BP PLC
Form 6-K
February 05, 2008

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 5 February, 2008

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F |X| Form 40-F ________________

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|

BP p.l.c.
Group Results
Fourth Quarter and Full Year 2007

London 5 February 2008

FOR IMMEDIATE RELEASE

Fourth Third Fourth

Quarter 2006	Quarter 2007	Quarter 2007	$ million	Year 2007	2006
2,880	4,406	4,399	Profit for the period*	20,845	22,000
1,015	(539)	(1,427)	Inventory holding (gains) losses	(3,558)	253
3,895	3,867	2,972	Replacement cost profit	17,287	22,253
10.37	9.94	7.66	- per ordinary share (pence)	45.10	60.38
20.08	20.34	15.69	- per ordinary share (cents)	90.20	111.10
1.21	1.22	0.94	- per ADS (dollars)	5.41	6.67

- BP's fourth-quarter replacement cost profit was $2,972 million, compared with $3,895 million a year ago, a decrease of 24%. For the full year, replacement cost profit was $17,287 million compared with $22,253 million, down 22%.

- The fourth-quarter result included a net non-operating charge of $1,030 million, including pre-tax charges of $603 million for the impairment of US Convenience Retail and $338 million for restructuring, integration and rationalization costs associated with BP's Forward Agenda. This compares with a net non-operating charge of $152 million in the fourth quarter of 2006. For the full year, the net non-operating charge was $272 million compared with a net non-operating gain of $1,062 million in 2006.

- Net cash provided by operating activities for the quarter and year was $4.3 billion and $24.7 billion respectively compared with $5.0 billion and $28.2 billion a year ago.

- The effective tax rate on replacement cost profit from continuing operations for the fourth quarter was 45% compared with 25% a year ago. For the year, the rate was 37% compared with 35% a year ago. The increased rate in the fourth quarter reflects the effect of inventory holding gains and losses, which are eliminated in the replacement cost profit, while the tax charge remains unadjusted and includes the tax effect on inventory holding gains and losses. If this effect is excluded, the rate would have been 38% in the fourth quarter compared to 31% a year ago.

- Net debt at the end of the quarter was $27.5 billion. The ratio of net debt to net debt plus equity was 23% compared with 20% a year ago.

- Capital expenditure, excluding acquisitions and asset exchanges, was $6.6 billion for the quarter and for the year was $19.2 billion. Total capital expenditure and acquisitions was $6.6 billion for the quarter and $20.6 billion for the year. The year included $1.1 billion in respect of the acquisition of Chevron's Netherlands manufacturing company. Disposal proceeds were $0.4 billion for the quarter and were $4.3 billion for the year.

- The quarterly dividend, to be paid in March, is 13.525 cents per share ($0.8115 per ADS) compared with 10.325 cents per share a year ago. For the year, the dividend showed an increase of 16%. The dividend increase marks a shift in the balance between dividends and share buybacks as a means of returning value to shareholders. In sterling terms, the quarterly dividend is 6.813 pence per share, compared with 5.258 pence per share a year ago; for the year the increase was 7%. During the quarter, the company repurchased 121 million of its own shares for cancellation at a cost of $1.5 billion. For the year, share repurchases were 663 million at a cost of $7.5 billion.

- Information on fair value accounting effects in relation to Refining and Marketing and Gas, Power and Renewables is set out on page 10.

* Profit attributable to BP shareholders.

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

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

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Y 2007
5,063	6,343	7,648	Exploration and Production	26,927
312	376	(1,337)	Refining and Marketing	2,617
470	(57)	219	Gas, Power and Renewables	558
(276)	(451)	(373)	Other businesses and corporate	(1,104)
(103)	59	(277)	Consolidation adjustments	(204)
5,466	6,270	5,880	RC profit before interest and tax	28,794
(149)	(173)	(242)	Finance costs and other finance income	(741)
(1,347)	(2,158)	(2,561)	Taxation	(10,442)
(75)	(72)	(105)	Minority interest	(324)
3,895	3,867	2,972	RC profit from continuing operations attributable to BP shareholders(a)	17,287
(1,015)	539	1,427	Inventory holding gains (losses) from continuing operations	3,558
2,880	4,406	4,399	Profit for the period from continuing operations attributable to BP shareholders	20,845
-	-	-	Profit (loss) for the period from Innovene operations(b)	-
2,880	4,406	4,399	Profit for the period attributable to BP shareholders	20,845
3,895	3,867	2,972	RC profit from continuing operations attributable to BP shareholders	17,287
-	-	-	RC profit (loss) from Innovene operations	-
3,895	3,867	2,972	Replacement cost profit	17,287

(a)Replacement cost profit reflects the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure.

(b)See further detail in Note 2.

Results include Non-operating Items

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Yea[r] 2007
(177)	22	(616)	Exploration and Production	553
(53)	(344)	(1,146)	Refining and Marketing	(952)
215	(8)	(62)	Gas, Power and Renewables	(97)
(188)	(205)	(63)	Other businesses and corporate	(227)
(203)	(535)	(1,887)		(723)
51	189	857	Taxation(a)	451
(152)	(346)	(1,030)	Continuing operations	(272)
-	-	-	Innovene operations	-
-	-	-	Taxation	-
(152)	(346)	(1,030)	Total for all operations	(272)

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

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

Per Share Amounts

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
			Results for the period ($m)	
2,880	4,406	4,399	Profit(a)	20,845
3,895	3,867	2,972	Replacement cost profit	17,287

			Shares in issue at period end		
19,510,496	19,019,579	18,922,786	(thousand)(b)	18,922,786	19,
3,251,749	3,169,930	3,153,798	- ADS equivalent (thousand)(b)	3,153,798	3,
			Average number of shares outstanding		
19,610,871	19,061,853	18,979,138	(thousand)(b)	19,163,389	20,
3,268,479	3,176,976	3,163,190	- ADS equivalent (thousand)(b)	3,193,898	3,
			Shares repurchased in the period		
310,385	128,253	121,175	(thousand)	663,150	1,
			Per ordinary share (cents)		
15.04	23.18	23.15	Profit for the period	108.76	
20.08	20.34	15.69	RC profit for the period	90.20	
			Per ADS (cents)		
90.24	139.08	138.90	Profit for the period	652.56	
120.48	122.04	94.14	RC profit for the period	541.20	

(a)Profit attributable to BP shareholders.

