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BP PLC
Form 6-K
April 29, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended 29 April, 2008

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

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

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

Form 20-F |X| Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No |X|

BP p.l.c.
Group results
First quarter 2008

London 29 April 2008

FOR IMMEDIATE RELEASE

First Fourth First
quarter quarter quarter
2008 2007 2007

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| \$ million | ===== | | |
|---|---------|---------|-------|
| Profit for the period(a) | 7,619 | 4,399 | 4,664 |
| Inventory holding (gains) losses, net of tax(b) | (1,031) | (1,004) | (220) |
| | ----- | | |
| Replacement cost profit(b) | 6,588 | 3,395 | 4,444 |
| | ===== | | |
| | | | |
| - per ordinary share (pence) | 17.63 | 8.75 | 11.76 |
| - per ordinary share (cents) | 34.90 | 17.90 | 22.93 |
| - per ADS (dollars) | 2.09 | 1.07 | 1.38 |
| | ===== | | |

- BP's first-quarter replacement cost profit was \$6,588 million, compared with \$4,444 million a year ago, an increase of 48%.
- Non-operating items and fair value accounting effects for the first quarter had a net \$4 million unfavourable impact compared to a net \$36 million favourable impact in the first quarter of 2007 - see further details on page 3. Non-operating items for the first quarter included a pre-tax charge of \$307 million for restructuring, integration and rationalization costs associated with BP's forward agenda.
- Net cash provided by operating activities for the quarter was \$10.9 billion compared with \$8.0 billion a year ago.
- The effective tax rate on replacement cost profit(b) for the quarter was 37%; the rate was 34% a year ago.
- Net debt at the end of the quarter was \$23.8 billion. The ratio of net debt to net debt plus equity was 19% compared with 20% a year ago. Net debt has been redefined as described on page 5.
- Capital expenditure, excluding acquisitions and asset exchanges, was \$7.1 billion for the quarter. Total capital expenditure and acquisitions was \$9.0 billion. Capital expenditure excluding acquisitions and asset exchanges, and excluding the accounting for our transaction with Husky, is expected to be around \$21-22 billion for the year. Disposal proceeds were \$0.3 billion for the quarter.
- The quarterly dividend, to be paid in June, is 13.525 cents per share (\$0.8115 per ADS) compared with 10.325 cents per share a year ago, an increase of 31%. In sterling terms, the quarterly dividend is 6.830 pence per share, compared with 5.151 pence per share a year ago, an increase of 33%. During the quarter, the company repurchased 91 million of its own shares for cancellation at a cost of \$1 billion.

(a) Profit attributable to BP shareholders.

(b) With effect from 1 January 2008, replacement cost profit excludes inventory holding gains and losses net of tax. Comparative amounts have been amended to the new basis. See page 2 for further details.

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

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Analysis of replacement cost profit and reconciliation to profit for the period

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| | | |
| \$ million | | |
| Exploration and Production | 10,072 | 7,870 |
| Refining and Marketing | 1,249 | (1,296) |
| Other businesses and corporate | (213) | (427) |
| Consolidation adjustment | (195) | (267) |
| | | |
| RC profit before interest and tax(a) | 10,913 | 5,880 |
| | | |
| Finance costs and net finance income relating to pensions and other post-retirement benefits | (246) | (242) |
| Taxation on a replacement cost basis(b) | (3,947) | (2,138) |
| Minority interest | (132) | (105) |
| | | |
| Replacement cost profit attributable to BP shareholders(b) | 6,588 | 3,395 |
| | | |
| Inventory holding gains (losses) | 1,593 | 1,427 |
| Taxation (charge) credit on inventory holding gains and losses(b) | (562) | (423) |
| | | |
| Profit for the period attributable to BP shareholders | 7,619 | 4,399 |
| | | |

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

(b) Effective 1 January 2008, replacement cost profit excludes inventory holding gains and losses and their associated tax effect. Previously, replacement cost profit excluded inventory holding gains and losses while the tax charge remained unadjusted and included the tax effect on inventory holding gains and losses. Comparative amounts have been amended to the new basis and the impact of the change is shown in the table below. There is no impact on profit for the period.

| | Fourth quarter 2007 |
|---|---------------------------|
| | |
| \$ million | |
| Replacement cost profit attributable to BP shareholders | |
| -as previously reported | 2,972 |
| -tax effect on inventory holding gains and losses | 423 |
| | |
| -as amended | 3,395 |
| | |

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Non-operating items and fair value accounting effects

Non-operating items(a)

| | First quarter 2008 | Fourth quarter 2007 |
|--------------------------------|--------------------------|---------------------------|
| \$ million | | |
| Exploration and Production | (376) | (654) |
| Refining and Marketing | 609 | (1,146) |
| Other businesses and corporate | (81) | (87) |
| | 152 | (1,887) |
| Taxation(b) | (56) | 715 |
| | 96 | (1,172) |

Fair value accounting effects(c)

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| \$ million | | |
| Exploration and Production | | |
| Unrecognized gains (losses) brought forward from previous period | 107 | 234 |
| Unrecognized (gains) losses carried forward | (366) | (107) |
| Favourable (unfavourable) impact relative to management's measure of performance | (259) | 127 |
| Refining and Marketing(d) | | |
| Unrecognized gains (losses) brought forward from previous period | 429 | 367 |
| Unrecognized (gains) losses carried forward | (328) | (429) |
| Favourable (unfavourable) impact relative to management's measure of performance | 101 | (62) |
| Taxation(b) | (158) | 65 |
| | 58 | (25) |
| | (100) | 40 |

Total of non-operating items and fair value accounting effects

| | First quarter 2008 | Fourth quarter 2007 |
|--------------------------------|--------------------------|---------------------------|
| \$ million | | |
| Exploration and Production | (635) | (527) |
| Refining and Marketing | 710 | (1,208) |
| Other businesses and corporate | (81) | (87) |

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| | | |
|--------------|-----|---------|
| Taxation (b) | (6) | (1,822) |
| | 2 | 690 |
| | (4) | (1,132) |

(a) An analysis of non-operating items by type is provided on page 20 and a geographical split is shown on pages 7, 9 and 10.

(b) Tax is calculated using the quarter's effective tax rate on replacement cost profit. Amounts for comparative periods have been amended to reflect a redefinition of the effective tax rate on replacement cost profit arising as a result of the exclusion of tax effects on inventory holding gains and losses as described on page 2.

(c) An explanation of fair value accounting effects is provided on page 11.

(d) Fair value accounting effects, in respect of the first quarter 2007 for the Refining and Marketing segment, have been revised from those disclosed previously. The revisions reflect changes in the basis for valuation of certain forward supply contracts to be consistent with the method used for other forward supply contracts when calculating management's internal measure of performance. The changes to comparative figures are not material in relation to management's internal measure of the Refining and Marketing segment's performance. The changes have no impact on the results reported under IFRS.

