Growing shareholder value

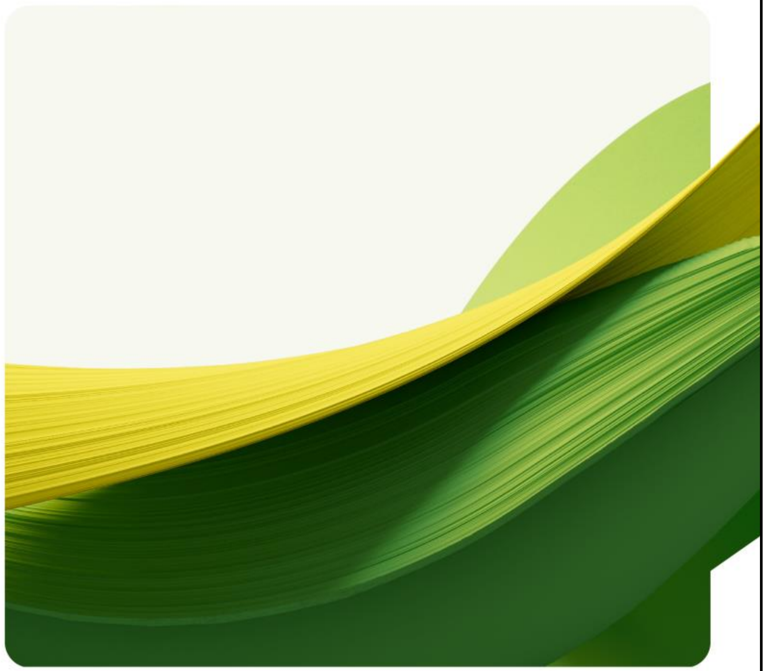
A reset bp

Capital markets update

February 2025

Craig Marshall

SVP investor relations



Good afternoon and good morning everyone. I am delighted to welcome our guests in the room, and those on the webcast.

Further to our announcement earlier today, we're hosting our capital markets update in London – we had scheduled to do it in New York, so thank you to everyone for changing your plans and in joining us here at our headquarters and online.

As usual, I'll start with our customary cautionary statement.

Cautionary statement

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 capex), net debt, returns, return on average capital employed, capital investment, breakeven point, internal rates of return and portfolio-level returns, structural cost reductions, refining availability and growth in bp's customers business; plans and expectations related to demand for bioenergy, electricity, oil and gas, wind and solar; plans and expectations regarding bp's strategy, portfolio reshaping and high-grading, capital frame and four primary targets; plans and expectations regarding operational safety, turnaround efficiencies and reliability; plans and expectations regarding the amount and timing of dividends and share buybacks including the allocation of operating cash flow to the same; plans and expectations relating to bp's strategy and investments, including capital and cost efficiency gains; plans and expectations relating to Castrol; 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 regarding bp's trading, mobility and convenience businesses; plans and expectations relating to bp's operations, oil and gas supply and production, including volume growth, unit cash margins and reserves replacement ratio; plans and expectations regarding resource recovery and potential resource discoveries, including exploration spend and planned wells; plans and expectations regarding plant reliability; plans and expectations regarding upstream and downstream activities, including new sources of LNG offtake; plans and expectations relating to bp's net zero ambitions, emissions reductions, methane recovery 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; and plans and expectations regarding the simplification of bp's organizational structure, digital and marketing strategy, expansion of automation, and use of AI.

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.

Reconciliations to IFRS - This presentation also contains financial information which is not presented in accordance with International Financial reporting Standards (IFRS). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with IFRS can be found on our website at www.bp.com.

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.

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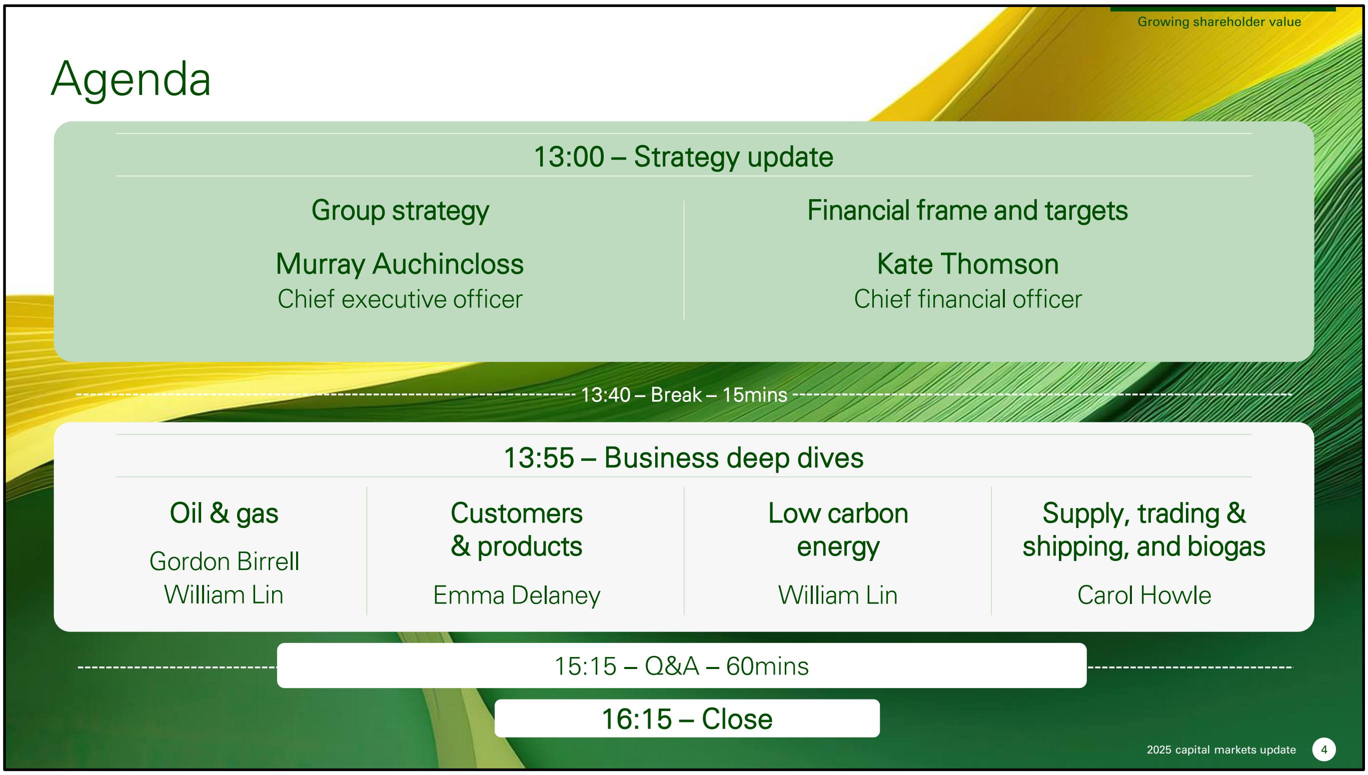
In this presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange announcement and SEC filings for more details. These documents are available on our website.



Before I handover to Murray, let me provide an overview of the agenda for the next few hours.

We will kick-off with Murray and Kate, who will take you through our Group strategy, including our financial frame – following which there will be a short break.

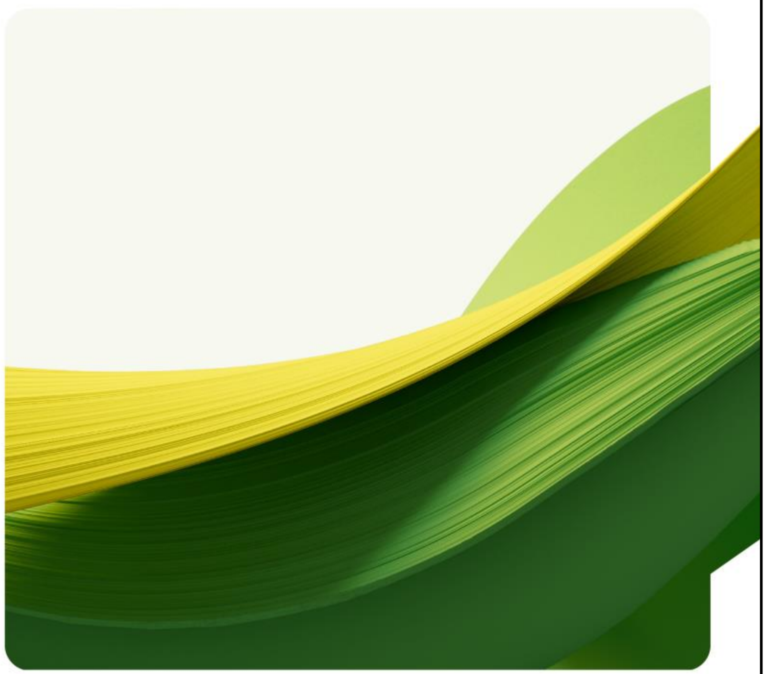
Gordon, William, Emma and Carol are all here today and they will then take you through the deep dives into our businesses after the break.

Following that, we will have the opportunity to take questions, and we'll then have closing remarks from Murray.

So, on that note, over to you Murray.

Murray Auchincloss

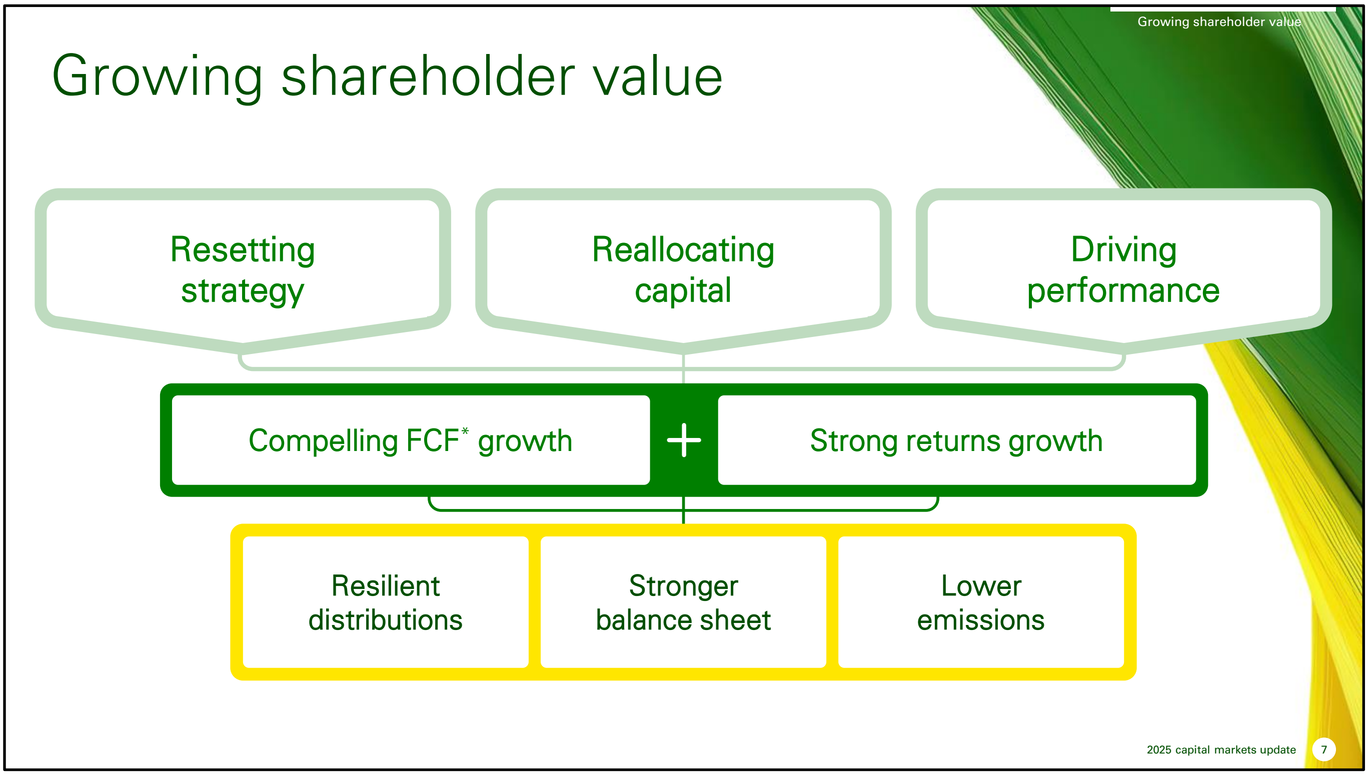
Chief executive officer



Introduction

Thanks Craig.

