

BP PLC
Form 424B5
November 05, 2008
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Registration Statement Nos. 333-110203
333-110203-03

Prospectus Supplement

November 4, 2008

(To prospectus dated December 19, 2006)

\$3,000,000,000

BP Capital Markets p.l.c.

5.25% Guaranteed Notes due 2013

Payment of the principal of and interest on the notes is fully guaranteed by

BP p.l.c.

The notes will bear interest at the rate of 5.25% per year. BP Capital Markets p.l.c. will pay interest on the notes on each May 7 and November 7, commencing on May 7, 2009. The notes will mature on November 7, 2013.

Payment of the principal of and interest on the notes is fully guaranteed by BP p.l.c.

Application will be made to list the notes on the New York Stock Exchange.

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

Investment in these securities involves certain risks. See Risk Factors beginning on page 2 of the accompanying prospectus.

	Per Note	Total
Public Offering Price (1)	99.935%	\$ 2,998,050,000
Underwriting Discount	0.150%	\$ 4,500,000
Proceeds, before expenses, to BP Capital Markets p.l.c.	99.785%	\$ 2,993,550,000

(1) Interest on the notes will accrue from November 7, 2008.

The underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of The Depository Trust Company and its direct and indirect participants (including Euroclear S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme) on or about November 7, 2008.

Joint Book-Running Managers

Banc of America Securities LLC

Barclays Capital

HSBC

Morgan Stanley

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The distribution of this prospectus supplement and prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and prospectus do not constitute an offer, or an invitation on BP Capital Markets p.l.c. s or BP p.l.c. s behalf or on behalf of the underwriters, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See Underwriting below.

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DESCRIPTION OF NOTES

This section outlines the specific financial and legal terms of the notes that are more generally described under *Description of Debt Securities and Guarantees* beginning on page 11 of the accompanying prospectus. If anything described in this section is inconsistent with the terms described under *Description of Debt Securities and Guarantees* in the accompanying prospectus, the terms described below shall prevail.

Issuer: BP Capital Markets p.l.c. (BP Capital U.K.)

Guarantee: Payment of the principal of and interest on the notes is fully guaranteed by BP p.l.c. (BP). For more information about the guarantee, you should read *Description of Debt Securities and Guarantees* beginning on page 11 of the accompanying prospectus.

Title: 5.25% Guaranteed Notes due 2013.

Total principal amount being issued: \$3,000,000,000.

Denomination: The notes will be issued in denominations of \$1,000 and integral multiples of \$1,000.

Issuance date: November 7, 2008.

Maturity date: November 7, 2013.

Day count: 30/360.

Day count convention: Following.

Interest rate: 5.25% per annum.

Date interest starts accruing: November 7, 2008.

Interest payment dates: Each May 7 and November 7.

First interest due date: May 7, 2009.

Regular record dates for interest: The 15th calendar day preceding each interest payment date, whether or not such day is a business day.

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Business day: If any payment is due in respect of the notes on a day that is not a business day, it will be made on the next following business day, provided that no interest will accrue on the payment so deferred. A business day for these purposes is any weekday on which banking or trust institutions in neither New York nor London are authorized generally or obligated by law, regulation or executive order to close.

Ranking: The notes are unsecured and will rank equally with all of BP Capital U.K.'s other unsecured and unsubordinated indebtedness.

Payment of additional amounts: None payable under current law.

Form of notes: The notes will be issued as one or more global securities. You should read "Legal Ownership Global Securities" beginning on page 9 of the accompanying prospectus for more information about global securities.

Name of depository: The Depository Trust Company, commonly referred to as "DTC".

Trading through DTC, Clearstream, Luxembourg and Euroclear: Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Banking, société anonyme, in Luxembourg ("Clearstream, Luxembourg"), customers and/or Euroclear Bank S.A./N.V. ("Euroclear") participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled

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using the procedures applicable to conventional Eurobonds in immediately available funds. For more information about global securities held by DTC through Clearstream, Luxembourg or Euroclear, you should read **Clearance and Settlement** beginning on page 22 of the accompanying prospectus.

