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Second Quarter 2005	First Quarter 2006	Second Quarter 2006	\$ million	First Half		%
2005	2006	2006		2006	2005	
5,591	5,623	7,266	Profit for the period*	12,889	12,193	
(610)	(358)	(1,148)	Inventory holding (gains) losses	(1,506)	(1,721)	
4,981	5,265	6,118	Replacement cost profit	11,383	10,472	9
12.67	14.66	16.59	- per ordinary share (pence)	31.25	26.22	
23.42	25.66	30.28	- per ordinary share (cents)	55.94	49.03	14
1.40	1.54	1.82	- per ADS (dollar)	3.36	2.94	

- o BP's second quarter replacement cost profit was \$6,118 million, compared with \$4,981 million a year ago, an increase of 23%. For the half year, replacement cost profit was \$11,383 million compared with \$10,472 million, up 9%.
- o The second quarter result included a net non-operating gain of \$6 million compared with a net non-operating charge of \$822 million in the second quarter of 2005. For the half year, the net non-operating charge was \$11 million compared with a net non-operating charge of \$280 million for the first half of 2005.
- o The second quarter trading environment was generally stronger than a year ago with higher oil and gas realizations and higher refining margins but with lower overall marketing margins.
- o Net cash provided by operating activities for the quarter and half year was \$9.1 billion and \$18.1 billion compared with \$6.7 billion and \$16.1 billion a year ago.
- o The ratio of net debt to net debt plus equity was 15%.
- o The quarterly dividend, to be paid in September, is 9.825 cents per share (\$0.5895 per ADS) compared with 8.925 cents per share a year ago. For the half year, the dividend showed an increase of 10%. In sterling terms, the quarterly dividend is 5.324 pence per share, compared with 5.119 pence per share a year ago; for the half year the increase was 11%. During the first half, the company repurchased 725 million of its own shares at a cost of \$8.5 billion.

BP Group Chief Executive, Lord Browne, said:

"BP's second quarter result reflected good overall operating performance and continuing strong upstream and refining margins. The Texas City refinery is now running at 200 mb/d and further units will be brought onstream across the balance of 2006. Our actions to control costs are on track. Results are being impacted by higher tax charges. Strong cash generation continues to support shareholder distributions through dividends and buybacks."

* Profit attributable to BP shareholders.

Summary Quarterly Results

Exploration and Production's second quarter result benefited from higher liquid

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realizations and marginally higher gas realizations. In addition, it included higher costs, reflecting the impact of sector-specific inflation, increased integrity spend, repairs and revenue investment.

The Refining and Marketing result showed an improvement over the same period last year despite the effects of reduced throughputs at the Texas City refinery. The second quarter's result reflects strong operating performance, higher refining margins, supply optimization benefits and a lower net charge for non-operating items, partially offset by lower overall marketing margins.

In Gas, Power and Renewables, the higher second quarter result benefited from a higher net gain from non-operating items, increased contributions from the gas trading and marketing business and better operational performance in the natural gas liquids business. This was partly offset by a negative impact from IFRS fair value accounting charges.

Finance costs and Other finance expense was \$107 million for the quarter compared with \$163 million in the second quarter of 2005. Increases in market interest rates were more than offset by increased capitalized interest and a higher expected return on pension and other post-retirement benefit plan assets.

The consolidation adjustment, which removes the margin on sales between segments in respect of inventory at the period end, was a charge of \$277 million in the second quarter.

The effective tax rate on replacement cost profit of continuing operations was 36% versus 32% a year earlier, reflecting the higher level of provision write-backs in 2005.

Capital expenditure was \$3.7 billion for the quarter; there were no significant acquisitions. Disposal proceeds were \$2 billion.

Net debt at the end of the quarter was \$14.4 billion. The ratio of net debt to net debt plus equity was 15%.

During the second quarter, the company repurchased 376 million of its own shares, at a cost of \$4.5 billion. These shares are held in treasury.

In July, BP purchased 9.6% of the shares released under Rosneft's IPO for a consideration of \$1 billion.

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

The financial information for 2005 has been restated to reflect the following, all with effect from 1 January 2006: (a) the transfer of three equity-accounted entities from Other businesses and corporate to Refining and Marketing following the sale of Innovene; (b) the transfer of certain mid-stream assets and activities from Refining and Marketing and Exploration and Production to Gas, Power and Renewables; (c) the transfer of Hydrogen for Transport activities from Gas, Power and Renewables to Refining and Marketing; and (d) the change in the basis of accounting for over-the-counter forward sale and purchase contracts for oil, natural gas, NGLs and power. See Note 2 for further details.

Non-operating Items

\$ million	Second Quarter 2006 =====
Exploration and Production	479
Refining and Marketing	(464)

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Gas, Power and Renewables		106
Other businesses and corporate		26

		147
Taxation		(53)

Continuing Operations		94
Innovene Operations	(88)	
Taxation	-	(88)
	-----	-----
Total for all operations		6
		=====

Reconciliation of Replacement Cost Profit to Profit for the Period

Second Quarter 2005	First Quarter 2006	Second Quarter 2006	\$ million	First Half 2006	2005
=====				=====	
5,901	6,823	7,826	Exploration and Production	14,649	12,385
1,273	1,612	1,856	Refining and Marketing	3,468	2,684
189	301	453	Gas, Power and Renewables	754	601
(156)	(217)	(193)	Other businesses and corporate	(410)	(327)
			Consolidation adjustments		
(4)	(8)	(277)	Unrealized profit in inventory	(285)	(157)
			Net profit on transactions between continuing and Innovene operations (a)	-	255
159	-	-			
-----				-----	
7,362	8,511	9,665	RC profit before interest and tax	18,176	15,441
-----				-----	
(163)	(143)	(107)	Finance costs and other finance expense	(250)	(365)
(2,291)	(2,929)	(3,441)	Taxation	(6,370)	(4,770)
(69)	(71)	(77)	Minority interest	(148)	(130)
-----				-----	
4,839	5,368	6,040	RC profit from continuing operations attributable to BP shareholders (b)	11,408	10,176
=====				=====	
648	358	1,148	Inventory holding gains (losses) for continuing operations	1,506	1,609
-----				-----	
5,487	5,726	7,188	Profit for the period from continuing operations attributable to BP shareholders	12,914	11,785
104	(103)	78	Profit (loss) for the period from Innovene operations (c)	(25)	408
-----				-----	
5,591	5,623	7,266	Profit for the period attributable to BP shareholders	12,889	12,193
=====				=====	
4,839	5,368	6,040	RC profit from continuing operations attributable to BP shareholders	11,408	10,176

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			RC profit (loss) for Innovene operations		
142	(103)	78		(25)	296
4,981	5,265	6,118	Replacement cost profit	11,383	10,472

- (a) In the circumstances of discontinued operations, Accounting Standards require that the profits earned by the discontinued operations, in this case the Innovene operations, on sales to the continuing operations be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations and vice versa. This adjustment has two offsetting elements: the net margin on crude refined by Innovene as substantially all crude for their refineries was supplied by BP and most of the refined products manufactured were taken by BP; and the margin on sales of feedstock from BP's US refineries to Innovene's manufacturing plants. The profits attributable to individual segments were not affected by this adjustment. Neither does this representation indicate the profits earned by continuing or Innovene operations, as if they were stand-alone entities, for past periods or likely to be earned in future periods.
- (b) Replacement cost profit reflects the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure. Operating cash flow is calculated from the starting point of profit before taxation which includes inventory holding gains and losses. Operating cash flow also reflects working capital movements including inventories, trade and other receivables and trade and other payables. The carrying value of these working capital items will change for various reasons, including movements in oil, gas and products prices.
- (c) See further detail in Note 3.

Per Share Amounts

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	2005
Results for the period (\$m)					
5,591	5,623	7,266	Profit*	12,889	12,193
4,981	5,265	6,118	Replacement cost profit	11,383	10,472
Shares in issue at period end (thousand)					
21,174,934	20,341,135	19,993,613	- ADS equivalent	19,993,613	21,174,934
3,529,156	3,390,189	3,332,269	(thousand)	3,332,269	3,529,156
Average number of shares outstanding					
21,270,485	20,521,872	20,171,546	(thousand)	20,345,750	21,355,418
3,545,081	3,420,312	3,361,924	- ADS equivalent	3,390,958	3,559,236
Per ordinary share (cents)					
26.30	27.40	35.94	Profit for the period	63.34	57.09
23.42	25.66	30.28	RC profit for the period	55.94	49.03

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			Per ADS (cents)		
157.80	164.40	215.64	Profit for the period	380.04	342.54
			RC profit		
140.52	153.96	181.68	for the period	335.64	294.18

* Profit attributable to BP shareholders.