(b)Excludes treasury shares.

Dividends

Dividends Payable

BP today announced a dividend of 13.525 cents per ordinary share to be paid in March. Holders of ordinary shares will receive 6.813 pence per share and holders of American Depository Receipts (ADRs) $0.8115 per ADS. The dividend is payable on 10 March to shareholders on the register on 22 February. 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 10 March.

Dividends Paid

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
			Dividends paid per ordinary share	
9.825	10.825	10.825	Cents	42.300
5.241	5.278	5.308	Pence	20.995
58.95	64.95	64.95	Dividends paid per ADS (cents)	253.80

Net Debt Ratio - Net Debt: Net Debt + Equity

Fourth Third Fourth

Quarter 2006	Quarter 2007	Quarter 2007	$ million	Year 2007
24,010	25,245	31,045	Gross debt	31,045
2,590	2,410	3,562	Cash and cash equivalents	3,562
21,420	22,835	27,483	Net debt	27,483
85,465	91,494	94,652	Equity	94,652
20%	20%	23%	Net debt ratio	23%

Exploration and Production

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Year 2007
5,057	6,347	7,643	Profit before interest and tax(a)	26,938
6	(4)	5	Inventory holding (gains) losses	(11)
5,063	6,343	7,648	Replacement cost profit before interest and tax	26,927
			By region:	
1,534	703	816	UK	3,694
249	221	262	Rest of Europe	1,386
952	1,843	2,213	US	7,746
2,328	3,576	4,357	Rest of World	14,101
5,063	6,343	7,648		26,927
			Results include:	
			Non-operating items	
289	33	(538)	UK	(173)
(13)	7	(3)	Rest of Europe	535
(269)	(15)	222	US	376
(184)	(3)	(297)	Rest of World	(185)
(177)	22	(616)		553
			Exploration expense	
6	2	17	UK	46
-	-	-	Rest of Europe	-
324	60	61	US	252
78	182	123	Rest of World	458
408	244	201		756
			Production (net of royalties)(b)	
			Liquids (mb/d) (net of royalties)(c)	
239	151	199	UK	201
57	52	50	Rest of Europe	51
533	475	523	US	514
1,587	1,614	1,697	Rest of World	1,648

2,416	2,292	2,469		2,414
			Natural gas (mmcf/d) (net of royalties)	
888	582	853	UK	768
90	26	26	Rest of Europe	29
2,196	2,186	2,183	US	2,174
5,082	5,085	5,275	Rest of World	5,172
8,256	7,879	8,337		8,143
			Total hydrocarbons (mboe/d)(d)	
392	251	346	UK	333
73	57	55	Rest of Europe	56
912	851	900	US	888
2,463	2,492	2,606	Rest of World	2,541
3,840	3,651	3,907		3,818
			Average realizations(e)	
54.13	71.12	82.72	Total liquids ($/bbl)	67.45
4.38	3.93	4.83	Natural gas ($/mcf)	4.53
40.13	46.36	56.03	Total hydrocarbons ($/boe)	47.18

(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)Because of rounding, some totals may not agree exactly with the sum of their component parts.

Exploration and Production

The replacement cost profit before interest and tax for the fourth quarter was $7,648 million, an increase of 51% over the fourth quarter of 2006. This result benefited from higher reported volumes, higher overall realizations and the favourable effect of lagged tax reference prices in TNK-BP, partially offset by higher costs reflecting the impacts of sector-specific inflation, project start-up costs and higher depreciation charges. Additionally, the fourth-quarter result was impacted by the retroactive effect of increased production taxes in Alaska, which were effective mid-year. The net non-operating charge for the quarter was $616 million and included fair value losses of $430 million on embedded derivatives related to North Sea gas contracts as well as restructuring costs. The fourth quarter of 2006 included a net charge of $177 million.

The replacement cost profit before interest and tax of $26,927 million for the full year represented a decrease of 9% on the previous year. This result benefited from higher liquids realizations and the favourable effect of lagged tax reference prices in TNK-BP, but was impacted by lower gas realizations, lower reported volumes, higher production taxes and higher costs reflecting the impacts of sector-specific inflation, increased integrity spend and higher depreciation charges. Additionally, the full-year result was lower due to the absence of disposal gains in equity-accounted entities in 2006, primarily the $892 million gain on TNK-BP's disposal of the Udmurtneft assets. The full-year result included a net non-operating gain of $553 million compared with a $2,382 million gain in 2006.

Reported production for the fourth quarter was 3,907mboe/d, 2% higher than in the fourth quarter of 2006. After adjusting for the effect of acquisitions and disposals and the impact of lower entitlement in our production-sharing agreements (PSAs), production was 3% higher than in the fourth quarter of 2006. Reported production of 3,818mboe/d for the full year was 3% lower than in 2006 on a reported basis and was flat after adjusting for the effects of acquisitions, disposals and lower PSA entitlements.

During the fourth quarter, we started production at five BP-operated major projects: Mango and Cashima in Trinidad, Atlantis and King Subsea Pump in the Gulf of Mexico and Greater Plutonio in Angola. Additionally, we had first production from the Denise field in Egypt, where BP holds a 50% interest and, shortly after the end of the quarter, we also had first production from the Mondo field within the Kizomba C development in Angola, where BP holds a 26.67% interest.

