High-grading and decapitalising



Low carbon energy

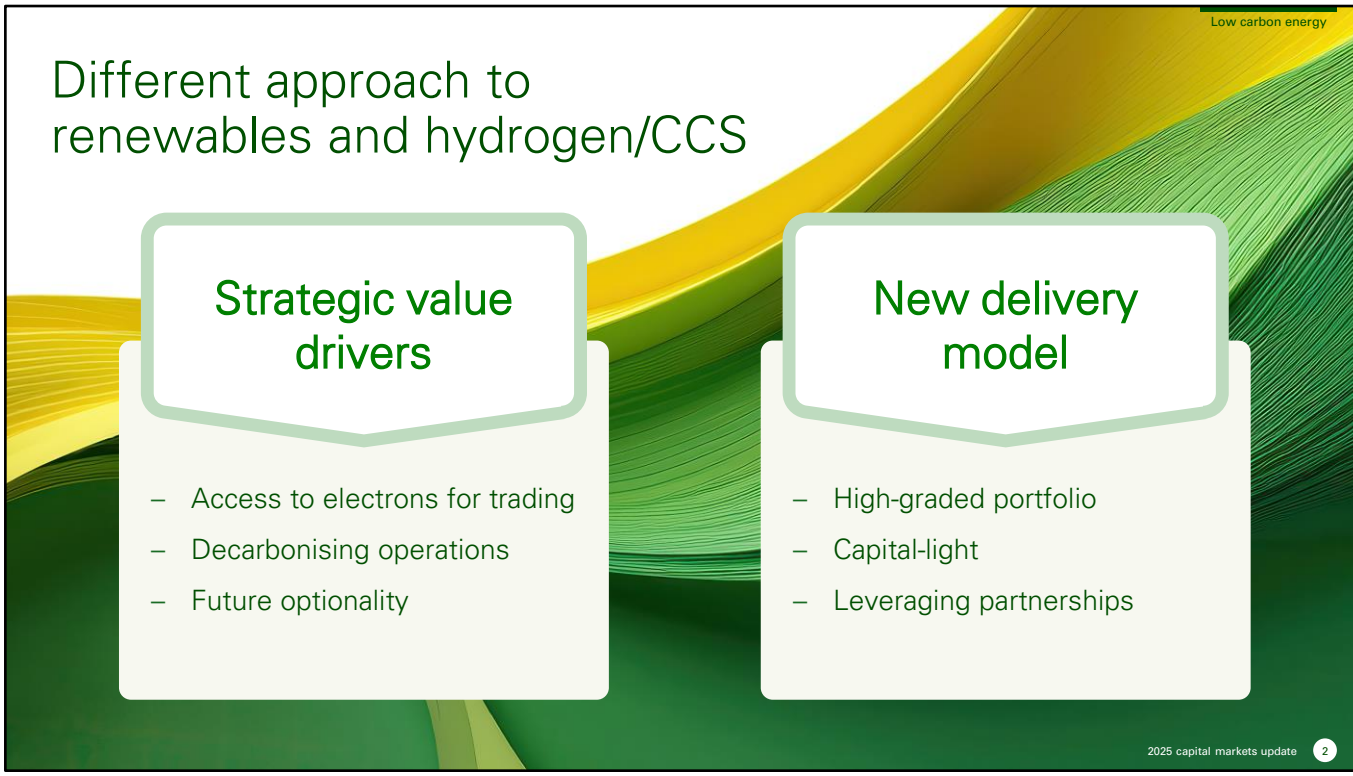
February 2025



Thanks Emma. I'm going to cover our low carbon energy portfolio which includes our renewables, hydrogen and carbon capture businesses.

I'm going to talk about three things:

1. How we're applying what we have learned to reposition the business.
2. What this means, including significantly reduced capital and cash costs.
3. And, I'll talk through our high-graded portfolio and prioritised projects.



The volatility and uncertainty experienced in the world in recent years has impacted the low carbon energy industry.

– The solar sector has been particularly sensitive to increasing interest rates, inflation and supply chain issues;

– Offshore wind has been materially impacted by supply chain inflation across all sub-sectors including turbines and vessels, during a period of intense competition and bidding for licenses;

– And in hydrogen, a combination of slower policy, slower technology developments, higher costs – combined with reduced customer willingness to pay – has led to much less progress.

With the benefit of our growing experience, we are clear in the strategic value of low carbon energy for bp.