Per share amounts

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| Results for the period (\$ million) | | |
| Profit (a) | 7,619 | 4,399 |
| Replacement cost profit | 6,588 | 3,395 |
| Shares in issue at period end (thousand) (b) | 18,877,537 | 18,922,786 |
| - ADS equivalent (thousand) (b) | 3,146,256 | 3,153,798 |
| Average number of shares outstanding (thousand) (b) | 18,875,611 | 18,979,138 |
| - ADS equivalent (thousand) (b) | 3,145,935 | 3,163,190 |
| Shares repurchased in the period (thousand) | 90,996 | 121,175 |
| Per ordinary share (cents) | | |
| Profit for the period | 40.36 | 23.15 |
| RC profit for the period | 34.90 | 17.90 |
| Per ADS (cents) | | |
| Profit for the period | 242.16 | 138.90 |
| RC profit for the period | 209.40 | 107.40 |

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(a) Profit attributable to BP shareholders.

(b) Excludes treasury shares.

Dividends

Dividends Payable

BP today announced a dividend of 13.525 cents per ordinary share to be paid in June. Holders of ordinary shares will receive 6.830 pence per share and holders of American Depositary Receipts (ADRs) \$0.8115 per ADS. The dividend is payable on 9 June to shareholders on the register on 16 May. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 9 June.

Dividends Paid

| | First quarter 2008 | Fourth quarter 2007 |
|-----------------------------------|--------------------------|---------------------------|
| | ===== | |
| Dividends paid per ordinary share | | |
| cents | 13.525 | 10.825 |
| pence | 6.813 | 5.308 |
| Dividends paid per ADS (cents) | 81.15 | 64.95 |
| | ===== | |

Net debt ratio - net debt: net debt + equity

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| | ===== | |
| \$ million | | |
| Gross debt | 29,871 | 31,045 |
| Less: fair value asset (liability) of hedges related to finance debt | 1,234 | 666 |
| | ----- | |
| Cash and cash equivalents | 28,637 | 30,379 |
| | 4,820 | 3,562 |
| | ----- | |
| Net debt | 23,817 | 26,817 |
| | ===== | |
| Equity | 99,704 | 94,652 |
| Net debt ratio | 19% | 22% |
| | ===== | |

Net debt has been redefined to include the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, for which hedge accounting is claimed. The derivatives are reported on the balance sheet within the headings 'Derivative

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financial instruments'. Amounts for comparative periods are presented on a consistent basis. See note 2(c) on page 24 for further information.

Exploration and Production

| \$ million | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| | ===== | ===== |
| Profit before interest and tax(a) | 10,054 | 7,950 |
| Inventory holding (gains) losses | 18 | (80) |
| | ----- | ----- |
| Replacement cost profit before interest and tax | 10,072 | 7,870 |
| | ===== | ===== |
| By region: | | |
| UK | 923 | 725 |
| Rest of Europe | 276 | 266 |
| US | 3,085 | 2,240 |
| Rest of World | 5,788 | 4,639 |
| | ----- | ----- |
| | 10,072 | 7,870 |
| | ===== | ===== |

(a) Includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the first quarter was \$10,072 million, an increase of 60% over the first quarter of 2007. This result benefited from higher oil and gas realizations and a higher contribution from the gas marketing and trading and LNG businesses. This was partly offset by higher costs, primarily reflecting the impacts of higher depreciation and sector-specific inflation. The result also included higher income from equity-accounted entities, primarily from TNK-BP due to higher prices. In addition, BP's share of income from TNK-BP benefited from the effect of lagged tax reference prices.

The result included a net non-operating charge of \$376 million with the most significant items being fair value losses on embedded derivatives partly offset by the release of certain provisions. The corresponding quarter in 2007 contained a net non-operating gain of \$757 million. In the first quarter, fair value accounting effects had an unfavourable impact of \$259 million compared with a favourable impact of \$31 million a year ago.

Reported production for the quarter was 3,913mboe/d and was flat compared with the first quarter of 2007. After adjusting for the impact of lower entitlement in our production-sharing agreements (PSAs), production was more than 5% higher than the first quarter of 2007. This primarily reflects the ramp-up of production following the start-up of major projects in 2007. As previously indicated, if oil prices remain at \$100 per barrel we expect 2008 reported production to be broadly flat compared with 2007, with underlying production growth being offset by PSA entitlement impacts. We expect the quarterly phasing of underlying production during the year to reflect the normal seasonal effects associated with turnaround activity in the second and third quarters.

During the quarter, we had first production from the Mondo field within the Kizomba C development in Angola, where BP holds a 26.67% interest. Shortly after

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the end of the quarter, production commenced at Deep Water Gunashli on schedule; this completes the third and final phase of development of the Azeri-Chirag-Gunashli field (BP 34.1% and operator) in the Azerbaijan sector of the Caspian Sea. We had exploration success in Angola with the Portia discovery, in Egypt with the Satis discovery and in the North Sea with a discovery close to the Foinaven production facility.

On 31 March, we completed the deal with Husky Energy Inc. to create an integrated North American oil sands business by means of two separate joint ventures, one of which gives BP a 50% interest in Husky's Sunrise field in Alberta, Canada. Capital expenditure of \$2,848 million in respect of this transaction is reflected in the first quarter of 2008.

Shortly after the end of the quarter, we announced the Kodiak discovery in the deepwater Gulf of Mexico and, jointly with ConocoPhillips, announced that we have combined resources to start Denali - The Alaska Gas Pipeline.

Exploration and Production

| \$ million | First quarter 2008 | Fourth quarter 2007 |
|---------------------------------------|--------------------------|---------------------------|
| | ===== | ===== |
| Non-operating items | | |
| UK | (694) | (567) |
| Rest of Europe | - | (3) |
| US | (8) | 213 |
| Rest of World | 326 | (297) |
| | ----- | ----- |
| | (376) | (654) |
| | ===== | ===== |
| Fair value accounting effects (a) | | |
| UK | 17 | (11) |
| Rest of Europe | - | - |
| US | (142) | 19 |
| Rest of World | (134) | 119 |
| | ----- | ----- |
| | (259) | 127 |
| | ===== | ===== |
| Exploration expense | | |
| UK | 92 | 17 |
| Rest of Europe | - | - |
| US | 72 | 61 |
| Rest of World | 129 | 123 |
| | ----- | ----- |
| | 293 | 201 |
| | ===== | ===== |
| Production (net of royalties) (b) | | |
| Liquids (mb/d) (net of royalties) (c) | | |
| UK | 191 | 199 |
| Rest of Europe | 44 | 50 |
| US | 554 | 523 |
| Rest of World | 1,664 | 1,697 |
| | ----- | ----- |
| | 2,453 | 2,469 |

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| | | |
|---|-------|-------|
| Natural gas (mmcf/d) (net of royalties) | | |
| UK | 971 | 853 |
| Rest of Europe | 25 | 26 |
| US | 2,149 | 2,183 |
| Rest of World | 5,319 | 5,275 |
| | 8,464 | 8,337 |
| Total hydrocarbons (mboe/d) (d) | | |
| UK | 358 | 346 |
| Rest of Europe | 48 | 55 |
| US | 925 | 900 |
| Rest of World | 2,582 | 2,606 |
| | 3,913 | 3,907 |
| Average realizations (e) | | |
| Total liquids (\$/bbl) | 90.92 | 82.72 |
| Natural gas (\$/mcf) | 5.88 | 4.83 |
| Total hydrocarbons (\$/boe) | 62.27 | 56.03 |

(a) These effects represent the favourable (unfavourable) impact relative to management's measure of performance. Further information on fair value accounting effects is provided on pages 3 and 11.