Listing: Application will be made to list the notes on the New York Stock Exchange though neither BP Capital U.K. nor BP can guarantee such listing will be obtained.

Redemption: The notes are not redeemable, except as described under **Description of Debt Securities and Guarantees Optional Tax Redemption** on page 18 of the accompanying prospectus. The provisions for optional tax redemption described therein will apply to changes in tax treatments occurring after November 7, 2008. At maturity, the notes will be repaid at par.

Sinking fund: There is no sinking fund.

Trustee: BP Capital U.K. will issue the notes under an indenture with The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank), as trustee, dated as of March 8, 2002, which is referred to on page 11 of the accompanying prospectus, as supplemented by a supplemental indenture with The Bank of New York Mellon Trust Company, N.A., as trustee, to be entered into on November 7, 2008.

Further issuances: BP Capital U.K. may, at its sole option, at any time and without the consent of the then existing note holders issue additional notes in one or more transactions subsequent to the date of this prospectus supplement with terms (other than the issuance date, issue price and, possibly, the first interest payment date and the date interest starts accruing) identical to the notes issued hereby. These additional notes will be deemed part of the same series as the notes issued hereby and will provide the holders of these additional notes the right to vote together with holders of the notes issued hereby.

Net proceeds: The net proceeds, before expenses, will be \$2,993,550,000.

Use of proceeds: The net proceeds from the sale of the notes will be used for general corporate purposes, including working capital for BP or other companies in the BP Group and the repayment of existing borrowings of BP and its subsidiaries.

Governing law and jurisdiction: The indenture, the notes and the guarantee are governed by New York law. Any legal proceeding arising out of or based upon the indenture, the notes or the guarantee may be instituted in any state or federal court in the Borough of Manhattan in New York City, New York.

BP Capital U.K.'s principal executive offices are located at Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP, England.

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GENERAL INFORMATION

Documents Available

BP files annual reports and other reports and information with the Securities and Exchange Commission (the SEC). Any document BP files with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street N.E., Washington, D.C. 20549. You may obtain more information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. BP's filings are also available to the public at the SEC's website at <http://www.sec.gov>.

The Annual Report on Form 20-F for the year ended December 31, 2007 of BP contains a summary description of BP's business and audited consolidated financial statements with a report by our independent registered public accounting firm. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS as adopted by the European Union (EU). 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 years presented. In accordance with the requirements of Form 20-F, as amended by the SEC effective March 4, 2008, these financial statements have been prepared without a reconciliation to generally accepted accounting principles applicable in the United States.

The financial information of BP contained in this document does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 (the Companies Act). Statutory accounts for the three financial years ended December 31, 2007 for BP have been delivered to the Registrar of Companies in England and Wales. BP's auditors have made reports under Section 235 of the Companies Act on the last statutory accounts that were not qualified within the meaning of Section 262 of the Companies Act and did not contain a statement made under Section 237(2) or Section 238(3) of the Companies Act.

Notices

As long as the notes are issued in global form, notices to be given to holders of the notes will be given to DTC, in accordance with its applicable procedures from time to time.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Clearance Systems

The notes have been accepted for clearance through the DTC, Euroclear and Clearstream, Luxembourg systems. The notes have the following codes: CUSIP 05565Q BF4 and ISIN US05565QBF46.

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

	Nine months ended	Years ended December 31,				
	September 30, 2008	2007	2006	2005	2004	2003
For the BP Group in accordance with IFRS (1)	20.0	13.2	17.2	21.1	20.6	16.0

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.