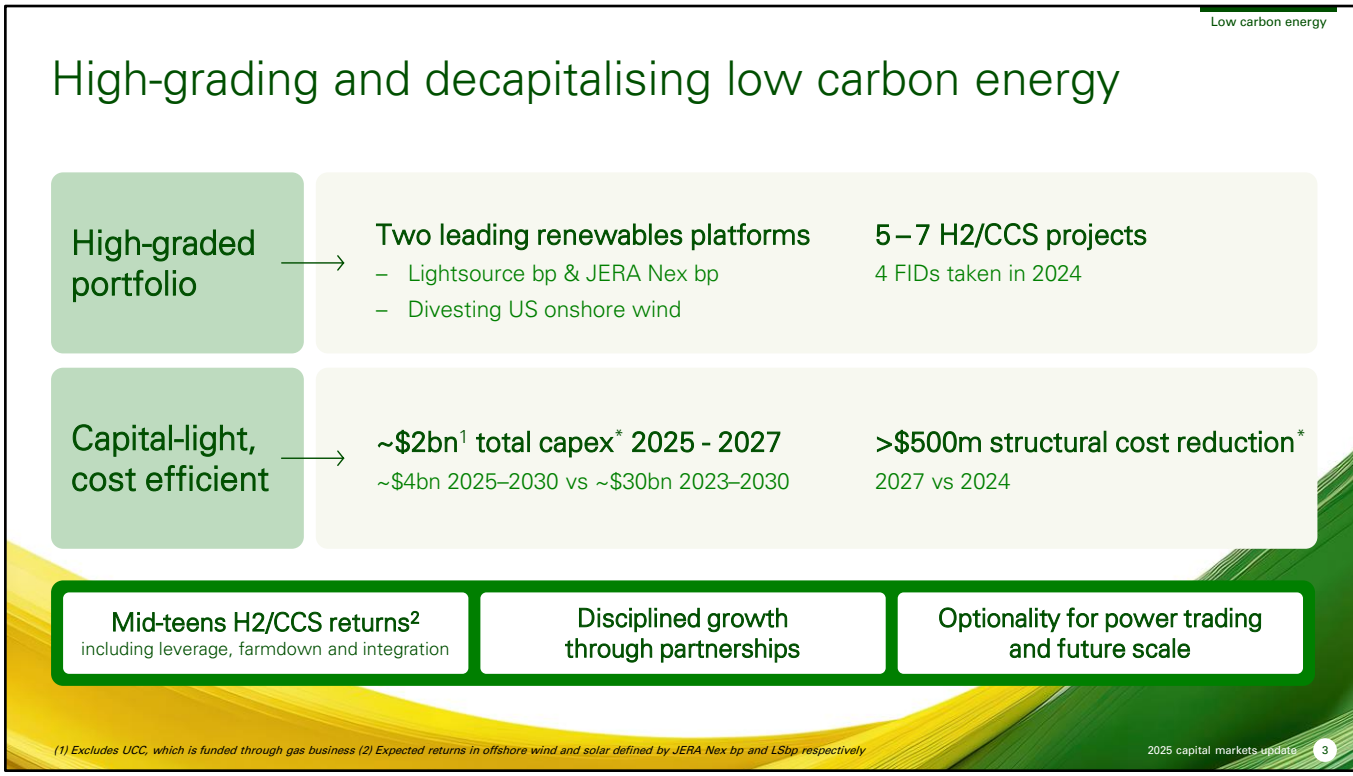
– Renewables for bp is about access to electron flows – first and foremost for trading, including supplying AI datacentres.

– Hydrogen is still – albeit at a more measured pace – key to industrial decarbonisation, including for our own refineries, and enabling improved margins for refined products.

– Carbon capture helps to decarbonise our own operations – and for other parties – through building new value chains and future merchant business models, including with blue hydrogen.

But, we sought to grow too quickly, and we chased too many options. We learned many lessons across all these areas, and we recognise those lessons also incurred a cost.

So, as a result, we have changed our model for low carbon. Let me explain what that means in practice.



Firstly, our portfolio is far more focused, and has been high-graded:

- In renewables, we have two top tier platforms – able to grow with discipline while being capital-light for bp and our shareholders. We are also in the process of divesting our 1.3 GW US onshore wind business, which we expect to complete this year.
- In Hydrogen/CCS we have 5-7 prioritised projects this decade – down from a global hopper of 30 – and 4 of which have already taken FID in 2024.

