BP PLC
Form 6-K
April 29, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

for the period ended 31 March 2014

Commission File Number 1-06262

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 of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE PROSPECTUS INCLUDED IN POST-EFFECTIVE AMENDMENT NO. 2 TO THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-179953) OF BP CAPITAL MARKETS p.l.c. AND BP p.l.c.; THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-79399) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-67206) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-103924) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-123482) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-123483) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-131583) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-131584) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-132619) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146868) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146870) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146873) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-149778) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-173136) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-177423) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-179406) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-186462) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-186463) OF BP p.l.c., AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

BP p.l.c. and subsidiaries

Form 6-K for the period ended 31 March 2014(a)

(a) In this Form 6-K, references to the first quarter 2014 and first quarter 2013 refer to the three-month periods ended 31 March 2014 and 31 March 2013 respectively.

(b) This discussion should be read in conjunction with the consolidated financial statements and related notes provided elsewhere in this Form 6-K and with the information, including the consolidated financial statements and related notes, in BP s Annual Report on Form 20-F for the year ended 31 December 2013.

Group results first quarter 2014

$ million	First quarter 2014	First quarter 2013
Profit for the period(a)	**3,528**	16,863
Inventory holding (gains) losses*, net of tax	**(53)**	(267)
Replacement cost profit*	**3,475**	16,596
Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*, net of tax	**(250)**	(12,381)
Underlying replacement cost profit*	**3,225**	4,215
Profit per ordinary share (cents)	**19.09**	88.07
Profit per ADS (dollars)	**1.15**	5.28
Replacement cost profit per ordinary share (cents)	**18.80**	86.67
Replacement cost profit per ADS (dollars)	**1.13**	5.20
Underlying replacement cost profit per ordinary share (cents)	**17.45**	22.01
Underlying replacement cost profit per ADS (dollars)	**1.05**	1.32

BP s profit for the first quarter was $3,528 million, compared with $16,863 million a year ago. BP s first-quarter replacement cost (RC) profit was $3,475 million, compared with $16,596 million a year ago. First quarter 2013 included a $12.5-billion gain relating to the disposal of our interest in TNK-BP. After adjusting for a net gain for non-operating items of $224 million and net favourable fair value accounting effects of $26 million (both on a post-tax basis), underlying RC profit for the first quarter 2014 was $3,225 million, compared with $4,215 million a year ago. RC profit or loss for the group, underlying RC profit or loss and fair value accounting effects are non-GAAP measures and further information is provided on pages 5, 23 and 29.

All amounts relating to the Gulf of Mexico oil spill have been treated as non-operating items, with a net pre-tax charge of $39 million for the quarter. For further information on the Gulf of Mexico oil spill and its consequences, including information on utilization of the Deepwater Horizon Oil Spill Trust fund, see page 12 and Note 2 on page 18. See also Legal proceedings on page 33.

Including the impact of the Gulf of Mexico oil spill, net cash provided by operating activities for the first quarter was $8.2 billion, compared with $4.0 billion in the same period of 2013. Excluding amounts related to the Gulf of Mexico oil spill, net cash provided by operating activities for the first quarter was $8.8 billion, compared with $4.3 billion in the same period of 2013. First quarter 2013 net cash provided by operating activities was impacted by a significant increase in working capital which did not occur in 2014.

Gross debt at 31 March 2014 was $53.2 billion compared with $48.2 billion at 31 December 2013. The ratio of gross debt to gross debt plus equity was 29.0%, compared with 27.0% a year ago. Net debt at 31 March 2014 was $25.3 billion, compared with $25.2 billion at 31 December 2013. The ratio of net debt to net debt plus equity at 31 March 2014 was 16.2%, the same level as at 31 December 2013. Net debt and the ratio of net debt to net debt plus equity are non-GAAP measures. See page 26 for more information.

Total capital expenditure on an accruals basis for the first quarter was $6.1 billion, of which organic capital expenditure* was $5.4 billion.

In October 2013, BP announced plans to divest a further $10 billion of assets before the end of 2015. BP has agreed around $3.0 billion of such further divestments to date. Disposal proceeds received in cash were $1.0 billion for the quarter.

