

BP PLC
Form 6-K
April 27, 2010

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 27 April 2010

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 Form 40-F
----- -----

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|

Top of page 9

Group income statement

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|--|-----------------------------------|------------------------------------|-----------------------------------|
| \$ million | | | |
| Sales and other operating revenues (Note 2) | 73,071 | 70,981 | 47,296 |
| Earnings from jointly controlled entities - after interest and tax | 403 | 350 | 220 |
| Earnings from associates - after interest and tax | 763 | 696 | 285 |
| Interest and other income | 142 | 241 | 203 |
| Gains on sale of businesses and fixed assets | 38 | 1,368 | 81 |
| Total revenues and other income | 74,417 | 73,636 | 48,085 |
| Purchases | 51,641 | 50,201 | 30,777 |
| Production and manufacturing expenses (Note 3) | 5,740 | 6,040 | 5,894 |
| Production and similar taxes (Note 3) | 1,276 | 1,084 | 674 |
| Depreciation, depletion and amortization | 2,996 | 3,200 | 2,823 |
| Impairment and losses on sale of businesses and fixed assets | 164 | 1,823 | 137 |
| Exploration expense | 120 | 272 | 119 |
| Distribution and administration expenses | 3,020 | 3,979 | 3,349 |
| Fair value (gain) loss on embedded derivatives | (146) | 103 | (186) |
| Profit before interest and taxation | 9,606 | 6,934 | 4,498 |
| Finance costs | 238 | 252 | 318 |
| Net finance (income) expense relating to pensions and other post-retirement benefits | (10) | 50 | 50 |
| Profit before taxation | 9,378 | 6,632 | 4,130 |
| Taxation | 3,190 | 2,254 | 1,533 |
| Profit for the period | 6,188 | 4,378 | 2,597 |
| Attributable to | | | |
| BP shareholders | 6,079 | 4,295 | 2,562 |
| Minority interest | 109 | 83 | 35 |
| | 6,188 | 4,378 | 2,597 |
| Earnings per share - cents (Note 4) | | | |
| Profit for the period attributable to BP shareholders | | | |
| Basic | 32.39 | 22.90 | 13.69 |
| Diluted | 31.99 | 22.64 | 13.54 |

Group statement of comprehensive income

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|-----------------------------------|------------------------------------|-----------------------------------|
| \$ million | | | |
| Profit for the period | 6,188 | 4,378 | 2,597 |
| Currency translation differences | (526) | (63) | (1,011) |
| Exchange (gains) losses on translation of foreign operations transferred to gain or loss on sales of businesses and fixed assets | - | (73) | - |
| Actuarial gain (loss) relating to pensions and other post-retirement benefits | - | (682) | - |
| Available-for-sale investments marked to market | (93) | 168 | 74 |
| Available-for-sale investments - recycled to the income statement | - | - | 2 |
| Cash flow hedges marked to market | (162) | 39 | (211) |
| Cash flow hedges - recycled to the income statement | (94) | (122) | 239 |
| Cash flow hedges - recycled to the balance sheet | 13 | 4 | 71 |
| Taxation | (119) | 214 | (82) |
| Other comprehensive income | (981) | (515) | (918) |
| Total comprehensive income | 5,207 | 3,863 | 1,679 |
| Attributable to | | | |
| BP shareholders | 5,105 | 3,834 | 1,668 |
| Minority interest | 102 | 29 | 11 |
| | 5,207 | 3,863 | 1,679 |

Group statement of changes in equity

| | BP shareholders' equity | Minority interest | Total equity |
|---------------------|--|------------------------------|-------------------------|
| \$ million | | | |
| At 31 December 2009 | 101,613 | 500 | 102,113 |

| | | | |
|---|----------------|------------|----------------|
| Total comprehensive income | 5,105 | 102 | 5,207 |
| Dividends | (2,626) | (3) | (2,629) |
| Share-based payments (net of tax) | (13) | - | (13) |
| Transactions involving minority interests | - | 300 | 300 |
| At 31 March 2010 | 104,079 | 899 | 104,978 |

| | BP shareholders' equity | Minority interest | Total equity |
|-----------------------------------|--|------------------------------|-------------------------|
| \$ million | | | |
| At 31 December 2008 | 91,303 | 806 | 92,109 |
| Total comprehensive income | 1,668 | 11 | 1,679 |
| Dividends | (2,619) | (111) | (2,730) |
| Share-based payments (net of tax) | 121 | - | 121 |
| At 31 March 2009 | 90,473 | 706 | 91,179 |