Exploration and Production

	Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	2005
				\$ million		
	5,904	6,816	7,827	Profit before interest and tax(a)	14,643	12,393
	(3)	7	(1)	Inventory holding (gains) losses	6	(8)
				Replacement cost profit before interest and tax	14,649	12,385
				Results include:		
	(3)	9	330	Impairment and gain (loss) on sale of businesses and fixed assets	339	937
	-	-	-	Environmental and other provisions	-	-
	-	-	-	Restructuring, integration and rationalization costs	-	-
	(674)	(395)	149	Fair value gain (loss) on embedded derivatives	(246)	(834)
	25	-	-	Other	-	25
	(652)	(386)	479	Total non-operating items	93	128
	139	189	97	Exploration expense	286	299
				Of which:		
	47	114	13	Exploration expenditure written off	127	131
				Production (Net of Royalties) (b)		
	2,437	2,360	2,355	Crude oil (mb/d)	2,358	2,421
	182	173	176	Natural gas liquids (mb/d)	174	185
	2,619	2,533	2,531	Total liquids (mb/d) (c)	2,532	2,606
	8,661	8,713	8,624	Natural gas (mmcf/d)	8,668	8,703
	4,112	4,035	4,018	Total hydrocarbons (mboe/d) (d)	4,026	4,107
				Average realizations(e)		
	47.79	58.25	65.96	Crude oil (\$/bbl)	62.08	45.60
	29.86	35.47	37.80	Natural gas liquids (\$/bbl)	36.66	28.99
	45.95	55.88	62.86	Total liquids (\$/bbl)	59.36	43.85
	4.38	5.54	4.44	Natural gas (\$/mcf)	4.99	4.32
	36.11	44.20	44.58	Total hydrocarbons (\$/boe)	44.39	34.86
				Average oil marker prices(\$/bbl)		
	51.63	61.79	69.59	Brent	65.71	49.64
	53.08	63.29	70.46	West Texas Intermediate	66.89	51.52
	50.10	60.89	68.84	Alaska North Slope US West Coast	64.89	47.64

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Average natural gas marker prices					
6.74	9.01	6.80	Henry Hub gas price (\$/mmbtu) (f)	7.90	6.51
UK Gas - National					
30.15	70.00	34.55	Balancing Point (p/therm)	52.70	34.02
=====				=====	

- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Includes BP's share of production of equity-accounted entities.
- (c) Crude oil and natural gas liquids.
- (d) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
- (e) Based on sales of consolidated subsidiaries only - this excludes equity-accounted entities.
- (f) Henry Hub First of the Month Index.

Exploration and Production

The replacement cost profit before interest and tax for the second quarter was \$7,826 million, an increase of 33% from the second quarter of 2005. This result benefited from higher liquid realizations and marginally higher gas realizations. In addition, it included higher costs, reflecting the impact of sector-specific inflation, increased integrity spend, repairs and revenue investment. Net non-operating gains for the second quarter were \$479 million, arising from net gains on sales of assets of \$330 million, primarily from interests in the North Sea and the Gulf of Mexico shelf assets in the USA, and fair value gains of \$149 million on embedded derivatives relating to North Sea gas contracts. The corresponding quarter in 2005 contained net non-operating losses of \$652 million principally in respect of fair value losses on embedded derivatives.

Production for the quarter at 4,018 mboe/d was broadly flat compared with the second quarter of 2005 after adjusting for the effect of disposals. Underlying production growth in the new profit centres and TNK-BP was offset by decline in existing profit centres.

The replacement cost profit before interest and tax of \$14,649 million for the half year represented an increase of 18% over the same period of the previous year. This result also benefited from higher realizations partially offset by lower volumes and higher costs, reflecting sector-specific inflation, increased integrity spend, repairs and revenue investment. The half year result included net gains on sales of assets of \$339 million and net fair value losses of \$246 million on embedded derivatives. The first half of 2005 contained net non-operating gains of \$128 million.

Production for the half year of 4,026 mboe/d was 2% lower than the first half of 2005. After adjusting for the effect of disposals, production was broadly flat. Underlying production growth from major projects in the new profit centres and TNK-BP was offset by decline in existing profit centres.

Three new projects started up in the quarter. In Azerbaijan, the BTC pipeline was successfully completed, with the first lifting from Ceyhan in Turkey in June. In Algeria, first gas was produced from our In Amenas project in June. In Egypt the Tamsah redevelopment project started production in April, ahead of schedule. Additionally, in June we signed a framework agreement for the development of a new LNG plant - Damietta 2.

Offshore repair work on Thunder Horse is proceeding and we anticipate having approval to introduce hydrocarbons to the facilities in the third quarter. Recent work has focused on testing of the subsea equipment in readiness for

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start-up. However, during a routine hydrotest we experienced two leaks in a subsea manifold. We are taking a precautionary approach and are fully investigating the events before starting up the platform. Subject to a satisfactory outcome of these investigations our current plan anticipates replacing just the damaged subsea equipment. Depending upon weather, this would enable a start-up of production in early 2007.

We had further exploration success in Angola with the Urano oil discovery in ultra-deepwater Block 31, bringing the number of successful discoveries that BP has drilled in the Block to ten.

During the quarter, we completed the sale of our Gulf of Mexico Shelf assets to Apache. Certain participants in these fields exercised their right of pre-emption, and completion of these transactions is expected in the third quarter of 2006. We also completed the sales of our 4.84% interest in the Statfjord oil and gas field and of our interest in the Luva gas discovery, both in the North Sea. In May, we announced our intention to sell our exploration and production and gas infrastructure business in the Netherlands. In June, TNK-BP announced that it had reached agreement to sell its Urdmurtneft assets to Sinopec. Since the end of the quarter we have announced the sale of our 28% interest in the Shenzi discovery in the Gulf of Mexico to Repsol for \$2,145 million.

			Refining and Marketing		
Second Quarter 2005	First Quarter 2006	Second Quarter 2006	\$ million	First Half	
				2006	2005
=====				=====	
1,932	2,038	2,992	Profit before interest and tax(a)	5,030	4,285
(659)	(426)	(1,136)	Inventory holding (gains) losses	(1,562)	(1,601)
-----				-----	
1,273	1,612	1,856	Replacement cost profit before interest and tax	3,468	2,684
=====				=====	
Results include:					
75	564	112	Impairment and gain (loss) on sale of businesses and fixed assets	676	48
-	-	-	Environmental and other provisions	-	-
-	-	-	Restructuring, integration and rationalization costs	-	-
-	-	-	Fair value gain (loss) on embedded derivatives	-	-
(733)	-	(576)	Other	(576)	(733)
-----				-----	
(658)	564	(464)	Total non-operating items	100	(685)
=====				=====	
Refinery throughputs (mb/d)					
210	111	162	UK	137	187
671	639	671	Rest of Europe	655	659
1,350	976	1,200	USA	1,088	1,375
305	296	256	Rest of World	276	302
-----				-----	
2,536	2,022	2,289	Total throughput	2,156	2,523
=====				=====	
93.1	79.9	86.4	Refining availability (%) (b)	83.1	94.1
=====				=====	
Oil sales volumes (mb/d)					
Refined products					
356	345	355	UK	350	347

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1,346	1,315	1,311	Rest of Europe	1,313	1,335
1,656	1,599	1,631	USA	1,615	1,652
604	567	579	Rest of World	573	612

3,962	3,826	3,876	Total marketing sales	3,851	3,946
2,129	2,204	1,682	Trading/supply sales	1,943	2,163

6,091	6,030	5,558	Total refined product sales	5,794	6,109
2,446	2,731	2,473	Crude oil	2,602	2,475

8,537	8,761	8,031	Total oil sales	8,396	8,584
=====					
Global Indicator Refining Margin (\$/bbl) (c)					
5.68	2.88	5.78	NWE	4.33	4.27
9.37	10.86	17.74	USGC	14.30	8.34
7.45	4.89	14.75	Midwest	9.82	5.65
14.53	11.22	21.27	USWC	16.25	13.71
6.30	3.54	6.83	Singapore	5.18	5.64
8.42	6.28	12.59	BP Average	9.44	7.19
=====					
Chemicals production (kte)					
317	303	298	UK	601	634
735	842	741	Rest of Europe	1,583	1,541
1,107	789	816	USA	1,605	2,325
1,443	1,687	1,728	Rest of World	3,415	2,551

3,602	3,621	3,583	Total production	7,204	7,051
=====					

- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Refining availability is defined as the ratio of units which are available for processing, regardless of whether they are actually being used, to total capacity. Where there is planned maintenance, such capacity is not regarded as being available. During the first half of 2006, there was planned maintenance of a substantial part of the Texas City refinery.
- (c) The Global Indicator Refining Margin (GIM) is the average of regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

Refining and Marketing

The replacement cost profit before interest and tax for the second quarter and half year was \$1,856 million and \$3,468 million respectively. This compares with \$1,273 million and \$2,684 million respectively, for the equivalent periods in 2005.

