

APPENDIX A – AUDIT REPORTS

The Preliminary Announcement includes a condensed set of financial statements. Audited financial statements for 2013 are contained in the BP Annual Report and Form 20-F 2013. The Independent Auditor's Report on the consolidated financial statements is set out in full on pages 117-119 of the BP Annual Report and Form 20-F 2013 and the Independent Auditor's Report on the parent company financial statements is set out in full on page 224 of the BP Annual Report and Form 20-F 2013. Both the Independent Auditor's Report on the consolidated financial statements and on the parent company financial statements note that the Auditor has considered the adequacy of the disclosures made in Note 2 to the financial statements concerning the provisions, future expenditures for which reliable estimates cannot be made and other contingencies related to the Gulf of Mexico oil spill significant event. The total amounts that will ultimately be paid by BP in relation to all obligations relating to the incident are subject to significant uncertainty and the ultimate exposure and cost to BP will be dependent on many factors. Furthermore, significant uncertainty exists in relation to the amount of claims that will become payable by BP, the amount of fines that will ultimately be levied on BP (including any determination of BP's culpability based on any findings of negligence, gross negligence or wilful misconduct), the outcome of litigation and arbitration proceedings, and any costs arising from any longer-term environmental consequences of the oil spill, which will also impact upon the ultimate cost for BP. However, both audit reports are unqualified and do not contain any statements under section 498(2) or section 498(3) of the Companies Act 2006.

APPENDIX B – DIRECTORS' RESPONSIBILITY STATEMENT

The following statement is extracted in full and unedited text from page 116 of the BP Annual Report and Form 20-F 2013. This statement relates solely to the BP Annual Report and Form 20-F 2013 and is not connected to the extracted information set out in this announcement or the Preliminary Announcement.

Directors' responsibility statement

The directors confirm that to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with IFRS as issued by the IASB, IFRS as adopted by the EU and in accordance with the provisions of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group;
- the parent company financial statements, prepared in accordance with United Kingdom generally accepted accounting practice, give a true and fair view of the assets, liabilities, financial position, performance and cash flows of the company; and
- the management report, which is incorporated in the strategic report and directors' report, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that they face.

C-H Svanberg, Chairman
6 March 2014

APPENDIX C – RISKS AND UNCERTAINTIES

The principal risks and uncertainties relating to the Company are set out at pages 51 to 55 of the BP Annual Report and Form 20-F 2013. The following is extracted in full and unedited text from the BP Annual Report and Form 20-F 2013:

Risk factors

We urge you to consider carefully the risks described below. The potential impact of the occurrence, or recurrence, of any of the risks described below could have a material adverse effect on BP's business, financial position, results of operations, competitive position, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, including the 10-point plan.

The risks are categorized against the following areas: strategic and commercial; compliance and control; and safety and operational. In addition, we have set out one separate risk for your attention – the risk resulting from the 2010 Gulf of Mexico oil spill.

Gulf of Mexico oil spill

The spill has had and could continue to have a material adverse impact on BP.

There is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to the 2010 Gulf of Mexico oil spill (the Incident), the impact of the Incident on our reputation and the resulting possible impact on our licence to operate including our ability to access new opportunities. The amount of claims, fines and penalties that become payable by BP (including as a result of any potential determination of BP's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Incident, will also impact upon the ultimate cost for BP. These uncertainties are likely to continue for a significant period and may cause our costs to increase materially. Thus, the Incident has had, and could continue to have, a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The risks associated with the Incident could also heighten the impact of the other risks to which the group is exposed as further described below. See, in particular, Access and renewal; Liquidity, financial capacity and financial, including credit, exposure; Insurance; US government settlements and debarment; Regulatory; Liabilities and provisions; Reporting; and Process safety, personal safety and environmental risks below.

Strategic and commercial risks

Access and renewal – BP's future hydrocarbon production depends on our ability to renew and reposition our portfolio. Increasing competition for access to investment opportunities and the effects of the Incident on our reputation and cash flows could result in decreased access to opportunities globally.

Successful execution of our group strategy depends on implementing activities to renew and reposition our portfolio. The challenges to renewal of our upstream portfolio are growing due to increasing competition for access to opportunities globally among both national and international oil companies, and heightened political and economic risks in certain countries where significant hydrocarbon basins are located. Lack of material positions could impact our future hydrocarbon production.

Moreover, the Incident has affected BP's reputation, which may have a long-term impact on the group's ability to access new opportunities, both in the US and elsewhere. Adverse public, political, regulatory and industry sentiment towards BP, and towards oil and gas drilling activities generally, could damage or impair our existing commercial relationships with counterparties, partners and host governments and could impair our access to new investment opportunities, exploration properties, operatorships or other essential commercial arrangements with potential partners and host

governments, particularly in the US. In addition, costs and liabilities relating to the Incident have placed, and will continue to place, a significant burden on our cash flow, which could impede our ability to invest in new opportunities and deliver long-term growth.

Prices and markets – BP's financial performance is subject to the fluctuating prices of crude oil and gas, the volatile prices of refined products and the profitability of our refining and petrochemicals operations, as well as exchange rate fluctuations and the general macroeconomic outlook.

Oil, gas and product prices and margins can be very volatile, and are subject to international supply and demand. Political developments (including conflict situations), increased supply from the development of new oil and gas sources, technological change, global economic conditions and the influence 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. Decreases in oil, gas or product prices are likely to have an adverse effect on revenues, margins and profitability, and a material rapid change, or a sustained change, in oil, gas or product prices may mean investment or other decisions need to be reviewed, assets may be impaired, and the viability of projects may be affected. A prolonged period of low oil prices may impact our cash flow, profit and ability to maintain our long-term investment programme with a consequent effect on our growth rate, and may impact shareholder returns, including dividends and share buybacks, or share price.

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

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. In addition, a high proportion of our major project development costs are denominated in local currencies, which may be subject to volatile fluctuations against the US dollar. Fluctuations in exchange rates can therefore give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

Periods of global recession or prolonged instability in financial markets could negatively impact parties with whom we do or may do business, the demand for our products and the prices at which they can be sold and could affect the viability of the markets in which we operate.

Climate change and carbon pricing – climate change and carbon pricing policies could result in higher costs and reduction in future revenue and strategic growth opportunities.

Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs, potential restrictions on the commercial viability of, or our ability to progress, upstream resources and reserves, and impacts on revenue generation and strategic growth opportunities. In addition, the changed nature of our participation in alternative energies could carry reputational, economic and technology risks.

Geopolitical – the diverse nature of our operations around the world exposes us to a wide range of political developments and consequent changes to the operating environment, regulatory environment and law.

We have operations, and are seeking new opportunities, in countries and regions where political, economic and social transition is taking place. Some countries have experienced, or may experience in the future, political instability, changes to the regulatory environment, changes in taxation, expropriation or nationalization of property, civil strife, strikes, acts of terrorism, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate our operations, causing our development activities to be curtailed or terminated in these areas, or our production to decline, could limit our ability to pursue new opportunities, could affect the recoverability of our assets and could cause us to incur additional costs. See page 4 for information on the locations of our major areas of operation and activities.

We set ourselves high standards of corporate citizenship and aspire to contribute to a better quality of life through the products and services we provide. If it is perceived that we are not respecting or advancing the economic and social progress of the communities in which we operate or that we have not satisfactorily addressed all relevant stakeholder concerns in respect of our operations, our reputation and shareholder value could be damaged and development opportunities may be precluded.

Competition – BP's group strategy depends upon continuous innovation and efficiency in a highly competitive market.

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 the terms of access to new opportunities, licence costs and product prices, affects oil products marketing and requires continuous management focus on improving efficiency, while ensuring safety and operational risk is not compromised. The implementation of group strategy requires continued technological advances and innovation including advances in exploration, production, refining, petrochemicals manufacturing technology and advances in technology related to energy usage. Our performance could be impeded if competitors developed or acquired intellectual property rights to technology that we require, if our innovation lagged the industry, or if we fail to adequately protect our company brands and trade marks. Our competitive position in comparison to our peers could be adversely affected if competitors offer superior terms for access rights or licences, if we fail to control our operating costs or manage our margins, or if we fail to sustain, develop and operate efficiently a high quality portfolio of assets.

Joint and other contractual arrangements – BP may not have full operational control and may have exposure to counterparty credit risk and disruptions to our operations and strategic objectives due to the nature of some of its business relationships.

