McDep Associates Independent Stock Idea January 16, 2007

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BP plc New Leader Designated

Symbol	BP	Ebitda Next Twelve Months ending 12/31/07 (US\$mm)	43,900			
Rating	Buy	North American Natural Gas/Ebitda (%)	5			
Price (US\$/sh)	64.64	Natural Gas and Oil Production/Ebitda (%)	63			
Pricing Date	1/12/07	Adjusted Reserves/Production NTM	9.7			
Shares (mm)	3303	EV/Ebitda	6.0			
Market Capitalization (US\$mm)	213,500	PV/Ebitda	7.1			
Debt (US\$mm)	49,200	Undeveloped Reserves (%)	50			
Enterprise Value (EV) (US\$mm)	262,800	Natural Gas and Oil Ebitda (US\$/boe)	20.00			
Present Value (PV) (US\$mm)	313,500	Present Value Proven Reserves(US\$/boe)	11.00			
Net Present Value (US\$/share)	80	Present Value Proven Reserves(US\$/mcfe)	1.83			
Debt/Present Value	0.16	Earnings Next Twelve Months (US\$/sh)	6.50			
McDep Ratio - EV/PV	0.84	Price/Earnings Next Twelve Months	10			
Dividend Yield (%/year)	3.6	Indicated Annual Dividend (US\$/sh)	2.36			
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.						

Reported results may vary widely from estimates. Estimated present value per share revised only infrequently. Estimated present value presumes a long-term price for oil of US\$60 a barrel and natural gas, \$10 a million btu. For historical analysis of BP since 2004 see www.mcdep.com/lbp.htm

Summary and Recommendation

Announcement of the early departure by mid-2007 of Lord Browne of Madingly follows buyrecommended **BP plc (BP)**'s lagging stock price for the past half year. The company's recent performance was not up to the standards of the John Browne we admired when we first met him a few decades ago. As the chief executive leaves, BP retains a rich suite of energy assets that we estimate are worth \$80 a share in net present value. Mr. Tony Hayward, designated by the board of directors to be the new chief executive on August 1, currently is responsible for the exploration and production operations that account for 70% of the company's value. Adverse publicity continued to build before the latest announcement including a feature story by Bloomberg about potential failure of welded joints in the newly constructed BTC, for Baku, Tblisi, Ceyhan, pipeline from Azerbaijan across Turkey to the Mediterranean. Stock price below the 200-day average confirms that BP stock remains out of favor with investors. With patience, we include BP stock at a half weighting in our illustrative energy portfolio concentrated on real assets that promise a high return providing clean energy to support global growth.

Kurt H. Wulff, CFA

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$\begin{array}{c c c c c c c c c c c c c c c c c c c $		04	Year	03	O4E	Year	O1E	O2E	O3E	
