

BP CAPITAL MARKETS PLC

Form F-3

February 05, 2015

Table of Contents

As filed with the Securities and Exchange Commission on February 5, 2015

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BP p.l.c.

BP Capital Markets p.l.c.

(Exact name of registrant as specified in its charter)

(Exact name of registrant as specified in its charter)

ENGLAND and WALES

ENGLAND and WALES

(State or other jurisdiction of incorporation or organization)

(State or other jurisdiction of incorporation or organization)

Not Applicable

Not Applicable

(I.R.S. Employer Identification No.)

(I.R.S. Employer Identification No.)

1 St. James s Square

Chertsey Road

London SW1Y 4PD United Kingdom

Sunbury on Thames

(011) 44-20-7496-4000

Middlesex TW16 7BP United Kingdom

**(Address and telephone number of Registrant s
executive offices)**

(011) 44-19-3276-2000

**(Address and telephone number of Registrant s
executive offices)**

C T Corporation System

1015 15th Street, NW

Washington, DC 20005

(202) 572-3100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Rupert M. Bondy

Kathryn A. Campbell, Esq.

Group General Counsel

Sullivan & Cromwell LLP

BP p.l.c.

125 Broad Street

1 St. James s Square

New York, New York 10004

London SW1Y 4PD, England

(212) 558-4000

(011) 44 20-7496 4452

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount to be Registered/ Proposed Maximum Aggregate Price Per Unit/ Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Securities to be Registered		
Guaranteed Debt Securities	\$30,000,000,000	\$1,324,680 (3)
Guarantees of Debt Securities (4)		

(1) The amount to be registered and the aggregate maximum offering price of all securities issued pursuant to this Registration Statement shall not have a maximum aggregate offering price that exceeds \$30,000,000,000 in U.S. dollars or the equivalent at the time of offering in any other currency. The proposed maximum aggregate price per unit has been omitted pursuant to Note 2 under Notes to the Calculation of Registration Fee Table in Form

F-3.

- (2) Pursuant to Rule 415(a)(6) under the Securities Act, the \$30,000,000,000 of securities covered by this Registration Statement includes \$18,600,000,000 aggregate principal amount or offering price of BP p.l.c. s and BP Capital Markets p.l.c. s (together, the Registrants) securities (the Unsold Securities) that were previously registered by the Registrants on the Registration Statement on Form F-3 under the Securities Act (Registration Nos. 333-179953 and 333-179953-01) filed on March 7, 2012, as amended by Post-Effective Amendment No. 1 and Post-Effective Amendment No. 2 thereto, in each case filed on February 5, 2013. Pursuant to Rule 415(a)(6) under the Securities Act, \$2,537,040 of filing fees previously paid in connection with the Unsold Securities will continue to be applied to the Unsold Securities that are being carried forward to this Registration Statement. The amount of registration fee included in the table above relates to the maximum aggregate offering price of the additional \$11,400,000,000 of securities registered on this registration statement. In accordance with SEC rules, the Registrants may continue to offer and sell the Unsold Securities during the grace period afforded by Rule 415(a)(5). If the Registrants sell any Unsold Securities during the grace period, the Registrants will identify in a pre-effective amendment to this Registration Statement the new amount of Unsold Securities to be carried forward to this Registration Statement in reliance upon Rule 415(a)(6) and any filing fee paid in connection with such Unsold Securities and the amount of any new securities to be registered.
- (3) The registration fee has been calculated in accordance with Rule 457(o) under the Securities Act of 1933 and reflects the maximum aggregate offering price rather than the principal amount of any securities issued at a discount.
- (4) Pursuant to Rule 457(n) under the Securities Act, no separate fee for the Guarantees is payable. The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

Table of Contents

BP CAPITAL MARKETS P.L.C.
GUARANTEED DEBT SECURITIES
Fully and unconditionally guaranteed by
BP p.l.c.

BP Capital Markets p.l.c. may use this prospectus to offer from time to time guaranteed debt securities.

We urge you to read this prospectus and the accompanying prospectus supplement carefully before you invest. We may sell these securities to or through underwriters, and also to other purchasers or through agents. The names of the underwriters will be set forth in the accompanying prospectus supplement.