Furthermore, we had further exploration success in Azerbaijan with the Shah Deniz SDX-04 discovery, in Angola with the Portia discovery and in Egypt with the Satis and Taurus Deep discoveries.

In December, we announced an agreement with Husky Energy Inc. to create an integrated North American oil sands business, by means of two separate joint ventures. In one, BP will take a 50% interest in Husky Energy's Sunrise field in Alberta, Canada, while in the other, Husky will take a 50% interest in BP's Toledo refinery.

Also in December, the Libyan General People's Committee ratified the exploration and production agreement between BP and Libya's National Oil Company, which we announced in May of 2007.

During 2007, we extended our track record in achieving reported reserves replacement of more than 100%, excluding acquisitions and disposals, in spite of significant PSA effects associated with high oil prices.

Refining and Marketing

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Year 2007
(706)	936	26	Profit before interest and tax(a)	6,072
1,018	(560)	(1,363)	Inventory holding (gains) losses	(3,455)
312	376	(1,337)	Replacement cost profit before interest and tax	2,617

			By region:	
190	22	122	UK	1,097
336	492	278	Rest of Europe	1,652
(421)	(527)	(1,811)	US	(1,252)
207	389	74	Rest of World	1,120
312	376	(1,337)		2,617
			Results include:	
			Non-operating items	
23	(4)	(10)	UK	667
(89)	(16)	(56)	Rest of Europe	(128)
25	(316)	(977)	US	(1,181)
(12)	(8)	(103)	Rest of World	(310)
(53)	(344)	(1,146)		(952)
			Refinery throughputs (mb/d)	
188	-	-	UK	67
660	735	689	Rest of Europe	691
1,052	1,109	996	US	1,064
294	304	313	Rest of World	305
2,194	2,148	1,998	Total throughput	2,127
81.6	83.4	84.0	Refining availability (%)(b)	82.9
			Oil sales volumes (mb/d)	
			Refined products	
354	350	328	UK	339
1,368	1,329	1,330	Rest of Europe	1,294
1,541	1,535	1,455	US	1,533
601	641	680	Rest of World	640
3,864	3,855	3,793	Total marketing sales	3,806
1,920	1,687	1,696	Trading/supply sales	1,818
5,784	5,542	5,489	Total refined product sales	5,624
1,959	1,709	1,659	Crude oil	1,885
7,743	7,251	7,148	Total oil sales	7,509
			Global Indicator Refining Margin ($/bbl)(c)	
2.49	3.82	4.84	NWE	4.99
7.92	12.58	6.82	USGC	13.48
5.42	14.31	3.39	Midwest	12.81
14.59	6.90	8.49	USWC	15.05
2.95	4.52	5.80	Singapore	5.29
6.30	8.05	5.68	BP Average	9.94
			Chemicals production (kte)	
159	237	228	UK	967
797	587	660	Rest of Europe	2,650
976	1,117	1,088	US	4,328
1,357	1,569	1,497	Rest of World	6,083
3,289	3,510	3,473	Total production	14,028

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

(b)Refining availability is defined as the ratio of units which are available for processing, regardless of whether they are actually being used, to total capacity. Where there is planned maintenance, such capacity is not regarded as being available. During 2006 and 2007, 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 result before interest and tax was a loss of $1,337 million for the fourth quarter of 2007 and was a profit of $2,617 million for the full year. This compares with a replacement cost profit before interest and tax for the fourth quarter and full year of 2006 of $312 million and $5,283 million respectively. The fourth-quarter result included a net non-operating charge of $1,146 million, primarily reflecting impairment charges associated with our exit from the operated Convenience Retail channel in the US, restructuring costs, and a reassessment of certain provisions. The full-year result included a charge of $952 million for non-operating items compared with a charge of $384 million in 2006.

Compared with a year ago, the fourth-quarter result reflected a lower refining margin environment, higher refining outages and costs, including those associated with the repair and recommissioning activities at our Texas City and Whiting US refineries, and a lower contribution from supply optimization. The quarter's result also reflected the impact of a major scheduled turnaround at the Toledo refinery. In addition, the charge for non-operating items was significantly higher than a year ago. These factors were partially offset by the effects of continued strong performance from a number of our marketing businesses. The refining outages outlined above, and the majority of the non-operating charges, related to our operations in the US, leading to the fourth-quarter loss of $1,811 million in the US (which included non-operating charges of $977 million). This compares with a loss of $421 million a year ago, which included a non-operating gain of $25 million.

The average refining Global Indicator Margin (GIM) and BP's actual refining margin for the fourth quarter were both lower than those in the fourth quarter of 2006, mainly due to improved product stock levels and rising crude prices, most notably in the US.

During 2007, the segment continued to focus on the restoration of operations at the Texas City refinery and on investments in integrity management throughout our refining portfolio. We have also focused on the repair and recommissioning of the Whiting refinery following the operational issues in March 2007. In many parts of the refining portfolio and the other market-facing businesses, we delivered high reliability and improved results versus 2006. However for the full year, compared with 2006, the impact of the outages and recommissioning costs at the Texas City and Whiting refineries, cost inflation, lower results from supply optimization and higher charges in respect of non-operating items more than offset increased margins in both refining and marketing.

Refining throughputs were 1,998mb/d for the quarter, 196mb/d lower than the fourth quarter of 2006. The reduction was mainly due to the effects of the Coryton refinery disposal, major scheduled turnarounds at the Rotterdam and Toledo refineries, as well as the outage at the Whiting refinery; this was partially offset by improvements in the remainder of the refining portfolio. For the full year, throughputs were 2,127mb/d, 71mb/d lower than in 2006. Refining availability for the quarter and full year was 84.0% and 82.9% respectively, higher than in the corresponding periods of 2006, reflecting the ongoing progress towards Texas City recommissioning.

