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BP PLC  
Form 6-K  
October 26, 2004

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 26 October 2004

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  
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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|  
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BP p.l.c.  
Group Results  
3rd Quarter 2004

London 26 October 2004

FOR IMMEDIATE RELEASE  
RECORD NINE-MONTHS RESULT

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| Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 | \$ million                   | Nine Months |       |    |
|--------------------------|---------------------------|--------------------------|------------------------------|-------------|-------|----|
| 2003                     | 2004                      | 2004                     |                              | 2004        | 2003  | %  |
| =====                    |                           |                          |                              |             |       |    |
|                          |                           |                          | Replacement cost profit      |             |       |    |
| 2,260                    | 3,434                     | 3,456                    | for the period (a)           | 11,060      | 8,216 |    |
| 498                      | 474                       | 481                      | Acquisition amortization(b)  | 1,502       | 1,755 |    |
| -----                    |                           |                          |                              |             |       |    |
| 2,758                    | 3,908                     | 3,937                    | Pro forma result             | 12,562      | 9,971 | 26 |
| =====                    |                           |                          |                              |             |       |    |
| 7.76                     | 9.93                      | 9.99                     | - per ordinary share (pence) | 31.53       | 27.90 | 13 |
| 12.50                    | 17.85                     | 18.17                    | - per ordinary share (cents) | 57.38       | 44.92 | 28 |
| 0.75                     | 1.07                      | 1.09                     | - per ADS (dollars)          | 3.44        | 2.70  |    |
| =====                    |                           |                          |                              |             |       |    |

- o BP's third quarter pro forma result was \$3,937 million, compared with \$2,758 million a year ago, an increase of 43%. For the nine months the result was \$12,562 million compared with \$9,971 million, up 26%. Replacement cost profit for the third quarter and nine months was \$3,456 million and \$11,060 million respectively, compared with \$2,260 million and \$8,216 million a year ago.
- o The third quarter result includes net exceptional and non-operating charges of \$401 million compared with a net charge of \$217 million in the third quarter of 2003.
- o The third quarter trading environment was generally stronger than a year ago, with higher oil and gas realizations and higher refining and chemicals margins.
- o Net cash inflow for the quarter was \$1.7 billion and net cash inflow for the nine months was \$7.0 billion, compared with an outflow of \$2.4 billion and an inflow of \$3.2 billion a year ago. Net cash inflow from operating activities for the quarter and nine months was \$6.9 billion and \$21.5 billion respectively, compared with \$4.9 billion and \$18.2 billion a year ago.
- o The pro forma ratio of net debt to net debt plus equity was 22% at the end of the quarter.
- o Return on average capital employed for the quarter and nine months respectively, on a pro forma basis, was 19.5% and 20.8%, compared with 15.8% and 19.2% a year ago. The cash return for the quarter was 36% compared with 31% a year ago, and for the nine months was 34% the same as a year ago.
- o The quarterly dividend was 7.10 cents per share (\$0.426 per ADS). This compares with 6.50 cents per share a year ago. For the nine months the dividend showed an increase of 8.8%. In sterling terms, the quarterly dividend is 3.910 pence per share compared with 3.857 pence a year ago; for the nine months the dividend showed a decrease of 2.2%. During the first nine months, the company repurchased for cancellation 621 million of its own shares, at a cost of \$5.5 billion. The increase in the dividend per share reflects the reduction in the number of shares outstanding due to the share buyback programme which allows the

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company's dividend payments to be allocated across a smaller equity base.

BP Group Chief Executive, Lord Browne, said:

"This has been another strong performance against the backdrop of strong global demand. We are on track against our targets of controlled investment for growth and using additional free cash flow to fund a significant level of share buybacks. The plans to prepare the Olefins and Derivatives business for disposal are on track."

The pro forma result has been derived from the group's reported UK GAAP accounting information but is not in itself a recognized UK or US GAAP measure. This financial performance information and measures derived therefrom, shown above and elsewhere in the document, are provided in order to enable investors to evaluate better BP's performance against that of its competitors.

- (a) Replacement cost profit for the period includes the net profit or loss on the sale of fixed assets and businesses or termination of operations.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The results for the first nine months of 2003 and 2004 include accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

### Summary Third Quarter Results

Exploration and Production's record third quarter result was up 30% on a year ago, reflecting higher liquids and gas realizations combined with increased volumes and the changing composition of production primarily resulting from the TNK-BP acquisition.

The Refining and Marketing result increased 89% compared with a year ago, reflecting stronger realized refining margins, supported by strong product demand and the impact of industry-wide refinery maintenance.

The Petrochemicals result decreased by 10% compared with the second quarter. This reflects higher margins and lower fixed costs more than offset by higher non-operating and exceptional charges.

In Gas, Power and Renewables, the result increased compared with a year ago. This reflects improved margins in the NGL and Solar businesses and higher exceptional gains, offset partly by weaker gas marketing and trading margins.

Interest and other finance expense for the quarter was \$235 million compared with \$221 million for the prior quarter. The increase relates primarily to a rise in interest rates.

The pro forma effective tax rate on replacement cost profit was 34.6%.

Capital expenditure was \$3.4 billion for the quarter and there were no significant acquisitions. Disposal proceeds for the quarter were \$0.58 billion.

Net debt at the end of the quarter was \$18.6 billion. The pro forma ratio of net debt to net debt plus equity was 22% at the end of the quarter compared with 23% at the end of the second quarter.

During the third quarter, shares to the value of \$1.25 billion were issued to Alfa Group and Access Renova (AAR) as the first instalment of the deferred

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consideration for our investment in TNK-BP. The company also repurchased for cancellation 241.5 million of its own shares, at a cost of \$2.25 billion.

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The commentaries above and following are based on the pro forma replacement cost results.

TNK-BP operational and financial information has been estimated.

The financial information for 2003 has been restated to reflect (a) the transfer of natural gas liquids (NGLs) operations from the Exploration and Production segment to Gas, Power and Renewables on 1 January 2004; (b) the adoption by the group of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) with effect from 1 January 2004; and (c) the adoption by the group of Urgent Issues Task Force Abstract No. 38 'Accounting for ESOP Trusts' with effect from 1 January 2004. For further information see Note 1.

### Exceptional and Non-Operating Items

|                                | 3Q 2004              |                                     |
|--------------------------------|----------------------|-------------------------------------|
| \$ million                     | Exceptional<br>Items | Non-Operating<br>Items and UPIS (a) |
|                                |                      |                                     |
| Exploration and Production     | 23                   | (137)                               |
| Refining and Marketing         | (17)                 | (206)                               |
| Petrochemicals                 | (38)                 | (58)                                |
| Gas, Power and Renewables      | 16                   | -                                   |
| Other businesses and corporate | 1                    | (244)                               |
|                                | (15)                 | (645)                               |
| Taxation                       | 33                   | 226 (b)                             |
|                                | 18                   | (419)                               |
|                                |                      |                                     |

- (a) Charges for environmental and other provisions have been classified as non-operating items and prior periods restated to conform with this treatment.
- (b) Tax on non-operating items and Unrealized Profit in Stock (UPIS) is calculated using the pro forma effective tax rate on replacement cost profit, excluding exceptional items, of 35%.

### Reconciliation of Reported Results to Pro Forma Results

| Pro Forma Result | ----- 3Q 2004 -----   | Pro Forma Result         |
|------------------|-----------------------|--------------------------|
|                  |                       |                          |
| 3Q<br>2003       | 2Q<br>2004            | 3Q<br>2004               |
| Acq.<br>Amort+   | Reported<br>Earnings* | \$ million               |
|                  |                       |                          |
|                  |                       | Nine Months<br>2004 2003 |
|                  |                       |                          |

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|         |         |         |     |         |  |         |         |
|---------|---------|---------|-----|---------|--|---------|---------|
| 3,959   | 4,558   | 5,144   | 261 | 4,883   | Exploration and<br>Production                  | 14,270  | 12,958  |
| 687     | 1,562   | 1,301   | 220 | 1,081   | Refining and<br>Marketing                      | 3,804   | 2,613   |
| 84      | 208     | 188     | -   | 188     | Petrochemicals<br>Gas, Power<br>and Renewables | 371     | 527     |
| 127     | 216     | 130     | -   | 130     | Other businesses<br>and corporate              | 544     | 484     |
| (330)   | (164)   | (424)   | -   | (424)   |  | 541     | (649)   |
| -----   |         |         |     |         |  |         |         |
| 4,527   | 6,380   | 6,339   | 481 | 5,858   | RC profit before<br>interest and tax           | 19,530  | 15,933  |
| -----   |         |         |     |         |  |         |         |
| (298)   | (221)   | (235)   | -   | (235)   | Interest and Other<br>finance expense          | (684)   | (879)   |
| (1,428) | (2,199) | (2,109) | -   | (2,109) | Taxation                                       | (6,130) | (4,954) |
| (43)    | (52)    | (58)    | -   | (58)    | MSI  | (154)   | (129)   |
| -----   |         |         |     |         |  |         |         |
| 2,758   | 3,908   | 3,937   | 481 | 3,456   | RC profit                                      | 12,562  | 9,971   |
| -----   |         |         |     |         |  |         |         |
|         |         |         |     | 1,027   | Stock holding gains (losses)                   |         |         |
| -----   |         |         |     |         |  |         |         |
|         |         |         |     | 4,483   | HC profit                                      |         |         |
| =====   |         |         |     |         |  |         |         |

\* Replacement cost profit for the period includes the net profit or loss on the sale of fixed assets and businesses or termination of operations.

+ Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The results for the first nine months of 2003 and 2004 include accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Operating Results and Per Share Amounts

| Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |   | Nine Months<br>2004 | 2003       |
|--------------------------|---------------------------|--------------------------|---|---------------------|------------|
| =====                    |                           |                          |   |                     |            |
| 4,029                    | 5,906                     | 5,858                    | Replacement cost<br>Profit before<br>interest and tax (\$m) | 18,028              | 14,178     |
| -----                    |                           |                          |   |                     |            |
| 2,758                    | 3,908                     | 3,937                    | Results for the<br>period (\$m)                             | 12,562              | 9,971      |
| 2,260                    | 3,434                     | 3,456                    | Pro forma result  | 11,060              | 8,216      |
| 2,344                    | 3,896                     | 4,483                    | Replacement cost profit                                     | 13,197              | 8,148      |
| -----                    |                           |                          |   |                     |            |
| 22,107,715               | 21,789,115                | 21,713,966               | Shares in issue at<br>period end (thousand)                 | 21,713,966          | 22,107,715 |
| 3,684,619                | 3,631,519                 | 3,618,994                | - ADS equivalent<br>(thousand)                              | 3,618,994           | 3,684,619  |
| -----                    |                           |                          |   |                     |            |
| Average number of        |                           |                          |   |                     |            |

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|                               |            |            |                                  |            |            |
|-------------------------------|------------|------------|----------------------------------|------------|------------|
|                               |            |            |                                  |            |            |
| 22,092,365                    | 21,906,318 | 21,683,963 | shares outstanding<br>(thousand) | 21,891,936 | 22,193,403 |
| 3,682,061                     | 3,651,053  | 3,613,994  | - ADS equivalent<br>(thousand)   | 3,648,656  | 3,698,901  |
| Per ordinary share<br>(cents) |            |            |                                  |            |            |
| 12.50                         | 17.85      | 18.17      | Pro forma result<br>RC profit    | 57.38      | 44.92      |
| 10.25                         | 15.68      | 15.96      | for the period<br>HC profit      | 50.52      | 37.02      |
| 10.62                         | 17.80      | 20.67      | for the period                   | 60.28      | 36.71      |
| Per ADS (cents)               |            |            |                                  |            |            |
| 75.00                         | 107.10     | 109.02     | Pro forma result<br>RC profit    | 344.28     | 269.52     |
| 61.50                         | 94.08      | 95.76      | for the period<br>HC profit      | 303.12     | 222.12     |
| 63.72                         | 106.80     | 124.02     | for the period                   | 361.68     | 220.26     |
| -----                         |            |            |                                  |            |            |

### Exploration and Production

| 3Q<br>2003                    | 2Q<br>2004 | 3Q<br>2004 | \$ million   | Nine Months<br>2004 | 2003   |
|-------------------------------|------------|------------|--|---------------------|--------|
| =====                         |            |            |  |                     |        |
| 3,666                         | 4,302      | 4,883      | Replacement cost profit<br>before interest and tax           | 13,427              | 11,818 |
| 293                           | 256        | 261        | Acquisition amortization                                     | 843                 | 1,140  |
| -----                         |            |            |  |                     |        |
| 3,959                         | 4,558      | 5,144      | Pro forma replacement cost result<br>before interest and tax | 14,270              | 12,958 |
| =====                         |            |            |  |                     |        |
| Results include:              |            |            |  |                     |        |
| -                             | (160)      | (7)        | Asset write-downs/impairment                                 | (290)               | (49)   |
| -                             | -          | -          | Environmental and other provisions                           | -                   | -      |
| -                             | -          | -          | Restructuring, integration and<br>rationalization costs      | -                   | (102)  |
| -                             | -          | (35)       | Other  | (35)                | -      |
| 15                            | (87)       | (95)       | Unrealized profit in stock (UPIS)                            | (248)               | (4)    |
| -----                         |            |            |  |                     |        |
| 15                            | (247)      | (137)      | Total non-operating items and UPIS                           | (573)               | (155)  |
| 196                           | (114)      | 23         | Exceptional items  | 120                 | 962    |
| =====                         |            |            |  |                     |        |
| 211                           | (361)      | (114)      | Total non-operating items, UPIS<br>and exceptional items     | (453)               | 807    |
| =====                         |            |            |  |                     |        |
| 136                           | 108        | 135        | Exploration expense  | 379                 | 349    |
| Of which:                     |            |            |  |                     |        |
| 75                            | 22         | 34         | Exploration expenditure written off                          | 123                 | 168    |
| -----                         |            |            |  |                     |        |
| Production (Net of Royalties) |            |            |  |                     |        |
| 1,852                         | 2,321      | 2,298      | Crude oil (mb/d)   | 2,320               | 1,798  |
| 202                           | 197        | 181        | Natural gas liquids (mb/d)                                   | 190                 | 211    |

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|       |       |       |                                    |       |       |
|-------|-------|-------|------------------------------------|-------|-------|
| 2,054 | 2,518 | 2,479 | Total liquids (mb/d) (a)           | 2,510 | 2,009 |
| 8,401 | 8,425 | 8,275 | Natural gas (mmcf/d)               | 8,433 | 8,617 |
| 3,502 | 3,971 | 3,906 | Total hydrocarbons (mboe/d) (b)    | 3,964 | 3,495 |
| ===== |       |       |                                    | ===== |       |
|       |       |       | Average realizations               |       |       |
| 27.72 | 34.47 | 39.43 | Crude oil (\$/bbl)                 | 34.93 | 28.25 |
| 19.39 | 23.71 | 28.77 | Natural gas liquids (\$/bbl)       | 25.13 | 18.96 |
| 26.79 | 33.27 | 38.29 | Total liquids (\$/bbl)             | 33.89 | 27.24 |
| 3.08  | 3.68  | 3.66  | Natural gas (\$/mcf)               | 3.71  | 3.46  |
| 22.58 | 27.66 | 30.08 | Total hydrocarbons (\$/bbl)        | 28.03 | 23.88 |
| ===== |       |       |                                    | ===== |       |
|       |       |       | Average oil marker prices (\$/bbl) |       |       |
| 28.38 | 35.32 | 41.54 | Brent                              | 36.31 | 28.64 |
| 30.19 | 38.28 | 43.88 | West Texas Intermediate            | 39.18 | 31.08 |
| 28.83 | 36.99 | 41.82 | Alaska North Slope US West Coast   | 37.70 | 29.69 |
| ===== |       |       |                                    | ===== |       |
|       |       |       | Average natural gas marker prices  |       |       |
| 4.97  | 6.00  | 5.75  | Henry Hub gas price (\$/mmbtu) (c) | 5.81  | 5.65  |
|       |       |       | UK Gas - National                  |       |       |
| 15.08 | 20.70 | 23.63 | Balancing Point (p/therm)          | 22.98 | 17.92 |
| ===== |       |       |                                    | ===== |       |

(a) Crude oil and natural gas liquids.