And thank you everyone for joining us online and here in the room – it’s great to be here on an exciting day for bp.



I'm going to start at the end.

Having finished today's presentation, these are the key takeaways you will have heard from us.

First, today is more than an update. Our strategy is being fundamentally reset.

Second, we are reallocating capital to drive growth from our highest returning businesses.

Third, we acknowledge performance has not been where we want it to be. And we are focused on relentlessly driving improvement.

This is all in service of growing long-term shareholder value for you our investors, which is at the core of the strategy we are presenting today. It's underpinned by a plan that delivers compelling free cash flow and strong returns growth, supporting resilient distributions and a stronger balance sheet.

And it builds on our track record of lowering emissions.

Taken together, we believe, we are laying out a compelling investor proposition.

Now, I want to start by reflecting briefly on our past.

For more than 100 years, bp has been focused on discovering, developing and producing oil and gas in the nations where we operate.

Over time, we expanded this to build out routes to market – refineries, tankers, service stations, and LNG plants, to enhance margin. In the early 1990's, we started to trade paper contracts on the products we produced – the birth of trading.

And in the early 2000's we expanded our product mix, providing power, bioenergy and other products that our customers were demanding.

By 2020, we had established a high-quality oil and gas business, a high-graded, integrated downstream business and a world-class trading business. The key to success across all these was to be in the best basins, with competitive costs and access to advantaged supply, infrastructure and customer demand centres, allowing us to trade up and down the value chain as value shifts over time. This is what we mean by integration.

In 2020, we made some bold strategic changes, accelerating into the energy transition while progressively reducing our hydrocarbon business. We then saw COVID, the war in Ukraine, a recession and a shift in the attitude of markets and governments, have a fundamental impact on the energy system.

Pressure on budgets meant that lower cost energy won out in most nations, and the pace of transition and decarbonisation, while important, was not as fast as envisioned. And energy demand continues to rise.

Our optimism for a fast transition was misplaced and we went too far too fast.

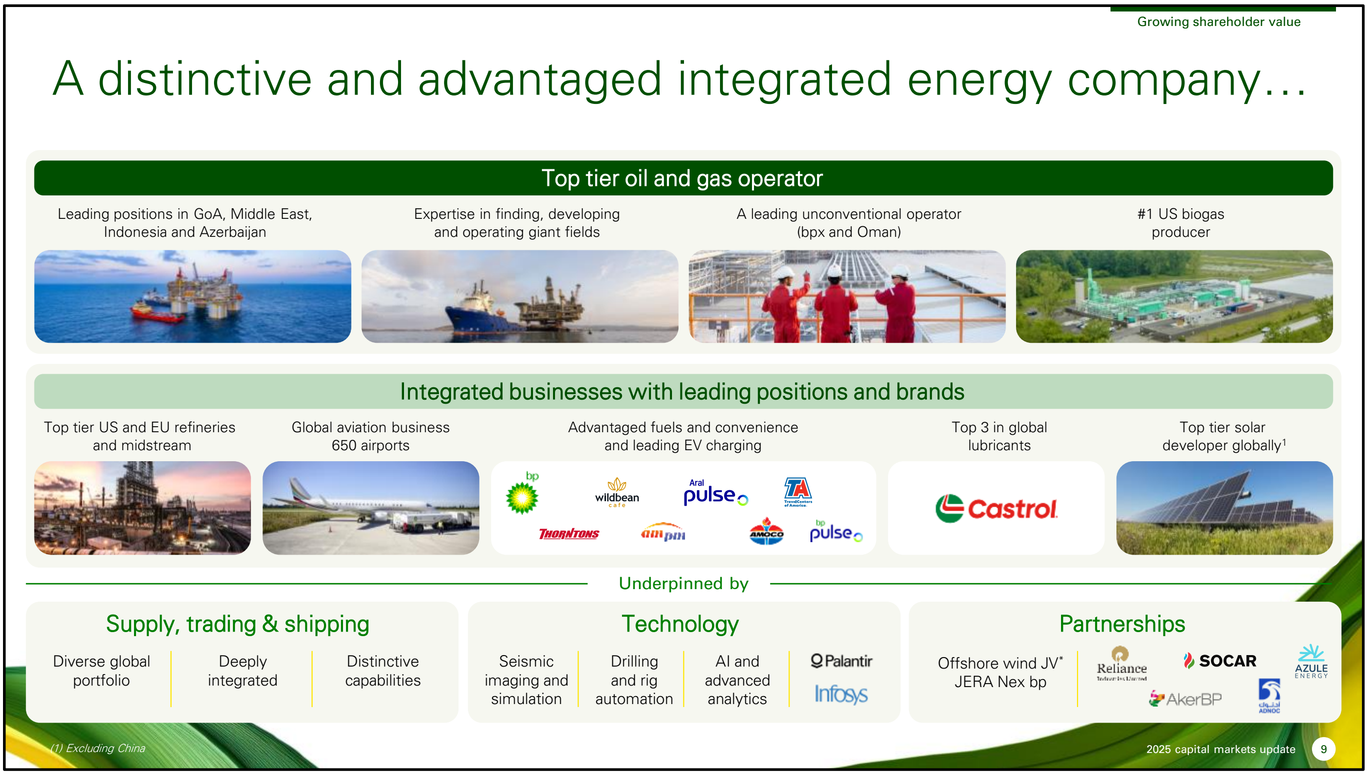
From this, and my 25 years with bp, I carry forward three core learnings:

– First - make sure you are very strong on process safety – this is crucial to securing a successful future for bp. We have demonstrated strong progress is achievable, and safety will always come first at bp.

– Second - make sure you are very efficient with your capital investment – not chasing too many projects and making sure the returns are attractive and robust. We have clear lessons from the 2010’s on capital projects and the past five years on transition businesses – trying to do too many things, or not having got the risk reward balance right; and

– Third – preserve your core strengths. Invest in your best assets and continue to grow them, as you diversify into new business lines, and remain flexible, moving at pace with society - a lesson from the past five years.

This all forms the foundation for our shift in strategy that we announced today.



So, why do we have conviction that we can do this?

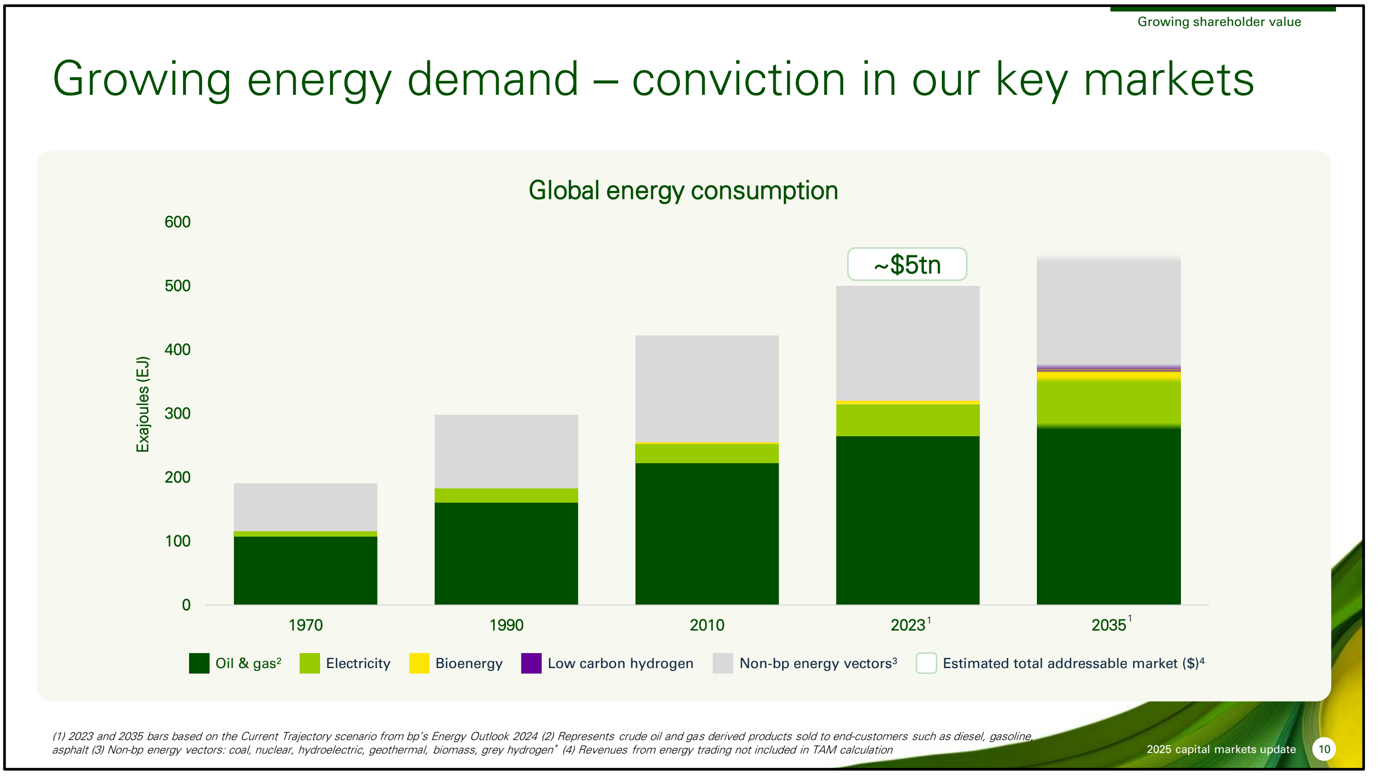
We believe we have a world-class portfolio – a top tier oil and gas business in attractive basins, leading integrated positions and brands across the value chain, all underpinned by distinctive advantages in trading, technology and partnerships.

Our new strategy plays to these distinctive strengths and competitive advantages.

We are one of only a few companies globally, at scale, that can provide governments and our customers with an integrated energy offering. This includes hydrocarbons, renewables, bioenergy and lower carbon product offerings - provided through advantaged routes to market.

We believe over time an integrated energy company strategy will win out over pure oil and gas, or a pure play low-carbon strategy.

This is the bp of today, and one we are proud of.



And what also gives us conviction is that energy demand is growing over the next decade and beyond – creating a significant opportunity for bp.

First of all, **energy is a growth market.**

– The world is in an 'energy addition' phase – consuming increasing amounts of both fossil fuels and low carbon energy.

Second, **oil and gas will be needed for decades to come.**

– Global demand for oil and gas to 2035 continues to be robust, including strong growth in natural gas demand from emerging Asian economies.