(b) Includes BP's share of production of equity-accounted entities.

(c) Crude oil and natural gas liquids.

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

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

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

Refining and Marketing

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| \$ million | | |
| Profit (loss) before interest and tax(a) | 2,840 | 67 |
| Inventory holding (gains) losses | (1,591) | (1,363) |
| Replacement cost profit (loss) before interest and tax | 1,249 | (1,296) |

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| | | |
|----------------|-------|---------|
| By region: | | |
| UK | 107 | 134 |
| Rest of Europe | 629 | 278 |
| US | 154 | (1,805) |
| Rest of World | 359 | 97 |
| | 1,249 | (1,296) |
| | 1,249 | (1,296) |

(a) Includes profit after interest and tax of equity-accounted entities.

Refining and Marketing comprises Fuels Value Chains (FVC) and International Businesses. The FVCs include refineries, supply, logistics and marketing and trading activities. The International Businesses include lubricants, chemicals, LPG, aviation and marine fuels.

The replacement cost profit before interest and tax for the first quarter was \$1,249 million compared with \$804 million for the same period last year. The quarter's result included a net non-operating gain of \$609 million, primarily in respect of the gain recognized on the contribution of the Toledo refinery into a joint venture with Husky Energy Inc., as part of the integrated North American oil sands deal completed on 31 March 2008. This compares with a net non-operating charge of \$229 million for the same period last year. In the first quarter, fair value accounting effects had a favourable impact of \$101 million. A year ago, the impact was \$539 million unfavourable.

Compared with the first quarter of 2007, our result reflected the adverse impacts of a significantly lower US refining margin environment and higher turnaround activities, primarily at the Carson refinery.

In the FVCs, we saw weaker US integrated margins, particularly on the West Coast, which more than offset improved performance in other regions. The average refining Global Indicator Margin (GIM) and BP's actual refining margin for the first quarter were both significantly lower than those in the first quarter of 2007. Marketing margins were steady year on year, with slightly lower volumes versus a year ago.

Refining availability continued to improve for the sixth successive quarter, reaching 88.0% for the first quarter of 2008 compared with 81.6% in the first quarter of 2007. During the quarter, we completed the largest turnaround in the history of the Carson refinery, restored the Whiting refinery to its full clean fuel capability of 360mb/d in March and successfully restarted the sour crude distillation capacity at the Texas City refinery with most of its economic capability on track to be restored by mid-2008.

Refining throughput for the quarter was 2,166mb/d compared with 2,232mb/d for the same quarter last year. The lower throughput was mainly due to the turnaround activities at Carson.

Our International Businesses made a significant contribution to the segment result in both the first quarter and in the same period a year ago. We continued to make progress on reducing complexity and costs in the lubricants and aviation fuels businesses through portfolio simplification.

Operations at our new 900ktepa Zhuhai purified terephthalic acid (PTA) plant, which was successfully commissioned in early 2008, continued to improve with the production rate reaching over 90% in March.

On 17 March 2008, BP and Irving Oil entered into a memorandum of understanding

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to work together on the next phase of engineering, design, and feasibility for the proposed Eider Rock refinery in Saint John, New Brunswick, Canada. BP will contribute \$40 million as its share of funding for this stage of the study and the two companies will also investigate the possibility of forming a joint venture to build the refinery should they decide to proceed.

Refining margins have improved to date in the second quarter but still remain significantly lower than the same quarter last year. The segment marketing businesses are likely to continue to experience pressure from the effects of higher product prices and a slowing of the OECD economies. We expect continued improvement in BP's refining availability as the units at Texas City come onstream progressively during the rest of the year.

Refining and Marketing -----

| \$ million | First quarter 2008 | Fourth quarter 2007 |
|----------------------------------|--------------------------|---------------------------|
| | ===== | ===== |
| Non-operating items | | |
| UK | (49) | (10) |
| Rest of Europe | (85) | (56) |
| US | 774 | (977) |
| Rest of World | (31) | (103) |
| | ----- | ----- |
| | 609 | (1,146) |
| | ===== | ===== |
| Fair value accounting effects(a) | | |
| UK | (4) | 1 |
| Rest of Europe | 36 | 5 |
| US | 95 | (32) |
| Rest of World | (26) | (36) |
| | ----- | ----- |
| | 101 | (62) |
| | ===== | ===== |
| Refinery throughputs (mb/d) | | |
| UK | - | - |
| Rest of Europe | 775 | 689 |
| US | 1,076 | 996 |
| Rest of World | 315 | 313 |
| | ----- | ----- |
| Total throughput | 2,166 | 1,998 |
| | ===== | ===== |
| Refining availability (%) (b) | 88.0 | 84.0 |
| | ===== | ===== |
| Oil sales volumes (mb/d) | | |
| Refined products | | |
| UK | 321 | 328 |
| Rest of Europe | 1,244 | 1,330 |
| US | 1,455 | 1,455 |
| Rest of World | 692 | 680 |
| | ----- | ----- |
| Total marketing sales | 3,712 | 3,793 |
| Trading/supply sales | 2,047 | 1,696 |
| | ----- | ----- |
| Total refined product sales | 5,759 | 5,489 |
| Crude oil | 1,860 | 1,659 |
| | ----- | ----- |

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| | | |
|---|-------|-------|
| Total oil sales | 7,619 | 7,148 |
| ===== | | |
| Global Indicator Refining Margin (\$/bbl) (c) | | |
| NWE | 4.79 | 4.84 |
| USGC | 6.21 | 6.82 |
| Midwest | 1.11 | 3.39 |
| USWC | 5.91 | 8.49 |
| Singapore | 4.76 | 5.80 |
| BP Average | 4.57 | 5.68 |
| ===== | | |
| Chemicals production (kte) | | |
| UK | 261 | 228 |
| Rest of Europe | 708 | 660 |
| US | 1,036 | 1,088 |
| Rest of World | 1,531 | 1,497 |
| ----- | | |
| Total production | 3,536 | 3,473 |
| ===== | | |

(a) These effects represent the favourable (unfavourable) impact relative to management's measure of performance. Further information on fair value accounting effects is provided on pages 3 and 11.

(b) Refining availability is defined as the ratio of units which are available for processing, regardless of whether they are actually being used, to total capacity. Where there is planned maintenance, such capacity is not regarded as being available.