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

(c) Henry Hub First of the Month Index.

### Exploration and Production

The pro forma replacement cost result before interest and tax for the third quarter was \$5,144 million, a record result, up 30% from the third quarter of 2003. The primary drivers for the change are the higher realizations in both liquids and gas combined with increased volumes and the changing composition of production primarily resulting from the TNK-BP acquisition. This quarter further benefited from an exceptional gain of \$23 million. The corresponding quarter in 2003 contained exceptional gains of \$196 million.

Included in the results for the quarter was a non-operating charge totalling \$42 million. This charge results from impairments associated with the write-off of the partner operated Temsah platform in Egypt following the blow-out, revisions to impairment estimates made in the prior quarter and a charge taken for Alaskan tankers no longer required.

The third quarter result also included a charge of \$95 million, reflecting an increase in the provision for Unrealized Profit in Stock (UPIS), which removes the upstream margin from downstream inventories. This compares with a credit of \$15 million in the equivalent quarter of last year.

The nine months result of \$14,270 million is a record, up \$1,312 million on a year ago, reflecting the higher realizations combined with increased volumes and the changing composition of production primarily resulting from the TNK-BP acquisition.

Production for the quarter was up over 11% to 3,906 mboe/d compared with a year ago. This reflects the inclusion of TNK-BP and the continuing ramp-up of production in the New Profit Centres, partly offset by planned maintenance in

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the North Sea and Alaska, the operational impact of Hurricane Ivan in the Gulf of Mexico and the blow-out at partner operated Temsah in Egypt.

Projects in the New Profit Centres remain on track. In the quarter Kizomba A started up in Angola, and in Australia, the North West Shelf Train 4 LNG plant was brought on line and first liftings have taken place.

In the third quarter, we had further exploration success with the Pela Lache-1 prospect offshore Sakhalin Island in Russia.

During the quarter, we completed our divestments of various properties in the Gulf of Mexico Shelf and of our interests in Offshore North Sinai in Egypt, resulting in total exceptional gains in the quarter of \$23 million.

| Customer Facing Segments |       |       |                                    |             |
|--------------------------|-------|-------|------------------------------------|-------------|
| Refining and Marketing   |       |       |                                    |             |
| 3Q                       | 2Q    | 3Q    | Nine Months                        |             |
| 2003                     | 2004  | 2004  | \$ million                         | 2004 2003   |
| =====                    |       |       | =====                              |             |
| 482                      | 1,344 | 1,081 | Replacement cost profit            | 3,145 1,998 |
| 205                      | 218   | 220   | before interest and tax            |             |
| -----                    |       |       | Acquisition amortization           | 659 615     |
| -----                    |       |       | -----                              |             |
| 687                      | 1,562 | 1,301 | Pro forma replacement cost result  |             |
| =====                    |       |       | before interest and tax            | 3,804 2,613 |
| -----                    |       |       | =====                              |             |
|                          |       |       | Results include:                   |             |
| -                        | -     | -     | Asset write-downs/impairment       | - -         |
| (369)                    | -     | (206) | Environmental and other provisions | (206) (369) |
| (72)                     | -     | -     | Restructuring, integration and     |             |
| -                        | -     | -     | rationalization costs              | - (131)     |
| -----                    |       |       | Other                              | - -         |
| -----                    |       |       | -----                              |             |
| (441)                    | -     | (206) | Total non-operating items          | (206) (500) |
| (21)                     | (18)  | (17)  | Exceptional items                  | (175) (122) |
| =====                    |       |       | =====                              |             |
| (462)                    | (18)  | (223) | Total non-operating and            | (381) (622) |
| =====                    |       |       | exceptional items                  | (381) (622) |
| -----                    |       |       | =====                              |             |
|                          |       |       | Refinery throughputs (mb/d)        |             |
| 405                      | 404   | 410   | UK                                 | 403 399     |
| 909                      | 871   | 882   | Rest of Europe                     | 879 951     |
| 1,406                    | 1,370 | 1,417 | USA                                | 1,350 1,391 |
| 366                      | 377   | 296   | Rest of World                      | 358 383     |
| -----                    |       |       | -----                              |             |
| 3,086                    | 3,022 | 3,005 | Total throughput                   | 2,990 3,124 |
| =====                    |       |       | =====                              |             |
| 96.2                     | 95.1  | 94.9  | Refining availability              | 95.0 95.7   |
| =====                    |       |       | =====                              |             |
|                          |       |       | Oil sales volumes (mb/d)           |             |
|                          |       |       | Refined products                   |             |
| 270                      | 318   | 333   | UK                                 | 315 276     |
| 1,293                    | 1,344 | 1,313 | Rest of Europe                     | 1,327 1,323 |
| 1,828                    | 1,724 | 1,758 | USA                                | 1,736 1,800 |
| 657                      | 665   | 677   | Rest of World                      | 674 636     |



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|   |        |        |                             |        |        |
|---|--------|--------|-----------------------------|--------|--------|
| 4,048   | 4,051  | 4,081  | Total marketing sales       | 4,052  | 4,035  |
| 2,647   | 2,087  | 2,624  | Trading/supply sales        | 2,542  | 2,805  |
| 6,695   | 6,138  | 6,705  | Total refined product sales | 6,594  | 6,840  |
| 5,316   | 5,339  | 3,572  | Crude oil                   | 4,672  | 5,175  |
| 12,011  | 11,477 | 10,277 | Total oil sales             | 11,266 | 12,015 |
| Global Indicator Refining Margin(a)<br>(\$/bbl) |        |        |                             |        |        |
| 2.47  | 5.29   | 4.37   | NWE                         | 4.15   | 2.77   |
| 5.61  | 9.18   | 6.99   | USGC                        | 7.72   | 5.11   |
| 6.39  | 9.01   | 5.01   | Midwest                     | 6.25   | 5.09   |
| 9.04  | 15.41  | 11.28  | USWC                        | 11.62  | 7.39   |
| 1.27  | 2.80   | 5.48   | Singapore                   | 3.92   | 1.63   |
| 4.59  | 7.89   | 6.20   | BP Average                  | 6.26   | 4.13   |

(a) 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.

### Customer Facing Segments Refining and Marketing

The pro forma replacement cost result before interest and tax for the third quarter was \$1,301 million. This compares with \$687 million for the same period last year. The nine months result was \$3,804 million, a year-on-year increase of \$1,191 million, or 46%.

The improvement in the result is due primarily to refining margins in the third quarter being significantly higher than in the equivalent quarter a year ago. The margins continued to be supported by strong product demand and the impact of industry-wide planned and unplanned refinery maintenance. The refining result for the quarter was stronger than that suggested by the Global Indicator Margin (GIM) because of upgrading capacity in our refining portfolio and the benefits from supply optimization. Marketing margins decreased relative to the previous quarter and the equivalent quarter a year ago because rises in crude and product prices more than offset the increase in selling prices.

Included in the result for the quarter was a non-operating charge of \$206 million in relation to new, and revisions to existing, environmental and other provisions. The equivalent charge in the third quarter of 2003 was \$369 million. In addition, in the third quarter of 2003 there was a non-operating charge of \$72 million in relation to Veba integration costs. Also included in the result is an exceptional charge of \$17 million. The corresponding quarter in 2003 contained an exceptional charge of \$21 million.

The improvement in the nine months result compared with a year ago was attributable to the stronger refining margins, with overall marketing margins lower due to factors outlined above.

Refining throughputs for the quarter were 3,005 mb/d, some 81 mb/d lower than in the third quarter of 2003, due principally to the disposal of BP's interests in the Singapore Refining Company Private Limited and the closure of refining

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operations at the ATAS Refinery in Mersin, south eastern Turkey. The throughputs were similar to those in the previous quarter with the impacts described above being offset by relatively lower turnaround activity. The quarter's refining availability was 94.9%. Marketing sales were 4,081 mb/d, a similar level to both the previous quarter and the equivalent quarter a year ago.

During the quarter BP Japan and Petrolub International announced an agreement to merge their automotive lubricant businesses and create a new company called BP Castrol KK.

The disposal of BP's Retail and LPG Business in the Singapore retail network and related assets was completed on 30 September.

| Customer Facing Segments |            |            |   |                          |        |
|--------------------------|------------|------------|---|--------------------------|--------|
| Petrochemicals           |            |            |   |                          |        |
| 3Q<br>2003               | 2Q<br>2004 | 3Q<br>2004 | \$ million  | Nine Months<br>2004 2003 |        |
| =====                    |            |            |   | =====                    |        |
| 84                       | 208        | 188        | Replacement cost profit before interest and tax           | 371                      | 527    |
| -                        | -          | -          | Acquisition amortization                                  | -                        | -      |
| -----                    |            |            |   | -----                    |        |
| 84                       | 208        | 188        | Pro forma replacement cost result before interest and tax | 371                      | 527    |
| =====                    |            |            |   | =====                    |        |
|                          |            |            | Results include:  |                          |        |
| -                        | -          | -          | Asset write-downs/impairment                              | -                        | -      |
| (20)                     | -          | (58)       | Environmental and other provisions                        | (58)                     | (20)   |
| -                        | -          | -          | Restructuring, integration and rationalization costs      | -                        | 5      |
| (36)                     | -          | -          | Other   | -                        | (36)   |
| -----                    |            |            |   | -----                    |        |
| (56)                     | -          | (58)       | Total non-operating items                                 | (58)                     | (51)   |
| 13                       | 6          | (38)       | Exceptional items   | (186)                    | 22     |
| =====                    |            |            |   | =====                    |        |
| (43)                     | 6          | (96)       | Total non-operating and exceptional items                 | (244)                    | (29)   |
| =====                    |            |            |   | =====                    |        |
| 109                      | 129        | 139        | (b) Chemicals Indicator Margin (a) (\$/te)                | 131 (b)                  | 113    |
| =====                    |            |            |   | =====                    |        |
|                          |            |            | Petrochemicals production (kte)                           |                          |        |
| 771                      | 856        | 728        | UK  | 2,424                    | 2,354  |
| 2,724                    | 2,726      | 2,724      | Rest of Europe  | 8,178                    | 8,168  |
| 2,507                    | 2,514      | 2,600      | USA   | 7,657                    | 7,399  |
| 1,038                    | 1,075      | 1,097      | Rest of World   | 3,304                    | 2,869  |
| -----                    |            |            |   | -----                    |        |
| 7,040                    | 7,171      | 7,149      | Total production  | 21,563                   | 20,790 |
| =====                    |            |            |   | =====                    |        |

(a) The Chemicals Indicator Margin (CIM) is a weighted average of externally-based product margins. It is based on market data collected by Nexant in their quarterly market analyses, then weighted based on BP's product portfolio. It does not cover our entire portfolio of products, and consequently is only indicative of the margins achieved by

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BP in any particular period.

(b) Provisional. The data for the third quarter is based on two months' actuals and one month of provisional data.

Petrochemicals' pro forma replacement cost result before interest and tax for the third quarter was \$188 million, an increase of \$104 million compared with the third quarter last year as higher margins more than offset higher net non-operating and exceptional charges. The result for the nine months was 30% lower than a year ago reflecting higher non-operating costs and exceptional charges. The third quarter result was down from \$208 million in the second quarter, due to higher margins and lower fixed costs being more than offset by revisions to environmental and other provisions of \$58 million and an exceptional charge of \$38 million arising from the sale of our Fabrics and Fibres business.

Production of 7,149 thousand tonnes in the third quarter was 109 thousand tonnes higher than the third quarter last year due primarily to higher asset utilization. Year-to-date production was 773 thousand tonnes higher than a year ago due to new Asian PTA capacity and higher asset utilization. Production in the third quarter was down 22 thousand tonnes compared with the second quarter due to UK maintenance activity, which more than offset increased volumes in other regions.