Natural Gas (mmeti)U.S. (or North America)2.3592.5472.3322.3322.2322.3322.3322.3322.3322.3322.3322.3322.3322.3322.3322.3322.3322.3320.3326.052Total8.4588.4728.0868.4318.4628.5608.4638.0868.384Old (mhd)3.5663.5622.4223.663.533.5703.819PriceNatural gas (S/mcf)Henry Hub (S/mmbtu)13.008.656.586.577.236.386.857.097.07U.S. (or North America)9.486.775.515.505.545.545.555.56Worldvide5.2444.904.495.134.904.534.944.304.29Wirdvide5.2444.8656.155.459.394.855.175.585.69Wirdvide5.2444.904.915.134.904.304.297Ntal gas & oil (b/bh)4.7124.8656.15 <th></th>										
U.S. (or North America) 2,599 2,547 2,332 2,343 1,492 2,432 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,422 2,42	Volume									<u> </u>
	Natural Gas (mmcfd)									
Total 8,458 8,472 8,086 8,431 8,462 8,560 8,603 8,086 8,384 Oil (mbd) 2,564 2,452 2,422 2,477 2,422 2,423 3,833 3,770 3,819 Pice Total 6,016 1,08 4,99 4,43 4,93 4,33 4,93 4,33 4,303 4,24	U.S. (or North America)	2,359	2,547	2,332	2,332	2,410	2,332	2,332	2,332	2,332
Oil (mbd) 2.564 2.562 2.422 2.427 2.422 2.423 2.424	Overseas (or Int'l)	6,099	5,911	5,754	6,099	6,052	6,228	6,131	5,754	6,052
Total gas & oil (mmb) 366 1,456 347 352 1,419 346 349 347 1,394 Total gas & oil (mmb) 3,974 3,966 3,770 3,827 3,849 3,849 3,833 3,770 3,819 Price Natural gas (\$imc1) 1 1 8 6,77 5,51 5,50 5,84 5,34 5,73 5,93 5,92 Overseas (or Int') 4,99 4,03 4,09 4,03 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,08 4,99 4,03 4,04 5,19 5,00 5,105 5,156 Word wide 5,24 4,80 5,104 1,120 1,101 1,210 1,210 1,210 1,121 1,210 1,210 1,210 1,210 1,210 1,210 1,167 7,54	Total	8,458	8,472	8,086	8,431	8,462	8,560	8,463	8,086	8,384
Total gas & oil (mbd) 3.974 3.966 3.770 3.827 3.887 3.849 3.833 3.770 3.819 Price Natural gas (S/mcf)	Oil (mbd)	2,564	2,562	2,422	2,422	2,477	2,422	2,422	2,422	2,422
Price Natural gas (S/mcf) Henry Hub (S/mmbu) 13.00 8.65 6.58 6.57 7.23 6.38 6.85 7.09 7.07 U.S. (or North America) 9.48 6.77 5.51 5.50 5.84 5.33 4.99 4.03 4.09 4.53 Total 6.24 4.90 4.49 5.13 4.90 5.09 4.50 4.61 4.92 Oil (S/bbl) WTI Cushing 60.02 56.31 70.42 59.99 66.05 53.28 55.17 56.58 55.07 Total gas & oil (S/bbl) 47.12 41.84 50.85 45.88 48.52 41.86 41.70 43.01 42.97 Ny Harbor 3-2-1 (S/bbl) 9.06 10.63 11.67 7.54 10.50 8.24 12.40 12.61 12.73 5.038 Verseue (Smm) Natural Gas 2.057 6.327 1.182 2.798 10.005 2.799 2.250 2.158 10.005 Total 4.856 <t< td=""><td>Total gas & oil (mmb)</td><td>366</td><td>1,456</td><td>347</td><td>352</td><td>1,419</td><td>346</td><td>349</td><td>347</td><td>1,394</td></t<>	Total gas & oil (mmb)	366	1,456	347	352	1,419	346	349	347	1,394
Natural gas (\$/mcf)Henry Hub (\$/mmbub)13.008.656.586.577.236.386.857.077.07U.S. (or North America)9.486.775.515.505.845.345.735.93Overseas (or Int')4.994.094.084.994.534.994.034.084.53Total6.244.904.495.134.905.094.504.614.92Overseas (or Int')6.0256.3170.4259.9966.0553.2855.1756.5855.07Total gas & oil (\$bb)47.1241.8450.8545.8848.5241.8641.7043.0142.97NY Harbor 3-2-1 (\$b/bb1)9.0610.6311.677.5410.508.2412.4012.6110.50BP Refining Indicator7.608.588.407.027.5110.602.7922.2502.15810.005Overseas (or Int')2.7988.8342.1582.79810.0052.7922.2502.15810.005Total48.5651.6233.14233.3003.70771.5143.20690.53811.07811.48644.863Other48.89270.55153.6855.36855.36855.36855.36855.36855.36825.36825.37820.69Other45.28255.582255.8255.58250.84251.6331.645114.55243.8077.797.801	Total gas & oil (mbd)	3,974	3,966	3,770	3,827	3,887	3,849	3,833	3,770	3,819