– Demand for North American natural gas is set to expand by around 15% in the same period; and

– LNG demand grows by around 50% to 2035

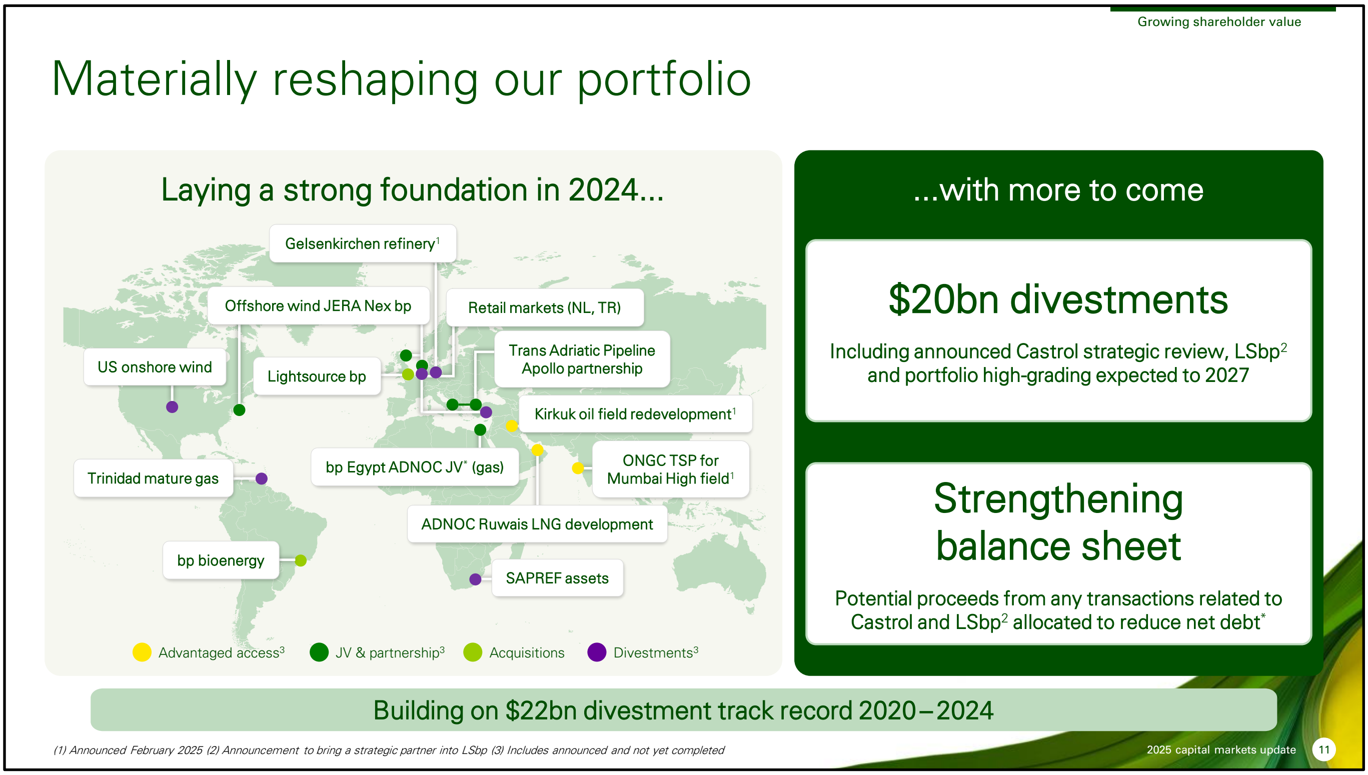
Third, while the pace and shape of the energy transition is uncertain**, we continue to view it as a significant opportunity to grow value.**

Global carbon emissions need to be reduced and, as well as looking for more energy, countries, companies and customers are looking for lower carbon products and services to support their own decarbonisation objectives.

– Demand for bioenergy grows around 35% to 2035.

- Electricity demand increases by around one third to 2035.
- Wind and solar both continue to grow quickly, and markets for carbon capture and low carbon hydrogen are beginning to develop.

It's clear that bp operates in a growing and dynamic industry. And we are well positioned to compete.



Since I took over the CEO role at the start of 2024, we have taken deliberate action to significantly refocus the portfolio. The scale and pace of action over the past year is greater than anything we have seen over the past 20 years.

This includes:

– In low carbon energy: we announced new partnerships, like the JERA Nex bp offshore wind JV, announced the US onshore wind auction, and acquired full ownership of Lightsource bp

– In upstream: we established new partnerships, like our gas JV in Egypt with ADNOC, reached final agreement for new resource access in Iraq, expanded in India, and divested mature gas fields in Trinidad, and

– In downstream: we announced exits from the Netherlands and Türkiye retail markets, acquired full ownership of bp bioenergy, and sold the SAPREF refinery

And we are not done yet. We are planning to further simplify and focus our portfolio, with the announcement today of a $20 billion divestment programme, which we expect to deliver through 2027.

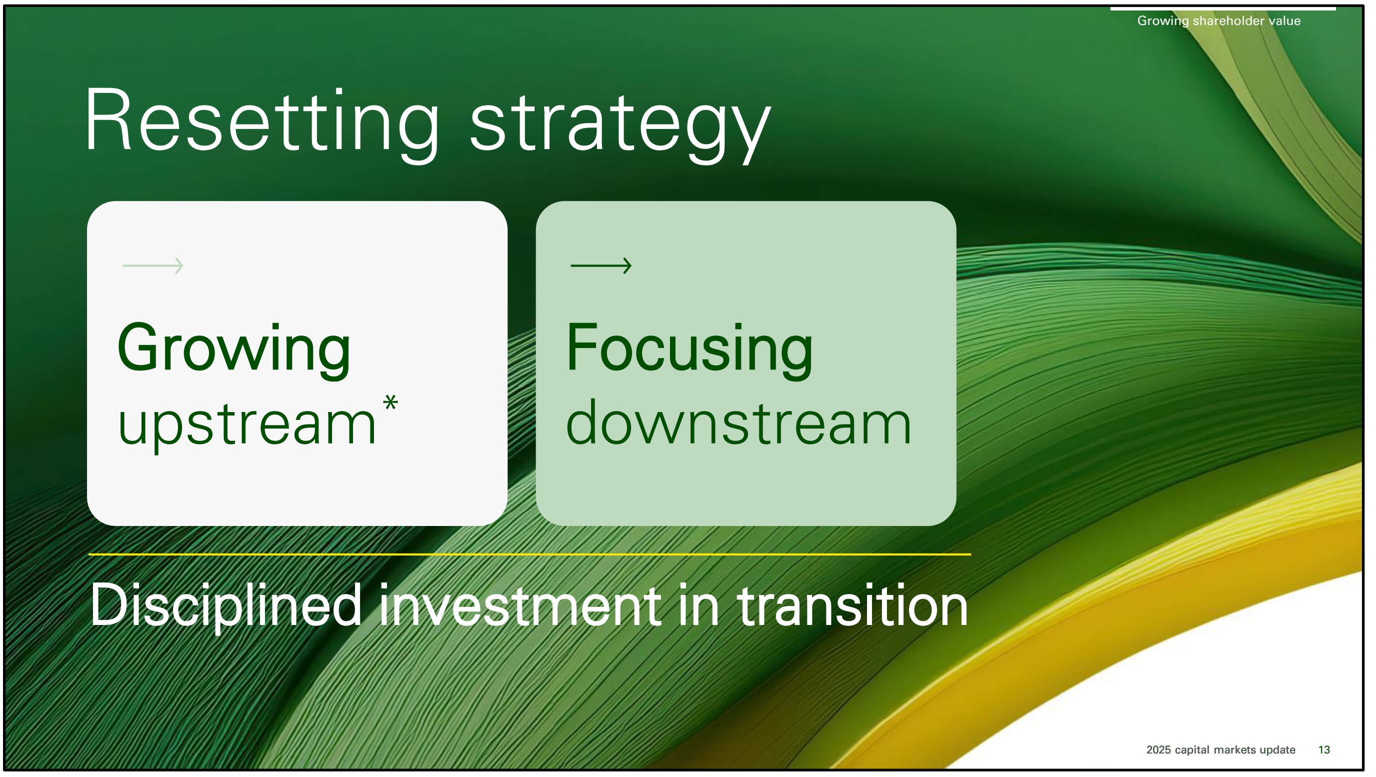
Having started the process in the fourth quarter, we are announcing today that we will be carrying out a strategic review of Castrol. Having turned around performance at Castrol, and being a less integrated business, we will be looking at options to accelerate Castrol’s next phase of value delivery. Alongside this, we are continuing with our aim to bring a strategic partner into Lightsource bp to help further grow and optimise the platform in a capital light way.

Proceeds from both of these potential transactions are included in the $20 billion divestment programme. And the proceeds from these transactions will be dedicated to strengthening our balance sheet, contributing to lowering net debt to a range of $14 to 18 billion by 2027.

In summary, the past year at bp has been one of action. We have conviction in the quality of our portfolio, in the markets in which we operate, and we have created a strong foundation supporting today's announcement.

Growing shareholder value

Our strategy



Today, we are fundamentally resetting our strategy, including;

- reallocating capital across the business,
- driving further cost interventions,
- announcing further significant high-grading of our portfolio,
- leading to compelling growth in free cash flow and returns, with
  - a significant strengthening of the balance sheet and,
  - continued resilient distributions to shareholders.

Core to this reset:

- **We are going to grow the upstream – our oil and gas business** – increasing investment to grow production while also growing cash flow, in addition to the disciplined expansion of biogas. Maintaining strong and safe operations throughout.

- **And we are focusing the downstream – our customers and products business –** reshaping the portfolio to focus on markets and businesses where we have advantaged and integrated positions. We have clear actions to drive improved performance, including addressing costs in Customers, and improving operations in refining.

And we continue to believe the **energy transition** presents significant opportunity.

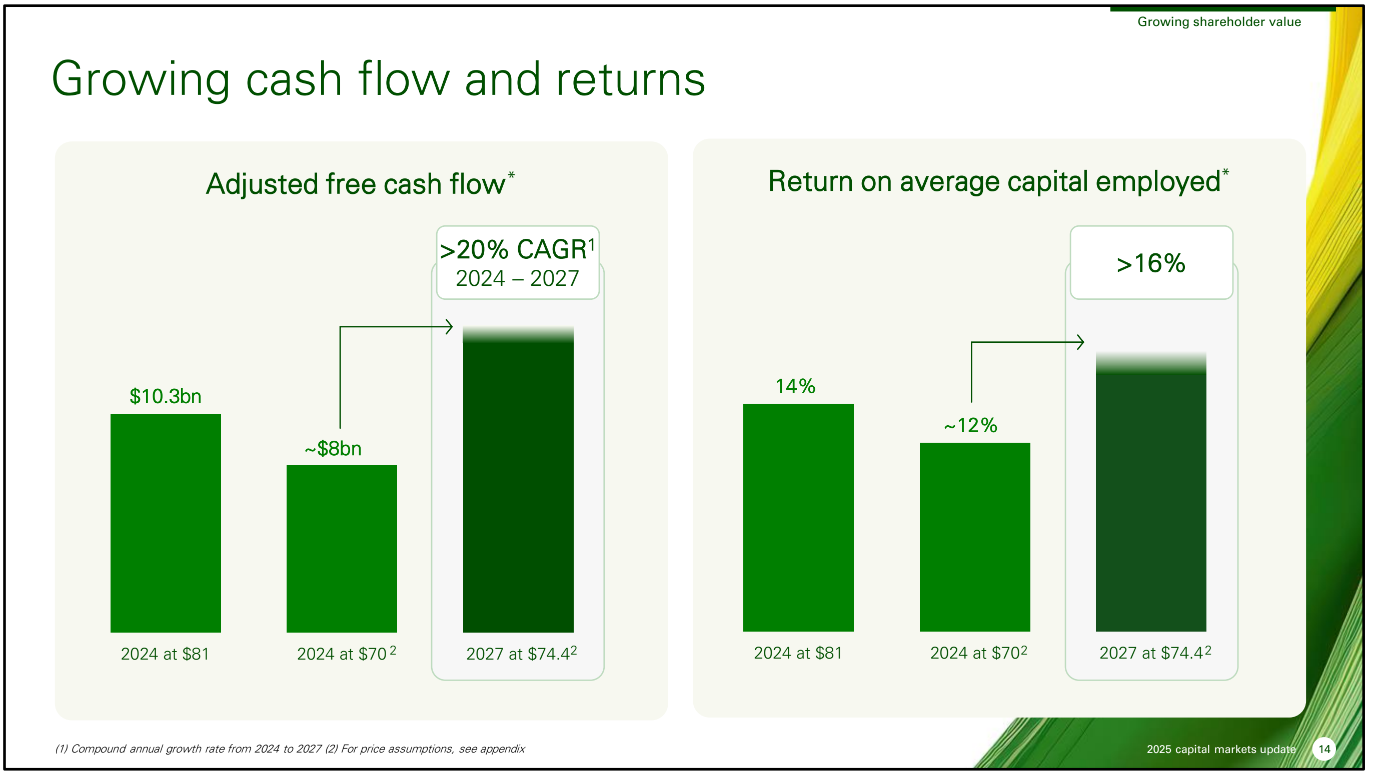
We will **invest with discipline** to deliver the returns our shareholders expect, through:

- selective investment in biogas, biofuels and EV charging where we see strong demand growth,
- adopting innovative capital-light partnerships in renewables, and
- focusing investment on a few hydrogen and carbon capture projects to support us in decarbonising our operations, and to position us for growth through the next decade.