Investing in these securities involves certain risks. See Risk Factors beginning on page 2.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated February 5, 2015

Table of Contents**TABLE OF CONTENTS**

	Page
<u>About this Prospectus</u>	1
<u>Risk Factors</u>	2
<u>Forward-Looking Statements</u>	4
<u>Where You Can Find More Information About Us</u>	5
<u>BP p.l.c.</u>	6
<u>Description of BP Capital Markets p.l.c.</u>	6
<u>Ratio of Earnings to Fixed Charges</u>	7
<u>Capitalization and Indebtedness of BP p.l.c.</u>	8
<u>Use of Proceeds</u>	9
<u>Legal Ownership</u>	9
<u>Description of Debt Securities and Guarantees</u>	12
<u>Clearance and Settlement</u>	23
<u>Tax Considerations</u>	28
<u>Plan of Distribution</u>	43
<u>Validity of Securities</u>	45
<u>Experts</u>	45
<u>Enforceability of Certain Civil Liabilities</u>	45
<u>Expenses</u>	46

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of those securities and their offering. The prospectus supplement may also add, update or change information contained in this prospectus. We urge you to read both this prospectus and any prospectus supplement together with the additional information described under the heading Where You Can Find More Information About Us .

In this prospectus, the terms we , our and us refer to BP p.l.c. and BP Capital Markets p.l.c.; BP refers to BP p.l.c.; Group refers to BP and its subsidiaries; and BP Capital U.K. refers to BP Capital Markets p.l.c.

Table of Contents

RISK FACTORS

Investing in the securities offered using this prospectus involves risk. We urge you to consider carefully the risks described below, together with the risks described in the documents incorporated by reference into this prospectus and any risk factors included in the prospectus supplement, before you decide to buy our securities. The potential impact of the occurrence, or re-occurrence, of any of these risks 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, and could cause the trading price and liquidity of our securities to decline, in which case you may lose all or part of your investment.

Risks relating to BP's business

You should read "Risk factors" in BP's Annual Report on Form 20-F for the fiscal year ended December 31, 2013 and "Principal risks and uncertainties" in BP's Report on Form 6-K for the three months and six months ended June 30, 2014, filed on July 29, 2014, each of which is incorporated by reference in this prospectus, or similar sections in subsequent filings incorporated by reference in this prospectus, for information on risks relating to our business.

Risks relating to the debt securities

The debt securities are unsecured and your right to receive payments on the debt securities may be adversely affected by prior ranking claims

The debt securities will be unsecured. If BP Capital U.K. defaults on the debt securities or BP defaults on the guarantee, or in the event of any bankruptcy, liquidation or reorganization of BP Capital U.K. or BP, then, to the extent that BP Capital U.K. or BP has granted security over its assets in respect of any of its obligations, the secured assets will be applied to satisfy those obligations before satisfaction of any payment obligations of BP Capital U.K. or BP in respect of the debt securities or the guarantee. There may only be limited assets available to make payments on the debt securities or the guarantee in the event of an acceleration of the debt securities or any bankruptcy, liquidation or reorganization of BP Capital U.K. or BP. If there is not enough collateral to satisfy all secured obligations, then any remaining amounts payable in respect of secured obligations would share equally with all unsubordinated unsecured obligations, including payment obligations in respect of the debt securities and the guarantee.

BP Capital U.K. and BP can incur significantly more debt in the future, and your rights may be inferior to the rights of holders of that debt

BP Capital U.K. and BP may each incur substantial additional indebtedness in the future, some or all of which may be secured by assets of BP Capital U.K., BP and/or their respective subsidiaries. The terms of the debt securities will not limit the amount of indebtedness the group may incur. Any such incurrence of additional indebtedness could have significant effects on the future operations of BP Capital U.K. and BP because of the potentially significant cash requirements to service that debt, which could limit funds available for operations and future business opportunities and increase the vulnerability of BP Capital U.K. and BP to adverse general economic and industry conditions or lower oil and gas prices. Any such additional indebtedness would also generally exacerbate the other risks that holders of the debt securities now face.

In addition, the indenture governing the debt securities does not restrict BP Capital U.K. and BP from issuing debt securities in the future that provide holders with rights superior to the rights already granted, or that may be granted in the future, to holders of the debt securities. BP Capital U.K. and BP may also incur indebtedness in the future under different instruments. All of this additional indebtedness incurred in the future under the indenture governing the debt

securities or otherwise may rank senior to the debt securities.

