assets | 5,735 | |
| Investments in jointly controlled entities | 15,088 | |
| Investments in associates | 5,849 | |
| Other investments | 1,657 | |
| | ----- | |
| Fixed assets | 134,577 | |
| Loans | 864 | |
| Other receivables | 926 | |
| Derivative financial instruments | 2,950 | |
| Prepayments and accrued income | 1,075 | |
| Defined benefit pension plan surplus | 7,298 | |
| | ----- | |

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| | |
|--|---------|
| | 147,690 |
| Current assets | |
| Loans | 163 |
| Inventories | 20,645 |
| Trade and other receivables | 39,847 |
| Derivative financial instruments | 7,234 |
| Prepayments and accrued income | 3,494 |
| Current tax receivable | 178 |
| Cash and cash equivalents | 2,643 |
| | ----- |
| | 74,204 |
| Assets classified as held for sale | - |
| | ----- |
| | 74,204 |
| | ----- |
| Total assets | 221,894 |
| | ===== |
| Current liabilities | |
| Trade and other payables | 42,634 |
| Derivative financial instruments | 6,736 |
| Accruals and deferred income | 5,803 |
| Finance debt | 11,566 |
| Current tax payable | 4,637 |
| Provisions | 1,690 |
| | ----- |
| | 73,066 |
| Liabilities directly associated with the assets classified as held for sale | - |
| | ----- |
| | 73,066 |
| | ----- |
| Non-current liabilities | |
| Other payables | 1,240 |
| Derivative financial instruments | 3,888 |
| Accruals and deferred income | 1,001 |
| Finance debt | 12,188 |
| Deferred tax liabilities | 18,582 |
| Provisions | 13,070 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | 9,436 |
| | ----- |
| | 59,405 |
| | ----- |
| Total liabilities | 132,471 |
| | ----- |
| Net assets | 89,423 |
| | ===== |
| Equity | |
| BP shareholders' equity | 88,549 |
| Minority interest | 874 |
| | ----- |
| | 89,423 |
| | ===== |

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Group Statement of Recognized Income and Expense

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|---|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| 309 | 174 | 621 | Currency translation differences | 795 |
| | | | Exchange gain on translation of foreign operations transferred to gain on sale of businesses and fixed assets | (147) |
| - | (19) | (128) | | (147) |
| (44) | (109) | 6 | Available-for-sale investments marked to market | (103) |
| | | | Available-for-sale investments - recycled to the income statement | - |
| (79) | - | - | | - |
| 230 | 28 | 13 | Cash flow hedges marked to market | 41 |
| 19 | (60) | (21) | Cash flow hedges - recycled to the income statement | (81) |
| - | (7) | - | Cash flow hedges - recycled to the balance sheet | (7) |
| (15) | (77) | 105 | Taxation | 28 |
| ----- | | | | ----- |
| 420 | (70) | 596 | Net income (expense) recognized directly in equity | 526 |
| 7,343 | 4,746 | 7,441 | Profit for the period | 12,187 |
| ----- | | | | ----- |
| 7,763 | 4,676 | 8,037 | Total recognized income and expense for the period | 12,713 |
| ===== | | | | ===== |
| | | | Attributable to: | |
| 7,686 | 4,578 | 7,967 | BP shareholders | 12,545 |
| 77 | 98 | 70 | Minority interest | 168 |
| ----- | | | | ----- |
| 7,763 | 4,676 | 8,037 | | 12,713 |
| ===== | | | | ===== |

Movement in BP Shareholders' Equity

Movement in BP shareholders' equity

At 31 December 2006

Profit for the period

Distribution to shareholders

Currency translation differences (net of tax)

Exchange gain on translation of foreign operations transferred to gain on sale (net of tax)

Share-based payments (net of tax)

Repurchase of ordinary share capital

Available-for-sale investments (net of tax)

Cash flow hedges (net of tax)

Other

At 30 June 2007

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Summarized Group Cash Flow Statement

