



BP CAPITAL MARKETS p.l.c.

(Incorporated as a public limited company in England and Wales under the Companies Act 1948 with registered number 1290444)

BP CORPORATION NORTH AMERICA INC.

(Incorporated in the State of Indiana with limited liability with registration number 182869-107)

US\$20,000,000,000

Debt Issuance Programme

Unconditionally and irrevocably guaranteed by

BP p.l.c.

(Incorporated in England under the Companies (Consolidation) Act 1908 registered number 102498)

This Prospectus supersedes the Prospectus dated 7 August 2008 in connection with the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Under the Debt Issuance Programme described in this Prospectus (the "Programme"), BP Capital Markets p.l.c. ("BP Capital") and BP Corporation North America Inc. ("BPCNAI") (each an "Issuer" and, together, the "Issuers") subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes") unconditionally and irrevocably guaranteed by BP p.l.c. ("BP" or the "Guarantor"). Subject to compliance with all relevant laws, regulations and directives, the Notes shall have a minimum maturity of one month and no maximum maturity. The aggregate principal amount of Notes outstanding will not at any time exceed US\$20,000,000,000 (or the equivalent in other currencies).

An investment in the Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") (the "UK Listing Authority") for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a Final Terms supplement (the "Final Terms") which, with respect to Notes to be listed will be delivered to the UK Listing Authority and the London Stock Exchange, and with respect to Notes to be admitted to trading on any other EEA stock exchange, will be delivered to the relevant competent authority, on or before the date of issue of the Notes of such Tranche.

In relation to each separate issue of Notes, the final offer price and amount of such Notes will be determined by the relevant Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the relevant Final Terms. Each Series (as defined in "Overview of the Programme") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "temporary Global Note") or a permanent global note in bearer form (a "permanent Global Note"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes and Certificates may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or, if the Global Notes are intended to be issued in new global note ("NGN") form, as stated in the relevant Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes While in Global Form".

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the relevant Issuer and the Guarantor may be responsible to the Investor for the relevant Base Prospectus (as defined below) under section 90 of the FSMA, only if the relevant Issuer and the Guarantor have authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the relevant Issuer and the Guarantor. If the Offeror is not authorised by the relevant Issuer and the Guarantor, the Investor should check with the Offeror whether anyone is responsible for the relevant Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the relevant Base Prospectus and/or who is responsible for its contents it should take legal advice.

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to any Notes may adversely affect the market price of the Notes.

Arranger

UBS Investment Bank

Dealers

BofA Merrill Lynch

Deutsche Bank

J.P. Morgan Cazenove

UBS Investment Bank

Credit Suisse

Goldman Sachs International

Morgan Stanley

7 August 2009

This Prospectus comprises a base prospectus (each a “Base Prospectus”) for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) in respect of each Issuer.

Each of the Issuers and the Guarantor (the “Responsible Persons”) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the eighth paragraph on the first page of this Prospectus.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE RELEVANT ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE RELEVANT ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Arranger (each as defined below). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of any of the Issuers, the Guarantor or any of their respective subsidiaries and affiliates (together the “Group” or the “BP Group”) since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of any of the Issuers, the Guarantor or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of any of the Issuers, the Guarantor, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Dealers and the Arranger have not separately verified the information contained in this Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Dealers or the Arranger that any recipient of this Prospectus or any other financial statements supplied in connection with the Programme or any Notes, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus or any other

financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of any of the Issuers, the Guarantor or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “Summary of the Programme” below) of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any persons acting on behalf of any Stabilising Manager) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the relevant Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for such Issuer or any Dealer to publish or supplement a prospectus for such offer.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “GBP”, “£”, “sterling” and “pounds sterling” are to the currency of the United Kingdom, references to “€” and “euro” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (as amended from time to time), references to “US dollars” and “US\$” are to the currency of the United States of America.

Forward-looking statements

In order to utilise the ‘Safe Harbour’ provisions of the United States Private Securities Litigation Reform Act of 1995, BP is providing the following cautionary statement. This Prospectus contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of the BP Group (including BP, BPCNAI and BP Capital) and certain of the plans and objectives of the BP Group (including BP, BPCNAI and BP Capital) with respect to these items. These statements may generally, but not always, be identified by the use of words such as ‘will’, ‘expects’, ‘is expected to’, ‘should’, ‘may’, ‘objective’, ‘is likely to’, ‘intends’, ‘believes’, ‘plans’, ‘we see’ or similar expressions. In particular, among other statements, certain statements in (i) the section headed “BP p.l.c.”, with regards to areas of major development in Exploration and Production including the deepwater Gulf of Mexico, Azerbaijan, Algeria, Angola, Egypt and Asia Pacific, growing businesses under the BP and Castrol Brands within Refining and Marketing, Refining and Marketing opportunities in growth markets in China and Asia, the operation of North Tineh Offshore and North Damietta Offshore, the exploration and development of the Shafag and Asiman structures, the sale of the ground fuels marketing business in Greece, the phasing out of module assembly at Frederick, Maryland, closing cell manufacturing and module assembly facilities in Madrid, Spain, BP’s joint venture with respect to cellulosic ethanol, the planned solar system in Germany, legal proceedings, recent trends, uncertainties and demands and future cash flows and capital expenditure, and (ii) the section headed “BP Corporation North America Inc.” with regard to the phasing out of module assembly at Frederick, Maryland, legal proceedings, recent trends, uncertainties and demands are forward-looking in nature.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of the BP Group (including BP, BPCNAI and BP Capital).

Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the specific factors identified in the discussions accompanying such forward-looking statements; the timing of bringing new fields on stream; future levels of industry product supply, demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; 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 elsewhere in this Prospectus including under “Risk Factors”. In addition to factors set forth elsewhere in this Prospectus, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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Documents Incorporated by Reference

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The following documents which have been previously published or are published simultaneously with the Prospectus and have been approved by the Financial Services Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the audited consolidated annual financial statements for the financial years ended 31 December 2007 and 2008, and the unaudited consolidated interim financial statements for the six months ended 30 June 2009, of the Guarantor and its subsidiaries and associated undertakings;
- (b) the audited financial statements for financial years ended 31 December 2007 and 2008, of BP Capital;
- (c) the audited consolidated annual financial statements for the financial years ended 31 December 2007 and 2008, and the unaudited consolidated interim financial statements for the three months ended 31 March 2009, of BPCNAI and its subsidiaries and associated undertakings;
- (d) the following sections of the Annual Report on Form 20-F filed by BP with the United States Securities and Exchange Commission for the year ended 31 December 2008:
 - the section entitled, “Certain Definitions” on page 4;
 - the section entitled, “Production and net proved oil and natural gas reserves” on page 7;
 - the section entitled, “Exploration and Production” on pages 13 to 16;
 - the first six paragraphs only of the section entitled, “Regulation of the group’s business” on page 37;
 - the section entitled, “Supplementary information on oil and natural gas (unaudited)” on pages 185 to 193; and
- (e) the Terms and Conditions of the Notes contained in each of the Prospectuses dated 18 February 2003, 18 February 2004, 18 February 2005, 1 September 2006, 29 August 2007 and 7 August 2008, respectively,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of BP located at 1 St. James’s Square, London SW1Y 4PD, United Kingdom.

Supplementary Prospectus

In addition to the obligation under section 87 of the FSMA each Issuer and the Guarantor has given an undertaking to the Dealers that if, (i) at any time during the duration of the Programme a significant new factor, material mistake or inaccuracy arises or is noted relating to information included in this Prospectus which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of such Issuer and/or the Guarantor and/or the rights attaching to the Notes and/or the Guarantee or (ii) this Prospectus omits any fact concerning any of the Issuers, the Guarantor, any of their respective subsidiaries or the Programme the omission of which would, in the context of the issue and offering of the Notes make any material statement herein misleading, the relevant Issuers or, as the case may be, the Guarantor shall promptly notify the Dealers and prepare and deliver such an amendment, supplement or replacement of the Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such amendment, supplement or replacement hereto as such Dealer may reasonably request.

Summary of the Programme

This summary must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA State”), the Responsible Persons may have civil liability in respect of this Summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before legal proceedings are initiated.

Words and expressions defined or used in “Terms and Conditions of the Notes” below shall have the same meanings in this summary. An Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form other than that contemplated in “Terms and Conditions of the Notes” herein, in which event a supplement to the Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Issuers	BP Capital Markets p.l.c. BP Corporation North America Inc.
Guarantor	All Notes issued under the Programme will be unconditionally and irrevocably guaranteed by BP p.l.c.

Information relating to BP p.l.c.

Description	The Anglo-Persian Oil Company Ltd, incorporated in 1909 later known as The British Petroleum Company Ltd, further changed its name to BP Amoco p.l.c. following the merger with Amoco Corporation (incorporated in Indiana, USA, in 1889). The company subsequently changed its name to BP p.l.c. BP is a public limited company incorporated under the Companies (Consolidation) Act 1908 with registered number 00102498.
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BP’s worldwide headquarters and registered office is located at 1 St James’s Square, London SW1Y 4PD, UK, telephone +44 (0)20 74964000.

Business	With effect from 1 January 2008, the BP Group’s two business segments are Exploration and Production and Refining and Marketing. A separate business, Alternative Energy, handles the BP Group’s low-carbon businesses and future growth options outside oil and gas and is reported within Other Businesses and Corporate. Exploration and Production’s activities include oil and natural gas exploration, development and production (upstream activities), together with related pipeline, transportation and processing activities (midstream activities), as well as the marketing and trading of natural gas (including liquefied natural gas (“LNG”)), power and natural gas liquids (“NGLs”). The activities of Refining and Marketing include the refining, manufacturing, supply and trading, marketing and transportation of crude oil, petroleum and petrochemicals products and related services. The BP Group provides high-quality technological support for all its businesses through its research and engineering activities.
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Information relating to BP Capital Markets p.l.c.

Description	<p>BP Capital Markets p.l.c. was originally incorporated as BP Capital Limited in England on 14 December 1976 as a private limited company under the Companies Act 1948 to 1967 (with registered number 1290444). On 30 June 1986, BP Capital Limited changed its name to BP Capital p.l.c., to BP Amoco Capital p.l.c. on 2 March 1999 and to BP Capital Markets p.l.c. on 8 May 2001.</p> <p>BP Capital's registered office is located at Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP, telephone number: +44 (0)1932 762000.</p>
Business	<p>BP Capital acts as a finance company issuing debt securities and commercial paper on behalf of the BP Group.</p> <p>BP Capital has no subsidiaries. BP Capital's business is raising debt to be on-lent to the parent company and other members of the BP Group on a comparable basis. BP Capital is accordingly dependent on the parent company and other members of the BP Group to service its loans.</p>

Information relating to BP Corporation North America Inc.

Description	<p>BPCNAI was originally incorporated as Standard Oil Company under the Indiana General Corporation Act (the "Act") on 18 June 1889 in the state of Indiana in the United States of America with registration number 182869-107. On 23 April 1985, Standard Oil Company changed its name to Amoco Corporation. Amoco Corporation changed its name to BP Amoco Corporation on 31 December 1998, then to BP Corporation North America Inc. on 1 May 2001. Its principal place of business is located at 4101 Winfield Road, Warrenville, Illinois 60555, United States of America, telephone number: +1 (630) 821 2375.</p>
Business	<p>BPCNAI owns approximately half of BP Group's global operations, covering substantially all of BP Group's upstream and downstream activities in North America (but excluding Alaska). BPCNAI directly and indirectly owns substantially all of BP Group's assets in the United States, including exploration and production assets in the lower 48 states and the Gulf of Mexico, refineries, chemical production, and gasoline retailing assets. Internationally it owns operations in both exploration and production and chemicals operations. It also supports the BP Group's other North American subsidiaries in their external trading and borrowing activities.</p>
Risk Factors	<p>There are certain factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are investment considerations which are material for the purpose of assessing the risks associated with Notes issued under the Programme including the following:</p> <p>(i) the Issuers and the Guarantor are subject to strategic risks relating to world supply and prices of oil and products, recession, political instability and strife and competition, (ii) the Issuers and the Guarantor may not be able to maintain an appropriate level of</p>

liquidity and financial capacity and are subject to foreign exchange exposures; (iii) the Issuers and the Guarantor are subject to regulation and governmental intervention of the oil industry; (iv) inherent in the operations of the BP Group, including BPCNAI, there are risks of loss of containment of hydrocarbons and other hazardous materials. Supplying customers with on-specification products is critical to maintaining the licence to operate and reputation in the marketplace. Exploration and production are subject to natural hazards and uncertainties. Successful execution of the BP Group's plan depends critically on delivering major projects and sustaining long-term reserves replacement. Security threats require continual oversight and control. If the BP Group does not respond in an appropriate manner to crisis, business and operations could be severely disrupted; (v) economic, interest rate and other factors may affect the value of the Notes; (vi) the Notes may have features which contain particular risks for potential investors such as an optional redemption feature; (vii) in the case of derivative Notes investors may lose the entire value of their investment or receive no interest; (viii) remedies following a default may be limited; (ix) certain types of Notes may be illiquid and difficult to trade; and (x) the ratings of the Notes may be revised or withdrawn at any time.

Description of the Programme	Debt Issuance Programme
Size	Up to US\$20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Arranger	UBS Limited
Dealers	Credit Suisse Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc UBS Limited UBS AG
	The Issuers and the Guarantor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	The Law Debenture Trust Corporation p.l.c.
Issuing and Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Registrar and Paying Agent	Citigroup Global Markets Deutschland AG & Co. KGaA.

SUMMARY OF THE PROGRAMME

Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency if the relevant Issuer, the Guarantor and the relevant Dealers so agree.
Index Linked Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of, respectively, Index Linked Redemption Notes and Index Linked Interest Notes will be calculated by reference to such stock or commodity or other index, currency exchange rate and/or formula as the relevant Issuer, the Guarantor and the relevant Dealer or other purchaser may agree (as indicated in the relevant Final Terms).
Maturities	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.
Denomination	The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer or such other amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. In the case of a Bearer Note issued by BPCNAI, if it has a maturity of 183 days or less, the minimum denomination of such Bearer Note must be not less than US\$500,000 (as determined based on the spot rate on the date of issuance if in a currency other than the US dollar).
Fixed Interest Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or(ii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service; or(iii) on such other basis as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer, as indicated in the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Interest Periods and Rates of Interest	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permit the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption by Instalments	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments (“Instalment Notes”) will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, Dual Currency Notes, reverse Dual Currency Notes, optional Dual Currency Notes, Partly Paid Notes and any other type of Note that the relevant Issuer, the Guarantor, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and Supplementary Prospectus (if applicable).
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the relevant Issuer and/or the holders, and if so the terms applicable to such redemption.
Status of the Notes and the Guarantee	The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor respectively, all as described in “Terms and Conditions of the Notes – Guarantee and Status”.
Cross Default	None.
Negative Pledge	None.
Early Redemption	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom or the United States of America, as the case may be, unless compelled by law. In that event, the relevant Issuer will, subject to customary exceptions, pay such additional amounts as will result in the payment to the Noteholders of the amounts which would otherwise have been received in respect of the Notes, all as described in “Terms and Conditions of the Notes – Taxation”.
Governing Law	English law.
Rating	Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading	Application has been made for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List and to trading on the London Stock Exchange’s regulated market. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series and as specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series need not be listed.

Risk Factors

The relevant Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. These factors are contingencies which may or may not occur and neither the relevant Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are described below.

The relevant Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued by the relevant Issuer under the Programme, but the relevant Issuer and the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the relevant Issuer and the Guarantor based on information currently available to them which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Notwithstanding the foregoing, the factors described below should not be taken as implying that the relevant Issuer or the Guarantor will be unable to comply with its obligations as a company with securities admitted to the Official List.

Investors should note that BP Capital has been created with the purpose of raising debt on behalf of the BP Group and that the creditworthiness of BP Capital is dependent upon that of the Guarantor.

Factors that may affect the ability of the relevant Issuer or the Guarantor to fulfil its obligations under Notes issued by the relevant Issuer under the Programme.

Risk factors that apply to BP Capital

BP Capital is a finance vehicle and not an operating company. BP Capital's business is the issuance of debt on behalf of the BP Group. BP Capital does not have any subsidiaries or employees, or own, lease or otherwise hold any real property (including office premises or like facilities), and will not consolidate or merge with any other person.

Risk factors that apply to the business of each of the BP Group and the BPCNAI Group

In the current global financial crisis and uncertain economic environment, certain risks may gain more prominence either individually or when taken together. Oil and gas prices and margins are likely to remain lower than in recent times due to reduced demand; the impact of this situation will also depend on the degree to which producers reduce production. At the same time, governments will be facing greater pressure on public finances leading to the risk of increased taxation. These factors may also lead to intensified competition for market share and available margin, with consequential potential adverse effects on volumes. The financial and economic situation may have a negative impact on third parties with whom members of the BP Group, including those of the BPCNAI Group, do, or may do, business. Any of these factors may affect the results of operations, financial condition and liquidity of the BP Group, including those of the BPCNAI Group.

If there is an extended period of constraint in the capital markets, with debt markets in particular experiencing lack of liquidity, at a time when cash flows from business operations may be under pressure, this may impact the ability of the BP Group, including the BPCNAI Group, to maintain its long-term investment programme with a consequent effect on growth rates, and may impact shareholder returns, including dividends and share buybacks, or share price. Decreases in the funded levels of the BP Group's pension plans may also increase pension funding requirements.

The BP Group's system of risk management provides the response to enduring risks of group significance through the establishment of standards and other controls. Inability to identify, assess and respond to risks

through this and other controls could lead to the inability to capture opportunities, threats materialising, inefficiency and non-compliance with laws and regulations by the BP Group, including the BPCNAI Group.

The risks are categorised against the following areas: strategic, compliance and control, and operational.

Strategic risks

Access and renewal

Successful execution of the BP Group plan depends critically on implementing activities to renew and reposition the portfolio of the BP Group, including the BPCNAI Group. The challenges to renewal of the upstream portfolio of the BP Group, including that of the BPCNAI Group, are growing due to increasing competition for access to opportunities globally. Lack of material positions in new markets and/or inability to complete planned disposals could result in an inability to grow or even maintain production.

Prices and markets

Oil, gas and product prices are subject to international supply and demand. Political developments and the outcome of meetings of OPEC can particularly affect world supply and oil prices. Previous oil price increases have resulted in increased fiscal take, cost inflation and more onerous terms for access to resources. As a result, increased oil prices may not improve margin performance. In addition to the adverse effect on revenues, margins and profitability from any fall in oil and natural gas prices, a prolonged period of low prices or other indicators would lead to future reviews for impairment of the BP Group's oil and natural gas properties, including those of the BPCNAI Group. Such reviews would reflect management's view of long-term oil and natural gas prices and could result in a charge for impairment that could have a significant effect on the BP Group's results of operations including results of the BPCNAI Group, in the period in which it occurs. Rapid material and/or sustained change in oil, gas and product prices can impact the validity of the assumptions on which strategic decisions are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate. A prolonged period of low oil prices may impact the ability of the BP Group, including that of the BPCNAI Group, to maintain its long-term investment programme with a consequent effect on growth rates and may impact shareholder returns, including dividends and share buybacks, or share price.