(c) The Global Indicator Refining Margin (GIM) is the average of regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

Other businesses and corporate

| \$ million | First | Fourth |
|--|---------|---------|
| | quarter | quarter |
| | 2008 | 2007 |
| ===== | | |
| Profit (loss) before interest and tax(a) | (193) | (443) |
| Inventory holding (gains) losses | (20) | 16 |
| ----- | | |
| Replacement cost profit (loss) before interest and tax | (213) | (427) |
| ===== | | |
| By region: | | |
| UK | (119) | (87) |
| Rest of Europe | - | 5 |
| US | (152) | (336) |
| Rest of World | 58 | (9) |
| ----- | | |
| | (213) | (427) |

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| | | |
|---------------------|------|------|
| Results include: | | |
| Non-operating items | | |
| UK | (6) | (28) |
| Rest of Europe | (13) | (2) |
| US | (49) | (57) |
| Rest of World | (13) | - |
| | (81) | (87) |

(a) Includes profit after interest and tax of equity-accounted entities.

Other businesses and corporate comprises the Alternative Energy business, Shipping, the group's aluminium asset, Treasury (which includes interest income on the group's cash and cash equivalents), and corporate activities worldwide.

The replacement cost profit before interest and tax for the first quarter was a loss of \$213 million, compared with a loss of \$98 million a year ago.

The net non-operating charge for the first quarter was \$81 million, including a charge for restructuring costs and other provisions, partly offset by a net disposal gain. This compares with a net non-operating gain of \$34 million a year ago.

Our estimates of 2008 charges for Other businesses and corporate, excluding non-operating items, remain in line with the \$1,500 million (+/- \$200 million) guidance provided in our 2008 strategy presentation.

At the start of the year, our Alternative Energy business broadened its scope to include BP's biofuels business, carbon capture and storage (CCS), clean coal and distributed energy, alongside the existing solar, wind, gas-fired power and hydrogen energy activities. In January, we announced our intention to pursue development options for a hydrogen power plant in Abu Dhabi with Abu Dhabi Future Energy Company (Masdar), through our Hydrogen Energy joint venture with Rio Tinto.

In addition, Alternative Energy and Dominion entered into a 50:50 joint venture to develop a wind farm in Indiana with a nameplate capacity of 300MW and we formed a 50:50 joint venture with NRG Energy, Inc. for the development and operation of a commercial wind farm, intended to be located in Texas and with a nameplate capacity of 150MW. Since the end of the quarter, we announced our intention to take a 50% stake in Tropical BioEnergia SA, a joint venture established by Brazilian companies Santelisa Vale and Maeda Group, which is constructing an ethanol refinery in Brazil and also plans to build a second refinery.

In 2008, Alternative Energy expects to achieve total solar cell sales of 170MW and to install total gross capacity for wind generation of 1GW. We plan to report changes to wind and solar capacity on a quarterly basis. Since the beginning of 2007, additional solar manufacturing capacity has been added at our Madrid plant and wind capacity has been added at Cedar Creek in Colorado, USA and Dhule in India.

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| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| Total capacity as at period-end (megawatts) | | |
| Wind(a) | 373 | 373 |
| Solar(b) | 228 | 228 |

(a) Wind capacity is the sum of the rated capacities of the assets/turbines that have entered into commercial operation, including jointly controlled entities (gross).

(b) Solar capacity is the theoretical cell production capacity per annum of in-house manufacturing facilities, including jointly controlled entities (gross).

Information on fair value accounting effects

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

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

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

The way that BP manages the economic exposures described above, and measures performance internally, differs from the way these activities are measured under IFRS. BP calculates this difference by comparing the IFRS result with management's internal measure of performance, under which the inventory and the supply and capacity contracts in question are valued based on fair value using relevant forward prices prevailing at the end of the period. We believe that disclosing management's estimate of this difference provides useful information for investors because it enables investors to see the economic effect of these activities as a whole. The impacts of fair value accounting effects, relative to management's internal measure of performance, are shown in the table on page 3. Information for all quarters of 2005 - 2007 can be found at www.bp.com/FVAE.

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Cautionary statement: The foregoing discussion contains forward-looking statements particularly those regarding production, restoration of refinery economic capability, refining margins, likely continuing pressures on marketing businesses, improvements in refining availability, expected total solar cell sales and installed total gross capacity for wind generation. By their nature, forward-looking statements involve risk and uncertainty and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields onstream; industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2007 and our 2007 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

Group income statement

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| | ===== | ===== |
| \$ million | | |
| Sales and other operating revenues | 87,745 | 79,852 |
| Earnings from jointly controlled entities - after interest and tax | 975 | 992 |
| Earnings from associates - after interest and tax | 225 | 157 |
| Interest and other revenues | 278 | 221 |
| | ----- | ----- |
| Total revenues (Note 4) | 89,223 | 81,222 |
| Gains on sale of businesses and fixed assets | 925 | 270 |
| | ----- | ----- |
| Total revenues and other income | 90,148 | 81,492 |
| Purchases | 61,533 | 56,313 |
| Production and manufacturing expenses | 6,799 | 7,590 |
| Production and similar taxes (Note 5) | 1,609 | 1,518 |
| Depreciation, depletion and amortization | 2,782 | 3,020 |
| Impairment and losses on sale of businesses and fixed assets | 40 | 872 |
| Exploration expense | 293 | 201 |
| Distribution and administration expenses | 3,896 | 4,212 |
| Fair value (gain) loss on embedded derivatives | 690 | 459 |
| | ----- | ----- |
| Profit before interest and taxation | 12,506 | 7,307 |
| Finance costs (Note 6) | 406 | 408 |
| Net finance income relating to pensions and other post-retirement benefits (Note 7) | (160) | (166) |
| | ----- | ----- |
| Profit before taxation | 12,260 | 7,065 |
| Taxation | 4,509 | 2,561 |
| | ----- | ----- |
| Profit for the period | 7,751 | 4,504 |
| | ===== | ===== |

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| | | |
|---|-------|-------|
| Attributable to: | | |
| BP shareholders | 7,619 | 4,399 |
| Minority interest | 132 | 105 |
| | ----- | ----- |
| | 7,751 | 4,504 |
| | ===== | ===== |
| Earnings per share - cents | | |
| Profit for the period attributable to BP shareholders | | |
| Basic | 40.36 | 23.15 |
| Diluted | 40.00 | 22.65 |

Group balance sheet

| | | |
|--|----------|-------|
| | 31 March | 31 |
| | 2008 | |
| | ===== | ===== |
| \$ million | | |
| Non-current assets | | |
| Property, plant and equipment | 99,512 | |
| Goodwill | 11,012 | |
| Intangible assets | 6,729 | |
| Investments in jointly controlled entities | 22,719 | |
| Investments in associates | 4,749 | |
| Other investments | 1,666 | |
| | ----- | |
| Fixed assets | 146,387 | |
| Loans | 1,017 | |
| Other receivables | 983 | |
| Derivative financial instruments | 5,606 | |
| Prepayments | 1,208 | |
| Defined benefit pension plan surplus | 8,951 | |
| | ----- | |
| | 164,152 | |
| | ----- | |
| Current assets | | |
| Loans | 160 | |
| Inventories | 26,855 | |
| Trade and other receivables | 43,698 | |
| Derivative financial instruments | 8,962 | |
| Prepayments | 3,771 | |
| Current tax receivable | 250 | |
| Cash and cash equivalents | 4,820 | |
| | ----- | |
| | 88,516 | |
| Assets classified as held for sale | - | |
| | ----- | |
| | 88,516 | |
| | ----- | |
| Total assets | 252,668 | |
| | ===== | |
| Current liabilities | | |
| Trade and other payables | 47,546 | |
| Derivative financial instruments | 8,356 | |
| Accruals | 6,466 | |