Secondly, by establishing capital-light platforms and high-grading our portfolio, we significantly reduce bp capex to around $2bn in total out to 2027 – around $10 billion less than prior guidance for this period.

Two years ago we expected to spend ~$30 billion through the decade. We now expect around $4 billion to 2030.

Capital will be deployed to projects that are value-accretive and meet our investment criteria – including securing fiscal incentives where needed.

We will also drive cost efficiency. We expect cost reduction of at least $500 million per annum by 2027.

We look to establish partnerships that combine complementary capabilities and assets and enable access to forms of financing and structures relevant for low carbon businesses.

We will align with actual demand for lower carbon products and we will continue to build future optionality for trading electrons and molecules – working with Carol's team to leverage our proven trading origination and commercial capability.

All of these changes support the wider group agenda on costs and cash flow growth out to 2027, as described by Kate.

More selective investment will enable us to learn, scale and create optionality for future growth when markets, policy and demand are fully ready.

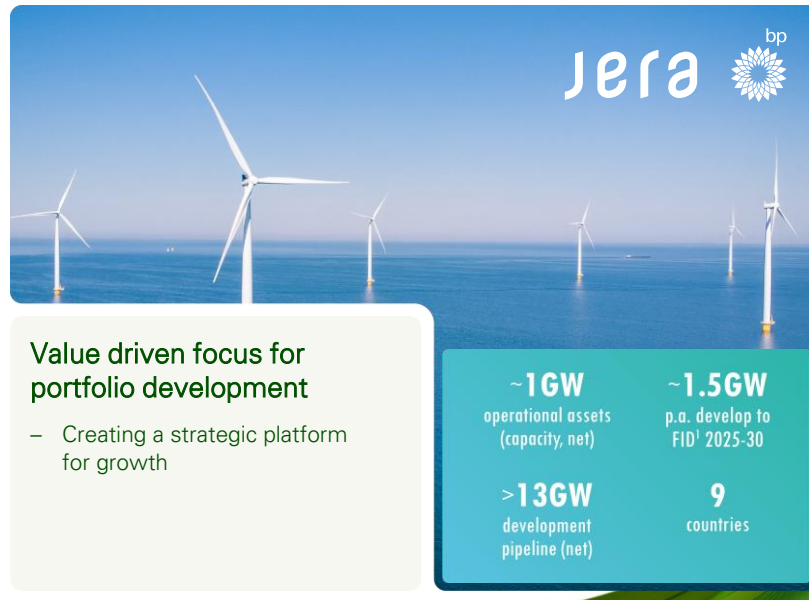
We expect growth in these businesses this decade but the vast majority of the scale and value will come post 2030.

I'll take you through each of our businesses, starting with offshore wind.

JERA Nex bp – a top tier offshore wind developer

Strategic partnership, aligned interests

- JERA – one of the world's largest electricity producers
- Complementary portfolio and capability
- Longstanding partners



Capital-light growth, leveraging external finance

- Defined capital investment plans from partners

Value driven focus for portfolio development

- Creating a strategic platform for growth

~1GW
operational assets (capacity, net)

~1.5GW
p.a. develop to FID[1] 2025-30

>13GW
development pipeline (net)

9
countries

(1) *Expected average 25-30, gross*

In December, we announced our agreement with JERA to combine our global offshore wind businesses to form a new standalone, equally-owned independent joint venture that, when complete, has the potential be a top tier platform for offshore wind.

JERA is a phenomenal partner - Japan's largest power company and one of the world's largest electricity producers and LNG buyers.

They bring a complementary portfolio of high-quality assets and pipeline. Together, the new JV will have 1GW of operating assets and more than 13GW of development pipeline.

bp and JERA share common beliefs, values and strategic objectives and we have a long history of partnership – in LNG and more recently in pursuing potential cooperation in renewables, hydrogen, CCS and power.

We have agreed that the new JV will have a clear funding model and defined capital investment plans from both partners to support highly disciplined, capital efficient growth. The JV will continuously optimise its portfolio of projects based on value and leverage access to external capital and financing.

And we will maintain access to our equity share of power offtake including supplying our own internal demand when it is applicable and makes commercial sense.

Formation of the joint venture is progressing very well and is subject to regulatory approvals, which we are aiming to complete by mid-2025. We are very excited by the opportunities ahead.