BP is a holding company, so its obligations as guarantor are structurally subordinated to liabilities of its subsidiaries

Table of Contents

BP is organized as a holding company, and substantially all of its operations are carried out through subsidiaries. BP's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances and other payments. No member of the group (other than BP Capital U.K. and BP) has any obligation, contingent or otherwise, to pay any amounts due under the debt securities or to make funds available to BP Capital U.K. or BP to enable either of them to pay any amounts due under the debt securities or the guarantee. Moreover, BP's subsidiaries and affiliated companies are not required, and may not be able, to pay dividends to BP. Claims of the creditors of BP's subsidiaries have priority as to the assets of such subsidiaries over the claims of BP. Consequently, in the event of insolvency of BP, the claims of holders of the debt securities under the guarantee would be structurally subordinated to the prior claims of the creditors of subsidiaries of BP. Moreover, subsidiaries of BP incorporated under the laws of England and Wales may be restricted by law in their ability to declare dividends due to failure to meet requirements tied to net asset levels or distributable profits.

A ratings decline could adversely affect the value of the debt securities

Any of the rating agencies that rate the debt of BP Capital U.K. and BP has the ability to lower the ratings currently assigned to that debt as a result of its views about the group's current or future business, financial condition, results of operations or other matters. Any ratings decline could adversely affect the value of the debt securities.

In addition, the credit ratings ascribed to the group and the debt securities are intended to reflect the ability of BP Capital U.K. and BP to meet their respective repayment obligations in respect of the debt securities and the guarantee, and may not reflect the potential impact of all risks related to the structure, the market, the group and other factors on the value of the debt securities.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus, including documents incorporated by reference, and the related prospectus supplement may contain certain forward-looking statements with respect to the financial condition, results of operations and businesses of BP and certain of the plans, objectives, assumptions, projections, expectations, intentions or beliefs of BP with respect to these items. These statements may generally, but not always, be identified by the use of words such as will, expects, is expected to, aims, should, may, objective, is likely to, intends, believes, plans, we see or similar expressions. In nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including: the specific factors identified in the discussions accompanying such forward-looking statements; the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; production-sharing agreements effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; the impact on our reputation following the Gulf of Mexico oil spill; the actions of the Claims Administrator appointed under the Economic and Property Damages Settlement; the actions of all parties to the Gulf of Mexico oil spill-related litigation at various phases of the litigation; the timing and amount of future payments relating to the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft's management and board of directors; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed elsewhere in this prospectus including under Risk Factors above. Any forward-looking statements made by or on BP's behalf speak only as of the date they are made. BP does not undertake to update forward-looking statements to reflect any changes to its expectations or any changes in events, conditions or circumstances on which any such statement is based. Additional information, including information on factors which may affect BP's business, is contained in BP's Annual Report on Form 20-F for the fiscal year ended December 31, 2013 and in the Report on Form 6-K filed with the SEC on July 29, 2014.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION ABOUT US

BP files annual reports and other reports and information with the SEC. You may read and copy any document BP files at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. In addition, BP's SEC filings are available to the public at the SEC's website at <http://www.sec.gov>. For further information, call the SEC at 1-800-SEC-0330 or log on to <http://www.sec.gov>.

BP's American Depositary Shares are listed on the New York Stock Exchange. BP's ordinary shares are admitted to trading on the London Stock Exchange and are also listed on the Frankfurt Stock Exchange in Germany. You can consult reports and other information about BP that it files pursuant to the rules of the London Stock Exchange and the New York Stock Exchange at these exchanges.

The SEC allows BP to incorporate by reference into this prospectus the information in documents filed with the SEC. This means that BP can disclose important information to you by referring you to those documents. Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. The information incorporated by reference is considered to be a part of this prospectus; accordingly, we urge you to read it with the same care. When BP updates the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

BP incorporates by reference into this prospectus the documents listed below and any documents BP files with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any future annual reports on Form 20-F, until the offerings made under this prospectus are completed:

Annual Report on Form 20-F for the year ended December 31, 2013 (File No. 001-06262), filed on March 6, 2014.

Report on Form 6-K for the three months ended March 31, 2014, filed on April 29, 2014.

Report on Form 6-K regarding recent announcements regarding management and board changes, filed on July 25, 2014.

Report on Form 6-K for the three months and six months ended June 30, 2014, filed on July 29, 2014.

Report on Form 6-K regarding legal proceedings update and credit ratings update, filed on September 19, 2014.

Edgar Filing: BP CAPITAL MARKETS PLC - Form F-3

Report on Form 6-K for the three months and nine months ended September 30, 2014, filed on October 28, 2014.