Top of page 11

Group balance sheet

| | 31 March 2010 | 31 December 2009 |
|--|--------------------------|-----------------------------|
| \$ million | | |
| Non-current assets | | |
| Property, plant and equipment | 108,232 | 108,275 |
| Goodwill | 8,409 | 8,620 |
| Intangible assets | 12,675 | 11,548 |
| Investments in jointly controlled entities | 15,484 | 15,296 |
| Investments in associates | 13,396 | 12,963 |
| Other investments | 1,459 | 1,567 |
| Fixed assets | 159,655 | 158,269 |
| Loans | 982 | 1,039 |
| Other receivables | 2,216 | 1,729 |
| Derivative financial instruments | 4,770 | 3,965 |
| Prepayments | 1,359 | 1,407 |
| Deferred tax assets | 464 | 516 |
| Defined benefit pension plan surpluses | 1,494 | 1,390 |

| | | |
|--|----------------|---------|
| | 170,940 | 168,315 |
| Current assets | | |
| Loans | 236 | 249 |
| Inventories | 23,221 | 22,605 |
| Trade and other receivables | 31,159 | 29,531 |
| Derivative financial instruments | 5,355 | 4,967 |
| Prepayments | 2,647 | 1,753 |
| Current tax receivable | 238 | 209 |
| Cash and cash equivalents | 6,841 | 8,339 |
| | 69,697 | 67,653 |
| Total assets | 240,637 | 235,968 |
| Current liabilities | | |
| Trade and other payables | 38,146 | 35,204 |
| Derivative financial instruments | 5,530 | 4,681 |
| Accruals | 5,482 | 6,202 |
| Finance debt | 8,356 | 9,109 |
| Current tax payable | 2,624 | 2,464 |
| Provisions | 1,646 | 1,660 |
| | 61,784 | 59,320 |
| Non-current liabilities | | |
| Other payables | 3,206 | 3,198 |
| Derivative financial instruments | 3,899 | 3,474 |
| Accruals | 656 | 703 |
| Finance debt | 23,797 | 25,518 |
| Deferred tax liabilities | 20,156 | 18,662 |
| Provisions | 12,752 | 12,970 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | 9,409 | 10,010 |
| | 73,875 | 74,535 |
| Total liabilities | 135,659 | 133,855 |
| Net assets | 104,978 | 102,113 |
| Equity | | |
| BP shareholders' equity | 104,079 | 101,613 |
| Minority interest | 899 | 500 |
| | 104,978 | 102,113 |

Top of page 12

Condensed group cash flow statement

| | | | |
|--|----------------|----------------|----------------|
| | First | Fourth | First |
| | quarter | quarter | quarter |
| | 2010 | 2009 | 2009 |

\$ million
Operating activities

| | | | |
|--|----------------|---------|---------|
| Profit before taxation | 9,378 | 6,632 | 4,130 |
| Adjustments to reconcile profit before taxation to net cash provided by operating activities | | | |
| Depreciation, depletion and amortization and exploration expenditure written off | 3,017 | 3,319 | 2,849 |
| Impairment and (gain) loss on sale of businesses and fixed assets | 126 | 455 | 56 |
| Earnings from equity-accounted entities, less dividends received | (669) | 282 | (252) |
| Net charge for interest and other finance expense, less net interest paid | 46 | 8 | 89 |
| Share-based payments | (146) | 128 | 86 |
| Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans | (490) | (606) | 26 |
| Net charge for provisions, less payments | (48) | 454 | 281 |
| Movements in inventories and other current and non-current assets and liabilities | (1,940) | (2,420) | 32 |
| (a) | | | |
| Income taxes paid | (1,581) | (964) | (1,725) |
| Net cash provided by operating activities | 7,693 | 7,288 | 5,572 |
| Investing activities | | | |
| Capital expenditure | (4,289) | (5,647) | (4,817) |
| Acquisitions, net of cash acquired | - | 9 | - |
| Investment in jointly controlled entities | (82) | (237) | (103) |
| Investment in associates | (6) | (5) | (47) |
| Proceeds from disposal of fixed assets | 108 | 538 | 311 |
| Proceeds from disposal of businesses, net of cash disposed | - | 531 | - |
| Proceeds from loan repayments | 56 | 238 | 117 |
| Other | - | - | 47 |
| Net cash used in investing activities | (4,213) | (4,573) | (4,492) |
| Financing activities | | | |
| Net issue of shares | 128 | 82 | 35 |
| Proceeds from long-term financing | 342 | 140 | 4,619 |
| Repayments of long-term financing | (2,495) | (1,237) | (2,580) |
| Net decrease in short-term debt | (247) | (557) | (182) |
| Dividends paid - BP shareholders | (2,626) | (2,623) | (2,619) |
| - Minority interest | (3) | (92) | (111) |
| Net cash used in financing activities | (4,901) | (4,287) | (838) |
| Currency translation differences relating to cash and cash equivalents | (77) | 28 | (79) |
| Increase (decrease) in cash and cash equivalents | (1,498) | (1,544) | 163 |
| Cash and cash equivalents at beginning of period | 8,339 | 9,883 | 8,197 |

