

The Lord Browne of Madingley

Group Chief Executive

BP p.l.c.
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By fax to 001 907 269 0128 and by mail

Representative John Harris
Speaker of the House
Alaska State Legislature
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4 September 2006

Dear Representative Harris,

I acknowledge receipt of your letter of August 31, 2006, the contents of which disturbed me greatly.

You have raised a number of charges which both our US subsidiary and I, as Group Chief Executive, take most seriously. Whilst your letter does not provide specific detail, our Alaska managers are accused of being less than forthright and honest when meeting with you and during their testimony before your legislative body. They are claimed to have provided misleading information or actually to have lied. Steve Marshall is accused of making such misleading statements to the Joint Alaska Senate and House Resources Committee on August 18, 2006. Any such behaviour would be contrary to everything the BP Group stands for and in our experience would be totally out of character as regards Steve Marshall and other named members of his team. They have we believe always acted with the highest integrity.

However, through Bob Malone I have requested that Former U.S. District Court Judge Stanley Sporkin, our Regional Ombudsman for

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BP America, do a full and immediate investigation into the allegations made. If the allegations are found to be substantiated we will take the necessary and appropriate action. I ask that you share with this investigation all of the information that you have which forms the basis of the assertions contained in your letter.

I confirm that Bob Malone has full authority - and accountability - to take whatever action is required to ensure that BP Alaska, and indeed any other of our US subsidiaries, meet their obligations, comply with all applicable laws, regulations and our Code of Conduct, and uphold the integrity and reputation of the BP Group. I have every confidence that he will take all appropriate steps to achieve these ends.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Brown". The signature is written in a cursive style with a long horizontal stroke at the end.

Alaska State Legislature

Session: (Jan-May)
State Capitol, Room 208
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John Harris
Speaker of the House

August 31, 2006

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Dear Lord Browne,

As you might expect, most of my colleagues in the Alaska Legislature as well as most of our constituents, are disheartened, disgusted and down right angry about the failure of BP's obligation to discover, develop, produce and transport Alaska's Oil to market in an environmentally and economically responsible way. We are tired of having to deal with the Oil Industry's irresponsible approach to "Doing it Right". We want and need a major change in the BP approach in dealing with these issues.

We now know and have indisputable evidence, that your Alaska managers have been less than forthright and honest when meeting with us and during the times of their testimony before our legislative body. In short, we know that your BP Alaska managers (Steve Marshall, Al Bolea, Maureen Johnson et al.), have given us misleading information at the best and lied to us at worst. The comments by Steve Marshall, President, BP Exploration (Alaska) Inc. to the Joint Alaska Senate and House Resources Committee on August 18, 2006 is an example of misleading statements.

We need and want a significant change in attitude, actions, accountability and direction.

We believe that your decision to appoint Bob Malone as head of BP's US operations is a step in the right direction. We have respect for and guarded confidence in Malone.

We know that Mr. Malone, given time, will determine what is truly wrong and how to properly identify and resolve the problems. It is unfortunate that BP Alaska's staff has misled Mr. Malone about the true conditions of the BP North Slope facilities and have called his creditability into question when Mr. Malone repeats what the Alaska staff have fed him.

Let me say that we have known and worked with Mr. Malone in the past and were impressed with the ability, actions and the changes he and his support team made in the operation and maintenance of the Trans Alaska Pipeline System while he was at the helm. He significantly turned TAPS around and improved the TAPS operation while he was there. That change in direction was crucial and stayed in place for a while until the present BP Alaska management team directed David Wight to undo the progress that was made. It is yet to be determined if Kevin Hostler can get TAPS back on the correct course that was set by Malone and his Alyeska team.

We feel Malone can give Hostler the support he needs to undue the damage created by David Wight and the present BP Alaska management team.

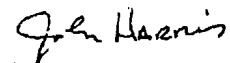
We know that the present BP Alaska management team is responsible for directing BP's North Slope operations to the sorry condition that BP finds itself in. We know that they did not follow the course of action laid out in the 2001 ORT report that could have prevented this disaster.

What we do not know is if you, as BP CEO, have given Bob Malone the full authority and power he needs to replace your BP Alaska managers who have so miserably failed us all in their leadership at BP Alaska.

We want your personal assurances that Malone has been given the direction, authority and support he needs to resolve this deplorable situation BP and the state of Alaska as well as our nation, find ourselves in.

I want to once again commend you on your choice of Malone to make the required changes that are necessary. We await your assurance that Bob Malone has been given your full authority to solve the BP Alaska problems.

Thank You,



Representative John Harris
Speaker of the House