Many of our major projects and operations are conducted through joint arrangements or associates and through contracting and sub-contracting arrangements. These arrangements often involve complex risk allocation, decision-making processes and indemnification arrangements, and BP has less control of such activities than we would have if BP had full ownership and operational control. Our partners may have economic or business interests or objectives that are inconsistent with, or opposed to, those of BP and may exercise veto rights to block certain key decisions or actions that BP believes are in its or the joint arrangement's or associate's best interests, or approve such matters without our consent. Additionally, our joint arrangement partners or associates or contractual counterparties are primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project and, in the event these are found to be lacking, then safety, the performance of the project and BP's costs may be adversely affected. Our joint arrangement partners or associates may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects. Furthermore, should accidents or incidents occur in operations in which BP participates, whether as operator or otherwise, and where it is held that our sub-contractors or joint arrangement partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to fully indemnify BP against the costs we incur on behalf of the joint or contractual arrangement. Should a key sub-contractor, such as a lessor of drilling rigs, no longer be able to make these assets available to BP, this could result in serious disruption to our operations. Where BP does not have operational control of a venture, BP may nonetheless still be pursued by regulators or claimants in the event of an incident.

Rosneft investment – any future erosion of our relationship with Rosneft could adversely impact our business, strategic objectives, the level of our reserves and our reputation.

On 21 March 2013, we completed the sale of our 50% interest in TNK-BP to Rosneft and the purchase of additional shares in Rosneft. We now own a total shareholding in Rosneft of 19.75%. To the extent we fail to maintain a good commercial relationship with Rosneft in the future, or to the extent that as a non-controlling shareholder in Rosneft we are unable in the future to exercise significant influence over our investment in Rosneft or other growth opportunities in Russia, our business and strategic

objectives in Russia and our ability to recognize our share of Rosneft's reserves may be adversely impacted.

Investment efficiency – poor investment decisions could negatively impact our business.

Our organic growth is dependent on creating a portfolio of quality options and investing in the best options. Ineffective group strategy, investment selection and/or subsequent execution could lead to loss of opportunity, loss of value and higher capital expenditure.

Reserves progression – inability to progress upstream resources in a timely manner could adversely affect our long-term replacement of reserves and negatively impact our business.

Successful execution of our group strategy depends critically on sustaining long-term reserves replacement. If upstream resources are not progressed in a timely and efficient manner due to commercial, technical, regulatory or other reasons, we will be unable to sustain long-term replacement of reserves.

Major project delivery – our group plan depends upon successful delivery of major projects, and failure to deliver major projects successfully could adversely affect our financial performance.

Successful execution of our group plan depends critically on implementing the activities to deliver major projects over the plan period. Poor delivery of or operational challenges at any major project that underpins production or production growth and/or any other major programme designed to enhance shareholder value, including maintenance turnaround programmes, could adversely affect our financial performance and our operating cash flows.

Digital infrastructure – a breach of our digital security or a failure of our digital infrastructure could result in serious damage to business operations, personal injury, damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs.

The reliability and security of our digital infrastructure are critical to maintaining the availability of our business applications, including the reliable operation of technology in our various business operations and the collection and processing of financial and operational data, as well as the confidentiality of certain third-party information. A breach of our digital security or failure of our digital infrastructure, due to intentional actions such as cyber-attacks, negligence or otherwise, could cause serious damage to business operations and, in some circumstances, could result in the loss of data or sensitive information, injury to people, loss of control of or damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs.

Crisis management, business continuity and disaster recovery – the group must be able to respond to and recover quickly and effectively from any disruption or incident, as failure to do so could adversely affect our business and operations.

Crisis management and contingency plans are required to respond to, and to continue or recover operations following, a disruption or an incident. If we do not respond, or are perceived not to respond, in an appropriate manner to either an external or internal crisis, our business and operations could be severely disrupted. 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 our business and operations.

People and capability – successful recruitment, development and utilization of staff is central to our plans.

Successful recruitment of new staff, employee training, development and continuing enhancement of skills, in particular technical capabilities such as petroleum engineers and scientists, are key to implementing our plans. Inability to develop and retain human capacity and capability, both across the organization and in specific operating locations, could jeopardize performance delivery. The group relies

on recruiting and retaining high-quality employees to execute its strategic plans and to operate its business.

In addition, significant board and management focus continues to be required in responding to matters related to the Incident. Although BP set up the Gulf Coast Restoration Organization to manage the group's long-term response, other key management personnel will need to continue to devote substantial attention to addressing the associated consequences for the group, which may negatively impact our staff's capability to address and respond to other operational matters affecting the group but unrelated to the Incident.

Liquidity, financial capacity and financial, including credit, exposure – failure to operate within our financial framework could impact our ability to operate and result in financial loss.

The group seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity, and commercial credit risk is measured and controlled to determine the group's total credit risk. Failure to accurately forecast, manage or maintain sufficient liquidity and credit to meet our needs (including a failure to understand and respond to potential liabilities) could impact our ability to operate and result in a financial loss. Trade and other receivables, including overdue receivables, may not be recovered whether an impairment provision has been recognized or not. Inability to determine adequately our credit exposure could lead to financial loss. Furthermore, a substantial and unexpected cash call or funding request could disrupt our financial framework or overwhelm our capacity to meet our obligations.

External events could materially impact the effectiveness of the group's financial framework. A credit crisis or significant economic shock affecting banks and other sectors of the economy could impact the ability of counterparties to meet their financial obligations to the group. It could also affect our ability to raise capital to fund growth, to maintain our long-term investment programme and to meet our obligations, and may impact shareholder returns, including dividends and share buybacks, or share price. Decreases in the funded levels of our pension plans may also increase our pension funding requirements.

In addition, a significant operational incident could result in decreases in our credit ratings which, together with the assessments published by analysts, the reputational consequences of any such incident and concerns about the group's costs arising from any such incident, ongoing contingencies, liquidity, financial performance and credit spreads, could increase the group's financing costs and limit the group's access to financing. The group's ability to engage in both its trading activities and non-trading businesses could also be impacted in such circumstances due to counterparty concerns about the group's financial and business risk profile and resulting collateral demands, which could be significant. In addition, BP may be unable to make a drawdown under certain of its committed borrowing facilities in the event that we are aware that there are pending or threatened legal, arbitration or administrative proceedings which, if determined adversely, might reasonably be expected to have a material adverse effect on our ability to meet the payment obligations under any of these facilities. Credit rating downgrades could trigger a requirement for the company to review its funding arrangements with the BP pension trustees. Any extended constraints on the group's ability to obtain financing and to engage in its trading activities on acceptable terms (or at all) would put pressure on the group's liquidity. If such constraints occur at a time when cash flows from our business operations are constrained, such as following a significant operational incident, the group could be required to reduce planned capital expenditures and/or increase asset disposals in order to provide additional liquidity, as the group did following the Incident.

See Financial statements – Note 19 for more information on financial instruments and financial risk factors.

Insurance – The limited capacity of the insurance market and BP's insurance strategy could, from time to time, expose the group to material uninsured losses which could have a material adverse effect on BP's financial condition and results of operations.

In the context of the limited capacity of the insurance market, many significant risks are retained by BP. The group generally restricts its purchase of insurance to situations where this is required for legal or contractual reasons. This means that the group could be exposed to material uninsured losses, which could have a material adverse effect on its financial condition and results of operations. In particular, these uninsured costs could arise at a time when BP is facing material costs arising out of some other event which could put pressure on BP's liquidity and cash flows. For example, BP has borne and may continue to bear the entire burden of its share of any property damage, well control, pollution clean-up and third-party liability expenses arising out of the Incident.

Compliance and control risks

US government settlements and debarment – our settlement with the US Department of Justice and the SEC in respect of certain charges related to the Incident may expose us to further penalties, liabilities and private litigation, and may impact our operations and adversely affect our ability to quickly and efficiently access US capital markets.