All while continuing to drive value through our distinctive strengths in trading, technology and partnerships.

While bp has a new direction over the long term, our focus today is on delivery over the next three years through 2027 – laying out near-term, credible and tangible targets that will support the growth of bp, and on which we will be measured. These will set the foundation for continued growth, beyond 2027, and as you will see from our business deep dives we expect to see growth in cash flow well beyond 2027.

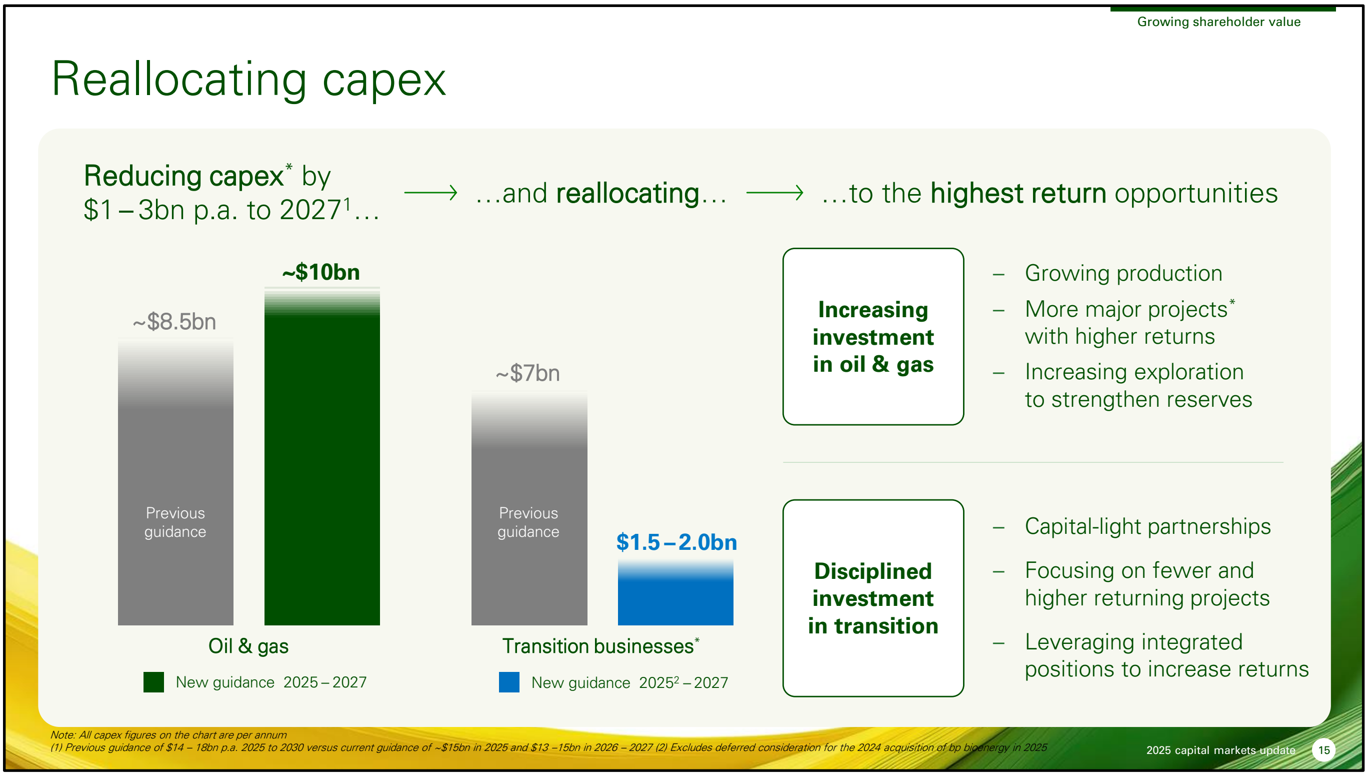
We will update you on the longer-term as we execute on our plan over the coming years.



Underpinning our strategy is a clear financial objective – growing cash flow and returns to maximise long-term shareholder value.

We are targeting:

- to grow adjusted free cash flow at a compound annual growth rate of over 20% to 2027, from around $8 billion price adjusted in 2024, and;
- to grow return on average capital employed to over 16% by 2027, from around 12% price adjusted in 2024.

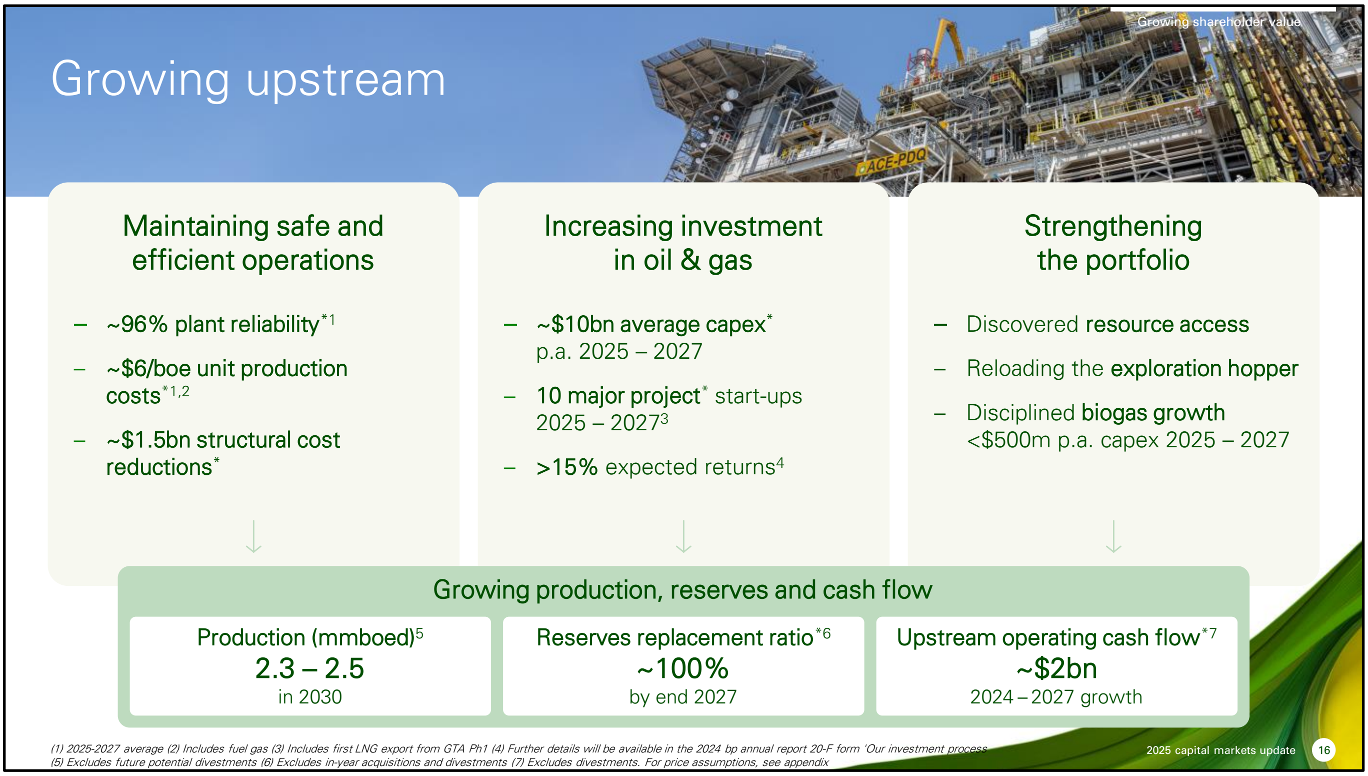


To execute this plan, we are reallocating capital to the highest return opportunities, where we will invest with rigorous discipline within a reset $13 to 15 billion capital frame, $1 to 3 billion lower than 2024.

We will invest around $10 billion in oil and gas, 20% more versus previous guidance, enabling us to build more, higher returning major projects and increase exploration.

Our downstream is now well positioned, enabling us to focus spend progressively to around $3 billion, which is around $1billion lower than 2024.

And in our transition businesses, we plan to pursue fewer and higher returning opportunities, and access growth more efficiently. We now expect to invest between $1.5 to 2.0 billion per year through 2027 – over $5 billion lower per year over the next three years versus our previous guidance – and we have no plans for further acquisitions.



The upstream is, and will continue to be, bp's primary cash generating business.

To grow the upstream we are focused on:

– maintaining safe and efficient operations - this underpins everything we do;

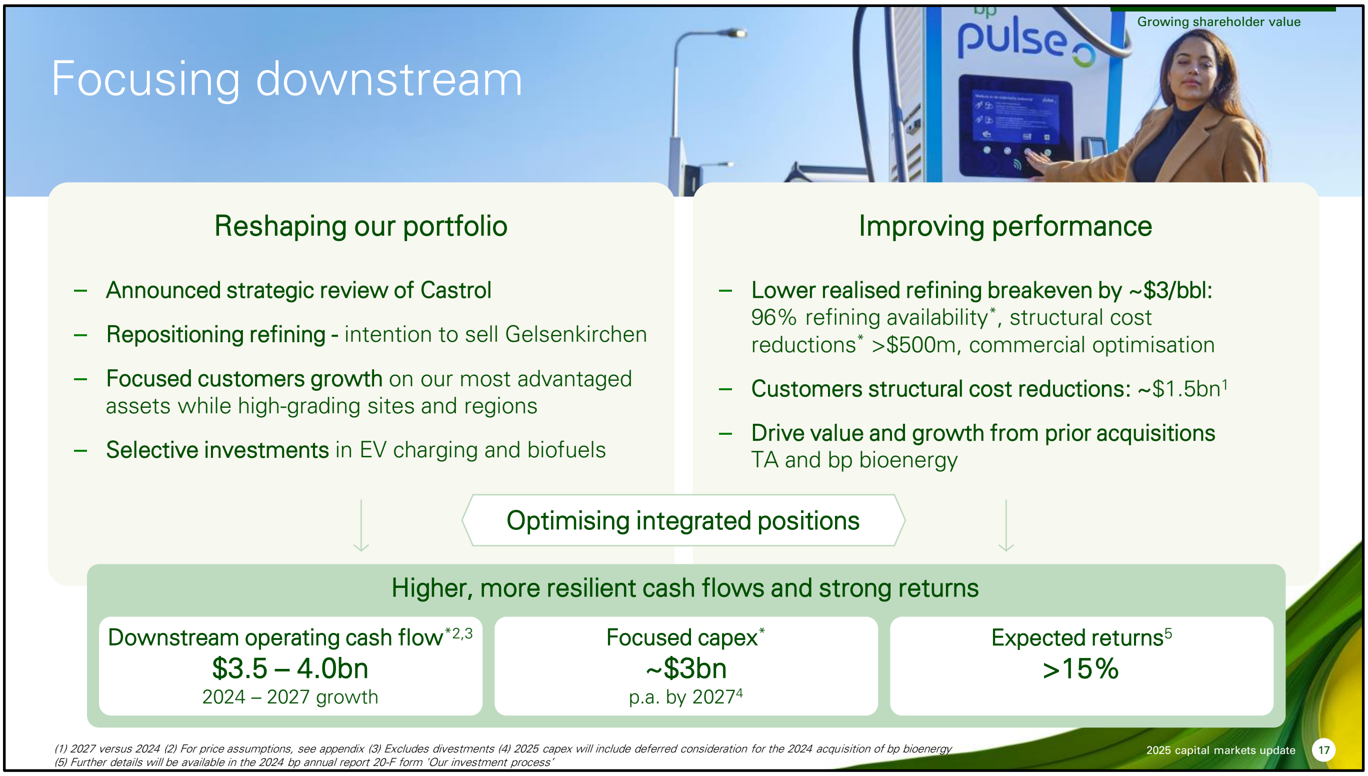
– increasing oil and gas investment to ~$10 billion per year for 2025 to 2027, with expected returns of greater than 15%; and