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|--|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| | | | Operating activities | |
| 10,706 | 7,186 | 10,724 | Profit before taxation from continuing operations | 17,910 |
| | | | Adjustments to reconcile profits before tax to net cash provided by operating activities | |
| 13 | 55 | 60 | Exploration expenditure written off | 115 |
| 2,309 | 2,519 | 2,535 | Depreciation, depletion and amortization | 5,054 |
| (462) | (457) | (854) | Impairment and (gain) loss on sale of businesses and fixed assets | (1,311) |
| (932) | (496) | (1,083) | Earnings from jointly controlled entities and associates | (1,579) |
| | | | Dividends received from jointly controlled entities and associates | |
| 268 | 229 | 813 | | 1,042 |
| (2,753) | (1,058) | (6,109) | Working capital and other movements | (7,167) |
| 9,149 | 7,978 | 6,086 | Net cash provided by operating activities(a) | 14,064 |
| | | | Investing activities | |
| (3,412) | (3,645) | (4,334) | Capital expenditure | (7,979) |
| - | (1,087) | (111) | Acquisitions, net of cash acquired | (1,198) |
| (26) | (9) | (12) | Investment in jointly controlled entities | (21) |
| (151) | (44) | (65) | Investment in associates | (109) |
| 1,899 | 310 | 836 | Proceeds from disposal of fixed assets | 1,146 |
| | | | Proceeds from disposal of businesses, net of cash disposed | |
| 90 | 608 | 1,905 | | 2,513 |
| 58 | 45 | 33 | Proceeds from loan repayments | 78 |
| - | - | 374 | Other | 374 |
| (1,542) | (3,822) | (1,374) | Net cash used in investing activities | (5,196) |
| | | | Financing activities | |
| (4,411) | (2,402) | (1,918) | Net repurchase of shares | (4,320) |
| 514 | 1,358 | 1,513 | Proceeds from long-term financing | 2,871 |
| (720) | (1,134) | (93) | Repayments of long-term financing | (1,227) |
| 941 | (558) | (1,499) | Net increase (decrease) in short-term debt | (2,057) |
| (1,894) | (2,001) | (1,983) | Dividends paid - BP shareholders | (3,984) |
| (88) | (64) | (71) | - Minority interest | (135) |
| (5,658) | (4,801) | (4,051) | Net cash used in financing activities | (8,852) |
| | | | Currency translation differences relating to cash and cash equivalents | |
| (36) | 11 | 26 | | 37 |
| 1,913 | (634) | 687 | Increase (decrease) in cash and cash equivalents | 53 |

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| | | | | |
|---|-------|-------|--|-------|
| 2,939 | 2,590 | 1,956 | Cash and cash equivalents at beginning of period | 2,590 |
| <hr style="border-top: 1px dashed black;"/> | | | | |
| 4,852 | 1,956 | 2,643 | Cash and cash equivalents at end of period | 2,643 |
| <hr style="border-top: 3px double black;"/> | | | | |

- (a) 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.

Summarized Group Cash Flow Statement

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---|--------------------------|---------------------------|--|---|
| <hr style="border-top: 3px double black;"/> | | | | <hr style="border-top: 3px double black;"/> |
| \$ million | | | | \$ milli |
| | | | Working capital and other movements | |
| (122) | (95) | (93) | Interest receivable | (188) |
| 145 | 85 | 103 | Interest received | 188 |
| 153 | 264 | 251 | Finance costs | 515 |
| (351) | (333) | (335) | Interest paid | (668) |
| (46) | (93) | (96) | Other finance income | (189) |
| 122 | 75 | 107 | Share-based payments | 182 |
| | | | Net operating charge for pensions and other | |
| (47) | (87) | (31) | post-retirement benefits, less contributions | (118) |
| 216 | (157) | (257) | Net charge for provisions, less payments | (414) |
| (2,351) | (648) | (683) | (Increase) decrease in inventories | (1,331) |
| | | | (Increase) decrease in other current and non-current | |
| 2,008 | 3,139 | (621) | assets | 2,518 |
| | | | Increase (decrease) in other current and non-current | |
| 135 | (2,000) | (2,429) | liabilities | (4,429) |
| (2,615) | (1,208) | (2,025) | Income taxes paid | (3,233) |
| <hr style="border-top: 1px dashed black;"/> | | | | <hr style="border-top: 1px dashed black;"/> |
| (2,753) | (1,058) | (6,109) | | (7,167) |
| <hr style="border-top: 3px double black;"/> | | | | <hr style="border-top: 3px double black;"/> |