Report on Form 6-K for the three months and twelve months ended December 31, 2014, filed on February 3, 2015.

Any reports on Form 6-K furnished to the SEC by BP pursuant to the Exchange Act that indicate on their cover page that they are incorporated by reference in this prospectus after the date of this prospectus and before the date that any offering of the securities by means of this prospectus is terminated.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning BP at the following address:

BP p.l.c.

1 St. James's Square

London SW1Y 4PD, United Kingdom

(011) 44-20-7496-4000

You should rely only on the information that we incorporate by reference or provide in this prospectus or the prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the prospectus supplement is accurate as of any date other than the date on the front of those documents.

Table of Contents

BP p.l.c.

BP p.l.c. was incorporated in 1909 in England and Wales. BP p.l.c. is a public limited company, incorporated under the Companies (Consolidation) Act 1908 with registered number 00102498.

You can find a more detailed description of BP's business and recent transactions in BP's Annual Report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference in this prospectus. The Form 20-F also presents an unaudited ratio of earnings to fixed charges for BP.

BP's principal executive offices are located on 1 St. James's Square, London SW1Y 4PD, United Kingdom. BP's telephone number is (011) 44-20-7496-4000.

DESCRIPTION OF BP CAPITAL MARKETS P.L.C.

Financial Statements

We do not present separate financial statements of BP Capital Markets p.l.c. in this prospectus because management has determined that they would not be material to investors. BP will fully and unconditionally guarantee the guaranteed debt securities issued by BP Capital Markets p.l.c. as to payment of principal, premium, if any, interest and any other amounts due.

BP Capital Markets p.l.c.

BP Capital Markets p.l.c. (BP Capital U.K.) is a wholly-owned indirect subsidiary of BP and was incorporated under the laws of England and Wales on December 14, 1976. BP Capital U.K. is a financing vehicle for the BP Group and issues debt securities and commercial paper on behalf of the BP Group. BP Capital U.K. will lend substantially all proceeds of its borrowings to the BP Group.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES****(unaudited)**

	Years ended December 31,				
	2014	2013	2012	2011	2010(2)
For the BP Group in accordance with IFRS(1)	2.2	10.4	6.3	14.3	

Fixed charges for all computations consist of interest (including capitalized interest) on all indebtedness, amortization of debt discount and expense and that portion of rental expense representative of the interest factor.

- (1) Earnings consist of profit before taxation, after eliminating the BP Group's share of undistributed income of equity-accounted entities, plus fixed charges.
- (2) For the year ended December 31, 2010, earnings are inadequate to cover fixed charges. The deficiency for the year ended December 31, 2010 is \$6,840 million.

Table of Contents**CAPITALIZATION AND INDEBTEDNESS OF BP P.L.C.**

The following table shows the unaudited consolidated capitalization and indebtedness of the BP Group as of December 31, 2014 in accordance with IFRS:

	As of December 31, 2014 (US\$ million)
Share Capital	
Capital shares (1-2)	5,023
Paid-in surplus (3)	11,673
Merger reserve (3)	27,206
Own shares	(541)
Available-for-sale investments	1
Cash flow hedge reserve	(898)
Foreign currency translation reserve	(3,409)
Treasury Shares	(20,178)
Share-based payment reserve	1,746
Profit and loss account	90,818
 BP shareholders equity	 111,441
Finance debt (4-6)	
Due within one year	6,877
Due after more than one year	45,977
 Total finance debt	 52,854
 Total Capitalization (7)	 \$ 164,295

- (1) Issued share capital as of December 31, 2014 comprised 18,234,858,213 ordinary shares, par value \$0.25 per share, and 12,706,252 preference shares, par value £1 per share. This excludes 1,771,103,080 ordinary shares which have been bought back and held in treasury by BP. These shares are not taken into consideration in relation to the payment of dividends and voting at shareholders meetings.
- (2) Capital shares represent the ordinary shares of BP which have been issued and are fully paid.
- (3) Paid-in surplus and merger reserve represent additional paid-in capital of BP which cannot normally be returned to shareholders.
- (4) Finance debt recorded in currencies other than US dollars has been translated into US dollars at the relevant exchange rates existing on December 31, 2014.
- (5) Obligations under finance leases are included within finance debt in the above table.
- (6) As of December 31, 2014, the parent company, BP p.l.c., had outstanding guarantees totalling \$51,463 million, of which \$51,433 million related to guarantees in respect of liabilities of subsidiary undertakings, including \$49,522

million relating to finance debt of subsidiaries. Thus 94% of the Group's finance debt had been guaranteed by BP p.l.c. At December 31, 2014, \$137 million of finance debt was secured by the pledging of assets. The remainder of finance debt was unsecured.