| | | | |
|--|--------------|---------|-------|
| Cash and cash equivalents at end of period | 6,841 | 8,339 | 8,360 |
| (a) Includes | | | |
| Inventory holding (gains) losses | (705) | (1,256) | (254) |
| Fair value (gain) loss on embedded derivatives | (146) | 103 | (186) |

Inventory holding gains and losses and fair value gains and losses on embedded derivatives are also included within profit before taxation.

Top of page 13

Capital expenditure and acquisitions

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| \$ million | | | |
| By business | | | |
| Exploration and Production | | | |
| US | 1,133 | 1,682 | 1,670 |
| Non-US | 2,815 | 2,431 | 2,035 |
| (a) | 3,948 | 4,113 | 3,705 |
| Refining and Marketing | | | |
| US | 528 | 912 | 567 |
| Non-US | 144 | 652 | 226 |
| | 672 | 1,564 | 793 |
| Other businesses and corporate | | | |
| US | 28 | 149 | 56 |
| Non-US | 39 | 87 | 41 |
| | 67 | 236 | 97 |
| | 4,687 | 5,913 | 4,595 |
| By geographical area | | | |
| US | 1,689 | 2,743 | 2,293 |
| Non-US | 2,998 | 3,170 | 2,302 |
| (a) | 4,687 | 5,913 | 4,595 |
| Included above: | | | |
| Acquisitions and asset exchanges | - | 27 | - |

(a) First quarter 2010 included capital expenditure of \$900 million in Exploration and Production relating to the formation of a partnership with Value Creation Inc. to develop the Terre de Grace oil sands acreage in the Athabasca region of Alberta, Canada.

Exchange rates

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|--|-----------------------------------|------------------------------------|-----------------------------------|
| US dollar/sterling average rate for the period | 1.56 | 1.63 | 1.43 |
| US dollar/sterling period-end rate | 1.51 | 1.60 | 1.42 |
| US dollar/euro average rate for the period | 1.38 | 1.48 | 1.30 |
| US dollar/euro period-end rate | 1.34 | 1.43 | 1.32 |

Top of page 14

Analysis of replacement cost profit before interest and tax and reconciliation to profit before taxation

(a)

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| \$ million | | | |
| By business | | | |
| Exploration and Production | | | |
| US | 2,762 | 2,517 | 1,143 |
| Non-US | 5,530 | 5,988 | 3,177 |
| | 8,292 | 8,505 | 4,320 |
| Refining and Marketing | | | |
| US | (63) | (2,331) | 308 |
| Non-US | 792 | 388 | 782 |
| | 729 | (1,943) | 1,090 |
| Other businesses and corporate | | | |
| US | (231) | (141) | (279) |
| Non-US | (97) | (251) | (482) |
| | (328) | (392) | (761) |