	Price									
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Natural gas (\$/mcf)									
Overseas (or Int') 4.99 4.09 4.09 4.99 4.53 4.99 4.03 4.08 4.53 Total 6.24 4.90 4.49 5.13 4.90 5.09 4.50 4.61 4.92 Oil (S/bbl) WTI Cushing 60.02 56.31 70.42 59.99 66.05 53.28 55.17 56.58 50.75 Total gas & oil (S/bbl) 47.12 41.84 50.85 48.52 41.86 41.70 43.01 42.97 NY Harbor 3-2-1 (S/bbl) 9.06 10.63 11.67 7.54 10.50 8.24 12.40 12.61 10.50 BP Refining Indicator 7.60 8.58 8.40 2.798 10.005 2.799 2.250 2.158 10.005 Overseas (or Int') 2.798 8.834 2.158 2.798 10.005 2.799 2.250 2.158 10.005 Otal 4.856 15.162 3.340 3.977 15.146 3.202 3.466 3.431 15	Henry Hub (\$/mmbtu)	13.00	8.65	6.58	6.57	7.23	6.38	6.85	7.09	7.07
Total 6.24 4.90 4.49 5.13 4.90 5.09 4.50 4.61 4.92 Oil (\$\shbi) WTI Cushing 60.02 56.31 70.42 59.99 66.05 53.28 55.17 56.58 50.75 Total gas & oil (\$\shbi) 47.12 41.84 50.85 45.88 48.52 41.86 41.70 43.01 42.97 NY Harbor 3-2-1 (\$\shbi) 9.06 10.63 11.67 7.54 10.50 8.24 12.40 12.61 10.50 PRefining Indicator 7.60 8.58 8.40 7.54 10.05 2.799 12.81 1.179 5.141 1.121 1.216 1.261 1.261 1.261 1.261 1.261 1.261 1.040 1.261 1.040 1.261 1.040 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261 1.261	U.S. (or North America)	9.48	6.77	5.51	5.50	5.84	5.34	5.73	5.93	5.92
	Overseas (or Int'l)	4.99	4.09	4.08	4.99	4.53	4.99	4.03	4.08	4.53
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Total	6.24	4.90	4.49	5.13	4.90	5.09	4.50	4.61	4.92
Worldwide 52.44 48.65 64.15 54.65 59.39 48.54 50.26 51.55 50.75 Total gas & oil (\$\mathcal{s}\mathcal{b}\mathcal{b}\mathcal{s}\mathcal{b}\mathcal{s}\mathcal\mathcal{s}\mathcal{s}\mathcal{s}\mathcal{s}\mathc	Oil (\$/bbl)									
Total gas & oil (\$/bbl) 47.12 41.84 50.85 45.88 48.52 41.86 41.70 43.01 42.97 NY Harbor 3-2-1 (\$/bbl) 9.06 10.63 11.67 7.54 10.50 8.24 12.40 12.61 10.50 BP Refining Indicator 7.60 8.58 8.40 8.24 12.40 12.61 10.50 Revenue (\$mm)		60.02	56.31	70.42	59.99	66.05	53.28	55.17	56.58	55.69
NY Harbor 3-2-1 (\$\string Indicator 9.06 10.63 11.67 7.54 10.50 8.24 12.40 12.61 10.50 BP Refining Indicator 7.60 8.58 8.40 5 8.40 5 8.40 5 8.40 5 11.61 12.61 12.61 12.61 12.61 12.61 12.73 5.038 Natural Gas 10.05 2.799 12.61 1.121 1.216 1.273 5.038 10.005 2.799 2.250 2.158 10.005 Total 4.856 15.162 3.340 3.977 15.146 3.202 3.466 3.431 15.043 Other 48.889 270.51 55.368 55.368 217.71 55.368 55.368 20.53 286,556 69.868 69.912 70.284 281,377 Expense 770d 4.285 205.52 20.842 51.763 201.671 51.55 51.157 50.842 205.421 Ebitda (Smm) 206 3.604 16.050 </td <td>Worldwide</td> <td>52.44</td> <td>48.65</td> <td>64.15</td> <td>54.65</td> <td>59.39</td> <td>48.54</td> <td>50.26</td> <td>51.55</td> <td>50.75</td>	Worldwide	52.44	48.65	64.15	54.65	59.39	48.54	50.26	51.55	50.75
