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BP faces new questions and growing public & investor mobilisation as it releases annual report.

The number of investors prepared to oppose BP's plans to develop controversial Canadian tar sands deposits is mounting according to FairPensions, which also reports investor dissatisfactions with BP's response to their concerns.

As BP plc releases its annual results today (5th March), FairPensions, which has co-ordinated a shareholder resolution for the oil giant's annual meeting next month, says that in addition to investor support, thousands of individuals have now petitioned their pension fund or other investors with the help of a special website at www.countingthecost.org.uk.

FairPensions expects that BP will today recommend a vote against the resolution, but reports that following meetings with BP, investors are still unconvinced by BP's response, which includes data which was not peer-reviewed, oil-price assumptions at odds with independent analysts' predictions and cost figures which do not include all of the processes involved (including refining). Further concerns are contained in an investor briefing on Shell, BP and oil sands available from FairPensions.

The FairPensions-coordinated resolutions on oil sands were filed by a coalition of individual and institutional investors including the Cooperative, who are concerned that oil companies may not be properly accounting for future carbon costs, high operational costs, environmental clean up costs and the risk of litigation as a result of indigenous community impacts. Resolution co-filers feel that the companies are risking both financial and reputational damage in the long term by developing what some investors view to be unsustainable assets.

The resolutions are also backed by environmental and human rights NGOs who point to extremely high levels of carbon emissions (conversion into fuel produces on average 3 times the greenhouse gas emissions of conventional oil), the huge quantities of toxic waste produced, local air and water pollution, deforestation, and indigenous community impacts.

Catherine Howarth, CEO of FairPensions said, "BP's recommendation to shareholders not to support this resolution demonstrates that its board is out of touch with a broad and growing segment of its ownership base. Investors, including millions of people who depend on BP's continued strength and sustainability for their retirement incomes, will be concerned by the company's complacency on tar sands risks. Valid questions remain to be answered and we anticipate investors will use the vote at BP's April AGM to signal a desire for stronger disclosures."

FairPensions' investor briefing, along with copies of the resolutions, supporting statements and background information, is available at <http://www.fairpensions.org.uk/resolutions>

Media enquiries / requests for interviews to:

Duncan Exley, FairPensions: 020 7403 7806 / 07847 006 253 / duncan.exley@fairpensions.org.uk

Notes for editors:

About Oil sands

Oil sands (also known as tar sands) are the second largest oil resource in the world, comprising some 173Bn barrels in reserves. Converting them into usable form of fuel produces on average 3 times the greenhouse gas emissions compared to conventional oil extraction.

Even using the oil industry's favoured measure (from oil well to car exhaust), oil from this source emits between 15% and 40% more greenhouse gases than the average of conventional sources. Industry claims about the affordability and efficacy of carbon capture and storage as a solution to tar sands' financial and environmental problems are also increasingly questioned.

Canada is already on course to miss its Kyoto protocol targets and the expansion of tar sands will make all but impossible any efforts to cut emissions on 1990 levels.

Oil sands are now prompting legal challenges from local indigenous communities such as the Beaver Lake Cree Nation, who are affected by pollution, deforestation and wildlife disturbance from tar sands developments. They claim breaches of the constitutional rights protecting their traditional livelihoods.

About the resolutions

BP plc and Royal Dutch Shell plc have confirmed that the resolutions are valid, and will be discussed at their AGMs on 15 April 2010 (TBC) and 18th May 2010 respectively.

The resolutions ask the companies to commission and review reports setting out the assumptions made by the Company in deciding to precede with oil sands projects regarding future carbon prices, oil price volatility, demand for oil, anticipated regulation of greenhouse gas emissions and legal and reputational risks arising from local environmental damage and impairment of traditional livelihoods. The resolutions ask that the findings of the report and review should be reported to investors in 2011.

About FairPensions

FairPensions campaigns for UK pension funds and fund managers to adopt responsible investment practices, managing environmental, social and governance (ESG) issues which have the potential to be financially relevant.

FairPensions is supported by a number of leading charities and trade unions, including ActionAid, Amnesty, BECTU, CAFOD, Community, CWU, ECCR, EIRiS, Greenpeace, NUJ, Occupational Pensioners' Alliance, Oxfam, PCS, Traidcraft, Unison, Unite and WWF, as well as thousands of individuals.

www.fairpensions.org.uk