| | | | |
|---|--------------|-------|-------|
| | 8,693 | 6,170 | 4,649 |
| Consolidation adjustment | 208 | (492) | (405) |
| Replacement cost profit before interest and tax | 8,901 | 5,678 | 4,244 |
| (b) | | | |
| Inventory holding gains (losses) | | | |
| (c) | | | |
| Exploration and Production | 24 | 159 | (34) |
| Refining and Marketing | 679 | 1,074 | 327 |
| Other businesses and corporate | 2 | 23 | (39) |
| Profit before interest and tax | 9,606 | 6,934 | 4,498 |
| Finance costs | 238 | 252 | 318 |
| Net finance (income) expense relating to pensions and other post-retirement benefits | (10) | 50 | 50 |
| Profit before taxation | 9,378 | 6,632 | 4,130 |
| Replacement cost profit (loss) before interest and tax | | | |
| By geographical area | | | |
| US | 2,590 | (294) | 854 |
| Non-US | 6,311 | 5,972 | 3,390 |
| | 8,901 | 5,678 | 4,244 |

- (a) IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker for the purposes of performance assessment and resource allocation. For BP, this measure of profit or loss is replacement cost profit before interest and tax. In addition, a reconciliation is required between the total of the operating segments' measures of profit or loss and the group profit or loss before taxation.
- (b) Replacement cost profit reflects the replacement cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses and their associated tax effect. Replacement cost profit for the group is not a recognized GAAP measure.
- (c) Inventory holding gains and losses represent the difference between the cost of sales calculated using the average cost to BP of supplies acquired during the period and the cost of sales calculated on the first-in first-out (FIFO) method after adjusting for any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which we use for IFRS reporting, the cost of inventory charged to the income statement is based on its historic cost of purchase, or manufacture, rather than its replacement cost. In volatile energy markets, this can have a significant distorting effect on reported income. The amounts disclosed represent the difference between the charge (to the income statement) for inventory on a FIFO basis (after adjusting for any related movements in net realizable value provisions) and the charge that would have arisen if an average cost of supplies was used for the period. For this purpose, the average cost of supplies during the period is principally calculated on a monthly basis by dividing the total cost of inventory acquired in the period by the number of barrels acquired. The amounts disclosed are not separately reflected in the financial statements as a gain or loss. No adjustment is made in respect of the cost of inventories held as part of a trading position and certain other temporary inventory positions.

Management believes this information is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due

principally to changes in oil prices as well as changes to underlying inventory levels. In order for investors to understand the operating performance of the group excluding the impact of oil price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, BP's management believes it is helpful to disclose this information.

Top of page 15

Non-operating items
(a)

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| Exploration and Production | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (13) | 1,070 | 73 |
| Environmental and other provisions | - | - | - |
| Restructuring, integration and rationalization costs | (104) | (4) | (1) |
| Fair value gain (loss) on embedded derivatives | 146 | (103) | 243 |
| Other | 12 | 13 | (4) |
| | 41 | 976 | 311 |
| Refining and Marketing | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (45) | (1,518) | (21) |
| (b) | | | |
| Environmental and other provisions | - | (29) | - |
| Restructuring, integration and rationalization costs | 12 | (492) | (263) |
| Fair value gain (loss) on embedded derivatives | - | - | (57) |
| Other | (37) | 193 | (9) |
| | (70) | (1,846) | (350) |
| Other businesses and corporate | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (68) | (7) | (108) |
| Environmental and other provisions | - | 16 | (75) |
| Restructuring, integration and rationalization costs | (38) | (47) | (71) |
| Fair value gain (loss) on embedded derivatives | - | - | - |
| Other | (12) | (27) | (67) |
| | (118) | (65) | (321) |
| Total before taxation | (147) | (935) | (360) |
| Taxation credit (charge) | 50 | (221) | 135 |
| (c) | | | |
| Total after taxation for period | (97) | (1,156) | (225) |

- (a) An analysis of non-operating items by region is shown on pages 5, 7 and 8.
- (b) Fourth quarter 2009 includes \$1,579 million in relation to the impairment of goodwill allocated to the US West Coast fuels value chain.
- (c) Tax is calculated using the quarter's effective tax rate on replacement cost profit, except in the case of a goodwill impairment in Refining and Marketing in the fourth quarter of 2009 where no tax credit was calculated because this item is not tax deductible.

Non-operating items are charges and credits arising in consolidated entities that BP discloses separately because it considers such disclosures to be meaningful and relevant to investors. These disclosures are provided in order to enable investors better to understand and evaluate the group's financial performance.