Periods of global recession could impact the demand for BP Group and BPCNAI Group products, the prices at which they can be sold and affect the viability of the markets in which the BP Group including the BPCNAI Group operates.

Refining profitability can be volatile, with both periodic oversupply and supply tightness in various regional markets. Sectors of the chemicals industry are also subject to fluctuations in supply and demand within the petrochemicals market, with consequent effect on prices and profitability.

Climate change and carbon pricing

Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, reduced profitability from changes in operating costs and revenue generation and strategic growth opportunities being impacted.

Socio-political

The BP Group has operations in countries where political, economic and social transition is taking place. Some countries have experienced political instability, changes to the regulatory environment, expropriation or nationalisation of property, civil strife, strikes, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate BP Group operations, including those of the BPCNAI Group, causing development activities to be curtailed or terminated in these areas or production to decline, and could cause additional costs to be incurred. In particular, the BP Group's investments in Russia could be adversely affected by heightened political and economic environment risks.

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The BP Group, including the BPCNAI Group, sets itself high standards of corporate citizenship and aspires to contribute to a better quality of life through the products and services it provides. If it is perceived that the BP Group is not respecting or advancing the economic and social progress of the communities in which it operates, the BP Group's reputation, including that of the BPCNAI Group, and shareholder value could be damaged.

Competition

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on product prices, affects oil products marketing and requires continuous management focus on reducing unit costs and improving efficiency. The implementation of the strategy of the BP Group, including the BPCNAI Group requires continued technological advances and innovation including advances in exploration, production, refining, petrochemical manufacturing technology and advances in technology related to energy usage. The BP Group's, including the BPCNAI Group's, performance could be impeded if competitors developed or acquired intellectual property rights to technology that the BP Group required or if BP's innovation lagged the industry.

Investment efficiency

The BP Group's organic growth, and that of the BPCNAI Group, is dependent on creating a portfolio of quality options and investing in the best options. Ineffective investment selection could lead to loss of value and higher capital expenditure.

Reserves replacement

Successful execution of the BP Group's strategy depends critically on sustaining long-term reserves replacement. If upstream resources are not progressed to proved reserves in a timely and efficient manner, the BP Group and the BPCNAI Group will be unable to sustain long-term replacement of reserves.

Liquidity, financial capacity and financial exposure

The BP Group has established a financial framework to ensure that the BP Group is able to maintain an appropriate level of liquidity and financial capacity and to constrain the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to operate within the BP Group's financial framework could lead to the BP Group becoming financially distressed leading to a loss of shareholder value. Commercial credit risk is measured and controlled to determine the BP Group's total credit risk. Inability to determine adequately the BP Group's credit exposure, including that of the BPCNAI Group, could lead to financial loss. A credit crisis affecting banks and other sectors of the economy could impact the ability of counterparties to meet their financial obligations to the BP Group, including the BPCNAI Group. It could also affect the ability of the BP Group, including the BPCNAI Group, to raise capital to fund growth.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. Fluctuations in exchange rates can therefore give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

Compliance and control risks

Regulatory

The oil industry is subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental and health and safety protection controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalisation, expropriation, cancellation or non-renewal of contract rights. The BP Group, including the BPCNAI Group, buys, sells and trades oil and gas products in certain regulated commodity markets. The oil industry is also

subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or other factors, the BP Group, including the BPCNAI Group, could be required to curtail or cease certain operations, or to incur additional costs.

Ethical misconduct and non-compliance

The BP Group's code of conduct, which applies to all BP Group employees, defines the BP Group's commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviours and actions the BP Group expects of BP businesses and people wherever the BP Group operates. Incidents of ethical misconduct or non-compliance with applicable laws and regulation could be damaging to the BP Group's reputation, including that of BPCNAI Group, and shareholder value. Multiple events of non-compliance could call into question the integrity of the BP Group's operations.

Liabilities and provisions

Changes in the external environment, such as new laws and regulations, market volatility or other factors, could affect the adequacy of the BP Group's provisions, including those of the BPCNAI Group, for pensions, tax, environmental and legal liabilities.

Reporting

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the reputation of the BP Group, including the BPCNAI Group.

Operations risks

Process safety

Inherent in the BP Group's operations, including those of the BPCNAI Group, are hazards that require continual oversight and control. There are risks of technical integrity failure and loss of containment of hydrocarbons and other hazardous material at operating sites or pipelines. Failure to manage these risks could result in injury or loss of life, environmental damage and/or loss of production and could result in regulatory action, legal liability and damage to the reputation of the BP Group.

Personal safety

Inability to provide safe environments for the BP Group's workforce, including that of the BPCNAI Group, and the public could lead to injuries or loss of life and could result in regulatory action, legal liability and damage to the reputation of the BP Group.

Environmental

If the BP Group, including the BPCNAI Group, does not apply its resources to overcome the perceived trade-off between global access to energy and the protection or improvement of the natural environment, the BP Group, including the BPCNAI Group, could fail to live up to its aspirations of no or minimal damage to the environment and contributing to human progress.

Security

Security threats require continuous oversight and control. Acts of terrorism against the BP Group's plants and offices, pipelines, transportation or computer systems could severely disrupt business and operations, including those of the BPCNAI Group and could cause harm to people.

Product quality

Supplying customers with on-specification products is critical to maintaining the BP Group's, including the BPCNAI Group's, licence to operate and reputation in the marketplace. Failure to meet product quality standards throughout the value chain could lead to harm to people and the environment and loss of customers.

Drilling and production

Exploration and production require high levels of investment and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The cost of drilling, completing or operating wells is often uncertain. The BP Group, including the BPCNAI Group may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

Transportation

All modes of transportation of hydrocarbons contain inherent risks. A loss of containment of hydrocarbons and other hazardous material could occur during transportation by road, rail, sea or pipeline. This is a significant risk due to the potential impact of a release on the environment and people and given the high volumes involved.

Major project delivery

Successful execution of the BP Group's plan depends critically on implementing the activities to deliver the major projects over the plan period. Poor delivery of any major project that underpins production growth and/or a major programme designed to enhance shareholder value could adversely affect the BP Group's financial performance, including that of the BPCNAI Group.

Digital infrastructure

The reliability and security of the BP Group's digital infrastructure is critical to maintaining its business applications availability, including that of the BPCNAI Group. A breach of digital security could cause serious damage to business operations and, in some circumstances, could result in injury to people, damage to assets, harm to the environment and breaches of regulations.

Business continuity and disaster recovery

Contingency plans are required to continue or recover operations following a disruption or incident. Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption and could severely affect business and operations.

Crisis management

Crisis management plans and capability are essential to deal with emergencies at every level of the operations of the BP Group, including those of the BPCNAI Group. If the BP Group does not respond or is perceived not to respond in an appropriate manner to either an external or internal crisis, the BP Group's business and operations, including those of the BPCNAI Group, could be severely disrupted.

People and capability

Employee training, development and successful recruitment of new staff, in particular petroleum engineers and scientists, are key to implementation of the BP Group's plans. Inability to develop the human capacity and capability across the organisation could jeopardise performance delivery by the BP Group and the BPCNAI Group.

Treasury and trading activities

In the normal course of business, the BP Group, including the BPCNAI Group, is subject to operational risk around its treasury and trading activities. Control of these activities is highly dependent on the ability of the BP Group, including the BPCNAI Group, to process, manage and monitor a large number of complex transactions across many markets and currencies. Shortcomings or failures in systems, risk management methodology, internal control processes or people could lead to disruption of business, financial loss, regulatory intervention or damage to reputation.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at

an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of the Successor in Business (as defined in the Conditions of the Notes) of the Guarantor in place of the Guarantor as guarantor of the Notes, in the circumstances described in Condition 10 of the Conditions of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “EU Savings Directive”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other territories). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission’s advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

If a payment is made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person is obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Except as otherwise provided in the second paragraph of Condition 6(e) of the Conditions of the Notes, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Change of law

The Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Guarantee

The Guarantee is solely an obligation of the Guarantor. The Guarantor is primarily a holding company and its ability to make payments to holders of the Notes pursuant to the Guarantee in respect of the Notes depends largely upon the receipt of dividends, distributions, interest or advances from its wholly- or partially-owned subsidiaries and associated companies. The ability of the subsidiaries and associated companies of the Guarantor to pay dividends, distributions, interest or advances may be subject to applicable laws.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus) whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-

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equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Overview of the Programme

The following overview describes certain provisions relevant to the Programme and should be read in addition to the “Summary of the Programme” contained in this Prospectus. Words and expressions defined or used in the “Terms and Conditions of the Notes” below shall have the same meanings in this section.

Method of Issue	The Notes will be issued on a syndicated or a non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.
Redomination, renominatisation, reconventioning and/or consolidation	Notes denominated in a currency that may, after the start of the third stage of European economic and monetary union, be redenominated into euro may, following the giving of notice by the Issuer to the Noteholders, the Issuing and Paying Agent, the Trustee, Euroclear and Clearstream, Luxembourg, be subject to redenomination, renominatisation, reconventioning and/or consolidation with other Notes then denominated in euro.
Form of Notes	<p>The Notes may be issued in bearer form only (“Bearer Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in registered form only (“Registered Notes”). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes, if issued by BP Capital, have an initial maturity of more than one year, or, if issued by BPCNAI, have a maturity of more than 183 days, and are being issued in compliance with the D Rules (as defined in “Overview of the Programme - Selling Restrictions”), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.</p> <p>Global Notes may be issued in NGN form or classic global note (“CGN”) form, as set out in the relevant Final Terms.</p>
Clearing Systems	Euroclear, Clearstream, Luxembourg and/or, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer.
Notes having a maturity of less than one year	Notes having a maturity of less than one year will, (i) if issued by BP Capital and (ii) if issued by BPCNAI and the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the

Selling Restrictions

Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See “Subscription and Sale”.

United States, the European Economic Area (including the United Kingdom and the Netherlands), Japan, Hong Kong and such other restrictions as may be required in connection with a particular issue. See “Subscription and Sale”.

The Notes to be offered and sold will be subject to the restrictions of Category 2 for the purposes of Regulation S under the Securities Act.

Bearer Notes having a maturity of more than one year will be subject to the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) and will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

BPCNAI may only issue Bearer Notes in compliance with the D Rules if the Bearer Notes have a maturity of 183 days or more.

Terms and Conditions of the Notes

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated, provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and in the event of inconsistency between the Agency Agreement or the Trust Deed and the relevant Final Terms, the relevant Final Terms will prevail. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References in the Conditions to the “Issuer” shall be references to the party specified as such in the relevant Final Terms.

The Notes are constituted by a Trust Deed (amended and restated) dated 7 August 2009 (as further amended and/or supplemented and/or restated as at the date of issue of the Notes (the “Issue Date”) (the “Trust Deed”) between the Issuer, the other issuers named in it (together with the Issuer, the “Issuers”), BP p.l.c. (the “Guarantor”) and The Law Debenture Trust Corporation p.l.c. (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (amended and restated) dated 7 August 2009 (as further amended and/or supplemented and/or restated as at the Issue Date, the “Agency Agreement”) has been entered into in relation to the Notes between the Issuers, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar) and the “Calculation Agent(s)”. Copies of the Trust Deed and the Agency Agreement and, in respect of listed Notes, the Final Terms, are available for inspection, free of charge, during usual business hours at the registered office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders (the “Couponholders”) of the interest coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”), in each case in the Specified Currency and the Specified Denomination(s) specified in the Final Terms.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest Specified Denomination of Exchangeable Bearer Notes.

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, Dual Currency Notes or Partly Paid Notes or a combination of any of the foregoing, depending upon the Interest/Payment Basis shown in the Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery outside the United States. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Certificate, Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate Principal Amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax, duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Period*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Guarantee and Status

(a) *Guarantee*

Pursuant to the Trust Deed, the Guarantor has unconditionally and irrevocably guaranteed (the "Guarantee") the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes issued by it, and the relevant Receipts and Coupons.

(b) *Status of Notes and Guarantee*

The Notes and the Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer and the Guarantor, respectively, present and future.

4 Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

In the case of definitive Notes, if a Fixed Coupon Amount or a Broken Amount is specified in the Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Final Terms.

Except in the case of definitive Notes where a Fixed Coupon Amount or Broken Amount, is specified in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Final Terms as Specified Interest Payment Dates, or if no Specified Interest Payment Date(s) is/are shown in the Final Terms, "Interest Payment Date" shall mean each date which falls the number of months or other period shown in the Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that

is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms, and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which determination is specified in the Final Terms.

(A) ISDA Determination

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the Final Terms;
- (y) the Designated Maturity is a period specified in the Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent” where used in the fifth line only of this sub-paragraph (A), “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions and the term “Nominal Amount” as used in the ISDA Definitions shall mean “Principal Amount” as used herein.

(B) Screen Rate/Reference Bank Determination

- (x) If Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be (as determined by the Calculation Agent):

- (i) the offered quotation; or
- (ii) the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (y) if sub-paragraph (x)(i) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(ii) applies and fewer than two offered quotations appear on the

Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone, in each case as selected by the Calculation Agent (the “Principal Financial Centre”) are quoting at or about the Relevant Time for a period commencing on the Effective Date for a period equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period.

- (iv) Rate of Interest for Index Linked Interest Notes.

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and interest will accrue by reference to an Index or Formula specified in the Final Terms.

- (c) *Interest on Zero Coupon Notes*

Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (as defined in Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(b)).

- (d) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the Final Terms.

- (e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up Principal Amount of such Notes and otherwise as specified in the Final Terms.

- (f) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to

accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding

- (i) If any Margin or Rate Multiplier is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest (in the case of (x)) or the Rates of Interest for the specified Interest Accrual Periods (in the case of (y)) calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying such Rate Multiplier, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the Final Terms, then any Rates of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be;
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro;

(h) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Final Terms in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount or any Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (x) the commencement of the relevant Interest Period, if determined prior to such time, in the case of

notification to such exchange of a Rate of Interest and Interest Amount, or (y) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount or Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre; and/or
- (ii) in the case of euro a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System is open (a “TARGET2 Business Day”); and/or
- (iii) in the case of a Specified Currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centres or, if no currency is indicated, generally in each of the Business Centres,

provided that, for the avoidance of doubt, notwithstanding the above, if one or more Business Centres is specified in the Final Terms, “Business Day” shall mean a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant Specified Currency in each of such Business Centres whether or not the foregoing provisions of this definition would give the same result.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) in respect of Floating Rate Notes:
 - (a) if “Actual/360” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;
 - (b) if “Actual/365 (Fixed)” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;

- (c) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (x) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (y) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (d) if “Actual/365 (Sterling)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if “30E/360” or “Eurobond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if “30E/360 (ISDA)” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D₂ will be 30.

- (ii) in respect of Fixed Rate Notes:

- (a) if “Actual/Actual ICMA” is specified in the Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

- (b) if “30/360” is specified in the Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months); and

- (c) if “Actual/365 (Fixed)” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365.

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the Final Terms, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“EURIBOR” means the euro-zone inter-bank offered rate.

“euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended (the “Treaty”).

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the Final Terms.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the Final Terms.

“ISDA Definitions” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes.

“Issue Date” means the date of issue of the Notes.

“LIBOR” means the London inter-bank offered rate.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the Final Terms.

“Reference Banks” means the institutions specified as such in the Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Final Terms which, if the relevant Reference Rate is EURIBOR, shall be the euro-zone.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre as may be

specified as such in the Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected (which, where the Specified Currency is euro, shall be the euro-zone) or, if none is so connected, London.

“Relevant Time” means, with respect to any Interest Determination Date, unless otherwise specified 11.00 am (London time) in the case of LIBOR and 11.00 am (Brussels time) in the case of EURIBOR.

(l) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or to comply with any other requirement the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

5 Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified in the Final Terms) is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Final Terms. The outstanding Principal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Principal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 5(d) or

5(e), each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount (which, unless otherwise provided in the Final Terms, is its Principal Amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date, the Early Redemption Amount in respect of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Final Terms.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction.

(c) Redemption for Taxation Reasons

If, as a result of any amendment to or change in the laws or regulations of [the United States of America or]* the United Kingdom or of any political subdivision thereof or any authority therein or thereof having power to tax or any change in the official or generally accepted interpretation or application of such laws or regulations which becomes effective on or after the date of the Trust Deed, the Issuer or the Guarantor has or will become obliged to pay any additional amounts as described in Condition 7 (and such amendment or change has been evidenced by the delivery by the Issuer or the Guarantor, as the case may be, to the Trustee (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two directors of the Issuer or one director of the Guarantor, as the case may be, on behalf of the Issuer or the Guarantor, as the case may be, stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective)), the Issuer may (having given not less than 30 nor more than 90 days' notice to the Trustee and to the holders in accordance with Condition 15) redeem all, but not some only, of the Notes

* Delete all language in square brackets for issues by BP Capital.

(other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 5(d) prior to any notice being given under this Condition 5(c)) at their Early Redemption Amount, together with accrued interest to the date fixed for such redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be required to pay such additional amounts were a payment in respect of the Notes then due.

(d) Redemption at the Option of the Issuer (Issuer Call) and Exercise of Issuer's Options

If Issuer Call is specified in the Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period as may be specified in the Final Terms) to the Noteholders redeem, or exercise any Issuer's option in relation to all or, if so provided, some of the Notes on any Optional Redemption Date (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 5(c), prior to any notice being given under this Condition 5(d)). Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

Any such redemption or exercise of the Issuer's option shall just relate to Notes of a Principal Amount at least equal to the Minimum Redemption Amount specified in the Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(e) Redemption at the Option of Noteholders (Investor Put) and Exercise of Noteholders' Options

If Investor Put is specified in the Final Terms, the Issuer shall, at the option of the holder of such Note, redeem such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the Final Terms), on the Optional Redemption Date(s) so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the Final Terms.

To exercise such option or any other Noteholders' option that may be set out in the Final Terms the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the

notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(f) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the Final Terms.

(g) *Purchases*

The Issuer, the Guarantor and any of their respective subsidiaries may, to the extent permitted by applicable law, at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective subsidiaries shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre for that currency; provided, however in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in any city, which has access to the TARGET2 System. [Notwithstanding the foregoing, no payment on any Notes, Receipt or Coupon will be made at any office of a Paying Agent in the United States nor will any payment be made by transfer to an account maintained by the payee in, or by mail to an address in, the United States.]*

(b) *Registered Notes*

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of

* Applicable only to issues by BPCNAI.

any of the Transfer Agents or of the Registrar and in the manner provided in subparagraph (ii) below.

- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency and provided, however, that in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in any city that has access to the TARGET2 System. [Notwithstanding the foregoing, payments of interest on a Registered Note shall be made free of withholding only if the Paying Agent receives a statement on Internal Revenue Service Form W-8BEN, or such other applicable form, that (i) is signed by the beneficial owner of the Notes under penalties of perjury, (ii) certifies that such owner is not a United States person, or in the case of an individual, that he is neither a citizen nor a resident of the United States, and (iii) provides the name and address of the beneficial owner, or if the Paying Agent receives no such statement, the payment of interest is in respect of a Note with a maturity of 183 days or less, and payment is made outside the United States.]*

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent act solely as agents of the Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to the Registered Notes, (iii) a Transfer Agent in relation to Registered Notes (iv) one or more Calculation

* Applicable only to issues by BPCNAI.

Agent(s) where the Conditions so require, (v) so long as the Notes are listed on any stock exchange, a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority), and (vi) except as provided otherwise in the following paragraph, a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, in any of cases (i)-(vi), as approved by the Trustee.

In addition, the Issuer and the Guarantor shall appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) above. In respect of any Notes denominated in Swiss Francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified office outside Switzerland. In addition, all references in these Terms and Conditions to the “Issuing and Paying Agent” shall, so far as the context permits, be construed as references to the “Principal Swiss Paying Agent” and the “Swiss Paying Agents” respectively.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) *Unmatured Coupons and Receipts and Unexchanged Talons*

- (i) Unless the Notes provide otherwise, the Coupons related thereto are to become void upon the due date for redemption of those Notes. Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the unexpired Coupons related thereto are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if

appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) on which banks are open for business and carrying out transactions in euro in the jurisdiction in which the euro account specified by the payee is located and a day on which the TARGET2 System is open,

provided that, for the avoidance of doubt, notwithstanding the above, if one or more Financial Centres is specified in the Final Terms, “business day” in this paragraph shall mean a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation in each of such Financial Centres whether or not the foregoing provisions of this definition would give the same result.

(i) *Euro Notes*

Definition of the euro

- (i) Reference in these Conditions to the euro are to the currency which was introduced at the start of the third stage of European economic and monetary union pursuant to Article 109(4) of the Treaty.
- (ii) Notes denominated in a currency that may be converted into euro, may be subject to redenomination, renominatisation, reconventioning and/or consolidation with other Notes then denominated in euro as specified in the Final Terms.

(j) *Transfer Restriction**

Payments on the Notes will be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

* Only applicable to Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange.

(k) *Discharge of the Issuer**

The receipt by the Principal Swiss Paying Agent, of the due and punctual payment of the funds in Swiss francs in Zurich shall release the Issuer from its obligation under the Notes and Coupons for the payment of principal and interest due on the respective payment dates to the extent of such payments and except to the extent that there is default in the subsequent payment thereof to the Noteholders or Couponholders (as the case may be).

Except to the extent required by law, payments of principal and interest in respect of the Notes shall be made in freely disposable Swiss francs without collection costs and whatever the circumstances may be, irrespective of the nationality, domicile or residence of the holder of the Notes and without requiring any certification, affidavit or the fulfilment of any other formality.

7 Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within [the United States,]** the United Kingdom or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts to the Noteholder or Couponholder [who is a United States Alien]*** as shall result in receipt by that Noteholder or Couponholder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon or any payment under the Guarantee:

- (a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note, Receipt or Coupon;
- (b) in circumstances where such a withholding or deduction would not be required if the holder, or any person acting on the holder's behalf, had satisfied any statutory requirements or obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction; or
- (c) [to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder or possessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having or having had a permanent establishment therein or (ii) his having some connection with the United States other than the mere holding of the Note, Receipt or Coupon; or]***
- (d) where the Note, Receipt or Coupon is presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

* Only applicable to Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange

** Delete all language in square brackets for issues by BP Capital.

*** Only applicable to issues by BPCNAL.

- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge; or
- (g) in respect of any tax, assessment or other governmental charge which is payable other than by withholding or deduction from payments of principal of or interest on such Note, Receipt or Coupon or under the Guarantee; or
- (h) [in respect of any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as a personal holding company, private foundation or other tax exempt organisation, passive foreign investment company or controlled foreign corporation with respect to the United States or as a corporation that accumulates earnings to avoid US federal income tax; or]***
- (i) in respect of any tax, assessment or other governmental charge which is required to be withheld or deducted by any Paying Agent from payments of principal of or interest on any Notes, Receipts or Coupons, if such payment can be made without such withholding or deduction by at least one other Paying Agent; or
- (j) in respect of any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as the actual or constructive owner of 10 per cent., or more of the total combined voting power of all classes of stock of the Issuer entitled to vote; or
- (k) [in respect of any tax, assessment, or other governmental charge that would not have been imposed but for a failure to comply with a certification, information, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or to exemption from such tax, assessment or other governmental charge; or]***
- (l) in respect of any tax, assessment, or other governmental charge imposed on a holder by reason of its past or present status as a bank that acquired any Notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or
- (m) in respect of any combination of items (a), (b), [(c)], (d), (e), (f), (g), [(h),] (i), (j), [(k),] and (l) above,

nor shall additional amounts be paid with respect to a payment of principal of or interest on any Note, Receipt or Coupon or under the Guarantee to a holder that is not the beneficial owner of such Note, Receipt or Coupon or of any of the rights under the Guarantee to the extent that the beneficial owner thereof would not have been entitled to the payment of such additional amounts had such beneficial owner been the holder of such Note, Receipt or Coupon or the recipient of such payment under the Guarantee.

[As used in these Conditions, the term "United States" means the United States of America (including the District of Columbia), and its territories, possessions, and other areas subject to its jurisdiction; and the term "United States Alien" means a beneficial owner of a Note, Receipt, or Coupon who is (i) a non-resident alien individual, (ii) a foreign corporation, (iii) a foreign estate which is not subject to United States federal income tax on a net income basis in respect of income or gain; or (iv) a trust

*** Only applicable to issues by BPCNAI.

if a US court is not able to exercise primary jurisdiction over administration of the trust and no US person has the authority to control all substantial decisions of the trust. An individual present in the United States for 183 or more days in the taxable year in which such individual disposes of his or her Note, Receipt, or Coupon is generally not a United States Alien.]*

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or the substitution for it under the Trust Deed.

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default

Provided that at the time of such notice as hereinafter referred to, such event or (as the case may be) all such events shall not have been waived or remedied (if capable of remedy) to the satisfaction of the Trustee, the Trustee at its absolute discretion may and, if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (in any case provided that the Trustee has been indemnified to its satisfaction), give notice to the Issuer and the Guarantor declaring the Notes to be, and they shall accordingly immediately become, immediately repayable at their Final Redemption Amount, together with accrued interest as provided in the Trust Deed, if any of the following events (each an “Event of Default”) shall occur and is continuing and, except in the case of (a) below, the Trustee shall have certified to the Issuer and the Guarantor that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders:

- (a) default is made for more than 30 days in the payment of any principal or interest due in respect of the Notes or any of them after the same ought to be made or paid, as the case may be; or
- (b) there is failure in the performance of any other obligation under the Notes or the Trust Deed:
 - (i) which in the opinion of the Trustee is incapable of remedy; or
 - (ii) which, being in the opinion of the Trustee capable of remedy, continues for more than 90 days after written notification requiring such failure to be remedied shall have been given to the Issuer and the Guarantor by the Trustee; or
- (c) an order is made for the winding up of the Issuer or the Guarantor by a court of competent jurisdiction in its country of incorporation or an administration or administrative order is made in relation to the Issuer or the Guarantor and such order is not discharged or stayed within a

* Only applicable to issues by BPCNAI.

period of 90 days, or an effective resolution is passed for its winding up (except in each case for the purposes of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee); or

- (d) an administrative or other receiver or an administrator is appointed (and not discharged within 90 days) of the whole or substantially the whole of the undertaking or assets of the Guarantor and the appointment is not being disputed in good faith; or
- (e) the Issuer or the Guarantor ceases to carry on substantially the whole of its business (except for the purposes of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee) or the Issuer or the Guarantor stops payment generally or is unable to, or admits inability to, pay generally its debts as they fall due; or
- (f) the Issuer or the Guarantor is adjudicated bankrupt or insolvent by a court of competent jurisdiction in its country or state of incorporation; or
- (g) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or
- [(h) the Issuer or the Guarantor commences a voluntary case, or consents to the entry of an order for relief against it in an involuntary case, under title 11 of the US Code or makes a general assignment for the benefit of its creditors;]*
- [(i) a receiver or manager is appointed (and not discharged within 90 days) of the whole or substantially the whole of the undertaking or assets of the Issuer and the appointment is not being disputed in good faith or an administrator is appointed to the Issuer or the Issuer enters into, or resolves to enter into, a scheme or arrangement, a deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors (except in each case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee).]*

10 Meetings of Noteholders, Modifications, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or certain provisions of the Trust Deed (certain provisions of which may not be materially altered). Such a meeting may be convened by Noteholders holding not less than 10 per cent. in Principal Amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in the Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Principal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Notes, (vii) to take any steps that as specified in the Final Terms

* Only applicable to issues by BPCNAI.

may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (ix) to modify or cancel the Guarantee in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one third in Principal Amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes, which resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or on behalf of one or more of such holders, shall be as valid, effective and binding as an Extraordinary Resolution duly passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Trust Deed.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the Final Terms in relation to such Series.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, the Notes or the Coupons that is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, to comply with a mandatory provision of the laws of England (or the law of the jurisdiction in which the Issuer is incorporated), and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Trustee may agree, without the consent of the Noteholders, to the substitution of the Successor in Business (as defined below) of the Guarantor in place of the Guarantor as the guarantor of the Notes, Certificates, Receipts and Coupons, and to the substitution of the Guarantor or of its Successor in Business or any subsidiary of the Guarantor or of its Successor in Business as the principal debtor in respect of the Notes, Certificates, Receipts or Coupons in each case subject to the relevant provisions of the Trust Deed, to such reasonable requirements as the Trustee may direct in the interests of the Noteholders and, except in the case of the substitution of the Guarantor or its Successor in Business as the principal debtor, to the Notes, Certificates, Receipts and Coupons being unconditionally and irrevocably guaranteed by the Guarantor or its Successor in Business. In considering any substitution of the Guarantor or its Successor in Business as principal debtor in place of the Issuer, the Trustee shall regard the Issuer as having no assets.

In connection with any proposed substitution as aforesaid, the Trustee shall not have regard to the consequences of substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

The term "Successor in Business" means, in relation to the Guarantor, any company which, as a result of any amalgamation, merger or reconstruction the terms of which have previously been approved in writing by the Trustee:

- (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Guarantor immediately prior thereto; and

- (ii) carries on, as successor to the Guarantor, the whole or substantially the whole of the business carried on by the Guarantor immediately prior thereto.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

13 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of at least one-fifth in principal amount of the Notes outstanding and (b) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entry related to the Issuer without accounting for any profits.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times* or if any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper) or as otherwise required by any exchange on which the Notes are listed.

So long as the Notes are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, notices in respect of the Notes will be validly given through the Principal Swiss Paying Agent by means of publication on the internet website of the SIX Swiss Exchange (www.six-swiss-exchange.com/index.com). In addition, the Principal Swiss Paying Agent may also publish any such notices by other means in accordance with the rules of the SIX Swiss Exchange.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16 Governing Law, Jurisdiction and Service of Process

(a) *Governing Law*

The Trust Deed (including the Guarantee), the Notes, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection thereto, are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection thereto) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes, Receipts, Coupons or Talons (“Proceedings”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection thereto) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in one or more jurisdictions or preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process*

[The Issuer irrevocably appoints BP p.l.c. of 1 St. James’s Square, London SW1Y 4PD as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process

agent and shall immediately notify Noteholders of such appointment in accordance with Condition 15. Nothing shall affect the right to serve process in any manner permitted by law.]*

[The Issuer agrees to the additional jurisdiction of the Courts of the Canton of Zurich, the place of jurisdiction being Zurich, with the right of appeal to the Swiss Federal Court of Justice in Lausanne where the law permits. In connection with the Notes, the Issuer elects legal and special domicile at UBS AG, Bahnhofstrasse 45, Ch-8001 Zurich, Switzerland and agrees that, for the purposes of any proceedings brought in Switzerland, holders of all or some of the Notes shall have the option to be collectively represented (in accordance with all applicable laws and customary practice in Switzerland). The holders of all Notes (whether or not collectively represented) shall have equal status irrespective of their domicile.]**

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

* Not applicable to Notes issued by BP Capital.

** Only applicable to Notes denominated in Swiss francs and offered to the public in Switzerland and/or listed on the SIX Swiss Exchange.

Use of Proceeds

The net proceeds from the issue of any Notes will be used by the relevant Issuer for its general funding purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

Summary of Provisions Relating to the Notes While in Global Form

Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “Common Depositary”), or in the case of a Global Note in NGN form, with the Common Safekeeper or in the case of Notes denominated in Swiss francs, offered to the public in Switzerland and/or listed on the SIX Swiss Exchange SIX SIS AG, the Swiss Securities Servicer Corporation in Olten, Switzerland (“SIS”, which expression shall include any other clearing institution recognised by the SIX Swiss Exchange), or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary or with the Common Safekeeper, as the case may be, may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Issuer — ICSDs Agreement

Each Issuer has entered or will enter into an agreement with Euroclear and Clearstream, Luxembourg in respect of any Notes issued in NGN form that the relevant Issuer may request be made eligible for settlement with Euroclear and Clearstream, Luxembourg (the “Issuer-ICSDs Agreement”). The Issuer-ICSDs Agreement provides that Euroclear and Clearstream, Luxembourg will, in respect of any such Notes, *inter alia*, maintain records of their respective portion of the issue outstanding amount of such Notes and will, upon the relevant Issuer’s request, produce a statement for the relevant Issuer’s use showing the total nominal amount of its customer holdings of such Notes as of a specified date.

Relationship of Account Holders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, SIS or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, SIS or such clearing system (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note or the holder of the underlying Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, SIS or such clearing system (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid. So long as a Global Note or Global Certificate is held by SIS, each person (determined on the basis of statements of account provided by SIS) shall be the beneficial owner of an interest in the Global Note or Global Certificate to the extent of the amount (determined on the basis of statements of account provided by SIS) of their investment therein. In accordance with the regulations of the SIX Swiss Exchange, owners of beneficial interests in a Global Note or Global Certificate do not have the right to request the printing and delivery of Definitive Notes.

Exchange

1. Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (A) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see “Summary of the Programme - Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (B) otherwise, in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement, for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2. Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes or, in the case of 2(C) below, Registered Notes:

- (A) unless principal in respect of any Notes is not paid when due, by the relevant Issuer giving notice to the Noteholders, the Issuing and Paying Agent and the Trustee of its intention to effect such exchange; or
- (B) if the relevant Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange; or
- (C) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes;
- (D) (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, SIS or any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange; or
- (E) if the permanent Global Note is held by SIS and the presentation of Definitive Notes is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights of holders of Notes.

3. Permanent Global Certificates

If the Final Terms states that the Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (A) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg, SIS or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

- (B) if principal in respect of any Notes is not paid when due; or
- (C) with the consent of the relevant Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to 3(A) or 3(B) above, the holder of the Permanent Global Certificate has given the Registrar not less than 30 days' notice at its specified office of the intention of the holder of the Permanent Global Certificate to effect such transfer.

4. Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system so permit, such permanent Global Note will be exchangeable at the cost of the relevant Issuer in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly-paid Notes.

5. Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (if such Global Note is in CGN form) or procure a change to the record of the relevant clearing system (if such Global Note is in NGN form). In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note (if such Global Note is in CGN form) or procure a change to the record of the relevant clearing system (if such Global Note is in NGN form) to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6. Exchange Date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, the permanent Global Notes and the Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1. Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is

improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Trust Deed. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. All payments in respect of Global Notes in NGN form will be reflected in the Records of the relevant clearing system.

2. Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in “Terms and Conditions of the Notes - Taxation”).

3. Meetings

At any meeting of Noteholders the holder of a permanent Global Note shall be treated as having one vote in respect of each US\$1 (or its equivalent) in principal amount of Notes for which such Global Note may be exchanged. All holders of Registered Notes are entitled to one vote in respect of each US\$1 in principal amount of Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.

4. Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note.

5. Purchase

Notes represented by a permanent Global Note may only be purchased by the relevant Issuer, the Guarantor or any of their respective Subsidiaries (as defined in the Trust Deed) if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) set out in the Final Terms.

6. Issuer’s Option

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate shall be exercised by such Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of any Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or the relevant Alternative Clearing System (as the case may be).

7. Noteholders’ Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate may be exercised by the holder of the Global Note or Global Certificate giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting (if such Global Note is in CGN

form) the Global Note or Global Certificate to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

8. Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

9. Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

Partly-paid Notes

The provisions relating to partly-paid Notes are not set out in this Prospectus but will be contained in the relevant Final Terms and thereby in the Global Notes and/or Global Certificate. While any instalments of the subscription moneys due from the holder of partly-paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any partly-paid Notes within the time specified, the relevant Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

BP p.l.c.

Unless otherwise indicated, information set out in this section relating to BP p.l.c. reflects 100% of the assets and operations of BP and its subsidiaries that were consolidated at the date or for the periods indicated, including minority interests. Also, unless otherwise indicated, figures for business sales and other operating revenues include sales between BP businesses.

Introduction

The Anglo-Persian Oil Company Ltd, incorporated in 1909 later known as The British Petroleum Company Ltd, changed its name to BP Amoco p.l.c. following the merger with Amoco Corporation (incorporated in Indiana, USA, in 1889). The company subsequently changed its name to BP p.l.c. BP is a public limited company incorporated under the Companies (Consolidation) Act 1908 with registered number 00102498.

BP is one of the world's leading oil companies on the basis of market capitalisation¹ and proved reserves². BP's worldwide headquarters and registered office is located at 1 St James's Square, London SW1Y 4PD, UK, telephone +44 (0)20 7496 4000.

With effect from 1 January 2008, the BP Group's two business segments are Exploration and Production and Refining and Marketing³. A separate business, Alternative Energy, handles the BP Group's low-carbon businesses and future growth options outside oil and gas and is reported within Other Businesses and Corporate.

Exploration and Production's activities include oil and natural gas exploration, development and production (upstream activities), together with related pipeline, transportation and processing activities (midstream activities), as well as the marketing and trading of natural gas (including liquefied natural gas ("LNG")), power and natural gas liquids ("NGLs").