- (7) There has been no material change since December 31, 2014 in the consolidated capitalization and indebtedness of BP.

Table of Contents

USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, the net proceeds from the sale of securities will be used for general corporate purposes. These include working capital for BP or other companies in the BP Group and the repayment of existing borrowings of BP and its subsidiaries.

LEGAL OWNERSHIP

Street Name and Other Indirect Holders

We generally will not recognize investors who hold securities in accounts at banks or brokers that are the legal holders of securities. When we refer to the holders of securities, we mean only the actual legal and (if applicable) record holder of those securities. Holding securities in accounts at banks or brokers is called holding in street name. If you hold securities in street name, we will recognize only the bank or broker or the financial institution the bank or broker uses to hold its securities. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the securities, either because they agree to do so in their customer agreements or because they are legally required. If you hold securities in street name, we urge you to check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required to vote;

whether and how you can instruct it to send you securities registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the securities run only to persons who are registered as holders of securities. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold securities in that manner or because the securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Securities

What is a Global Security?

A global security is a special type of indirectly held security, as described above on this page under **Street Name and Other Indirect Holders** . If we choose to issue securities in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global security is called the depositary. Any person wishing to own a security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depositary. The prospectus supplement relating to an offering of a series of securities will indicate whether the series will be issued only in the form of global securities.

Table of Contents

Special Investor Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize this type of investor as a holder of securities and instead deal only with the depositary that holds the global security.

If you are an investor in securities that are issued only in the form of global securities, you should be aware that:

You cannot get securities registered in your own name.

You cannot receive physical certificates for your interest in the securities.

You will be a street name holder and must look to your own bank or broker for payments on the securities and protection of your legal rights relating to the securities, as explained on page 9 under **Street Name and Other Indirect Holders**.

You may not be able to sell interests in the securities to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates.

The depositary's policies will govern payments, transfers, exchange and other matters relating to your interest in the global security. We and the trustee have no responsibility for any aspect of the depositary's actions (other than actions undertaken pursuant to our instructions) or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary in any way.

The depositary will require that interests in a global security be purchased or sold within its system using same-day funds. By contrast, payment for purchases and sales in the market for corporate bonds and other securities is generally made in next-day funds. The difference could have some effect on how interests in global securities trade, but we do not know what that effect will be.

Special Situations When the Global Security Will Be Terminated

In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates representing securities. After that exchange, the choice of whether to hold securities directly or in street name will be up to the investor. Investors must consult their own bank or brokers to find out how to have their interests in securities transferred to their own name so that they will be direct holders. The rights of street name investors and direct holders in the securities have been previously described on page 9 under **Street Name and Other Indirect Holders** and **Direct Holders**.

The special situations for termination of a global security are:

When the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary.

When an event of default on the securities has occurred and has not been cured. Defaults on debt securities are discussed below on pages 20-21 under Description of Debt Securities and Guarantees Default and Related Matters Events of Default .

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities covered by the prospectus supplement. When a global security terminates, the depositary, and not we or the trustee, is responsible for deciding the names of the institutions that will be the initial direct holders.

Table of Contents

In the remainder of this description you means direct holders and not street name or other indirect holders of securities. We urge indirect holders to read the subsection on page 9 entitled Street Name and Other Indirect Holders .

Table of Contents

DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

BP Capital U.K. may issue guaranteed debt securities using this prospectus. As required by U.S. federal law for all bonds and notes of companies that are publicly offered, the debt securities are governed by a document called the indenture. BP Capital U.K. has entered into an indenture governing its guaranteed debt securities, under which The Bank of New York Mellon Trust Company, N.A. acts as trustee.

The trustee under the indenture has two main roles:

first, it can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, described under **Default and Related Matters** **Events of Default** **Remedies If an Event of Default Occurs** on page 21 below; and

second, the trustee performs administrative duties for us, such as sending you interest payments, transferring your debt securities to a new buyer if you sell and sending you notices.

BP acts as the guarantor of the guaranteed debt securities issued under the indenture. The guarantees are described under **Guarantees** on page 13 below.