BP Refining Indicator 7.60 8.58 8.40 Revenue (Smm) . Natural Gas . . U.S. (or North America) 2.057 6,327 1,182 1,179 5,141 1,121 1,216 1,273 5,038 Overseas (or Int'l) 2,798 8,834 2,158 2,798 10,005 2.799 2,250 2,158 10,005 Total 4,856 15,162 3,340 3,977 15,146 3,920 3,466 3,431 15,043 Other 48,889 270,551 55,368 55,368 217,721 55,368 55,368 221,471 Total 66,115 331,454 73,002 71,523 286,556 69,868 69,912 70,284 221,471 Total 45,285 255,582 50,842 51,763 201,671 51,557 50,842 205,421 Exploration and Production 7,300 28,700 8,288 7,548 30,737 6,714 6,723 6,929	Total gas & oil (\$/bbl)	47.12	41.84	50.85	45.88	48.52	41.86	41.70	43.01	42.97
Revenue (\$mm) Natural Gas . U.S. (or North America) 2,057 6,327 1,182 1,179 5,141 1,121 1,216 1,273 5,038 Overseas (or Int') 2,798 8,834 2,158 2,798 10,005 2,799 2,250 2,158 10,005 Total 4,856 15,162 3,340 3,977 15,146 3,920 3,466 3,431 15,043 Oil 12,370 45,741 14,294 12,178 55,368 55,368 55,368 55,368 55,368 55,368 55,368 57,377 7,801 7,927 2,817 2,817 Total 6,6115 31,454 73,002 7,152 26,557 5,368 57,368 57,368 57,368 57,368 57,368 57,368 57,368 57,368 57,367 7,817 7,987 7,801 7,987 7,801 7,987 50,842 26,642 160 601	NY Harbor 3-2-1 (\$/bbl)	9.06	10.63	11.67	7.54	10.50	8.24	12.40	12.61	10.50
Natural Gas U.S. (or North America) 2.057 6,327 1,182 1,179 5,141 1,121 1,216 1,273 5,038 Overseas (or InT) 2,798 8,834 2,158 2,798 10,005 2,799 2,250 2,158 10,005 Total 4,856 15,162 3,340 3,977 15,146 3,920 3,466 3,431 15,043 Other 4,856 15,162 5,3368 55,368 217,721 55,368 55,368 25,368 55,368 221,471 Total 66,115 331,454 73,002 71,523 286,556 69,868 69,912 70,284 281,377 Expense Exponation and Production 9,926 32,203 9,346 8,607 38,098 7,779 7,801 7,987 32,069 Other 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Exploration and Production 7,300 28,700 8,288	BP Refining Indicator	7.60	8.58	8.40						
	Revenue (\$mm)									
Overseas (or Int'l) 2,798 8,834 2,158 2,798 10,005 2,799 2,250 2,158 10,005 Total 4,856 15,162 3,340 3,977 15,146 3,203 3,466 3,431 15,043 Oil 12,370 45,741 14,294 12,178 553,688 10,081 11,078 11,486 44,863 Other 48,889 270,551 55,368 55,368 55,368 55,368 55,368 55,368 217,721 55,368 59,368 281,377 Expense 73,002 71,523 286,556 69,868 69,912 70,284 205,421 Ebitda (5mm) 51,657 50,842 51,763 201,671 51,657 50,842 205,421 Ebitda (5mm) 43,669 12,814 11,153 46,786 10,430 10,954 14,555 43,887 Cher 3,604 14,969 4,526 3,604 16,050 <	Natural Gas									
Total 4,856 15,162 3,340 3,977 15,146 3,920 3,466 3,431 15,043 Oil 12,370 45,741 14,294 12,178 53,689 10,581 11,078 11,486 44,863 Other 48,889 270,551 55,368 55,368 55,368 55,368 55,368 52,368 55,368 221,471 Total 66,115 331,454 73,002 71,523 286,556 69,868 69,912 70,284 281,377 Expense 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Ebitda (Smm) 53,669 12,874 11,153 46,786 10,430 10,954 11,455 16,650 Total Ebitda 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455 43,887 Exploration 208 684 351 351 351	U.S. (or North America)	2,057	6,327	1,182	1,179	5,141	1,121	1,216	1,273	5,038