Marketing volumes were 3,793mb/d in the fourth quarter and 3,806mb/d for the full year, slightly lower than in the equivalent periods last year, reflecting reduced industry demand in Europe and supply disruptions caused by the outage at the Whiting refinery.

By the end of 2007, the Whiting refinery had recommenced sour crude processing and available distillation capacity exceeded 300,000bpd, in line with prior guidance. At Texas City, we have successfully recommissioned the three desulphurisation and upgrading units necessary to allow restart of the remaining crude distillation capacity. The final sour crude unit is mechanically complete and is expected to be fully operational during the first quarter. By mid-2008, we expect most of the economic capability at the Texas City refinery to have been restored.

On 15 November 2007, BP announced that it would sell all of its company-owned and company-operated convenience sites in the US. The majority of sites will be sold to franchisees with the remaining sites sold to dealers and large distributors (jobbers).

On 5 December 2007, BP announced it had agreed to create an integrated North American oil sands business with Husky Energy Inc., by means of two separate joint ventures, one associated with BP's Toledo refinery.

In mid-January 2008, BP and Sinopec signed a memorandum of understanding to add a new 650,000 tonnes per annum acetic acid plant at their YARACO joint venture in Chongqing, upstream Yangtze River, south-west China. This world-scale acetic acid plant, using BP's leading Cativa(R) technology, is expected to come onstream in 2011.

Gas, Power and Renewables

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Yea 2007
468	(71)	304	Profit before interest and tax(a)	674
2	14	(85)	Inventory holding (gains) losses	(116)
470	(57)	219	Replacement cost profit (loss) before interest and tax	558
			By region:	
147	(85)	(103)	UK	(178)
143	(37)	(14)	Rest of Europe	(52)
114	(23)	23	US	128
66	88	313	Rest of World	660
470	(57)	219		558

			Results include:	
			Non-operating items	
56	(12)	(31)	UK	(74)
189	-	(26)	Rest of Europe	(26)
-	4	(5)	US	1
(30)	-	-	Rest of World	2
215	(8)	(62)		(97)

(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 fourth quarter and full year was $219 million and $558 million respectively, compared with $470 million and $1,376 million a year ago. The net non-operating charge for the fourth quarter was $62 million, comprising net fair value losses on embedded derivatives, a provision for restructuring costs, a charge for the impairment of a solar asset and a net disposal gain. The corresponding quarter of 2006 included a net non-operating gain of $215 million. For the full year, the net charge for non-operating items was $97 million compared with a net gain of $181 million in 2006.

The fourth-quarter result was lower than the same period in 2006 primarily due to the change in non-operating items, described above, and lower contributions from the marketing and trading business, partly offset by better NGL operating performance. The full-year result was also lower than in 2006 reflecting a net charge for non-operating items (compared with a net gain last year) and lower marketing and trading contributions, partly offset by improved NGL performance.

In the fourth quarter of 2007, Alternative Energy commenced full commercial operations at the 300MW Cedar Creek project in Colorado, US and at the 40MW Dhule project in India.

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

Other Businesses and Corporate

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Year 2007
(265)	(462)	(389)	Profit (loss) before interest and tax(a)	(1,128)
(11)	11	16	Inventory holding (gains) losses	24
(276)	(451)	(373)	Replacement cost profit (loss) before interest and tax	(1,104)
			By region:	
280	124	(63)	UK	(10)
(97)	(77)	23	Rest of Europe	(35)

(319)	(359)	(316)	US	(901)
(140)	(139)	(17)	Rest of World	(158)
(276)	(451)	(373)		(1,104)
			Results include:	
			Non-operating items	
13	1	(26)	UK	(25)
(2)	(11)	24	Rest of Europe	41
(199)	(199)	(61)	US	(247)
-	4	-	Rest of World	4
(188)	(205)	(63)		(227)

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

Other businesses and corporate comprises Treasury (previously referred to as Finance), the group's aluminium asset, interest income and costs relating to corporate activities. The fourth quarter's result included a net charge of $63 million in respect of non-operating items, compared with a net charge of $188 million a year ago.

Information on fair value accounting effects

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

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

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

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table below. Information for all quarters of 2005, 2006 and 2007 can be found at www.bp.com/FVAE.

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007	$ million	Year 2007
			Refining and Marketing	
(252)	274	367	Unrecognized gains (losses) brought forward from previous period	72
(72)	(367)	(429)	Unrecognized (gains) losses carried forward	(429)
(324)	(93)	(62)	Favourable/(unfavourable) impact relative to management's measure of performance	(357)
			Gas, Power and Renewables	
399	198	234	Unrecognized gains (losses) brought forward from previous period	155
(155)	(234)	(107)	Unrecognized (gains) losses carried forward	(107)
244	(36)	127	Favourable/(unfavourable) impact relative to management's measure of performance	48
(80)	(129)	65		(309)
20	46	(29)	Taxation(a)	105
(60)	(83)	36		(204)
			By region	
			Refining and Marketing	
(27)	45	1	UK	(52)
(60)	2	5	Rest of Europe	(110)
(231)	(142)	(32)	US	(165)
(6)	2	(36)	Rest of World	(30)
(324)	(93)	(62)		(357)
			Gas, Power and Renewables	
75	(22)	(11)	UK	1
-	-	-	Rest of Europe	-
191	(19)	19	US	(77)
(22)	5	119	Rest of World	124
244	(36)	127		48

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

Cautionary Statement: The foregoing discussion contains forward looking statements particularly those regarding refining production and capacity, disposals, intended expansion and new production capability. By their nature, forward looking statements involve risk and uncertainty and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields on stream; industry product supply; demand and pricing; operational problems; general economic conditions (including inflation); political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations and quotas; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2006 and our 2006 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Group Income Statement