Lightsource bp – a top tier solar and battery developer

Globally recognised brand

- Access to markets and investment-grade customers
- Global reach and established capability



Value driven focus for portfolio development

- Platform scaled to deliver 3–5GW annually
- Initiating process in a few months to bring in strategic partner

Capital-light growth, leveraging external finance

- 3GW to FID in 2024 and >2GW constructed under budget
- Track record delivering double-digit returns[2]

~50GW mature pipeline (solar PV pipeline & battery energy storage systems)

~12GW developed to FID[1]

~5GW owned (in construction or operating)

>3GW divested in 8 markets

(1) Project which have been fully developed and ready to be built. Includes PV and BESS (2) Equity returns

Moving to solar, Lightsource bp is a leading solar and battery storage development, construction, and operating platform with strong capability and experience.

It is a globally recognized brand with access to international markets and investment-grade customers. Lightsource bp has a proven track record of having developed 12GW to FID, including 3GW of projects in 2024.

Also in 2024, it also constructed over 2GW under budget, as well as significantly developing strong battery storage capabilities and footprint.

Lightsource bp is delivering double-digit equity returns, and the business is now scaled to deliver 3-5GW annually – backed by around 50GW of mature pipeline.

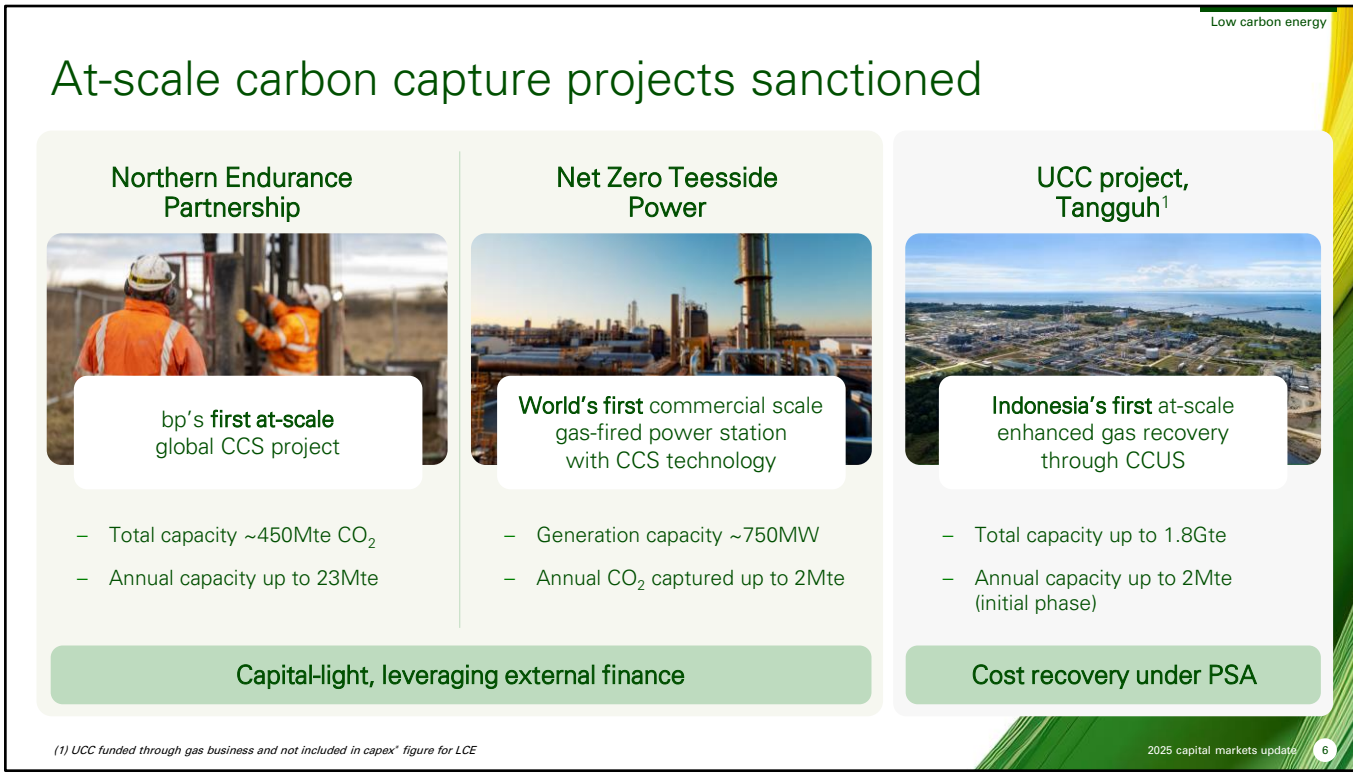
We see further potential through the evolution of the business model – from "develop and flip" to one in which projects will be grouped by geography and sold, but with Lightsource bp retaining an equity share to provide some operating cash flow.