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| | |
|---|---------|
| Finance debt | 13,820 |
| Current tax payable | 4,798 |
| Provisions | 1,957 |
| | ----- |
| | 82,943 |
| Liabilities directly associated with the assets classified as held for sale | - |
| | ----- |
| | 82,943 |
| | ----- |
| Non-current liabilities | |
| Other payables | 3,032 |
| Derivative financial instruments | 7,104 |
| Accruals | 959 |
| Finance debt | 16,051 |
| Deferred tax liabilities | 20,264 |
| Provisions | 13,055 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | 9,556 |
| | ----- |
| | 70,021 |
| | ----- |
| Total liabilities | 152,964 |
| | ----- |
| Net assets | 99,704 |
| | ===== |
| Equity | |
| BP shareholders' equity | 98,642 |
| Minority interest | 1,062 |
| | ----- |
| | 99,704 |
| | ===== |

Group statement of recognized income and expense

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| | ===== | ===== |
| \$ million | | |
| Currency translation differences | 778 | 304 |
| Exchange gain on translation of foreign operations transferred to gain on sale of businesses and fixed assets | - | - |
| Actuarial gain relating to pensions and other post-retirement benefits | - | 1,717 |
| Available-for-sale investments marked to market | (191) | 225 |
| Available-for-sale investments - recycled to the income statement | (5) | - |
| Cash flow hedges marked to market | 74 | (25) |
| Cash flow hedges - recycled to the income statement | (2) | 12 |
| Cash flow hedges - recycled to the balance sheet | (23) | (31) |
| Taxation | (118) | (181) |
| | ----- | ----- |
| Net income (expense) recognized directly in equity | 513 | 2,021 |
| Profit for the period | 7,751 | 4,504 |
| | ----- | ----- |
| Total recognized income and expense for the period | 8,264 | 6,525 |

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| | | |
|-------------------|-------|-------|
| Attributable to: | | |
| BP shareholders | 8,128 | 6,448 |
| Minority interest | 136 | 77 |
| | 8,264 | 6,525 |

Movement in shareholders' equity

| | BP shareholders' equity | Minority interest |
|--|-------------------------|-------------------|
| \$ million | | |
| At 31 December 2007 | 93,690 | 962 |
| Currency translation differences (net of tax) | 843 | 4 |
| Available-for-sale investments (net of tax) | (168) | - |
| Cash flow hedges (net of tax) | 49 | - |
| Tax on share-based payments | (215) | - |
| Profit for the period | 7,619 | 132 |
| Total recognized income and expense for the period | 8,128 | 136 |
| Dividends | (2,554) | (36) |
| Net repurchase of ordinary share capital | (795) | - |
| Share-based payments | 173 | - |
| At 31 March 2008 | 98,642 | 1,062 |

Group cash flow statement

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------|---------------------|
| \$ million | | |
| Operating activities | | |
| Profit before taxation | 12,260 | 7,065 |
| Adjustments to reconcile profit before taxation to net cash provided by operating activities | | |
| Exploration expenditure written off | 184 | 86 |
| Depreciation, depletion and amortization | 2,782 | 3,020 |
| Impairment and (gain) loss on sale of businesses and fixed assets | (885) | 602 |
| Earnings from jointly controlled entities and associates | (1,200) | (1,149) |
| Dividends received from jointly controlled entities and associates | 1,387 | 371 |
| Working capital and other movements | (3,634) | (5,706) |
| Net cash provided by operating activities | 10,894 | 4,289 |
| Investing activities | | |
| Capital expenditure | (4,435) | (5,515) |
| Acquisitions, net of cash acquired | - | - |
| Investment in jointly controlled entities | (366) | (285) |
| Investment in associates | (4) | (41) |

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| | | |
|--|---------|---------|
| Proceeds from disposal of fixed assets | 276 | 392 |
| Proceeds from disposal of businesses, net of cash disposed | - | 5 |
| Proceeds from loan repayments | 122 | 69 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Net cash (used in) provided by investing activities | (4,407) | (5,375) |
| <hr style="border-top: 1px dashed black;"/> | | |
| Financing activities | | |
| Net repurchase of shares | (889) | (1,352) |
| Proceeds from long-term financing | 2,177 | 5,131 |
| Repayments of long-term financing | (537) | (1,596) |
| Net increase (decrease) in short-term debt | (3,424) | 2,125 |
| Dividends paid - BP shareholders | (2,554) | (2,056) |
| - Minority interest | (36) | (68) |
| <hr style="border-top: 1px dashed black;"/> | | |
| Net cash (used in) provided by financing activities | (5,263) | 2,184 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Currency translation differences relating to cash and cash equivalents | 34 | 54 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Increase (decrease) in cash and cash equivalents | 1,258 | 1,152 |
| Cash and cash equivalents at beginning of period | 3,562 | 2,410 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Cash and cash equivalents at end of period | 4,820 | 3,562 |
| <hr style="border-top: 3px double black;"/> | | |

Group cash flow statement

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| <hr style="border-top: 1px dashed black;"/> | | |
| \$ million | | |
| Working capital and other movements | | |
| Interest receivable | (97) | (147) |
| Interest received | 99 | 160 |
| Finance costs | 406 | 408 |
| Interest paid | (366) | (395) |
| Net finance income relating to pensions and other post-retirement benefits | (160) | (166) |
| Share-based payments | 65 | 109 |
| Net operating charge for pensions and other post-retirement benefits, less contributions and benefit payments for unfunded plans | 117 | (225) |
| Net charge for provisions, less payments | (165) | (40) |
| (Increase) decrease in inventories | 276 | (5,121) |
| (Increase) decrease in other current and non-current assets | (9,844) | 1,736 |
| Increase (decrease) in other current and non-current liabilities | 7,995 | 676 |
| Income taxes paid | (1,960) | (2,701) |
| <hr style="border-top: 1px dashed black;"/> | | |
| | (3,634) | (5,706) |
| <hr style="border-top: 3px double black;"/> | | |

Capital expenditure and acquisitions

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| <hr style="border-top: 1px dashed black;"/> | | |
| \$ million | | |
| By business | | |
| <hr style="border-top: 3px double black;"/> | | |