The quarter's result included a net charge of \$464 million for non-operating items. Following a review during the second quarter of 2006, a further provision of \$500 million was made for fatality and personal injury compensation claims associated with the incident at the Texas City refinery in March 2005. This is in addition to the \$700 million provided last year. The non-operating items also include \$147 million in respect of net gains on disposals, an impairment charge of \$35 million and a charge of \$76 million in respect of a donation to the BP Foundation. The total net non-operating gain for the first half of 2006 amounted to \$100 million.

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The result showed an improvement over the same period last year despite the effects of reduced throughputs at the Texas City refinery. The reduction in the result in respect of Texas City, including the impact on associated businesses, was some \$460 million compared to the second quarter of 2005 and nearly \$1.1 billion compared with the first half of 2005. Both the second quarter and half year results reflect strong operating performance, higher refining margins, supply optimization benefits and a lower net charge for non-operating items, partially offset by lower overall marketing margins. The result for the first half of 2006 reflects a net non-operating gain compared with a significant net charge a year ago. IFRS accounting effects for both the quarter and the half year were not material when compared with the same periods last year.

Refining crude throughputs for the quarter were 2,289 mb/d compared with 2,536 mb/d for the same quarter last year. The reduction in throughputs was mainly due to the phased start-up of production at our Texas City refinery. Recommissioning of the site began at the end of March, with current throughput of 200 mb/d. Our focus is to continue re-commissioning the site safely and to bring it back onstream in a phased manner. The full financial potential of the site is not expected to be realized until 2007. Refining availability for the quarter, excluding the Texas City refinery, at 95.7%, was slightly ahead of the second quarter of 2005.

Marketing volumes for the quarter were 3,876 mb/d and 3,851 mb/d for the first half of the year, slightly lower than the comparative periods in the previous year mainly due to divestments.

BP announced plans to invest \$500 million over the next ten years to establish a dedicated bioscience research laboratory. The BP Energy Biosciences Institute (EBI) is planned to be the first of its kind in the world and to be attached to a major academic centre. During the quarter, BP and DuPont announced the creation of a partnership to develop, produce and market a next generation of biofuels. The companies' joint strategy is to deliver advanced biofuels that will provide improved options for expanding energy supplies and accelerate the move to renewable transportation fuels which lower overall greenhouse gas emissions. The first product to market is expected to be biobutanol, which will be introduced in the United Kingdom as a gasoline bio-component.

Also during the quarter, BP announced its intention to sell its Coryton Refinery in Essex, UK which processes 172,000 barrels of crude oil a day. BP is in initial discussions with a number of potential buyers.

Gas, Power and Renewables

Second Quarter 2005	First Quarter 2006	Second Quarter 2006	\$ million	First Half	
				2006	2005
175	238	463	Profit before interest and tax(a)	701	601
14	63	(10)	Inventory holding (gains) losses	53	-
Replacement cost profit before interest and tax				754	601

Results include:

20	-	(1)	Impairment and gain (loss) on sale of businesses and fixed assets	(1)	83
-	-	-	Environmental and other provisions	-	-
-	-	-	Restructuring, integration and rationalization costs	-	-
Fair value gain (loss)					

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67	(55)	107	on embedded derivatives	52	109
-	-	-	Other	-	-
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87	(55)	106	Total non-operating items	51	192
<hr style="border-top: 3px double black;"/>					

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

The replacement cost profit before interest and tax for the second quarter and half year was \$453 million and \$754 million respectively, compared with \$189 million and \$601 million a year ago. Included in the result for the quarter was a net non-operating gain of \$106 million primarily in respect of fair value gains on embedded derivatives. The corresponding quarter of 2005 contained fair value gains of \$67 million on embedded derivatives and net gains of \$20 million on the disposal of an NGL plant in the US.

The second quarter result was up 140% on the second quarter of 2005. This result benefited from a higher net gain from non-operating items, increased contributions from the gas trading and marketing business and better operational performance in the natural gas liquids business. This was partly offset by a negative impact from IFRS fair value accounting charges. The first half result was similarly higher than the same period in 2005 largely reflecting higher contributions from the operating businesses partially offset by a lower gain from non-operating items and higher IFRS fair value accounting charges.

In June, operations started at China's first liquefied natural gas (LNG) import and re-gasification terminal at Shengzhen, Guangdong province (BP share 30%) with an initial cargo of LNG from the North West Shelf Venture in Australia in which BP is also a partner. As part of BP Alternative Energy's strategy, we entered into a strategic alliance with Clipper Windpower plc and signed an agreement with GE to jointly develop and deploy hydrogen power projects.

Other Businesses and Corporate

Second Quarter 2005	First Quarter 2006	Second Quarter 2006	\$ million	First Half 2006	2005
<hr style="border-top: 1px dashed black;"/>					
			Profit (loss) before interest and tax(a)	(407)	(327)
(156)	(215)	(192)	Inventory holding (gains) losses	(3)	-
-	(2)	(1)		<hr style="border-top: 1px dashed black;"/>	
			Replacement cost profit (loss) before interest and tax	(410)	(327)
(156)	(217)	(193)		<hr style="border-top: 3px double black;"/>	
Results include:					
			Impairment and gain (loss) on sale of businesses and fixed assets	22	34
34	1	21	Environmental and other provisions	-	22
22	-	-	Restructuring, integration and rationalization costs	-	(71)
(28)	-	-	Fair value gain (loss) on embedded derivatives	13	(18)
(14)	8	5	Other	-	3
3	-	-		<hr style="border-top: 1px dashed black;"/>	
17	9	26	Total non-operating items	35	(30)
<hr style="border-top: 3px double black;"/>					

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

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Other businesses and corporate comprises Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The second quarter's result includes a net gain of \$26 million in respect of non-operating items, primarily relating to disposal gains.

Dividends Payable

September 2005	June 2006	September 2006		June and 2006	September 2005
=====				=====	
			Dividends per ordinary share		
8.925	9.375	9.825	cents	19.20	17.425
5.119	5.251	5.324	pence	10.575	9.569
53.55	56.25	58.95	Dividends per ADS (cents)	115.20	104.55
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BP today announced a dividend of 9.825 cents per ordinary share to be paid in September. Holders of ordinary shares will receive 5.324 pence per share and holders of American Depository Receipts (ADRs) \$0.5895 per ADS share. The dividend is payable on 5 September to shareholders on the register on 11 August. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 5 September.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic growth has been sustained. US economic growth appears to have slowed compared to the first quarter, but Europe appears to have grown faster; growth in other regions has been sustained. The near-term global outlook appears resilient.

"Crude oil prices averaged \$69.59 per barrel (Dated Brent) in the second quarter of 2006, an increase of nearly \$8 per barrel from the first quarter and \$18 per barrel above the same period last year. Prices rose in face of heightened geopolitical concerns. Demand is growing strongly in China and the Middle East, offsetting weakness in the US and Europe. Ample inventories and increased spare OPEC production capacity have failed to stem the increase. Oil prices are expected to remain strong.

