

Dr Byron Grote

Chief Financial Officer

BP p.l.c.  
1 St. James's Square  
London  
SW1Y 4PD  
United Kingdom

8<sup>th</sup> July 2011

BEG/cln

Ms Elizabeth M Murphy  
Secretary  
US Securities and Exchange  
Commission  
100 F Street, NE  
Washington  
DC 20549-1090  
USA

Mr Michel Barnier  
Commissioner Internal Market and  
Services  
European Commission  
200 Rue de la Loi  
1049 Bruxelles

Direct: 020 7496 4263  
Main: 020 7496 4000  
Fax: 020 7496 4242  
groteb@bp.com

Dear Ms Murphy and Commissioner Barnier

BP has been a long standing supporter of revenue transparency due to the benefits that this brings in terms of improved governance in the countries in which we operate. Our commitment is evident from our role as a supporter of the Extractive Industries Transparency Initiative (EITI), our support for EITI programmes in countries in which we conduct business and the contributions that representatives from our company have made as EITI board members.

We believe that mandatory revenue transparency regulations will be most effective if they complement the multi stakeholder approach of EITI by adopting the EITI disclosure methodology. This would best be achieved by the development of a common standard that requires companies to disclose, by country, payments to governments broken down along the lines of the commonly recognised revenue streams laid out in the EITI rules. Users of the data will benefit due to the greater level of consistency in the data reported irrespective of the country of listing of the extractive industry company; preparers would benefit by minimizing the administrative burden, and cost, of complying with multiple reporting methodologies; and the adoption of the EITI disclosure methodology by respected regulators could encourage more countries to join EITI.

Furthermore, the regulatory burden on extractive industry companies, and the risk of competitive disadvantage based on country of listing, would both be minimized if regulators adopted a common disclosure standard. The converging timelines of the SEC rule making process and the work of the European Commission in developing a directive on revenue transparency provides an excellent opportunity for the US and European regulators to meet to discuss the development of such a common disclosure standard.

/continued...

Registered in England and Wales: No. 102498  
Registered Office: 1 St James's Square  
London  
SW1Y 4PD  
United Kingdom

8<sup>th</sup> July 2011

Ms Elizabeth M Murphy  
Mr Michel Barnier

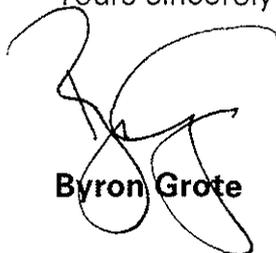
It remains our view that the interests of the users of the data that extractive industry companies will be required to disclose will be best served through the reporting of the same type and level of information rather than different versions of the same payment data that would arise for companies that need comply with different regulatory requirements. We therefore believe that such a common standard would deliver benefits for regulators, extractive industry companies, investors, governments and civil society.

As noted above, we firmly believe that the interests of all stakeholder groups will be best served by the adoption of a common standard requiring the disclosure, by payment type, of payments to governments on a country by country basis, as opposed to a project by project basis. We believe the Securities and Exchange Act of 1934 provides sufficient regulatory flexibility to enable the SEC to come to such a common standard with the EU Commission.

An alternative approach to a global standard would be for the SEC and EC to introduce 'foreign issuer' or 'home country' exemptions that would apply in situations where regulations in the other territory require the disclosure of payments to government in a broadly similar manner that is based on EITI principles. We believe that this would address the potential for confusion that would exist if companies are required to comply with multiple and different reporting methodologies. A foreign issuer exemption would therefore be the most effective way of dealing with this concern unless, or until, regulators agree a common reporting template.

We note that similar proposals were included in a comment letter to the SEC from Talisman Energy Inc dated 23 June 2011.

Yours sincerely



**Byron Grote**