The effective tax rate (ETR) on the profit for the first quarter was 31%, compared with 14% for the same period in 2013. The ETR on RC profit for the first quarter was 31% compared with 14% for the same period in 2013. The first quarter 2013 ETR was impacted by a lower ETR on non-operating items. Adjusting for non-operating items and fair value accounting effects, the underlying ETR in the first quarter was 33% compared with 39% for the same period in 2013. The underlying ETR on RC profit was lower in the first quarter of 2014 mainly due to foreign exchange effects on deferred tax and an increase in equity-accounted earnings (which are reported net of tax).

Finance costs and net finance expense relating to pensions and other post-retirement benefits were a charge of $367 million for the first quarter, compared with $404 million for the same period in 2013.

BP repurchased 245 million ordinary shares at a cost of $2.0 billion, including fees and stamp duty, during the first quarter of 2014. As at 31 March 2014, BP had bought back 997 million shares for a total amount of $7.5 billion, including fees and stamp duty, since the announcement on 22 March 2013 of a share repurchase programme with a total value of up to $8 billion expected to be fulfilled over 12-18 months from the date of the announcement.

BP today announced a quarterly dividend of 9.75 cents per ordinary share ($0.585 per ADS), which is expected to be paid on 20 June 2014. The corresponding amount in sterling will be announced on 9 June 2014. See page 25 for further information.

* For items marked * throughout this document, definitions are provided in the Glossary on page 31.

(a) Profit attributable to BP shareholders.

The commentaries above and following should be read in conjunction with the cautionary statement on page 35.

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Analysis of RC profit before interest and tax

and reconciliation to profit for the period

$ million	**First quarter 2014**	**First quarter 2013**
RC profit before interest and tax*		
Upstream	**4,659**	5,562
Downstream	**794**	1,647
TNK-BP(a)		12,500
Rosneft(b)	**518**	85
Other businesses and corporate	**(497)**	(467)
Gulf of Mexico oil spill response(c)	**(29)**	(22)
Consolidation adjustment - UPII*	**90**	427
RC profit before interest and tax	**5,535**	19,732
Finance costs and net finance expense relating to pensions and other post-retirement benefits	**(367)**	(404)
Taxation on a RC basis	**(1,602)**	(2,653)
Non-controlling interests	**(91)**	(79)
RC profit attributable to BP shareholders	**3,475**	16,596
Inventory holding gains (losses)	**102**	406
Taxation (charge) credit on inventory holding gains and losses	**(49)**	(139)
Profit for the period attributable to BP shareholders	**3,528**	16,863

(a) BP ceased equity accounting for its share of TNK-BP s earnings from 22 October 2012. First quarter 2013 includes the gain arising on disposal of BP s interest in TNK-BP.
(b) BP s investment in Rosneft is accounted under the equity method from 21 March 2013. See page 10 for further information.
(c) See Note 2 on page 18 for further information on the accounting for the Gulf of Mexico oil spill response.

Analysis of underlying RC profit before interest and tax

$ million	**First quarter 2014**	**First quarter 2013**
Underlying RC profit before interest and tax*		
Upstream	**4,401**	5,702

Downstream	**1,011**	1,641
Rosneft	**271**	85
Other businesses and corporate	**(489)**	(461)
Consolidation adjustment UPII	**90**	427
Underlying RC profit before interest and tax	**5,284**	7,394
Finance costs and net finance expense relating to pensions and other post-retirement benefits	**(357)**	(394)
Taxation on an underlying RC basis	**(1,611)**	(2,706)
Non-controlling interests	**(91)**	(79)
Underlying RC profit attributable to BP shareholders	**3,225**	4,215

Reconciliations of underlying RC profit or loss to the nearest equivalent IFRS measure are provided on page 3 for the group and on pages 6-11 for the segments.