Capital Expenditure and Acquisitions

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| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|--------------------------------|--------------------------|---------------------------|-------------------------------------|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| By business | | | | |
| Exploration and Production | | | | |
| 244 | 221 | 195 | UK | 416 |
| 74 | 87 | 108 | Rest of Europe | 195 |
| 1,190 | 1,050 | 1,453 | US | 2,503 |
| 1,476 | 1,638 | 1,874 | Rest of World | 3,512 |
| ----- | | | | ----- |
| 2,984 | 2,996 | 3,630 | | 6,626 |
| ----- | | | | |
| Refining and Marketing | | | | |
| 83 | 73 | 94 | UK | 167 |
| 101 | 1,210 | 266 | Rest of Europe(a) | 1,476 |
| 252 | 269 | 380 | US | 649 |
| 109 | 80 | 118 | Rest of World | 198 |
| ----- | | | | ----- |
| 545 | 1,632 | 858 | | 2,490 |
| ----- | | | | |
| Gas, Power and Renewables | | | | |
| 6 | 7 | 12 | UK | 19 |
| 7 | 7 | 3 | Rest of Europe(a) | 10 |
| 32 | 36 | 106 | US | 142 |
| 19 | 13 | 20 | Rest of World | 33 |
| ----- | | | | ----- |
| 64 | 63 | 141 | | 204 |
| ----- | | | | |
| Other businesses and corporate | | | | |
| 39 | 35 | 21 | UK | 56 |
| - | 2 | - | Rest of Europe | 2 |
| 80 | 32 | 46 | US | 78 |
| - | - | - | Rest of World | - |
| ----- | | | | ----- |
| 119 | 69 | 67 | | 136 |
| ----- | | | | |
| 3,712 | 4,760 | 4,696 | | 9,456 |
| ===== | | | | ===== |
| By geographical area | | | | |
| 372 | 336 | 322 | UK | 658 |
| 182 | 1,306 | 377 | Rest of Europe | 1,683 |
| 1,554 | 1,387 | 1,985 | US | 3,372 |
| 1,604 | 1,731 | 2,012 | Rest of World | 3,743 |
| ----- | | | | ----- |
| 3,712 | 4,760 | 4,696 | | 9,456 |
| ===== | | | | |
| Included above: | | | | |
| - | 1,113 | 332 | Acquisitions and asset exchanges(a) | 1,445 |
| ===== | | | | ===== |

(a) First half 2007 includes \$1,132 million for the acquisition of Chevron's Netherlands manufacturing company.

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| | | Exchange rates | | |
|------|------|----------------|--|------|
| 1.83 | 1.95 | 1.99 | US dollar/sterling average rate for the period | 1.97 |
| 1.81 | 1.96 | 2.00 | US dollar/sterling period-end rate | 2.00 |
| 1.26 | 1.31 | 1.35 | US dollar/euro average rate for the period | 1.33 |
| 1.25 | 1.33 | 1.35 | US dollar/euro period-end rate | 1.35 |