Top of page 16

Non-GAAP information on
fair value accounting effects

| \$ million | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| Favourable (unfavourable) impact relative to management's measure of performance | | | |
| Exploration and Production | 63 | 446 | 158 |
| Refining and Marketing | 10 | (112) | (109) |
| Taxation charge | (25) | (115) | (18) |
| (a) | 48 | 219 | 31 |

- (a) Tax is calculated using the quarter's effective tax rate on replacement cost profit

BP uses derivative instruments to manage the economic exposure relating to inventories above normal operating requirements of crude oil, natural gas and petroleum products as well as certain contracts to supply physical volumes at future dates. Under IFRS, these inventories and contracts are recorded at

historic cost and on an accruals basis respectively. The related derivative instruments, however, are required to be recorded at fair value with gains and losses recognized in income because hedge accounting is either not permitted or not followed, principally due to the impracticality of effectiveness testing requirements. Therefore, measurement differences in relation to recognition of gains and losses occur. Gains and losses on these inventories and contracts are not recognized until the commodity is sold in a subsequent accounting period. Gains and losses on the related derivative commodity contracts are recognized in the income statement from the time the derivative commodity contract is entered into on a fair value basis using forward prices consistent with the contract maturity.

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

BP enters into contracts for pipelines and storage capacity that, under IFRS, are recorded on an accruals basis. These contracts are risk-managed using a variety of derivative instruments which are fair valued under IFRS. This results in measurement differences in relation to recognition of gains and losses.

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference for consolidated entities by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table above. A reconciliation to GAAP information is set out below.

Reconciliation of non-GAAP information

| \$ million | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| Exploration and Production | | | |
| Replacement cost profit before interest and tax adjusted for fair value accounting effects | 8,229 | 8,059 | 4,162 |
| Impact of fair value accounting effects | 63 | 446 | 158 |
| Replacement cost profit before interest and tax | 8,292 | 8,505 | 4,320 |
| Refining and Marketing | | | |
| Replacement cost profit (loss) before interest and tax adjusted for fair value accounting effects | 719 | (1,831) | 1,199 |
| Impact of fair value accounting effects | 10 | (112) | (109) |
| Replacement cost profit (loss) before interest and tax | 729 | (1,943) | 1,090 |

Top of page 17

Realizations and marker prices

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|-----------------------------------|------------------------------------|-----------------------------------|
| Average realizations | | | |
| (a) | | | |
| Liquids (\$/bbl) | | | |
| (b) | | | |
| US | 69.77 | 66.15 | 39.47 |
| Europe | 75.71 | 71.68 | 47.59 |
| Rest of World | 72.94 | 68.95 | 40.89 |
| BP Average | 71.86 | 68.02 | 41.26 |
| Natural gas (\$/mcf) | | | |
| US | 4.84 | 3.69 | 3.38 |
| Europe | 4.91 | 4.96 | 5.56 |
| Rest of World | 3.90 | 3.51 | 3.41 |
| BP Average | 4.26 | 3.68 | 3.63 |
| Total hydrocarbons (\$/boe) | | | |
| US | 54.54 | 49.72 | 31.83 |
| Europe | 60.39 | 58.18 | 41.36 |
| Rest of World | 42.20 | 39.59 | 28.35 |
| BP Average | 49.16 | 45.83 | 31.40 |
| Average oil marker prices (\$/bbl) | | | |
| Brent | 76.36 | 74.53 | 44.46 |
| West Texas Intermediate | 78.84 | 75.97 | 43.20 |
| Alaska North Slope | 79.14 | 75.74 | 45.40 |
| Mars | 75.85 | 73.68 | 43.83 |
| Urals (NWE- cif) | 75.31 | 74.21 | 43.65 |
| Russian domestic oil | 35.52 | 35.83 | 19.52 |
| Average natural gas marker prices | | | |
| Henry Hub gas price (\$/mmBtu) | 5.30 | 4.16 | 4.91 |
| (c) | | | |
| UK Gas - National Balancing Point (p/therm) | 35.65 | 27.75 | 46.80 |

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

(b)Crude oil and natural gas liquids.

(c)Henry Hub First of Month Index.

Notes**1. Basis of preparation**

The interim financial information included in this report has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The results for the interim periods are unaudited and in the opinion of management include all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature.