On 15 November 2012, BP reached an agreement with the US government to resolve all federal criminal and securities claims arising out of the Incident and comprising settlements with the US Department of Justice (DoJ) and the SEC. For a description of the terms of the DoJ and SEC settlements, see Legal proceedings on page 264. Under the DoJ settlement, BP has agreed to retain an independent third-party auditor who will review and report to the probation officer, the DoJ, and BP regarding BPXP's compliance with the key terms of the settlement including the completion of safety and environmental management systems audits, operational oversight enhancements, oil spill response training and drills and the implementation of best practices. The DoJ settlement also provides for the appointment of an ethics monitor and a process safety monitor. See Gulf of Mexico oil spill on page 39. The DoJ criminal and SEC settlements impose significant compliance and remedial obligations on BP and its directors, officers and employees. Failure to comply with the terms of these settlements could result in further enforcement action by the DoJ and the SEC, expose BP to severe penalties, financial or otherwise, and subject BP to further private litigation, each of which could impact our operations and have a material adverse effect on the group's business.

The US Environmental Protection Agency (EPA) has temporarily suspended a number of BP entities from participating in new federal contracts and subjected BP Exploration & Production (BPXP) to mandatory debarment at its Houston headquarters. In addition, the EPA has initiated administrative proceedings to convert the temporary suspension of these BP entities into discretionary debarment. On 26 November 2013, the EPA issued a Notice of Continued Suspensions and Proposed Debarments that continued the suspensions of the previously suspended BP entities, suspended two new BP entities (BP Alternative Energy and BP Pipelines (Alaska) Inc.), and proposed discretionary debarment of all suspended BP entities. Both temporary suspension and mandatory debarment prevent a company from entering into new contracts or new leases with the US government that would be performed at the facility where a Clean Water Act violation occurred. See Legal proceedings on page 264. BP has a significant amount of operations in the US. See Upstream on page 25 and Oil and gas disclosures for the group on page 245. Prolonged suspension or debarment from entering new federal contracts, or further suspension or debarment proceedings in the future against BP and/or its subsidiaries as a result of violations of the terms of the DoJ or SEC settlements or otherwise, could have a material adverse impact on the group's operations in the US in the future. In particular, prolonged suspension or debarment could prevent BP from accessing and developing material new oil and gas resources located in the US, or prevent BP from engaging in certain development arrangements with third parties that are standard in the oil and gas industry, which could make the development of certain of BP's existing reserves located in the US less commercially attractive than if relevant BP entities were not suspended or debarred.

As a result of the SEC settlement, as of 5 February 2013 and for a period of three years thereafter, we are no longer qualified as a 'well known seasoned issuer' (WKSI) as defined in Rule 405 of the Securities Act of 1933, as amended (Securities Act), and therefore will not be able to take advantage of the benefits available to a WKSI, including engaging in delayed or continuous offerings of securities using an automatic shelf registration statement. In addition, as of the SEC settlement date of 10

December 2012 and for a period of five years thereafter, we are no longer able to utilize certain registration exemptions provided by the Securities Act in connection with certain securities offerings. We also may be denied certain trading authorizations under the rules of the US Commodities Futures Trading Commission, which may prevent us in the future from entering certain routine swap transactions for an indefinite period of time.

Regulatory – BP, and the oil industry in general, face increased regulation in the US and elsewhere that could increase the cost of regulatory compliance, affect the adequacy of our provisions and limit our access to new exploration properties.

The oil industry in general 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, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalization, expropriation, cancellation or non-renewal of contract rights. 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. We remain exposed to changes in the regulatory and legislative environment, such as new laws and regulations (whether imposed by international treaty or by national or local governments in the jurisdictions in which we operate), changes in tax or royalty regimes, price controls, the imposition of trade or other sanctions, government actions to cancel or renegotiate contracts or other factors. Governments are facing greater pressure on public finances, which may increase their motivation to intervene in the fiscal and regulatory frameworks of the oil and gas industry and we remain exposed to increases in amounts payable to governments or government agencies. Such factors could reduce our profitability from operations in certain jurisdictions, limit our opportunities for new access, require us to divest or write-down certain assets or curtail or cease certain operations, or affect the adequacy of our provisions for pensions, tax, environmental and legal liabilities. Potential changes to pension or financial market regulation could also impact funding requirements of the group.

Due to the Incident and remedial provisions contained in or that may result from the DoJ and SEC settlements and other past events in the US, it is likely that there will be additional oversight and more stringent regulation of BP's oil and gas activities in the US and elsewhere, particularly relating to environmental, health and safety controls and oversight of drilling operations, as well as access to new drilling areas. BP may be subjected to a higher number of citations and/or level of fines imposed in relation to any alleged breaches of safety or environmental regulations. New regulations and legislation, the terms of BP's settlements with US government authorities and future settlements or litigation outcomes related to the Incident, and/or evolving practices could increase the cost of compliance, require changes to our drilling operations, exploration, development and decommissioning plans, impact our ability to capitalize on our assets and limit our access to new exploration properties or operatorships, particularly in the deepwater Gulf of Mexico.

We buy, sell and trade oil and gas products in certain regulated commodity markets. Failure to respond to changes in or to comply with trading regulations could result in regulatory action and damage to our reputation.

See page 254 for more information on environmental regulation.

Ethical misconduct and non-compliance – ethical misconduct or breaches of applicable laws by our businesses or our employees could be damaging to our reputation and shareholder value.

Incidents of ethical misconduct, non-compliance with the recommendations of the ethics monitor appointed under the terms of the DoJ settlement or non-compliance with applicable laws and regulations, including anti-bribery, anti-corruption and anti-manipulation laws and trade or other sanctions, could be damaging to our reputation and shareholder value and could subject us to litigation and regulatory action or penalties under the terms of the DoJ settlement or otherwise. Multiple events of non-compliance could call into question the integrity of our operations. For example, in our trading

functions, there is the risk that a determined individual could operate as a 'rogue trader', acting outside BP's delegations, controls or code of conduct and in contravention of our values in pursuit of personal objectives that could be to the detriment of BP and its shareholders.

For certain legal proceedings involving the group, see Legal proceedings on page 257. For further information on the risks involved in BP's trading activities, see Treasury and trading activities below.

Liabilities and provisions – BP's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Incident, together with the potential cost and burdens of implementing remedies sought in the various proceedings, have had and are expected to continue to have a material adverse impact on the group's business.

Under the Oil Pollution Act of 1990 (OPA 90), BP Exploration & Production Inc. and BP Corporation North America are among the parties financially responsible for the clean-up of the Incident and for certain economic damages as provided for in OPA 90, as well as certain natural resource damages associated with the spill and certain costs determined by federal and state trustees engaged in a joint assessment of such natural resource damages. BP and certain of its subsidiaries have also been named as defendants in numerous lawsuits in the US arising out of the Incident, including actions for personal injury and wrongful death, purported class actions for commercial or economic injury, actions for breach of contract, violations of statutes, property and other environmental damage, securities law claims and various other claims, and additional lawsuits or private claims arising out of the Incident may be brought in the future.

While significant charges have been recognized in the income statement since the Incident occurred in 2010, the provisions recognized represent only the current best estimates of expenditures required to settle certain present obligations that can be reasonably estimated at the end of the reporting period, and there are future expenditures for which it is not possible to measure our obligations reliably. BP's total potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Incident (including as a result of any potential determination of BP's negligence or gross negligence), together with the potential cost and burdens of implementing remedies sought in the various proceedings, cannot be fully estimated at this time and are subject to significant uncertainty but they have had, and are expected to continue to have, a material adverse impact on the group's business.

See Financial statements – Note 2 and Legal proceedings on page 257.

Reporting – failure to accurately report our data could lead to regulatory action, legal liability and reputational damage.

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 our reputation.

As of the date of the SEC settlement, 10 December 2012, and for a period of three years thereafter, we are unable to rely on the safe harbor provisions regarding forward-looking statements provided by the regulations issued under the Securities Act, and the Securities Exchange Act of 1934, as amended. Our inability to rely on these safe harbor provisions may expose us to future litigation and liabilities in connection with forward-looking statements in our public disclosures.

Treasury and trading activities – control of these activities depends on our ability to process, manage and monitor a large number of transactions. Failure to do this effectively could lead to business disruption, financial loss, regulatory intervention or damage to our reputation.

In the normal course of business, we are subject to operational risk around our treasury and trading activities. Control of these activities is highly dependent on our ability to process, manage and monitor a large number of complex transactions across many markets and currencies. Shortcomings or failures in our systems, risk management methodology, internal control processes or people could lead to

disruption of our business, financial loss, regulatory intervention or damage to our reputation. See Legal proceedings on page 257.