The indenture and its associated documents contain the full legal text governing the matters described in this section. The indenture, the debt securities and the guarantees are governed by New York law. The indenture is an exhibit to our registration statement. See **Where You Can Find More Information About Us** on page 5 for information on how to obtain a copy.

This section contains what we believe is a materially complete and accurate summary of the material provisions of the indenture, the debt securities and the guarantees. However, because it is a summary, it does not describe every aspect of the indenture, the debt securities or the guarantees. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including some of the terms used in the indenture. We describe the meaning for only the more important terms. We also include references in parentheses to some sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in the prospectus supplement, those sections or defined terms are incorporated by reference here or in the prospectus supplement. This summary also is subject to and qualified by reference to the description of the particular terms of your series described in the prospectus supplement.

BP Capital U.K. may issue as many distinct series of debt securities under its indenture as it wishes. This section summarizes all material terms of the debt securities that are common to all series, unless otherwise indicated in the prospectus supplement relating to a particular series.

We may issue the debt securities as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. (*Section 101*) Special U.S. federal income tax, accounting and other considerations may apply to original issue discount securities. The applicable U.S. federal income tax considerations for original issue discount securities are described under **Tax Considerations** **United States Taxation** **United States Holders** **Original Issue Discount** on pages 29-35 below. The debt securities may also be issued as indexed securities or securities denominated in foreign currencies or currency units, as described in more detail in the prospectus supplement relating to any such debt securities.

In addition, the specific financial, legal and other terms particular to a series of debt securities are described in the prospectus supplement and the pricing agreement relating to the series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the prospectus supplement.

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of the series of debt securities;

Table of Contents

any limit on the aggregate principal amount of the series of debt securities or on the future offering of additional debt securities beyond any such limit;

any stock exchange on which we will list the series of debt securities;

the date or dates on which we will pay the principal of the series of debt securities;

the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;

the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;

any mandatory or optional sinking funds or analogous provisions or provisions for redemption at the option of the holder;

the date, if any, after which and the price or prices at which the series of debt securities may, in accordance with any optional or mandatory redemption provisions that are not described in this prospectus, be redeemed and the other detailed terms and provisions of those optional or mandatory redemption provisions, if any;

the denominations in which the series of debt securities will be issuable if other than denominations of \$1,000 and any integral multiple of \$1,000;

the currency of payment of principal, premium, if any, and interest on the series of debt securities if other than the currency of the United States of America and the manner of determining the equivalent amount in the currency of the United States of America;

any index used to determine the amount of payment of principal of, premium, if any, and interest on the series of debt securities;

the applicability of the provisions described on pages 19-20 under Special Situations Defeasance and Discharge ;

whether we will be required to pay additional amounts for withholding taxes or other governmental charges and, if applicable, a related right to an optional tax redemption for such a series;

whether the series of debt securities will be issuable in whole or part in the form of a global security as described on pages 9-10 under **Legal Ownership Global Securities** , and the depositary or its nominee with respect to the series of debt securities, and any special circumstances under which the global security may be registered for transfer or exchange in the name of a person other than the depositary or its nominee; and

any other special features of the series of debt securities.

Unless otherwise stated in the prospectus supplement, the debt securities will be issued only in fully registered form without interest coupons.

Guarantees

BP will fully and unconditionally guarantee the payment of the principal of, premium, if any, and interest on the guaranteed debt securities, including certain additional amounts which may be payable under the guarantees, as described on pages 18-19 under **Special Situations Payment of Additional Amounts** . BP guarantees the payment of such amounts when such amounts become due and payable, whether at the stated maturity of the debt securities, by declaration of acceleration, call for redemption or otherwise.

Table of Contents

Overview of Remainder of This Description

The remainder of this description summarizes:

Additional mechanics relevant to the debt securities under normal circumstances, such as how you transfer ownership and where we make payments.

Your rights under several *special situations*, such as if we merge with another company or if we want to change a term of the debt securities.

Your rights to receive *payment of additional amounts* due to changes in U.K. tax withholding or deduction requirements.

Your rights if we *default* or experience other financial difficulties.

Our relationship with the *trustee*.

Additional Mechanics

Exchange and Transfer

You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. (*Section 305*) This is called an exchange.