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	
	$ million			$ milli	
61,946	71,334	79,852	Sales and other operating revenues (Note 3)	284,365	2
284	900	992	Earnings from jointly controlled entities - after interest and tax	3,135	
125	204	157	Earnings from associates - after interest and tax	697	
177	172	221	Interest and other revenues	754	
62,532	72,610	81,222	Total revenues	288,951	2
300	228	270	Gain on sale of businesses and fixed assets	2,487	
62,832	72,838	81,492	Total revenues and other income	291,438	2
44,506	51,810	56,313	Purchases	200,766	1
6,425	6,297	7,590	Production and manufacturing expenses	25,915	
632	921	1,518	Production and similar taxes (Note 4)	4,013	
2,441	2,505	3,020	Depreciation, depletion and amortization	10,579	
60	129	872	Impairment and losses on sale of businesses and fixed assets	1,679	
408	244	201	Exploration expense	756	
4,205	4,137	4,212	Distribution and administration expenses	15,371	
(296)	(14)	459	Fair value (gain) loss on embedded derivatives	7	
4,451	6,809	7,307	Profit before interest and taxation from continuing operations	32,352	
205	262	333	Finance costs (Note 5)	1,110	
(56)	(89)	(91)	Other finance income (Note 6)	(369)	
4,302	6,636	7,065	Profit before taxation from continuing operations	31,611	

1,347	2,158	2,561	Taxation (includes overseas taxation for the year of $8,159 million, 2006 $9,174 million)	10,442
2,955	4,478	4,504	Profit from continuing operations	21,169
-	-	-	Profit (loss) from Innovene operations (Note 2)	-
2,955	4,478	4,504	Profit for the period	21,169
			Attributable to:	
2,880	4,406	4,399	BP shareholders	20,845
75	72	105	Minority interest	324
2,955	4,478	4,504		21,169
			Earnings per share - cents	
			Profit for the period attributable to BP shareholders	
15.04	23.18	23.15	Basic	108.76
14.88	23.07	22.65	Diluted	107.84
			Profit from continuing operations attributable to BP shareholders	
15.04	23.18	23.15	Basic	108.76
14.88	23.07	22.65	Diluted	107.84

Group Balance Sheet

	31 December 2007	31 D
	$ million	
Non-current assets		
Property, plant and equipment	97,989	
Goodwill	11,006	
Intangible assets	6,652	
Investments in jointly controlled entities	18,113	
Investments in associates	4,579	
Other investments	1,830	
Fixed assets	140,169	
Loans	999	
Other receivables	968	
Derivative financial instruments	3,741	
Prepayments and accrued income	1,083	
Defined benefit pension plan surplus	8,914	
	155,874	
Current assets		
Loans	165	
Inventories	26,554	
Trade and other receivables	38,020	
Derivative financial instruments	6,321	
Prepayments and accrued income	3,589	
Current tax receivable	705	

Cash and cash equivalents	3,562
	78,916
Assets classified as held for sale	1,286
	80,202
Total assets	236,076
Current liabilities	
Trade and other payables	43,152
Derivative financial instruments	6,405
Accruals and deferred income	6,640
Finance debt	15,394
Current tax payable	3,282
Provisions	2,195
	77,068
Liabilities directly associated with the assets classified as held for sale	163
	77,231
Non-current liabilities	
Other payables	1,251
Derivative financial instruments	5,002
Accruals and deferred income	959
Finance debt	15,651
Deferred tax liabilities	19,215
Provisions	12,900
Defined benefit pension plan and other post-retirement benefit plan deficits	9,215
	64,193
Total liabilities	141,424
Net assets	94,652
Equity	
BP shareholders' equity	93,690
Minority interest	962
	94,652

Group Statement of Recognized Income and Expense

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli

1,032	788	304	Currency translation differences	1,887
-	-	-	Exchange gain on translation of foreign operations transferred to gain on sale of businesses and fixed assets	(147)
2,615	-	1,717	Actuarial gain relating to pensions and other post-retirement benefits	1,717
264	78	225	Available-for-sale investments marked to market	200
(269)	(91)	-	Available-for-sale investments - recycled to the income statement	(91)
141	139	(25)	Cash flow hedges marked to market	155
(143)	(5)	12	Cash flow hedges - recycled to the income statement	(74)
(11)	(2)	(31)	Cash flow hedges - recycled to the balance sheet	(40)
(814)	90	(181)	Taxation	(63)
2,815	997	2,021	Net income recognized directly in equity	3,544
2,955	4,478	4,504	Profit for the period	21,169
5,770	5,475	6,525	Total recognized income and expense relating to the period	24,713
			Attributable to:	
5,646	5,372	6,448	BP shareholders	24,365
124	103	77	Minority interest	348
5,770	5,475	6,525		24,713

Movement in BP Shareholders' Equity

Movement in BP shareholders' equity
At 31 December 2006
Profit for the period
Distribution to shareholders
Currency translation differences (net of tax)
Exchange gain on translation of foreign operations
transferred to gain on sale (net of tax)
Share-based payments (net of tax)
Repurchase of ordinary share capital
Available-for-sale investments (net of tax)
Cash flow hedges (net of tax)
Actuarial gain on pension and other post-retirement benefit plans (net of tax)