Analysis of Profit Before Interest and Tax

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|--------------------------------|--------------------------|---------------------------|----------------|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| ----- | | | | |
| By business | | | | |
| Exploration and Production | | | | |
| 1,834 | 1,062 | 1,113 | UK | 2,175 |
| 393 | 720 | 183 | Rest of Europe | 903 |
| 2,255 | 1,663 | 2,037 | US | 3,700 |
| 3,345 | 2,609 | 3,561 | Rest of World | 6,170 |
| ----- | | | | ----- |
| 7,827 | 6,054 | 6,894 | | 12,948 |
| ----- | | | | |
| Refining and Marketing | | | | |
| 166 | (64) | 1,028 | UK | 964 |
| 785 | 481 | 1,029 | Rest of Europe | 1,510 |
| 1,526 | 289 | 1,631 | US | 1,920 |
| 515 | 423 | 293 | Rest of World | 716 |
| ----- | | | | ----- |
| 2,992 | 1,129 | 3,981 | | 5,110 |
| ----- | | | | |
| Gas, Power and Renewables | | | | |
| 188 | 48 | (38) | UK | 10 |
| (2) | 7 | (7) | Rest of Europe | - |
| 257 | 24 | 124 | US | 148 |
| 20 | 127 | 156 | Rest of World | 283 |
| ----- | | | | ----- |
| 463 | 206 | 235 | | 441 |
| ----- | | | | |
| Other businesses and corporate | | | | |
| (80) | (46) | (25) | UK | (71) |
| (45) | 21 | (1) | Rest of Europe | 20 |
| (37) | (113) | (111) | US | (224) |
| (30) | 23 | (25) | Rest of World | (2) |
| ----- | | | | ----- |
| (192) | (115) | (162) | | (277) |
| ----- | | | | |
| 11,090 | 7,274 | 10,948 | | 18,222 |

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| | | | | |
|--------|-------|--------|---------------------------------|--------|
| (277) | 83 | (69) | Consolidation adjustment | 14 |
| 10,813 | 7,357 | 10,879 | Total for continuing operations | 18,236 |
| | | | Innovene operations | |
| (90) | - | - | UK | - |
| (40) | - | - | Rest of Europe | - |
| (6) | - | - | US | - |
| 48 | - | - | Rest of World | - |
| (88) | - | - | Total for Innovene operations | - |
| 10,725 | 7,357 | 10,879 | Total for period | 18,236 |
| | | | By geographical area | |
| 2,148 | 998 | 2,080 | UK | 3,078 |
| 1,059 | 1,245 | 1,213 | Rest of Europe | 2,458 |
| 3,717 | 1,932 | 3,622 | US | 5,554 |
| 3,889 | 3,182 | 3,964 | Rest of World | 7,146 |
| 10,813 | 7,357 | 10,879 | Total for continuing operations | 18,236 |

Analysis of Replacement Cost Profit Before Interest and Tax

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|----------------------------|------------------|
| \$ million | | | | \$ milli |
| | | | By business | |
| | | | Exploration and Production | |
| 1,834 | 1,062 | 1,113 | UK | 2,175 |
| 393 | 720 | 183 | Rest of Europe | 903 |
| 2,254 | 1,652 | 2,038 | US | 3,690 |
| 3,345 | 2,609 | 3,559 | Rest of World | 6,168 |
| 7,826 | 6,043 | 6,893 | | 12,936 |
| | | | Refining and Marketing | |
| 171 | (10) | 963 | UK | 953 |
| 584 | 298 | 584 | Rest of Europe | 882 |
| 749 | 122 | 964 | US | 1,086 |
| 352 | 428 | 229 | Rest of World | 657 |
| 1,856 | 838 | 2,740 | | 3,578 |
| | | | Gas, Power and Renewables | |
| 188 | 48 | (38) | UK | 10 |
| (4) | 7 | (8) | Rest of Europe | (1) |
| 250 | 26 | 102 | US | 128 |