Upstream

$ million	First quarter 2014	First quarter 2013
Profit before interest and tax	**4,653**	5,560
Inventory holding (gains) losses*	**6**	2
RC profit before interest and tax	**4,659**	5,562
Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*	**(258)**	140
Underlying RC profit before interest and tax*(a)	**4,401**	5,702

(a) See page 7 for a reconciliation to segment RC profit before interest and tax by region.

Financial results

The replacement cost profit before interest and tax for the first quarter was $4,659 million, compared with $5,562 million for the same period in 2013. The first quarter included a net non-operating gain of $276 million, compared with a net non-operating charge of $80 million a year ago. Fair value accounting effects in the first quarter had an unfavourable impact of $18 million, compared with an unfavourable impact of $60 million in the same period of 2013.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the first quarter was $4,401 million, compared with $5,702 million for the same period in 2013. The result for the first quarter reflected higher costs, predominantly exploration write-offs and depreciation, depletion and amortization, lower liquids realizations and lower production, partly offset by strong gas marketing and trading results and higher gas realizations.

Production

Reported production for the quarter was 2,131mboe/d, 8.5% lower than the first quarter of 2013. After adjusting for the effects of the Abu Dhabi onshore concession expiry in January, divestments and entitlement impacts in our production-sharing agreements (PSAs), underlying production was slightly lower. With new major project volumes in the North Sea, Angola and the Gulf of Mexico, we have grown our total underlying production in higher-margin areas.

Key events

During the first quarter, three major projects started up: the Chirag Oil project (BP 35.8%) in Azerbaijan and the Na Kika Phase 3 (BP 50%) and Mars B (BP 28.5%) projects in the Gulf of Mexico. We have now also commenced production from the Atlantis North expansion Phase 2 project, also in the Gulf of Mexico.

In March, the Shah Deniz and South Caucasus Pipeline consortia announced the award of further key contracts for the development of the Shah Deniz Stage 2 and South Caucasus Pipeline expansion projects. The contracts, covering both project management services and construction, follow the final investment decisions made in December 2013.

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

In the recent Gulf of Mexico lease sales, BP was the apparent high bidder on 24 out of 31 blocks, with final award subject to regulatory approval.

On 22 April, we announced that we have agreed to sell interests in four BP-operated oilfields on the North Slope of Alaska to Hilcorp. The sale agreement includes all of BP s interests in the Endicott and Northstar oilfields and a 50% interest in each of the Liberty and Milne Point fields, together with BP s interests in the oil and gas pipelines associated with these fields. The sale, for $1.25 billion plus an additional carry of up to $250 million if the Liberty field is developed, will be subject to state and federal regulatory approval and is expected to be complete by the end of the year. See Note 3 on page 23 for further information.

Outlook

Looking ahead, we expect second quarter 2014 reported production to be lower than the first quarter primarily driven by planned major turnaround activity, mainly in the higher-margin North Sea and Gulf of Mexico regions. We expect the turnaround impact on production to be slightly less than the impact experienced in the second quarter of 2013.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 35.

Upstream

$ million	First quarter 2014	First quarter 2013
Underlying RC profit before interest and tax(a)		
US	**731**	954
Non-US	**3,670**	4,748
	4,401	5,702
Non-operating items		
US	**(59)**	(6)
Non-US	**335**	(74)
	276	(80)
Fair value accounting effects		
US	**(49)**	(40)
Non-US	**31**	(20)
	(18)	(60)
RC profit before interest and tax(a)		
US	**623**	908
Non-US	**4,036**	4,654
	4,659	5,562
Exploration expense		
US(b)	**659**	80
Non-US	**289**	242
	948	322
Production (net of royalties)(c)		
Liquids* (mb/d)		
US	**396**	366
Europe	**106**	115
Rest of World	**582**	712
	1,085	1,193
Of which equity-accounted entities	**182**	298
Natural gas (mmcf/d)		

US	**1,478**	1,532
Europe	**199**	329
Rest of World	**4,390**	4,733
	6,067	6,593
Of which equity-accounted entities	**449**	398
Total hydrocarbons* (mboe/d)		
US	**651**	631
Europe	**140**	171
Rest of World	**1,339**	1,528
	2,131	2,330
Of which equity-accounted entities	**260**	367
Average realizations(d)		
Total liquids ($/bbl)	**97.16**	103.11
Natural gas ($/mcf)	**6.20**	5.52
Total hydrocarbons ($/boe)	**66.16**	65.11

(a) A minor amendment has been made to the analysis by region for the comparative period.