At 31 December 2007

Group Cash Flow Statement

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli
			Operating activities	
4,302	6,636	7,065	Profit before taxation from continuing operations	31,611
			Adjustments to reconcile profit before taxation to net cash provided by operating activities	
265	146	86	Exploration expenditure written off	347
2,441	2,505	3,020	Depreciation, depletion and amortization	10,579
(240)	(99)	602	Impairment and (gain) loss on sale of businesses and fixed assets	(808)
(409)	(1,104)	(1,149)	Earnings from jointly controlled entities and associates	(3,832)
809	1,060	371	Dividends received from jointly controlled entities and associates	2,473
(2,198)	(2,788)	(5,706)	Working capital and other movements	(15,661)
4,970	6,356	4,289	Net cash provided by operating activities(a)	24,709
			Investing activities	
(4,473)	(4,336)	(5,515)	Capital expenditure	(17,830)
(127)	(27)	-	Acquisitions, net of cash acquired	(1,225)
(11)	(122)	(285)	Investment in jointly controlled entities	(428)
(103)	(37)	(41)	Investment in associates	(187)
918	211	392	Proceeds from disposal of fixed assets	1,749
(100)	-	5	Proceeds from disposal of businesses, net of cash disposed	2,518
26	45	69	Proceeds from loan repayments	192
-	-	-	Other	374
(3,870)	(4,266)	(5,375)	Net cash used in investing activities	(14,837)
			Financing activities	
(3,449)	(1,441)	(1,352)	Net repurchase of shares	(7,113)
2,215	107	5,131	Proceeds from long-term financing	8,109
(1,874)	(369)	(1,596)	Repayments of long-term financing	(3,192)
3,348	1,426	2,125	Net increase (decrease) in short-term debt	1,494
(1,927)	(2,066)	(2,056)	Dividends paid - BP shareholders	(8,106)
(72)	(24)	(68)	- Minority interest	(227)
(1,759)	(2,367)	2,184	Net cash used in financing activities	(9,035)
50	44	54	Currency translation differences relating to cash and cash equivalents	135
(609)	(233)	1,152	Increase (decrease) in cash and cash equivalents	972
3,199	2,643	2,410	Cash and cash equivalents at beginning of period	2,590
2,590	2,410	3,562	Cash and cash equivalents at end of period	3,562

(a)Net cash provided by operating activities is calculated from the starting point of profit before taxation which includes inventory holding gains and losses. Net cash provided by operating activities 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 product prices.

Group Cash Flow Statement

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	
$ million				$ milli	
			Working capital and other movements		
(80)	(154)	(147)	Interest receivable	(489)	
89	152	160	Interest received	500	
205	262	333	Finance costs	1,110	
(314)	(300)	(395)	Interest paid	(1,363)	
(56)	(89)	(91)	Other finance income	(369)	
77	129	109	Share-based payments	420	
(128)	(61)	(225)	Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(404)	
446	362	(40)	Net charge for provisions, less payments	(92)	
861	(803)	(5,121)	(Increase) decrease in inventories	(7,255)	
2,869	956	1,736	(Increase) decrease in other current and non-current assets	5,210	
(2,476)	(104)	676	Increase (decrease) in other current and non-current liabilities	(3,857)	
(3,691)	(3,138)	(2,701)	Income taxes paid	(9,072)	(
(2,198)	(2,788)	(5,706)		(15,661)	(

Capital Expenditure and Acquisitions

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli
			By business	
			Exploration and Production	

309	276	301	UK	993
49	122	144	Rest of Europe	461
1,234	1,133	1,216	US	4,852
1,905	1,710	2,378	Rest of World(a)	7,600
3,497	3,241	4,039		13,906
			Refining and Marketing	
217	137	224	UK	528
395	379	683	Rest of Europe(b)	2,538
540	466	758	US	1,873
334	155	294	Rest of World	647
1,486	1,137	1,959		5,586
			Gas, Power and Renewables	
43	6	11	UK	36
18	8	21	Rest of Europe(b)	39
268	90	373	US	605
35	34	127	Rest of World	194
364	138	532		874
			Other businesses and corporate	
66	22	37	UK	115
-	-	-	Rest of Europe	2
21	34	45	US	157
3	-	1	Rest of World	1
90	56	83		275
5,437	4,572	6,613		20,641
			By geographical area	
635	441	573	UK	1,672
462	509	848	Rest of Europe	3,040
2,063	1,723	2,392	US	7,487
2,277	1,899	2,800	Rest of World	8,442
5,437	4,572	6,613		20,641
			Included above:	
205	2	-	Acquisitions and asset exchanges(b)	1,447

(a)Full year 2006 included $1 billion for the purchase of shares in Rosneft.

(b)Full year 2007 included $1,132 million for the acquisition of Chevron's Netherlands manufacturing company.

			Exchange rates	
1.91	2.02	2.05	US dollar/sterling average rate for the period	2.00
1.96	2.02	1.99	US dollar/sterling period-end rate	1.99

1.29	1.37	1.45	US dollar/euro average rate for the period	1.37
1.31	1.42	1.47	US dollar/euro period-end rate	1.47

Analysis of Profit Before Interest and Tax

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli
			By business	
			Exploration and Production	
1,534	703	816	UK	3,694
249	221	262	Rest of Europe	1,386
948	1,845	2,212	US	7,757
2,326	3,578	4,353	Rest of World	14,101
5,057	6,347	7,643		26,938
			Refining and Marketing	
28	(10)	153	UK	1,107
261	623	786	Rest of Europe	2,919
(951)	(136)	(1,221)	US	563
(44)	459	308	Rest of World	1,483
(706)	936	26		6,072
			Gas, Power and Renewables	
147	(85)	(103)	UK	(178)
144	(37)	(14)	Rest of Europe	(51)
116	(26)	61	US	183
61	77	360	Rest of World	720
468	(71)	304		674
			Other businesses and corporate	
280	124	(63)	UK	(10)
(98)	(78)	22	Rest of Europe	(36)
(307)	(369)	(331)	US	(924)
(140)	(139)	(17)	Rest of World	(158)
(265)	(462)	(389)		(1,128)
4,554	6,750	7,584		32,556
(103)	59	(277)	Consolidation adjustment	(204)
4,451	6,809	7,307	Total for continuing operations	32,352
			Innovene operations	
(40)	-	-	UK	-
25	-	-	Rest of Europe	-