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| | | | | |
|-------|-------|-------|---------------------------------|--------|
| 19 | 125 | 134 | Rest of World | 259 |
| ----- | ----- | ----- | | ----- |
| 453 | 206 | 190 | | 396 |
| ----- | ----- | ----- | | ----- |
| | | | Other businesses and corporate | |
| (80) | (46) | (25) | UK | (71) |
| (46) | 21 | (2) | Rest of Europe | 19 |
| (37) | (114) | (112) | US | (226) |
| (30) | 23 | (25) | Rest of World | (2) |
| ----- | ----- | ----- | | ----- |
| (193) | (116) | (164) | | (280) |
| ----- | ----- | ----- | | ----- |
| 9,942 | 6,971 | 9,659 | | 16,630 |
| (277) | 83 | (69) | Consolidation adjustment | 14 |
| ----- | ----- | ----- | | ----- |
| 9,665 | 7,054 | 9,590 | Total for continuing operations | 16,644 |
| ----- | ----- | ----- | | ----- |
| | | | Innovene operations | |
| (90) | - | - | UK | - |
| (40) | - | - | Rest of Europe | - |
| (6) | - | - | US | - |
| 48 | - | - | Rest of World | - |
| ----- | ----- | ----- | | ----- |
| (88) | - | - | Total for Innovene operations | - |
| ----- | ----- | ----- | | ----- |
| 9,577 | 7,054 | 9,590 | Total for period | 16,644 |
| ===== | ===== | ===== | | ===== |
| | | | By geographical area | |
| 2,153 | 1,052 | 2,015 | UK | 3,067 |
| 855 | 1,061 | 766 | Rest of Europe | 1,827 |
| 2,932 | 1,756 | 2,933 | US | 4,689 |
| 3,725 | 3,185 | 3,876 | Rest of World | 7,061 |
| ----- | ----- | ----- | | ----- |
| 9,665 | 7,054 | 9,590 | Total for continuing operations | 16,644 |
| ===== | ===== | ===== | | ===== |

Analysis of Non-operating Items

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---------------------------|--------------------------|---------------------------|--|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ milli |
| | | | By business | |
| | | | Exploration and Production | |
| 330 | 603 | 100 | Impairment and gain (loss) on sale of businesses and fixed assets | 703 |
| - | - | - | Environmental and other provisions | - |
| - | - | - | Restructuring, integration and rationalization costs | - |
| 149 | 145 | 299 | Fair value gain (loss) on embedded derivatives | 444 |

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| | | | | |
|--------------------------------|-------|-------|---|-------|
| - | - | - | Other | - |
| 479 | 748 | 399 | | 1,147 |
| <hr/> | | | | |
| Refining and Marketing | | | | |
| 112 | (179) | 767 | Impairment and gain (loss) on sale of businesses and fixed assets | 588 |
| - | - | - | Environmental and other provisions | - |
| - | - | - | Restructuring, integration and rationalization costs | - |
| - | - | - | Fair value gain (loss) on embedded derivatives | - |
| (576) | (50) | - | Other | (50) |
| <hr/> | | | | |
| (464) | (229) | 767 | | 538 |
| <hr/> | | | | |
| Gas, Power and Renewables | | | | |
| (1) | 2 | (13) | Impairment and gain (loss) on sale of businesses and fixed assets | (11) |
| - | - | - | Environmental and other provisions | - |
| - | - | - | Restructuring, integration and rationalization costs | - |
| 107 | 7 | (23) | Fair value gain (loss) on embedded derivatives | (16) |
| - | - | - | Other | - |
| <hr/> | | | | |
| 106 | 9 | (36) | | (27) |
| <hr/> | | | | |
| Other businesses and corporate | | | | |
| 21 | 31 | - | Impairment and gain (loss) on sale of businesses and fixed assets | 31 |
| - | - | - | Environmental and other provisions | - |
| - | - | - | Restructuring, integration and rationalization costs | - |
| 5 | 3 | 7 | Fair value gain (loss) on embedded derivatives | 10 |
| - | - | - | Other | - |
| <hr/> | | | | |
| 26 | 34 | 7 | | 41 |
| <hr/> | | | | |
| 147 | 562 | 1,137 | Total before taxation for continuing operations | 1,699 |
| (53) | (199) | (396) | Taxation credit (charge) (a) | (595) |
| <hr/> | | | | |
| 94 | 363 | 741 | Total after taxation for continuing operations | 1,104 |
| <hr/> | | | | |
| Innovene operations | | | | |
| (88) | - | - | Total before taxation for Innovene operations (b) | - |
| - | - | - | Taxation credit (charge) | - |
| <hr/> | | | | |
| (88) | - | - | Total after taxation for Innovene operations | - |
| <hr/> | | | | |
| 6 | 363 | 741 | Total after taxation for period | 1,104 |
| <hr/> | | | | |

(a) Tax on non-operating items is calculated using the quarter's effective tax rate on replacement cost profit from continuing operations.