The activities of Refining and Marketing include the refining, manufacturing, supply and trading, marketing and transportation of crude oil, petroleum and petrochemicals products and related services.

The BP Group provides high-quality technological support for all its businesses through its research and engineering activities.

All these activities are supported by a number of other organisational elements comprising group functions and regions. Group functions serve the business segments, aiming to achieve coherence across the group, manage risks effectively and achieve economies of scale. In addition, each regional head provides the required integration and co-ordination of group activities and represents BP to external parties.

Organisational Structure

The BP Group is a global group, with interests and activities held or operated through subsidiaries, jointly controlled entities or associates established in, and subject to the laws and regulations of, many different jurisdictions. These interests and activities cover the two business segments, plus Other businesses and corporate, supported by a number of organisational elements comprising group functions or regions.

1 Source: FT GLOBAL 500 published May 2009

2 Source: Energy Intelligence Research, Energy Intelligence Top 100: Rankings 2009

3 With effect from 1 January 2008:

- the former Gas, Power and Renewables segment ceased to report separately
- the NGLs, LNG and gas and power marketing and trading businesses were transferred from the Gas, Power and Renewables segment to the Exploration and Production segment
- the Alternative Energy business was transferred from the Gas, Power and Renewables segment to Other businesses and corporate
- the Emerging Consumers Marketing Unit was transferred from Refining and Marketing to Alternative Energy (which is reported in Other businesses and corporate)
- the Biofuels business was transferred from Refining and Marketing to Alternative Energy (which is reported in Other businesses and corporate)
- the Shipping business was transferred from Refining and Marketing to Other businesses and corporate

BP is, directly or indirectly, the ultimate holding company of all the companies in the BP Group and its assets are substantially comprised of shares in such companies. It does not conduct any other substantive business and is accordingly dependent on the other members of the BP Group and revenues received from them.

Clause 4 of BP's memorandum of association provides that its objects include the acquisition of petroleum bearing lands, the carrying on of refining and dealing businesses in the petroleum, manufacturing metallurgical or chemicals businesses, the purchase and operation of ships and all other vehicles and conveyances and the carrying on of any other business calculated to benefit BP. The memorandum also grants BP a range of corporate capabilities to effect these objects.

Business Activities

BP has well-established operations in Europe, the US, Canada, Russia, South America, Australasia, Asia and parts of Africa. As at 31 December 2008, around 67% of the BP Group's capital is invested in Organisation for Economic Cooperation and Development (OECD) countries, with around 41% of the BP Group's fixed assets located in the USA and around 20% located in Europe.

BP believes that it has a strong portfolio of assets:

- In Exploration and Production, BP had upstream interests in 29 countries as at 31 December 2008. Exploration and Production activities are managed through operating units that are accountable for the day-to-day management of the segment's activities. An operating unit is accountable for one or more fields. BP's current areas of major development include the deepwater Gulf of Mexico, Azerbaijan, Algeria, Angola, Egypt and Asia Pacific where BP believes it has competitive advantage and the foundation for volume growth and improved margins in the future. BP also has significant midstream activities to support its upstream interests. Additionally, BP undertakes natural gas, power and NGLs marketing and trading activity and LNG activity, which are focused on identifying and capturing worldwide opportunities for BP's upstream natural gas reserves, and BP has an NGLs processing business in North America.
- In Refining and Marketing, BP has a strong presence in the US and Europe. In the US, BP markets under the Amoco and BP brands in the Midwest, east and south-east and under the ARCO brand on the west coast, and in Europe, under the BP and Aral brands. BP has a long established supply and trading activity responsible for delivering value across the crude and oil products supply chain. BP's Aromatics & Acetyls business maintains a manufacturing position globally, with emphasis on growth in Asia. BP also has, or is growing, businesses elsewhere in the world under the BP and Castrol brands, including a strong global lubricants portfolio and other business-to-business marketing businesses (aviation and marine) covering the mobility sectors. BP continues to seek opportunities to broaden its activities in growth markets such as China and India.

Recent Developments

Exploration and Production segment

In the Gulf of Mexico, production from Thunder Horse continued to ramp up during the first quarter of 2009 as wells in Thunder Horse North came onstream.

In Russia, TNK-BP announced during the first quarter of 2009 that it had commenced commercial production from the Urna and Ust-Tegus fields in the Uvat area of the Tyumen region.

On 3 March 2009, Sonangol and BP announced the Leda oil discovery in ultra-deepwater Block 31, offshore Angola (BP 26.67% and operator). This is the seventeenth discovery made by BP in Block 31.

During the second quarter of 2009, BP announced that production had commenced from the Dorado (BP 75% and operator) and King South (BP 100%) projects in the Gulf of Mexico. Both projects are subsea tiebacks to the existing Marlin Platform.

On 27 May 2009, Sonangol and BP announced the Oberon oil discovery in ultra-deepwater Block 31, offshore Angola (BP 26.67% and operator). This is the eighteenth discovery made by BP in Block 31.

In Egypt, the Egyptian Natural Gas Holding Company awarded BP two blocks in the 2008 International bid round. North Tineh Offshore is in a deepwater offshore area of the Nile Delta, will be operated by BP (100%) and was ratified in June 2009. North Damietta Offshore is an adjacent block that BP will operate with Shell and Petronas, with one-third working interest each.

In Iraq's first licensing round on 30 June 2009, BP (operator) and China National Petroleum Corporation were awarded the rights to redevelop the Rumaila oilfield.

During the second quarter of 2009, BP sold its wholly-owned subsidiary, BP West Java Limited ("BPWJ"), to PT Pertamina (Persero) ("Pertamina"). Pertamina purchased BPWJ for a consideration of US\$278 million.

Shortly after the end of the second quarter of 2009, BP, as operator on behalf of the Tangguh project partners, announced that the first cargo of liquefied natural gas (LNG) had been lifted from the Tangguh LNG project (BP 37.16% and operator) in Papua Barat, Indonesia.

BP also announced, together with SOCAR (the State Oil Company of the Republic of Azerbaijan), that BP has signed a memorandum of understanding to jointly explore and develop the Shafag and Asiman structures in the Azerbaijan sector of the Caspian Sea.

In the Gulf of Mexico BP announced the drilling of a successful appraisal well in a previously untested southern segment of the Mad Dog field (BP 60.5% and operator).

Refining and Marketing segment

On 26 June 2009, BP announced the sale of the ground fuels marketing business in Greece, to Hellenic Petroleum for €359 million subject to various adjustments at closing. The deal is subject to regulatory approval and certain conditions, but is expected to complete before the end of 2009.

Other businesses and corporate

In Alternative Energy, BP announced the completion of phase I of the 100 megawatts ("MW") Flat Ridge Wind Farm in Barber County, Kansas, United States, a 50:50 joint venture between BP and Westar Energy, Inc. On 15 April 2009, commercial operations commenced at the Fowler Ridge Wind Farm in Benton County, Indiana, the largest in the United States midwest at 400MW, where BP and Dominion are equal partners in a total capacity of approximately 300MW.

In solar manufacturing, BP announced its intention to phase out module assembly at Frederick, Maryland, United States, and to close BP's cell manufacturing and module assembly facilities in Madrid, Spain.

On 18 February 2009, BP's Biofuels business announced the formation of a 50:50 joint venture between BP and the Verenium Corporation. Together the companies have agreed to commit US\$45 million in funding and assets to the joint venture to develop and commercialise cellulosic ethanol from non-food feedstocks.

BP's Solar business and RGE Energy AG of Germany announced a partnership to build one of the world's largest solar projects in Germany. The planned solar system is expected to deliver around 43,000 MW hours per year of green electricity. Solar sales in the second quarter and half year of 2009 were 27MW and 42MW respectively, compared to 39MW and 73MW in the same periods of 2008, reflecting ongoing demand weakness in the market.

On 1 July 2009, United States Department of Energy Secretary Steven Chu announced that Hydrogen Energy LLC, a 50:50 joint venture between BP and Rio Tinto, had been selected for up to US\$308 million in project funding from the American Recovery and Reinvestment Act.

Legal Proceedings

US trading investigations

BP America Inc. (BP America) continues to be subject to oversight by an independent monitor, who has authority to investigate and report alleged violations of the US Commodity Exchange Act or US Commodity Futures Trading Commission (CFTC) regulations and to recommend corrective action. The appointment of the independent monitor was a condition of the deferred prosecution agreement (DPA) entered into with the US Department of Justice (DOJ) on 25 October 2007 relating to allegations that BP America manipulated the price of February 2004 TET physical propane and attempted to manipulate the price of TET propane in April 2003 and the companion consent order with the CFTC, entered the same day, resolving all criminal and civil enforcement matters pending at that time concerning propane trading by BP Products North America Inc. (BP Products). The DPA requires BP America's and certain of its affiliates' continued co-operation with the US government investigations of the trades in question, as well as other trading matters that may arise. The DPA has a term of three years but can be extended by two additional one-year periods, and contemplates dismissal of all charges at the end of the term following the DOJ's determination that BP America has complied with the terms of the DPA. Investigations into BP's trading activities continue to be conducted from time to time. Private complaints, including class actions, have also been filed against BP Products alleging propane price manipulation. The complaints contain allegations similar to those in the CFTC action as well as of violations of federal and state antitrust and unfair competition laws and state consumer protection statutes and unjust enrichment. The complaints seek actual and punitive damages and injunctive relief. Settlement with one group of the class actions has received preliminary approval from the court and final approval is expected in 2009.

Texas City refinery

On 23 March 2005, an explosion and fire occurred in the isomerisation unit of BP Products' Texas City refinery as the unit was coming out of planned maintenance. Fifteen workers died in the incident and many others were injured. BP Products has resolved all civil claims arising from the incident, except for a small number of claims that remain on appeal following dismissal in the trial court.

In March 2007, the US Chemical Safety and Hazard Investigation Board (CSB) issued its final report on the incident. The report contained recommendations to the Texas City refinery and to the board of BP. In May 2007, BP responded to the CSB's recommendations. BP and the CSB continue to discuss BP's responses with the objective of the CSB agreeing to close-out its recommendations.

On 25 October 2007, the DOJ announced that it had entered into a criminal plea agreement with BP Products related to the March 2005 explosion and fire. Following BP Products' guilty plea on 4 February 2008, pursuant to the plea agreement, to one felony violation of the risk management planning regulations promulgated under the US federal Clean Air Act, a series of appeals were taken by victims of the incident, who alleged that the plea agreement did not fully take into account the victims' injuries. On 7 October 2008, after resolution of those appeals, BP Products returned to court to argue for acceptance of the guilty plea. At the plea hearing, the court advised that it would take the matter under review and decide whether to accept or reject the plea. On 12 March 2009, the court accepted the plea agreement and sentenced BP Products. In connection with the plea agreement, BP Products paid a US\$50 million criminal fine and is serving three years' probation. Compliance with a 2005 OSHA settlement agreement and an agreed order entered into by BP Products with the Texas Commission on Environmental Quality (TCEQ) are conditions of probation. The TCEQ and the DOJ continue to investigate certain matters arising from the March 2005 explosion and fire.

Prudhoe Bay

On 29 November 2007, BP Exploration (Alaska) Inc. (BPXA) entered into a criminal plea agreement with the DOJ relating to leaks of crude oil in March and August 2006. BPXA's guilty plea, to a misdemeanour violation of the US Federal Water Pollution Control Act, included a term of three years' probation. BPXA is eligible to petition the court for termination of the probation term if it meets certain benchmarks relating to replacement of the transit lines, upgrades to its leak detection system and improvements to its integrity

management programme. BPXA continues to co-operate with a parallel State of Alaska civil investigation into the March and August 2006 spills, including three separate subpoenas issued to BPXA by the Alaska Department of Environmental Conservation. BPXA is also engaged in discussions with the DOJ, the EPA and the US Department of Transportation concerning a civil enforcement action relating to the 2006 Prudhoe Bay oil transit line incidents.

Shareholder derivative lawsuits

Shareholder derivative lawsuits alleging breach of fiduciary duty that were filed in US federal and state courts against the directors of the company and others, nominally the company and certain US subsidiaries, following the events relating to, *inter alia*, Prudhoe Bay, Texas City and the trading cases, have been settled (following court approval of the settlement terms) and the claims have been dismissed.

Exxon Valdez

Approximately 200 lawsuits were filed in state and federal courts in Alaska seeking compensatory and punitive damages arising out of the Exxon Valdez oil spill in Prince William Sound in March 1989. Most of those suits named Exxon (now ExxonMobil), Alyeska Pipeline Service Company (Alyeska), which operates the oil terminal at Valdez, and the other oil companies that own Alyeska. Alyeska initially responded to the spill until the response was taken over by Exxon. BP owns a 46.9% interest (reduced during 2001 from 50% by a sale of 3.1% to Phillips) in Alyeska through a subsidiary of BP America Inc. and briefly indirectly owned a further 20% interest in Alyeska following BP's combination with Atlantic Richfield. Alyeska and its owners have settled all the claims against them under these lawsuits. Exxon has indicated that it may file a claim for contribution against Alyeska for a portion of the costs and damages that it has incurred. If any claims are asserted by Exxon that affect Alyeska and its owners, BP will defend the claims vigorously.

Atlantic Richfield

Since 1987, Atlantic Richfield, a subsidiary of BP, has been named as a co-defendant in numerous lawsuits brought in the US alleging injury to persons and property caused by lead pigment in paint. The majority of the lawsuits have been abandoned or dismissed against Atlantic Richfield. Atlantic Richfield is named in these lawsuits as alleged successor to International Smelting and Refining and another company that manufactured lead pigment during the period 1920-1946. Plaintiffs include individuals and governmental entities. Several of the lawsuits purport to be class actions. The lawsuits seek various remedies including compensation to lead-poisoned children, cost to find and remove lead paint from buildings, medical monitoring and screening programmes, public warning and education of lead hazards, reimbursement of government healthcare costs and special education for lead-poisoned citizens and punitive damages. No lawsuit against Atlantic Richfield has been settled nor has Atlantic Richfield been subject to a final adverse judgment in any proceeding. The amounts claimed and, if such suits were successful, the costs of implementing the remedies sought in the various cases could be substantial. While it is not possible to predict the outcome of these legal actions, Atlantic Richfield believes that it has valid defences and it intends to defend such actions vigorously and that the incurrence of liability is remote. Consequently, BP believes that the impact of these lawsuits on the BP Group's results of operations, financial position or liquidity will not be material.

TNK-BP

In January 2009, the TNK-BP shareholders resolved, or agreed a process for resolving, all outstanding claims between them, including those relating to Russian back taxes. The suit filed in Russia by a minority shareholder in TNK-BP Holding, alleging that an agreement by BP specialists to provide services to the TNK-BP group is invalid and demanding repayment of sums paid to BP for such services, has been withdrawn.

Recent trends, uncertainties and demands

Save as disclosed under “Risk Factors that apply to the business of each of the BP Group and the BPCNAI Group”, “Recent Developments” and “Legal Proceedings”, the BP Group is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuers’ or the Guarantor’s prospects for the current financial year.

Future Cash Flows and Capital Expenditure

The BP Group has had significant levels of capital investment for many years. Cash flow in respect of capital investment, excluding acquisitions, was US\$23.7 billion in 2008, US\$18.4 billion in 2007 and US\$15.7 billion in 2006. Sources of funding are completely fungible, but the majority of the BP Group’s funding requirements for new investment comes from cash generated by existing operations.

The BP Group expects capital expenditure, excluding acquisitions and asset exchanges, to be less than US\$20 billion in 2009. This reflects BP’s intention in Exploration and Production to maintain investment whilst vigorously working to drive down costs and to reduce spending in BP’s Refining and Marketing and Alternative Energy businesses in keeping with the current weak economic environment. Disposal proceeds are expected to be between US\$2-3 billion in 2009.

Authorised future capital expenditure for property, plant and equipment by BP Group companies for which contracts had been placed at 31 December 2008 amounted to US\$14,062 million (2007: US\$8,263 million). In addition, at 31 December 2008, the BP Group had contracts in place for future capital expenditure relating to investments in jointly controlled entities of US\$644 million (2007: US\$1,039 million) and investments in associates of US\$160 million (2007: US\$74 million). Capital commitments of jointly controlled entities amounted to US\$1,540 million (2007: US\$2,273 million).

Directors

The directors of BP, each of whose business address is 1 St. James’s Square, London SW1Y 4PD, and their positions and principal activities outside the BP Group, where these are significant, are as follows:

Name	Position	Principal Activities outside the BP Group
Executive directors		
Dr A B Hayward	Group Chief Executive	Tata Steel Limited, Director
IC Conn	Chief Executive, Refining and Marketing	Imperial College London Tanaka Business School, Chairman of Advisory Board Rolls-Royce Group plc, Non-executive Director Rolls Royce PLC, Non-executive Director Centre for European Reform, Member of Advisory Board Centre for China in the World Economy at Tsinghua University, Member of Advisory Board CBI Climate Change Board, Member
R W Dudley	Executive Director	–
Dr B E Grote	Chief Financial Officer	Millers Wharf Management Company Limited, Director Unilever PLC, Non-executive Director Unilever N.V., Non-executive Director

Name	Position	Principal Activities outside the BP Group
A G Inglis	Chief Executive, Exploration and Production	BAE Systems PLC, Non-executive Director TNK-BP Limited, Director
Non-executive directors		
P D Sutherland	Non-executive Chairman	Goldman Sachs International, Non-executive Chairman Koc Holding, Director London School of Economics and Political Science, Director Allianz Aktiengesellschaft, Member of International Advisory Board Eli Lilly, Member European Advisory Board Coca-Cola Company, Member International Advisory Council
Sir Ian Prosser	Non-executive Deputy Chairman	Sara Lee Inc, Non-executive Director Navy, Army and Air Force Institutes, Chairman Confederation of British Industry (CBI), Committee Member
A Burgmans	Non-executive Director	Akzo Nobel NV, Independent Board Member AEGON, Independent Board Member SHV Holdings N.V., Independent Board Member Mauritshuis Museum, The Hague, Chairman World Resources Institute, Board Member WWF Netherlands, Board Member Dutch National Opera, Chairman
C B Carroll	Non-executive Director	Anglo American plc, Chief Executive De Beers SA, Director De Beers Group SA, Director De Beers Investments SA, Director Anglo Platinum Limited, Director American Aluminium Association, Director International Aluminium Institute, Director
Sir William Castell	Non-executive Director	General Electric Company, Non-Executive Director The Wellcome Trust Limited, Chairman Wellcome Trust Nominees Limited, Director Wellcome Trust Director Limited, Director Henry Wellcome Limited, Director National Bureau of Asian Research, Director National Education and Employer Partnership Task Force, Director
G David	Non-executive Director	United Technologies Corporation, Inc, Chairman Peterson Institute for International Economics, Vice Chairman

Name	Position	Principal Activities outside the BP Group
E B Davis, Jr	Non-executive Director	Union Pacific Corporation, Independent Director General Motors Corporation, Independent Director American Society of Corporate Executives, Member Carnegie Mellon University, Trustee University of Chicago, Trustee University System of Georgia, Chancellor
D J Flint	Non-executive Director	HSBC Holdings PLC, group finance Director HSBC Asia Holdings (UK) Limited, Director HSBC Canada Holdings (UK) Limited, Director HSBC Finance (Netherlands), Director HSBC (General Partner) Limited, Director HSBC Holdings BV, Director HSBC Investment Bank Holdings B.V., Director HSBC Overseas Holdings (UK) Limited, Director HSBC Latin America Holdings (UK) Limited, Director HSBC North American Holding Inc., Director HSBC Finance Corporation, Director Halbis Capital Management (UK) Limited Tonbridge School, Governor Member of the Consultative Committee of the Large Business Advisory Board of HM Revenue & Customs Member of the Business-Government Forum on Tax and Globalisation Counterparty Risk Management policy Group III, Co-Chairman
Dr D S Julius	Non-executive Director	Roche Holding AG, Non-executive Director Jones Lang Lasalle Inc., Director The Royal Institute of International Affairs, Chairman Society of Business Economists, Vice President Fathom Financial Consulting, Senior Advisor Rock Creek Global, Advisory Board Member Wadhvani Asset Management, Advisory Board Member

Conflicts of Interest

There are no potential conflicts of interest between the duties to BP of the persons listed under “Directors” above and their private interests or other duties.