This report should be read in conjunction with the consolidated financial statements and related notes for the year ended 31 December 2009 included in BP Annual Report and Accounts 2009 and in BP Annual Report on Form 20-F 2009

BP prepares its consolidated financial statements included within its Annual Report and Accounts on the basis of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the European Union (EU) and in accordance with the provisions of the UK Companies Act 2006. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the group's consolidated financial statements for the periods presented. The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Annual Report and Accounts and the Annual Report on Form 20-F for 2010, which do not differ significantly from those used in the BP Annual Report and Accounts 2009 or in BP Annual Report on Form 20-F 2009

BP has adopted the revised version of IFRS 3 'Business Combinations', with effect from 1 January 2010. The revised standard still requires the purchase method of accounting to be applied to business combinations but introduces some changes to the accounting treatment. Assets and liabilities arising from business combinations that occurred before 1 January 2010 were not required to be restated and thus there was no effect on the group's reported income or net assets on adoption.

In addition, BP has adopted the amended version of IAS 27, 'Consolidated and Separate Financial Statements', also with effect from 1 January 2010. This requires the effects of all transactions with minority interests to be recorded in equity if there is no change in control. When control is lost, any remaining interest in the entity is remeasured to fair value and a gain or loss recognized in profit or loss. There was no effect on the group's reported income or net assets on adoption.

Notes

2. Sales and other operating revenues

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| By business | | | |
| Exploration and Production | 18,080 | 17,564 | 12,343 |
| Refining and Marketing | 64,286 | 62,602 | 40,573 |
| Other businesses and corporate | 790 | 895 | 584 |
| | 83,156 | 81,061 | 53,500 |
| Less: sales between businesses | | | |
| Exploration and Production | 9,746 | 9,611 | 5,800 |
| Refining and Marketing | 135 | 281 | 111 |
| Other businesses and corporate | 204 | 188 | 293 |
| | 10,085 | 10,080 | 6,204 |
| Third party sales and other operating revenues | | | |
| Exploration and Production | 8,334 | 7,953 | 6,543 |
| Refining and Marketing | 64,151 | 62,321 | 40,462 |
| Other businesses and corporate | 586 | 707 | 291 |
| Total third party sales and other operating revenues | 73,071 | 70,981 | 47,296 |
| By geographical area | | | |
| US | 26,108 | 24,389 | 17,580 |
| Non-US | 54,009 | 52,691 | 33,586 |
| | 80,117 | 77,080 | 51,166 |
| Less: sales between areas | 7,046 | 6,099 | 3,870 |
| | 73,071 | 70,981 | 47,296 |

3.

Production and similar taxes

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|-------------------|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| US | 313 | 271 | 79 |

| | | | |
|--------|--------------|-------|-----|
| Non-US | 963 | 813 | 595 |
| | 1,276 | 1,084 | 674 |

Comparative figures have been restated to include amounts previously reported as production and manufacturing expenses amounting to \$213 million for the first quarter 2009, which we believe are more appropriately classified as production taxes. There was no effect on the group profit for the period or the group balance sheet.

Top of page 20

Notes

4. Earnings per share and shares in issue

Basic earnings per ordinary share (EpS) amounts are calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The calculation of EpS is performed separately for each discrete quarterly period, and for the year-to-date period. As a result, the sum of the discrete quarterly EpS amounts in any particular year-to-date period may not be equal to the EpS amount for the year-to-date period.

For the diluted EpS calculation the weighted average number of shares outstanding during the period is adjusted for the number of shares that are potentially issuable in connection with employee share-based payment plans using the treasury stock method.

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| Results for the period | | | |
| Profit for the period attributable to BP shareholders | 6,079 | 4,295 | 2,562 |
| Less: preference dividend | - | 1 | - |
| Profit attributable to BP ordinary shareholders | 6,079 | 4,294 | 2,562 |
| Inventory holding (gains) losses, net of tax | (481) | (848) | (175) |
| RC profit attributable to BP ordinary shareholders | 5,598 | 3,446 | 2,387 |
| Basic weighted average number of shares outstanding (thousand) | 18,769,888 | 18,748,026 | 18,720,354 |
| (a) ADS equivalent (thousand) | 3,128,315 | 3,124,671 | 3,120,059 |
| (a) Weighted average number of shares outstanding used to calculate diluted earnings per share (thousand) | 19,004,740 | 18,970,187 | 18,920,515 |

| | | | | |
|--|-------------------|------------|------------|--|
| (a) | | | | |
| ADS equivalent (thousand) | 3,167,457 | 3,161,698 | 3,153,419 | |
| (a) | | | | |
| Shares in issue at period-end (thousand) | 18,784,361 | 18,755,378 | 18,724,785 | |
| (a) | | | | |
| ADS equivalent (thousand) | 3,130,727 | 3,125,896 | 3,120,798 | |
| (a) | | | | |