(b) Includes the loss on remeasurement to fair value of \$88 million in the second quarter of 2006 and \$184 million in the first half of 2006.

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Realizations and Marker Prices

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Hal 2007 |
|---------------------------|--------------------------|---------------------------|---|-------------------|
| ===== | | | | ===== |
| | | | Average realizations (a) | |
| | | | Liquids (\$/bbl) (b) | |
| 66.61 | 55.42 | 63.82 | UK | 59.47 |
| 60.21 | 51.62 | 59.42 | US | 55.57 |
| 63.00 | 54.09 | 64.76 | Rest of World | 59.36 |
| 62.86 | 53.43 | 62.58 | BP Average | 57.96 |
| ===== | | | | ===== |
| | | | Natural gas (\$/mcf) | |
| 5.67 | 7.28 | 4.84 | UK | 6.19 |
| 5.44 | 5.76 | 5.94 | US | 5.85 |
| 3.54 | 3.90 | 3.56 | Rest of World | 3.74 |
| 4.44 | 4.86 | 4.45 | BP Average | 4.66 |
| ===== | | | | ===== |
| | | | Average oil marker prices (\$/bbl) | |
| 69.59 | 57.76 | 68.76 | Brent | 63.22 |
| 70.46 | 58.05 | 64.89 | West Texas Intermediate | 61.53 |
| 68.84 | 55.78 | 65.77 | Alaska North Slope US West Coast | 60.86 |
| 63.74 | 53.22 | 62.16 | Mars | 57.76 |
| 64.73 | 54.36 | 65.03 | Urals (NWE- cif) | 59.65 |
| 36.18 | 27.33 | 39.56 | Russian domestic oil | 33.48 |
| ===== | | | | ===== |
| | | | Average natural gas marker prices | |
| 6.80 | 6.77 | 7.55 | Henry Hub gas price (\$/mmbtu) (c) | 7.16 |
| 34.55 | 22.33 | 20.24 | UK Gas - National Balancing Point (p/therm) | 21.31 |
| ===== | | | | ===== |

(a)Based on sales of consolidated subsidiaries only - this excludes equity-accounted entities.

(b)Crude oil and natural gas liquids.

(c)Henry Hub First of the Month Index.

Notes

1. Basis of preparation

BP prepares its Annual Report and Accounts on the basis of International Financial Reporting Standards (IFRS) as adopted for use by the European Union. The financial information presented herein has been prepared in

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accordance with the accounting policies expected to be used in preparing the Annual Report and Accounts 2007, which do not differ significantly from those used for the Annual Report and Accounts 2006.

2. Changes to comparatives

In 2005 the basis of accounting for over-the-counter forward sale and purchase contracts for oil, natural gas, NGLs and power was changed. Certain transactions are now reported on a net basis in sales and other operating revenues, whereas previously they had been reported gross in sales and purchases. This change, while reducing sales and other operating revenues and purchases, had no impact on reported profit, profit per ordinary share, cash flow or the balance sheet.

During 2006, as part of a continuous process to review how individual contracts are accounted for, certain other minor adjustments were identified that should have been reflected in the restatement from gross to net presentation. Though these adjustments are not significant to the group income statement, the amendment has been made to bring the comparatives onto a consistent basis. The comparative figures have been amended to reflect these items as set out below.