This will leverage the platform's scale and sustainably grow revenues while maintaining a capital-light model through more timely dilution of developed projects.

This approach also enables us to provide optionality for bp's trading expertise to optimise electron flows and capture additional value.

As mentioned earlier, we will aim to bring a strategic equity partner into the business to help us further grow and optimise the platform as a standalone joint-venture.

We intend to initiate this process in the next few months, and, as Kate mentioned, proceeds will be allocated to bp's balance sheet.



Moving to carbon capture – an important lever for industrial decarbonization.

In 2024, we sanctioned projects that will sequester millions of tonnes of CO2 while unlocking value and optionality across our gas, power and hydrogen businesses.

Following the UK Government's commitment to fund through the Track One Cluster process, bp, together with our partners, reached financial close for two major energy projects at Teesside in December.

The Northern Endurance Partnership – or NEP – will be one of the largest CO2 transport and storage networks in Europe and a critical enabler for the East Coast Cluster in the UK.

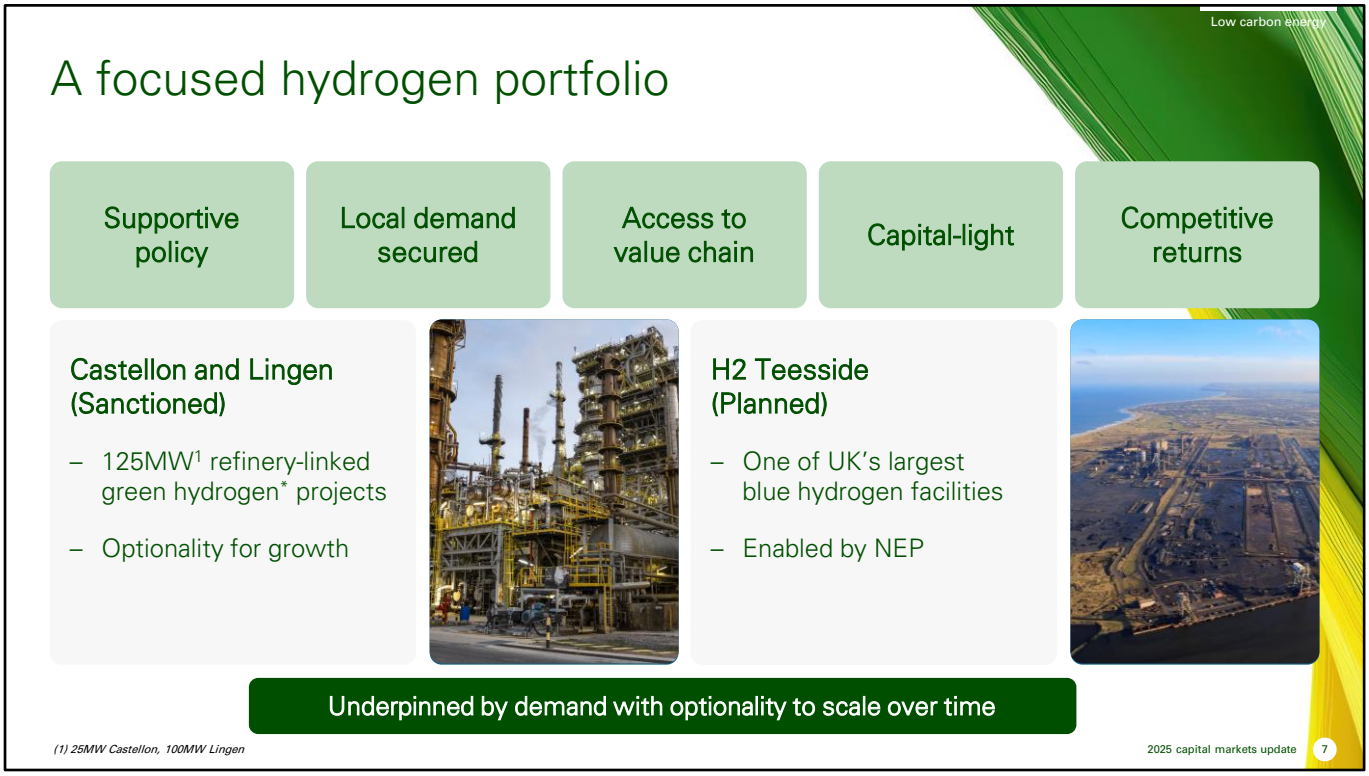
Linked to this is Net Zero Teesside Power – planned to be the world's first commercial scale gas-fired power station with carbon capture technology and dispatchable low carbon electrons.