During the quarter we have progressed with plans to consolidate the Olefins and Derivatives (O&D) business into a stand-alone entity able to operate separately from the BP Group. Shortly after the quarter we reached agreement to sell the Fabrics and Fibres business, for which completion is expected during the fourth quarter.

|            |            |            | Customer Facing Segments<br>Gas, Power and Renewables     |                             |     |
|------------|------------|------------|---|-----------------------------|-----|
| 3Q<br>2003 | 2Q<br>2004 | 3Q<br>2004 | \$ million  | Nine Months<br>2004    2003 |     |
| =====      |            |            |   | =====                       |     |
| 127        | 216        | 130        | Replacement cost profit before interest and tax           | 544                         | 484 |
| -          | -          | -          | Acquisition amortization                                  | -                           | -   |
| -----      |            |            |   | -----                       |     |
| 127        | 216        | 130        | Pro forma replacement cost result before interest and tax | 544                         | 484 |
| =====      |            |            |   | =====                       |     |
|            |            |            | Results include:  |                             |     |
| -          | -          | -          | Asset write-downs/impairment                              | -                           | -   |
| -          | -          | -          | Environmental and other provisions                        | -                           | -   |
| -          | -          | -          | Restructuring, integration and rationalization costs      | -                           | -   |
| -          | -          | -          | Other   | -                           | -   |
| -----      |            |            |   | -----                       |     |
| -          | -          | -          | Total non-operating items                                 | -                           | -   |
| (2)        | -          | 16         | Exceptional items   | 16                          | 4   |
| =====      |            |            |   | =====                       |     |
| (2)        | -          | 16         | Total non-operating and exceptional items                 | 16                          | 4   |
| =====      |            |            |   | =====                       |     |
|            |            |            | Gas sales volumes (mmcf/d)                                |                             |     |

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|        |        |        |                          |        |        |
|--------|--------|--------|--------------------------|--------|--------|
| 2,174  | 2,495  | 1,893  | UK                       | 2,471  | 2,653  |
| 362    | 266    | 485    | Rest of Europe           | 398    | 418    |
| 11,808 | 12,470 | 13,585 | USA                      | 13,228 | 11,328 |
| 11,133 | 12,070 | 13,250 | Rest of World            | 13,078 | 11,173 |
| -----  |        |        |                          | -----  |        |
| 25,477 | 27,301 | 29,213 | Total gas sales volumes  | 29,175 | 25,572 |
| =====  |        |        |                          | =====  |        |
|        |        |        | NGL sales volumes (mb/d) |        |        |
| 3      | 8      | 9      | UK                       | 7      | 3      |
| -      | 3      | 7      | Rest of Europe           | 4      | -      |
| 346    | 334    | 358    | USA                      | 384    | 305    |
| 187    | 166    | 161    | Rest of World            | 190    | 195    |
| -----  |        |        |                          | -----  |        |
| 536    | 511    | 535    | Total NGL sales volumes  | 585    | 503    |
| =====  |        |        |                          | =====  |        |

The pro forma replacement cost result before interest and tax for the third quarter and nine months was \$130 million and \$544 million, respectively, compared with \$127 million and \$484 million a year ago. The increase in the third quarter result reflects improved margins in the NGL and Solar businesses and higher exceptional gains from the disposal of BP's interest in an NGL plant in Canada, offset partly by weaker gas marketing and trading margins. The result for the nine months is higher than a year ago due principally to higher contributions from the NGL and Solar businesses and a higher exceptional gain more than offsetting the weaker margins seen in gas marketing and trading.

During the quarter, the Tangguh LNG project (BP share 37.16%) signed a sale and purchase agreement with K Power of South Korea to supply up to 0.8 million tonnes of LNG per annum for 20 years starting in 2006. BP Shipping announced an order for four new LNG carriers from Hyundai Heavy Industries of South Korea for delivery in 2007 and 2008. Since the end of the third quarter, the Tangguh LNG project has signed a sale and purchase agreement with Sempra Energy LNG to supply up to 3.7 million tonnes of LNG per annum from Indonesia to markets in Mexico and the US for 20 years, beginning in 2008.

Other Businesses and Corporate

| 3Q    | 2Q    | 3Q    |                                    | Nine Months |       |
|-------|-------|-------|------------------------------------|-------------|-------|
| 2003  | 2004  | 2004  | \$ million                         | 2004        | 2003  |
| ===== |       |       |                                    | =====       |       |
| (330) | (164) | (424) | Replacement cost profit (loss)     | 541         | (649) |
| -     | -     | -     | before interest and tax            | -           | -     |
| ----- |       |       | Acquisition amortization           | -----       |       |
| (330) | (164) | (424) | Pro forma replacement cost result  | 541         | (649) |
| ===== |       |       | before interest and tax            | =====       |       |
| -     | -     | -     | Results include:                   |             |       |
| (112) | -     | (225) | Asset write-downs/impairment       | -           | -     |
| -     | -     | (19)  | Environmental and other provisions | (225)       | (112) |
| -     | -     | -     | Restructuring, integration and     |             |       |
| -     | -     | -     | rationalization costs              | (19)        | -     |
| -     | -     | -     | Other                              | -           | -     |
| ----- |       |       |                                    | -----       |       |
| (112) | -     | (244) | Total non-operating items          | (244)       | (112) |

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|       |     |       |                       |       |       |
|-------|-----|-------|-----------------------|-------|-------|
| (14)  | (1) | 1     | Exceptional items     | 1,313 | (20)  |
| ===== |     |       |                       |       |       |
|       |     |       | Total non-operating   |       |       |
| (126) | (1) | (243) | and exceptional items | 1,069 | (132) |
| ===== |     |       |                       |       |       |

Other businesses and corporate comprises Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The third quarter result includes a charge of \$225 million in respect of new, and revisions to existing, environmental and other provisions and a charge of \$19 million in respect of the separation of the Olefins and Derivatives business. In the first quarter, BP sold its interest in PetroChina for \$1.65 billion and its interest in Sinopec for \$0.7 billion. These interests were previously included in other businesses and corporate.

### Dividends

|       | 3Q<br>2003 | 2Q<br>2004 | 3Q<br>2004 |                              | Nine Months<br>2004 | 2003   |
|-------|------------|------------|------------|------------------------------|---------------------|--------|
| ===== |            |            |            |                              |                     |        |
|       |            |            |            | Dividends per ordinary share |                     |        |
|       | 6.50       | 7.10       | 7.10       | cents                        | 20.95               | 19.25  |
|       | 3.857      | 3.860      | 3.910      | pence                        | 11.577              | 11.843 |
|       | 39.0       | 42.6       | 42.6       | Dividends per ADS (cents)    | 125.7               | 115.5  |
| ----- |            |            |            |                              |                     |        |

BP today announced a third quarterly dividend for 2004 of 7.10 cents per ordinary share. Holders of ordinary shares will receive 3.910 pence per share and holders of American Depositary Receipts (ADRs) \$0.426 per ADS share. The dividend is payable on 6 December to shareholders on the register on 12 November. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 6 December. The fourth quarter 2004 results and dividend will be announced on 8 February 2005.

### Outlook

BP Group Chief Executive, Lord Browne, concluded:

"The world economy's expansion has continued, despite patches of softer growth in the US and Europe. Activity in the US appears to have strengthened in the third quarter although the recovery across the major European economies remains below trend on average and growth in parts of Asia, including China, appears to have moderated. Continued growth is expected across the world economy at around trend rates.

"Oil prices averaged \$41.54 per barrel (Dated Brent) in the third quarter - over \$6 per barrel higher than second quarter prices. Loss of US production following Hurricane Ivan, along with low inventories and limited spare capacity, propelled prices to record nominal highs in October, averaging almost \$50 per barrel to date. Price spreads between light, sweet and heavier, sourer crudes also touched record highs recently. The outlook for the rest of 2004 will depend upon the rate of US production recovery after Hurricane Ivan and the strength of oil

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demand growth. Medium term oil price prospects will principally depend on the future strength of supply, demand growth, OPEC politics and perceptions of risks to political stability in certain of those nations. Oil prices are considered to have an approximate support level of \$30 per barrel for at least the medium term, with chances of spiking above this level.

"US natural gas prices averaged \$5.75/mmbtu (Henry Hub first of month index) in the third quarter, despite the oil price surge, down around \$0.25/mmbtu versus the second quarter. Following a cool summer, working gas inventories are at record highs going into the winter heating season. However, the 12-month futures strip (NYMEX Henry Hub) is trading currently at almost \$8/mmbtu, reflecting oil price strength.

"Refining margins in the third quarter slipped from the second quarter's record levels but remained high by historical standards. Strong demand growth, record refinery throughputs and low aggregate OECD product inventories continued to underpin the refining environment. Margins began the fourth quarter strongly amid concerns over winter heating oil supplies in Europe and lost refinery production due to Hurricane Ivan. The premium for light crude over heavy crude has been driven to exceptional levels, favouring upgraded refineries over less complex sites. The refining system should adjust, but this will take time. Marketing margins compressed in the third quarter due to increasing crude prices, product cost volatility and competitive pressure.

"Petrochemical margins held during the third quarter as product prices continued to strengthen, enabling the businesses to offset rapidly rising feedstock and energy costs. Current margins appear sustainable, although energy price volatility and foreign exchange rates are expected to influence future margins. Demand remained robust during the quarter, with sales volumes stable compared with the previous quarter.

"Capital expenditure, excluding acquisitions, for the nine months was \$9.8 billion, and is expected to be slightly above \$14 billion for the year. 2005 capital spending is expected to be around \$14 billion, above our previous forecast primarily due to the weak US dollar and the assumption that recent sector specific inflationary pressure in the market price of capital goods is sustained through 2005. The share buyback programme is continuing, reducing the number of shares outstanding thus increasing our ability to accelerate per share dividend growth."

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The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding BP's asset portfolio and changes in it, capital expenditure, costs, demand, divestments, future performance, growth and other trend projections, impact of foreign exchange rates, maintenance, margins, prices, production, share repurchases and the timing of projects and pending transactions. Forward looking statements by their nature 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 and successful commercial relationships; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; wars and acts of terrorism or sabotage; and

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other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2003 and our 2003 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

| BP p.l.c. and Subsidiaries |                           |                          |   |                               |        |
|----------------------------|---------------------------|--------------------------|---|-------------------------------|--------|
| Summarized Group Results   |                           |                          |   |                               |        |
| Third<br>Quarter<br>2003   | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |   | Nine Months<br>2004      2003 |        |
| \$ million                 |                           |                          |   | \$ million                    |        |
| 3,666                      | 4,302                     | 4,883                    | Exploration and Production  | 13,427                        | 11,818 |
| 482                        | 1,344                     | 1,081                    | Refining and Marketing  | 3,145                         | 1,998  |
| 84                         | 208                       | 188                      | Petrochemicals  | 371                           | 527    |
| 127                        | 216                       | 130                      | Gas, Power and Renewables   | 544                           | 484    |
| (330)                      | (164)                     | (424)                    | Other businesses and corporate                                      | 541                           | (649)  |
|                            |                           |                          | Replacement cost profit before interest and tax                     | 18,028                        | 14,178 |
| 4,029                      | 5,906                     | 5,858                    | Stock holding gains (losses) (Note 5)                               | 2,137                         | (68)   |
| 84                         | 462                       | 1,027                    |   |                               |        |
|                            |                           |                          | Historical cost profit before interest and tax                      | 20,165                        | 14,110 |
| 4,113                      | 6,368                     | 6,885                    | Interest expense (Note 6)   | 453                           | 484    |
| 159                        | 145                       | 156                      | Other finance expense (Note 7)                                      | 231                           | 395    |
| 139                        | 76                        | 79                       |   |                               |        |
|                            |                           |                          | Profit before taxation  | 19,481                        | 13,231 |
| 3,815                      | 6,147                     | 6,650                    | Taxation (Note 8)   | 6,130                         | 4,954  |
| 1,428                      | 2,199                     | 2,109                    |   |                               |        |
|                            |                           |                          | Profit after taxation   | 13,351                        | 8,277  |
| 2,387                      | 3,948                     | 4,541                    | Minority shareholders' interest                                     | 154                           | 129    |
| 43                         | 52                        | 58                       |   |                               |        |
|                            |                           |                          | Profit for the period   | 13,197                        | 8,148  |
| 2,344                      | 3,896                     | 4,483                    |   |                               |        |
|                            |                           |                          | Distribution to shareholders  | 4,549                         | 4,258  |
| 1,438                      | 1,536                     | 1,530                    |   |                               |        |
|                            |                           |                          | Earnings per ordinary share - cents                                 |                               |        |
| 10.62                      | 17.80                     | 20.67                    | Basic   | 60.28                         | 36.71  |
| 10.51                      | 17.43                     | 20.41                    | Diluted   | 59.18                         | 36.51  |
|                            |                           |                          | Replacement Cost Results  |                               |        |
|                            |                           |                          | Historical cost profit for the period                               | 13,197                        | 8,148  |
| 2,344                      | 3,896                     | 4,483                    | Stock holding (gains) losses net of minority shareholders' interest | (2,137)                       | 68     |
| (84)                       | (462)                     | (1,027)                  |   |                               |        |
|                            |                           |                          | Replacement cost profit for the period                              | 11,060                        | 8,216  |
| 2,260                      | 3,434                     | 3,456                    |   |                               |        |

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|       |       |       |                                     |       |       |
|-------|-------|-------|-------------------------------------|-------|-------|
|       |       |       | Earnings per ordinary share - cents |       |       |
|       |       |       | On replacement cost profit          |       |       |
| 10.25 | 15.68 | 15.96 | for the period                      | 50.52 | 37.02 |
|       |       |       |                                     |       |       |