"US natural gas prices averaged \$6.80/mmbtu (Henry Hub First of Month Index) in the second quarter, \$2.21/mmbtu below the first quarter. Gas prices traded below parity with residual fuel oil during the quarter. Onshore gas supplies and net imports have grown; recovery of hurricane-affected production has continued. Working gas inventories at the end of June were 29% above the five-year average. US gas prices have fallen further so far in the third quarter.

"UK gas prices (NBP day-ahead) fell in the second quarter to average 34.6 pence per therm, compared to 70 pence per therm in the first quarter, but 15% higher than in the second quarter of 2005. However, European long-term contract prices, which are indexed to oil prices, increased by more over the same period. As a result, UK spot prices traded at a discount to European contract prices in the second quarter 2006, compared to a small premium during the second quarter of 2005. The Rough storage facility has re-opened and inventories are expected to reach normal levels by October, but concerns over winter supply have led the NBP futures to exceed 80 pence per therm.

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"Global average refining margins rose sharply to \$12.59/bbl in the second quarter of 2006 compared with \$6.28/bbl in the first quarter. A heavy US refinery maintenance programme extended into the second quarter and coincided with the switch from MTBE to ethanol for reformulated gasolines. Margins increased strongly to encourage sufficient product imports from abroad. So far in July, margins have remained near the second quarter average as the US driving season approaches its peak and as the transition to ULSD gathers pace. Both of these developments are likely to support the refining environment over the near term.

"Although retail margins deteriorated in April they recovered in May and June on the back of movements in the cost of product. This has resulted in overall second quarter retail margins being slightly ahead of the first quarter. So far in July, a further rise in wholesale gasoline and crude prices is evident; marketing margins are therefore expected to remain volatile.

"The UK Government's announced increase in the North Sea supplemental tax rate has been enacted. This increase will have two effects; first to create a one-time deferred tax charge and second to increase current tax to reflect the 2006 impact of the proposed higher rate, which is retroactive to the start of the year. The full year aggregate effective tax rate is expected to be around 39%.

"We have 16 major projects currently under development scheduled to start up in the 2007-9 period, and a further 11 under appraisal. Beyond 2009 we now see a further 26 major projects which would be expected to develop around 8 billion boe. These projects support our expectation that we will move 11 billion boe from non-proven resources to proved reserves between now and 2010, underpinning our continued renewal beyond this decade.

"We continue to expect full year 2006 production to be consistent with the guidance of 4.1 to 4.2 mboe/d given in February, after adjusting for divestments and the impact of higher prices on entitlements under production sharing contracts. On the basis of divestments announced in 2006 to date, and assuming that oil prices remain at around \$70/barrel, these adjustments are expected to amount to around 65,000 boe/d and 45,000 boe/d respectively this year.

"Our strategy is unchanged. We continue to execute it with discipline and focus. Capital expenditure excluding acquisitions is expected to be between \$15.5 billion and \$16 billion for the year, greater than previously estimated as a result of higher sector-specific inflation, driven by high oil prices. Divestment proceeds are also expected to be significantly higher than previously estimated at more than \$6 billion."

Cautionary Statement: The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding the receipt of approvals for and start-up of production from Thunder Horse; the timing of the completion of the sales of the remaining Gulf of Mexico assets; recommissioning of the Texas City refinery and the timing of the realization of its full financial potential; planned investments in biofuels research, development and marketing; world economic growth; oil and gas prices; UK gas inventories; refining margins; marketing margins; the effect of the increase in the North Sea supplemental tax rate; the aggregate effective tax rate; the timing and effect of major projects; production; divestments and resulting adjustments to production; capital expenditure; and divestment proceeds. By their nature, forward looking statements involve risks and uncertainties and actual results may differ from those expressed in such

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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; economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2005 and our 2005 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Cautionary Note to US Investors: The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this announcement, such as "resources", that the SEC's guidelines strictly prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, SEC File No. 1-6262, available from us at 1 St James's Square, London SW1Y 4PD, United Kingdom. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

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

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	2005
=====				=====	
\$ million				\$ million	
58,320	65,057	72,428	Sales and other operating revenues (Note 4)	137,485	110,666
742	573	818	Earnings from jointly controlled entities - after interest and tax	1,391	1,228
101	115	114	Earnings from associates - after interest and tax	229	215
105	198	106	Interest and other revenues	304	271
-----				-----	
59,268	65,943	73,466	Total revenues	139,409	112,380
136	597	541	Gain on sale of businesses and fixed assets	1,138	1,298
-----				-----	
59,404	66,540	74,007	Total revenues and other income	140,547	113,678
38,988	45,588	50,723	Purchases	96,311	73,032
5,682	5,217	5,876	Production and manufacturing expenses	11,093	10,384
697	932	855	Production and similar taxes (Note 5)	1,787	1,346
2,232	2,184	2,308	Depreciation, depletion and amortization	4,492	4,379
			Impairment and losses on sale		

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10	23	80	of businesses and fixed assets	103	196
139	189	97	Exploration expense (Note 5)	286	299
3,025	3,096	3,516	Distribution and administration expenses	6,612	6,249
621	442	(261)	Fair value (gain) loss on embedded derivatives	181	743
8,010	8,869	10,813	Profit before interest and taxation from continuing operations	19,682	17,050
128	191	153	Finance costs (Note 6)	344	300
35	(48)	(46)	Other finance (income) expense (Note 7)	(94)	65
7,847	8,726	10,706	Profit before taxation from continuing operations	19,432	16,685
2,291	2,929	3,441	Taxation	6,370	4,770
5,556	5,797	7,265	Profit from continuing operations	13,062	11,915
104	(103)	78	Profit (loss) from Innovene operations (Note 3)	(25)	408
5,660	5,694	7,343	Profit for the period	13,037	12,323
			Attributable to:		
5,591	5,623	7,266	BP shareholders	12,889	12,193
69	71	77	Minority interest	148	130
5,660	5,694	7,343		13,037	12,323
Earnings per share - cents					
Profit for the period attributable to BP shareholders					
26.30	27.40	35.94	Basic	63.34	57.09
25.94	27.13	35.59	Diluted	62.72	56.30
Profit from continuing operations attributable to BP shareholders					
25.81	27.90	35.57	Basic	63.47	55.18
25.45	27.63	35.21	Diluted	62.84	54.42

Summarized Group Balance Sheet

	30 June 2006	31 December 2005
\$ million		
Non-current assets		
Property, plant and equipment	85,953	85,947
Goodwill	10,413	10,371
Other intangible assets	5,251	4,772
Investments in jointly controlled entities	15,711	13,556
Investments in associates	5,736	6,217
Other investments	592	967
Fixed assets	123,656	121,830
Loans	854	821
Other receivables	842	770
Derivative financial instruments	3,789	3,652
Prepayments and accrued income	1,399	1,269
Defined benefit pension plan surplus	3,757	3,282

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	-----	-----
	134,297	131,624
	-----	-----
Current assets		
Loans	118	132
Inventories	20,727	19,760
Trade and other receivables	38,639	40,902
Derivative financial instruments	9,103	9,726
Prepayments and accrued income	2,604	1,598
Current tax receivable	218	212
Cash and cash equivalents	4,852	2,960
	-----	-----
	76,261	75,290
	-----	-----
Assets classified as held for sale	1,409	-
	-----	-----
Total assets	211,967	206,914
	=====	=====
Current liabilities		
Trade and other payables	43,323	42,136
Derivative financial instruments	8,538	9,083
Accruals and deferred income	6,149	5,970
Finance debt	9,648	8,932
Current tax payable	5,043	4,274
Provisions	1,282	1,102
	-----	-----
	73,983	71,497
	-----	-----
Non-current liabilities		
Other payables	1,783	1,935
Derivative financial instruments	3,634	3,696
Accruals and deferred income	3,957	3,164
Finance debt	9,638	10,230
Deferred tax liabilities	16,703	16,443
Provisions	10,395	9,954
Defined benefit pension plan and other post-retirement benefit plan deficits	9,476	9,230
	-----	-----
	55,586	54,652
	-----	-----
Liabilities directly associated with the assets classified as held for sale	42	-
	-----	-----
Total liabilities	129,611	126,149
	-----	-----
Net assets	82,356	80,765
	=====	=====
Equity		
BP shareholders' equity	81,586	79,976
Minority interest	770	789
	-----	-----
	82,356	80,765
	=====	=====

