



BP Biofuels

a growing alternative



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Forward Looking Statements



This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors could cause results to differ materially from those stated. These factors include, but are not limited to, changes in the laws, regulations, policies and economic conditions of countries in which the company does business; competitive pressures; successful integration of structural changes, including acquisitions, divestitures and alliances; research and development of new products, including regulatory approval and market acceptance, and seasonality of sales of agricultural products.



Why biofuels?



energy security



climate change



rural development

Where we are today:

17 billion gallons of
biofuels worldwide
(3% penetration)



Convergence of forces will accelerate biofuels adoption

~70 billion gallons of
biofuels worldwide by
2020 (~10% penetration)

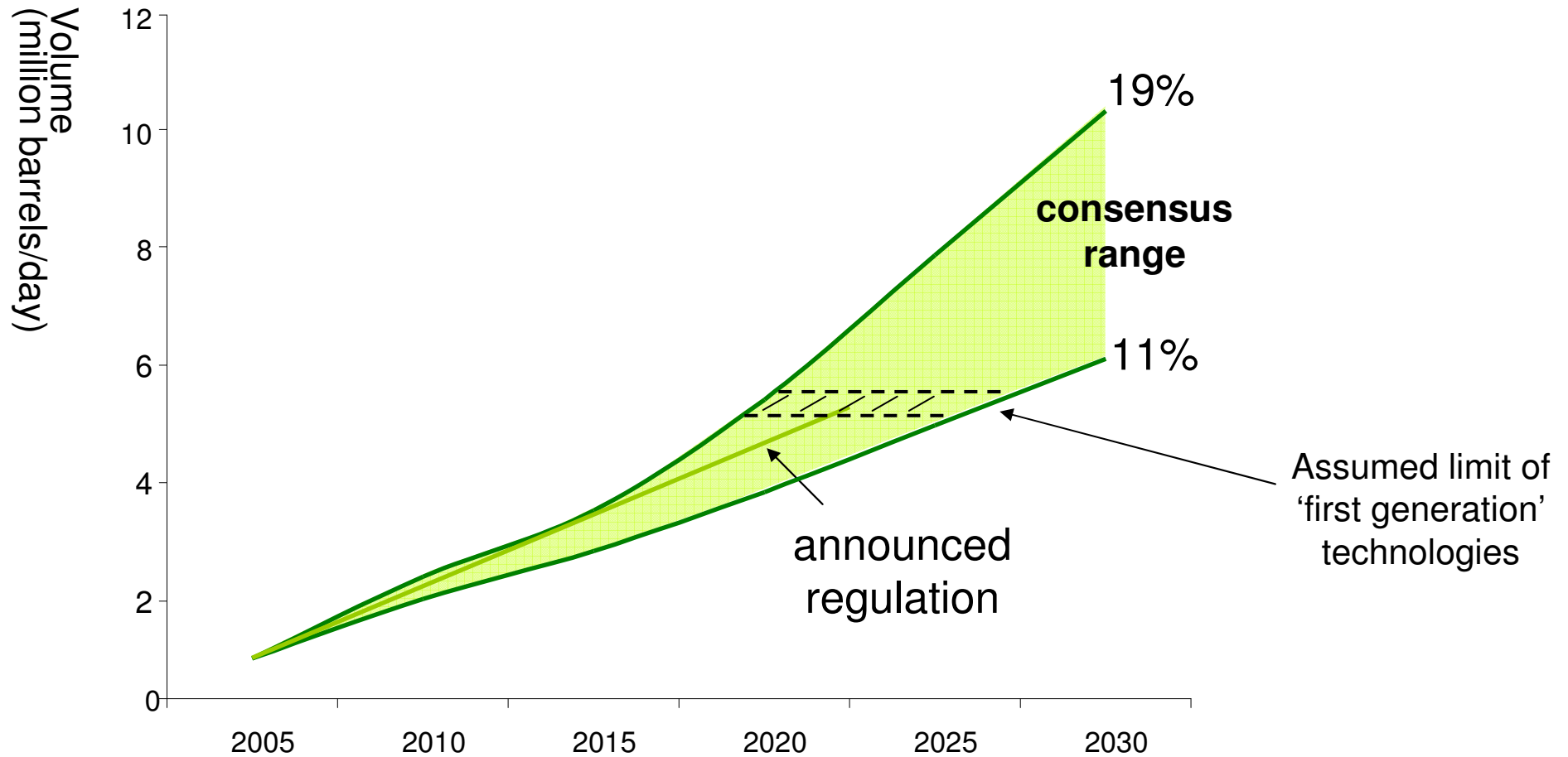
BP Biofuels a growing alternative



Significant growth potential



Global biofuel penetration of gasoline/diesel demand



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The sweet smell of power

The use of sugar cane in Brazil, where nine out of ten new cars use a technology that means they can utilise petrol or alcohol, is a model for sustainable biofuel production.

Tortilla riots, mud cakes and why your food is so expensive

One reason food prices are so high is because of the boom in biofuels, in which the American government in 2006 spend US-

D12bn to maize into ethanol, therefore reducing the supply of wheat as farmers chose to grow maize instead.