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The following table shows the unaudited capitalization and indebtedness of BP Capital U.K. as of September 30, 2008:

	As of September 30, 2008 (US\$ millions)
Share capital	
Authorized share capital (1)	680.93
Called up share capital (2)	680.93
Share premium account	231.01
Total share capital	911.94
Finance debt (3-8)	
Due within one year	6,159.48
Due after more than one year	10,116.46
Total finance debt	16,275.94
Total Capitalization (9)	16,956.87

- (1) Authorized share capital comprises 99,999,990 ordinary shares, par value £1 per share, 500,000,000 ordinary shares, par value \$1 per share, and 10 cumulative preference shares, par value £1 per share.
- (2) Issued and outstanding share capital as of September 30, 2008 comprised 99,999,990 ordinary shares, par value £1 per share, and 500,000,000 ordinary shares, par value \$1 per share.
- (3) Finance debt recorded in currencies other than U.S. dollars has been translated into U.S. dollars at the relevant exchange rates existing on September 30, 2008.
- (4) As of September 30, 2008, all of the finance debt of BP Capital U.K. had been guaranteed by BP.
- (5) Total finance debt as of September 30, 2008 reported in the above table excluded borrowings from other BP Group companies.
- (6) As of September 30, 2008, BP Capital U.K. has no material outstanding contingent liabilities or guarantees. All of BP Capital U.K. s debt is unsecured.
- (7) As of October 31, 2008, BP Capital U.K. s outstanding U.S. and Euro commercial paper, reported under finance debt due within one year in the above table, had increased by US\$740 million equivalent.
- (8) As of October 31, 2008, BP Capital U.K. s finance debt due after more than one year had decreased by US\$1,958 million equivalent.
- (9) Other than as disclosed in Notes (7) and (8), there has been no material change since September 30, 2008 in the capitalization, indebtedness or contingent liabilities of BP Capital U.K.

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 September 30, 2008 in accordance with IFRS:

	As of September 30, 2008 (US\$ millions)
Share capital	
Authorized share capital (1)	9,021
Capital shares (2)(3)(4)	5,176
Paid-in surplus (5)	10,832
Merger reserve (5)	27,206
Own Shares	(322)
Available-for-sale investments	(62)
Cash flow hedges	(333)
Foreign currency translation reserve	4,717
Treasury shares	(21,570)
Share-based payment reserve	1,174
Retained earnings	78,886
BP shareholders equity	105,704
Finance debt (6-10)	
Due within one year	14,258
Due after more than one year	14,042
Total finance debt	28,300
Total Capitalization (11)	134,004

- (1) Authorized share capital comprises 36 billion ordinary shares, par value US\$0.25 per share, and 12,750,000 cumulative preference shares, par value £1 per share.
- (2) Issued share capital as of September 30, 2008 comprised 18,725,073,035 ordinary shares, par value US\$0.25 per share, and 12,706,252 preference shares, par value £1 per share. This excludes 1,893,076,215 ordinary shares which have been bought back and held in treasury by BP, and which are not taken into consideration in relation to the payment of dividends and voting at shareholders meetings.
- (3) Issued share capital as of October 28, 2008 comprised 18,726,556,950 ordinary shares, par value US\$0.25 per share, and 12,706,252 preference shares, par value £1 per share. This excludes 1,891,616,360 ordinary shares which have been bought back and held in treasury by BP, and which are not taken into consideration in relation to the payment of dividends and voting at shareholders meetings.
- (4) Capital shares represent the common stock of BP which has been issued and is fully paid.
- (5) Paid-in surplus and merger reserve represent additional paid-in capital of BP which cannot normally be returned to shareholders.
- (6) Finance debt recorded in currencies other than U.S. dollars has been translated into U.S. dollars at the relevant exchange rates existing on September 30, 2008.
- (7) Obligations under finance leases are included in the above table.
- (8) As at September 30, 2008, BP p.l.c. had outstanding guarantees totaling US\$24,621 million of which US\$24,566 million related to guarantees in respect of borrowings by its subsidiary undertakings. Thus 87% of the group's finance debt had been guaranteed by BP p.l.c. BP has no material contingent liabilities. All of the group's finance debt is unsecured.
- (9) As of October 31, 2008, BP's outstanding U.S. and Euro commercial paper, reported under finance debt due within one year in the above table, had increased by US\$740 million.