Group Statement of Recognized Income and Expense

Second Quarter 2005	First Quarter 2006	Second Quarter 2006	First Half 2006	First Half 2005
=====			=====	
\$ million			\$ million	

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			Adjustments to reconcile profits before tax to net cash provided by operating activities		
47	114	13	Exploration expenditure written off	127	131
			Depreciation, depletion and amortization	4,492	4,379
2,232	2,184	2,308	Impairment and (gain) loss on sale of businesses and fixed assets	(1,035)	(1,102)
(126)	(574)	(461)	Earnings from jointly controlled entities and associates	(1,620)	(1,443)
(843)	(688)	(932)	Dividends received from jointly controlled entities and associates	1,279	1,096
741	1,011	268	Working capital and other movements	(4,603)	(3,577)
(2,691)	(1,850)	(2,753)			

			Net cash provided by operating activities of continuing operations	18,072	16,169
7,207	8,923	9,149	Net cash used in operating activities of Innovene operations	-	(58)
(470)	-	-			

			Net cash provided by operating activities	18,072	16,111
6,737	8,923	9,149			

			Investing activities		
(2,911)	(3,295)	(3,412)	Capital expenditure	(6,707)	(5,736)
			Investment in jointly controlled entities	(26)	(51)
(36)	-	(26)	Investment in associates	(308)	(285)
(186)	(157)	(151)	Proceeds from disposal of fixed assets	2,383	1,752
425	484	1,899	Proceeds from disposal of businesses	256	-
-	166	90	Proceeds from loan repayments	130	80
48	72	58			

			Net cash used in investing activities	(4,272)	(4,240)
(2,660)	(2,730)	(1,542)			

			Financing activities		
(2,034)	(3,861)	(4,411)	Net repurchase of shares	(8,272)	(3,967)
482	396	514	Proceeds from long-term financing	910	1,293
(1,011)	(65)	(720)	Repayments of long-term financing	(785)	(3,203)
			Net increase (decrease) in short-term debt	231	(2,017)
149	(710)	941	Dividends paid - BP shareholders	(3,816)	(3,632)
(1,809)	(1,922)	(1,894)	- Minority interest	(154)	(335)
(15)	(66)	(88)			

			Net cash used in financing activities	(11,886)	(11,861)
(4,238)	(6,228)	(5,658)			

			Currency translation differences relating to cash and cash equivalents	(22)	(9)
-	14	(36)			

			Increase (decrease) in cash and cash equivalents	1,892	1
(161)	(21)	1,913	Cash and cash equivalents at beginning of period	2,960	1,359
1,521	2,960	2,939			

			Cash and cash equivalents at		

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1,360 2,939 4,852 end of period 4,852 1,360
 =====

Summarized Group Cash Flow Statement

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
			Working capital and other movements		
(102)	(130)	(122)	Interest receivable	(252)	(165)
78	146	145	Interest received	291	112
128	191	153	Finance costs	344	300
(119)	(310)	(351)	Interest paid	(661)	(451)
35	(48)	(46)	Other finance (income) expense	(94)	65
79	83	122	Share-based payments	205	156
			Net operating charge for pensions and other post-retirement benefits, less contributions	(97)	(16)
(6)	(50)	(47)			
			Net charge for provisions, less payments	9	444
507	(207)	216			
(1,786)	1,008	(2,351)	(Increase) decrease in inventories	(1,343)	(2,583)
(4,608)	335	2,008	(Increase) decrease in other current and non-current assets	2,343	(5,925)
			Increase (decrease) in other current and non-current liabilities	28	7,903
5,536	(107)	135			
(2,433)	(2,761)	(2,615)	Income taxes paid	(5,376)	(3,417)
-----				-----	
(2,691)	(1,850)	(2,753)		(4,603)	(3,577)
=====				=====	

Capital Expenditure and Acquisitions

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
			By business		
			Exploration and Production		
213	182	244	UK	426	389
37	69	74	Rest of Europe	143	68
942	1,021	1,190	USA	2,211	1,939
1,289	1,428	1,476	Rest of World	2,904	2,386
-----				-----	
2,481	2,700	2,984		5,684	4,782
-----				-----	
			Refining and Marketing		
97	61	83	UK	144	140
111	65	101	Rest of Europe	166	178
219	258	252	USA	510	409
118	107	109	Rest of World	216	164
-----				-----	
545	491	545		1,036	891
-----				-----	
			Gas, Power and Renewables		

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16	1	6	UK	7	17
6	5	7	Rest of Europe	12	7
19	20	32	USA	52	32
10	14	19	Rest of World	33	16
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51	40	64		104	72
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
			Other businesses and corporate		
82	19	39	UK	58	157
58	-	-	Rest of Europe	-	78
53	8	80	USA	88	117
4	-	-	Rest of World	-	5
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197	27	119		146	357
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
3,274	3,258	3,712		6,970	6,102
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
			By geographical area		
408	263	372	UK	635	703
212	139	182	Rest of Europe	321	331
1,233	1,307	1,554	USA	2,861	2,497
1,421	1,549	1,604	Rest of World	3,153	2,571
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3,274	3,258	3,712		6,970	6,102
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
			Included above:		
66	10	-	Acquisitions and asset exchanges	10	151
125	-	-	Innovene operations	-	254
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
			Exchange rates		
			US dollar/sterling average rate		
1.86	1.75	1.83	for the period	1.79	1.87
1.80	1.75	1.81	US dollar/sterling period-end rate	1.81	1.80
			US dollar/euro average rate for		
1.26	1.20	1.26	the period	1.23	1.28
1.21	1.21	1.25	US dollar/euro period-end rate	1.25	1.21
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Analysis of Profit Before Interest and Tax

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
\$ million				\$ million	
			By business		
			Exploration and Production		
574	1,165	1,834	UK	2,999	1,485
294	303	393	Rest of Europe	696	1,622
2,441	2,304	2,255	USA	4,559	4,449
2,595	3,044	3,345	Rest of World	6,389	4,837
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
5,904	6,816	7,827		14,643	12,393
<hr style="border-top: 1px dashed black;"/>				<hr style="border-top: 1px dashed black;"/>	
			Refining and Marketing		
(74)	(155)	166	UK	11	(325)
982	686	785	Rest of Europe	1,471	1,817
679	828	1,526	USA	2,354	2,104
345	679	515	Rest of World	1,194	689
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1,932	2,038	2,992		5,030	4,285

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-----			-----		
			Gas, Power and Renewables		
125	(72)	188	UK	116	243
(8)	7	(2)	Rest of Europe	5	(2)
51	168	257	USA	425	227
7	135	20	Rest of World	155	133
-----			-----		
175	238	463		701	601
-----			-----		
			Other businesses and corporate		
(209)	(141)	(80)	UK	(221)	(388)
30	(1)	(45)	Rest of Europe	(46)	34
(13)	(104)	(37)	USA	(141)	(22)
36	31	(30)	Rest of World	1	49
-----			-----		
(156)	(215)	(192)		(407)	(327)
-----			-----		
7,855	8,877	11,090		19,967	16,952
(4)	(8)	(277)	Unrealized profit in inventory	(285)	(157)
			Net profit on transactions between		
159	-	-	continuing and Innovene operations	-	255
-----			-----		
8,010	8,869	10,813	Total for continuing operations	19,682	17,050
-----			-----		
			Innovene operations		
164	(55)	(90)	UK	(145)	222
129	(21)	(40)	Rest of Europe	(61)	495
(16)	7	(6)	USA	1	96
16	(27)	48	Rest of World	21	12
-----			-----		
293	(96)	(88)		(184)	825
			Net profit on transactions between		
(159)	-	-	continuing and Innovene operations	-	(255)
-----			-----		
134	(96)	(88)	Total for Innovene operations	(184)	570
-----			-----		
8,144	8,773	10,725	Total for period	19,498	17,620
=====			=====		
			By geographical area		
463	772	2,148	UK	2,920	1,068
1,406	995	1,059	Rest of Europe	2,054	3,652
3,158	3,245	3,717	USA	6,962	6,622
2,983	3,857	3,889	Rest of World	7,746	5,708
-----			-----		
8,010	8,869	10,813	Total for continuing operations	19,682	17,050
=====			=====		

Analysis of Replacement Cost Profit
Before Interest and Tax

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
By business					
Exploration and Production					
574	1,165	1,834	UK	2,999	1,485
294	303	393	Rest of Europe	696	1,622
2,438	2,311	2,254	USA	4,565	4,441