### Summarized Group Balance Sheet

|   | 30 September<br>2004 | 31 December<br>2003 |
|---|----------------------|---------------------|
|   | =====                |                     |
|   | \$ million           |                     |
| Fixed assets  |                      |                     |
| Intangible assets   | 12,741               | 13,642              |
| Tangible assets   | 91,917               | 91,911              |
| Investments   | 18,829               | 17,458              |
|   | -----                | -----               |
|   | 123,487              | 123,011             |
|   | -----                |                     |
| Current assets  |                      |                     |
| Stocks  | 15,087               | 11,617              |
| Debtors   | 39,703               | 33,902              |
| Investments   | 245                  | 185                 |
| Cash at bank and in hand  | 1,576                | 1,947               |
|   | -----                | -----               |
|   | 56,611               | 47,651              |
| Creditors - amounts falling due within one year                                 |                      |                     |
| Finance debt  | 7,665                | 9,456               |
| Other creditors   | 48,324               | 41,128              |
|   | -----                | -----               |
| Net current assets (liabilities)  | 622                  | (2,933)             |
|   | -----                |                     |
| Total assets less current liabilities   | 124,109              | 120,078             |
|   | -----                |                     |
| Creditors - amounts falling due<br>after more than one year                     |                      |                     |
| Finance debt  | 12,780               | 12,869              |
| Other creditors   | 4,475                | 6,090               |
| Provisions for liabilities and charges  |                      |                     |
| Deferred taxation   | 14,970               | 14,371              |
| Other provisions  | 9,270                | 8,815               |
|   | -----                | -----               |
| Net assets excluding pensions and other<br>post-retirement benefit balances     | 82,614               | 77,933              |
| Defined benefit pension plan surplus  | 1,292                | 1,021               |
| Defined benefit pension plan and other<br>post-retirement benefit plan deficits | (7,682)              | (7,510)             |
|   | -----                | -----               |
| Net assets  | 76,224               | 71,444              |
| Minority shareholders' interest - equity  | 1,283                | 1,125               |
|   | -----                | -----               |
| BP shareholders' interest   | 74,941               | 70,319              |
|   | =====                |                     |



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| Movement in BP shareholders' interest:                              | \$ million |
|---|------------|
| At 31 December 2003   | 75,938     |
| Prior year adjustment - change in accounting policy<br>(see Note 1) | (5,619)    |
|   | -----      |
| As restated   | 70,319     |
| Profit for the period   | 13,197     |
| Distribution to shareholders  | (4,549)    |
| Currency translation differences (net of tax)                       | (152)      |
| Issue of ordinary share capital for employee share schemes          | 379        |
| Issue of ordinary share capital for TNK-BP acquisition              | 1,250      |
| Net purchase of shares by ESOP trusts                               | (4)        |
| Repurchase of ordinary share capital                                | (5,499)    |
|   | -----      |
| At 30 September 2004  | 74,941     |
|   | =====      |

Summarized Group Cash Flow Statement

| Third Quarter<br>2003 | Second Quarter<br>2004 | Third Quarter<br>2004 |  | Nine Months<br>2004 | 2003    |
|-----------------------|------------------------|-----------------------|--|---------------------|---------|
| =====                 |                        |                       |  | =====               |         |
| \$ million            |                        |                       |  | \$ million          |         |
| 4,891                 | 6,917                  | 6,919                 | Net cash inflow from<br>operating activities (a)                         | 21,510              | 18,198  |
| 39                    | 7                      | 1,061                 | Dividends from joint ventures  | 1,246               | 80      |
| 65                    | 97                     | 69                    | Dividends from<br>associated undertakings                                | 197                 | 297     |
| 41                    | 45                     | 50                    | Net cash outflow from servicing of<br>finance and returns on investments | (324)               | (635)   |
| (163)                 | (154)                  | (152)                 | Interest received  | 136                 | 124     |
| 26                    | 18                     | 6                     | Interest paid  | (471)               | (816)   |
| (4)                   | (8)                    | (15)                  | Dividends received   | 36                  | 74      |
|                       |                        |                       | Dividends paid to<br>minority shareholders                               | (25)                | (17)    |
| (100)                 | (99)                   | (111)                 | Taxation   |                     |         |
| (264)                 | (388)                  | (299)                 | UK corporation tax   | (1,009)             | (856)   |
| (539)                 | (1,231)                | (1,489)               | Overseas tax   | (2,978)             | (2,432) |
| (803)                 | (1,619)                | (1,788)               | Tax paid   | (3,987)             | (3,288) |
|                       |                        |                       | Capital expenditure and  |                     |         |
| -----                 |                        |                       |  | -----               |         |

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|         |         |         |  |                                    |         |         |  |  |  |
|---------|---------|---------|--|------------------------------------|---------|---------|--|--|--|
|         |         |         |  |                                    |         |         |  |  |  |
|         |         |         |  | financial investment               |         |         |  |  |  |
| (3,063) | (2,764) | (3,251) |  | Payments for fixed assets          | (8,956) | (8,694) |  |  |  |
|         |         |         |  | Proceeds from the sale             |         |         |  |  |  |
| 874     | 352     | 537     |  | of fixed assets                    | 3,728   | 4,843   |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
|         |         |         |  | Net cash outflow for               |         |         |  |  |  |
|         |         |         |  | capital expenditure and            |         |         |  |  |  |
| (2,189) | (2,412) | (2,714) |  | financial investment               | (5,228) | (3,851) |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
|         |         |         |  | Acquisitions and disposals         |         |         |  |  |  |
| (28)    | (14)    | -       |  | Acquisitions, net of cash acquired | (14)    | (178)   |  |  |  |
|         |         |         |  | Proceeds from the sale             |         |         |  |  |  |
| -       | 305     | 37      |  | of businesses                      | 342     | 179     |  |  |  |
|         |         |         |  | Net investment in                  |         |         |  |  |  |
| (2,625) | -       | 23      |  | TNK-BP joint venture               | (1,250) | (2,625) |  |  |  |
|         |         |         |  | Net investment in                  |         |         |  |  |  |
| -       | (21)    | (75)    |  | other joint ventures               | (188)   | (16)    |  |  |  |
|         |         |         |  | Investments in associated          |         |         |  |  |  |
| (243)   | (148)   | (171)   |  | undertakings                       | (752)   | (760)   |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
|         |         |         |  | Net cash (outflow) inflow for      |         |         |  |  |  |
| (2,896) | 122     | (186)   |  | acquisitions and disposals         | (1,862) | (3,400) |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
| (1,433) | (1,478) | (1,536) |  | Equity dividends paid              | (4,506) | (4,216) |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
| (2,426) | 1,535   | 1,714   |  | Net cash inflow (outflow)          | 7,046   | 3,185   |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
| (1,471) | 2,155   | 1,617   |  | Financing (b)                      | 7,370   | 3,483   |  |  |  |
| 76      | (153)   | 73      |  | Management of liquid resources     | 58      | 182     |  |  |  |
| (1,031) | (467)   | 24      |  | (Decrease) increase in cash        | (382)   | (480)   |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |
| (2,426) | 1,535   | 1,714   |  |                                    | 7,046   | 3,185   |  |  |  |
|         |         |         |  |                                    |         |         |  |  |  |

### Analysis of Cash Flow

| Third      | Second  | Third   |  |                                    |         |        |            | Nine Months |      |
|------------|---------|---------|--|------------------------------------|---------|--------|------------|-------------|------|
| Quarter    | Quarter | Quarter |  |                                    |         |        |            | 2004        | 2003 |
| 2003       | 2004    | 2004    |  |                                    |         |        |            |             |      |
|            |         |         |  |                                    |         |        |            |             |      |
| \$ million |         |         |  |                                    |         |        | \$ million |             |      |
|            |         |         |  | (a) Reconciliation of historical   |         |        |            |             |      |
|            |         |         |  | cost profit before interest        |         |        |            |             |      |
|            |         |         |  | and tax to net cash inflow         |         |        |            |             |      |
|            |         |         |  | from operating activities          |         |        |            |             |      |
|            |         |         |  | Historical cost profit before      |         |        |            |             |      |
| 4,113      | 6,368   | 6,885   |  | interest and tax                   | 20,165  | 14,110 |            |             |      |
| 2,485      | 2,738   | 2,648   |  | Depreciation and amounts provided  | 8,200   | 7,847  |            |             |      |
|            |         |         |  | Exploration expenditure            |         |        |            |             |      |
| 75         | 22      | 34      |  | written off                        | 123     | 168    |            |             |      |
|            |         |         |  | Net operating charge for pensions  |         |        |            |             |      |
|            |         |         |  | and other post-retirement          |         |        |            |             |      |
| (525)      | (34)    | 39      |  | benefits, less contributions       | (18)    | (723)  |            |             |      |
|            |         |         |  | Share of profits of joint ventures |         |        |            |             |      |
| (433)      | (868)   | (1,117) |  | and associated undertakings        | (2,626) | (944)  |            |             |      |
| (72)       | (74)    | (49)    |  | Interest and other income          | (187)   | (220)  |            |             |      |
|            |         |         |  | (Profit) loss on sale of fixed     |         |        |            |             |      |
| (172)      | 127     | 15      |  | assets and businesses              | (1,088) | (846)  |            |             |      |
| 583        | 50      | 630     |  | Charge for provisions              | 747     | 641    |            |             |      |
| (187)      | (95)    | (168)   |  | Utilization of provisions          | (418)   | (512)  |            |             |      |
| (1,048)    | (1,412) | (2,573) |  | (Increase) decrease in stocks      | (3,738) | (479)  |            |             |      |

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|                              |         |         |         |   |         |         |
|------------------------------|---------|---------|---------|---|---------|---------|
|                              | (35)    | (1,400) | (3,395) | (Increase) decrease in debtors  | (6,381) | (3,417) |
|                              | 107     | 1,495   | 3,970   | Increase (decrease) in creditors                                      | 6,731   | 2,573   |
| -----                        |         |         |         |   |         |         |
|                              | 4,891   | 6,917   | 6,919   | Net cash inflow from operating activities                             | 21,510  | 18,198  |
| =====                        |         |         |         |   |         |         |
| (b) Financing                |         |         |         |   |         |         |
|                              | (1,433) | (430)   | (717)   | Long-term borrowing   | (1,775) | (2,656) |
|                              | 1,774   | 434     | 13      | Repayments of long-term borrowing                                     | 1,283   | 2,784   |
|                              | (1,924) | (111)   | (338)   | Short-term borrowing  | (605)   | (2,968) |
|                              | 143     | 314     | 479     | Repayments of short-term borrowing                                    | 3,201   | 4,430   |
| -----                        |         |         |         |   |         |         |
|                              | (1,440) | 207     | (563)   | Issue of ordinary share capital for employee share schemes            | 2,104   | 1,590   |
|                              | (31)    | (96)    | (157)   | Purchase of shares by ESOP trusts                                     | (379)   | (112)   |
|                              | -       | 44      | 87      | Repurchase of ordinary share capital                                  | 146     | 6       |
|                              | -       | 2,000   | 2,250   |   | 5,499   | 1,999   |
| -----                        |         |         |         |   |         |         |
|                              | (1,471) | 2,155   | 1,617   | Net cash outflow (inflow) from financing                              | 7,370   | 3,483   |
| =====                        |         |         |         |   |         |         |
| Adjusted Operating Cash Flow |         |         |         |   |         |         |
|                              | 4,891   | 6,917   | 6,919   | Net cash inflow from operating activities (a)                         | 21,510  | 18,198  |
|                              | 39      | 7       | 1,061   | Dividends received from joint ventures                                | 1,246   | 80      |
|                              | 65      | 97      | 69      | Dividends received from associated undertakings                       | 197     | 297     |
|                              | (100)   | (99)    | (111)   | Net cash outflow from servicing of finance and returns on investments | (324)   | (635)   |
| -----                        |         |         |         |   |         |         |
|                              | 4,895   | 6,922   | 7,938   | Adjusted operating cash flow (pre-tax)                                | 22,629  | 17,940  |
|                              | (799)   | (1,647) | (1,821) | Tax paid on operations*   | (4,118) | (3,081) |
| -----                        |         |         |         |   |         |         |
|                              | 4,096   | 5,275   | 6,117   | Adjusted operating cash flow (post-tax)                               | 18,511  | 14,859  |
| -----                        |         |         |         |   |         |         |
|                              | (799)   | (1,647) | (1,821) | * Components of tax payments  |         |         |
|                              | (4)     | 28      | 33      | Tax paid on operations  | (4,118) | (3,081) |
|                              |         |         |         | Tax refunded/(paid) on exceptional items (b)                          | 131     | (207)   |
| -----                        |         |         |         |   |         |         |
|                              | (803)   | (1,619) | (1,788) | Total tax paid  | (3,987) | (3,288) |
| =====                        |         |         |         |   |         |         |

(a) Includes pre-tax discretionary pension funding of \$83 million in 3Q 2004 (\$55 million post-tax), \$249 million in nine months 2004 (\$171 million post-tax), \$612 million in 3Q 2003 (\$386 million post-tax) and \$947 million in nine months 2003 (\$600 million post-tax).

(b) Deemed to be the tax credit/(charge) on exceptional items in the income statement.