15	-	-	US	-
-	-	-	Rest of World	-
-	-	-	Total for Innovene operations	-
4,451	6,809	7,307	Total for period	32,352
			By geographical area	
1,988	731	804	UK	4,613
533	718	988	Rest of Europe	4,164
(289)	1,364	521	US	7,439
2,219	3,996	4,994	Rest of World	16,136
4,451	6,809	7,307	Total for continuing operations	32,352

Analysis of Replacement Cost Profit
Before Interest and Tax

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli
			By business	
			Exploration and Production	
1,534	703	816	UK	3,694
249	221	262	Rest of Europe	1,386
952	1,843	2,213	US	7,746
2,328	3,576	4,357	Rest of World	14,101
5,063	6,343	7,648		26,927
			Refining and Marketing	
190	22	122	UK	1,097
336	492	278	Rest of Europe	1,652
(421)	(527)	(1,811)	US	(1,252)
207	389	74	Rest of World	1,120
312	376	(1,337)		2,617
			Gas, Power and Renewables	
147	(85)	(103)	UK	(178)
143	(37)	(14)	Rest of Europe	(52)
114	(23)	23	US	128
66	88	313	Rest of World	660
470	(57)	219		558
			Other businesses and corporate	
280	124	(63)	UK	(10)

(97)	(77)	23	Rest of Europe	(35)
(319)	(359)	(316)	US	(901)
(140)	(139)	(17)	Rest of World	(158)
(276)	(451)	(373)		(1,104)
5,569	6,211	6,157		28,998
(103)	59	(277)	Consolidation adjustment	(204)
5,466	6,270	5,880	Total for continuing operations	28,794
			Innovene operations	
(40)	-	-	UK	-
25	-	-	Rest of Europe	-
15	-	-	US	-
-	-	-	Rest of World	-
-	-	-	Total for Innovene operations	-
5,466	6,270	5,880	Total for period	28,794
			By geographical area	
2,150	763	773	UK	4,603
609	590	480	Rest of Europe	2,897
230	983	(91)	US	5,581
2,477	3,934	4,718	Rest of World	15,713
5,466	6,270	5,880	Total for continuing operations	28,794

Analysis of Non-operating Items

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ milli
			By business	
			Exploration and Production	
16	1	148	Impairment and gain (loss) on sale of businesses and fixed assets	852
-	(12)	-	Environmental and other provisions	(12)
-	-	(166)	Restructuring, integration and rationalization costs	(166)
240	33	(430)	Fair value gain (loss) on embedded derivatives	47
(433)	-	(168)	Other	(168)
(177)	22	(616)		553
			Refining and Marketing	
51	105	(728)	Impairment and gain (loss) on sale of businesses and fixed assets	(35)

-	(138)	-	Environmental and other provisions	(138)
-	-	(118)	Restructuring, integration and rationalization costs	(118)
-	-	-	Fair value gain (loss) on embedded derivatives	-
(104)	(311)	(300)	Other	(661)
(53)	(344)	(1,146)		(952)
			Gas, Power and Renewables	
159	4	(21)	Impairment and gain (loss) on sale of businesses and fixed assets	(28)
-	-	-	Environmental and other provisions	-
-	-	(22)	Restructuring, integration and rationalization costs	(22)
56	(12)	(19)	Fair value gain (loss) on embedded derivatives	(47)
-	-	-	Other	-
215	(8)	(62)		(97)
			Other businesses and corporate	
14	(11)	(1)	Impairment and gain (loss) on sale of businesses and fixed assets	19
(2)	(35)	-	Environmental and other provisions	(35)
-	-	(32)	Restructuring, integration and rationalization costs	(32)
-	(7)	(10)	Fair value gain (loss) on embedded derivatives	(7)
(200)	(152)	(20)	Other	(172)
(188)	(205)	(63)		(227)
(203)	(535)	(1,887)	Total before taxation for continuing operations	(723)
51	189	857	Taxation credit (charge)(a)	451
(152)	(346)	(1,030)	Total after taxation for continuing operations	(272)
			Innovene operations	
-	-	-	Total before taxation for Innovene operations(b)	-
-	-	-	Taxation credit (charge)	-
-	-	-	Total after taxation for Innovene operations	-
(152)	(346)	(1,030)	Total after taxation for period	(272)

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

(b)Includes the loss on remeasurement to fair value of $184 million in 2006.

Realizations and Marker Prices

Fourth Third Fourth

Quarter 2006	Quarter 2007	Quarter 2007		Year 2007
			Average realizations(a)	
			Liquids ($/bbl)(b)	
56.18	72.99	88.05	UK	69.17
52.11	67.47	78.28	US	64.18
54.63	73.56	84.51	Rest of World	69.56
54.13	71.12	82.72	BP Average	67.45
			Natural gas ($/mcf)	
5.61	4.89	7.83	UK	6.40
5.03	4.64	5.41	US	5.43
3.70	3.42	3.94	Rest of World	3.71
4.38	3.93	4.83	BP Average	4.53
			Average oil marker prices ($/bbl)	
59.60	74.74	88.45	Brent	72.39
59.90	75.24	90.47	West Texas Intermediate	72.20
55.47	76.31	88.65	Alaska North Slope US West Coast	71.68
53.29	69.37	81.38	Mars	66.58
56.06	71.98	85.41	Urals (NWE- cif)	69.16
26.33	41.95	48.98	Russian domestic oil	39.81
			Average natural gas marker prices	
6.56	6.16	6.97	Henry Hub gas price ($/mmbtu)(c)	6.86
29.92	30.58	46.70	UK Gas - National Balancing Point (p/therm)	29.95

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

(b)Crude oil and natural gas liquids.

(c)Henry Hub First of the Month Index.

Notes

1. Basis of preparation

BP prepares its Annual Report and Accounts in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS as adopted for use by the European Union (EU). IFRS as adopted for use 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 that will be used in preparing the Annual Report and Accounts 2007 which do not differ significantly from those used for the Annual Report and Accounts 2006.