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| | | |
|---|-------|-------|
| Exploration and Production | | |
| UK | 225 | 303 |
| Rest of Europe | 168 | 145 |
| US | 1,215 | 1,311 |
| Rest of World(a) | 4,394 | 2,391 |
| | ----- | ----- |
| | 6,002 | 4,150 |
| | ----- | ----- |
| Refining and Marketing | | |
| UK | 53 | 151 |
| Rest of Europe(b) | 216 | 683 |
| US(a) | 2,297 | 757 |
| Rest of World | 102 | 294 |
| | ----- | ----- |
| | 2,668 | 1,885 |
| | ----- | ----- |
| Other businesses and corporate | | |
| UK | 71 | 119 |
| Rest of Europe | 13 | 20 |
| US | 267 | 324 |
| Rest of World | 24 | 115 |
| | ----- | ----- |
| | 375 | 578 |
| | ----- | ----- |
| | 9,045 | 6,613 |
| | ===== | ===== |
| By geographical area | | |
| UK | 349 | 573 |
| Rest of Europe(b) | 397 | 848 |
| US(a) | 3,779 | 2,392 |
| Rest of World(a) | 4,520 | 2,800 |
| | ----- | ----- |
| | 9,045 | 6,613 |
| | ===== | ===== |
| Included above: | | |
| Acquisitions and asset exchanges(a) (b) | 1,964 | - |
| | ===== | ===== |

(a)First quarter 2008 includes capital expenditure of \$2,848 million in Exploration and Production and an asset exchange of \$1,793 million in Refining and Marketing relating to the formation of an integrated North American oil sands business. For further information see Note 3.

(b)First quarter 2007 includes \$1,108 million for the acquisition of Chevron's Netherlands manufacturing company.

Exchange rates

| | First quarter 2008 | Fourth quarter 2007 |
|--|--------------------------|---------------------------|
| | ===== | ===== |
| US dollar/sterling average rate for the period | 1.98 | 2.05 |
| US dollar/sterling period-end rate | 1.99 | 1.99 |
| US dollar/euro average rate for the period | 1.50 | 1.45 |
| US dollar/euro period-end rate | 1.58 | 1.47 |

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Analysis of profit before interest and tax

| | First quarter 2008 | Fourth quarter 2007 |
|--------------------------------|--------------------------|---------------------------|
| \$ million | | |
| By business | | |
| Exploration and Production | | |
| UK | 923 | 725 |
| Rest of Europe | 276 | 266 |
| US | 3,090 | 2,277 |
| Rest of World | 5,765 | 4,682 |
| | 10,054 | 7,950 |
| Refining and Marketing | | |
| UK | 69 | 165 |
| Rest of Europe | 944 | 786 |
| US | 1,382 | (1,215) |
| Rest of World | 445 | 331 |
| | 2,840 | 67 |
| Other businesses and corporate | | |
| UK | (119) | (87) |
| Rest of Europe | - | 4 |
| US | (132) | (351) |
| Rest of World | 58 | (9) |
| | (193) | (443) |
| Consolidation adjustment | 12,701 | 7,574 |
| | (195) | (267) |
| Total for period | 12,506 | 7,307 |
| By geographical area | | |
| UK | 873 | 804 |
| Rest of Europe | 1,163 | 988 |
| US | 4,193 | 521 |
| Rest of World | 6,277 | 4,994 |
| Total for period | 12,506 | 7,307 |

Analysis of replacement cost profit before interest and tax

| | First quarter 2008 | Fourth quarter 2007 |
|----------------------------|--------------------------|---------------------------|
| \$ million | | |
| By business | | |
| Exploration and Production | | |

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| | | |
|--------------------------------|--------|---------|
| UK | 923 | 725 |
| Rest of Europe | 276 | 266 |
| US | 3,085 | 2,240 |
| Rest of World | 5,788 | 4,639 |
| | ----- | ----- |
| | 10,072 | 7,870 |
| | ----- | ----- |
| Refining and Marketing | | |
| UK | 107 | 134 |
| Rest of Europe | 629 | 278 |
| US | 154 | (1,805) |
| Rest of World | 359 | 97 |
| | ----- | ----- |
| | 1,249 | (1,296) |
| | ----- | ----- |
| Other businesses and corporate | | |
| UK | (119) | (87) |
| Rest of Europe | - | 5 |
| US | (152) | (336) |
| Rest of World | 58 | (9) |
| | ----- | ----- |
| | (213) | (427) |
| | ----- | ----- |
| | 11,108 | 6,147 |
| Consolidation adjustment | (195) | (267) |
| | ----- | ----- |
| Total for period | 10,913 | 5,880 |
| | ===== | ===== |
| By geographical area | | |
| UK | 911 | 773 |
| Rest of Europe | 849 | 480 |
| US | 2,940 | (91) |
| Rest of World | 6,213 | 4,718 |
| | ----- | ----- |
| Total for period | 10,913 | 5,880 |
| | ===== | ===== |

Analysis of non-operating items

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| | ----- | ----- |
| \$ million | | |
| By business | | |
| Exploration and Production | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | 21 | 149 |
| Environmental and other provisions | - | - |
| Restructuring, integration and rationalization costs | (44) | (186) |
| Fair value gain (loss) on embedded derivatives | (684) | (449) |
| Other | 331 | (168) |
| | ----- | ----- |
| | (376) | (654) |
| | ----- | ----- |
| Refining and Marketing | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | 814 | (728) |
| Environmental and other provisions | - | - |
| Restructuring, integration and rationalization costs | (205) | (118) |
| Fair value gain (loss) on embedded derivatives | - | - |

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| | | |
|---|------|---------|
| Other | - | (300) |
| | 609 | (1,146) |
| Other businesses and corporate | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | 50 | (23) |
| Environmental and other provisions | - | - |
| Restructuring, integration and rationalization costs | (58) | (34) |
| Fair value gain (loss) on embedded derivatives | (6) | (10) |
| Other | (67) | (20) |
| | (81) | (87) |
| Total before taxation | 152 | (1,887) |
| Taxation credit (charge) (a) | (56) | 715 |
| Total after taxation for period | 96 | (1,172) |

(a) Tax on non-operating items is calculated using the quarter's effective tax rate on replacement cost profit. Amounts for comparative periods have been amended to reflect a redefinition of the effective tax rate on replacement cost profit arising as a result of the exclusion of tax effects on inventory holding gains and losses as described on page 2.

Realizations and marker prices

| | First quarter 2008 | Fourth quarter 2007 |
|---|--------------------------|---------------------------|
| Average realizations (a) | | |
| Liquids (\$/bbl) (b) | | |
| UK | 94.86 | 88.05 |
| US | 87.57 | 78.28 |
| Rest of World | 92.04 | 84.51 |
| BP Average | 90.92 | 82.72 |
| Natural gas (\$/mcf) | | |
| UK | 8.08 | 7.83 |
| US | 6.73 | 5.41 |
| Rest of World | 4.97 | 3.94 |
| BP Average | 5.88 | 4.83 |
| Average oil marker prices (\$/bbl) | | |
| Brent | 96.71 | 88.45 |
| West Texas Intermediate | 97.86 | 90.47 |
| Alaska North Slope US West Coast | 96.53 | 88.65 |
| Mars | 90.89 | 81.38 |
| Urals (NWE- cif) | 93.35 | 85.41 |
| Russian domestic oil | 46.86 | 48.98 |
| Average natural gas marker prices | | |
| Henry Hub gas price (\$/mmbtu) (c) | 8.03 | 6.97 |
| UK Gas - National Balancing Point (p/therm) | 52.94 | 46.70 |

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

(b)Crude oil and natural gas liquids.