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| Capital Expenditure and Acquisitions |                           |                          |                               |        |
|--------------------------------------|---------------------------|--------------------------|-------------------------------|--------|
| Third<br>Quarter<br>2003             | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 | Nine Months<br>2004      2003 |        |
| =====                                |                           |                          | =====                         |        |
| \$ million                           |                           |                          | \$ million                    |        |
| By business                          |                           |                          |                               |        |
| Exploration and Production           |                           |                          |                               |        |
| 181                                  | 211                       | 191                      | 555                           | 597    |
| 80                                   | 45                        | 68                       | 161                           | 204    |
| 989                                  | 1,027                     | 1,035                    | 2,994                         | 2,957  |
| 6,973                                | 1,022                     | 1,150                    | 4,862                         | 9,017  |
| -----                                |                           |                          | -----                         |        |
| 8,223                                | 2,305                     | 2,444                    | 8,572                         | 12,775 |
| -----                                |                           |                          |                               |        |
| Refining and Marketing               |                           |                          |                               |        |
| 89                                   | 82                        | 100                      | 259                           | 228    |
| 169                                  | 173                       | 159                      | 424                           | 337    |
| 322                                  | 330                       | 291                      | 879                           | 886    |
| 79                                   | 55                        | 59                       | 151                           | 130    |
| -----                                |                           |                          | -----                         |        |
| 659                                  | 640                       | 609                      | 1,713                         | 1,581  |
| -----                                |                           |                          |                               |        |
| Petrochemicals                       |                           |                          |                               |        |
| 51                                   | 22                        | 66                       | 108                           | 81     |
| 16                                   | 53                        | 69                       | 160                           | 68     |
| 55                                   | 68                        | 72                       | 187                           | 161    |
| 60                                   | 38                        | 25                       | 124                           | 166    |
| -----                                |                           |                          | -----                         |        |
| 182                                  | 181                       | 232                      | 579                           | 476    |
| -----                                |                           |                          |                               |        |
| Gas, Power and Renewables            |                           |                          |                               |        |
| 16                                   | 5                         | 6                        | 12                            | 48     |
| 6                                    | 3                         | 2                        | 7                             | 30     |
| 18                                   | 14                        | 14                       | 39                            | 111    |
| 45                                   | 60                        | 43                       | 150                           | 109    |
| -----                                |                           |                          | -----                         |        |
| 85                                   | 82                        | 65                       | 208                           | 298    |
| -----                                |                           |                          |                               |        |
| Other businesses and corporate       |                           |                          |                               |        |
| 40                                   | 13                        | 51                       | 66                            | 79     |
| -                                    | -                         | -                        | -                             | 1      |
| 19                                   | 13                        | 11                       | 33                            | 191    |
| -                                    | -                         | -                        | -                             | 1      |
| -----                                |                           |                          | -----                         |        |
| 59                                   | 26                        | 62                       | 99                            | 272    |
| -----                                |                           |                          |                               |        |
| 9,208                                | 3,234                     | 3,412                    | 11,171                        | 15,402 |
| =====                                |                           |                          | =====                         |        |
| By geographical area                 |                           |                          |                               |        |
| 377                                  | 333                       | 414                      | 1,000                         | 1,033  |
| 271                                  | 274                       | 298                      | 752                           | 640    |
| 1,403                                | 1,452                     | 1,423                    | 4,132                         | 4,306  |
| 7,157                                | 1,175                     | 1,277                    | 5,287                         | 9,423  |
| -----                                |                           |                          | -----                         |        |
| 9,208                                | 3,234                     | 3,412                    | 11,171                        | 15,402 |
| =====                                |                           |                          |                               |        |

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(a) Nine months 2004 included \$1,354 million investment in TNK's interest in Slavneft within TNK-BP. Third quarter and nine months 2003 included the investment in the TNK-BP joint venture.

|      |      |      |                                    |      |      |
|------|------|------|------------------------------------|------|------|
|      |      |      | Exchange rates                     |      |      |
|      |      |      | US dollar/sterling average rate    |      |      |
| 1.61 | 1.81 | 1.82 | for the period                     | 1.82 | 1.61 |
| 1.66 | 1.81 | 1.80 | US dollar/sterling period-end rate | 1.80 | 1.66 |
|      |      |      | US dollar/euro average rate        |      |      |
| 1.13 | 1.20 | 1.22 | for the period                     | 1.23 | 1.11 |
| 1.15 | 1.21 | 1.23 | US dollar/euro period-end rate     | 1.23 | 1.15 |

Analysis of Replacement Cost Profit  
Before Interest and Tax

| Third Quarter<br>2003      | Second Quarter<br>2004 | Third Quarter<br>2004 |                | Nine Months<br>2004 | Nine Months<br>2003 |
|----------------------------|------------------------|-----------------------|----------------|---------------------|---------------------|
| =====                      |                        |                       |                | =====               |                     |
| \$ million                 |                        |                       |                | \$ million          |                     |
| By business                |                        |                       |                |                     |                     |
| Exploration and Production |                        |                       |                |                     |                     |
| 672                        | 835                    | 745                   | UK             | 2,403               | 2,743               |
| 95                         | 206                    | 246                   | Rest of Europe | 615                 | 433                 |
| 1,352                      | 1,503                  | 1,566                 | USA            | 4,563               | 4,384               |
| 1,547                      | 1,758                  | 2,326                 | Rest of World  | 5,846               | 4,258               |
| -----                      |                        |                       |                | -----               |                     |
| 3,666                      | 4,302                  | 4,883                 |                | 13,427              | 11,818              |
| -----                      |                        |                       |                |                     |                     |
| Refining and Marketing     |                        |                       |                |                     |                     |
| (160)                      | (195)                  | (152)                 | UK             | (536)               | (320)               |
| 355                        | 444                    | 533                   | Rest of Europe | 1,266               | 1,215               |
| 92                         | 872                    | 536                   | USA            | 1,817               | 574                 |
| 195                        | 223                    | 164                   | Rest of World  | 598                 | 529                 |
| -----                      |                        |                       |                | -----               |                     |
| 482                        | 1,344                  | 1,081                 |                | 3,145               | 1,998               |
| -----                      |                        |                       |                |                     |                     |
| Petrochemicals             |                        |                       |                |                     |                     |
| (132)                      | (62)                   | (107)                 | UK             | (325)               | (260)               |
| 93                         | 183                    | 130                   | Rest of Europe | 467                 | 442                 |
| 63                         | 3                      | 30                    | USA            | (76)                | 199                 |
| 60                         | 84                     | 135                   | Rest of World  | 305                 | 146                 |
| -----                      |                        |                       |                | -----               |                     |
| 84                         | 208                    | 188                   |                | 371                 | 527                 |
| -----                      |                        |                       |                |                     |                     |
| Gas, Power and Renewables  |                        |                       |                |                     |                     |
| 15                         | (2)                    | (46)                  | UK             | (36)                | 36                  |
| (12)                       | (3)                    | (9)                   | Rest of Europe | (23)                | (26)                |
| 78                         | 114                    | 139                   | USA            | 332                 | 261                 |
| 46                         | 107                    | 46                    | Rest of World  | 271                 | 213                 |
| -----                      |                        |                       |                | -----               |                     |
| 127                        | 216                    | 130                   |                | 544                 | 484                 |

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

|       |       |       |   |        |        |
|-------|-------|-------|---|--------|--------|
|       |       |       |   |        |        |
| (108) | (50)  | (147) | Other businesses and corporate              | (360)  | (350)  |
| 3     | (1)   | 21    | UK  | 14     | (7)    |
| (237) | (109) | (268) | Rest of Europe                              | (407)  | (361)  |
| 12    | (4)   | (30)  | USA   | 1,294  | 69     |
|       |       |       | Rest of World                               |        |        |
| (330) | (164) | (424) |   | 541    | (649)  |
| 4,029 | 5,906 | 5,858 |   | 18,028 | 14,178 |
| ===== |       |       |   |        |        |
|       |       |       | By geographical area                        |        |        |
| 287   | 526   | 293   | UK  | 1,146  | 1,849  |
| 534   | 829   | 921   | Rest of Europe                              | 2,339  | 2,057  |
| 1,348 | 2,383 | 2,003 | USA   | 6,229  | 5,057  |
| 1,860 | 2,168 | 2,641 | Rest of World                               | 8,314  | 5,215  |
|       |       |       |   |        |        |
| 4,029 | 5,906 | 5,858 |   | 18,028 | 14,178 |
| ===== |       |       |   |        |        |
|       |       |       | Included above:                             |        |        |
| 303   | 734   | 942   | Share of profits of joint ventures          | 2,161  | 521    |
| 128   | 130   | 165   | Share of profits of associated undertakings | 436    | 418    |
|       |       |       |   |        |        |
| 431   | 864   | 1,107 |   | 2,597  | 939    |
| ===== |       |       |   |        |        |

### Pro Forma Result: Replacement Cost Profit Before Interest and Tax Adjusted for Acquisition Amortization

| Third Quarter<br>2003 | Second Quarter<br>2004 | Third Quarter<br>2004 |                            | Nine Months |        |
|-----------------------|------------------------|-----------------------|----------------------------|-------------|--------|
|                       |                        |                       |                            | 2004        | 2003   |
| \$ million            |                        |                       |                            | \$ million  |        |
| =====                 |                        |                       |                            |             |        |
|                       |                        |                       | By business                |             |        |
|                       |                        |                       | Exploration and Production |             |        |
| 704                   | 867                    | 775                   | UK                         | 2,500       | 2,842  |
| 95                    | 206                    | 246                   | Rest of Europe             | 615         | 433    |
| 1,592                 | 1,713                  | 1,785                 | USA                        | 5,206       | 5,140  |
| 1,568                 | 1,772                  | 2,338                 | Rest of World              | 5,949       | 4,543  |
|                       |                        |                       |                            |             |        |
| 3,959                 | 4,558                  | 5,144                 |                            | 14,270      | 12,958 |
| -----                 |                        |                       |                            |             |        |
|                       |                        |                       | Refining and Marketing     |             |        |
| (50)                  | (72)                   | (27)                  | UK                         | (162)       | 10     |
| 355                   | 444                    | 533                   | Rest of Europe             | 1,266       | 1,215  |
| 187                   | 967                    | 631                   | USA                        | 2,102       | 859    |
| 195                   | 223                    | 164                   | Rest of World              | 598         | 529    |
|                       |                        |                       |                            |             |        |
| 687                   | 1,562                  | 1,301                 |                            | 3,804       | 2,613  |
| -----                 |                        |                       |                            |             |        |
|                       |                        |                       | Petrochemicals             |             |        |
| (132)                 | (62)                   | (107)                 | UK                         | (325)       | (260)  |
| 93                    | 183                    | 130                   | Rest of Europe             | 467         | 442    |
| 63                    | 3                      | 30                    | USA                        | (76)        | 199    |
| 60                    | 84                     | 135                   | Rest of World              | 305         | 146    |
|                       |                        |                       |                            |             |        |
| 84                    | 208                    | 188                   |                            | 371         | 527    |
| -----                 |                        |                       |                            |             |        |

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

|                               |                           |                          |                                |               |
|-------------------------------|---------------------------|--------------------------|--------------------------------|---------------|
|                               |                           |                          |                                |               |
|                               |                           |                          | Gas, Power and Renewables      |               |
| 15                            | (2)                       | (46)                     | UK                             | (36) 36       |
| (12)                          | (3)                       | (9)                      | Rest of Europe                 | (23) (26)     |
| 78                            | 114                       | 139                      | USA                            | 332 261       |
| 46                            | 107                       | 46                       | Rest of World                  | 271 213       |
|                               |                           |                          |                                |               |
| 127                           | 216                       | 130                      |                                | 544 484       |
|                               |                           |                          |                                |               |
|                               |                           |                          | Other businesses and corporate |               |
| (108)                         | (50)                      | (147)                    | UK                             | (360) (350)   |
| 3                             | (1)                       | 21                       | Rest of Europe                 | 14 (7)        |
| (237)                         | (109)                     | (268)                    | USA                            | (407) (361)   |
| 12                            | (4)                       | (30)                     | Rest of World                  | 1,294 69      |
|                               |                           |                          |                                |               |
| (330)                         | (164)                     | (424)                    |                                | 541 (649)     |
|                               |                           |                          |                                |               |
| 4,527                         | 6,380                     | 6,339                    |                                | 19,530 15,933 |
|                               |                           |                          |                                |               |
|                               |                           |                          | By geographical area           |               |
| 429                           | 681                       | 448                      | UK                             | 1,617 2,278   |
| 534                           | 829                       | 921                      | Rest of Europe                 | 2,339 2,057   |
| 1,683                         | 2,688                     | 2,317                    | USA                            | 7,157 6,098   |
| 1,881                         | 2,182                     | 2,653                    | Rest of World                  | 8,417 5,500   |
|                               |                           |                          |                                |               |
| 4,527                         | 6,380                     | 6,339                    |                                | 19,530 15,933 |
|                               |                           |                          |                                |               |
| =====                         |                           |                          | =====                          |               |
| Analysis of Exceptional Items |                           |                          |                                |               |
| Third<br>Quarter<br>2003      | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 | Nine Months<br>2004 2003       |               |
| =====                         |                           |                          | =====                          |               |
| \$ million                    |                           |                          | \$ million                     |               |
|                               |                           |                          |                                |               |
|                               |                           |                          | Exploration and Production     |               |
| 147                           | (2)                       | (3)                      | UK                             | (6) 724       |
| (31)                          | -                         | (1)                      | Rest of Europe                 | (1) (31)      |
| (21)                          | 43                        | 13                       | USA                            | 37 (250)      |
| 101                           | (155)                     | 14                       | Rest of World                  | 90 519        |
|                               |                           |                          |                                |               |
| 196                           | (114)                     | 23                       |                                | 120 962       |
|                               |                           |                          |                                |               |
|                               |                           |                          | Refining and Marketing         |               |
| 14                            | (58)                      | (16)                     | UK                             | (110) (32)    |
| (34)                          | -                         | (25)                     | Rest of Europe                 | (42) (62)     |
| (3)                           | 7                         | 16                       | USA                            | 18 (29)       |
| 2                             | 33                        | 8                        | Rest of World                  | (41) 1        |
|                               |                           |                          |                                |               |
| (21)                          | (18)                      | (17)                     |                                | (175) (122)   |
|                               |                           |                          |                                |               |
|                               |                           |                          | Petrochemicals                 |               |
| -                             | 3                         | 10                       | UK                             | 6 3           |
| -                             | 73                        | (56)                     | Rest of Europe                 | (2) (1)       |
| 12                            | (70)                      | (3)                      | USA                            | (199) 16      |
| 1                             | -                         | 11                       | Rest of World                  | 9 4           |
|                               |                           |                          |                                |               |
| 13                            | 6                         | (38)                     |                                | (186) 22      |
|                               |                           |                          |                                |               |
|                               |                           |                          | Gas, Power and Renewables      |               |
| -                             | -                         | -                        | UK                             | - -           |
| -                             | -                         | -                        | Rest of Europe                 | - -           |

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|  |       |      |                                  |       |       |
|--|-------|------|----------------------------------|-------|-------|
| (5)  | -     | -    | USA                              | -     | 4     |
| 3  | -     | 16   | Rest of World                    | 16    | -     |
| <hr/>  |       |      |                                  |       |       |
| (2)  | -     | 16   |                                  | 16    | 4     |
| <hr/>  |       |      |                                  |       |       |
| Other businesses and corporate   |       |      |                                  |       |       |
| 7  | 1     | 1    | UK                               | 1     | (3)   |
| -  | (1)   | 1    | Rest of Europe                   | -     | (1)   |
| (21)   | -     | (1)  | USA                              | (1)   | (16)  |
| -  | (1)   | -    | Rest of World                    | 1,313 | -     |
| <hr/>  |       |      |                                  |       |       |
| (14)   | (1)   | 1    |                                  | 1,313 | (20)  |
| <hr/>  |       |      |                                  |       |       |
| Profit (loss) on sale of fixed assets<br>and businesses or termination |       |      |                                  |       |       |
| 172  | (127) | (15) | of operations                    | 1,088 | 846   |
| (4)  | 28    | 33   | Taxation credit (charge)         | 131   | (207) |
| <hr/>  |       |      |                                  |       |       |
| 168  | (99)  | 18   | Exceptional items after taxation | 1,219 | 639   |
| <hr/>  |       |      |                                  |       |       |

