



P&O AND BP SIGN FUEL PROCUREMENT AGREEMENT

6 February 2002

The Peninsular and Oriental Steam Navigation Company (P&O), the international logistics and transport company, today signed an innovative five-year agreement with BP to supply its European logistics businesses with fuel and its ferry fleet with marine fuel, lubricants and other services.

The agreement, which is part of P&O's group-wide purchasing initiative, is one of the first international agreements of its type and is among BP's largest combined fuel and lubricants deals. With a gross value of approximately £40 million per annum it will produce substantial savings for P&O.

P&O expects to purchase 300,000 tonnes of marine fuels and 6,000 tonnes of lubricants annually under the agreement. The marine fuel will be supplied from BP's terminals in Dover, Rotterdam and Belfast. The marine lubricants will meet P&O's strict technical requirements.

Road fuels for commercial vehicles will be supplied in bulk to P&O and BP fuel cards will be issued to P&O's fleet of commercial vehicles for North West Europe. The agreement is likely to double the volume of P&O's road fuel business with BP.

Commenting on the agreement at the signing ceremony today Lord Sterling, Chairman of P&O, said: "We are delighted to have reached this ground breaking agreement with BP. Our two companies have enjoyed an excellent long term relationship; we share common values and this agreement will further enhance our ability to deliver mutual benefit to our two organisations."

"Our agreement takes BP beyond product supply. We see this as the start of a strategic partnership allowing us to expand into new products and services that unlock additional value for both parties. I am pleased we have created an innovative package for such a notable logistics and transport company," said Lord Browne, BP Group Chief Executive.

Both P&O and BP will actively seek opportunities for expanding the scope of this agreement to encompass additional volumes and alternative forms of energy globally.

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Notes to Editors

1. P&O is a major international logistics and transport company. Its fastest growing business is the development of container ports around the world. P&O provides contract and cold logistics services internationally and owns half of P&O Nedlloyd, the world's second largest container shipping line. It is the leading ferry operator in the UK, with a fleet of 48 vessels. P&O also operates commercial vehicles through P&O Trans European and other subsidiaries.
2. BP is one of the world's leading suppliers of fuels, lubricants and technical services to the global marine industry. It has a global supply capability serving major ports. BP has around 8000 service stations across Europe including 1500 in the UK.