– strengthening the portfolio through discovered resource access in our core regions including the Middle East, Azerbaijan and Trinidad; while we reload the exploration hopper.

The outcome is an upstream that is growing to 2.3 to 2.5 million barrels a day in 2030, with around 1 million barrels of oil equivalent per day expected to be delivered from the US, and with the capacity to increase production out to 2035.

We expect to increase operating cash flow by around $2 billion in 2027 compared to 2024.

And going forward, our Archaea business will now be reported within gas and low carbon energy. We will continue the disciplined build out of Archaea, a business with competitive returns, where we hold a market leading position and expect to be cash flow positive from 2026.



In downstream, we are focusing our portfolio around our core integrated positions and taking action to improve performance.

By 2027 we expect to deliver around $3.5 to 4 billion of operating cash flow growth relative to 2024, split broadly fifty-fifty between the customers and products businesses. And we expect to progressively focus capex to around $3 billion. Across this period, we expect to continue to deliver returns of greater than 15%.

To position us for growth we are reallocating capital and driving greater focus in our portfolio, including through the strategic review of Castrol, high-grading our mobility network, selling Gelsenkirchen, while selectively investing in EV charging and biofuels growth markets.

We also recognise performance has not been consistent enough. Refining has experienced operational challenges and cost performance in our Customers business needs to be more competitive.

Today we are setting clear actions to improve this performance.

In short, this includes:

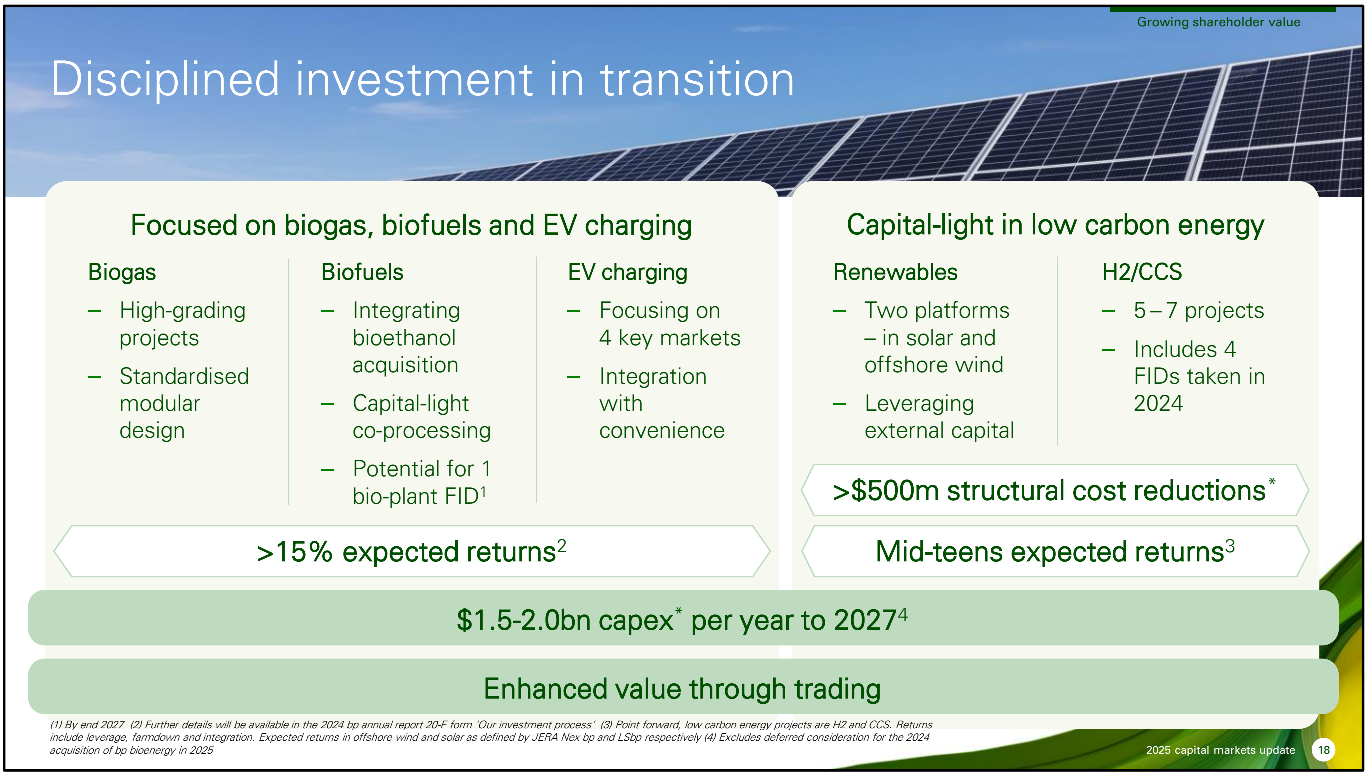
– safely delivering around $2 billion of structural cost reductions across the portfolio;

– focused customers growth from our most advantaged and integrated businesses;

– consistently improving refining availability to 96%, from 94% in 2024; and

- realising value and growth from our prior acquisitions, TravelCenters of America (or 'TA') and bp bioenergy

The growth opportunity is significant, and we are confident in delivering.



Turning to transition, we will invest with an intense focus on delivering competitive returns.

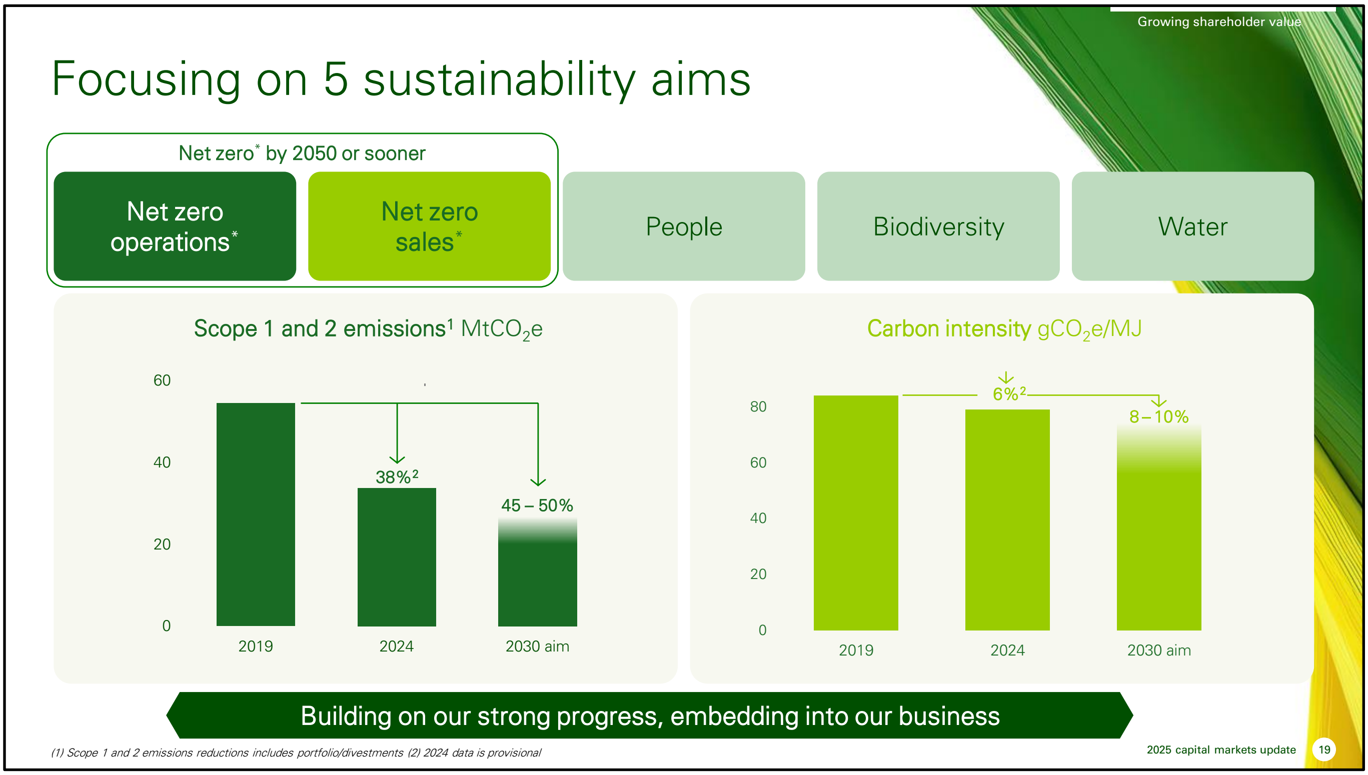
Following a high level of investment over the past few years, our focus now is ensuring these investments deliver the returns we demand.

Capex into transition businesses will be reduced to $1.5 to 2 billion per year, with less than half of this in low carbon energy.

The reduction in capital for biogas, biofuels and EV Charging is driven by focus and returns – through high-grading our project hopper, leveraging existing infrastructure and focusing on fewer key growth markets. Returns must compete with the rest of the portfolio.

In our low carbon energy business, which includes renewables and hydrogen and carbon capture, we are now focusing on 5 to 7 projects this decade that either decarbonise our operations or establish CCS and hydrogen hubs. To progress, the returns must be mid-teens and underpinned by government support.

We expect to grow our top tier platforms in offshore wind and solar in a capital-light way for bp. And we expect to deliver further value upside through trading around these electron flows, and longer term to build optionality for future growth and scale – paving the way for more material value realisation as projects come online and ramp-up.



And finally, delivering our strategy sustainably remains fundamental and we recognise its importance to our shareholders.

Here we are building on the strong progress that we have made over the past several years.