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2,595	3,044	3,345	Rest of World	6,389	4,837
<hr/>					
5,901	6,823	7,826		14,649	12,385
<hr/>					
Refining and Marketing					
(60)	(148)	171	UK	23	(332)
658	564	584	Rest of Europe	1,148	1,081
361	637	749	USA	1,386	1,360
314	559	352	Rest of World	911	575
<hr/>					
1,273	1,612	1,856		3,468	2,684
<hr/>					
Gas, Power and Renewables					
125	(72)	188	UK	116	243
(1)	1	(4)	Rest of Europe	(3)	5
55	178	250	USA	428	222
10	194	19	Rest of World	213	131
<hr/>					
189	301	453		754	601
<hr/>					
Other businesses and corporate					
(209)	(141)	(80)	UK	(221)	(388)
30	(3)	(46)	Rest of Europe	(49)	34
(13)	(104)	(37)	USA	(141)	(22)
36	31	(30)	Rest of World	1	49
<hr/>					
(156)	(217)	(193)		(410)	(327)
<hr/>					
7,207	8,519	9,942		18,461	15,343
(4)	(8)	(277)	Unrealized profit in inventory	(285)	(157)
159	-	-	Net profit on transactions between continuing and Innovene operations	-	255
<hr/>					
7,362	8,511	9,665	Total for continuing operations	18,176	15,441
<hr/>					
Innovene operations					
152	(55)	(90)	UK	(145)	139
120	(21)	(40)	Rest of Europe	(61)	425
42	7	(6)	USA	1	132
17	(27)	48	Rest of World	21	17
<hr/>					
331	(96)	(88)		(184)	713
(159)	-	-	Net profit on transactions between continuing and Innovene operations	-	(255)
<hr/>					
172	(96)	(88)	Total for Innovene operations	(184)	458
<hr/>					
7,534	8,415	9,577	Total for period	17,992	15,899
<hr/>					
By geographical area					
477	779	2,153	UK	2,932	1,062
1,089	865	855	Rest of Europe	1,720	2,923
2,841	3,071	2,932	USA	6,003	5,869
2,955	3,796	3,725	Rest of World	7,521	5,587
<hr/>					
7,362	8,511	9,665	Total for continuing operations	18,176	15,441
<hr/>					

Analysis of Non-operating Items

Second Quarter First Quarter Second Quarter

First Half

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2005	2006	2006		2006	2005
=====				=====	
\$ million				\$ million	
By business					
Exploration and Production					
(678)	(394)	386	UK	(8)	(968)
3	-	83	Rest of Europe	83	1,030
(3)	2	9	USA	11	(4)
26	6	1	Rest of World	7	70
-----				-----	
(652)	(386)	479		93	128
-----				-----	
Refining and Marketing					
(23)	20	(1)	UK	19	(15)
(12)	229	(29)	Rest of Europe	200	(11)
(634)	96	(446)	USA	(350)	(629)
11	219	12	Rest of World	231	(30)
-----				-----	
(658)	564	(464)		100	(685)
-----				-----	
Gas, Power and Renewables					
66	(55)	107	UK	52	171
-	-	-	Rest of Europe	-	-
21	-	(1)	USA	(1)	21
-	-	-	Rest of World	-	-
-----				-----	
87	(55)	106		51	192
-----				-----	
Other businesses and corporate					
(6)	-	-	UK	-	(48)
12	-	(1)	Rest of Europe	(1)	11
11	9	10	USA	19	7
-	-	17	Rest of World	17	-
-----				-----	
17	9	26		35	(30)
-----				-----	
Total before taxation for continuing operations					
(1,206)	132	147		279	(395)
384	(46)	(53)	Taxation credit (charge)	(99)	129
-----				-----	
(822)	86	94	Total after taxation for continuing operations	180	(266)
-----				-----	
Innovene operations					
-	(55)	(90)	UK	(145)	(24)
-	(21)	(40)	Rest of Europe	(61)	-
-	7	(6)	USA	1	-
-	(27)	48	Rest of World	21	-
-----				-----	
Total before taxation for Innovene operations (a)					
-	(96)	(88)		(184)	(24)
-	(7)	-	Taxation credit (charge)	(7)	10
-----				-----	
Total after taxation for Innovene operations					
-	(103)	(88)		(191)	(14)
-----				-----	
(822)	(17)	6	Total after taxation for period	(11)	(280)
=====				=====	

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- (a) Includes the loss on re-measurement to fair value of \$88 million in the second quarter of 2006 and \$96 million in the first quarter of 2006 and impairment charges of \$24 million in the first quarter of 2005.

Depreciation of Fixed Asset Revaluation Adjustment

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
\$ million				\$ million	
			Exploration and Production		
12	8	7	UK	15	20
70	55	48	USA	103	146
3	5	4	Rest of World	9	8
-----	-----	-----		-----	-----
85	68	59		127	174
-----	-----	-----		-----	-----
			Refining and Marketing		
26	25	25	USA	50	51
-----	-----	-----		-----	-----
26	25	25		50	51
-----	-----	-----		-----	-----
			Gas, Power and Renewables		
5	6	5	USA	11	11
-----	-----	-----		-----	-----
5	6	5		11	11
-----	-----	-----		-----	-----
116	99	89	Total depreciation of revaluation adjustment (a) (b)	188	236
=====	=====	=====		=====	=====

- (a) Relates to the revaluation adjustment consequent upon the ARCO acquisition.
- (b) Excludes impairment of the revaluation adjustment which is included in non-operating items.

Net Debt Ratio - Net Debt: Net Debt + Equity

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
\$ million				\$ million	
19,302	18,679	19,286	Gross debt	19,286	19,302
1,360	2,939	4,852	Cash and cash equivalents	4,852	1,360
-----	-----	-----		-----	-----
17,942	15,740	14,434	Net debt	14,434	17,942
-----	-----	-----		-----	-----
80,097	80,881	82,356	Equity	82,356	80,097
18%	16%	15%	Net debt ratio	15%	18%
=====	=====	=====		=====	=====

Production and Realizations

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Quarter 2005	Quarter 2006	Quarter 2006		First Half 2006	2005
=====				=====	
Production (a) (d)					
Crude oil (mb/d) (net of royalties)					
290	268	264	UK	266	289
73	64	60	Rest of Europe	62	74
546	444	444	USA	444	553
1,528	1,584	1,587	Rest of World	1,586	1,505
-----				-----	
2,437	2,360	2,355	Total crude oil production	2,358	2,421
=====				=====	
Natural gas liquids (mb/d) (net of royalties)					
20	13	16	UK	14	18
4	4	3	Rest of Europe	4	5
127	122	121	USA	122	131
31	34	35	Rest of World	35	31
-----				-----	
182	173	176	Total natural gas liquids production	174	185
=====				=====	
Liquids (b) (mb/d) (net of royalties)					
310	281	280	UK	280	307
77	68	64	Rest of Europe	65	79
673	566	565	USA	566	684
1,559	1,618	1,622	Rest of World	1,620	1,536
-----				-----	
2,619	2,533	2,531	Total liquids production	2,532	2,606
=====				=====	
Natural gas (mmcf/d) (net of royalties)					
1,136	1,196	911	UK	1,053	1,189
106	94	83	Rest of Europe	88	114
2,727	2,485	2,493	USA	2,489	2,688
4,692	4,938	5,138	Rest of World	5,038	4,712
-----				-----	
8,661	8,713	8,624	Total natural gas production	8,668	8,703
=====				=====	
Average realizations (c)					
Crude oil (\$/bbl)					
48.76	60.57	67.82	UK	64.19	47.16
49.27	58.27	65.37	USA	61.84	46.21
44.57	56.18	64.90	Rest of World	60.46	43.08
47.79	58.25	65.96	BP Average	62.08	45.60
=====				=====	
Natural gas liquids (\$/bbl)					
34.34	48.19	46.33	UK	47.16	32.30
28.04	33.25	37.32	USA	35.33	27.50
33.77	37.05	35.18	Rest of World	36.10	32.47
29.86	35.47	37.80	BP Average	36.66	28.99
=====				=====	
Liquids (\$/bbl) (b)					
47.83	60.00	66.61	UK	63.32	46.27
45.92	53.79	60.21	USA	57.03	43.21
43.94	55.02	63.00	Rest of World	58.95	42.43
45.95	55.88	62.86	BP Average	59.36	43.85
=====				=====	
Natural gas (\$/mcf)					
4.82	7.87	5.67	UK	6.92	5.21
5.83	6.91	5.44	USA	6.17	5.57
3.20	3.94	3.54	Rest of World	3.73	3.15
4.38	5.54	4.44	BP Average	4.99	4.32

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- =====
- (a) Includes BP's share of production of equity-accounted entities.
 - (b) Crude oil and natural gas liquids.
 - (c) Based on sales of consolidated subsidiaries only - this excludes equity-accounted entities.
 - (d) Because of rounding, some totals may not agree exactly with the sum of their component parts.