Both projects are structured as incorporated joint ventures, and benefit from regulatory frameworks that provide financial support, enabling access to competitive external financing and a capital-light approach for bp. Together, they represent one of the largest non-recourse project financings in the UK, with a combined value of around $10bn.

In Indonesia, on behalf of our partners, we announced FID in 4Q 2024 of the Ubadari, CCUS, Compression project – or UCC – which will unlock around 3 trillion cubic feet of additional gas resources to help meet growing energy demand in Asia while enabling Indonesia's first CCUS project at scale where CO_2 will be captured, utilised for enhanced gas recovery and then sequestered.

We have confidence in this business model we know very well - an upstream production sharing agreement with the Government of Indonesia and our partners.

With NEP CCS and Tangguh CCUS, we have sanctioned two economically viable carbon capture projects – in the eastern and western hemispheres – enabling the creation of new value chains in strategic locations with the potential to grow into material industrial decarbonisation hubs. We will learn by doing and apply those learnings.



Finally, in hydrogen, we've significantly high-graded and focused our portfolio.

We are prioritising projects where we have:

– A clear and supportive regulatory framework and fiscal incentives;

– Secured local demand with a willingness to pay;

– Access to the value chain opportunities such as competitive renewable power for green hydrogen or linkage to carbon capture for blue hydrogen; and

– The ability to structure in a capital-light manner through financing and partnerships and/or dilutions;

Above all, returns and competitiveness remains the key criteria for projects to progress, with expected mid-teens returns. This includes leverage, integration, farm-downs and government support.

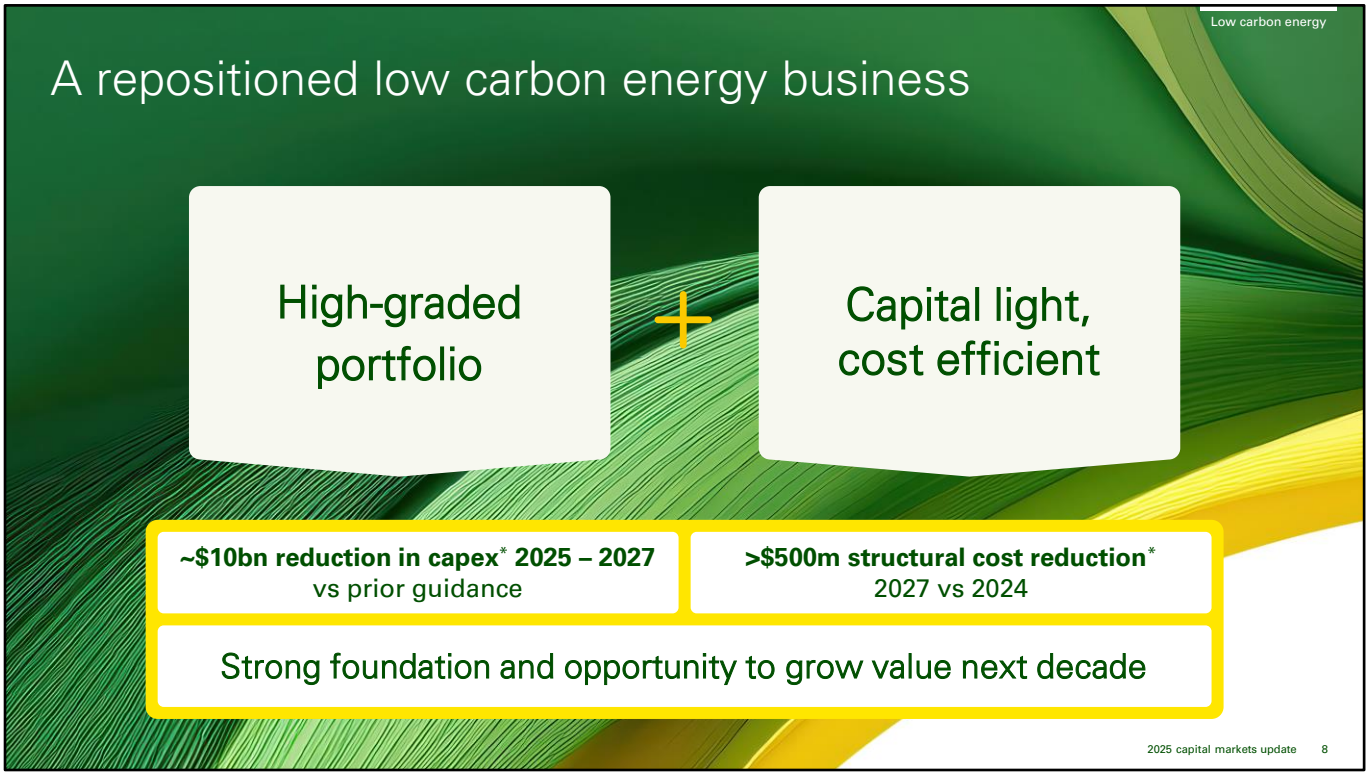
Of the four projects we sanctioned last year, two are linked with our refineries at Castellon in Spain and Lingen in Germany, underpinned by our own hydrogen demand and enhancing the value of our refined products with supportive fiscal policy and funding from the EU and local governments. The projects are expected to start-up in 2026 and 2027.