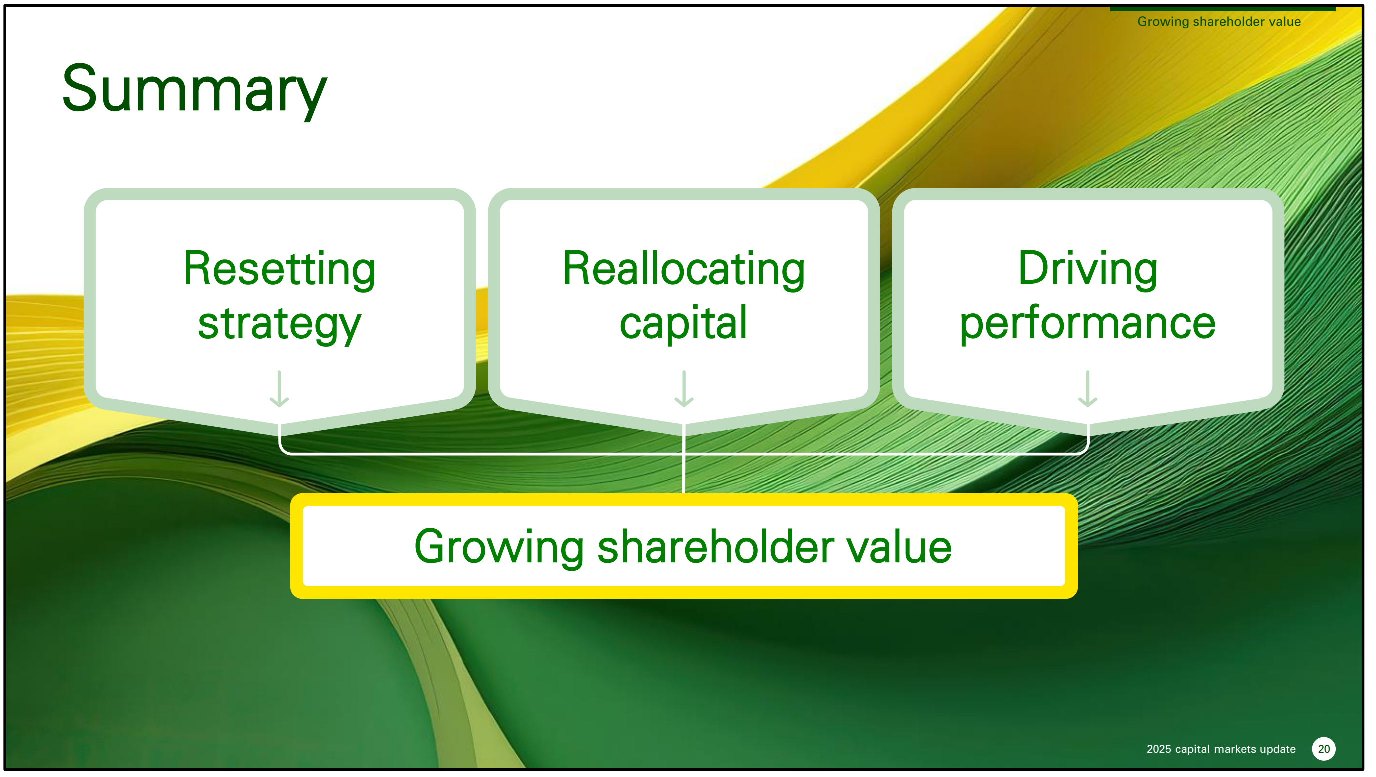
We are now focusing our sustainability aims on five areas that are most relevant to the long-term success of our businesses and to our ambition to be net zero by 2050 or sooner – net zero operations, net zero sales, people, biodiversity and water.

Our net zero operations aim is to be net zero across Scope 1 and 2 emissions within our operational control by 2050 or sooner. This includes maintaining ‘near-zero’ methane intensity across our operated producing assets.

Since 2019 we’ve reduced operational emissions by around 38%, already beyond our 20% target in 2025. Informed by our current outlook of a reduction of around 45%, we have adjusted our 2030 aim to a range of 45 to 50%.

For net zero sales – our average lifecycle intensity aim for energy products that we sell – we have made progress, including increasing retail power and bio-product sales.

We have updated our methodology, guided by current sectoral guidance on Scope 3 emissions. We are on track for our 5% interim reduction target in 2025 compared with 2019 and, informed by our reset strategy, our 2030 aim is now an 8 to 10% reduction. These aims are contingent on supportive policy and market developments.



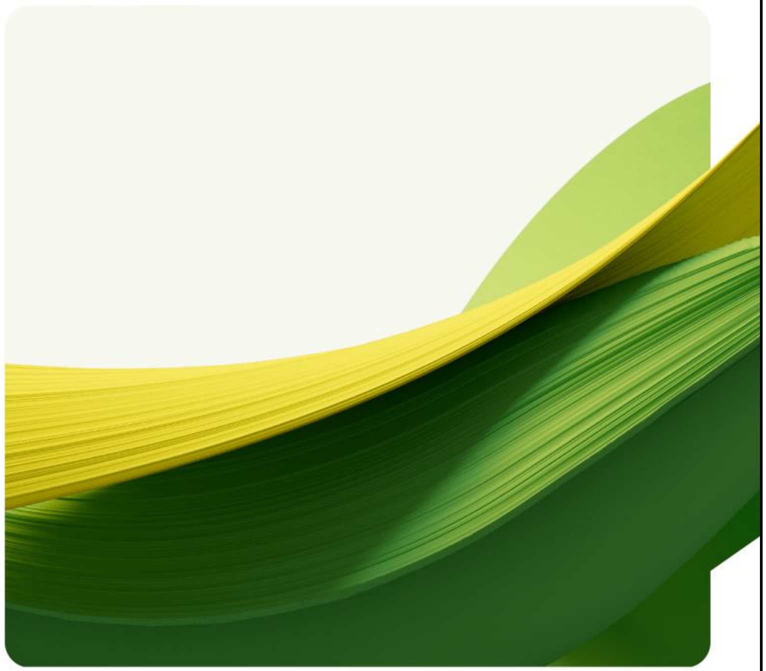
In summary, we are fundamentally resetting our strategy, we are reallocating capital to drive growth from our highest returning businesses, and we are focused on driving improved performance.

All in service of growing long-term shareholder value.

With that, let me now handover to Kate.

Kate Thomson

Chief financial officer



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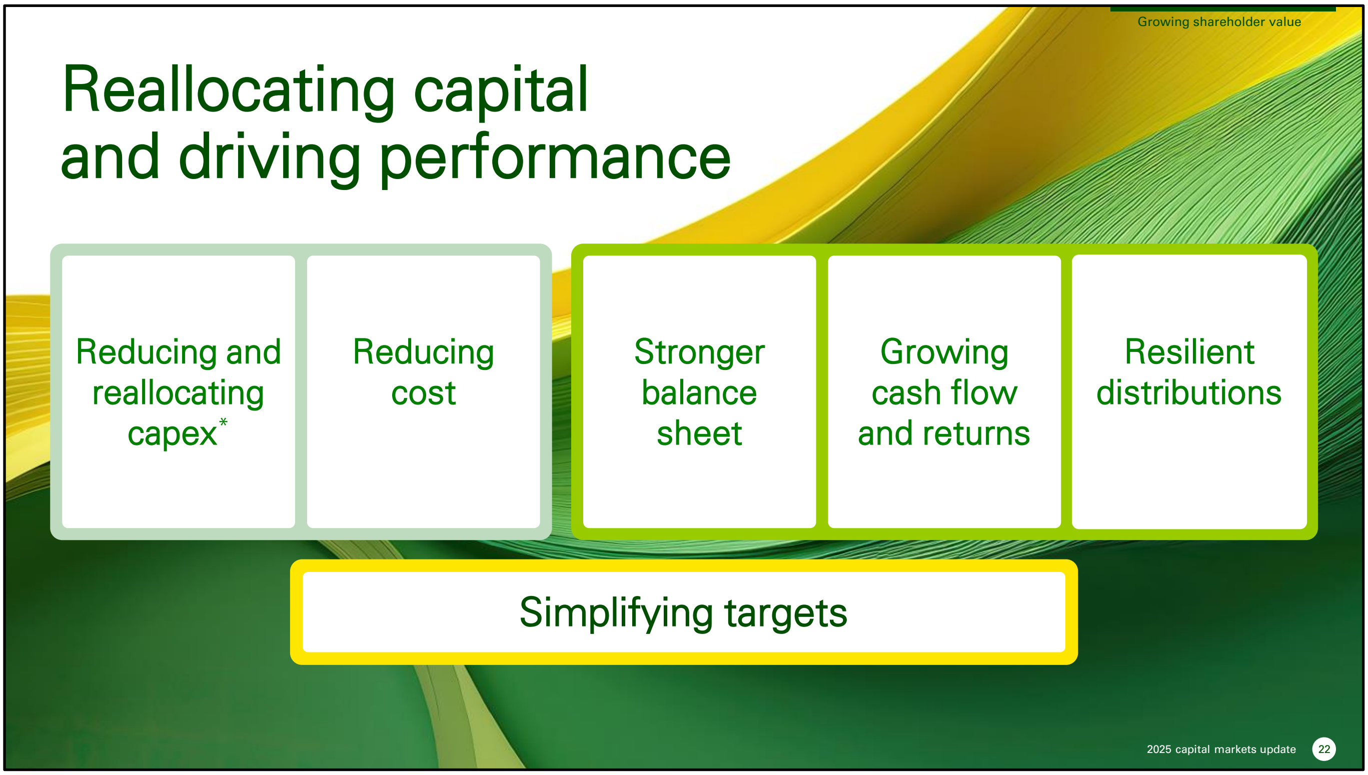
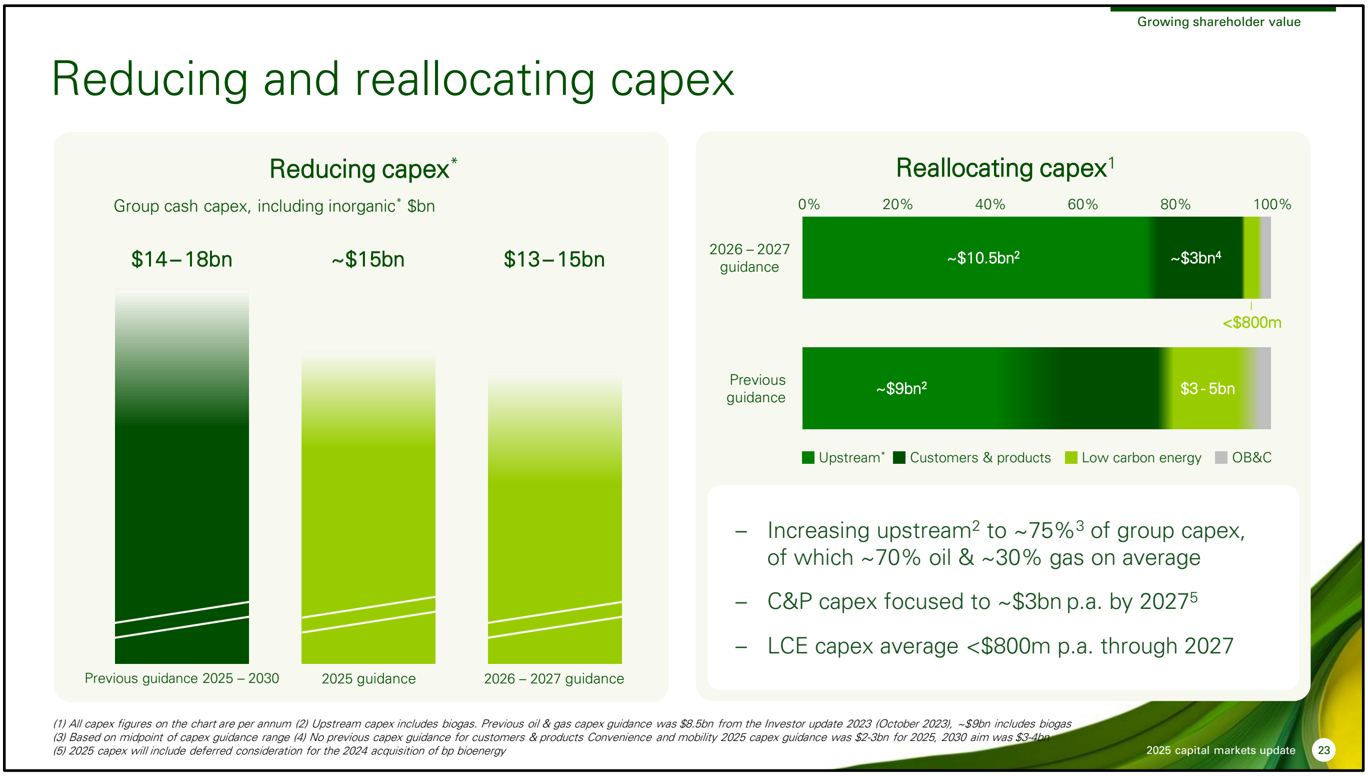


That’s great, thanks Murray.