AN IDEA AT THE CROSSROADS

Biofuels used to be the 'golden ticket' to a low-carbon future, but there is mounting evidence of potential terrible environmental and humanitarian side-effects. The manufacture of biofuels is said to be a carbon-intensive process which contributes to global warming and harms biodiversity.

Forget biofuels and save the rainforests instead, says think tank.

A think-tank has suggested that Government biofuel subsidies would be better spent on preventing deforestation, noting that the "misjudged" biofuels targets led to an increase in food prices and deforestation and thus should be abandoned.

Fuel for thought

The environmental cost of biofuel can vary according to the production method used, with some countries producing far more greenhouse gas in biofuel production than others.



BP Biofuels: a focused strategy



- Focusing on feedstocks that:
 - Minimise pressure on food supplies.
 - Offer real GHG reductions.

Advanced technology – lignocellulosics

Bridge to the future – biobutanol / biodiesel options

Sugarcane ethanol - Brazil

- Biofuels done well today play an important role in getting to better biofuels tomorrow.

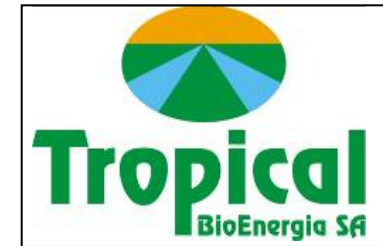


Sugarcane ethanol



\$1 billion investment

2 ethanol refineries



- Locally grown sugarcane.
- GHGs reduction of up to 90%.
- Export at least 30 MW surplus power to the grid.



Biobutanol – an advanced molecule



(vs ethanol)

Improved fuel economy

- 25% higher fuel economy (mpg) given greater energy density

Higher percentage gasoline blends

- 60% higher gasoline blend levels

Compatible with existing logistics

- Can be blended direct at refinery
- Can be transported via existing pipeline infrastructure



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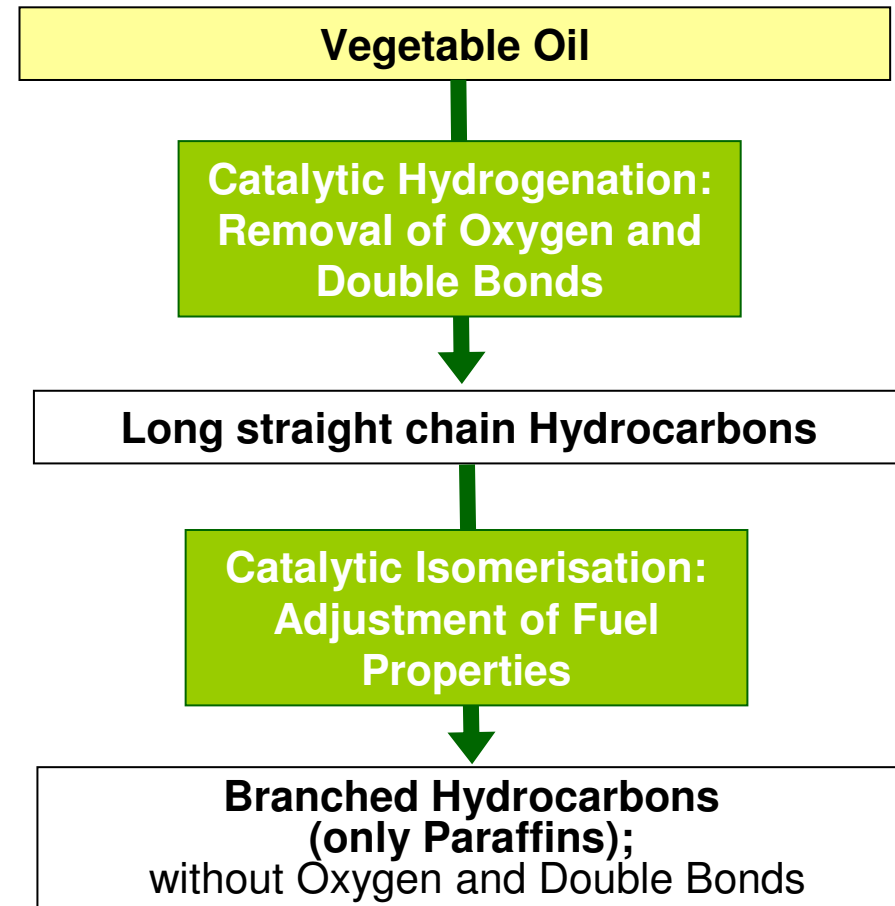


Biodiesel options: HVO



Hydrogenated vegetable oils

- Flexible feedstock options, including jatropha
- A light supreme diesel, with no explicit blend limitations
- High ignitability (cetane numbers >80)
- No tendency towards deposit formation or engine oil dilution



Lignocellulosic feedstocks



- Cellulosic ethanol from energy grasses: a compelling source of renewable fuel.
- Partnership with Verenium Corporation to accelerate development of biofuels made from non-food feedstocks.
- Greenhouse gas emissions reduction of up to 90%.



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