Safety and operational risks

The risks inherent in our operations include a number of hazards that, although many may have a low probability of occurrence, can have extremely serious consequences if they do occur, such as the Gulf of Mexico oil spill. The occurrence of any such risks could have a consequent material adverse impact on the group's business, competitive position, cash flows, results of operations, financial position, prospects, liquidity, shareholder returns and/or implementation of the group's strategic goals.

Process safety, personal safety and environmental risks – the nature of our operations exposes us to a wide range of significant health, safety, security and environmental risks, the occurrence of which could result in regulatory action, legal liability and increased costs and damage to our reputation.

The nature of the group's operations exposes us to a wide range of significant health, safety, security and environmental risks. The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of our activities. In addition, in many of our major projects and operations, risk allocation and management is shared with third parties such as contractors, sub-contractors, joint arrangement partners and associates. See Strategic and commercial risks – Joint and other contractual arrangements above.

There are risks of technical integrity failure as well as risk of natural disasters and other adverse conditions in many of the areas in which we operate, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents. In addition, inability to provide safe environments for our workforce and the public while at our facilities or premises could lead to injuries or loss of life and could result in regulatory action, legal liability and damage to our reputation.

Our operations are often conducted in hazardous, remote or environmentally sensitive locations, in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations. These operations are subject to various environmental and safety laws, regulations and permits and the consequences of failure to comply with these requirements can include remediation obligations, penalties, loss of operating permits and other sanctions. Accordingly, inherent in our operations is the risk that if we fail to abide by environmental and safety and protection standards, such failure could lead to damage to the environment and could result in regulatory action, legal liability, material costs, damage to our reputation or denial of our licence to operate.

BP's group-wide operating management system (OMS) addresses health, safety, security, environmental and operations risks, and aims to provide a consistent framework within which the group can analyse the performance of its activities and identify and remediate shortfalls. There can be no assurance that OMS will adequately identify all process safety, personal safety and environmental risk or provide the correct mitigations, or that all operations will be in conformance with OMS at all times.

Under the terms of the DoJ settlement (see Legal proceedings on page 264), a process safety monitor will review, evaluate, and provide recommendations concerning BXP's process safety and risk management procedures for deepwater drilling in the Gulf of Mexico. Incidents of non-compliance with the recommendations of the process safety monitor could be damaging to our reputation and shareholder value and could subject us to further regulatory action or penalties under the terms of the DoJ settlement. Multiple events of non-compliance could call into question the integrity of our operations.

Security – hostile acts against our staff and activities could cause harm to people and disrupt our operations.

Security threats require continuous oversight and control. Acts of terrorism, piracy, sabotage, cyber-attacks and similar activities directed against our operations and facilities, pipelines, transportation or

computer systems could cause harm to people and could severely disrupt business and operations. Our business activities could also be severely disrupted by, among other things, conflict, civil strife or political unrest in areas where we operate.

Product quality – failure to meet product quality standards could lead to harm to people and the environment and loss of customers.

Supplying customers with on-specification products is critical to maintaining our licence to operate and our 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 – these activities require high levels of investment and are subject to natural hazards and other uncertainties. Activities in challenging environments heighten many of the drilling and production risks including those of integrity failures, which could lead to curtailment, delay or cancellation of drilling operations, or inadequate returns from exploration expenditure.

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. Our exploration and production activities are often conducted in extremely challenging environments, which heighten the risks of technical integrity failure and natural disasters discussed above. The cost of drilling, completing or operating wells is often uncertain. We 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. In addition, exploration expenditure may not yield adequate returns, for example in the case of unproductive wells or discoveries that prove uneconomic to develop. The Gulf of Mexico oil spill illustrates the risks we face in our drilling and production activities.

Transportation – all modes of transportation of hydrocarbons involve inherent and significant risks.

All modes of transportation of hydrocarbons involve inherent risks. An explosion or fire or loss of containment of hydrocarbons or 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 people and the environment and given the high volumes potentially involved.

APPENDIX D – RELATED PARTY TRANSACTIONS

Disclosures in relation to the related party transactions are set out at pages 164, 166 and 268 of the BP Annual Report and Form 20-F 2013. The following is extracted in full and unedited text from the BP Annual Report and Form 20-F 2013:

Extract from Note 17 Investments in joint ventures, BP Annual Report and Form 20-F 2013, page 164:

Transactions between the group and its joint ventures are summarized below.

						\$ million
Sales to joint ventures		2013		2012		2011
		Amount receivable		Amount receivable		Amount receivable
Product	Sales	at 31 December	Sales	at 31 December	Sales	at 31 December
LNG, crude oil and oil products, natural gas, employee services	4,125	342	4,272	379	3,196	423
						\$ million
Purchases from joint ventures		2013		2012		2011
		Amount payable		Amount payable		Amount payable
Product	Purchases	at 31 December	Purchases	at 31 December	Purchases	at 31 December
LNG, crude oil and oil products, natural gas, refinery operating costs, plant processing fees	503	51	1,107	116	1,165	62

The terms of the outstanding balances receivable from joint ventures are typically 30 to 45 days. The balances are unsecured and will be settled in cash. There are no significant provisions for doubtful debts relating to these balances and no significant expense recognized in the income statement in respect of bad or doubtful debts. Dividends receivable are not included in the table above.

BP has commitments amounting to \$21 million (2012 \$53 million) in relation to contracts with joint ventures for the purchase of LNG, crude oil and oil products, refinery operating costs and storage and handling services. See Note 36 for further information on capital commitments relating to BP's investments in joint ventures.

Extract from Note 18 Investments in associates, BP Annual Report and Form 20-F 2013, page 166:

Transactions between the group and its associates are summarized below.

						\$ million
Sales to associates		2013		2012		2011
		Amount receivable		Amount receivable		Amount receivable
Product	Sales	at 31 December	Sales	at 31 December	Sales	at 31 December
LNG, crude oil and oil products, natural gas, employee services	5,170	783	3,771	401	3,855	393
						\$ million
Purchases from associates		2013		2012		2011
		Amount payable		Amount payable		Amount payable
Product	Purchases	at 31 December	Purchases	at 31 December	Purchases	at 31 December
Crude oil and oil products, natural gas, transportation tariff	21,205	3,470	9,135	932	8,159	815

The terms of the outstanding balances receivable from associates are typically 30 to 45 days. The balances are unsecured and will be settled in cash. There are no significant provisions for doubtful debts relating to these balances and no significant expense recognized in the income statement in respect of bad or doubtful debts. Dividends receivable are not included in the table above.

The majority of the purchases from associates are crude oil and oil products purchased from Rosneft. BP has commitments amounting to \$6,077 million (2012 \$595 million) in relation to contracts with its associates for the

purchase of crude oil and oil products, transportation and storage. See Note 36 for further information on capital commitments relating to BP's investments in associates.

Extract from BP Annual Report and Form 20-F 2013, page 268:

Related-party transactions

Transactions between the group and its significant joint ventures and associates are summarized in Financial statements – Note 17 and Note 18. In the ordinary course of its business, the group enters into transactions with various organizations with which some of its directors or executive officers are associated. Except as described in this report, the group did not have material transactions or transactions of an unusual nature with, and did not make loans to, related parties in the period commencing 1 January 2013 to 18 February 2014.

APPENDIX E – IMPORTANT EVENTS DURING THE YEAR

1. Extracted in full and unedited text from the Chairman's letter, BP Annual Report and Form 20-F, pages 6-7:

Dear fellow shareholder,

In 2013 BP continued the programme of renewal we began following the crisis of 2010. The measures taken to secure and reshape the group are taking hold. As this report shows, BP is stronger and safer as a result.

Change within the group has taken place against the backdrop of a rapidly evolving world. The energy landscape is developing at pace, for example, the growth of shale gas in the US. But the long-term supply challenge has not gone away. More energy is required to meet the needs and aspirations of a rising global population. The *BP Energy Outlook* projects an average increase in energy demand of 1.5% per year through to 2035. That's like adding the needs of a country twice the size of the US over the next twenty years.

We are also seeing that society has ever higher expectations of business. This is reflected in the increasing scrutiny placed on the commercial sector, particularly by politicians and the media. Companies must work hard to maintain people's trust and respect.

Shareholders' expectations are shifting too, particularly in the extractive industries sector. Some investors feel that international oil companies have spent too much for too little return. A decade of mergers and acquisitions in our industry has generated little production growth. Capital expenditure has increased but profit margins have been squeezed. Rightly, shareholders expect better returns.