Oil12,37045,74114,29412,17853,68910,58111,07811,48644,863Other48,889270,55155,36855,36855,36855,36855,36855,368221,471Total66,115331,45473,00271,523286,55669,86869,91270,284281,377ExpenseProduction9,92632,2039,3468,60738,0987,7797,8017,98732,069Other45,285255,58250,84251,763201,67151,65951,15750,842205,421Ebitda (\$mm)41,9694,5263,60416,0503,7094,2114,52516,050Other3,60414,9694,5263,60416,0503,7094,2114,55514,959Total Ebitda10,90443,66912,81411,15346,78610,43010,95411,45543,887Exploration2086843513519883513513511,404Deprec., Deplet, & Amort.2,3519,0552,1942,1948,8802,1942,1942,1948,776Other non cash1,3503,601(106)7516,6503,05911,55146,766169169169662169169169676Ebit6,82329,71310,2068,43936,1617,7168,2408,71133,03111,561<	Overseas (or Int'l)	2,798	8,834	2,158	2,798	10,005	2,799	2,250	2,158	10,005
Other 48,889 270,551 55,368 55,368 217,721 55,368 55,368 55,368 25,368 55,368 221,471 Total 66,115 331,454 73,002 71,523 286,556 69,868 69,912 70,284 281,377 Expense 331,454 73,002 71,523 286,556 69,868 69,912 70,284 281,377 Expense 32,003 9,346 8,607 38,098 7,779 7,801 7,987 32,069 Other 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Ebitd (\$mm) 30,737 6,721 6,743 6,929 27,837 Other 3,604 14,969 4,526 3,604 16,050 3,709 4,211 4,526 16,050 Total 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455<	Total	4,856	15,162	3,340	3,977	15,146	3,920	3,466	3,431	15,043
Total66,115331,45473,00271,523286,55669,86869,91270,284281,377ExpenseProduction9,92632,2039,3468,60738,0987,7797,8017,98732,069Other45,285255,58250,84251,763201,67151,65951,15750,842205,421Ebitda (\$mm)Exploration and Production7,30028,7008,2887,54830,7376,7216,7436,92927,837Other3,60414,9694,5263,60416,0503,7094,2114,52616,050Total Ebitda10,90443,66912,81411,15346,78610,43010,95411,45543,887Exploration2086843513519883513513511,404Deprec., Deplet, & Amort.2,3519,0552,1942,1948,8802,1942,1948,776Other onc cash1,3503,601(106)75555666Ebit6,99530,32910,3758,60836,8437,8858,4098,91033,031Incerest1726161691696821691696666Ebit6,82329,71310,2068,43936,1617,7168,2408,74133,031Income Tax2,38810,4003,5722,95412,6562,0112,8843,059 <t< td=""><td>Oil</td><td>12,370</td><td>45,741</td><td>14,294</td><td>12,178</td><td>53,689</td><td>10,581</td><td>11,078</td><td>11,486</td><td>44,863</td></t<>	Oil	12,370	45,741	14,294	12,178	53,689	10,581	11,078	11,486	44,863
Expense Production 9,926 32,203 9,346 8,607 38,098 7,779 7,801 7,987 32,069 Other 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Ebitda (\$mm) 3,004 14,969 4,526 3,604 16,050 3,709 4,211 4,526 16,050 Total Ebitda 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455 43,887 Exploration 208 684 351 351 988 351 351 1404 Deprec., Deplet., & Amort. 2,351 9,055 2,194 2,194 8,880 2,194 2,194 2,194 8,776 Other non cash 1,350 3,601 (106) 75 507 16,616 169 682 169 169 169 676 Ebit 6,823 29,713 <td< td=""><td>Other</td><td>48,889</td><td>270,551</td><td>55,368</td><td>55,368</td><td>217,721</td><td>55,368</td><td>55,368</td><td>55,368</td><td>221,471</td></td<>	Other	48,889	270,551	55,368	55,368	217,721	55,368	55,368	55,368	221,471