2. 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 year ended 31 December 2006 includes a loss on remeasurement to fair value of $184 million.

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007
$ million				$ mill
			Loss recognized on the remeasurement to	
-	-	-	fair value	-
			Taxation	
-	-	-	Related to profit before tax	-
-	-	-	Related to remeasurement to fair value	-
-	-	-	Profit (loss) from Innovene operations	-
			Earnings (loss) per share from Innovene operations - cents	
-	-	-	Basic	-
-	-	-	Diluted	-

3. Sales and other operating revenues

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
$ million				$ million	
			By business		
12,255	12,796	16,788	Exploration and Production	54,550	52,60
53,776	63,761	70,026	Refining and Marketing	250,866	232,85
5,224	4,490	5,863	Gas, Power and Renewables	21,369	23,70
339	238	221	Other businesses and corporate	843	1,00
71,594	81,285	92,898		327,628	310,17

9,648	9,951	13,046	Less: sales between businesses	43,263	44,26
61,946	71,334	79,852	Total third party sales	284,365	265,90
			By geographical area		
23,676	25,017	33,015	UK	109,800	105,51
18,576	19,817	22,897	Rest of Europe	78,366	76,76
23,368	26,409	28,852	US	105,120	99,93
16,768	18,374	20,971	Rest of World	74,462	71,54
82,388	89,617	105,735		367,748	353,76
20,442	18,283	25,883	Less: sales between areas	83,383	87,86
61,946	71,334	79,852		284,365	265,90

Notes

-----

4. Profit before interest and taxation is after charging:

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
$ million				$ million	
			Production and similar taxes		
(143)	(34)	164	UK	197	26
775	955	1,354	Overseas	3,816	3,36
632	921	1,518		4,013	3,62

5. Finance costs

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
$ million				$ million	
290	348	393	Interest payable	1,433	1,19
(85)	(86)	(60)	Capitalized	(323)	(47
205	262	333		1,110	71

6. Other finance income

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
$ million				$ million	
496	555	564	Interest on pension and other post-retirement benefit plan liabilities	2,203	1,94
(619)	(719)	(730)	Expected return on pension and other post-retirement benefit plan assets	(2,855)	(2,41
(123)	(164)	(166)	Interest net of expected return on plan assets	(652)	(47
67	75	75	Unwinding of discount on provisions	283	24
-	-	-	Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP	-	2
(56)	(89)	(91)		(369)	(20

Notes

-----

7. Analysis of changes in net debt

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
$ million				$ million	
			Opening balance		
19,973	23,754	25,245	Finance debt	24,010	19,16
3,199	2,643	2,410	Less: Cash and cash equivalents	2,590	2,96
16,774	21,111	22,835	Opening net debt	21,420	16,20
			Closing balance		
24,010	25,245	31,045	Finance debt	31,045	24,01
2,590	2,410	3,562	Less: Cash and cash equivalents	3,562	2,59
21,420	22,835	27,483	Closing net debt	27,483	21,42
(4,646)	(1,724)	(4,648)	Decrease (increase) in net debt	(6,063)	(5,21
(659)	(277)	1,098	Movement in cash and cash equivalents (excluding exchange adjustments)	837	(41
(3,689)	(1,164)	(5,660)	Net cash outflow (inflow) from financing (excluding share capital)	(6,411)	(4,04
(208)	(261)	(26)	Fair value hedge adjustment	(368)	(58

(13)	-	-	Debt acquired	-	(1
(57)	(21)	(89)	Other movements	(134)	(3
(4,626)	(1,723)	(4,677)	Movement in net debt before exchange effects	(6,076)	(5,09
(20)	(1)	29	Exchange adjustments	13	(12
(4,646)	(1,724)	(4,648)	Decrease (increase) in net debt	(6,063)	(5,21

Notes

-----

8. TNK-BP Operational and Financial Information

Fourth Quarter 2006	Third Quarter 2007	Fourth Quarter 2007		Year 2007	200
			Production (Net of royalties) (BP share)		
837	830	829	Crude oil (mb/d)	832	87
602	364	437	Natural gas (mmcf/d)	451	54
941	892	904	Total hydrocarbons (mboe/d)(a)	910	97
	$ million			$ million	
			Income statement (BP share)		
359	1,094	1,278	Profit before interest and tax(b)	3,743	4,61
(52)	(67)	(71)	Interest expense ...	(264)	(19
(118)	(289)	(413)	Taxation	(993)	(1,46
(6)	(66)	(42)	Minority interest	(215)	(19
183	672	752	Net Income	2,271	2,76
-	-	-	... Excludes unwinding of discount on consideration	-	2
			Cash Flow		
500	800	-	Dividends received(c)	1,300	3,27

Balance Sheet	31 December 2007	31 Decemb 20
Investments in jointly controlled entities	8,817	8,3

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

(b) Full year 2006 included a net gain of $892 million on the disposal of the Udmurtneft assets.

(c) Full year 2006 included $771 million declared in fourth quarter 2005.

9. First quarter 2008 results

BP's first quarter 2008 results will be announced on 29 April 2008.

10. Statutory accounts

The financial information shown in this publication, which was approved by the Board of Directors on 4 February 2008, is unaudited and does not constitute statutory financial statements. The audited 2007 BP Annual Report and Accounts will be published on 4 March 2008 and delivered to the Registrar of Companies in due course. The 2006 BP Annual Report and Accounts have been filed with the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

Contacts

	London	United States
Press Office	Roddy Kennedy	Ronnie Chappell
	+44 (0)20 7496 4624	+1 281 366 5174
Investor Relations	Fergus MacLeod	Rachael MacLean
	+44 (0)20 7496 4717	+1 281 366 6766

http://www.bp.com/investors

SIGNATURES

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

BP p.l.c.
(Registrant)

Dated: 5 February, 2008

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