(c)Henry Hub First of Month Index.

Notes

1. Basis of preparation

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

The results for the interim periods are unaudited and in the opinion of management include all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature. The interim financial statements and notes included in this Report should be read in conjunction with the consolidated financial statements and related notes for the year ended 31 December 2007 included in BP's Annual Report and Accounts 2007.

BP prepares its consolidated financial statements included within its Annual Report and Accounts on the basis of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the European Union (EU) and in accordance with the provisions of the Companies Act 1985. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the group's consolidated financial statements for the periods presented. The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Annual Report and Accounts 2008, which do not differ significantly from those used in the Annual Report and Accounts 2007.

2. Resegmentation and other changes to comparatives

(a) Resegmentation

On 11 October 2007, we announced our intention to simplify the organizational structure of BP. From 1 January 2008, there are only two business segments - Exploration and Production and Refining and Marketing. A separate business, Alternative Energy, handles BP's low-carbon businesses and future growth options outside oil and gas. This includes solar, wind, gas-fired power, hydrogen, biofuels and coal conversion.

As a result, and with effect from 1 January 2008:

- The Gas, Power and Renewables segment ceased to report separately.
- The natural gas liquids (NGLs), liquefied natural gas and gas and power marketing and trading businesses were transferred from the Gas, Power and Renewables segment to the Exploration and Production segment.
- The Alternative Energy business was transferred from the Gas, Power and Renewables segment to Other businesses and corporate.
- The Emerging Consumers Marketing Unit was transferred from Refining and Marketing to Alternative Energy.

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- The Biofuels business was transferred from Refining and Marketing to Alternative Energy.
- The Shipping business was transferred from Refining and Marketing to Other businesses and corporate.

As a result of the transfers identified above, Other businesses and corporate has been redefined. It now consists of the Alternative Energy business, Shipping, the group's aluminium asset, Treasury (which includes interest income on the group's cash and cash equivalents) and corporate activities worldwide.

Financial information for 2003 to 2007 has been restated to reflect the resegmentation and is available in BP Financial and Operating Information 2003-2007 and to download from www.bp.com/investors. Quarterly data is provided for 2004-2007 and annual data for 2003.

Notes

2. Resegmentation and other changes to comparatives (continued)

| | Resegmented | | As reported | |
|--------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| | Fourth quarter 2007 | First quarter 2007 | Fourth quarter 2007 | First quarter 2007 |
| | ===== | | | |
| \$ million | | | | |
| Total revenues | | | | |
| Exploration and Production | 10,709 | 9,142 | 5,696 | 4,400 |
| Refining and Marketing | 69,732 | 52,297 | 69,861 | 52,400 |
| Gas, Power and Renewables | - | - | 5,379 | 4,900 |
| Other businesses and corporate | 781 | 597 | 286 | 200 |
| | ----- | | | |
| Total third party revenues | 81,222 | 62,036 | 81,222 | 62,000 |
| | ===== | | | |
| Profit before interest and tax | | | | |
| Exploration and Production | 7,950 | 6,317 | 7,643 | 6,000 |
| Refining and Marketing | 67 | 1,095 | 26 | 1,100 |
| Gas, Power and Renewables | - | - | 304 | 200 |
| Other businesses and corporate | (443) | (97) | (389) | (100) |
| | ----- | | | |
| Unrealized profit in inventory | 7,574 | 7,315 | 7,584 | 7,200 |
| | (267) | 42 | (277) | - |
| | ----- | | | |
| Profit before interest and tax | 7,307 | 7,357 | 7,307 | 7,300 |
| | ===== | | | |

(b) Revised income statement presentation

We have implemented a minor change in the presentation of the group income

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statement whereby the unwinding of the discount on provisions and on other payables is now included within finance costs. Previously, this was included within other finance income or expense. This line item has now been renamed net finance income or expense relating to pensions and other post-retirement benefits. This change does not affect profit before interest and taxation, profit before taxation or profit for the period. The financial information for comparative periods shows the revised presentation, as set out below.

| | Fourth quarter 2007 | Fir quart 20 |
|--|---------------------------|--------------------|
| | ===== | ===== |
| As reported | | |
| \$ million | | |
| Profit before interest and taxation | 7,307 | 7,3 |
| Finance costs | 333 | 2 |
| Other finance income | (91) | (|
| | ----- | ----- |
| Profit before taxation | 7,065 | 7,1 |
| | ===== | ===== |
| | | |
| As amended | | |
| \$ million | | |
| Profit before interest and taxation | 7,307 | 7,3 |
| Finance costs | 408 | 3 |
| Net finance income relating to pensions and other post-retirement benefits | (166) | (1 |
| | ----- | ----- |
| Profit before taxation | 7,065 | 7,1 |
| | ===== | ===== |

Notes

2. Resegmentation and other changes to comparatives (continued)

(c) Revised definition of net debt

Net debt has been redefined to include the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, for which hedge accounting is claimed. The derivatives are reported on the balance sheet within the headings 'Derivative financial instruments'. Amounts for comparative periods are presented on a consistent basis.

| | Fourth quarter 2007 | Fir quart 20 |
|-------------|---------------------------|--------------------|
| | ===== | ===== |
| As reported | | |

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| | | |
|---|--------|------|
| \$ million | | |
| Net debt | 27,483 | 21,7 |
| Equity | 94,652 | 85,7 |
| | | |
| Ratio of net debt to net debt plus equity | 23% | 2 |
| | | |
| As amended | | |
| \$ million | | |
| Net debt | 26,817 | 21,4 |
| Equity | 94,652 | 85,7 |
| | | |
| Ratio of net debt to net debt plus equity | 22% | 2 |
| | | |

Notes -----

3. Significant transaction in the period

In December 2007, BP signed a memorandum of understanding with Husky Energy Inc. to form an integrated North American oil sands business. The transaction was completed on 31 March 2008, with BP contributing its Toledo refinery to a US jointly controlled entity to which Husky contributed \$250 million cash and a payable of \$2,483 million. In Canada, Husky contributed its Sunrise field to a second jointly controlled entity, with BP contributing \$250 million in cash and a payable of \$2,290 million. The Toledo refinery assets and associated liabilities were classified as a disposal group held for sale at 31 December 2007.

Both jointly controlled entities are owned 50:50 by BP and Husky and are accounted for using the equity method.