Notes

1. Basis of preparation

BP prepares its Annual Report and Accounts on the basis of International Financial Reporting Standards (IFRS) as adopted for use by the European Union (EU). The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing Annual Report and Accounts 2006, which do not differ significantly from those used for Annual Report and Accounts 2005.

2. Resegmentation and other changes to comparatives

With effect from 1 January 2006 the following changes to the business segment boundaries have been implemented:

- (a) Following the sale of Innovene to INEOS in December 2005, the transfer of three equity-accounted entities (Shanghai SECCO Petrochemical Company Limited in China and Polyethylene Malaysia Sdn Bhd (PEMSB) and Ethylene Malaysia Sdn Bhd (EMSB), both in Malaysia), previously reported in Other businesses and corporate, to Refining and Marketing.
- (b) The formation of BP Alternative Energy in November 2005 has resulted in the transfer of certain mid-stream assets and activities to Gas, Power and Renewables:
 - South Houston Green Power (SHGP) co-generation facility (in Texas City refinery) from Refining and Marketing.
 - Watson Cogeneration (in Carson City refinery) from Refining and Marketing.
 - Phu My Phase 3 CCGT plant in Vietnam from Exploration and Production.
- (c) The transfer of Hydrogen for Transport activities from Gas, Power and Renewables to Refining and Marketing.

Comparative financial data is shown after these changes.

	Restated		Reported	
	Second Quarter 2005	First Half 2005	Second Quarter 2005	First Half 2005
	\$ million			
Profit before interest and tax				
Exploration and Production	5,904	12,393	5,906	12,397

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Refining and Marketing	1,932	4,285	1,950	4,313
Gas, Power and Renewables	175	601	160	578
Other businesses and corporate	(156)	(327)	(161)	(336)

Profit before interest and tax	7,855	16,952	7,855	16,952
Unrealized profit in inventory	(4)	(157)	(4)	(157)
Net profit on transactions between continuing and Innovene operations	159	255	159	255

	8,010	17,050	8,010	17,050
=====				

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

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

Notes

2. Resegmentation and other changes to comparatives (concluded)

	Amended		Reported			
	First Quarter 2006	Second Quarter 2005	First Half 2005	First Quarter 2006	Second Quarter 2005	First Half 2005

\$ million						
Sales and other operating revenues						
Exploration and Production	13,918	10,934	21,120	13,918	10,934	21,120
Refining and Marketing	55,880	53,164	99,173	56,605	55,115	102,877
Gas, Power and Renewables	6,979	5,817	12,278	8,279	6,250	13,355
Other businesses and corporate	206	174	346	206	174	346

Sales by continuing operations	76,983	70,089	132,917	79,008	72,473	137,698
Less: sales between businesses sales to continuing operations	11,926	7,843	16,212	11,926	7,843	16,212
	-	3,926	6,039	-	3,926	6,039

Third party sales of continuing operations	65,057	58,320	110,666	67,082	60,704	115,447

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	=====
Purchases	45,588 38,988 73,032 47,613 41,372 77,813
	=====

Notes

3. Sale of Olefins and Derivatives business

The sale of Innovene, BP's olefins, derivatives and refining group, to INEOS, was completed on 16 December 2005.

The Innovene operations represented a separate major line of business for BP. As a result of the sale, these operations were treated as discontinued operations for the year ended 31 December 2005. A single amount was shown on the face of the income statement comprising the post-tax result of discontinued operations and the post-tax loss recognized on the remeasurement to fair value less costs to sell of the discontinued operation. That is, the income and expenses of Innovene were reported separately from the continuing operations of the BP group. The table below provides further detail of the amount shown on the income statement.

In the cash flow statement the cash provided by the operating activities of Innovene in 2005 has been separated from that of the rest of the group and reported as a single line item.

Second quarter 2006 includes a loss before tax of \$88 million related to post-closing adjustments. There was a similar adjustment of \$96 million in the first quarter of 2006. We anticipate further adjustments during the second half of 2006.

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
293	-	-	Profit before tax from Innovene operations	-	825
(159)	-	-	Net profit on transactions between continuing and Innovene operations	-	(255)
-----				-----	
134	-	-	Profit before interest and taxation	-	570
1	-	-	Other finance income (expense)	-	2
-	(96)	(88)	(Loss) gain recognized on the remeasurement to fair value	(184)	-
-----				-----	
135	(96)	(88)	Taxation	(184)	572
(31)	-	166	Related to profit before tax	166	(164)
-	(7)	-	Related to remeasurement to fair value	(7)	-
-----				-----	
104	(103)	78	Profit (loss) from Innovene operations	(25)	408
=====				=====	
			Earnings (loss) per share from Innovene operations - cents		

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0.49	(0.50)	0.37	Basic	(0.13)	1.91
0.49	(0.50)	0.38	Diluted	(0.12)	1.88
=====					
The net cash flows of Innovene operations are presented below					
(470)	-	-	Net cash used in operating activities	-	(58)
(105)	-	-	Net cash used in investing activities	-	(264)

575	-	-	Net cash provided by financing activities	-	322
=====					

Notes

4. Sales and other operating revenues

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
By business					
10,934	13,918	13,495	Exploration and Production	27,413	21,120
53,164	55,880	64,025	Refining and Marketing	119,905	99,173
5,817	6,979	5,735	Gas, Power and Renewables	12,714	12,278
174	206	252	Other businesses and corporate	458	346

70,089	76,983	83,507	Sales by continuing operations	160,490	132,917
7,843	11,926	11,079	Less: sales between businesses sales to Innovene operations	23,005	16,212
3,926	-	-		-	6,039

58,320	65,057	72,428	Third party sales of continuing operations	137,485	110,666
5,951	-	-	Innovene sales	-	11,294
2,605	-	-	Less: sales to continuing operations	-	4,139

3,346	-	-	Third party sales of Innovene operations	-	7,155

61,666	65,057	72,428	Total third party sales	137,485	117,821
=====					
By geographical area					
24,340	27,865	26,288	UK	54,153	43,148
16,916	18,374	19,406	Rest of Europe	37,780	32,740
24,403	23,703	27,962	USA	51,665	46,414
14,247	18,375	18,467	Rest of World	36,842	26,972

79,906	88,317	92,123	Sales by continuing operations	180,440	149,274
17,660	23,260	19,695	Less: sales between areas sales to Innovene operations	42,955	32,569
3,926	-	-		-	6,039

58,320	65,057	72,428		137,485	110,666
=====					

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5. Profit before interest and taxation is after charging:

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
			Exploration expense		
13	7	-	UK	7	18
-	-	-	Rest of Europe	-	1
85	66	55	USA	121	188
41	116	42	Rest of World	158	92
-----				-----	
139	189	97		286	299
=====				=====	
			Production and similar taxes		
153	235	72	UK	307	267
544	697	783	Overseas	1,480	1,079
-----				-----	
697	932	855		1,787	1,346
=====				=====	

Notes

6. Finance costs

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
204	293	285	Interest payable	578	395
(76)	(102)	(132)	Capitalized	(234)	(152)
-----				-----	
128	191	153		344	243
-	-	-	Early redemption of finance leases	-	57
-----				-----	
128	191	153		344	300
=====				=====	

7. Other finance (income) expense

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
\$ million				\$ million	
509	471	484	Interest on pension and other post-retirement benefit plan liabilities	955	1,023
(542)	(582)	(599)	Expected return on pension and other post-retirement benefit plan assets	(1,181)	(1,089)
-----				-----	
(33)	(111)	(115)	Interest net of expected return on plan assets	(226)	(66)
50	54	61	Unwinding of discount on provisions	115	95
			Unwinding of discount on deferred consideration for acquisition		