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- (10) As of October 31, 2008, BP's finance debt due after more than one year had decreased by US\$1,958 million equivalent.
- (11) Apart from the changes in notes (3), (9) and (10) above, there has been no material change since September 30, 2008 in the consolidated capitalization, indebtedness or contingent liabilities for BP.

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UNITED STATES TAXATION

This section describes the material United States federal income tax consequences of owning the notes we are offering. It applies to you only if you acquire notes in the offering at the offering price and you hold your notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

a dealer in securities or currencies,

a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,

a bank,

a life insurance company,

a tax-exempt organization,

a person that owns notes that are a hedge or that are hedged against interest rate risks,

a person that owns notes as part of a straddle or conversion transaction for tax purposes, or

a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

If you purchase notes at a price other than the offering price, the amortizable bond premium or market discount rules may also apply to you. You should consult your tax advisor regarding this possibility.

If a partnership holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult the partner's tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.

United States Holders

This subsection describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of a note and you are:

a citizen or resident of the United States,

a domestic corporation,

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, this subsection does not apply to you and you should refer to **United States Alien Holders** below.

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Payments of Interest

You will be taxed on interest on your note as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Purchase, Sale and Retirement of the Notes

Your tax basis in your note generally will be its cost. You will generally recognize capital gain or loss on the sale or retirement of your note equal to the difference between the amounts you realize on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest, and your tax basis in your note. Capital gain of a noncorporate United States holder that is recognized in taxable years beginning before January 1, 2011 is generally taxed at a maximum rate of 15% where the holder has a holding period of greater than one year.

United States Alien Holders

If you are a United States alien holder (as defined in the accompanying prospectus), you generally will not be subject to United States federal income tax, including withholding tax with respect to payments on your notes. Please see the discussion under **Tax Considerations United States Taxation United States Alien Holders (BP Capital U.K. and BP Canada)** in the accompanying prospectus.

Backup Withholding and Information Reporting

Please see the discussion under **Tax Considerations United States Taxation Backup Withholding and Information Reporting (BP Capital U.K. and BP Canada)** in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to payments made on your notes.

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Each underwriter named below has severally agreed, subject to the terms and conditions of the Purchase Agreement with BP Capital U.K. and BP, dated November 4, 2008, to purchase the principal amount of notes set forth below opposite its name. The underwriters are committed to purchase all of the notes if any notes are purchased.

Underwriter	Principal Amount of Notes
Banc of America Securities LLC	\$ 750,000,000
Barclays Capital Inc.	\$ 750,000,000
HSBC Securities (USA) Inc.	\$ 750,000,000
Morgan Stanley & Co. Incorporated	\$ 750,000,000
Total	\$ 3,000,000,000

The notes are a new issue of securities with no established trading market. Application will be made to list the notes on the New York Stock Exchange, although no assurance can be given that the notes will be listed on the New York Stock Exchange, and if so listed, the listing does not assure that a trading market for the notes will develop. BP Capital U.K. and BP have been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

BP Capital U.K. and BP have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The underwriters propose to offer the notes initially at the offering price on the cover page of this prospectus supplement. The underwriters may sell notes to securities dealers at a discount from the initial public offering price of up to 0.10% of the principal amount of the notes. These securities dealers may resell any notes purchased from the underwriters to other brokers or dealers at a discount from the initial public offering price of up to 0.05% of the principal amount of the notes. If the underwriters cannot sell all the notes at the initial offering price, they may change the offering price and the other selling terms.

From time to time the underwriters engage in transactions with BP or its subsidiaries in the ordinary course of business. The underwriters have performed investment banking, commercial banking and advisory services for BP in the past and have received customary fees and expenses for these services, and may do so again in the future.