Production 9,926 32,203 9,346 8,607 38,098 7,779 7,801 7,987 32,069 Other 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Eblitda (\$mm)	Total	66,115	331,454	73,002	71,523	286,556	69,868	69,912	70,284	281,377
Other 45,285 255,582 50,842 51,763 201,671 51,659 51,157 50,842 205,421 Ebitda (\$mm) Exploration and Production 7,300 28,700 8,288 7,548 30,737 6,721 6,743 6,929 27,837 Other 3,604 14,969 4,526 3,604 16,050 3,709 4,211 4,526 16,050 Total Ebitda 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455 43,887 Exploration 208 684 351 351 988 351 351 351 1,404 Deprec., Deplet., & Amort. 2,351 9,055 2,194 2,194 8,880 2,194 2,194 8,776 Other non cash 1,350 3,601 (106) 75 5 5 8,608 36,843 7,885 8,409 8,910 33,707 Interest 172 616 169 169 682 169 <td>Expense</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Expense									
Ebitda (\$mm) Exploration and Production 7,300 28,700 8,288 7,548 30,737 6,721 6,743 6,929 27,837 Other 3,604 14,969 4,526 3,604 16,050 3,709 4,211 4,526 16,050 Total Ebitda 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455 43,887 Exploration 208 684 351 351 988 351 351 351 1,404 Deprec., Deplet., & Amort. 2,351 9,055 2,194 2,194 8,880 2,194 2,194 2,194 8,776 Other non cash 1,350 3,601 (106) 75 7 7 8 6083 36,843 7,885 8,409 8,910 33,707 Interest 172 616 169 169 682 169 169 676 Ebit 6,823 29,713 10,206 8,439 36,161 7,716	Production	9,926	32,203	9,346	8,607	38,098	7,779	7,801	7,987	32,069
Exploration and Production7,30028,7008,2887,54830,7376,7216,7436,92927,837Other3,60414,9694,5263,60416,0503,7094,2114,52616,050Total Ebitda10,90443,66912,81411,15346,78610,43010,95411,45543,887Exploration2086843513519883513513511404Deprec., Deplet., & Amort.2,3519,0552,1942,1948,8802,1942,1942,194Other non cash1,3503,601(106)75757676Ebit6,99530,32910,3758,60836,8437,8858,4098,91033,707Interest172616169169682169169169676Ebt6,82329,71310,2068,43936,1617,7168,2408,74133,031Income Tax2,38810,4003,5722,95412,6562,7012,8843,05911,561Net Income (\$mm)Exploration and Production6,56725,3637,46922,0275,675555,68221,470Other(8,4)519,3136,6345,48523,5055,0155,3565,68221,470Shares (millions)3,4653,5243,3033,3033,3033,3033,3033,3033,3033,3033,303Pe	Other	45,285	255,582	50,842	51,763	201,671	51,659	51,157	50,842	205,421
Other 3,604 14,969 4,526 3,604 16,050 3,709 4,211 4,526 16,050 Total Ebitda 10,904 43,669 12,814 11,153 46,786 10,430 10,954 11,455 43,887 Exploration 208 684 351 351 988 351 351 351 1,404 Deprec., Deplet., & Amort. 2,351 9,055 2,194 2,194 8,880 2,194 2,194 2,194 8,776 Other non cash 1,350 3,601 (106) 75 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 8,608 36,843 7,885 8,409 8,910 33,707 Interest 172 616 169 169 682 169 169 676 Ebit 6,823 29,713 10,206 8,439 36,161 7,716 <td< td=""><td>Ebitda (\$mm)</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Ebitda (\$mm)									