You may exchange or transfer registered debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring registered debt securities. We may change this appointment to another entity or perform the service ourselves. The entity performing the role of maintaining the list of registered holders is called the security registrar. It will also register transfers of the registered debt securities. (*Section 305*)

You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange of a registered debt security will only be made if the security registrar is satisfied with your proof of ownership.

If we have designated additional transfer agents, they are named in the prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts. (*Section 1002*)

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of debt securities during a specified period of time in order to freeze the list of holders to prepare the mailing. The period begins 15 days before the day we mail the notice of redemption and ends on the day of that mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption.

However, we will continue to permit transfers and exchanges of the unredeemed portion of any security being partially redeemed. (*Section 305*)

Payment and Paying Agents

We will pay interest to you if you are a direct holder listed in the trustee's records at the close of business on a particular day in advance of each due date for interest, even if you no longer own the security on the interest due date. That particular day, usually about two weeks in advance of the interest due date, is called the regular record date and is stated in the prospectus supplement. (*Section 307*)

We will pay interest, principal and any other money due on the registered debt securities at the corporate trust office of the trustee in Chicago, Illinois. That office is currently located at The Bank of New York Mellon Trust

Table of Contents

Company, N.A., 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602. You must make arrangements to have your payments picked up at or wired from that office. We may also choose to pay interest by mailing checks. Interest on global securities will be paid to the holder thereof by wire transfer of same-day funds.

Holders buying and selling debt securities must work out between them how to compensate for the fact that we will pay all the interest for an interest period to the one who is the registered holder on the regular record date. The most common manner is to adjust the sales price of the debt securities to pro rate interest fairly between buyer and seller. This pro rated interest amount is called accrued interest.

We urge street name and other indirect holders to consult their banks or brokers for information on how they will receive payments.

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee's corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify you through the trustee of changes in the paying agents for any particular series of debt securities. (*Section 1002*)

Notices

We and the trustee will send notices only to direct holders, using their addresses as listed in the trustee's records. (*Section 106*)

Regardless of who acts as paying agent, all money that we pay to a paying agent that remains unclaimed at the end of two years after the amount is due to direct holders will be repaid to us. After that two-year period, you may look only to us for payment and not to the trustee, any other paying agent or anyone else. (*Section 1006*)

Special Situations

Mergers and Similar Events

We are generally permitted to consolidate or merge with another company or firm. We are also permitted to sell or lease substantially all of our assets to another corporation or other entity or to buy or lease substantially all of the assets of another corporation or other entity. No vote by holders of debt securities approving any of these actions is required, unless as part of the transaction we make changes to the indenture requiring your approval, as described below on pages 16-17 under "Modification and Waiver". We may take these actions as part of a transaction involving outside third parties or as part of an internal corporate reorganization. We may take these actions even if they result in:

a lower credit rating being assigned to the debt securities; or

additional amounts becoming payable in respect of U.K. withholding tax, and the debt securities thus being subject to redemption at our option, as described below on page 19 under "Optional Tax Redemption".

We have no obligation under the indenture to seek to avoid these results, or any other legal or financial effects that are disadvantageous to you, in connection with a merger, consolidation or sale or lease of assets that is permitted under

the indenture. However, we may not take any of these actions unless all the following conditions are met:

Where BP Capital U.K. or BP, as applicable, merges out of existence or sells or leases substantially all of its assets, the other entity must assume its obligations on the debt securities or the guarantees. Such other entity must be organized under the laws of such BP entity's jurisdiction or a political subdivision thereof.

The merger, sale or lease of assets or other transaction must not cause a default on the debt securities, and we must not already be in default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below on pages 20-21 under **Default and Related Matters Events of Default What is An Event of Default?** A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Table of Contents

It is possible that the merger, sale or lease of assets or other transaction would cause some of our property to become subject to a mortgage, security interest, lien or other legal mechanism giving lenders preferential rights in that property over other lenders or over our general creditors if we fail to pay them back.

It is possible that the U.S. Internal Revenue Service may deem a merger or other similar transaction to cause an exchange for U.S. federal income tax purposes of debt securities for new securities by the holders of the debt securities. This could result in the recognition of taxable gain or loss for U.S. federal income tax purposes and possible other adverse tax consequences.

Modification and Waiver

There are three types of changes we can make to the indenture and the debt securities.

Changes Requiring Your Approval

First, there are changes that cannot be made to your debt securities without your specific approval. We must obtain your specified approval in order to:

change the stated maturity of the principal or interest on a debt security;