As a result of the transaction, the items detailed below are included in the financial statements for the first quarter of 2008.

| | | |
|--|--|---------------------|
| \$ million | | |
| Income statement | | |
| Gains on sale of businesses and fixed assets | | |
| | | |
| Profit before taxation | | ----- |
| Taxation | | ----- |
| | | |
| Profit for the period | | ----- ===== |
| | | |
| | | 31 Ma 2 ===== |

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| | |
|---|-------|
| Balance sheet | |
| Non-current assets - investments in jointly controlled entities | 4, |
| Current liabilities - trade and other payables | |
| Non-current liabilities | |
| Other payables | 2, |
| Deferred tax liabilities | |
| | ----- |
| | 2, |
| | ----- |
| Total liabilities | 2, |
| | ----- |
| Net assets | 1, |
| | ===== |
| | |
| | Fi |
| | quan |
| | 2 |
| | ----- |
| | ===== |
| Cash flow statement | |
| Investment in jointly controlled entities | (|
| | ----- |
| | ===== |
| | |
| Capital expenditure and acquisitions | |
| Exploration and Production | 2, |
| Refining and Marketing | 1, |
| | ----- |
| | 4, |
| | ----- |
| | ===== |
| Including acquisitions and asset exchanges: | 1, |
| | ===== |

In addition, agreements are in place between BP and the Toledo jointly controlled entity under which BP will supply feedstocks to the refinery and purchase refined products. BP will also purchase refinery feedstocks from the Sunrise jointly controlled entity once production commences, which is expected in 2012.

Notes

4. Total revenues

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|--------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| \$ million | | | |
| By business | | | |
| Exploration and Production | 24,065 | 21,258 | 16,347 |
| Refining and Marketing | 76,863 | 70,030 | 53,164 |
| Other businesses and corporate | 1,192 | 1,102 | 892 |
| | ----- | ----- | ----- |
| | 102,120 | 92,390 | 70,403 |
| | ----- | | |

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| | | | |
|--------------------------------|---------|---------|--------|
| Less: sales between businesses | | | |
| Exploration and Production | 12,219 | 10,549 | 7,205 |
| Refining and Marketing | 269 | 298 | 867 |
| Other businesses and corporate | 409 | 321 | 295 |
| | ----- | ----- | ----- |
| | 12,897 | 11,168 | 8,367 |
| | ----- | ----- | ----- |
| Third party revenues | | | |
| Exploration and Production | 11,846 | 10,709 | 9,142 |
| Refining and Marketing | 76,594 | 69,732 | 52,297 |
| Other businesses and corporate | 783 | 781 | 597 |
| | ----- | ----- | ----- |
| Total third party revenues | 89,223 | 81,222 | 62,036 |
| | ===== | ===== | ===== |
| By geographical area | | | |
| UK | 36,897 | 33,075 | 24,100 |
| Rest of Europe | 23,657 | 22,938 | 16,656 |
| US | 31,731 | 28,800 | 23,150 |
| Rest of World | 26,857 | 22,292 | 17,344 |
| | ----- | ----- | ----- |
| | 119,142 | 107,105 | 81,250 |
| Less: sales between areas | 29,919 | 25,883 | 19,214 |
| | ----- | ----- | ----- |
| | 89,223 | 81,222 | 62,036 |
| | ===== | ===== | ===== |

5. Production and similar taxes

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|------------|--------------------------|---------------------------|--------------------------|
| | ===== | ===== | ===== |
| \$ million | | | |
| UK | 157 | 164 | 67 |
| Overseas | 1,452 | 1,354 | 680 |
| | ----- | ----- | ----- |
| | 1,609 | 1,518 | 747 |
| | ===== | ===== | ===== |

Notes

6. Finance costs

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|-------------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | ===== | ===== |
| \$ million | | | |
| Interest payable | 382 | 393 | 347 |
| Capitalized | (45) | (60) | (83) |
| | ----- | ----- | ----- |
| Unwinding of discount on provisions | 337 | 333 | 264 |
| | 69 | 75 | 67 |
| | ----- | ----- | ----- |
| | 406 | 408 | 331 |
| | ===== | ===== | ===== |

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7. Net finance income relating to pensions and other post-retirement benefits

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|--|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| Interest on pension and other post-retirement benefit plan liabilities | 612 | 564 | 538 |
| Expected return on pension and other post-retirement benefit plan assets | (772) | (730) | (698) |
| | (160) | (166) | (160) |

Notes

8. Analysis of changes in net debt

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|--|--------------------------|---------------------------|--------------------------|
| \$ million | | | |
| Opening balance | | | |
| Finance debt | 31,045 | 25,245 | 24,010 |
| Less: Cash and cash equivalents | 3,562 | 2,410 | 2,590 |
| Less: FV asset (liability) of hedges related to finance debt | 666 | 640 | 298 |
| Opening net debt | 26,817 | 22,195 | 21,122 |
| Closing balance | | | |
| Finance debt | 29,871 | 31,045 | 23,728 |
| Less: Cash and cash equivalents | 4,820 | 3,562 | 1,956 |
| Less: FV asset (liability) of hedges related to finance debt | 1,234 | 666 | 328 |
| Closing net debt | 23,817 | 26,817 | 21,444 |
| Decrease (increase) in net debt | 3,000 | (4,622) | (322) |
| Movement in cash and cash equivalents (excluding exchange adjustments) | 1,224 | 1,098 | (645) |
| Net cash outflow (inflow) from financing (excluding share capital) | 1,784 | (5,660) | 334 |
| Other movements | (7) | (89) | (11) |
| Movement in net debt before exchange effects | 3,001 | (4,651) | (322) |
| Exchange adjustments | (1) | 29 | - |
| Decrease (increase) in net debt | 3,000 | (4,622) | (322) |

Net debt has been redefined, for further information see Note 2. Amounts for comparative periods are presented on a consistent basis.

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Notes

9. TNK-BP operational and financial information

| | First quarter 2008 | Fourth quarter 2007 | First quarter 2007 |
|--|--------------------------|---------------------------|--------------------------|
| | | | |
| Production (Net of royalties) (BP share) | | | |
| Crude oil (mb/d) | 818 | 829 | 832 |
| Natural gas (mmcf/d) | 512 | 437 | 566 |
| Total hydrocarbons (mboe/d) (a) | 906 | 904 | 930 |
| | | | |
| <p>\$ million</p> | | | |
| Income statement (BP share) | | | |
| Profit before interest and tax | 1,209 | 1,278 | 356 |
| Finance costs | (76) | (71) | (61) |
| Taxation | (331) | (413) | (103) |
| Minority interest | (58) | (42) | (30) |
| | | | |
| Net income | 744 | 752 | 162 |
| | | | |
| Cash flow | | | |
| Dividends received | 1,200 | - | - |
| | | | |

| | 31 March 2008 | 31 December 2007 |
|--|------------------|---------------------|
| | | |
| Balance sheet | | |
| Investments in jointly controlled entities | 8,361 | 8,817 |
| | | |

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

10. Second quarter results

BP's second-quarter results will be announced on 29 July 2008.

11. Statutory accounts

The financial information shown in this publication, which was approved by the Board of Directors on 28 April 2008, is unaudited and does not constitute statutory financial statements. The 2007 BP Annual Report and Accounts have been filed with the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

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<http://www.bp.com/investors>

SIGNATURES

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

BP p.l.c.
(Registrant)

Dated: 29 April, 2008

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