Meanwhile, our H2Teesside blue hydrogen project, which is part of the East Coast Cluster, continues to progress through FEED and will be enabled through the NEP project we sanctioned. This project will help fulfil the UK's hydrogen ambition and support the development of a regional hydrogen network for industry.

We will seek external funding including bringing in partners, as we have done with Iberdrola at Castellon and ADNOC XRG in H2Teesside.

We are now in delivery mode – not origination. Nearly all of the capital for Hydrogen / CCS from 2025 to 2027 is in service of the 4 FIDs taken to date plus H2Teeside

And, as we progress these projects, we will learn through execution and operation – building capability and optionality to grow as the hydrogen market develops over time.



In summary, we have been in action on our approach and on our portfolio in low carbon energy.

– We're high-grading, making deliberate choices based on clear criteria.

– We're taking out structural costs – at least $0.5bn by 2027.

– And, in doing so, we're playing our role in supporting the delivery of the group's financial targets. We will continue to maintain optionality for electron and molecule flows, and more material value realisation in the next decade.

Let me handover now to Carol on our Supply, Trading and Shipping business.

Glossary



Glossary – abbreviations

Barrel (bbl)	159 litres, 42 US gallons.
CCS	Carbon, capture and storage.
CCUS	Carbon, capture, usage and storage.
FID	Final investment decision.
Gte	Gigatonnes.
GW	Gigawatt.
H_2	Hydrogen.
IFRS	International Financial Reporting Standards.
LCE	Low carbon energy.
LSbp	Lightsource bp.
mmbtu	Million British thermal units.
Mte	Million tonnes.
MW	Megawatt.
NEP	Northern Endurance Partnership.
PSA	Production sharing agreement.
RC	Replacement cost.

Glossary

Capital expenditure (capex)	Total cash capital expenditure as stated in the condensed group cash flow statement. Capital expenditure for the operating segments, gas & low carbon energy businesses and customers & products businesses is presented on the same basis.
Green hydrogen	Hydrogen produced by electrolysis of water using renewable power.
Replacement cost (RC) profit or loss / RC profit or loss attributable to bp shareholders	Reflects the replacement cost of inventories sold in the period and is calculated as profit or loss attributable to bp shareholders, adjusting for inventory holding gains and losses (net of tax). RC profit or loss for the group is not a recognized IFRS measure. bp believes this measure is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due to changes in prices as well as changes in underlying inventory levels. In order for investors to understand the operating performance of the group excluding the impact of price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, bp's management believes it is helpful to disclose this measure. The nearest equivalent measure on an IFRS basis is profit or loss attributable to bp shareholders.
Structural cost reduction	Non-IFRS measure. Calculated as decreases in underlying operating expenditure as a result of operational efficiencies, divestments, workforce reductions and other cost saving measures that are expected to be sustainable compared with 2023 levels. The total change between periods in underlying operating expenditure will reflect both structural cost reductions and other changes in spend, including market factors, such as inflation and foreign exchange impacts, as well as changes in activity levels and costs associated with new operations. Estimates of cumulative annual structural cost reduction may be revised depending on whether cost reductions realized in prior periods are determined to be sustainable compared with 2023 levels. Structural cost reductions are stewarded internally to support management's oversight of spending over time. bp believes this performance measure is useful in demonstrating how management drives cost discipline across the entire organization, simplifying our processes and portfolio and streamlining the way we work. The nearest IFRS measures are production and manufacturing expenses and distributions and administration expenses. We are unable to present forward-looking information of the nearest IFRS measures, because without unreasonable efforts, we are unable to forecast accurately certain adjusting items required to calculate a meaningful comparable IFRS forward-looking financial measure.