The board recognizes this changing world and the importance of our response. Throughout 2013 we gave close attention to strategy, project appraisal and capital discipline, working with Bob Dudley and his team to ensure the group spends its money wisely. BP's strategy is rooted in three imperatives: clear priorities, a quality portfolio and distinctive capabilities.

Our first clear priority is to run safe and reliable operations. We must also make disciplined financial choices, selecting the smart options that can help meet demand and generate value. Furthermore, we must be competitive in how we execute our projects.

Our quality portfolio, which is at the core of our strategy, is the result of the choices we make. It contains assets that enable us to play to our areas of greatest strength, from exploration to high-value upstream projects – particularly deepwater operations, giant fields and gas value chains – and high-quality downstream businesses.

To these assets and activities we apply our distinctive capabilities – the expertise of our people, advanced technology and the ability to build the strong relationships required to access resources and deliver complex projects.

In all of this, we are focused on value before volume. In other words we don't simply chase production for the sake of it, rather we choose projects where we can generate the most value through our production.

We know we must be disciplined, sticking to clear limits on capital expenditure, and balancing rewards for shareholders today with the long-term capital investment required for tomorrow. Safety and strong governance must underpin everything we do.

2013 was a busy and successful year for BP, with progress in our underlying operations. Our growing confidence was reflected in the dividend increase announced in October 2013 – the third increase in two years. We also returned value to shareholders through the \$8-billion share repurchase programme announced in March 2013. Additional distributions are planned as we make further divestments to reshape our portfolio. The milestones set for 2014 will be an important measure of progress and your board is monitoring this closely.

I am particularly pleased that in 2013 we completed our transaction with Rosneft, closing one chapter in Russia and opening another. This is an important investment with the potential to create substantial value for BP over the years to come.

2013 also saw the shocking attack at the In Amenas facility in Algeria. Our thoughts remain with the families and friends of those who died. The response of management to this tragedy was strong and the board acted positively and promptly.

We continue to address uncertainty in the US. In 2013, we once again met our responsibilities to the region by paying legitimate claims arising from the 2010 accident and oil spill in the Gulf of Mexico. And we met our responsibilities to shareholders by challenging and resisting any attempt to take advantage of BP with claims that are not legitimate. We will fight through the courts until matters are resolved properly, however long that takes. In the meantime, the board is working to ensure that BP is not distracted from growing the business and creating shareholder value.

Boards set the tone and values that shape performance and behaviour over the long term. An effective board creates an enduring framework within which management can lead. Having been through challenging times, the BP board has grown into a strong team with experienced non-executives drawn from relevant industries. This year, more than ever, they have been out to see BP's operations for themselves, from India to Indiana. We continue to be assisted on geopolitical matters by the international advisory board.

Our approach to governance has enabled us to focus on critical strategic issues, with our board committees taking on the many oversight and compliance matters that require attention.

Remuneration continues to be a board matter of particular importance to shareholders, with executive pay policy now subject to a vote at the annual general meeting. BP has a record of ensuring there are clear links between strategy, performance and remuneration. This will continue.

I believe diversity helps to strengthen the effectiveness of a board. We plan succession well ahead and are developing a pipeline of potential board candidates. We are committed to progress and finding the right people for our board.

I would like to end by thanking you, our shareholders, for your continued support. I also want to acknowledge the people who drive your company forward every working day. From Bob Dudley and his management team to employees across the business; our people are doing a great job of transforming BP. Their hard work has moved us forward, with the promise of more to come.

Carl-Henric Svanberg
Chairman
6 March 2014

2. Extracted in full and unedited text from the Group chief executive's letter, BP Annual Report and Form 20-F, pages 8-9:

Dear fellow shareholder,

For BP, 2013 was a year of good progress in building a safer, stronger and better performing company. We made new discoveries, started up new operations, strengthened our portfolio and secured a new future in Russia. We also maintained our investment in the US while standing up for what we believe to be right.

Within BP, sadly, 2013 will also be remembered for the terrorist attack in Algeria in January, when four staff members and 36 colleagues from other companies were killed. Those who died had many friends in BP and our thoughts remain with their loved ones, and with those who survived that terrible ordeal. I was proud of the way people in BP responded – with great compassion, but also with great fortitude.

This report contains a wealth of information on our performance. I would like to draw out a few of the year's highlights, all of which demonstrate how we are implementing our strategy, with its emphasis on clear priorities, a quality portfolio and distinctive capabilities.

Clear priorities: safety, capital discipline, project execution

The first of our priorities is to run safe and reliable operations. In 2013 we made good progress overall, but unfortunately we also suffered two driving-related fatalities as well as the loss of the four employees murdered at In Amenas. Our thoughts are with those who have been bereaved. We will implement the lessons learned.

In terms of general safety performance, however, we saw some encouraging progress. The number of tier 1 process safety events – the most significant incidents – fell to 20 from 43 in 2012 and 74 in 2011. We are definitely heading in the right direction, but there is always more to do and we remain vigilant.

We also saw improvements in measures that reflect the underlying health of our business. For example, in upstream BP-operated plant efficiency reached 88%, and refining availability in downstream averaged 95.3% – the highest level for 10 years. These numbers reinforce my view that safety and value have the same roots: systematic, disciplined operations, undertaken by people who respect each other and work as one team.

In terms of capital discipline, in 2013 we invested \$24.6 billion, which kept us within our \$25-billion limit, and we expect to keep capital expenditure broadly the same in 2014. We know we have to invest wisely so we maintain our shareholders' trust.

Turning to project execution, we saw three upstream major projects start up in 2013 – in the Gulf of Mexico, Angola and Australia. Three more followed closely in the first months of 2014 – the Chirag oil project in Azerbaijan and the Mars B and Na Kika Phase 3 projects in the Gulf of Mexico.

Quality portfolio

Beyond these start-ups, we extended our portfolio as a platform for growth in several other ways.

For example, we grew our exploration position by participating in seven potentially commercial discoveries, in Angola, Brazil, Egypt, India and the Gulf of Mexico. We also drilled 17 exploration wells, more than in the previous two years put together. BP has built up great skills in finding oil and gas and we are seeing the results of investing in our explorers.

And in the US lower 48 – which excludes Alaska and Hawaii – we intend to create a separate BP business to manage our onshore oil and gas assets, which we believe will help to unlock the significant value associated with our extensive resource position there.

Our reserves replacement ratio was 129% of production. When we include the net growth in our Russian portfolio as a result of the change of our holdings, the reserves replacement ratio on a combined basis was 199%.

And in the US lower 48 – which excludes Alaska and Hawaii – we intend to create a separate BP business to manage our onshore oil and gas assets, which we believe will help to unlock the significant value associated with our extensive resource position there.

In the Downstream, we completed the commissioning of all major units for the Whiting refinery. This landmark modernization programme, our fourth major project start-up in 2013, is turning what began as a 19th century plant into a truly 21st century one. It is now able to compete strongly by processing a wide range of crudes, including heavy oil from Canada.

More generally, our Downstream business has transformed its shape over the last five years. In the US, we have sold two facilities and we now have three modern refineries that are well configured and well connected to important markets. In lubricants, 40% of revenue now comes from our premium brands. In petrochemicals, we are also focusing on high-growth regions and new technologies.

Distinctive capabilities

New acetic acid and ethylene technologies announced by the petrochemical team in 2013 are among a series of innovations we have developed in support of our exploration, production, refining and marketing activities. These include advanced seismic imaging capacity – using one of the world's largest civilian supercomputers – enhanced oil recovery techniques and leading lubricant processes.

Our technologies are complemented by the capabilities of our people, which we continue to deepen through training and development, and our experience in building and maintaining relationships.

New future in Russia

Relationships have been vital in securing a new future for BP in Russia as a 19.75% shareholder in Rosneft. Rosneft is implementing its strategy for growth across a promising portfolio and paid us a dividend of \$456 million in 2013. We look forward to exploring opportunities for BP to work with Rosneft in the years ahead.

Making our case in the US

BP has continued to meet its commitment to environmental and economic restoration in the Gulf of Mexico. We have also been swift to counter illegitimate claims and to argue for a fair resolution to compensation matters. By the end of the year the total cumulative cost to the company had reached \$42.7 billion, the scale of that amount underlining once again that BP is living up to its responsibilities in the region and to the US as a whole. The US remains vitally important to today's BP, with around 20,000 employees across the country and we estimate that our economic activity supports a further 240,000 additional jobs. Nearly 40% of our shares are held in the US, and we invest more there than in any other country.