In order to facilitate the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or support the price of such notes, as the case may be, for a limited period after the issue date. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the notes for their own account. In addition, to cover over-allotments or to stabilize the price of the notes, the underwriters may bid for, and purchase, notes in the open market. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

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In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), it has not made and will not make an offer of the notes which are the subject of the offering contemplated by the prospectus as supplemented by this prospectus supplement to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in that Relevant Member State:

to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

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to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000; and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant underwriter or underwriters nominated by BP Capital Markets p.l.c. for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes referred to above shall require BP Capital Markets p.l.c. or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has further represented and agreed that:

it has complied and will comply with all the applicable provisions of the Financial Services and Markets Act 2000 (FSMA) with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to BP Capital Markets p.l.c. or BP p.l.c.;

the notes have not been and will not be registered under the Securities and Exchange Law of Japan, as amended (the SEL) and that the notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except under circumstances which will result in the compliance with the SEL and any other applicable laws and regulations promulgated by the relevant Japanese governmental and regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan; and

with respect to any other jurisdiction outside the United States it has not offered or sold and will not offer or sell any of the notes in any jurisdiction, except under circumstances that resulted or will result in compliance with the applicable rules and regulations of such jurisdiction.

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case

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whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

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This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In any Relevant Member State this communication is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require BP Capital Markets p.l.c. to publish a prospectus pursuant to the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes that are the subject of the offering contemplated in the prospectus as supplemented by this prospectus supplement may only do so in circumstances in which no obligation arises for BP Capital Markets p.l.c. or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither BP Capital Markets p.l.c. nor any of the underwriters have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for BP Capital Markets p.l.c. or any of the underwriters to publish a prospectus for such offer.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offers contemplated in this prospectus supplement and the prospectus will be deemed to have represented, warranted and agreed to and with each underwriter and BP Capital Markets p.l.c. that:

it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.

No prospectus (including any amendment, supplement or replacement thereto) or any other offering material relating to the notes that has been prepared in connection with the offering of the notes has been submitted to the clearance procedures of the French *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*; no notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the offering memorandum or any other offering material relating to the notes have not been distributed or caused to be distributed and

will not be distributed or caused to be distributed to the public in

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France or used in connection with any offer for subscription or sale of the notes to the public in France; such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (*investisseurs qualifiés*) and/or a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in Articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*. The direct or indirect distribution to the public in France of any so acquired notes may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

The notes may not and will not be publicly offered, distributed or re-distributed in the Swiss Confederation.

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\$10,000,000,000

BP CAPITAL MARKETS AMERICA INC.

BP CAPITAL MARKETS P.L.C.

BP CANADA FINANCE COMPANY

GUARANTEED DEBT SECURITIES

Fully and unconditionally guaranteed by

BP p.l.c.

BP Capital Markets America Inc., BP Capital Markets p.l.c. and BP Canada Finance Company 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 December 19, 2006

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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. Under this shelf process, we may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of \$10,000,000,000. 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., BP Capital Markets America Inc., BP Capital Markets p.l.c. and BP Canada Finance Company; BP refers to BP p.l.c.; the BP Group refers to BP and its subsidiaries; and BP Debt Issuers refers to BP Capital Markets America Inc., BP Capital Markets p.l.c. and BP Canada Finance Company, collectively, each a BP Debt Issuer. Each of the BP Debt Issuers may be the issuer in an offering of debt securities guaranteed by BP.

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RISK FACTORS

Investing in the securities offered using this prospectus involves risk. We urge you to carefully review 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. If any of these risks actually occur, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered using this prospectus could decline, in which case you may lose all or part of your investment.

BP Group-level risks have been identified and classified in three categories: delivery, inherent and enduring.

Delivery risks

Delivery risks are those specific to implementing activities contained in our group plan. Successful execution of this plan depends critically on implementing the set of activities described. Hence, our delivery risks are those factors that would result in our failure to deliver these activities economically.

The most significant risks include:

Upstream renewal: Inability to renew the portfolio and sustain long-term reserves replacement. The challenge is growing due to increasing competition for access to opportunities globally.

Major project delivery: Poor delivery of any major project that underpins production growth and/or a major programme designed to enhance shareholder value.

Portfolio repositioning: Inability to complete planned disposals and/or lack of material positions in new markets (and hence the inability to capture above-average market growth).

Inherent risks

There are a number of risks that arise as a result of the business climate, which are not directly controllable.

Competition risk: The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on product prices,