### Identified Non-operating Items and UPIS

| Third<br>Quarter<br>2003       | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                | Nine Months<br>2004 | 2003  |
|--------------------------------|---------------------------|--------------------------|----------------|---------------------|-------|
| \$ million                     |                           |                          |                | \$ million          |       |
| <hr/>                          |                           |                          |                |                     |       |
| Exploration and Production     |                           |                          |                |                     |       |
| -                              | -                         | -                        | UK             | -                   | (65)  |
| -                              | -                         | -                        | Rest of Europe | -                   | -     |
| 15                             | (247)                     | (77)                     | USA (a)        | (390)               | (85)  |
| -                              | -                         | (60)                     | Rest of World  | (183)               | (5)   |
| <hr/>                          |                           |                          |                |                     |       |
| 15                             | (247)                     | (137)                    |                | (573)               | (155) |
| <hr/>                          |                           |                          |                |                     |       |
| Refining and Marketing         |                           |                          |                |                     |       |
| -                              | -                         | (9)                      | UK             | (9)                 | -     |
| (72)                           | -                         | (20)                     | Rest of Europe | (20)                | (131) |
| (369)                          | -                         | (159)                    | USA            | (159)               | (369) |
| -                              | -                         | (18)                     | Rest of World  | (18)                | -     |
| <hr/>                          |                           |                          |                |                     |       |
| (441)                          | -                         | (206)                    |                | (206)               | (500) |
| <hr/>                          |                           |                          |                |                     |       |
| Petrochemicals                 |                           |                          |                |                     |       |
| (36)                           | -                         | (34)                     | UK             | (34)                | (36)  |
| -                              | -                         | -                        | Rest of Europe | -                   | -     |
| (20)                           | -                         | (24)                     | USA            | (24)                | (15)  |
| -                              | -                         | -                        | Rest of World  | -                   | -     |
| <hr/>                          |                           |                          |                |                     |       |
| (56)                           | -                         | (58)                     |                | (58)                | (51)  |
| <hr/>                          |                           |                          |                |                     |       |
| Gas, Power and Renewables      |                           |                          |                |                     |       |
| -                              | -                         | -                        | UK             | -                   | -     |
| -                              | -                         | -                        | Rest of Europe | -                   | -     |
| -                              | -                         | -                        | USA            | -                   | -     |
| -                              | -                         | -                        | Rest of World  | -                   | -     |
| <hr/>                          |                           |                          |                |                     |       |
| -                              | -                         | -                        |                | -                   | -     |
| <hr/>                          |                           |                          |                |                     |       |
| Other businesses and corporate |                           |                          |                |                     |       |



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|       |       |       |                          |         |       |
|-------|-------|-------|--------------------------|---------|-------|
| -     | -     | (21)  | UK                       | (21)    | -     |
| -     | -     | -     | Rest of Europe           | -       | -     |
| (112) | -     | (223) | USA                      | (223)   | (112) |
| -     | -     | -     | Rest of World            | -       | -     |
| ----- |       |       |                          |         |       |
| (112) | -     | (244) |                          | (244)   | (112) |
| ----- |       |       |                          |         |       |
| (594) | (247) | (645) | Total before taxation    | (1,081) | (818) |
| 209   | 88    | 226   | Taxation credit (charge) | 380     | 416   |
| ----- |       |       |                          |         |       |
| (385) | (159) | (419) | Total after taxation     | (701)   | (402) |
| ===== |       |       |                          |         |       |

(a) Includes charges for Unrealized Profit in Stock (UPIS) of \$95 million in 3Q 2004 and \$248 million in the nine months of 2004 and a credit of \$15 million in 3Q 2003 and a charge of \$4 million in the nine months of 2003, which removes the upstream margin from downstream inventories.

Acquisition Amortization by Business

| Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                                | Nine Months<br>2004 | 2003  |
|--------------------------|---------------------------|--------------------------|--------------------------------|---------------------|-------|
| =====                    |                           |                          |                                |                     |       |
| \$ million               |                           |                          |                                | \$ million          |       |
| -----                    |                           |                          |                                |                     |       |
|                          |                           |                          | Exploration and Production     |                     |       |
| 32                       | 32                        | 30                       | UK                             | 97                  | 99    |
| 240                      | 210                       | 219                      | USA                            | 643                 | 756   |
| 21                       | 14                        | 12                       | Rest of World                  | 103                 | 285   |
| -----                    |                           |                          |                                |                     |       |
| 293                      | 256                       | 261                      |                                | 843                 | 1,140 |
| -----                    |                           |                          |                                |                     |       |
|                          |                           |                          | Refining and Marketing         |                     |       |
| 110                      | 123                       | 125                      | UK                             | 374                 | 330   |
| 95                       | 95                        | 95                       | USA                            | 285                 | 285   |
| -----                    |                           |                          |                                |                     |       |
| 205                      | 218                       | 220                      |                                | 659                 | 615   |
| -----                    |                           |                          |                                |                     |       |
| 498                      | 474                       | 481                      | Total acquisition amortization | 1,502               | 1,755 |
| =====                    |                           |                          |                                |                     |       |

Production and Realizations

| Third<br>Quarter<br>2003            | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                | Nine Months<br>2004 | 2003 |
|-------------------------------------|---------------------------|--------------------------|----------------|---------------------|------|
| =====                               |                           |                          |                |                     |      |
| Production                          |                           |                          |                |                     |      |
| Crude oil (mb/d) (net of royalties) |                           |                          |                |                     |      |
| 312                                 | 321                       | 281                      | UK             | 315                 | 359  |
| 74                                  | 80                        | 68                       | Rest of Europe | 74                  | 81   |
| 558                                 | 541                       | 495                      | USA            | 533                 | 578  |
| 908                                 | 1,379                     | 1,454                    | Rest of World  | 1,398               | 780  |
| =====                               |                           |                          |                |                     |      |

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|                              |       |       |   |       |       |
|------------------------------|-------|-------|---|-------|-------|
| 1,852                        | 2,321 | 2,298 | Total crude oil production                    | 2,320 | 1,798 |
| =====                        |       |       |   |       |       |
| 23                           | 21    | 13    | Natural gas liquids (mb/d) (net of royalties) |       |       |
| 5                            | 5     | 3     | UK  | 18    | 24    |
| 141                          | 140   | 134   | Rest of Europe                                | 4     | 5     |
| 33                           | 31    | 31    | USA   | 138   | 150   |
|                              |       |       | Rest of World                                 | 30    | 32    |
| -----                        |       |       |   |       |       |
| 202                          | 197   | 181   | Total natural gas liquids production          | 190   | 211   |
| =====                        |       |       |   |       |       |
| 335                          | 342   | 294   | Liquids (a) (mb/d) (net of royalties)         |       |       |
| 79                           | 85    | 71    | UK  | 333   | 383   |
| 699                          | 681   | 629   | Rest of Europe                                | 78    | 86    |
| 941                          | 1,410 | 1,485 | USA   | 671   | 728   |
|                              |       |       | Rest of World                                 | 1,428 | 812   |
| -----                        |       |       |   |       |       |
| 2,054                        | 2,518 | 2,479 | Total liquids production                      | 2,510 | 2,009 |
| =====                        |       |       |   |       |       |
| 1,267                        | 1,213 | 903   | Natural gas (b) (mmcf/d) (net of royalties)   |       |       |
| 98                           | 136   | 110   | UK  | 1,156 | 1,489 |
| 3,005                        | 2,790 | 2,685 | Rest of Europe                                | 129   | 111   |
| 4,031                        | 4,286 | 4,577 | USA   | 2,781 | 3,194 |
|                              |       |       | Rest of World                                 | 4,367 | 3,823 |
| -----                        |       |       |   |       |       |
| 8,401                        | 8,425 | 8,275 | Total natural gas production                  | 8,433 | 8,617 |
| =====                        |       |       |   |       |       |
| Average realizations         |       |       |   |       |       |
| Crude oil (\$/bbl)           |       |       |   |       |       |
| 27.68                        | 33.99 | 40.33 | UK  | 34.21 | 28.33 |
| 28.61                        | 35.82 | 39.52 | USA   | 35.87 | 29.19 |
| 26.30                        | 32.64 | 38.01 | Rest of World                                 | 33.83 | 26.69 |
| 27.72                        | 34.47 | 39.43 | BP Average                                    | 34.93 | 28.25 |
| =====                        |       |       |   |       |       |
| Natural gas liquids (\$/bbl) |       |       |   |       |       |
| 22.62                        | 28.30 | 34.29 | UK  | 28.84 | 20.09 |
| 18.37                        | 23.13 | 27.59 | USA   | 24.31 | 18.15 |
| 21.76                        | 22.17 | 30.63 | Rest of World                                 | 25.81 | 21.65 |
| 19.39                        | 23.71 | 28.77 | BP Average                                    | 25.13 | 18.96 |
| =====                        |       |       |   |       |       |
| Liquids (a) (\$/bbl)         |       |       |   |       |       |
| 27.34                        | 33.64 | 40.06 | UK  | 33.92 | 27.83 |
| 26.90                        | 33.67 | 37.46 | USA   | 33.96 | 27.34 |
| 25.98                        | 31.90 | 37.53 | Rest of World                                 | 33.30 | 26.35 |
| 26.79                        | 33.27 | 38.29 | BP Average                                    | 33.89 | 27.24 |
| =====                        |       |       |   |       |       |
| Natural gas (\$/mcf)         |       |       |   |       |       |
| 2.69                         | 3.59  | 3.60  | UK  | 4.03  | 2.99  |
| 4.14                         | 5.11  | 4.94  | USA   | 4.92  | 4.66  |
| 2.31                         | 2.54  | 2.71  | Rest of World                                 | 2.64  | 2.51  |
| 3.08                         | 3.68  | 3.66  | BP Average                                    | 3.71  | 3.46  |
| =====                        |       |       |   |       |       |

(a) Crude oil and natural gas liquids.

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

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### Reconciliation of Historical Cost Profit (Loss) to Pro Forma Result

| \$ million                         | Reported<br>earnings | Acquisition<br>amortization | Pro forma<br>result |
|------------------------------------|----------------------|-----------------------------|---------------------|
| =====                              |                      |                             |                     |
| 2Q 2004                            |                      |                             |                     |
| Exploration and Production         | 4,302                | 256                         | 4,558               |
| Refining and Marketing             | 1,344                | 218                         | 1,562               |
| Petrochemicals                     | 208                  | -                           | 208                 |
| Gas, Power and Renewables          | 216                  | -                           | 216                 |
| Other businesses and corporate     | (164)                | -                           | (164)               |
| -----                              |                      |                             |                     |
| RC profit before interest and tax  | 5,906                | 474                         | 6,380               |
| Interest and other finance expense | (221)                | -                           | (221)               |
| Taxation                           | (2,199)              | -                           | (2,199)             |
| MSI                                | (52)                 | -                           | (52)                |
| -----                              |                      |                             |                     |
| RC profit                          | 3,434                | 474                         | 3,908               |
| =====                              |                      |                             |                     |
| Stock holding gains (losses)       | 462                  |                             |                     |
| -----                              |                      |                             |                     |
| HC profit                          | 3,896                |                             |                     |
| =====                              |                      |                             |                     |
| 3Q 2003                            |                      |                             |                     |
| Exploration and Production         | 3,666                | 293                         | 3,959               |
| Refining and Marketing             | 482                  | 205                         | 687                 |
| Petrochemicals                     | 84                   | -                           | 84                  |
| Gas, Power and Renewables          | 127                  | -                           | 127                 |
| Other businesses and corporate     | (330)                | -                           | (330)               |
| -----                              |                      |                             |                     |
| RC profit before interest and tax  | 4,029                | 498                         | 4,527               |
| Interest and other finance expense | (298)                | -                           | (298)               |
| Taxation                           | (1,428)              | -                           | (1,428)             |
| MSI                                | (43)                 | -                           | (43)                |
| -----                              |                      |                             |                     |
| RC profit                          | 2,260                | 498                         | 2,758               |
| =====                              |                      |                             |                     |
| Stock holding gains (losses)       | 84                   |                             |                     |
| -----                              |                      |                             |                     |
| HC profit                          | 2,344                |                             |                     |
| =====                              |                      |                             |                     |

### Reconciliation of Historical Cost Profit (Loss) to Pro Forma Result

| \$ million | Reported<br>earnings | Acquisition<br>amortization | Pro forma<br>result |
|------------|----------------------|-----------------------------|---------------------|
|------------|----------------------|-----------------------------|---------------------|

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| =====                              |         |       |         |
|------------------------------------|---------|-------|---------|
| Nine Months 2004                   |         |       |         |
| Exploration and Production         | 13,427  | 843   | 14,270  |
| Refining and Marketing             | 3,145   | 659   | 3,804   |
| Petrochemicals                     | 371     | -     | 371     |
| Gas, Power and Renewables          | 544     | -     | 544     |
| Other businesses and corporate     | 541     | -     | 541     |
| -----                              |         |       |         |
| RC profit before interest and tax  | 18,028  | 1,502 | 19,530  |
|                                    |         |       |         |
| Interest and other finance expense | (684)   | -     | (684)   |
| Taxation                           | (6,130) | -     | (6,130) |
| MSI                                | (154)   | -     | (154)   |
| -----                              |         |       |         |
| RC profit                          | 11,060  | 1,502 | 12,562  |
| =====                              |         |       |         |
| Stock holding gains (losses)       | 2,137   |       |         |
| -----                              |         |       |         |
| HC profit                          | 13,197  |       |         |
| =====                              |         |       |         |
|                                    |         |       |         |
| Nine Months 2003                   |         |       |         |
| Exploration and Production         | 11,818  | 1,140 | 12,958  |
| Refining and Marketing             | 1,998   | 615   | 2,613   |
| Petrochemicals                     | 527     | -     | 527     |
| Gas, Power and Renewables          | 484     | -     | 484     |
| Other businesses and corporate     | (649)   | -     | (649)   |
| -----                              |         |       |         |
| RC profit before interest and tax  | 14,178  | 1,755 | 15,933  |
|                                    |         |       |         |
| Interest and other finance expense | (879)   | -     | (879)   |
| Taxation                           | (4,954) | -     | (4,954) |
| MSI                                | (129)   | -     | (129)   |
| -----                              |         |       |         |
| RC profit                          | 8,216   | 1,755 | 9,971   |
| =====                              |         |       |         |
| Stock holding gains (losses)       | (68)    |       |         |
| -----                              |         |       |         |
| HC profit                          | 8,148   |       |         |
| =====                              |         |       |         |