Total Ebitda10,90443,66912,81411,15346,78610,43010,95411,45543,887Exploration2086843513513513513513513511,404Deprec., Deplet., & Amort.2,3519,0552,1942,1948,8802,1942,1942,1948,776Other non cash1,3503,601(106)75	Exploration and Production	7,300	28,700	8,288	7,548	30,737	6,721	6,743	6,929	27,837
Exploration2086843513519883513513511,404Deprec., Deplet., & Amort.2,3519,0552,1942,1942,1948,8802,1942,1942,1948,776Other non cash1,3503,601(106)75	Other	3,604	14,969	4,526	3,604	16,050	3,709	4,211		16,050
Deprec., Deplet., & Amort. Other non cash2,3519,0552,1942,	Total Ebitda	10,904	43,669	12,814	11,153	46,786	10,430	10,954	11,455	43,887
Other non cash 1,350 3,601 (106) 75 Ebit 6,995 30,329 10,375 8,608 36,843 7,885 8,409 8,910 33,707 Interest 172 616 169 169 682 169 169 676 Ebt 6,823 29,713 10,206 8,439 36,161 7,716 8,240 8,741 33,031 Income Tax 2,388 10,400 3,572 2,954 12,656 2,701 2,884 3,059 11,561 Net Income (\$mm) Exploration and Production 6,567 25,363 7,469 22,027 0 <	Exploration	208	684	351	351	988	351	351	351	1,404
Ebit6,99530,32910,3758,60836,8437,8858,4098,91033,707Interest172616169169682169169169676Ebt6,82329,71310,2068,43936,1617,7168,2408,74133,031Income Tax2,38810,4003,5722,95412,6562,7012,8843,05911,561Net Income (\$mm)5,675 </td <td>Deprec., Deplet., & Amort.</td> <td>2,351</td> <td>9,055</td> <td>2,194</td> <td>2,194</td> <td>8,880</td> <td>2,194</td> <td>2,194</td> <td>2,194</td> <td>8,776</td>	Deprec., Deplet., & Amort.	2,351	9,055	2,194	2,194	8,880	2,194	2,194	2,194	8,776
Interest172616169169682169169169676Ebt6,82329,71310,2068,43936,1617,7168,2408,74133,031Income Tax2,38810,4003,5722,95412,6562,7012,8843,05911,561Net Income (\$mm)7,46922,027 </td <td>Other non cash</td> <td>1,350</td> <td>3,601</td> <td>(106)</td> <td></td> <td>75</td> <td></td> <td></td> <td></td> <td></td>	Other non cash	1,350	3,601	(106)		75				
Ebt6,82329,71310,2068,43936,1617,7168,2408,74133,031Income Tax2,38810,4003,5722,95412,6562,7012,8843,05911,561Net Income (\$mm)Exploration and Production6,56725,3637,46922,027Other(84)5,9072,1405,675Unallocated(2,048)(11,957)(2,975)(9,682)Total4,43519,3136,6345,48523,5055,0155,3565,68221,470Shares (millions)3,4653,5243,3033,3033,3443,3033,3033,3033,303Per share (\$)1.285.482.011.667.031.521.621.726.50Ebitda Margin (E&P)42%47%47%47%45%46%46%46%46%	Ebit	6,995	30,329	10,375	8,608	36,843	7,885	8,409	8,910	33,707
Income Tax 2,388 10,400 3,572 2,954 12,656 2,701 2,884 3,059 11,561 Net Income (\$mm) Exploration and Production 6,567 25,363 7,469 22,027 </td <td>Interest</td> <td>172</td> <td>616</td> <td>169</td> <td>169</td> <td>682</td> <td>169</td> <td>169</td> <td>169</td> <td>676</td>	Interest	172	616	169	169	682	169	169	169	676