Looking ahead

We are a smaller but stronger company, having divested \$38 billion of assets over three years. In October we announced that we would divest around a further \$10 billion of assets before the end of 2015 – a decision that reflects our commitment to balancing reinvestment with rewards for our shareholders. We expect to use the proceeds predominantly for distributions to shareholders, with a bias to share buybacks.

Our unrelenting focus on capital discipline and systematic operating is increasing the free cash flow we have available. We are on track to meet our goal of generating more than \$30 billion of operating cash flow in 2014, an increase of more than 50% on 2011.

I'm looking forward to 2014 with great confidence. I think you will see a re-energized and refocused BP – a company that is set to become stronger and safer in every way, as we fulfil our mission of delivering energy to customers and value to shareholders.

Bob Dudley

Group Chief Executive
6 March 2014

3. Extracted in full and unedited text from “Group performance”, BP Annual Report and Form 20-F, pages 22-24:

Group performance

Our progress in 2013 has set us up well to deliver our 10-point plan and forms the foundations for delivering value in the long term.

We continued to operate within a disciplined financial framework in 2013 – with organic capital expenditure of \$24.6 billion (within the expected \$24-\$25 billion range). Upstream BP-operated plant efficiency of 88% and strong refining availability of 95.3% in Downstream demonstrated our progress in operational efficiency. We completed the transactions to increase our shareholding in Rosneft to 19.75%. And, we are continuing to meet our commitments in the Gulf of Mexico, while making our case in court.

2013-2014 milestones set out in our 10-point plan

- Drilling up to 25 wells per year.
We completed 17 exploration wells and made seven potentially commercial discoveries in 2013. It was our most successful year for exploration drilling in almost a decade.
- A further nine major upstream project start-ups.
Three major projects were started up in 2013 and another three in January and February 2014. We expect a further four major upstream projects to start up in 2014.
- Unit operating cash margins from new upstream projects in 2014 are expected to be double the 2011 average.
We continued to bring on major projects in key regions such as Angola and the Gulf of Mexico.
- Bringing onstream the major upgrade to the Whiting refinery in the second half of 2013.
We completed the commissioning of all major units for the refinery upgrade, transforming it into one of our advantaged downstream assets in our portfolio.
- Completing our \$38-billion divestment programme by the end of 2013.
We completed our \$38-billion divestment programme in 2012 – effectively a year early. In October 2013, we announced our plan to divest a further \$10 billion before the end of 2015.
- We have a high-value, focused portfolio that plays to our strengths.
Our divestments have removed complexity, strengthened the balance sheet and left us with a more distinctive set of assets that play to our strengths – deep water, gas value chains, giant fields and high-quality downstream businesses.
- Increasing overall operating cash flow by 50% in 2014 compared with 2011.
We are on track to meet our goal of generating more than \$30 billion of operating cash flow in 2014.
- We expect to use around half of the extra cash for increased investment and around half for other purposes, including increased distributions to shareholders.

As at 31 December 2013 we had bought back 753 million shares for a total amount of \$5.5 billion, including fees and stamp duty, since 22 March 2013. The dividend paid in 2013 was 36.5 cents per share, up 30% compared with the dividend of 28 cents per share paid in 2011.

Group performance and outlook

Financial performance

	\$ million		
	2013	2012	2011
Profit before interest and tax	31,769	19,769	39,815
Finance costs and net finance costs relating to pensions and other post retirement benefits	(1,548)	(1,638)	(1,587)
Taxation	(6,463)	(6,880)	(12,619)
Non-controlling interests	(307)	(234)	(397)
Profit for the year	23,451	11,017	25,212
Inventory holding (gains) losses, net of tax	230	411	(1,800)
Replacement cost profit	23,681	11,428	23,412
Net charge (credit) for non-operating items, net of tax	(10,533)	5,298	(2,195)
Net (favourable) unfavourable impact of fair value accounting effects, net of tax	280	345	(47)
Underlying replacement cost profit	13,428	17,071	(21,170)
Capital expenditure and acquisitions	36,612	25,204	31,959

Profit for the year ended 31 December 2013 was \$23,451 million. After adjusting for \$230 million in respect of inventory holding losses and their associated tax effect, replacement cost (RC) profit was \$23,681 million. After further adjusting for a net credit of \$10,533 million for non-operating items and unfavourable fair value accounting effects (relative to management's measure of performance) of \$280 million, both net of tax, underlying RC profit was \$13,428 million.

Non-operating items in 2013, on a pre-tax basis, were mainly relating to the \$12.5-billion gain on disposal of TNK-BP partially offset by an \$845-million write-off attributable to block BM-CAL-13 offshore Brazil as a result of the Pitanga exploration well not encountering commercial quantities of oil or gas, impairment charges and further charges associated with the Gulf of Mexico oil spill. More information on non-operating items, and fair value accounting effects, can be found on page 237. See Gulf of Mexico oil spill on page 38 and Financial statements – Note 2 for further information on the impact of the Gulf of Mexico oil spill on BP's financial results.

For the year ended 31 December 2012, profit was \$11,017 million, RC profit was \$11,428 million and underlying RC profit was \$17,071 million. There was a net post-tax charge of \$5,298 million for non-operating items, which included a \$5.0-billion pre-tax charge relating to the Gulf of Mexico oil spill.

Compared with 2012, underlying RC profit in 2013 was impacted by the absence of equity-accounted earnings from TNK-BP and lower earnings from both Downstream and Upstream, partially offset by the equity-accounted earnings from Rosneft from 21 March 2013 (when sale and purchase agreements with Rosneft and Rosneftegaz completed).

For the year ended 31 December 2011, profit was \$25,212 million, RC profit was \$23,412 million and underlying RC profit was \$21,170 million. There was a net post-tax credit for non-operating items of \$2,195 million, which included a \$3.8-billion pre-tax credit relating to the Gulf of Mexico oil spill.

Compared with 2011, underlying RC profit in 2012 was impacted by significantly lower earnings from Upstream and the absence of equity-accounted earnings from TNK-BP from

22 October 2012 (when our investment was reclassified as an asset held for sale, as required under IFRS), partially offset by improved earnings from Downstream.

See Upstream on page 25, Downstream on page 31, Rosneft on page 35 and Other businesses and corporate on page 37 for further information on segment results.

4. Extracted in full and unedited text from “Upstream”, BP Annual Report and Form 20-F, pages 25-30:

Upstream

Our performance – 2013 summary

- We continue our focus on improving safety performance. For more details on personal and process safety (see Safety on page 41).
- Our exploration function gained access to new potential resources covering more than 43,000km² in seven countries.
- In 2013 there were three major upstream project start-ups.
- We achieved an upstream BP-operated plant efficiency of 88%.
- Disposal transactions generated \$1.3 billion in proceeds in 2013.

5. Extracted in full and unedited text from “Downstream”, BP Annual Report and Form 20-F, pages 31-35:

Downstream

Our performance – 2013 summary

- Our personal and process safety performance improved compared with 2012 and 2011 (see Safety on page 41).
- We completed the commissioning of all major units for the Whiting refinery modernization project, transforming it into one of our key advantaged downstream assets and supporting our ability to deliver increased cash flow in 2014 and beyond.
- We also completed the sales of our Texas City and Carson refineries.
- Lubricants achieved steady replacement cost (RC) profit before interest and tax through our exposure to growth markets, technology investments and targeted marketing programmes.
- In petrochemicals, we announced two new proprietary technologies which we expect to lower manufacturing costs and increase efficiency for the production of key products.

6. Extracted in full and unedited text from “Rosneft”, BP Annual Report and Form 20-F, pages 35-36:

Rosneft

BP and Rosneft

- BP sold its investment in TNK-BP in exchange for \$11.8 billion in cash and an 18.5% stake in Rosneft. Together with its existing 1.25% shareholding, BP now holds a 19.75% stake in the company.
- BP’s shareholding in Rosneft allows us to benefit from a diversified set of existing and potential projects in the Russian oil and gas sector. BP considers Rosneft share price appreciation and dividend growth as primary sources of value for its shareholders.
- Rosneft’s strategy is to pursue sustainable growth of crude oil production, develop its gas business and complete its refinery modernization programme.
- BP is positioned to contribute to Rosneft’s strategy through the sharing of technology, people, processes and best practice. We also have the

potential to undertake standalone projects with Rosneft, both in Russia and internationally.