| | Amended | First | Reported |
|--|------------|---------|----------|
| | Second | Half | Second |
| | Quarter | 2006 | Quarter |
| | 2006 | 2006 | 2006 |
| | ----- | | |
| | \$ million | | |
| Sales and other operating revenues | | | |
| Exploration and Production | 13,495 | 27,413 | 13,495 |
| Refining and Marketing | 63,373 | 117,910 | 64,025 |
| Gas, Power and Renewables | 6,091 | 12,644 | 5,735 |
| Other businesses and corporate | 252 | 458 | 252 |
| | ----- | | |
| Sales by continuing operations | 83,211 | 158,425 | 83,507 |
| Less: sales between businesses | 11,079 | 23,005 | 11,079 |
| | ----- | | |
| Third party sales of continuing operations | 72,132 | 135,420 | 72,428 |
| | ===== | | |
| Purchases | 50,427 | 94,246 | 50,723 |
| | ===== | | |

3. Sale of Olefins and Derivatives business

The sale of Innovene, BP's olefins, derivatives and refining group, to INEOS, was completed on 16 December 2005. The second quarter and first half of 2006 include a loss on remeasurement to fair value of \$88 million and \$184 million respectively.

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| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Ha 2007 |
|---|--------------------------|---------------------------|---|------------------|
| ===== | | | | ===== |
| \$ million | | | | \$ millio |
| (88) | - | - | Loss recognized on the remeasurement to fair value | - |
| | | | Taxation | |
| 166 | - | - | Related to profit before tax | - |
| - | - | - | Related to remeasurement to fair value | - |
| ----- | | | | ----- |
| 78 | - | - | Profit/(loss) from Innovene operations | - |
| ===== | | | | ===== |
| Earnings (loss) per share from Innovene operations - cents | | | | |
| 0.37 | - | - | Basic | - |
| 0.38 | - | - | Diluted | - |
| ===== | | | | ===== |

Notes

4. Sales and other operating revenues

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First H 2007 |
|---------------------------|--------------------------|---------------------------|--------------------------------|-----------------|
| ===== | | | | ===== |
| \$ million | | | | \$ mill |
| By business | | | | |
| 13,495 | 12,219 | 12,747 | Exploration and Production | 24,966 |
| 63,373 | 53,119 | 63,960 | Refining and Marketing | 117,079 |
| 6,091 | 5,613 | 5,403 | Gas, Power and Renewables | 11,016 |
| 252 | 206 | 178 | Other businesses and corporate | 384 |
| ----- | | | | ----- |
| 83,211 | 71,157 | 82,288 | | 153,445 |
| 11,079 | 9,850 | 10,416 | Less: sales between businesses | 20,266 |
| ----- | | | | ----- |
| 72,132 | 61,307 | 71,872 | Total third party sales | 133,179 |
| ===== | | | | ===== |
| By geographical area | | | | |
| 26,300 | 24,055 | 27,713 | UK | 51,768 |
| 19,406 | 16,588 | 19,064 | Rest of Europe | 35,652 |
| 27,054 | 23,034 | 26,825 | US | 49,859 |
| 19,067 | 16,844 | 18,273 | Rest of World | 35,117 |
| ----- | | | | ----- |
| 91,827 | 80,521 | 91,875 | | 172,396 |
| 19,695 | 19,214 | 20,003 | Less: sales between areas | 39,217 |
| ----- | | | | ----- |

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| | | | | |
|--------|--------|--------|-------------------------|---------|
| 72,132 | 61,307 | 71,872 | Total third party sales | 133,179 |
| ===== | | | | ===== |

5. Profit before interest and taxation is after charging:

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First H 2007 |
|---------------------------|--------------------------|---------------------------|------------------------------|-----------------|
| ===== | | | | ===== |
| \$ million | | | | \$ mill |
| 72 | 67 | - | Production and similar taxes | 67 |
| 783 | 680 | 827 | UK | 1,507 |
| | | | Overseas | |
| ----- | | | | ----- |
| 855 | 747 | 827 | | 1,574 |
| ===== | | | | ===== |

6. Finance costs

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First H 2007 |
|---------------------------|--------------------------|---------------------------|------------------|-----------------|
| ===== | | | | ===== |
| \$ million | | | | \$ mill |
| 285 | 347 | 345 | Interest payable | 692 |
| (132) | (83) | (94) | Capitalized | (177) |
| ----- | | | | ----- |
| 153 | 264 | 251 | | 515 |
| ===== | | | | ===== |