I’m going to turn now to our financial plans, where I will outline the rationale and implications of our revised approach to capital allocation.

In summary, we are reducing and reallocating our capex to focus on the highest return investments in our portfolio, and announcing a significant step up in our cost reduction plans. Together, we expect these actions to drive higher capital and cost efficiency, and support growing cash flow and returns. This enables us to further strengthen the balance sheet and deliver resilient shareholder distributions.

We have also taken action to simplify our financial targets – including, for example, retiring the concept of ‘transition growth engines’ – I’ll talk more on this in a few minutes.



Let me start with capex. We are setting a capital frame of $13 to 15 billion per year to 2027, including inorganic spending.

You should see this as the level of spending that maximises cash generation, that maintains and grows the financial scale of the company, while balancing other demands on our cash, including maintaining a strong balance sheet and making distributions to shareholders.

Within the $13 to 15 billion capex frame, we are reallocating capital to the highest return opportunities and investing more in upstream oil and gas.

In more detail:

– An average of around $10 billion per year will be allocated to oil and gas, of which around 70% is expected to be allocated to oil and 30% to gas. Archaea will now be reported in our Gas and Low Carbon segment, with the capex being less than $500 million per year.

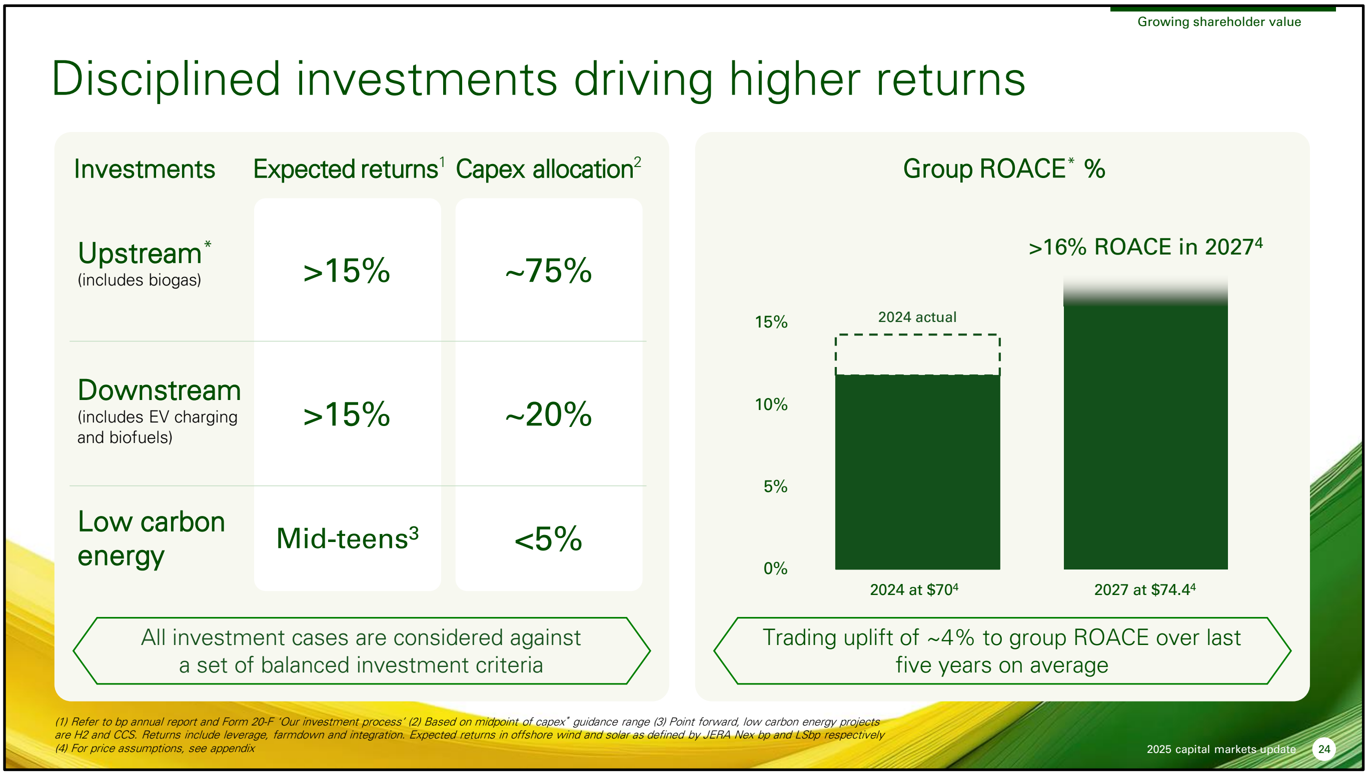
– In customers and products, we are progressively focusing capex from around $4 billion in 2024 to around $3 billion by 2027. This capex covers refining, investments to build our integrated mobility business, and includes less than $500 million per year for EV charging.

– In low carbon energy, we expect capex, on average, will be less than $800 million per year through 2027, around half of which is allocated to hydrogen and

CCS projects already through FID.

As Murray mentioned, in total our transition capex will be in the range of $1.5 to $2 billion per year over 2026 to 2027, with 2025 being higher due to the deferred consideration for the bp bioenergy acquisition.

Going forward we will be providing annual supplementary disclosures on performance metrics, including earnings and capex, for bp bioenergy, biogas and EV Charging. These businesses have established business models, are of sufficient scale, and are where we are investing with discipline to grow. To be clear, convenience is no longer included in our definition of transition businesses.



We are also focused on growing returns within a set of balanced investment criteria.

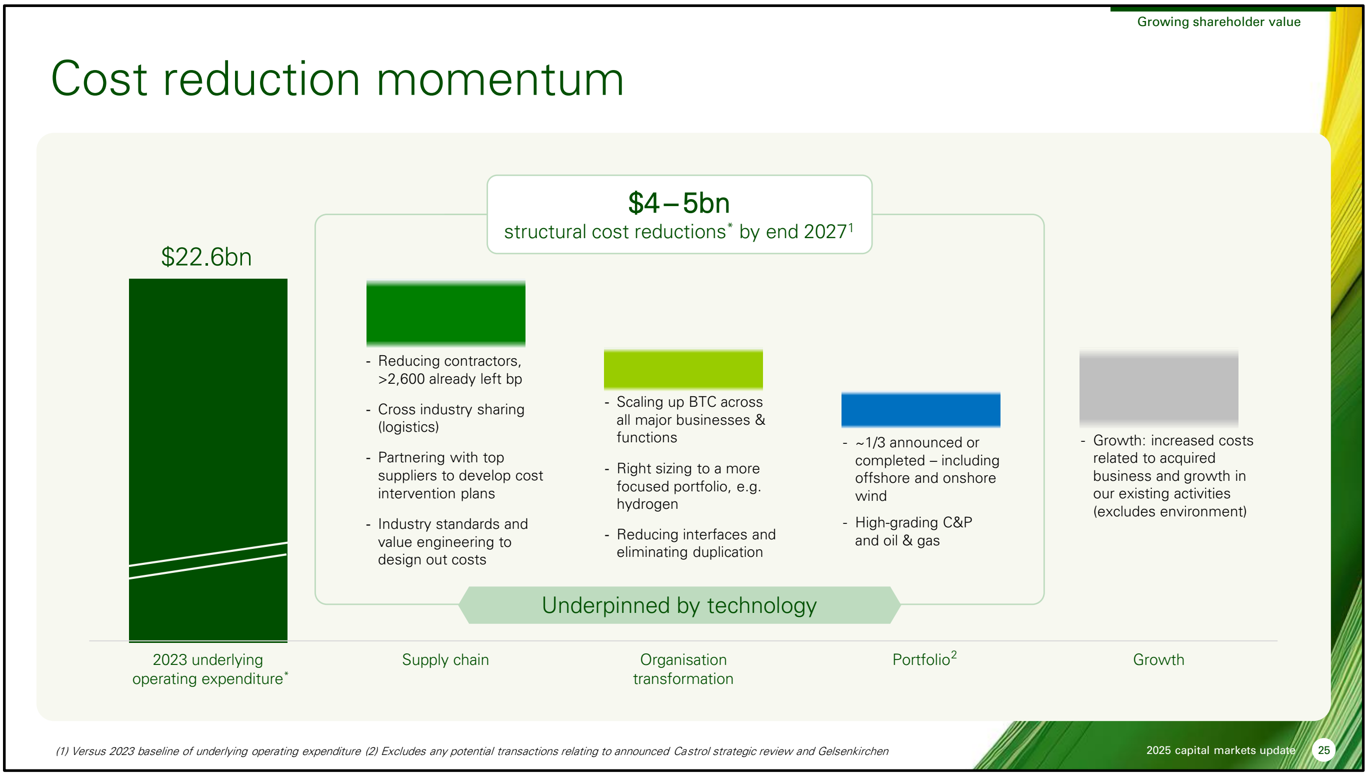
In **upstream**, including biogas, we screen for investments that have returns greater than 15% at the project level, assuming our central price assumptions and the next wave of major upstream projects is expected to deliver returns of over 20%. To ensure additional capital discipline, we also test project economics at $60/bbl Brent.

In the **downstream**, we seek returns of greater than 15% across the portfolio, including for refining projects and integrated returns for convenience and EV charging.

And in **low carbon energy,** where we are allocating less than 5% of our capex, we seek 'mid-teens' returns, and that include leverage and farm-down of assets.

Over the last 5 years, trading has delivered resilient results through cycle, providing on average **around 4% uplift to Group ROACE**.

Over time, we expect our disciplined investment decisions, coupled with consistently strong execution, to drive attractive returns on capital employed. And in 2027, we are targeting a group wide ROACE of at least 16%.



Turning to costs.

We hope that the explanation and disclosures provided at the fourth quarter results has helped investors better understand our cost reporting. We also demonstrated the progress we are making, having delivered $750 million of structural cost reductions, in 2024. **Safely delivering cost reductions, without compromising growth**. This is an area of relentless focus for us as a leadership team.

Structural cost reductions are savings as a result of operational efficiencies, divestments, workforce reductions, and include the outcome of the deployment of digital and technology solutions. We are now targeting $4 to 5 billion of structural cost reductions by the end of 2027, compared to a 2023 baseline.

We continue to build on the actions we laid out in our third and fourth quarter results last year:

Firstly, in third party spend.

– Our Total Resource Management programme introduces systematic management of the contractor landscape across bp through both elimination and optimisation. We are reducing our contractor numbers by more than 3,000 – with 2,600 of these having already left bp.