- Bob Dudley was elected to the Rosneft board of directors in June 2013, and became a member of the Rosneft board's strategic planning committee.

Rosneft – 2013 summary

- Rosneft announced in June 2013 that it had completed the process of integrating TNK-BP and subsequently the Rosneft board approved a modified business plan for 2013 incorporating the acquisition of TNK-BP.
- Rosneft concluded long-term crude oil supply agreements with China National Petroleum Corporation (CNPC) and Sinopec, signalling China as an additional market for Russian crude.
- Rosneft completed the acquisition of the remaining 49% in the Itera joint venture, 51% of Sibneftegaz and agreed to buy gas assets from ALROSA.
- Rosneft made a voluntary offer in October 2013 to buy out the non-controlling shareholders of RN Holding (formerly TNK-BP Holding). By the closing date of the offer in January 2014, Rosneft had received acceptances of its offer from over 98% of such shareholders.

7. Extracted in full and unedited text from "Gulf of Mexico oil spill", BP Annual Report and Form 20-F, pages 38-40:

Gulf of Mexico Oil Spill

We remain committed to meeting our responsibilities to the US federal, state and local governments and communities of the Gulf Coast following the Deepwater Horizon accident.

We have made significant progress in completing the response to the accident and supporting economic and environmental recovery efforts in affected areas.

Completing the response

BP, working under the direction of the US Coast Guard's Federal On-Scene Coordinator, continued to complete the Deepwater Horizon operational response activities. By the end of 2013, operational activity continued on just 37 of the approximately 4,400 shoreline miles in the area of response. These 37 shoreline miles were all in Louisiana and were subject to patrolling and maintenance, final monitoring or inspection, or were pending final Coast Guard approval at the end of 2013. The US Coast Guard ended active clean-up in Mississippi, Alabama and Florida in June 2013.

The US Coast Guard has indicated that if oil is later discovered in a shoreline segment where removal actions have been deemed complete, they will follow long-standing response protocols established under the law and contact whoever it believes is the responsible party or parties.

Environmental restoration

BP is responsible for the reasonable and necessary costs of assessing potential injury to natural resources resulting from the oil spill as well as the reasonable and necessary costs of restoration as defined under the Oil Pollution Act of 1990. In 2013 activity was focused on natural resource damage assessment but some early restoration work has also begun.

Natural resource damage assessment

Scientists from BP, government agencies, academia and other organizations are studying a range of species and habitats to understand how wildlife populations and the environment may have been affected by the accident and oil spill. Since May 2010, more than 240 initial and amended work plans have been developed by state and federal trustees and BP to study resources and habitat. The study data will inform an assessment of injury to natural resources in the Gulf of Mexico and the development of a restoration plan to address the identified injuries. By the end of 2013, BP had paid approximately \$1 billion to support the assessment process.

Early restoration projects

While the injury assessment is still ongoing, restoration work has begun. In April 2011 BP committed to provide up to \$1 billion in early restoration funding to expedite recovery of natural resources injured as a result of the Deepwater Horizon accident and oil spill. BP and the trustees, as at December 2013, had reached agreement or agreement in principle on a total of 54 early restoration projects that are expected to cost approximately \$698 million, including 10 projects that are already in place or under way.

Projects announced in 2013 include ecological projects that will restore habitat and resources, as well as projects that enhance recreational use of natural resources. These projects will proceed through a further regulatory review and public comment process. Once that process is complete, BP and the trustees will seek to proceed with approved projects. BP will provide project funding in exchange for restoration credit to be applied to the final assessment of natural resource damages.

Gulf of Mexico Research Initiative

In May 2010 BP committed \$500 million over 10 years to fund independent scientific research through the Gulf of Mexico Research Initiative. The goal of the research initiative is to improve society's ability to understand, respond to and mitigate the potential impacts of oil spills to marine and coastal ecosystems. As at 31 December 2013, the aggregate contribution by BP was \$169 million. The continued fulfilment of this commitment is one of the conditions of the US government criminal plea agreement (see below).

Economic recovery

BP continued to support economic recovery efforts in local communities through a variety of actions and programmes in 2013. By 31 December 2013, BP had spent \$12.8 billion on economic recovery, including claims, advances, settlements and other payments, such as state tourism grants and funding for state-led seafood testing and marketing. BP has committed \$2.3 billion to help resolve economic loss claims related to the Gulf of Mexico seafood industry, of which \$1.2 billion has been paid in to the seafood compensation fund but has not yet been distributed to final claimants.

Plaintiffs' Steering Committee settlements

BP reached settlements in 2012 with the Plaintiffs' Steering Committee (PSC) to resolve the substantial majority of legitimate individual and business claims and medical claims stemming from the accident and oil spill. The PSC acts on behalf of individual and business plaintiffs in the multi-district litigation proceedings in New Orleans (see Legal update below). During 2013, amounts paid out under the PSC settlements totalled \$2.7 billion.

As part of its monitoring of payments made by the court-supervised settlement programme for the economic and property damages settlement, BP identified and disputed multiple business economic loss claim determinations that appeared to result from an incorrect interpretation of the economic and property damages settlement agreement by the claims administrator. See further details under Legal update below. BP has also raised issues about misconduct and inefficiency in the facility administering the settlement.

The medical benefits class action settlement provides for claims to be paid to qualifying class members from the agreement's effective date. Following the resolution of all appeals relating to this settlement, the agreement's effective date was 12 February 2014. The deadline for submitting claims under the settlement is one year from the effective date.

OPA claims programme

There is a separate BP claims programme which handles claims under the Oil Pollution Act of 1990 (OPA) by individuals and businesses who are not covered by the PSC economic and property damages settlement, who have opted out of the settlement or who are pursuing claims separately, as permitted by the terms of the settlement. During 2013, amounts paid out in relation to the OPA claims programme totalled \$31 million.

State and local claims

Several states and local government entities have presented claims for alleged losses, including economic and property damage, under OPA. BP has provided for the current best estimate of the amount required to settle these obligations. BP considers most of these claims to be unsubstantiated and the methodologies used to calculate them to be seriously flawed, not supported by OPA, not supported by documentation and to be substantially overstated. A total of \$89 million was paid in relation to state and local claims in 2013.

For further information on the PSC settlements and state and local claims, see Legal proceedings on page 257, Financial Statements – Note 2 and bp.com/uslegalproceedings.

Legal update

BP is subject to a number of different legal proceedings in connection with the Deepwater Horizon incident. These include the legal proceedings relating to the PSC settlements; the multi-district litigation proceedings in New Orleans; a range of civil lawsuits, including claims brought by states and local government entities; other civil claims by individuals and businesses; and the multi-district litigation proceedings in Houston in relation to alleged violations of securities legislation. In 2012, BP reached a settlement with the US Department of Justice relating to all federal criminal charges and a settlement with the SEC resolving certain civil claims. Certain BP entities have been subject to suspension and debarment by the US Environmental Protection Agency (EPA).

PSC settlements

There have been various rulings from the district court and the US Court of Appeals for the Fifth Circuit (Fifth Circuit) on matters relating to interpretation of the PSC economic and property damages settlement agreement, including the meaning of the causation requirements of the agreement.

In 2013 a panel of the Fifth Circuit (the business economic loss panel) set aside the claims administrator's interpretation of the business economic loss framework of the settlement agreement and instructed the district court in New Orleans to undertake additional proceedings to determine the correct interpretation of the agreement. In December 2013, the district court ruled that, for the purposes of determining business economic loss claims, revenues must be matched with expenses incurred by claimants in conducting their business even where the revenues and expenses were recorded at different times. The district court assigned the development of more detailed matching requirements to the claims administrator. The claims administrator has issued a draft policy addressing the matching of revenue and expenses for business economic loss claims. The parties have made written submissions on the draft policy and the claims administrator will issue a final policy to which BP and the PSC have the right to object and seek review by the district court.

The district court also ruled that the settlement agreement did not contain a causation requirement beyond the revenue and related tests set out in an exhibit to that agreement. BP appealed the district court's ruling on causation to the business economic loss panel, but the panel affirmed the district court's ruling on 3 March 2014. BP is considering its appeal options, including a potential petition that all the active judges of the Fifth Circuit review the 3 March decision. The temporary injunction on business economic loss claims offers and payments will be lifted when the case is transferred back to the district court; the timing of this would be affected by the status of any such petition by BP.