Notes

7. Other finance income

| Second | First | Second |
|--------|-------|--------|
|--------|-------|--------|

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| Quarter 2006 | Quarter 2007 | Quarter 2007 | | First H 2007 |
|-----------------|-----------------|-----------------|---|-----------------|
| \$ million | | | | \$ mill |
| 484 | 538 | 546 | Interest on pension and other post-retirement benefit plan liabilities | 1,084 |
| (599) | (698) | (708) | Expected return on pension and other post-retirement benefit plan assets | (1,406) |
| (115) | (160) | (162) | Interest net of expected return on plan assets | (322) |
| 61 | 67 | 66 | Unwinding of discount on provisions | 133 |
| 8 | - | - | Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | - |
| (46) | (93) | (96) | | (189) |

8. Analysis of changes in net debt

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First H 2007 |
|---------------------------|--------------------------|---------------------------|--|-----------------|
| \$ million | | | | \$ mill |
| 18,679 | 24,010 | 23,728 | Opening balance Finance debt | 24,010 |
| 2,939 | 2,590 | 1,956 | Less: Cash and cash equivalents | 2,590 |
| 15,740 | 21,420 | 21,772 | Opening net debt | 21,420 |
| 19,286 | 23,728 | 23,754 | Closing balance Finance debt | 23,754 |
| 4,852 | 1,956 | 2,643 | Less: Cash and cash equivalents | 2,643 |
| 14,434 | 21,772 | 21,111 | Closing net debt | 21,111 |
| 1,306 | (352) | 661 | Decrease (increase) in net debt | 309 |
| 1,949 | (645) | 661 | Movement in cash and cash equivalents (excluding exchange adjustments) | 16 |
| (734) | 334 | 79 | Net cash outflow (inflow) from financing (excluding share capital) | 413 |
| 60 | (30) | (51) | Fair value hedge adjustment | (81) |
| 26 | (11) | (13) | Other movements | (24) |
| 1,301 | (352) | 676 | Movement in net debt before exchange effects | 324 |
| 5 | - | (15) | Exchange adjustments | (15) |
| 1,306 | (352) | 661 | Decrease (increase) in net debt | 309 |

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Notes

9. TNK-BP Operational and Financial Information

| Second Quarter 2006 | First Quarter 2007 | Second Quarter 2007 | | First Half 2007 |
|---------------------------|--------------------------|---------------------------|---|--------------------|
| ===== | | | | ===== |
| | | | Production (Net of royalties) (BP share) | |
| 907 | 832 | 837 | Crude oil (mb/d) | 835 |
| 538 | 566 | 441 | Natural gas (mmcf/d) | 503 |
| 999 | 930 | 913 | Total hydrocarbons (mboe/d) (a) | 922 |
| ===== | | | | ===== |
| | | | | |
| | \$ million | | | \$ million |
| | | | Income statement (BP share) | |
| 1,084 | 356 | 1,016 | Profit before interest and tax | 1,372 |
| (45) | (61) | (64) | Interest expense ... | (125) |
| (348) | (103) | (188) | Taxation | (291) |
| (46) | (30) | (78) | Minority interest | (108) |
| ----- | | | | ----- |
| 645 | 162 | 686 | Net Income | 848 |
| ===== | | | | ===== |
| 8 | - | - | ... Excludes unwinding of discount on consideration | - |
| ===== | | | | ===== |
| | | | Cash Flow | |
| - | - | 500 | Dividends received(b) | 500 |
| ===== | | | | ===== |

Balance Sheet

30 June 2007 31 Dec 2007

Investments in jointly controlled entities

8,193 8

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

(b) First half 2006 includes \$771 million declared in fourth

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quarter 2005.

10. Third quarter results

BP's third quarter results will be announced on 23 October 2007.

11. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory financial statements. The 2006 BP Annual Report and Accounts have been filed with the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

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)

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Dated: 24 July, 2007

/s/ D. J. PEARL

.....

D. J. PEARL

Deputy Company Secretary