Audit Committee

The members of BP’s audit committee are:

Sir Ian Prosser (Chairman)
D J Flint
E B Davis, Jr
G David

All members of the audit committee are independent non-executive directors. Together, the audit committee members have the recent and relevant financial experience required to discharge the committee's duties. The board has satisfied itself that Mr Flint as an individual possesses the financial experience identified in the Combined Code (as defined below) guidance. The external auditors' lead partner, the BP general auditor (head of internal audit), together with the group chief financial officer, the chief accounting officer and the deputy chief financial officer, attend each meeting at the request of the committee chairman. During the year, the committee meets with the external auditor, without the executive management being present, and also meets in private session with the BP general auditor.

The audit committee's tasks are considered by the committee to be broader than those envisaged under the Combined Code. The committee is satisfied that it addresses each of those matters identified as properly falling within an audit committee's purview. The committee has full delegated authority from the board to address those tasks assigned to it. In common with the board and all committees, it may request any information from the executive management necessary to discharge its functions and may, where it considers it necessary, seek independent advice and counsel.

Corporate Governance

BP complied throughout 2008 with the provisions of the Combined Code Principles of Good Governance and Code of Best Practice (the "Combined Code") except in the following aspects:

A.4.4 of the Combined Code

Letters of appointment do not set out fixed time commitments since the schedule of board and committee meetings is subject to change according to the exigencies of the business. All directors are expected to demonstrate their commitment to the work of the board on an ongoing basis. This is reviewed by the nomination committee in recommending candidates for annual re-election.

B.2.2 of the Combined Code

The remuneration of the chairman is reviewed by the remuneration committee, which makes a recommendation to the board as a whole for final approval, within the limits set by shareholders. This approach represents a change in policy from previous years where the chairman's remuneration was set by the board without specific reference to the remuneration committee.

Share Capital

As at 31 July 2009*, the allotted, called up and fully paid share capital of BP was as follows:

	No. of Shares	US\$ million
8% cumulative first preference shares of £1 each	7,232,838	12
9% cumulative second preference shares of £1 each	5,473,414	9
Equity		
Ordinary shares of 25 cents each	18,743,295,217**	4,686
		<u>4,707</u>

* This is the most recent date at which this information is available.

** This figure excludes 1,877,375,131 shares which have been bought back and are currently held in Treasury by BP and also excludes 112,803,287 shares which are awaiting cancellation. These shares are not taken into consideration in relation to the payment of dividends and voting at shareholders' meetings.

Summary BP Group Results for 2008

As of 1 January 2009, BP has chosen to reduce the geographical analysis of financial information from four regions (UK, Rest of Europe, US and Rest of World) to two regions (US and Non-US). Comparative data has been revised to reflect this change, which has no impact on the BP Group's totals.

With the exception of Note 6, the financial information shown below has been extracted from BP Annual Report and Accounts 2008 (the "ARA 2008") and restated for the changes described above. The ARA 2008 was approved by a duly appointed and authorised committee of the Board of Directors at the Results Committee meeting held on 24 February 2009, and delivered to the UK Registrar of Companies on 9 March 2009; the report of the auditors on those accounts was unqualified. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS as adopted by the European Union (the "EU"). 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 BP Group's consolidated financial statements for the periods presented. Note 6 is unaudited and is extracted from the fourth quarter 2008 Announcement to the London Stock Exchange, published on 3 February 2009.

Group income statement

	Year	
	2008	2007
	US\$ million	
Sales and other operating revenues (Note 2)	361,143	284,365
Earnings from jointly controlled entities - after interest and tax	3,023	3,135
Earnings from associates - after interest and tax	798	697
Interest and other income	736	754
Gains on sale of businesses and fixed assets	1,353	2,487
Total revenues and other income	367,053	291,438
Purchases	266,982	200,766
Production and manufacturing expenses	29,183	25,915
Production and similar taxes (Note 3).....	6,526	4,013
Depreciation, depletion and amortization	10,985	10,579
Impairment and losses on sale of businesses and fixed assets	1,733	1,679
Exploration expense	882	756
Distribution and administration expenses	15,412	15,371
Fair value (gain) loss on embedded derivatives	111	7
Profit before interest and taxation	35,239	32,352
Finance costs	1,547	1,393
Net finance income relating to pensions and other post-retirement benefits	(591)	(652)
Profit before taxation	34,283	31,611
Taxation	12,617	10,442
Profit for the period	21,666	21,169
Attributable to:		
BP shareholders	21,157	20,845
Minority interest	509	324
	21,666	21,169
Earnings per share – cents		
Profit for the period attributable to BP shareholders		
Basic	112.59	108.76
Diluted.....	111.56	107.84

Group statement of comprehensive income

	Year	
	2008	2007
	<i>US\$ million</i>	
Profit for the period.....	21,666	21,169
Currency translation differences	(4,362)	1,887
Exchange gain on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets	–	(147)
Actuarial gain (loss) relating to pensions and other post-retirement benefits.....	(8,430)	1,717
Available-for-sale investments marked to market.....	(994)	200
Available-for-sale investments - recycled to the income statement	526	(91)
Cash flow hedges marked to market	(1,173)	155
Cash flow hedges - recycled to the income statement	45	(74)
Cash flow hedges - recycled to the balance sheet.....	(38)	(40)
Taxation	2,946	(276)
Other comprehensive income.....	(11,480)	3,331
Total comprehensive income	<u>10,186</u>	<u>24,500</u>
Attributable to:		
BP shareholders	9,752	24,152
Minority interest	434	348
	<u>10,186</u>	<u>24,500</u>

Group statement of changes in equity

	BP shareholders' equity	Minority interest	Total equity
	<i>US\$ million</i>		
At 31 December 2007	93,690	962	94,652
Total comprehensive income	9,752	434	10,186
Dividends	(10,342)	(425)	(10,767)
Repurchase of ordinary share capital.....	(2,414)	–	(2,414)
Share-based payments (net of tax)	617	–	617
Minority interest buyout	–	(165)	(165)
At 31 December 2008	<u>91,303</u>	<u>806</u>	<u>92,109</u>

Group balance sheet

	Year	
	31 December 2008	31 December 2007
	<i>US\$ million</i>	
Non-current assets		
Property, plant and equipment.....	103,200	97,989
Goodwill	9,878	11,006
Intangible assets.....	10,260	6,652
Investments in jointly controlled entities	23,826	18,113
Investments in associates	4,000	4,579
Other investments	855	1,830
Fixed assets	152,019	140,169
Loans.....	995	999
Other receivables	710	968
Derivative financial instruments	5,054	3,741
Prepayments	1,338	1,083
Defined benefit pension plan surpluses	1,738	8,914
	<u>161,854</u>	<u>155,874</u>
Current assets		
Loans.....	168	165
Inventories.....	16,821	26,554
Trade and other receivables	29,261	38,020
Derivative financial instruments	8,510	6,321
Prepayments	3,050	3,589
Current tax receivable	377	705
Cash and cash equivalents.....	8,197	3,562
	<u>66,384</u>	<u>78,916</u>
Assets classified as held for sale.....	—	1,286
	<u>66,384</u>	<u>80,202</u>
Total assets	228,238	236,076
Current liabilities		
Trade and other payables	33,644	43,152
Derivative financial instruments	8,977	6,405
Accruals.....	6,743	6,640
Finance debt	15,740	15,394
Current tax payable.....	3,144	3,282
Provisions	1,545	2,195
	<u>69,793</u>	<u>77,068</u>
Liabilities directly associated with the assets classified as held for sale	—	163
	<u>69,793</u>	<u>77,231</u>

SUMMARY BP GROUP RESULTS FOR 2008

	Year	
	31 December 2008	31 December 2007
	<i>US\$ million</i>	
Non-current liabilities		
Other payables	3,080	1,251
Derivative financial instruments	6,271	5,002
Accruals.....	784	959
Finance debt	17,464	15,651
Deferred tax liabilities	16,198	19,215
Provisions	12,108	12,900
Defined benefit pension plan and other post-retirement benefit plan deficits	10,431	9,215
	66,336	64,193
Total liabilities	136,129	141,424
Net assets	92,109	94,652
Equity		
BP shareholders' equity	91,303	93,690
Minority interest	806	962
	92,109	94,652

Condensed group cash flow statement

	Year	
	2008	2007
	<i>US\$ million</i>	
Operating activities		
Profit before taxation	34,283	31,611
Adjustments to reconcile profits before tax to net cash provided by operating activities		
Depreciation, depletion and amortisation and exploration expenditure written off	11,370	10,926
Impairment and (gain) loss on sale of businesses and fixed assets	380	(808)
Earnings from equity-accounted entities, less dividends received	(93)	(1,359)
Net charge for interest and other finance expense, less net interest paid	(357)	(611)
Share-based payments	459	420
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(173)	(404)
Net charge for provisions, less payments	(298)	(92)
Movements in inventories and other current and non-current assets and liabilities ^(a)	5,348	(5,902)
Income taxes paid	(12,824)	(9,072)
Net cash provided by operating activities	38,095	24,709
Investing activities		
Capital expenditure	(22,658)	(17,830)
Acquisitions, net of cash acquired	(395)	(1,225)
Investment in jointly controlled entities	(1,009)	(428)
Investment in associates	(81)	(187)
Proceeds from disposal of fixed assets	918	1,749
Proceeds from disposal of businesses, net of cash acquired	11	2,518
Proceeds from loan repayments	647	192
Other	(200)	374
Net cash used in investing activities	(22,767)	(14,837)
Financing activities		
Net repurchase of shares	(2,567)	(7,113)
Proceeds from long-term financing	7,961	8,109
Repayments of long-term financing	(3,821)	(3,192)
Net increase (decrease) in short-term debt	(1,315)	1,494
Dividends paid - BP shareholders	(10,342)	(8,106)
- Minority interest	(425)	(227)
Net cash used in financing activities	(10,509)	(9,035)
Currency translation differences relating to cash and cash equivalents	(184)	135
Increase (decrease) in cash and cash equivalents	4,635	972
Cash and cash equivalents at beginning of period	3,562	2,590
Cash and cash equivalents at end of period	8,197	3,562

Note:

(a) Includes:

Inventory holding (gains) losses	6,488	(3,558)
Fair value (gain) loss on embedded derivatives	111	7

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

Capital expenditure and acquisitions

	Year	
	2008	2007
	<i>US\$ million</i>	
By business		
Exploration and Production		
US	10,359	5,096
Non-US	11,868	9,111
	22,227	14,207
Refining and Marketing		
US	4,297	1,872
Non-US	2,337	3,623
	6,634	5,495
Other businesses and corporate		
US	1,390	519
Non-US	449	420
	1,839	939
	30,700	20,641
By geographical area		
US	16,046	7,487
Non-US	14,654	13,154
	30,700	20,641

Analysis of replacement cost profit before interest and tax and reconciliation to profit before taxation^(a)

	Year	
	2008	2007
	<i>US\$ million</i>	
By business		
Exploration and Production		
US	11,724	7,929
Non-US	26,584	19,673
	<u>38,308</u>	<u>27,602</u>
Refining and Marketing		
US	(644)	(1,232)
Non-US	4,820	3,853
	<u>4,176</u>	<u>2,621</u>
Other businesses and corporate		
US	(902)	(960)
Non-US	(321)	(249)
	<u>(1,223)</u>	<u>(1,209)</u>
	41,261	29,014
Consolidation adjustment	466	(220)
Replacement cost profit before interest and tax^(b)	41,727	28,794
Inventory holding gains (losses) ^(c)	(6,488)	3,558
Profit before interest and tax	35,239	32,352
Finance costs	1,547	1,393
Net finance expense (income) relating to pensions and other post-retirement benefits	(591)	(652)
Profit before taxation	<u>34,283</u>	<u>31,611</u>
Replacement cost profit before interest and tax		
By geographical area		
US	10,678	5,581
Non-US	31,049	23,213
	<u>41,727</u>	<u>28,794</u>

Notes:

- (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 recognised 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 incurred during the period and the cost of sales calculated on the first-in first-out (FIFO) method including any changes in provisions where the net realisable value of the inventor is lower than its cost. Under the FIFO method, which the BP Group uses for IFRS reporting, the cost of inventory charged to the income statement is based on the historic cost of acquisition or manufacture rather than the current 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 on a FIFO basis (and any related movements in net realizable value provisions) and the charge that would arise using average cost of supplies incurred during the period. For this purpose, average cost of supplies incurred during the period is calculated by dividing the total cost of inventory purchased 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.

The management of BP 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 the BP Group's 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.

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 used in preparing the Annual Report and Accounts 2008 which do not differ significantly from those used for the Annual Report and Accounts 2007.

2. Sales and other operating revenues

	Year	
	2008	2007
	<i>US\$ million</i>	
By business		
Exploration and Production	86,170	65,740
Refining and Marketing.....	320,039	250,221
Other businesses and corporate	4,634	3,698
	410,843	319,659
Less: sales between businesses		
Exploration and Production	45,931	32,083
Refining and Marketing.....	1,918	1,914
Other businesses and corporate	1,851	1,297
	49,700	35,294
Third party sales and other operating revenues		
Exploration and Production	40,239	33,657
Refining and Marketing.....	318,121	248,307
Other businesses and corporate	2,783	2,401
Total third party sales and other operating revenues	361,143	284,365
By geographical area		
US	130,142	105,120
Non-US	267,246	201,816
	397,388	306,936
Less:		
Sales between areas	36,245	22,571
	361,143	284,365

3. Production and similar taxes

	Year	
	2008	2007
	<i>US\$ million</i>	
US	2,602	1,260
Non-US	3,924	2,753
	6,526	4,013

4. Dividends paid

	Year	
	2008	2007
Dividends per ordinary share		
Cents	55.050	42.30
Pence	29.387	20.995
Dividends per ADS (cents).....	330.30	253.80

5. Analysis of changes in net debt

	Year	
	2008	2007
	<i>US\$ million</i>	
Opening balance		
Finance debt	31,045	24,010
Less: Cash and cash equivalents	3,562	2,590
Less: FV asset of hedges related to finance debt	666	298
Opening net debt.....	26,817	21,122
Closing balance		
Finance debt	33,204	31,045
Less: Cash and cash equivalents	8,197	3,562
Less: FV asset (liability) of hedges related to finance debt.....	(34)	666
Closing net debt.....	25,041	26,817
Decrease (increase) in net debt.....	1,776	(5,695)
Movement in cash and cash equivalents (excluding exchange adjustments)	4,819	837
Net cash outflow (inflow) from financing (excluding share capital)	(2,825)	(6,411)
Other movements	(136)	(134)
Movement in net debt before exchange effects	1,858	(5,708)
Exchange adjustments	(82)	13
Decrease (increase) in net debt.....	1,776	(5,695)

6. TNK-BP financial information

	Year	
	2008	2007
	<i>US\$ million</i>	
Income statement (BP share)		
Profit before interest and tax	3,588	3,743
Finance costs	(275)	(264)
Taxation	(882)	(993)
Minority interest	(169)	(215)
Net Income	<u>2,262</u>	<u>2,271</u>
Cash flow		
Dividends received.....	2,140	1,300

Balance Sheet

	Year	
	31 December 2008	31 December 2007
	<i>US\$ million</i>	
Investments in jointly controlled entities	<u>8,939</u>	<u>8,817</u>

The BP Group's investment in TNK-BP was reclassified from a jointly controlled entity to an associate with effect from 9 January 2009. This reflects the ability of the independent directors to decide on certain matters in the event of a disagreement between the shareholder representatives on the board. The BP Group's investment will continue to be accounted for using the equity method.

Summary BP Group Results for Half Year 2009

Unless otherwise indicated, information set out in this section relating to Summary BP Group Results for Half Year 2009 reflects 100% of the assets and operations of BP and its subsidiaries that were consolidated at the date or for the periods indicated, including minority interests. Also, unless otherwise indicated, figures for sales and other operating revenues include sales between BP businesses.

The financial information shown below is extracted without material adjustment from the unaudited figures contained in the second quarter 2009 Announcement to the London Stock Exchange, published on 28 July 2009 and does not constitute statutory accounts. The 2008 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.