Return on Average Capital Employed

| Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                                 | Nine Months<br>2004 | Nine Months<br>2003 |
|--------------------------|---------------------------|--------------------------|---------------------------------|---------------------|---------------------|
| =====                    |                           |                          |                                 | =====               |                     |
| \$ million               |                           |                          |                                 | \$ million          |                     |
|                          |                           |                          | Replacement cost basis          |                     |                     |
| 2,260                    | 3,434                     | 3,456                    | RC profit for the period (a)    | 11,060              | 8,216               |
| 82                       | 62                        | 67                       | Interest (b)                    | 193                 | 259                 |
| 43                       | 52                        | 58                       | Minority shareholders' interest | 154                 | 129                 |
| -----                    |                           |                          |                                 | -----               |                     |

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|  |        |        |        |  |        |        |
|--|--------|--------|--------|--|--------|--------|
|  | 2,385  | 3,548  | 3,581  | Adjusted RC profit                                 | 11,407 | 8,604  |
|  | =====  |        |        |  | =====  |        |
|  | 86,886 | 93,928 | 95,289 | Average capital employed                           | 95,219 | 87,200 |
|  | 11.0%  | 15.1%  | 15.0%  | ROACE - replacement cost basis                     | 16.0%  | 13.2%  |
|  | -----  |        |        |  | -----  |        |
|  | 2,385  | 3,548  | 3,581  | Pro forma basis                                    |        |        |
|  | 498    | 474    | 481    | Adjusted RC profit (a)                             | 11,407 | 8,604  |
|  |        |        |        | Acquisition amortization                           | 1,502  | 1,755  |
|  | -----  |        |        |  | -----  |        |
|  | 2,883  | 4,022  | 4,062  | Adjusted RC profit -<br>pro forma basis            | 12,909 | 10,359 |
|  | =====  |        |        |  | =====  |        |
|  | 86,886 | 93,928 | 95,289 | Average capital employed                           | 95,219 | 87,200 |
|  | 14,110 | 12,689 | 12,156 | Average capital employed<br>acquisition adjustment | 12,614 | 15,211 |
|  | -----  |        |        |  | -----  |        |
|  | 72,776 | 81,239 | 83,133 | Average capital employed<br>(pro forma basis)      | 82,605 | 71,989 |
|  | 15.8%  | 19.8%  | 19.5%  | ROACE - Pro forma basis                            | 20.8%  | 19.2%  |
|  | -----  |        |        |  | -----  |        |
|  | 2,344  | 3,896  | 4,483  | Historical cost basis                              |        |        |
|  | 82     | 62     | 67     | Profit for the period (a)                          | 13,197 | 8,148  |
|  | 43     | 52     | 58     | Interest (b)                                       | 193    | 259    |
|  |        |        |        | Minority shareholders' interest                    | 154    | 129    |
|  | -----  |        |        |  | -----  |        |
|  | 2,469  | 4,010  | 4,608  | Adjusted historical cost profit                    | 13,544 | 8,536  |
|  | =====  |        |        |  | =====  |        |
|  | 86,886 | 93,928 | 95,289 | Average capital employed                           | 95,219 | 87,200 |
|  | 11.4%  | 17.1%  | 19.3%  | ROACE - historical cost basis                      | 19.0%  | 13.1%  |

- (a) 3Q 2004 includes \$18 million in respect of exceptional items and \$(419) million in respect of non-operating items and UPIS. Nine months 2004 includes \$1,219 million in respect of exceptional items and \$(701) million in respect of non-operating items and UPIS. 3Q 2003 includes \$168 million in respect of exceptional items and \$(385) million in respect of non-operating items and UPIS. Nine months 2003 includes \$639 million in respect of exceptional items and \$(402) million in respect of non-operating items and UPIS.
- (b) Excludes interest on joint venture and associated undertakings' debt and is on a post-tax basis using a deemed tax rate equal to the US statutory tax rate.

### Pre-Tax Cash Returns

|  | Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |  | Nine Months<br>2004 | 2003   |
|--|--------------------------|---------------------------|--------------------------|--|---------------------|--------|
|  | =====                    |                           |                          |  | =====               |        |
|  | \$ million               |                           |                          |  | \$ million          |        |
|  | 4,029                    | 5,906                     | 5,858                    | Replacement cost profit before<br>interest and tax | 18,028              | 14,178 |
|  | (172)                    | 127                       | 15                       | Exceptional items                                  | (1,088)             | (846)  |

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|  |          |          |          |                                   |          |          |
|--|----------|----------|----------|-----------------------------------|----------|----------|
|  | 3,857    | 6,033    | 5,873    |                                   | 16,940   | 13,332   |
|  | 498      | 474      | 481      | Replacement cost operating profit | 1,502    | 1,755    |
|  |          |          |          | Acquisition amortization          |          |          |
|  |          |          |          | Pro forma replacement cost        |          |          |
|  | 4,355    | 6,507    | 6,354    | operating profit                  | 18,442   | 15,087   |
|  | 609      | 160      | 550      | Non-operating items               | 833      | 814      |
|  |          |          |          | Pro forma DD&A, adjusted for non- |          |          |
|  | 1,987    | 2,104    | 2,160    | cash non-operating items          | 6,408    | 6,043    |
|  |          |          |          | Cash returns numerator            |          |          |
|  | 6,951    | 8,771    | 9,064    |                                   | 25,683   | 21,944   |
|  |          |          |          | Capital employed                  |          |          |
|  | 88,106   | 93,908   | 96,669   | Liabilities for current and       | 96,669   | 88,106   |
|  | 16,149   | 17,461   | 17,531   | deferred taxation                 | 17,531   | 16,149   |
|  |          |          |          | Operating capital employed        |          |          |
|  | 104,255  | 111,369  | 114,200  | Acquisition adjustment            | 114,200  | 104,255  |
|  | (13,751) | (12,447) | (11,865) |                                   | (11,865) | (13,751) |
|  |          |          |          | Cash returns denominator          |          |          |
|  | 90,504   | 98,922   | 102,335  |                                   | 102,335  | 90,504   |
|  |          |          |          | Average cash returns denominator  |          |          |
|  | 88,626   | 98,573   | 100,629  |                                   | 99,405   | 87,169   |
|  |          |          |          | Cash return                       |          |          |
|  | 31%      | 36%      | 36%      |                                   | 34%      | 34%      |

### Net Debt Ratio - Net Debt: Net Debt + Equity

|  | Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                                    | Nine Months<br>2004 2003 |        |
|--|--------------------------|---------------------------|--------------------------|------------------------------------|--------------------------|--------|
|  |                          |                           |                          |                                    |                          |        |
|  |                          |                           |                          |                                    |                          |        |
|  |                          |                           |                          |                                    |                          |        |
|  |                          |                           |                          |                                    |                          |        |
|  | 19,970                   | 19,858                    | 20,445                   | Gross debt                         | 20,445                   | 19,970 |
|  | 1,495                    | 1,703                     | 1,821                    | Cash and current asset investments | 1,821                    | 1,495  |
|  |                          |                           |                          | Net debt                           |                          |        |
|  | 18,475                   | 18,155                    | 18,624                   |                                    | 18,624                   | 18,475 |
|  |                          |                           |                          | Equity                             |                          |        |
|  | 68,136                   | 74,124                    | 76,224                   | Net debt ratio                     | 20%                      | 21%    |
|  | 21%                      | 20%                       | 20%                      | Acquisition adjustment             |                          |        |
|  |                          |                           |                          | Net debt ratio - pro forma basis   |                          |        |
|  | 13,751                   | 12,447                    | 11,865                   |                                    | 11,865                   | 13,751 |
|  | 25%                      | 23%                       | 22%                      |                                    | 22%                      | 25%    |

### Notes

#### 1. Restatement of comparative information

Comparative information for 2003 has been restated to reflect the changes described below.

- (a) Transfer of natural gas liquids activities  
With effect from 1 January 2004 natural gas liquids (NGLs)

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activities have been transferred from the Exploration and Production segment to Gas, Power and Renewables.

- (b) **New accounting standard for pensions and other post-retirement benefits**  
 With effect from 1 January 2004 BP has adopted Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17). FRS 17 requires that financial statements reflect at fair value the assets and liabilities arising from an employer's retirement benefit obligations and any related funding. The operating costs of providing retirement benefits are recognized in the period in which they are earned together with any related finance costs and changes in the value of related assets and liabilities. This contrasts with Statement of Standard Accounting Practice No. 24 'Accounting for Pension Costs', which requires the cost of providing pensions to be recognized on a systematic and rational basis over the period during which the employer benefits from the employee's services. The difference between the amount charged in the income statement and the amount paid as contributions into the pension fund is shown as a prepayment or provision on the balance sheet.
- (c) **Accounting for Employee Share Ownership Plans**  
 With effect from 1 January 2004 BP has adopted Urgent Issues Task Force Abstract No. 38 'Accounting for ESOP Trusts'. This abstract requires that BP shares held by the group for the purposes of Employee Share Ownership Plans (ESOPs) are deducted from equity on the balance sheet. Such shares were previously classified as fixed asset investments.

| Balance sheet at 31 December 2003  | Restated   | Reported |
|--|------------|----------|
|  | =====      |          |
|  | \$ million |          |
| Fixed assets   |            |          |
| Intangible assets  | 13,642     | 13,642   |
| Tangible assets  | 91,911     | 91,911   |
| Investments  | 17,458     | 17,554   |
|  | -----      | -----    |
|  | 123,011    | 123,107  |
|  | -----      | -----    |
| Current assets   | 47,651     | 54,465   |
| Creditors - amounts falling due within one year                              | 50,584     | 50,584   |
|  | -----      | -----    |
| Net current assets (liabilities)   | (2,933)    | 3,881    |
|  | -----      | -----    |
| Total assets less current liabilities  | 120,078    | 126,988  |
| Creditors - amounts falling due after more than one year                     | 18,959     | 18,959   |
| Provisions for liabilities and charges                                       |            |          |
| Deferred taxation  | 14,371     | 15,273   |
| Other provisions   | 8,815      | 15,693   |
|  | -----      | -----    |
| Net assets excluding pension and other post-retirement benefit balances      | 77,933     | 77,063   |
| Defined benefit pension plan surplus   | 1,021      | -        |
| Defined benefit pension plan and other post-retirement benefit plan deficits | (7,510)    | -        |
|  | -----      | -----    |

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|                                 |        |        |
|---------------------------------|--------|--------|
| Net assets                      | 71,444 | 77,063 |
| Minority shareholders' interest | 1,125  | 1,125  |
|                                 | -----  | -----  |
| BP shareholders' interest       | 70,319 | 75,938 |
|                                 | =====  | =====  |

Notes

| Income statements                                  | Restated                 |                        | Reported                 |                        |
|--|--------------------------|------------------------|--------------------------|------------------------|
|  | Third<br>Quarter<br>2003 | Nine<br>Months<br>2003 | Third<br>Quarter<br>2003 | Nine<br>Months<br>2003 |
|  | =====                    |                        |                          |                        |
|  | \$ million               |                        |                          |                        |
| Exploration and Production                         | 3,666                    | 11,818                 | 3,716                    | 11,961                 |
| Refining and Marketing                             | 482                      | 1,998                  | 434                      | 1,853                  |
| Petrochemicals                                     | 84                       | 527                    | 94                       | 555                    |
| Gas, Power and Renewables                          | 127                      | 484                    | 96                       | 399                    |
| Other businesses and corporate                     | (330)                    | (649)                  | (324)                    | (629)                  |
|  | -----                    |                        |                          |                        |
| Replacement cost profit before<br>interest and tax | 4,029                    | 14,178                 | 4,016                    | 14,139                 |
| Stock holding gains (losses)                       | 84                       | (68)                   | 84                       | (68)                   |
|  | -----                    |                        |                          |                        |
| Historical cost profit before<br>interest and tax  | 4,113                    | 14,110                 | 4,100                    | 14,071                 |
| Interest expense                                   | 159                      | 484                    | 213                      | 624                    |
| Other finance expense                              | 139                      | 395                    | -                        | -                      |
|  | -----                    |                        |                          |                        |
| Profit before taxation                             | 3,815                    | 13,231                 | 3,887                    | 13,447                 |
| Taxation   | 1,428                    | 4,954                  | 1,450                    | 5,023                  |
|  | -----                    |                        |                          |                        |
| Profit after taxation                              | 2,387                    | 8,277                  | 2,437                    | 8,424                  |
| Minority shareholders' interest                    | 43                       | 129                    | 43                       | 129                    |
|  | -----                    |                        |                          |                        |
| Profit for the period                              | 2,344                    | 8,148                  | 2,394                    | 8,295                  |
|  | =====                    |                        |                          |                        |
| Distribution to shareholders                       | 1,438                    | 4,258                  | 1,438                    | 4,258                  |
|  | -----                    |                        |                          |                        |
| Earnings per ordinary share - cents                |                          |                        |                          |                        |
| Basic  | 10.62                    | 36.71                  | 10.85                    | 37.37                  |
| Diluted  | 10.51                    | 36.51                  | 10.74                    | 37.18                  |
|  | =====                    |                        |                          |                        |

Notes

2. Turnover

|                  |                   |                  |             |
|------------------|-------------------|------------------|-------------|
| Third<br>Quarter | Second<br>Quarter | Third<br>Quarter | Nine Months |
|------------------|-------------------|------------------|-------------|