Net Income (\$mm) Exploration and Production 6,567 25,363 7,469 22,027 Other (84) 5,907 2,140 5,675 Unallocated (2,048) (11,957) (2,975) (9,682) Total 4,435 19,313 6,634 5,485 23,505 5,015 5,356 5,682 21,470 Shares (millions) 3,465 3,524 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,603 3,603 5,662 21,470 Shares (millions) 3,465 3,524 3,303 3,466 46% 46% 46% 46% 4	Ebt					36,161	7,716		8,741	33,031
Exploration and Production6,56725,3637,46922,027Other(84)5,9072,1405,675Unallocated(2,048)(11,957)(2,975)(9,682)Total4,43519,3136,6345,48523,5055,0155,3565,68221,470Shares (millions)3,4653,5243,3033,3033,3443,3033,3033,3033,303Per share (\$)1.285.482.011.667.031.521.621.726.50Ebitda Margin (E&P)42%47%47%47%45%46%46%46%46%		2,388	10,400	3,572	2,954	12,656	2,701	2,884	3,059	11,561
Other (84) 5,907 2,140 5,675 Unallocated (2,048) (11,957) (2,975) (9,682) Total 4,435 19,313 6,634 5,485 23,505 5,015 5,356 5,682 21,470 Shares (millions) 3,465 3,524 3,303 3,303 3,344 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,303 3,034 3,035 5,015 5,162 1,72 6,50 Ebitda Margin (E&P) 42% 47% 47% 45% 46% 46% 46%										
Unallocated(2,048)(11,957)(2,975)(9,682)Total4,43519,3136,6345,48523,5055,0155,3565,68221,470Shares (millions)3,4653,5243,3033,3033,3443,3033,3033,3033,303Per share (\$)1.285.482.011.667.031.521.621.726.50Ebitda Margin (E&P)42%47%47%47%45%46%46%46%46%	Exploration and Production	6,567	· · ·			· · ·				
Total4,43519,3136,6345,48523,5055,0155,3565,68221,470Shares (millions)3,4653,5243,3033,3033,3033,3033,3033,3033,3033,3033,303Per share (\$)1.285.482.011.667.031.521.621.726.50Ebitda Margin (E&P)42%47%47%47%45%46%46%46%46%		(84)	5,907			5,675				
Shares (millions) 3,465 3,524 3,303		(2,048)		(2,975)						
Per share (\$) 1.28 5.48 2.01 1.66 7.03 1.52 1.62 1.72 6.50 Ebitda Margin (E&P) 42% 47% 47% 47% 46% 46% 46% 46%		4,435				23,505	5,015			21,470
Ebitda Margin (E&P) 42% 47% 47% 45% 46% 46% 46% 46%	Shares (millions)		· · ·		3,303	3,344	3,303	3,303	3,303	3,303
Tax Rate 35% 35	•									
	Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%

Next

McDep Associates Independent Stock Idea January 16, 2007

	NTM Ebitda <u>(US\$mm)</u>	Adjusted <u>R/P</u>	PV/ <u>Ebitda</u>	Present Value <u>(US\$mm)</u>			
North American Natural Gas	2,340	12.8	10.3	24,000	8%		
Rest of World Natural Gas	4,650	9.7	7.7	36,000	12%		
Oil	20,850	9.2	7.6	158,000	50%		
Downstream	16,050		5.9	95,000	30%		
	43,890	9.7	7.1	313,000	100%		
Debt (US\$mm)					49,200		
Net Present Value (US\$mm)					264,200		
Shares (mm)							
Net Present Value - Standard Estimate (US\$/sh)							
Net Present Value - Approximation by Correlation (US\$/sh)							

BP plc Functional Cash Flow and Present Value

Disclaimer: This analysis was prepared by Kurt Wulff doing business as McDep Associates. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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