Summarised Group income statement

	First Half	
	2009	2008
	US\$ million	
Sales and other operating revenues (Note 2)	102,073	196,492
Earnings from jointly controlled entities - after interest and tax	577	2,727
Earnings from associates - after interest and tax	999	476
Interest and other income	394	431
Gain on sale of businesses and fixed assets	603	1,004
Total revenues and other income	104,646	201,130
Purchases	66,784	139,888
Production and manufacturing expenses	12,104	14,207
Production and similar taxes (Note 3).....	1,134	3,908
Depreciation, depletion and amortisation	5,915	5,632
Impairment and losses on sale of businesses and fixed assets	353	63
Exploration expense	466	411
Distribution and administration expenses	6,639	7,873
Fair value (gain) loss on embedded derivatives	(340)	2,771
Profit before interest and taxation	11,591	26,377
Finance costs	592	787
Net finance expense (income) relating to pensions and other post-retirement benefits	97	(320)
Profit before taxation	10,902	25,910
Taxation	3,876	9,228
Profit for the period	7,026	16,682
Attributable to:		
BP shareholders	6,947	16,452
Minority interest	79	230
	7,026	16,682
Earnings per share – cents		
Profit for the period attributable to BP shareholders		
Basic	37.10	87.28
Diluted.....	36.72	86.48

Group statement of comprehensive income

	First Half	
	2009	2008
	<i>US\$ million</i>	
Profit for the period.....	7,026	16,682
Currency translation differences	1,382	1,033
Available-for-sale investments marked to market.....	281	131
Available-for-sale investments - recycled to the income statement	2	(5)
Cash flow hedges marked to market	437	123
Cash flow hedges - recycled to the income statement	417	(1)
Cash flow hedges - recycled to the balance sheet.....	113	(41)
Taxation	357	93
Other comprehensive income.....	2,989	1,333
Total comprehensive income	10,015	18,015
Attributable to:		
BP shareholders	9,928	17,782
Minority interest	87	233
	10,015	18,015

Group statement of changes in equity

	BP shareholders' equity	Minority interest	Total Total equity
	<i>US\$ million</i>		
At 31 December 2008	91,303	806	92,109
Total comprehensive income	9,928	87	10,015
Dividends	(5,239)	(185)	(5,424)
Share-based payments (net of tax)	249	-	249
At 30 June 2009.....	96,241	708	96,949

Group balance sheet

	30 June 2009	31 December 2008
	<i>US\$ million</i>	
Non-current assets		
Property, plant and equipment.....	105,779	103,200
Goodwill	10,304	9,878
Intangible assets.....	10,951	10,260
Investments in jointly controlled entities	15,266	23,826
Investments in associates	12,929	4,000
Other investments	1,138	855
Fixed assets	156,367	152,019
Loans.....	1,212	995
Other receivables.....	990	710
Derivative financial instruments	4,423	5,054
Prepayments	1,303	1,338
Defined benefit pension plan surpluses	1,990	1,738
	166,285	161,854
Current assets		
Loans.....	185	168
Inventories.....	18,650	16,821
Trade and other receivables.....	29,246	29,261
Derivative financial instruments	6,760	8,510
Prepayments	2,712	3,050
Current tax receivable	562	377
Cash and cash equivalents.....	8,959	8,197
	67,074	66,384
Total assets	233,359	228,238
Current liabilities		
Trade and other payables	34,764	33,644
Derivative financial instruments	6,181	8,977
Accruals.....	5,815	6,743
Finance debt	12,018	15,740
Current tax payable.....	2,826	3,144
Provisions	1,403	1,545
	63,007	69,793
Non-current liabilities		
Other payables	3,109	3,080
Derivative financial instruments	5,039	6,271
Accruals.....	713	784
Finance debt	24,222	17,464
Deferred tax liabilities	16,800	16,198
Provisions	12,999	12,108
Defined benefit pension plan and other post-retirement benefit plan deficits	10,521	10,431
	73,403	66,336
Total liabilities	136,410	136,129
Net assets	96,949	92,109
Equity		
BP shareholders' equity	96,241	91,303
Minority interest	708	806
	96,949	92,109

Condensed group cash flow statement

	First Half	
	2009	2008
	<i>US\$ million</i>	
Operating activities		
Profit before taxation	10,902	25,910
Adjustments to reconcile profit before taxation to net cash provided by operating activities		
Depreciation, depletion and amortization and exploration expenditure written off	6,164	5,860
Impairment and (gain) loss on sale of businesses and fixed assets	(250)	(941)
Earnings from equity-accounted entities, less dividends received	(502)	(1,304)
Net charge for interest and other finance expense, less net interest paid	127	(301)
Share-based payments	187	238
Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans	(20)	163
Net charge for provisions, less payments	232	(205)
Movements in inventories and other current and non-current assets and liabilities ^(a)	(1,061)	(6,427)
Income taxes paid	(3,450)	(5,381)
Net cash provided by operating activities	12,329	17,612
Investing activities		
Capital expenditure	(10,028)	(9,148)
Acquisitions, net of cash acquired	(8)	(209)
Investment in jointly controlled entities	(213)	(613)
Investment in associates	(87)	(7)
Proceeds from disposal of fixed assets	671	335
Proceeds from disposal of businesses, net of cash disposed	337	–
Proceeds from loan repayments	213	334
Other	47	–
Net cash (used in) provided by investing activities	(9,068)	(9,308)
Financing activities		
Net issue (repurchase) of shares	62	(1,817)
Proceeds from long-term financing	9,060	2,832
Repayments of long-term financing	(4,177)	(2,191)
Net increase (decrease) in short-term debt	(2,042)	(1,908)
Dividends paid		
- BP shareholders	(5,239)	(5,099)
- Minority interest	(185)	(122)
Net cash (used in) provided by financing activities	(2,521)	(8,305)
Currency translation differences relating to cash and cash equivalents	22	32
Increase (decrease) in cash and cash equivalents	762	31
Cash and cash equivalents at beginning of period	8,197	3,562
Cash and cash equivalents at end of period	8,959	3,593

Note:

(a) Includes:

Inventory holding (gains) losses	(2,128)	(5,278)
Fair value (gain) loss on embedded derivatives	(340)	2,771

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

Capital expenditure and acquisitions

	First Half	
	2009	2008
	<i>US\$ million</i>	
By business		
Exploration and Production		
US	3,092	3,016
Non-US ^(a)	4,179	6,935
	7,271	9,951
Refining and Marketing		
US ^(a)	1,129	2,959
Non-US	502	953
	1,631	3,912
Other businesses and corporate		
US ^(b)	420	730
Non-US	91	254
	511	984
	9,413	14,847
By geographical area		
US ^{(a)(b)}	4,641	6,705
Non-US ^(a)	4,772	8,142
	9,413	14,847
Included above:		
Acquisitions and asset exchanges ^(a)	–	2,288

Notes:

- (a) First half 2008 included capital expenditure of US\$2,848 million in Exploration and Production and an asset exchange of US\$1,904 million in Refining and Marketing relating to the formation of an integrated North American oil sands business.
- (b) Second quarter 2009 included US\$297 million of capital expenditure on wind turbines for post-2009 wind projects.

Exchange rates

US dollar/sterling average rate for the period	1.49	1.97
US dollar/sterling period-end rate	1.65	1.99
US dollar/euro average rate for the period.....	1.33	1.53
US dollar/euro period-end rate	1.41	1.58

SUMMARY BP GROUP RESULTS FOR HALF YEAR 2009

Analysis of replacement cost profit before interest and tax and reconciliation to profit before taxation^(a)

	First Half	
	2009	2008
	<i>US\$ million</i>	
By business		
Exploration and Production		
US	2,304	6,686
Non-US	7,062	14,157
	9,366	20,843
Refining and Marketing		
US	(18)	(247)
Non-US	1,788	2,035
	1,770	1,788
Other businesses and corporate		
US	(408)	(337)
Non-US	(936)	(190)
	(1,344)	(527)
	9,792	22,104
Consolidation adjustment	(329)	(1,005)
Replacement cost profit before interest and tax^(b)	9,463	21,099
Inventory holding gains (losses)^(c)		
Exploration and Production	(18)	30
Refining and Marketing.....	2,183	5,215
Other businesses and corporate.....	(37)	33
	11,591	26,377
Profit before interest and tax.....	592	787
Finance costs		
Net finance expense (income) relating to pensions and other post-retirements benefits	97	(320)
	10,902	25,910
Replacement cost profit before interest and tax		
By geographical area		
US	1,584	5,888
Non-US	7,879	15,211
	9,463	21,099

Notes:

- (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 incurred during the period and the cost of sales calculated on the first-in first-out (FIFO) method including any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which BP uses for IFRS reporting, the cost of inventory charged to the income statement is based on the historic cost of acquisition or manufacture rather than the current 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 on a FIFO basis (and any related movements in net realizable value provisions) and the charge that would arise using average cost of supplies incurred during the period. For this purpose, average cost of supplies incurred during the period is calculated by dividing the total cost of inventory purchased 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.

The management of BP believes that 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 the BP Group's 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 BP 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 that it is helpful to disclose this information.

Notes

1. Basis of preparation

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

The results for the interim periods are unaudited and in the opinion of BP's 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. The interim financial statements and notes included above should be read in conjunction with the consolidated financial statements and related notes for the year ended 31 December 2008 included in BP's Annual Report and Accounts 2008.

BP prepares its consolidated financial statements included within its Annual Report and Accounts in accordance with 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 Companies Act 1985. 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 BP Group's consolidated financial statements for the periods presented. The financial information presented above has been prepared in accordance with the accounting policies expected to be used in preparing the Annual Report and Accounts 2009, which do not differ significantly from those used in BP Annual Report and Accounts 2008.

BP has adopted a new accounting standard, IFRS 8 'Operating Segments', with effect from 1 January 2009. The standard defines operating segments as components of an entity about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. It also sets out the required disclosures for operating segments. On adoption, there was no change to BP's segments that are separately reported but the segmental financial information is now based on measures as used by the chief operating decision maker. There was no effect on the Group's reported income or net assets.

In addition, BP has adopted amendments to IAS 1 'Presentation of Financial Statements', also with effect from 1 January 2009. This requires separate presentation of owner and non-owner changes in equity by introducing the statement of comprehensive income. There was no effect on the group's reported profit for the period or net assets.

2. Sales and other operating revenues

	First Half	
	2009	2008
	<i>US\$ million</i>	
By business		
Exploration and Production	25,191	47,429
Refining and Marketing.....	89,906	174,504
Other businesses and corporate	1,187	2,308
	116,284	224,241
Less: sales between businesses		
Exploration and Production	13,389	25,704
Refining and Marketing.....	336	1,229
Other businesses and corporate	486	816
	14,211	27,749
Exploration and Production	11,802	21,725
Refining and Marketing.....	89,570	173,275
Other businesses and corporate	701	1,492
Total third party sales and other operating revenues	102,073	196,492
By geographical area		
US	38,257	70,728
Non-US	72,957	146,436
	111,214	217,164
Less: sales between areas	9,141	20,672
	102,073	196,492

3. Production and similar taxes

	First Half	
	2009	2008
	<i>US\$ million</i>	
US	212	1,623
Non-US	922	2,285
	1,134	3,908

SUMMARY BP GROUP RESULTS FOR HALF YEAR 2009

4. Analysis of changes in net debt

	First Half	
	2009	2008
	<i>US\$ million</i>	
Opening balance		
Finance debt	33,204	31,045
Less: Cash and cash equivalents	8,197	3,562
Less: FV asset (liability) of hedges related to finance debt	(34)	666
Opening net debt	25,041	26,817
Closing balance		
Finance debt	36,240	30,189
Less: Cash and cash equivalents	8,959	3,593
Less: FV asset (liability) of hedges related to finance debt	179	900
Closing net debt	27,102	25,696
Decrease (increase) in net debt	(2,061)	1,121
Movement in cash and cash equivalents (excluding exchange adjustments)	740	(1)
Net cash outflow (inflow) from financing (excluding share capital)	(2,841)	1,267
Other movements	22	(121)
Movement in net debt before exchange effects	(2,079)	1,145
Exchange adjustments	18	(24)
Decrease (increase) in net debt	(2,061)	1,121

5. TNK-BP financial information

	First Half	
	2009	2008
Income statement (BP share)		
Profit before interest and tax	1,292	3,235
Finance costs	(122)	(132)
Taxation	(427)	(855)
Minority interest	(63)	(153)
Net Income	680	2,095
Cash Flow		
Dividends received	468	1,200

Balance Sheet

	30 June 2009	31 December 2008
	<i>US\$ million</i>	
Investments in jointly controlled entities	–	8,939
Investments in associates	9,104	–

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

BP Capital Markets p.l.c.

Introduction

BP Capital Markets p.l.c. (formerly BP Capital Limited, BP Capital p.l.c. and BP Amoco Capital p.l.c.) was originally incorporated as BP Capital Limited in England on 14 December 1976 as a private limited company under the Companies Act 1948 to 1967 (with registered number 1290444). On 30 June 1986, BP Capital Limited changed its name to BP Capital p.l.c., to BP Amoco Capital p.l.c. on 2 March 1999 and to BP Capital Markets p.l.c. on 8 May 2001.

BP Capital's registered office is located at Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP, telephone number: +44 (0)1932 762000. BP Capital has authorised equity of 100,000,000 ordinary shares of £1 each, 500,000,000 ordinary shares of US\$1 each and 10 shares of 10 per cent. redeemable cumulative preference shares of £1 each. BP Capital has issued 99,999,990 ordinary shares of £1 each, which are fully paid up and 500,000,000 ordinary shares of US\$1 each which are fully paid-up of which 99,999,490 ordinary shares of £1 each and 500,000,000 ordinary shares of US\$1 each are held beneficially by BP International Limited and 500 ordinary shares of £1 each are held by Kenilworth Oil Company Limited as nominee for BP International Limited.

BP Capital is a finance company established to undertake any business, transaction or operation commonly undertaken or carried out by investment companies, investment holding companies, bankers, financiers, etc.

The objects of BP Capital are stated in Clauses 4 (A) to (X) of its Memorandum of Association.

Business Activities

BP Capital acts as a finance company issuing debt securities and commercial paper on behalf of the BP Group. The development of the business of BP Capital is largely determined by the financing requirements of the BP Group companies both in the UK and abroad.

BP Capital has no subsidiaries. BP Capital's business is raising debt to be on-lent to the parent company and other members of the BP Group on a comparable basis. BP Capital is accordingly dependent on the parent company and other members of the BP Group to service its loans.

Directors

The directors of BP Capital, their positions, their business addresses and their principal activities outside the BP Group, where these are significant, are as follows:

Name	Position	Address	Principal Activities outside the BP Group
Debasish Sanyal	Director	20 Canada Square, London E14 5NJ	None
Dr. Byron Elmer Grote	Director	1 St. James's Square, London SW1Y 4PD	Millers Wharf Management Company Limited, Director Unilever PLC, Non-executive Director Unilever N.V., Non-executive Director
Nicholas Mark Margrave Bamfield	Director	20 Canada Square, London E14 5NJ	None
Francis William Michael Starkie	Director	1 St. James's Square, London SW1Y 4PD	Shell and BP Scotland Limited Medway Oil and Storage Company, Limited

Conflicts of Interest

There are no potential conflicts of interest between the duties to BP Capital of the persons listed under “Directors” above and their private interests or other duties.

Corporate Governance

BP Capital complies with the laws and regulations of the United Kingdom regarding corporate governance.

Recent Trends, Uncertainties and Demands

BP Capital prepares its accounts in US dollars and, at 31 December 2008, held a sterling share capital deposit of £225.4 million, plus accrued interest, and a US dollar share capital deposit of US\$500 million with another BP Group company. The sterling deposit was converted to US dollars on 30 June 2009 at the rate of £1 to US\$1.6548 and realised a foreign exchange translation gain of US\$50 million (translation loss of US\$129 million in 2008). There will be no further translation gains or losses arising as a result of the share capital deposits.

Save as disclosed above and under the sections headed “Risk Factors that apply to BP Capital” and “Risk Factors that apply to the business of each of the BP Group and the BPCNAI Group”, BP Capital is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on BP Capital’s prospects for the current financial year.

Summary Financial Information in respect of BP Capital Markets p.l.c.

The financial information shown below has been extracted, without material adjustment, from BP Capital's audited financial statements for the year ended 31 December 2008 which were prepared in accordance with applicable UK accounting standards.

Selected Profit and Loss Account Information

	Year ended 31 December	
	2008	2007
	<i>US\$ million</i>	
Interest receivable and similar income	739	575
Interest payable and similar charges	(713)	(573)
Currency translation differences	(129)	8
Retained profit for the year	(103)	10

Selected Balance Sheet Information

	Year ended 31 December	
	2008	2007
	<i>US\$ million</i>	
Current assets Debtors		
Debtors	21,986	19,804
Creditors - amounts falling due within one year	(7,964)	(9,090)
Total Assets less Current Liabilities	14,022	10,714
Creditors - amounts falling due after more than one year Finance debt	(13,324)	(9,913)
Net Assets	698	801

BP Corporation North America Inc.

Introduction

BPCNAI was originally incorporated as Standard Oil Company under the Indiana General Corporation Act (the “Act”) on 18 June 1889 in the state of Indiana in the United States of America with registration number 182869-107. On 23 April 1985, Standard Oil Company changed its name to Amoco Corporation. Amoco Corporation changed its name to BP Amoco Corporation on 31 December 1998, then to BP Corporation North America Inc. on 1 May 2001. Its principal place of business is located at 4101 Winfield Road, Warrenville, Illinois 60555, United States of America, telephone: +1 (630) 821 2375.

BPCNAI has authorised common equity of 1,600,000,000 shares of which 1,000 shares are issued and outstanding. The 1,000 shares are held by BP America Inc., which is a wholly-owned indirect subsidiary of BP.

BPCNAI also has authorised share capital of 100,000,000 preferred shares made up of 50,000,000 unissued voting preferred shares without par value and 50,000,000 unissued non-voting preferred shares without par value.

Article 2 of BPCNAI’s Amended Articles of Incorporation states that its purpose is to carry out any and all lawful business for which corporations may be incorporated under the Act.

BPCNAI is the parent company of the BPCNAI Group. Unless otherwise stated or the context otherwise requires, the text in the following sections does not distinguish between the activities and operations of the parent company and those of its subsidiary undertakings.

Organisational structure

BPCNAI owns approximately half of the BP Group’s global operations, covering substantially all of the BP Group’s upstream and downstream activities in North America (but excluding Alaska). BPCNAI directly and indirectly owns substantially all of the BP Group’s assets in the United States, including exploration and production assets in the lower 48 states and the Gulf of Mexico, refineries, chemical production, and gasoline retailing assets. Internationally it owns operations in both exploration and production (for example, in Norway, Trinidad, Argentina, Venezuela, Egypt, Canada, Indonesia, Angola and the UK) and chemicals operations (for example, in Belgium, Indonesia, South Korea, China and Malaysia). It has considerable intercompany sales, assets and liabilities with the rest of the BP Group, reflecting the integral nature of its operations. It also supports the BP Group’s other North American subsidiaries in their external trading and borrowing activities.

BPCNAI is closely integrated within the BP Group, including financial integration with its outstanding public bonds guaranteed by BP.

BPCNAI is, directly or indirectly, the ultimate holding company of all the companies in the BPCNAI Group and its assets are substantially comprised of shares in such companies. It does not conduct any other substantive business and is accordingly dependent on the other members of the BPCNAI Group and revenues received from them.

Business Activities

BPCNAI, through its subsidiaries, operates worldwide in the petroleum industry. BPCNAI has two reportable business segments.

- Exploration and Production activities include oil and natural gas exploration, field development and production, natural gas processing and pipeline transportation.
- Refining and Marketing activities include oil supply and trading, refining, petrochemicals manufacturing and marketing.