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17	9	8	of investment in TNK-BP	17	34
-----	-----	-----		-----	-----
34	(48)	(46)		(94)	63
1	-	-	Innovene operations	-	2
-----	-----	-----		-----	-----
35	(48)	(46)	Continuing operations	(94)	65
=====	=====	=====		=====	=====

8. Dividends paid

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====	=====	=====		=====	=====
\$ million				\$ million	
			Dividends per ordinary share		
8.50	9.375	9.375	Cents	18.75	17.0
4.450	5.288	5.251	Pence	10.539	8.972
51.0	56.25	56.25	Dividends per ADS (cents)	112.50	102.0
=====	=====	=====		=====	=====

Notes

9. Analysis of changes in net debt

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====	=====	=====		=====	=====
\$ million				\$ million	
			Opening balance		
19,564	19,162	18,679	Finance debt	19,162	23,091
1,521	2,960	2,939	Less: Cash and cash equivalents	2,960	1,359
-----	-----	-----		-----	-----
18,043	16,202	15,740	Opening net debt	16,202	21,732
-----	-----	-----		-----	-----
			Closing balance		
19,302	18,679	19,286	Finance debt	19,286	19,302
1,360	2,939	4,852	Less: Cash and cash equivalents	4,852	1,360
-----	-----	-----		-----	-----
17,942	15,740	14,434	Closing net debt	14,434	17,942
-----	-----	-----		-----	-----
101	462	1,306	Decrease (increase) in net debt	1,768	3,790
=====	=====	=====		=====	=====
			Movement in cash and cash equivalents (excluding exchange adjustments)	1,914	10
(161)	(35)	1,949	Net cash outflow (inflow) from financing (excluding share capital)	(355)	3,927
380	379	(734)	Adoption of IAS 39	-	(147)
-	-	-	Fair value hedge adjustment	142	115
17	82	60	Other movements	58	102
53	32	26		-----	-----
-----	-----	-----		-----	-----
289	458	1,301	Movement in net debt before exchange effects	1,759	4,007
(188)	4	5	Exchange adjustments	9	(217)
-----	-----	-----		-----	-----
101	462	1,306	Decrease (increase) in net debt	1,768	3,790
=====	=====	=====		=====	=====

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Notes

10. TNK-BP Operational and Financial Information

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
			Production (Net of royalties) (BP share)		
903	896	907	Crude oil (mb/d)	901	889
429	567	538	Natural gas (mmcf/d)	552	477
977	994	999	Total hydrocarbons (mboe/d) (a)	997	971
=====				=====	
\$ million				\$ million	
			Income statement (BP share)		
920	852	1,084	Profit before interest and tax	1,936	1,535
(32)	(43)	(45)	Interest expense *	(88)	(61)
(227)	(350)	(348)	Taxation	(698)	(394)
(20)	(41)	(46)	Minority interest	(87)	(28)
-----				-----	
641	418	645	Net Income	1,063	1,052
=====				=====	
			* Excludes unwinding of discount on deferred consideration		
17	9	8		17	34
=====				=====	
			Cash Flow		
425	771	-	Dividends received	771	675
=====				=====	

Second Quarter 2005	First Quarter 2006	Second Quarter 2006		First Half 2006	First Half 2005
=====				=====	
			Average oil marker prices (\$/bbl)		
48.08	58.15	64.73	Urals (NWE - cif)	61.42	45.31
48.49	58.26	64.84	Urals (Med - cif)	61.52	45.85
27.39	35.27	36.18	Domestic Oil	35.73	23.27
=====				=====	

Balance sheet	30 June 2006	31 December 2005
	=====	=====
Investments in jointly controlled entities	9,151	8,089
Deferred consideration		
Due within one year	1,244	1,227
Due after more than one year	-	-
	-----	-----
	1,244	1,227
	=====	=====

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

As reported in previous quarters, various TNK-BP companies have received tax notifications. Upon entering into the joint venture arrangement, each party received indemnities from its co-venturers in respect of historical tax liabilities related to assets contributed to the joint venture. BP believes its

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provisions are adequate for its share of any liabilities arising from tax claims not covered by these indemnities.

Notes

11. Equity-accounted entities

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

	RC profit (loss) before interest and tax	Inventory holding gains (losses)	Profit (loss) before interest and tax

\$ million			
Second Quarter 2006			
Exploration and Production	1,369	-	1,369
Refining and Marketing	106	3	109
Gas, Power and Renewables	55	-	55
Other businesses and corporate	1	-	1

Continuing operations	1,531	3	1,534
Innovene operations	-	-	-

	1,531	3	1,534
=====			
First Quarter 2006			
Exploration and Production	1,149	-	1,149
Refining and Marketing	95	6	101
Gas, Power and Renewables	29	-	29
Other businesses and corporate	(2)	-	(2)

Continuing operations	1,271	6	1,277
Innovene operations	-	-	-

	1,271	6	1,277
=====			
Second Quarter 2005			
Exploration and Production	1,161	-	1,161
Refining and Marketing	67	(15)	52
Gas, Power and Renewables	18	-	18
Other businesses and corporate	-	-	-

Continuing operations	1,246	(15)	1,231
Innovene operations	3	-	3

	1,249	(15)	1,234
=====			
Half Year 2006			
Exploration and Production	2,518	-	2,518
Refining and Marketing	201	9	210
Gas, Power and Renewables	84	-	84
Other businesses and corporate	(1)	-	(1)

Continuing operations	2,802	9	2,811
Innovene operations	-	-	-

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	2,802	9	2,811

Half Year 2005			
Exploration and Production	2,000	-	2,000
Refining and Marketing	142	(19)	123
Gas, Power and Renewables	25	-	25
Other businesses and corporate	-	-	-

Continuing operations	2,167	(19)	2,148
Innovene operations	3	-	3

	2,170	(19)	2,151
=====			

Notes

11. Equity-accounted entities (continued)

	Interest	Tax	Minority interest	Profit (loss) for the period

\$ million				
Second Quarter 2006				
Exploration and Production	(78)	(436)	(46)	809
Refining and Marketing	(19)	(13)	-	77
Gas, Power and Renewables	(6)	(4)	-	45
Other businesses and corporate	-	-	-	1

Continuing operations	(103)	(453)	(46)	932
Innovene operations	-	-	-	-

	(103)	(453)	(46)	932
=====				
First Quarter 2006				
Exploration and Production	(72)	(439)	(41)	597
Refining and Marketing	(19)	(10)	-	72
Gas, Power and Renewables	(4)	(4)	-	21
Other businesses and corporate	-	-	-	(2)

Continuing operations	(95)	(453)	(41)	688
Innovene operations	-	-	-	-

	(95)	(453)	(41)	688
=====				
Second Quarter 2005				
Exploration and Production	(56)	(289)	(20)	796
Refining and Marketing	(6)	(13)	-	33
Gas, Power and Renewables	(3)	(1)	-	14
Other businesses and corporate	-	-	-	-

Continuing operations	(65)	(303)	(20)	843
Innovene operations	-	-	-	3

	(65)	(303)	(20)	846
=====				

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Half Year 2006				
Exploration and Production	(150)	(875)	(87)	1,406
Refining and Marketing	(38)	(23)	-	149
Gas, Power and Renewables	(10)	(8)	-	66
Other businesses and corporate	-	-	-	(1)

Continuing operations	(198)	(906)	(87)	1,620
Innovene operations	-	-	-	-

	(198)	(906)	(87)	1,620
=====				
Half Year 2005				
Exploration and Production	(108)	(516)	(28)	1,348
Refining and Marketing	(14)	(31)	-	78
Gas, Power and Renewables	(5)	(3)	-	17
Other businesses and corporate	-	-	-	-

Continuing operations	(127)	(550)	(28)	1,443
Innovene operations	-	-	-	3

	(127)	(550)	(28)	1,446
=====				

Notes

12. Third quarter results

BP's third quarter results will be announced on 24 October 2006.

13. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2005 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts (in accordance with section 235 of the Companies Act 2005) was unqualified.

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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.

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BP p.l.c.
(Registrant)

Dated: 25 July 2006

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