(b) Following on from the decision to create a separate BP business around our US lower 48 onshore oil and gas activities, and as a consequence of disappointing appraisal results, we have decided not to proceed with development plans in the Utica shale. First quarter 2014 includes a $521-million write-off relating to the Utica acreage.

(c) Includes BP s share of production of equity-accounted entities in the Upstream segment.

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

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

Downstream

$ million	**First quarter 2014**	**First quarter 2013**
Profit (loss) before interest and tax	**871**	2,055
Inventory holding (gains) losses*	**(77)**	(408)
RC profit (loss) before interest and tax	**794**	1,647
Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*	**217**	(6)
Underlying RC profit before interest and tax*(a)	**1,011**	1,641

(a) See page 9 for a reconciliation to segment RC profit before interest and tax by region and by business.

Financial results

The replacement cost profit before interest and tax was $794 million for the first quarter, compared with $1,647 million for the same period in 2013.

The first-quarter result included a net non-operating charge of $278 million, compared with a net non-operating gain of $19 million for the same period in 2013 (see pages 9 and 28 for further information on non-operating items). The charge for the quarter principally reflects an impairment relating to the announced cessation of operations at Bulwer refinery in Australia. Fair value accounting effects had a favourable impact of $61 million for the first quarter, compared with an unfavourable impact of $13 million in the same period of 2013.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the first quarter was $1,011 million, compared with $1,641 million for the same period in 2013, with the reduction in profit mainly arising in the fuels business.

Replacement cost profit before interest and tax for the fuels, lubricants and petrochemicals businesses is set out on page 9.

Fuels business

The fuels business delivered an underlying replacement cost profit before interest and tax of $700 million for the first quarter, compared with $1,237 million for the same period in 2013. The lower result is principally due to a reduction in refining margins, including compression in heavy Canadian crude differentials relative to the very high levels seen in the same period of last year. This was partially offset by the return to operations of the largest crude unit at the Whiting refinery which had a planned outage in the same period of 2013 as part of the modernization project at the facility. Solomon availability was strong at 95%, though slightly below the level achieved in the first quarter of 2013. In addition, the supply and trading result was strong for the first quarter, similar to levels achieved in the same period of 2013. Heavy crude processing continues to increase at Whiting, and reached about 200,000 barrels per day at the end of the quarter, and is expected to reach about 280,000 barrels per day during the second quarter. The positive impact on the second quarter is expected to be partially offset by an increase in turnaround activity across the portfolio.

Lubricants business

The lubricants business delivered an underlying replacement cost profit before interest and tax of $307 million in the first quarter, compared with $345 million in the same period last year, with the difference being primarily due to exchange rate effects in the Indian rupee, the pound sterling and the South African rand. This performance reflects continued delivery of our strategy focused on quality premium lubricants, leading brands and high growth markets.

Petrochemicals business

The petrochemicals business reported an underlying replacement cost profit before interest and tax of $4 million in the first quarter, compared with $59 million in the same period of 2013. We acquired the remaining 50% joint venture interests in our purified terephthalic acid (PTA) plant in Indonesia, consistent with the strategy of growing our PTA business in chosen markets. The March shut-down of the SECCO site in China for a two-month turnaround negatively impacted the results. The petrochemicals environment continues to be challenging with excess supply affecting product margins, particularly in the aromatics business.

Outlook

In the second quarter we expect seasonally stronger refining margins supported by low product stocks, particularly in the US, and increased global turnaround activity. Low petrochemicals margins are expected to continue.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 35.

Downstream

$ million	First quarter 2014	First quarter 2013
Underlying RC profit (loss) before interest and tax - by region		
US	**412**	750
Non-US	**599**	891
	1,011	1,641
Non-operating items		
US	**(1)**	28
Non-US	**(277)**	(9)
	(278)	19