A separate but related appeal was brought by objectors to the economic and property damages settlement challenging the overall fairness and lawfulness of the agreement. This appeal was heard by a different panel of the Fifth Circuit, which, in January 2014, upheld the district court's approval of the settlement agreement and left to the business economic loss panel the question of how to interpret the agreement, including the meaning of the agreement's causation requirements. BP and several of the objectors have filed petitions requesting that all the active judges of the Fifth Circuit review the decision to uphold the approval of the settlement.

BP has filed a lawsuit alleging that it relied on fraudulent representations by a former PSC lawyer when negotiating aspects of the PSC settlement relating to the \$2.3-billion seafood compensation fund. The district court granted the lawyer's motion to stay this lawsuit, pending developments in the government's criminal investigation and possible indictment. The district court also denied BP's motion requesting that further payments from the seafood compensation fund be suspended on the basis that no further payment from the fund is imminent. The district court deferred ruling on a motion by BP seeking to determine the extent of the fraud and what portion, if any, of the seafood fund should be returned as a result.

Multi-district litigation proceedings in New Orleans

The multi-district litigation trial relating to liability, limitation, exoneration and fault allocation (MDL 2179) began in the federal district court in New Orleans in February 2013. The first phase of the trial focused on the causes of the accident and the allocation of fault among the defendants. The second phase focused on efforts to stop the flow of oil and the volume of oil spilled. BP is not aware of the timing of the district court's rulings in respect of these first two phases of the trial and the court could issue its decision at any time.

In a subsequent trial phase, for which no trial date has yet been set, the district court will consider the statutory per-barrel penalty rate to be applied in determining penalties under the Clean Water Act. There is significant uncertainty about the amount of Clean Water Act penalties to be paid, and the timing of payment, as these will depend on the finding as to negligence or gross negligence, the volume of oil spilled and the application of statutory penalty factors. The district court has wide discretion in its determination as to whether a defendant's conduct involved negligence or gross negligence as well as in its determinations on the volume of oil spilled and the application of statutory penalty factors.

Civil claims

BP p.l.c., BP Exploration & Production Inc. (BXP – the BP group company that conducts exploration and production operations in the Gulf of Mexico) and various other BP entities have been among the companies named as defendants in approximately 2,950 civil lawsuits resulting from the accident and oil spill, including the claims by several states and local government entities referred to above. The majority of these lawsuits assert claims under OPA, as well as various other claims, including for economic loss and real property damage, and claims under maritime law and state law. These lawsuits seek various remedies including economic and compensatory damages, punitive damages, removal costs and natural resource damages. Many of the lawsuits assert claims excluded from the PSC settlements, such as claims for recovery for losses allegedly resulting from the 2010 federal deepwater drilling moratoria and the related permitting process. Many of these lawsuits have been consolidated with the multi-district litigation proceedings in New Orleans.

Multi-district litigation proceedings in Houston

The MDL 2185 proceedings pending in federal court in Houston, including a purported class action on behalf of purchasers of American Depository Shares under US federal securities law, are continuing. A jury trial is scheduled to begin in October 2014.

SEC settlement

In connection with the 2012 settlement with the SEC resolving the SEC's Deepwater Horizon-related civil claims, as of 31 December 2013, BP had completed its first two payments totalling \$350 million. A final \$175 million payment, plus accrued interest, is scheduled for 2014.

US government criminal plea agreement

Under the terms of the criminal plea agreement reached with the US government in 2012 to resolve all federal criminal claims arising out of the Deepwater Horizon incident, BP is taking additional actions, enforceable by the court, to further enhance the safety of drilling operations in the Gulf of Mexico. The first annual update on BP's compliance with the plea agreement is expected to be available by 31 March 2014 and to be published at bpxpcmpliancereports.com.

The plea agreement also provides for the US government to appoint two independent monitors – a process safety monitor and an ethics monitor – as well as an independent third-

party auditor. The process safety monitor has been retained, for a period of up to four years from February 2014, and will review and provide recommendations concerning BPXP's process safety and risk management procedures for deepwater drilling in the Gulf of Mexico. The ethics monitor has been retained, for a term of up to four years from 2013, and will review and provide recommendations concerning BP's ethics and compliance programme. The third-party auditor has also been retained and will review and report to the probation officer, the US government and BP on BPXP's compliance with the plea agreement's implementation plan.

US Environmental Protection Agency (EPA) suspension and debarment

In November 2012, the EPA suspended BP p.l.c., BPXP and other BP companies from receiving new federal contracts or renewing existing ones. In 2013, the EPA debarred the Houston headquarters of BPXP, thus effectively preventing it from entering into new contracts or leases with the US government. In November 2013, the EPA continued the suspensions of the previously suspended companies, suspended two new BP entities and proposed discretionary debarment of all suspended BP entities. BP is challenging the EPA's suspension and debarment decisions. Neither the suspensions nor the proposed debarments affect existing contracts BP has with the US government, including those relating to current and ongoing drilling and production operations in the Gulf of Mexico. BP continues to work with the EPA in preparing an administrative agreement to resolve these suspension and debarment issues.

For further information on these matters, see Risk factors on page 51 and Legal proceedings on page 257.

Financial update

The group income statement for 2013 includes a pre-tax charge of \$469 million in relation to the Gulf of Mexico oil spill. The charge for the year reflects adjustments to provisions and the ongoing costs of the Gulf Coast Restoration Organization. As at 31 December 2013, the total cumulative charges recognized to date amount to \$42.7 billion. BP has provided for spill response costs, environmental expenditure, litigation and claims and Clean Water Act penalties that can be measured reliably. At 31 December 2013, provisions related to the Gulf of Mexico oil spill amounted to \$9.3 billion (2012 \$15.2 billion).

The cumulative income statement charge does not include amounts for obligations that BP considers are not possible, at this time, to measure reliably. Nothing is currently provided for natural resource damages, except for \$1 billion for early restoration projects and no provision has been made for amounts arising from MDL 2185 (securities class action). In addition, management believes that no reliable estimate can be made of any business economic loss claims not yet received, processed and paid. This is because of the significant uncertainties which exist currently, as noted in the Plaintiffs' Steering Committee section above (see also Financial statements – Note 2). The additional amounts payable for these and other items (such as state and local claims) could be considerable.

The total amounts that will ultimately be paid by BP in relation to all the obligations relating to the accident and oil spill are subject to significant uncertainty. The ultimate exposure and cost to BP will be dependent on many factors, including any new information or future developments. These could have a material impact on our consolidated financial condition, results of operations and cash flows. The risks associated with the accident and oil spill could also heighten the impact of the other risks to which the group is exposed.

For details regarding the impacts and uncertainties relating to the Gulf of Mexico oil spill, see Risk factors on page 51 and Financial statements – Note 2.

Deepwater Horizon Oil Spill Trust update

BP, in agreement with the US government, set up the \$20-billion Deepwater Horizon Oil Spill Trust (the Trust) to provide confidence that funds would be available to satisfy individual and business claims, final judgments in litigation and litigation settlements, state and local response costs and claims, and natural resource damages and related costs. The Trust was fully funded by the end of 2012.

Payments made out of the Trust during 2013 totalled \$3.1 billion for individual and business claims, medical settlement programme payments, natural resource damage assessment and early restoration, state and local government claims, costs of the court supervised settlement programme and other resolved items. As at 31 December 2013, the aggregate cash balances in the Trust and the associated qualified settlement funds amounted to \$6.7 billion, including \$1.2 billion remaining in the seafood compensation fund, which is yet to be distributed, and \$0.9 billion held for natural resource damage early restoration projects.

As at 31 December 2013, the cumulative charges to the Trust amounted to \$19.3 billion. Thus, a further \$0.7 billion could be charged in subsequent periods for items covered by the Trust with no net impact on the income statement. Additional liabilities in excess of this amount would be expensed to the income statement. See Legal proceedings on page 257 and Financial statements – Note 2 for more information.

Clean Water Act penalties

BP has recognized a provision of \$3.5 billion for the estimated civil penalties for strict liability under the Clean Water Act, which are based on a specified range per barrel of oil released. The penalty rate per barrel used to calculate this provision is based upon BP's conclusion, among other things, that it did not act with gross negligence or engage in wilful misconduct.

If BP is found to have been grossly negligent, the penalty is likely to be significantly higher than the amount currently provided. See further details under Multi-district litigation proceedings in New Orleans above and in Financial statements – Note 2.