Other Businesses and Corporate consists of the Alternative Energy business, the BPCNAI Group's aluminium asset, Treasury (which includes interest income on the BPCNAI Group's cash and cash equivalents) and corporate activities worldwide.

Recent Developments

Exploration and Production

In the Gulf of Mexico, production from Thunder Horse continued to ramp up during the first quarter of 2009 as wells in Thunder Horse North came onstream.

During the second quarter of 2009, BP announced that production had commenced from the Dorado (BPCNAI Group 75% and operator) and King South (BPCNAI Group 100%) projects in the Gulf of Mexico. Both projects are subsea tiebacks to the existing Marlin Platform.

During the second quarter of 2009, the BPCNAI Group sold its wholly-owned subsidiary, BP West Java Limited ("BPWJ"), to PT Pertamina (Persero) ("Pertamina"). Pertamina purchased BPWJ for a consideration of US\$278 million.

Shortly after the end of the second quarter of 2009, BP, as operator on behalf of the Tangguh project partners, announced that the first cargo of liquefied natural gas (LNG) had been lifted from the Tangguh LNG project (BPCNAI Group 37.16% and operator) in Papua Barat, Indonesia.

In the Gulf of Mexico BP announced the drilling of a successful appraisal well in a previously untested southern segment of the Mad Dog field (BPCNAI Group 60.5% and operator).

In March 2009, the BPCNAI Group transferred its oil and gas assets located in Azerbaijan and certain oil and gas assets located in Trinidad to a wholly-owned subsidiary of BP. In exchange for these assets, the subsidiary transferred various oil and gas assets located in the Gulf of Mexico to the BPCNAI Group. (For further information see extract from BPCNAI's financial statements for the three months ended 31 March 2009.)

Other businesses and corporate

In Alternative Energy, BP announced the completion of phase I of the 100MW Flat Ridge Wind Farm in Barber County, Kansas, United States, a 50:50 joint venture between BPCNAI Group and Westar Energy, Inc. On 15 April 2009, commercial operations commenced at the Fowler Ridge Wind Farm in Benton County, Indiana, the largest in the United States midwest at 400MW, where the BPCNAI Group and Dominion are equal partners in a total capacity of approximately 300MW.

In solar manufacturing, BP announced its intention to phase out module assembly at Frederick, Maryland, United States.

On 18 February 2009, BP's Biofuels business announced the formation of a 50:50 joint venture between the BPCNAI Group and the Verenium Corporation. Together the companies have agreed to commit US\$45 million in funding and assets to the joint venture to develop and commercialise cellulosic ethanol from non-food feedstocks.

On 1 July 2009, United States Department of Energy Secretary Steven Chu announced that Hydrogen Energy LLC, a 50:50 joint venture between BPCNAI Group and Rio Tinto, had been selected for up to US\$308 million in project funding from the American Recovery and Reinvestment Act.

Legal proceedings

The legal proceedings described in the paragraphs headed 'US trading investigations', 'Texas City refinery' and 'Shareholder derivative lawsuits' in the "BP p.l.c. – Legal Proceedings" section are also applicable to the BPCNAI Group.

Recent Trends, Uncertainties and Demands

Save as disclosed under the sections “Risk Factors that apply to the business of each of the BP Group and the BPCNAI Group”, “BP Corporation North America Inc. – Recent Developments” and “BP Corporation North America Inc. – Legal Proceedings”, BPCNAI is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on BPCNAI’s prospects for the current financial year.

Directors

The directors of BPCNAI are as follows:

Name	Position	Principal Activities outside the BP Group
H. L. Mckay	Director and President	University of Houston President’s Energy Advisory Board United States – Russia Business Council Board American Petroleum Institute, Executive Committee Member Museum of Science and Industry, Chicago - Board of Trustees
B.D. Smith	Vice-president and Chief Financial Officer	None
J.A. Dietz	Vice-president and General Taxation Officer	None

The business address of H.L. Mckay, B.D. Smith and J.A. Dietz is 501 Westlake Park Boulevard, Houston, Texas 77079, USA.

Conflicts of Interest

There are no potential conflicts of interest between the duties to BPCNAI of the persons listed under “Directors” above and their private interests or other duties.

Corporate Governance

BPCNAI complies with the laws and regulations of the State of Indiana regarding corporate governance.

Summary Consolidated Financial Information in respect of BP Corporation North America Inc.

The financial information below has been extracted, without material adjustment, from BPCNAI's audited financial statements for the year ended 31 December 2008. The financial statements of BPCNAI are prepared in accordance with Generally Accepted Accounting Principles in the United States (US GAAP).

Selected Consolidated Statement of Income Information

	Year ended 31 December	
	2008	2007
	<i>US\$ million</i>	
Revenues	176,634	147,435
Costs and Expenses	155,223	135,612
Income Before Interest and Income Taxes	21,411	11,823
Income Before Income Taxes	22,270	13,466
Net Income	11,892	7,065

Selected Consolidated Balance Sheet Information

	As at 31 December	
	2008	2007
	<i>US\$ million</i>	
Assets		
Current Assets	25,105	23,309
Property, Plant and Equipment - at cost	124,590	111,290
Less accumulated depreciation, depletion and amortisation	57,369	53,180
.....	67,221	58,110
Other Non-Current Assets.....	105,248	92,443
	<u>197,574</u>	<u>173,862</u>

	As at 31 December	
	2008	2007
	<i>US\$ million</i>	
Liabilities and Shareholder's Equity		
Current Liabilities	32,589	30,769
Long-Term Obligations	48,084	39,198
Other Non-Current Liabilities	22,512	20,108
Minority Interest	17,951	18,229
Shareholder's Equity	76,438	65,558
	<u>197,574</u>	<u>173,862</u>

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The financial information below has been extracted, without material adjustment, from BPCNAI's unaudited financial statements for the three months ended 31 March 2009.

For the reasons set out in the notes below, the information below in relation to the consolidated statement of income for the three months ended 31 March 2008 and the consolidated balance sheet as at 31 December 2008 has been adjusted from that published in BPCNAI's unaudited financial statements for the three months ended 31 March 2008 and BPCNAI's audited financial statements for the year ended 31 December 2008 respectively.

The financial statements of BPCNAI are prepared in accordance with Generally Accepted Accounting Principles in the United States (US GAAP).

Selected Consolidated Statement of Income Information

	Three months ended 31 March	
	2009	2008 As Adjusted
	US\$ million	
Revenues	22,633	43,324
Costs and Expenses	20,904	38,670
Income Before Interest and Income Taxes	1,729	4,654
Income Before Income Taxes	1,766	4,936
Net Income	1,534	3,132
Net income attributable to noncontrolling interests	200	271
Net income attributable to BPCNAI	1,334	2,861

Selected Consolidated Balance Sheet Information

	As at	As at
	31 March 2009	31 December 2008 As Adjusted
	US\$ million	
Assets		
Current Assets	21,102	24,733
Property, Plant and Equipment - at cost	122,553	120,238
Less accumulated depreciation, depletion and amortisation	56,821	55,490
	65,732	64,748
Other Non-Current Assets.....	114,418	110,063
	201,252	199,544

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

	As at 31 March 2009	As at 31 December 2008 As Adjusted
	<i>US\$ million</i>	
Liabilities and Shareholder's Equity		
Current Liabilities	27,059	32,129
Long-Term Obligations	56,097	50,075
Other Non-Current Liabilities	21,337	21,356
Shareholders' Equity		
BPCNAI Equity	79,534	78,314
Noncontrolling Interests	17,225	17,670
	201,252	199,544

In March 2009, BPCNAI transferred its oil and gas assets located in Azerbaijan and certain oil and gas assets located in Trinidad to a wholly-owned subsidiary of BP. In exchange for these assets, the subsidiary transferred various oil and gas assets located in the Gulf of Mexico to BPCNAI. The net book value of the assets received by BPCNAI in excess of the net book value of the assets transferred (US\$5.6 billion) was accounted for as an increase of paid-in capital. Financial statements for periods prior to the exchange have been adjusted to reflect the change in reporting entity as if it had occurred on 1 January 2008.

Effective from 1 January 2009, BPCNAI adopted SFAS 160, "Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51." Under SFAS 160, noncontrolling (minority) interest is classified as a separate component of shareholder's equity and the noncontrolling interest share of income is reported as part of consolidated net income. Financial statements for prior periods have been reclassified to reflect this presentation.

Taxation

United Kingdom

The following is a summary of the United Kingdom withholding tax treatment at the date hereof in relation to the payment of interest, discount and premium in respect of the Notes and also contains a summary of some other salient points relating to the United Kingdom taxation treatment of Noteholders. The comments below are of a general nature based on current United Kingdom law and HM Revenue and Customs practice and are not intended to be exhaustive. The summary does not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. Except where the context otherwise requires, the comments relate only to the position of persons who are absolute beneficial owners of the Notes and do not deal with the position of certain classes of Noteholder such as dealers and persons connected with the Issuers (to whom special rules may apply). The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective investors who are in any doubt as to their tax positions or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

1. Notes issued by BP Capital (“UK Notes”)

- (A) While UK Notes continue to be listed on a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 (such UK Notes being “quoted Eurobonds”) payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. The securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) and admitted to trading by the London Stock Exchange. Provided, therefore, that the UK Notes remain so listed, interest on the UK Notes will be payable without withholding or deduction for or on account of United Kingdom tax.
- (B) Interest on the UK Notes may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Notes is paid by a company and at the time the payment is made the Issuer reasonably believes (and any person by or through whom interest on the UK Notes is paid reasonably believes) that the person beneficially entitled to the income in respect of which the payment is made is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue and Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.
- (C) Interest on the UK Notes may also be paid without withholding or deduction for or on account of United Kingdom tax where the maturity date of the UK Note is less than 365 days from the date of issue (and where the borrowing under such Notes at no time forms part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days).
- (D) In cases not falling within paragraphs (A), (B) or (C) above interest on UK Notes will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, (subject to the required formalities being fulfilled) HM Revenue and Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty) and/or a Noteholder may be able to reclaim amounts withheld for or on account of United Kingdom tax.
- (E) Payments on UK Notes that, although not expressed to be interest, fall to be treated as yearly interest for United Kingdom tax purposes will also be subject to the withholding tax rules described above.

A premium payable on redemption of a UK Note may fall to be treated as yearly interest for United Kingdom tax purposes.

- (F) Payments, or parts thereof, constituting income in respect of UK Notes have a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment even if paid without withholding or deduction. However, income in respect of Notes with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be assessed to United Kingdom tax in the hand of a Noteholder who is not resident in the United Kingdom for tax purposes, unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, where the Noteholder is a corporate holder, carries on a trade through a permanent establishment in the United Kingdom, in connection with which the income is received or to which the UK Notes are attributable. There are exemptions for income received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.
- (G) The provisions relating to additional amounts referred to in Condition 7 of the UK Notes would not apply if HM Revenue and Customs sought to make a direct assessment on a Noteholder.

2. Notes issued by BPCNAI (“non-UK Notes”)

- (A) Payments of interest on non-UK Notes may be made without withholding on account of United Kingdom income tax, provided the interest is not treated as having a United Kingdom source, in which case the comments in (B) below will be relevant.
- (B) For example, any income in respect of non-UK Notes issued by BPCNAI acting through a branch located in the United Kingdom may have a United Kingdom source and may, therefore, be subject to United Kingdom withholding tax unless any of the exceptions described in 1(A) to (D) above are available. The statements in paragraphs 1(E) and (G) above will also apply to any such income having a United Kingdom source.

3. Provision of Information by and/or to HM Revenue and Customs

Noteholders who are individuals may wish to note that, in certain circumstances, HM Revenue and Customs has power to obtain information (including the name and address of the beneficial owner of the interest or the amount payable on redemption, as the case may be) from any person in the United Kingdom:

- (i) who either pays interest to or receives interest for the benefit of an individual; or
- (ii) who either pays amounts payable on the redemption of Notes which are deeply discounted securities (for the purposes of the Income Tax (Trading and Other Income) Act 2005) to, or receives such amounts for the benefit of, an individual; however HM Revenue and Customs’ published practice indicates that it will not exercise this power to obtain information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2010.

Such information may, in certain circumstances, be exchanged by HM Revenue and Customs with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Savings Directive

Under the EU Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other territories). A number of non-EU countries

and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

United States

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS OR ANY DOCUMENT REFERRED TO HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986; (B) ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summary describes certain United States federal income tax consequences of the ownership and disposition of Notes, Receipts and Coupons as of the date hereof. This summary is addressed only to holders of Notes, Receipts and Coupons that are United States Aliens as that term is defined in the "Terms and Conditions of the Notes - Taxation" and is based on the Internal Revenue Code of 1986 (the "Code"), and existing final, temporary and proposed Treasury Regulations, Revenue Rulings and judicial decisions, all of which are subject to prospective and retroactive changes at any time. This summary also assumes that the Notes, Receipts and Coupons are held as capital assets within the meaning of Section 1221 of the Code and are offered, sold and delivered in accordance with the Dealer Agreement and the Agency Agreement.

The information provided below does not purport to be a complete summary of all aspects of United States federal income tax law and practice currently applicable that may be relevant to a particular holder in light of the holder's personal circumstances (including the United States federal income tax consequences of certain conduit financing arrangements) or to holders subject to special treatment under the United States federal income tax laws (including financial institutions, tax-exempt organisations, persons who have ceased to be United States citizens or to be taxed as resident aliens or persons that hold the Notes in connection with a United States trade or business as determined under United States federal income tax principles). Further, this summary does not address United States federal income tax consequences applicable to holders of equity interests in a beneficial owner of Notes, Receipts or Coupons. In addition, the discussion is generally limited to the tax consequences of initial holders and neither considers holders that are pass-through or other entities or holders of interest in such entities.

If a partnership or other entity treated as a partnership for United States federal income tax purposes holds Notes, the tax consequences to a partner will generally depend upon the status of the partners and the activities of the partnership. A holder of the Notes that is a partnership, and partners in such a partnership, should consult their tax advisers about the United States federal income tax consequences to them of the ownership and disposition of Notes.

This summary addresses only Notes that will be treated as debt for United States federal income tax purposes and does not address Notes with special features such as a maturity of 30 years or more or Notes that carry rights to receive "contingent interest" within the meaning of Section 871(h)(4)(A) of the Code.

Persons considering the purchase of Notes, Receipts and Coupons should consult their tax advisers with regard to the application of the United States federal tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Additional United

States federal income tax consequences applicable to particular Notes may be set forth in the relevant Final Terms.

BP Capital Markets Notes

Under United States federal income tax law now in effect, the payment of principal and interest (including original issue discount) on a UK Note by BP Capital or its paying agents to any United States Alien holder will not be subject to United States federal income tax or withholding tax. In addition, United States Alien holders generally will not be subject to United States federal income tax or withholding tax on any gain realised upon the redemption, sale, or other disposition of a UK Note.

BPCNAI Notes

Under United States federal income tax law now in effect, and subject to the discussion below concerning information reporting and backup withholding:

- (A) payments of principal and interest (including original issue discount) on a non-UK Note to any United States Alien holder will not be subject to United States federal withholding tax; provided, however, that in the case of amounts treated as interest or original issue discount on a Note other than a Note with a maturity of 183 days or less (i) such holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of BPCNAI entitled to vote within the meaning of Section 871(h)(3) of the Code, (ii) such holder is not a controlled foreign corporation for United States federal income tax purposes that is related, directly or indirectly, to BPCNAI through stock ownership, (iii) such holder is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) such holder is not a foreign tax exempt organisation or a foreign private foundation for United States federal income tax purposes, (v) such amounts are not considered payments of “contingent interest” described in Section 871(h)(4) of the Code, and (vi) in the case of Registered Notes, the holder provides a properly completed Internal Revenue Service Form W-8BEN, or other such applicable form;
- (B) a United States Alien holder of a non-UK Note, Receipt or Coupon will not be subject to United States federal income tax or withholding tax on any gain realised on the sale, exchange or redemption or other disposition of a non-UK Note, Receipt or Coupon unless the United States Alien holder is subject to tax pursuant to the provisions of the Code applicable to certain former citizens and residents of the United States.

Backup Withholding and Information Reporting

While certain payments to non-corporate persons of interest on and principal of obligations, and of proceeds from the sale of obligations, are subject to information reporting and may be subject to a backup withholding tax, payments of interest on and principal of a Note by the relevant Issuer or any of its paying agents, and payments of the proceeds of the sale of a Note, made outside the United States, to beneficial owners of Notes that are United States Aliens, will generally not be subject to information reporting or backup withholding. Information reporting and backup withholding may apply under certain circumstances, however, if a payment is collected outside the United States by a foreign office of a US controlled person (as defined below) acting on behalf of the beneficial owner of a Note. Information reporting and backup withholding will also generally apply to payments that are collected, or that are proceeds of the sale of a Note effected, inside the United States, unless (i) the payor may reliably associate such payments with a certification by the beneficial owner under penalty of perjury that the beneficial owner is not a US person or (ii) the beneficial owner otherwise establishes an exemption from either or both.

“US controlled person” means (i) a US person, (ii) a controlled foreign corporation for United States federal income tax purposes, (iii) a foreign partnership, if at any time during its tax year, one or more of its partners are US persons who in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership, or if at any time during its tax year, such foreign partnership is engaged in a United States trade

TAXATION

or business, or (iv) a foreign person 50 per cent. or more of whose gross income for certain periods is from a United States trade or business.

United States Alien holders of Notes should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available. Any amounts withheld from a payment to a United States Alien holder under the backup withholding rules will be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund, provided that the required information is furnished to the United States Internal Revenue Service.

Subscription and Sale

Subject to the terms and on the conditions contained in a Programme Agreement (amended and restated) dated 7 August 2009 (the “Programme Agreement”) between the Issuers, the Guarantor and the Permanent Dealers, the Notes will be offered from time to time by the Issuers to the Permanent Dealers. However, each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer, failing whom the Guarantor, will pay each relevant Dealer a commission as agreed between the relevant Issuer, the Guarantor and the Dealer, which commission may be deducted from the net proceeds payable to the Issuer on the closing of any series of Notes. The Issuers have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuers and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes and the Guarantee may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it has not offered or sold and will not offer or sell the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Dealer and the relevant Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of index-, commodity- or currency-linked Notes may be subject to such additional US selling restrictions as the relevant Dealer(s) may agree with the relevant Issuer and the Guarantor as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional US selling restrictions.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) (if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-Exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive be in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable);
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the “FIEA”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws and regulations of Japan.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any Notes with a maturity of less than 12 months and a denomination of less than €50,000 will only be offered in The Netherlands to professional market parties as defined in the Financial Supervision Act and the decrees issued pursuant thereto.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

General

These selling restrictions may be modified by the agreement of the Issuers, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus. No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

SUBSCRIPTION AND SALE

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all applicable laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and none of the Issuers, the Guarantor nor any other Dealer shall have responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer, the Guarantor and the relevant Dealer shall agree and as shall be set out in the relevant Final Terms.

Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR50,000 (or its equivalent in another currency).

Final Terms dated [●]
[BP Capital Markets p.l.c.]
[BP Corporation North America Inc.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by BP p.l.c.
under the US\$20,000,000,000
Debt Issuance Programme

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].¹

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].²

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 7 August 2009, [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Supplemental Prospectus] [is] [are] available for viewing at the market news section of the London

1 Consider including this legend where a non-exempt offer of Notes is anticipated.

2 Consider including this legend where only an exempt offer of Notes is anticipated.

Stock Exchange Website (www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) contained in the Trust Deed dated [●] which was in force on [issue date of original Notes], a copy of which is set forth in the Prospectus dated [original date] [and the Supplemental Prospectus dated [●]] and incorporated by reference into the Prospectus dated [date of current Prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”), and must be read in conjunction with the Prospectus dated 7 August 2009 [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Copies of such Prospectus [as so supplemented] are available for viewing at the market news section of the London Stock Exchange Website (www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html).

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

[If the Notes are in bearer form and issued by BPCNAI, and have a maturity of 183 days or less, the minimum denomination of such Bearer Notes must not be less than US\$500,000 (as determined based on the spot rate on the date of issuance if in a currency other than the US dollar).]

1. (a) Issuer: [BP Capital Markets p.l.c.]
[BP Corporation North America Inc.]
(b) Guarantor: BP p.l.c.
2. (a) Series Number: [●]
(b) Tranche Number: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
(a) Series: [●]
(b) [Tranche: [●]]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date](if applicable)]
6. (a) Specified Denominations: [●]
(b) Calculation Amount: [●]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)

7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes)*
8. Maturity Date: [Fixed rate - specify date/Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [per cent. Fixed Rate]
 [[LIBOR/EURIBOR] +/- per cent. Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]
 [specify other]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [specify other]
- (N.B. If the Final Redemption amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus)*
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
13. [Date [Board] approval for issuance of Notes and Guarantee obtained: [Not Applicable]
 [and , respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 4)
- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount
(Applicable to Notes in definitive form)
- (d) Broken Amount(s): [Not Applicable]
 [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(Applicable to Notes in definitive form)
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) or [specify other]]
- (f) Determination Date(s): [●] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]
- (b) First Interest Payment Date: [●]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

- Convention/Preceding Business Day Convention/
[specify other]]
- (d) Business Centre(s):
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/
specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):
- (g) Screen Rate Determination:
- Reference Rate:
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s):
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page:
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (h) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
- (i) Margin(s): [+/-] per cent. per annum
- (j) Minimum Rate of Interest: per cent. per annum
- (k) Maximum Rate of Interest: per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition [Interest] for alternatives)

- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: per cent. per annum
- (b) Reference Price:
- (c) Any other formula/basis of determining amount payable:
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition 5(b) applies/specify other]
(Consider applicable day count fraction if not US dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates:
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Business Centre(s):

- (h) Minimum Rate of Interest: per cent. per annum
- (i) Maximum Rate of Interest: per cent. per annum
- (j) Day Count Fraction:
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable:

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount / specify other / see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount:
- (ii) Maximum Redemption Amount:
- (d) Notice period (if other than as set out in the Conditions):
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*

21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount / specify other / see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
22. Final Redemption Amount: [[●] per Calculation Amount / specify other / see Appendix]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus)
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(b)): [[●] per Calculation Amount / specify other / see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes
- (a) Form [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note/at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Prospectus and the Notes themselves)

- (b) [New Global Note: [Yes][No]]
25. Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
- (Note that this paragraph relates to the place of Payment Days: payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(g) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (a) [Instalment Amount(s): [Not Applicable/give details]
- (b) [Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable
- [(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)]*
30. Additional US Federal Tax Considerations: [Not Applicable/give details]
31. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*
- (Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers)*

DISTRIBUTION

32. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a*

“best efforts” basis if such entities are not the same as the Managers)

- (b) Date of [Subscription] Agreement: [●]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
33. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
35. US Selling Restrictions [Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]
36. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries / placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (“Offer Period”). See further Paragraph 10 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/ passported)*
37. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] of the Notes described herein pursuant to the US\$20,000,000,000 Debt Issuance Programme of BP Capital Markets p.l.c. and BP Corporation North America Inc.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised

PART B - OTHER INFORMATION*

1. LISTING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings:

The Notes to be issued are expected to be rated:

[S & P:[●]]

[Moody's:[●]]

[[Other]:[●]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:

[As defined by Standard & Poor's, an AA rating means that the Guarantor's capacity to meet its financial commitments under the Notes is very strong.

As defined by Standard & Poor's, an A-1+ rating means that the ability of the Guarantor to meet its financial commitments under the Notes is extremely strong.

As defined by Moody's, an Aa1 rating means that the obligations of the Guarantor under the Notes are of high quality and are subject to very low credit risk.

As defined by Moody's, a P-1 rating means that the Guarantor has a superior ability to repay its short term debt obligations on the Notes.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the Prospectus under the heading “Subscription and Sale” so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *[Amend as appropriate if there are such interests] [(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer]
(See “Use of Proceeds” wording in Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds:
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)

[(iii) Estimated total expenses:].
[Include breakdown of expenses into each principal intended “use” and presented in order of priority of such “uses”]

(N.B: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD *(Fixed Rate Notes only)*

Indication of yield:
[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES *(Floating Rate Notes only)*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-linked Interest Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of where past and future performance and volatility of the index/formula can be obtained]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained].

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

9. OPERATIONAL INFORMATION

(i) ISIN Code:

(ii) Common Code:

- | | |
|--|---|
| (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant address(es) identification number(s): | [Not Applicable/give name(s), address(es) and number(s)]
[Note: For Notes cleared through SIX SIS AG, Swiss VALOR to be inserted] |
| (iv) Delivery: | Delivery [against/free of] payment |
| (v) Names and addresses of initial Paying Agent(s) | [●] |
| (vi) Names and addresses of additional Paying Agent(s) (if any): | [●] |
| (vii) Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes] [No]

<i>[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]</i> |

10. TERMS AND CONDITIONS OF THE OFFER

- | | |
|--|--------------------------------------|
| Offer Price: | [Issue Price/Not Applicable/specify] |
| [Conditions to which the offer is subject:] | [Not Applicable/give details] |
| [Description of the application process:] | [Not Applicable/give details] |
| [Details of the minimum and/or maximum amount of application:] | [Not Applicable/give details] |
| [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] | [Not Applicable/give details] |
| [Details of the method and time limits for paying up and delivering the Notes:] | [Not Applicable/give details] |
| [Manner in and date on which results of the offer are to be made public:] | [Not Applicable/give details] |
| [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not Applicable/give details] |

[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]

[Not Applicable/*give details*]

[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]

[Not Applicable/*give details*]

[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]

[Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[None/*give details*]

Note:

* If an issue of Notes is (i) not admitted to trading on a regulated market within the European Economic Area and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the Issuer may elect to amend and/or delete certain of the above paragraphs of this Part B.

Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency).

[Date]

Final Terms dated [●]
[BP Capital Markets p.l.c.]
[BP Corporation North America Inc.]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by BP p.l.c.
under the US\$20,000,000,000
Debt Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 7 August 2009, [and the Supplemental Prospectus dated [●]] which together constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Supplemental Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) contained in the Trust Deed dated [●] which was in force on [issue date of original Notes], a copy of which is set forth in the Prospectus dated [original date] [and the Supplemental Prospectus dated [●]] and incorporated by reference into the Prospectus dated [date of current Prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated 7 August 2009 [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Copies of such Prospectuses [as so supplemented] are available for viewing at the market news section of the London Stock Exchange website (www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html).]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

[If the Notes are in bearer form and issued by BPCNAI, and have a maturity of 183 days or less, the minimum denomination of such Bearer Notes must not be less than US\$500,000 (as determined on the spot rate on the date of issuance if in a currency other than the US dollar.)

1. (a) Issuer: [BP Corporation North America Inc.] [BP Capital Markets p.l.c.]
- (b) Guarantor: BP p.l.c.
2. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
- (a) Series: [●]
- (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: [●]
- (N.B. where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed:*
- “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000]”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €50,000 minimum denomination is not required)*
- (b) Calculation Amount: [●]
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)*
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: *[Fixed rate - specify date/ Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: per cent. Fixed Rate]
 [LIBOR/EURIBOR] +/- per cent. Floating Rate]
 Zero Coupon]
 Index Linked Interest]
 Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par]
 Index Linked Redemption]
 Dual Currency Redemption]
 Partly Paid]
 Instalment]
[specify other]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus.)*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: Investor Put]
 Issuer Call]
(further particulars specified below)]
13. [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [and , respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
14. Method of distribution: Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (If payable other than annually, consider amending Condition 4)*

- (b) Interest Payment Date(s): in each year up to and including the Maturity Date/*[specify other]*
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): per Calculation Amount, payable on the Interest Payment Date falling [in/on]
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) or *[specify other]*]
- (f) Determination Date(s): in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]
16. Floating Rate Note Provisions Applicable/Not Applicable
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates:
- (b) First Interest Payment Date:
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*[specify other]*]
- (d) Business Centre(s):
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):
- (g) Screen Rate Determination:
 - Reference Rate:

(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)

- Interest Determination Date(s): *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*

- Relevant Screen Page: *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(h) ISDA Determination:

- Floating Rate Option:
- Designated Maturity:
- Reset Date:

(i) Margin(s): +/- per cent. per annum

(j) Minimum Rate of Interest: per cent. per annum

(k) Maximum Rate of Interest: per cent. per annum

(l) Day Count Fraction:
 [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 30/360
 30E/360
 30E/360 (ISDA)
 Other]
(See Condition 4 for alternatives)

(m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

17. Zero Coupon Note Provisions *[Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Accrual Yield: per cent. per annum

(b) Reference Price:

(c) Any other formula/basis of determining amount payable:

- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition 5(b) applies/specify other]
(Consider applicable day count fraction if not US dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [●]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ specify other]
- (g) Business Centre(s): [●]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [●]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus.)

- | | | |
|-----|---|--|
| (a) | Rate of Exchange/method of calculating Rate of Exchange: | [give or annex details] |
| (b) | Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): | [●] |
| (c) | Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | [need to include a description of market disruption or settlement disruption events and adjustment provisions] |
| (d) | Person at whose option Specified Currency(ies) is/are payable: | [●] |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|------|--|---|
| 20. | Issuer Call: | [Applicable/Not Applicable]

<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> |
| (a) | Optional Redemption Date(s): | [●] |
| (b) | Optional Redemption Amount and method, if any, of calculation of such amount(s): | [[●] per Calculation Amount / specify other / see Appendix] |
| (c) | If redeemable in part: | |
| (i) | Minimum Redemption Amount: | [●] |
| (ii) | Maximum Redemption Amount: | [●] |
| (d) | Notice period (if other than as set out in the Conditions): | [●]
<i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)</i> |
| 21 | Investor Put: | [Applicable/Not Applicable]

<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> |
| (a) | Optional Redemption Date(s): | [●] |
| (b) | Optional Redemption Amount and method, if any, of calculation of such amount(s): | [[●] per Calculation Amount/specify other/see Appendix] |
| (c) | Notice period (if other than as set out in the Conditions): | [●]
<i>(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well</i> |

as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

22. Final Redemption Amount:

[[] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and the Issuer will prepare and publish a supplementary Prospectus.)

23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(b)):

[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only in the limited circumstances specified in the Permanent Global Note/at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")

Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

(b) [New Global Note:

[Yes][No]]

FORM OF FINAL TERMS

25. Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(c) and 18(g) relate)
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details].
N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
29. Redenomination applicable: Redenomination [not] applicable
(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))
30. Additional US Federal Tax Considerations: [Not Applicable/give details]
31. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)
(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)

DISTRIBUTION

32. (a) If syndicated, names of Managers: [Not Applicable/give names]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (b) Date of [Subscription] Agreement: [●]

FORM OF FINAL TERMS

(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

- (c) Stabilising Manager(s) (if any): [Not Applicable/give names]
33. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
34. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
35. US Selling Restrictions: [Reg. S Compliance Category [1/2]]; [TEFRA D/TEFRA C/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] of the Notes described herein pursuant to the US\$20,000,000,000 Debt Issuance Programme of BP Capital Markets p.l.c. and BP Corporation North America Inc.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING

(i) Admission to trading

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

(ii) Estimate of total expenses related to admission to trading:

[●]

2. RATINGS

Ratings:

The Notes to be issued are expected to be rated:

[S&P: [●]]

[Moody's: [●]]

[[Other]: [●]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the Prospectus under the heading "Subscription and Sale", so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

[Amend as appropriate if there are such interests.]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:

[●]

(See “Use of Proceeds” wording in Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii)] Estimated net proceeds:

[(iii)] Estimated total expenses::

[Include breakdown of expenses into each principal intended “use” and presented in order of priority of such “uses”]

(N.B: Delete unless Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD *(Fixed Rate Notes only)*

Indication of yield:

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-linked Notes only)*

[Need to include details of where past and future performance and volatility of the index/ formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE *(Dual Currency Notes only)*

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

8. OPERATIONAL INFORMATION

- (i) ISIN Code:
- (ii) Common Code:
- (iii) Any Clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
[Note: For Notes cleared through SIX SIS AG, Swiss VALOR to be inserted]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial Paying Agents(s):
- (vi) Names and addresses of additional Paying Agents(s):
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
[Note that the designation “yes” means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]

General Information

1. It is expected that each Series of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of the temporary or permanent Global Note or one or more certificates initially representing the Notes of such Series (if any) and that the listing of the Programme will be granted on or about 13 August 2009. Unlisted Notes may be issued pursuant the Programme.
2. Each of the Issuers and the Guarantor has obtained all necessary consents, approvals and authorisations in the United Kingdom and the United States of America, respectively in connection with the issue and performance of the Notes and the giving of the Guarantee, as the case may be. The update of the Programme was authorised by a resolution of the Board of Directors of BP Capital passed on 30 July 2009, by a resolution of the Board of Directors of BPCNAI passed on 10 July 2009 and by the exercise of the delegated authority of the Chief Financial Officer of the Guarantor on 23 July 2009, such authority delegated to him by the Chief Executive Officer on 16 July 2008 pursuant to a board resolution of the Guarantor on 15 November 2007.
3. There has been no significant change in the financial or trading position of the BP Group since 30 June 2009 and no material adverse change in the prospects of the Guarantor since 31 December 2008. There has been no significant change in the financial or trading position of BP Capital since 31 December 2008 and no material adverse change in the prospects of BP Capital since 31 December 2008. There has been no significant change in the financial or trading position of the BPCNAI Group since 31 March 2009 and there has been no material adverse change in the prospects of BPCNAI or the BPCNAI Group since 31 December 2008.
4. None of the Issuers nor the Guarantor nor any of their respective subsidiaries is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the relevant Issuer or the Guarantor, as the case may be, is aware), during the 12 months preceding the date of this document, which may have, or have in the recent past had, significant effects on the financial position or profitability of the relevant Issuer or the Guarantor, as the case may be, or (in the case of the Guarantor) the BP Group or (in the case of BPCNAI) the BPCNAI Group.
5. Each Bearer Note, Receipt, Coupon and Talon issued by BPCNAI with a maturity of more than 183 days and each Bearer Note, Receipt, Coupon and Talon issued by BP Capital under the D Rules with a maturity of more than one year will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

In the case of a Bearer Note issued by BPCNAI with a maturity of 183 days or less, the Bearer Note will bear the following legend:

"By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder)."

Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any alternative clearing system) for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 3 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

6. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as each Issuer and the Guarantor is aware and is able to ascertain

from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

7. For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of each Issuer and the specified office of the Issuing and Paying Agent:
 - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Programme Agreement and the Agency Agreement;
 - (iii) the constitutive documents of each of the Issuers and the Guarantor;
 - (iv) the published annual report and audited accounts of BP Capital for the financial years ended 31 December 2007 and 2008, respectively and the audited consolidated annual accounts of BPCNAI and the Guarantor for the financial years ended 31 December 2007 and 2008, respectively, together with any subsequent published interim financial statements;
 - (v) each Final Terms for Notes that are admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market or any other stock exchange;
 - (vi) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
 - (vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market.
8. Copies of the latest published non-consolidated accounts of BP Capital and the latest annual report and consolidated accounts of BPCNAI and the Guarantor, the latest interim consolidated accounts of BPCNAI and the latest interim consolidated accounts of the Guarantor, may be obtained, and copies of the Trust Deed (including the Guarantee) will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding. BP Capital does not publish interim accounts.
9. The financial information of each of the Guarantor and BP Capital for the year ended 31 December 2008 contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the "Act"). Statutory accounts for the three financial years ended 31 December 2008 for each of the Guarantor and BP Capital have been delivered to the Registrar of Companies in England and Wales. BP Capital's and the Guarantor's auditors have made reports under section 495 of the Act on the last statutory accounts that were not qualified within the meaning of section 539 of the Act and did not contain a statement made under section 498(2) or section 498(3) of the Act.
10. Ernst & Young LLP, London have audited, and rendered unqualified audit reports on, (a) the accounts of BP Capital for the two years ended 31 December 2008 and (b) the accounts of the Guarantor for the two years ended 31 December 2008.

Ernst & Young LLP, Houston have audited, and rendered unqualified audit reports on the accounts of BPCNAI for the two years ended 31 December 2008.

Ernst & Young LLP does not have any material interest in BP Capital, BPCNAI or the Guarantor.

Registered Offices of the Issuers

BP Capital Markets p.l.c.
Chertsey Road
Sunbury-on-Thames
Middlesex TW16 7BP

BP Corporation North America Inc.
4101 Winfield Road
Warrenville
Illinois 60555
USA

Registered Office of the Guarantor

BP p.l.c.
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London SW1Y 4PD

Arranger

UBS Limited
1 Finsbury Avenue
London EC2M 2PP

Dealers

Credit Suisse
Paradeplatz 8
CH-8001 Zurich
Switzerland

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA

UBS Limited
1 Finsbury Avenue
London EC2M 2PP

UBS AG
Bahnhofstrasse 45
8098 Zurich
Switzerland

Trustee

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX

Issuing and Paying Agent and Transfer Agent

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Canada Square
London E14 5LB

Registrar and Paying Agent

Citigroup Global Markets Deutschland AG & Co. KGaA
Germany Agency and Trust Department
Reuterweg 16
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To BP Capital Markets p.l.c.

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as to English and United States law*

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*To the Dealers and the Trustee as to
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