Glossary

Underlying operating expenditure	Non-IFRS measure. A subset of production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as adjusting items. It represents the majority of the remaining expenses in these line items but excludes certain costs that are variable, primarily with volumes (such as freight costs). Other variable costs are included in purchases in the income statement. Management believes that underlying operating expenditure is a performance measure that provides investors with useful information regarding the company's financial performance because it considers these expenses to be the principal operating and overhead expenses that are most directly under their control although they also include certain foreign exchange and commodity price effects. The nearest IFRS measures are production and manufacturing expenses and distributions and administration expenses.
Underlying replacement cost (RC) profit or loss / underlying RC profit or loss attributable to bp shareholders	Non-IFRS measure. RC profit or loss* after excluding net adjusting items and related taxation. Underlying RC profit or loss before interest and tax for the operating segments or customers & products businesses is calculated as RC profit or loss including profit or loss attributable to non-controlling interests before interest and tax for the operating segments and excluding net adjusting items for the respective operating segment or business.

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In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this presentation contains certain forecasts, projections and forward-looking statements - that is, statements related to future, not past events and circumstances - with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see', 'focus on' or similar expressions.

In particular, the following, among other statements, are all forward looking in nature: plans, expectations and assumptions regarding demand, supply, prices and margins; plans and expectations regarding bp's performance, including earnings, earnings growth, cash flow, adjusted free cash flow, post-tax operating cashflow, balance sheet, capital expenditure (including transition and low carbon capex), net debt, returns, return on average capital employed, capital investment, breakeven point, internal rates of return and portfolio-level returns, structural cost reductions; plans and expectations related to demand for wind and solar; plans and expectations regarding bp's strategy, portfolio reshaping and high-grading, capital frame and four primary targets; plans and expectations relating to bp's strategy and investments, including capital and cost efficiency gains; plans and expectations regarding the timing, quantum, nature and impact of certain acquisitions and divestments; plans regarding refinancing needs and use of proceeds; plans and expectations regarding bp's projects, ventures and platforms, including its project hopper and project delivery; plans and expectations regarding bp's partnerships and agreements with commercial entities and other third party partners; plans and expectations relating to bp's net zero ambitions, emissions reductions, methane intensity and sustainability aims; plans and expectations regarding renewables, including divestment of bp's onshore wind business and further development of Lightsource bp, as well as plans and expectations regarding investments in biogas, biofuels, carbon capture, hydrogen and EV charging; plans and expectations related to strategic partnerships and external financing.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp.

Actual results or outcomes may differ materially from those expressed in such statements, depending on a variety of factors, including: the extent and duration of the impact of current market conditions including the volatility of oil prices, the effects of bp's plan to exit its shareholding in Rosneft and other investments in Russia, overall global economic and business conditions impacting bp's business and demand for bp's products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; developments in policy, law, regulation, technology and markets, including societal and investor sentiment related to the issue of climate change; the receipt of relevant third party and/or regulatory approvals including ongoing approvals required for the continued developments of approved projects; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain acquisitions and divestments; future levels of industry product supply, demand and pricing, including supply growth in North America and continued base oil and additive supply shortages; OPEC+ quota restrictions; PSA and TSC effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations and policies, including related to climate change; changes in social attitudes and customer preferences; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; delays in the processes for resolving claims; amounts ultimately payable and timing of payments relating to the Gulf of America oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; bp's access to future credit resources; business disruption and crisis management; the impact on bp's reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; the possibility that international sanctions or other steps taken by governmental or any other relevant persons may impact bp's ability to sell its interests in Rosneft, or the price for which bp could sell such interests; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and those factors discussed under "Principal risks and uncertainties" in bp's Report on Form 6-K regarding results for the six-month period ended 30 June 2024 as filed with the US Securities and Exchange Commission (the "SEC") as well as those factors discussed under "Risk factors" in bp's Annual Report and Form 20-F for fiscal year 2023 as filed with the SEC.

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This presentation contains references to non-proved resources and production outlooks based on non-proved resources that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262.

Tables and projections in this presentation are bp projections unless otherwise stated.

February 2025