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| 2003       | 2004   | 2004   |                            | 2004       | 2003    |
|------------|--------|--------|----------------------------|------------|---------|
| =====      |        |        |                            | =====      |         |
| \$ million |        |        |                            | \$ million |         |
| 7,153      | 8,213  | 8,660  | By business                | 25,039     | 23,303  |
| 38,205     | 45,467 | 45,359 | Exploration and Production | 132,520    | 112,574 |
| 3,946      | 4,805  | 5,412  | Refining and Marketing     | 14,727     | 12,264  |
| 15,948     | 18,434 | 20,443 | Petrochemicals             | 59,852     | 48,938  |
|            |        |        | Gas, Power and Renewables  |            |         |
|            |        |        | Other businesses           |            |         |
| 138        | 132    | 137    | and corporate              | 390        | 378     |
| -----      |        |        |                            | -----      |         |
| 65,390     | 77,051 | 80,011 |                            | 232,528    | 197,457 |
|            |        |        | Less: sales between        |            |         |
| 7,140      | 7,960  | 9,126  | businesses                 | 24,950     | 22,750  |
| -----      |        |        |                            | -----      |         |
| 58,250     | 69,091 | 70,885 | Group excluding JVs        | 207,578    | 174,707 |
|            |        |        | Share of sales by          |            |         |
| 914        | 2,063  | 2,967  | joint ventures             | 6,908      | 1,676   |
| -----      |        |        |                            | -----      |         |
| 59,164     | 71,154 | 73,852 |                            | 214,486    | 176,383 |
| =====      |        |        |                            | =====      |         |
|            |        |        | By geographical area       |            |         |
|            |        |        | Group excluding JVs        |            |         |
| 12,561     | 17,355 | 21,848 | UK                         | 56,499     | 40,854  |
| 12,476     | 13,332 | 13,876 | Rest of Europe             | 39,249     | 38,294  |
| 29,119     | 33,541 | 31,435 | USA                        | 96,779     | 82,563  |
| 12,766     | 15,787 | 16,731 | Rest of World              | 48,335     | 38,604  |
| -----      |        |        |                            | -----      |         |
| 66,922     | 80,015 | 83,890 |                            | 240,862    | 200,315 |
| 8,672      | 10,924 | 13,005 | Less: sales between areas  | 33,284     | 25,608  |
| -----      |        |        |                            | -----      |         |
| 58,250     | 69,091 | 70,885 |                            | 207,578    | 174,707 |
| =====      |        |        |                            | =====      |         |

3. Replacement cost profit

Replacement cost profits reflect the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from the historical cost profit stock holding gains and losses.

Notes

4. Operating profits are after charging:

| Third<br>Quarter<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |                     | Nine Months<br>2004 | 2003 |
|--------------------------|---------------------------|--------------------------|---------------------|---------------------|------|
| =====                    |                           |                          |                     | =====               |      |
| \$ million               |                           |                          |                     | \$ million          |      |
|                          |                           |                          | Exploration expense |                     |      |

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|       |     |     |                           |       |       |
|-------|-----|-----|---------------------------|-------|-------|
| 11    | 3   | 4   | UK                        | 9     | 16    |
| 23    | 6   | 7   | Rest of Europe            | 15    | 32    |
| 60    | 63  | 58  | USA                       | 218   | 144   |
| 42    | 36  | 66  | Rest of World             | 137   | 157   |
| ----- |     |     |                           | ----- |       |
| 136   | 108 | 135 |                           | 379   | 349   |
| ===== |     |     |                           | ===== |       |
|       |     |     | Production taxes (a)      |       |       |
| 65    | 46  | 51  | UK petroleum revenue tax  | 223   | 256   |
| 351   | 378 | 502 | Overseas production taxes | 1,279 | 1,046 |
| ----- |     |     |                           | ----- |       |
| 416   | 424 | 553 |                           | 1,502 | 1,302 |
| ===== |     |     |                           | ===== |       |

(a) Production taxes are charged against Exploration and Production's operating profit and are not included in the charge for taxation in Note 8.

5. Stock holding gains (losses)

|       |     |       |                            |       |      |
|-------|-----|-------|----------------------------|-------|------|
| -     | -   | 5     | Exploration and Production | 13    | 3    |
| 89    | 428 | 866   | Refining and Marketing     | 1,823 | (64) |
| 2     | 40  | 129   | Petrochemicals             | 290   | 45   |
| (7)   | (6) | 27    | Gas, Power and Renewables  | 11    | (52) |
| ----- |     |       |                            | ----- |      |
| 84    | 462 | 1,027 |                            | 2,137 | (68) |
| ===== |     |       |                            | ===== |      |

Notes

6. Interest expense

| Third Quarter 2003 | Second Quarter 2004 | Third Quarter 2004 |                         | Nine Months 2004 | Nine Months 2003 |
|--------------------|---------------------|--------------------|-------------------------|------------------|------------------|
| -----              |                     |                    |                         | -----            |                  |
| \$ million         |                     |                    |                         | \$ million       |                  |
| 178                | 147                 | 160                | Group interest payable  | 456              | 528              |
| (53)               | (52)                | (57)               | Capitalized             | (159)            | (130)            |
| -----              |                     |                    |                         | -----            |                  |
| 125                | 95                  | 103                |                         | 297              | 398              |
| 23                 | 39                  | 41                 | Joint ventures          | 121              | 53               |
| 11                 | 11                  | 12                 | Associated undertakings | 35               | 33               |
| -----              |                     |                    |                         | -----            |                  |
| 159                | 145                 | 156                |                         | 453              | 484              |
| =====              |                     |                    |                         | =====            |                  |

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7. Other finance expense

|       |       |       |   |         |         |
|-------|-------|-------|---|---------|---------|
| 460   | 491   | 502   | Interest on pension and other post-retirement benefit plan liabilities                  | 1,493   | 1,380   |
| (375) | (491) | (493) | Expected return on pension and other post-retirement benefit plan assets                | (1,482) | (1,125) |
| ----- |       |       |   | -----   |         |
| 85    | -     | 9     | Interest net of expected return on plan assets  | 11      | 255     |
| 45    | 50    | 48    | Unwinding of discount on provisions   | 146     | 131     |
| 9     | 26    | 22    | Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | 74      | 9       |
| ----- |       |       |   | -----   |         |
| 139   | 76    | 79    |   | 231     | 395     |
| ===== |       |       |   | =====   |         |

8. Charge for taxation

|       |       |       |          |       |       |
|-------|-------|-------|----------|-------|-------|
| 1,528 | 2,165 | 1,672 | Current  | 5,543 | 4,515 |
| (100) | 34    | 437   | Deferred | 587   | 439   |
| ----- |       |       |          | ----- |       |
| 1,428 | 2,199 | 2,109 |          | 6,130 | 4,954 |
| ===== |       |       |          | ===== |       |
| 245   | 366   | 601   | UK       | 1,312 | 1,075 |
| 1,183 | 1,833 | 1,508 | Overseas | 4,818 | 3,879 |
| ----- |       |       |          | ----- |       |
| 1,428 | 2,199 | 2,109 |          | 6,130 | 4,954 |
| ===== |       |       |          | ===== |       |

Notes

9. Analysis of changes in net debt

| Third Quarter 2003 | Second Quarter 2004 | Third Quarter 2004 |                 | Nine Months 2004 | 2003   |
|--------------------|---------------------|--------------------|-----------------|------------------|--------|
| =====              |                     |                    |                 | =====            |        |
| \$ million         |                     |                    |                 | \$ million       |        |
| 18,594             | 19,937              | 19,858             | Opening balance | 22,325           | 22,008 |
| 2,115              | 2,006               | 1,531              | Finance debt    | 1,947            | 1,520  |
|                    |                     |                    | Less: Cash      |                  |        |

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| 329     | 328    | 172    | Current asset investments  | 185    | 215    |
|---------|--------|--------|--|--------|--------|
| -----   |        |        |  | -----  |        |
| 16,150  | 17,603 | 18,155 | Opening net debt   | 20,193 | 20,273 |
| -----   |        |        |  | -----  |        |
| 19,970  | 19,858 | 20,445 | Closing balance  |        |        |
|         |        |        | Finance debt   | 20,445 | 19,970 |
| 1,091   | 1,531  | 1,576  | Less: Cash   | 1,576  | 1,091  |
| 404     | 172    | 245    | Current asset investments  | 245    | 404    |
| -----   |        |        |  | -----  |        |
| 18,475  | 18,155 | 18,624 | Closing net debt   | 18,624 | 18,475 |
| -----   |        |        |  | -----  |        |
| (2,325) | (552)  | (469)  | Decrease (increase)  |        |        |
|         |        |        | in net debt  | 1,569  | 1,798  |
| =====   |        |        |  | =====  |        |
| (1,031) | (467)  | 24     | Movement in cash/<br>bank overdrafts                                       | (382)  | (480)  |
| 76      | (153)  | 73     | (Decrease) increase in<br>current asset investments                        | 58     | 182    |
| (1,440) | 207    | (563)  | Net cash outflow (inflow)<br>from financing(excluding<br>share capital)    | 2,104  | 1,590  |
| 93      | -      | -      | Debt transferred to TNK-BP   | -      | 93     |
| -       | -      | -      | Exchange of Exchangeable Bonds<br>for Lukoil American<br>Depository Shares | -      | 420    |
| (31)    | 7      | 10     | Other movements  | 31     | 139    |
| (12)    | -      | -      | Debt acquired  | -      | (12)   |
| -----   |        |        |  | -----  |        |
| (2,345) | (406)  | (456)  | Movement in net debt before<br>exchange effects                            | 1,811  | 1,932  |
| 20      | (146)  | (13)   | Exchange adjustments   | (242)  | (134)  |
| -----   |        |        |  | -----  |        |
| (2,325) | (552)  | (469)  | Decrease (increase)  |        |        |
|         |        |        | in net debt  | 1,569  | 1,798  |
| =====   |        |        |  | =====  |        |

Notes

10. TNK-BP Operational and Financial Information

| 29 Aug<br>30 Sept<br>2003 | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |  | Nine<br>Months<br>2004 | 29 Aug<br>30 Sept<br>2003 |
|---------------------------|---------------------------|--------------------------|--|------------------------|---------------------------|
| =====                     |                           |                          |  | =====                  |                           |
|                           |                           |                          | Production (Net of royalties)<br>(BP share)        |                        |                           |
| 654                       | 814                       | 858                      | Crude oil (mb/d)                                   | 813                    | 654                       |
| 239                       | 450                       | 505                      | Natural gas (mmcf/d)                               | 446                    | 239                       |
| 695                       | 891                       | 945                      | Total hydrocarbons (mboe/d) (a)                    | 889                    | 695                       |
| =====                     |                           |                          |  | =====                  |                           |
| \$ million                |                           |                          | Income statement (BP share)                        | \$ million             |                           |
| 158                       | 581                       | 807                      | Replacement cost profit<br>before interest and tax | 1,762                  | 158                       |

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|                                    |                           |                          |  |                     |       |
|------------------------------------|---------------------------|--------------------------|--|---------------------|-------|
| -                                  | -                         | -                        | Stock holding gains (losses)                                   | -                   | -     |
| (13)                               | (26)                      | (23)                     | Interest expense ++  | (79)                | (13)  |
| (30)                               | (171)                     | (257)                    | Taxation   | (543)               | (30)  |
| (1)                                | (10)                      | (6)                      | Minority shareholders' interest                                | (26)                | (1)   |
|                                    |                           |                          |  |                     |       |
| 114                                | 374                       | 521                      | Net Income   | 1,114               | 114   |
|                                    |                           |                          |  |                     |       |
|                                    |                           |                          | ++ Excludes unwinding of discount<br>on deferred consideration | 74                  | 9     |
| 9                                  | 26                        | 22                       |  |                     |       |
|                                    |                           |                          |  |                     |       |
| Cash Flow                          |                           |                          |  |                     |       |
|                                    |                           |                          | Additional investment in<br>TNK-BP joint venture               | (1,416)             | -     |
| -                                  | -                         | -                        |  |                     |       |
|                                    |                           |                          | Dividends related to period<br>prior to acquisition            | 166                 | -     |
| -                                  | -                         | 23                       |  |                     |       |
|                                    |                           |                          |  |                     |       |
|                                    |                           |                          | Net investment in TNK-BP<br>joint venture                      | (1,250)             | -     |
| -                                  | -                         | 23                       |  |                     |       |
|                                    |                           |                          |  |                     |       |
|                                    |                           |                          | Dividends received   | 1,150               | -     |
| -                                  | -                         | 1,031                    |  |                     |       |
|                                    |                           |                          |  |                     |       |
| Third<br>Quarter<br>2003           | Second<br>Quarter<br>2004 | Third<br>Quarter<br>2004 |  | Nine Months<br>2004 | 2003  |
|                                    |                           |                          |  |                     |       |
| Average oil marker prices (\$/bbl) |                           |                          |  |                     |       |
| 27.20                              | 32.32                     | 37.23                    | Urals (NWE - cif)  | 32.85               | 26.97 |
| 27.20                              | 32.60                     | 37.41                    | Urals (Med - cif)  | 33.00               | 27.04 |
| 16.08                              | 19.71                     | 23.33                    | Domestic Oil   | 20.04               | 9.67  |
|                                    |                           |                          |  |                     |       |

| Balance Sheet                | 30 September<br>2004 | 31 December<br>2003 |
|------------------------------|----------------------|---------------------|
|                              | =====                | =====               |
|                              | \$ million           |                     |
| Fixed assets - investments   |                      |                     |
| Gross assets                 | 12,018               | 10,339              |
| Gross liabilities            | (3,650)              | (3,290)             |
|                              | -----                | -----               |
|                              | 8,368                | 7,049               |
|                              | =====                | =====               |
| Deferred consideration       |                      |                     |
| Due within one year          | 1,219                | 1,227               |
| Due after more than one year | 1,185                | 2,352               |
|                              | -----                | -----               |
|                              | 2,404                | 3,579               |
|                              | =====                | =====               |

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

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BP's share of the result of the TNK-BP joint venture has been included within Exploration and Production with effect from 29 August 2003. TNK-BP operational and financial information has been estimated and includes adjustments to net income in respect of prior periods amounting to a credit of \$25 million in 3Q 2004 and charges of \$36 million in the nine months of 2004.

### Notes

#### 11. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2003 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

### Contacts

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

### SIGNATURES

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

BP p.l.c.  
(Registrant)

Dated: 26 October 2004

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