(a) Excludes treasury shares and the shares held by the Employee Share Ownership Plans and includes certain shares that will be issuable in the future under employee share plans.

Top of page 21

Notes

5. Analysis of changes in net debt

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|---|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| Opening balance | | | |
| Finance debt | 34,627 | 36,555 | 33,204 |
| Less: Cash and cash equivalents | 8,339 | 9,883 | 8,197 |
| Less: FV asset (liability) of hedges related to finance debt | 127 | 370 | (34) |
| Opening net debt | 26,161 | 26,302 | 25,041 |
| Closing balance | | | |
| Finance debt | 32,153 | 34,627 | 34,698 |
| Less: Cash and cash equivalents | 6,841 | 8,339 | 8,360 |
| Less: FV asset (liability) of hedges related to finance debt | 152 | 127 | (323) |
| Closing net debt | 25,160 | 26,161 | 26,661 |
| Decrease (increase) in net debt | 1,001 | 141 | (1,620) |
| Movement in cash and cash equivalents (excluding exchange adjustments) | (1,421) | (1,572) | 242 |
| Net cash outflow (inflow) from financing (excluding share capital) | 2,400 | 1,654 | (1,857) |
| Other movements | 7 | 14 | 7 |
| Movement in net debt before exchange effects | 986 | 96 | (1,608) |
| Exchange adjustments | 15 | 45 | (12) |

| | | | |
|--|--------------|-----|---------|
| Decrease (increase) in net debt | 1,001 | 141 | (1,620) |
|--|--------------|-----|---------|

6. TNK-BP operational and financial information

| | First quarter 2010 | Fourth quarter 2009 | First quarter 2009 |
|--|-----------------------------------|------------------------------------|-----------------------------------|
| Production (Net of royalties) (BP share) | | | |
| Crude oil (mb/d) | 849 | 852 | 822 |
| Natural gas (mmcf/d) | 673 | 654 | 642 |
| Total hydrocarbons (mboe/d) | 965 | 965 | 933 |
| (a) | | | |
| \$ million | | | |
| Income statement (BP share) | | | |
| Profit (loss) before interest and tax | 788 | 805 | 419 |
| Finance costs | (38) | (45) | (68) |
| Taxation | (168) | (181) | (185) |
| Minority interest | (39) | (43) | (32) |
| Net income | 543 | 536 | 134 |
| Cash flow | | | |
| Dividends received | 256 | 936 | - |

| Balance sheet | 31 March 2010 | 31 December 2009 |
|----------------------------------|--------------------------|-----------------------------|
| Investments in associates | 9,428 | 9,141 |

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

Notes

Top of page 22

7. Inventory valuation

A provision of \$46 million was held at 31 December 2009 to write inventories down to their net realizable value. The net movement in the provision during the first quarter 2010 was a decrease of \$22 million (fourth quarter 2009 was a decrease of \$423 million and first quarter 2009 was a decrease of \$1,163 million).

8. Second-quarter results

BP's second-quarter results will be announced on 27 July 2010.

9. Statutory accounts

The financial information shown in this publication, which was approved by the board of directors on 26 April 2010, is unaudited and does not constitute statutory financial statements.

BP Annual Report and Accounts 2009

has been filed with the Registrar of Companies in England and Wales; the report of the auditors on those accounts was unqualified and did not contain a statement under section 498(2) or section 498(3) of the UK Companies Act 2006.

Contacts

| | | |
|---|--|---|
| Press Office | London Andrew Gowers +44 (0)20 7496 4324 | United States Ronnie Chappell +1 281 366 5174 |
| Investor Relations <i>http://www.bp.com/investors</i> | Fergus MacLeod +44 (0)20 7496 4717 | Rachael MacLean +1 281 366 6766 |

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: 27 April 2010

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