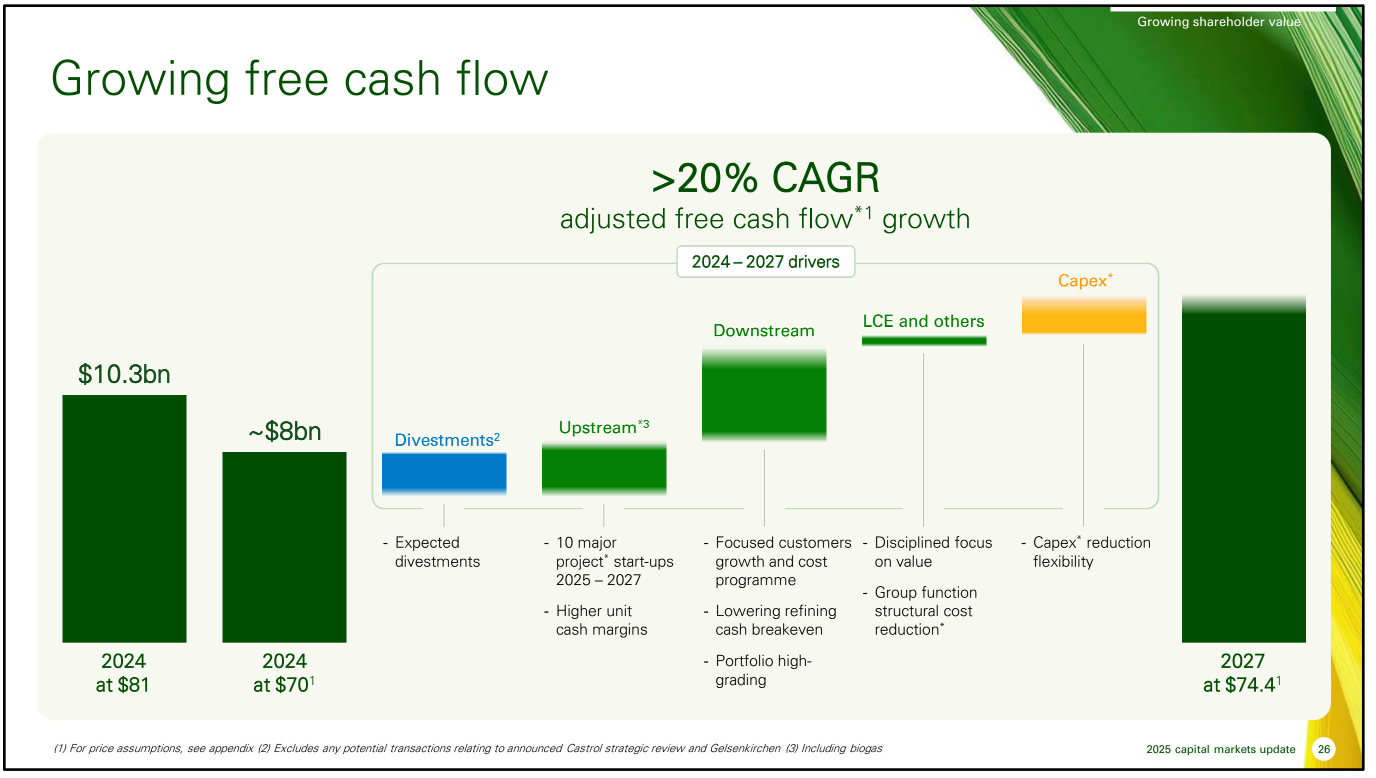
– We're partnering with our top suppliers – including removing waste from our supply chain through a series of interventions across upstream and downstream and exploring cross industry sharing of logistics assets. Most recently in Trinidad we agreed a stand-by vessel sharing agreement with another operator and are working on taking this opportunity to other regions – with cost reduction opportunities of over $170 million already identified.

Secondly, we're simplifying our organisational structure by reducing interfaces and duplication, and scaling up our business and technology centres enabling activity to be transferred to high value, highly skilled teams in competitive locations such as Pune in India. As we announced in January, we currently expect this to impact around 4,700 bp roles.

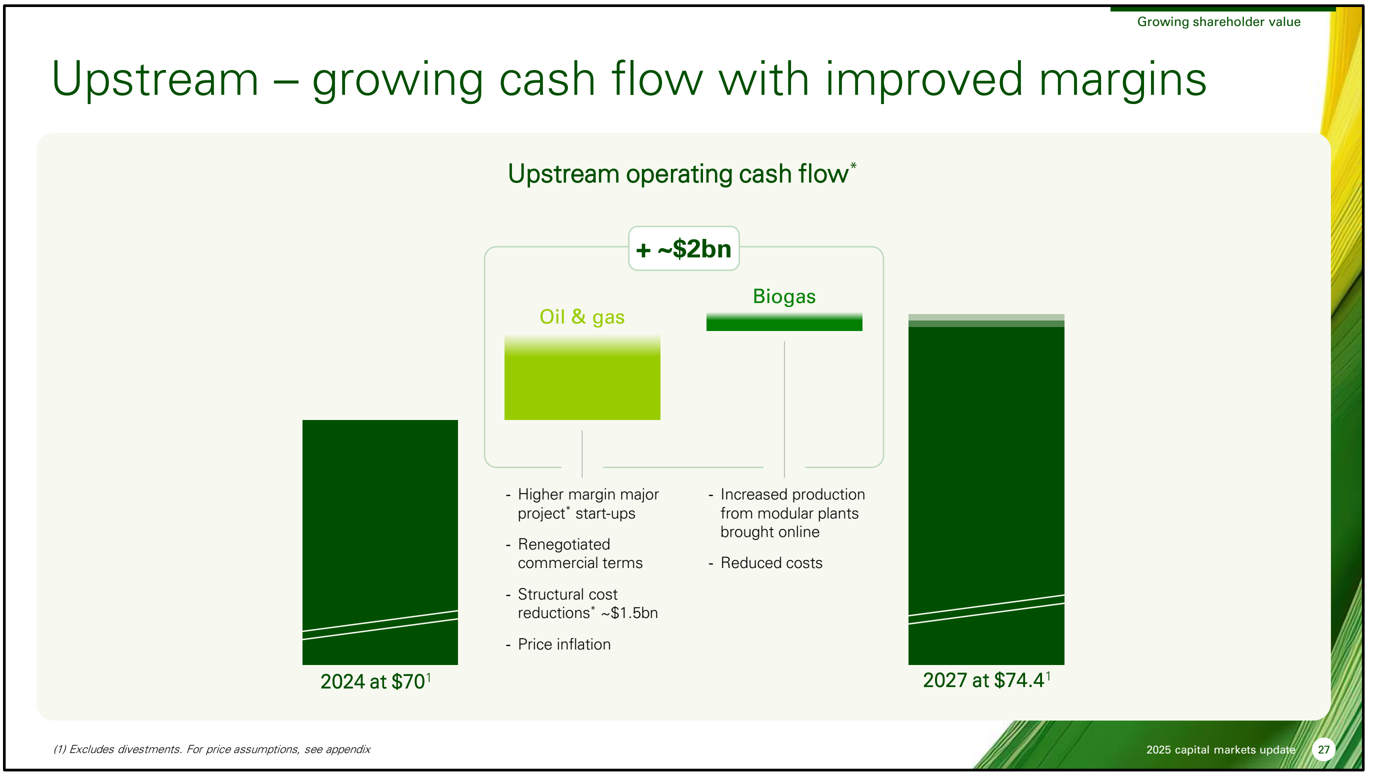
Thirdly, we are high-grading our portfolio – in addition to the portfolio choices we have made over the last 12 months, we have also announced further intentions to reshape our portfolio, including the announcements around Castrol and Gelsenkirchen, both of which could result in material reduction in costs, and those would be in addition to our $4 to 5 billion target.

Finally – we are deploying our industry leading digitisation and technology. For example, we have developed and deployed an AI Wells Assistant to the production environment in the Gulf of America – improving data retrieval time by 10 times and opening the way for simpler and faster workflows across our drilling portfolio.

You will hear more on our cost reduction efforts from the team shortly.



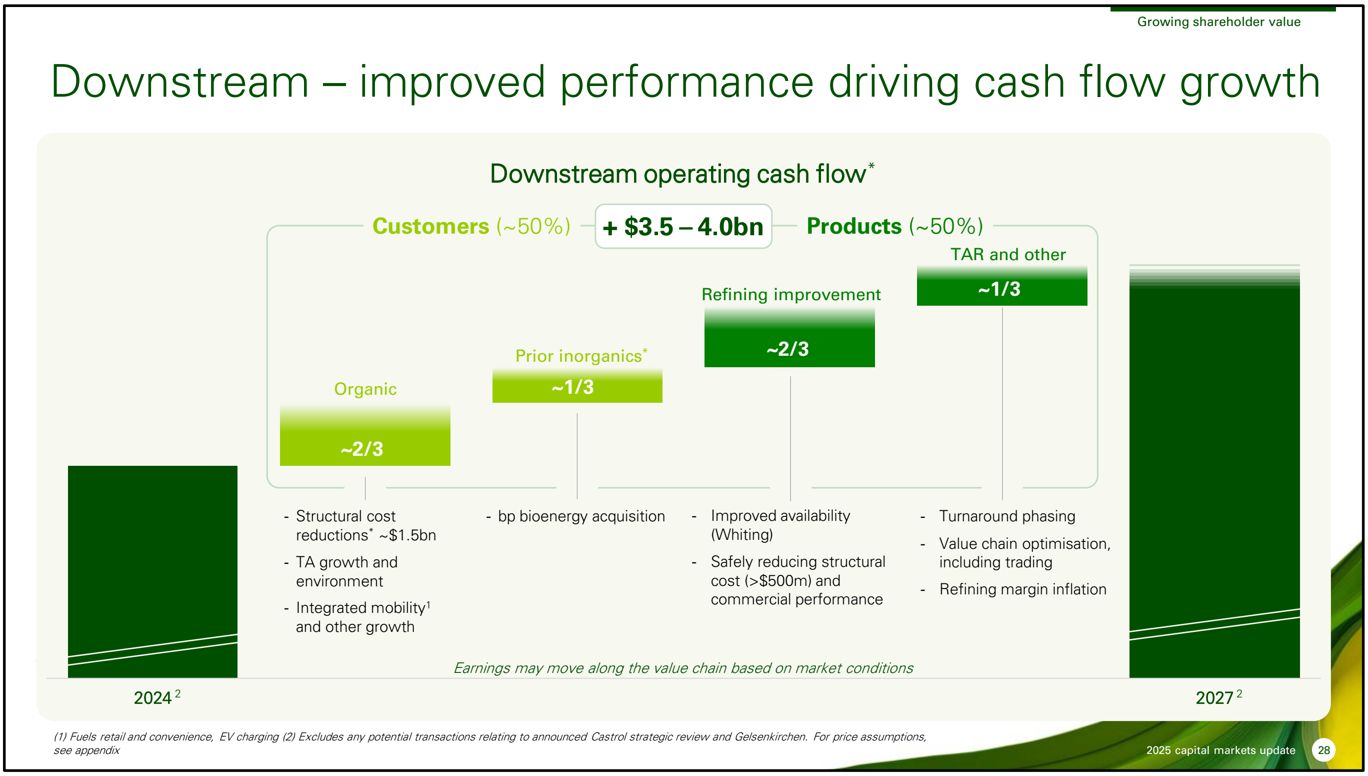
Taken together, with the underlying growth in our businesses, and through the actions we are taking to reduce and reallocate capex and reduce costs, we expect to deliver a greater than 20% compound annual growth rate in adjusted free cash flow from 2024 to 2027. The majority of the growth comes from performance improvement in the downstream, along with growth in the upstream. I will cover this in the next two slides.



Starting with upstream, we expect to increase operating cash flow by around $2 billion in 2027, compared to 2024.

This growth is underpinned by a change in production mix, as lower margin barrels are replaced by higher margin major projects coming online, a modest price inflation assumption, and our plan to deliver structural cost reductions of around $1.5 billion.

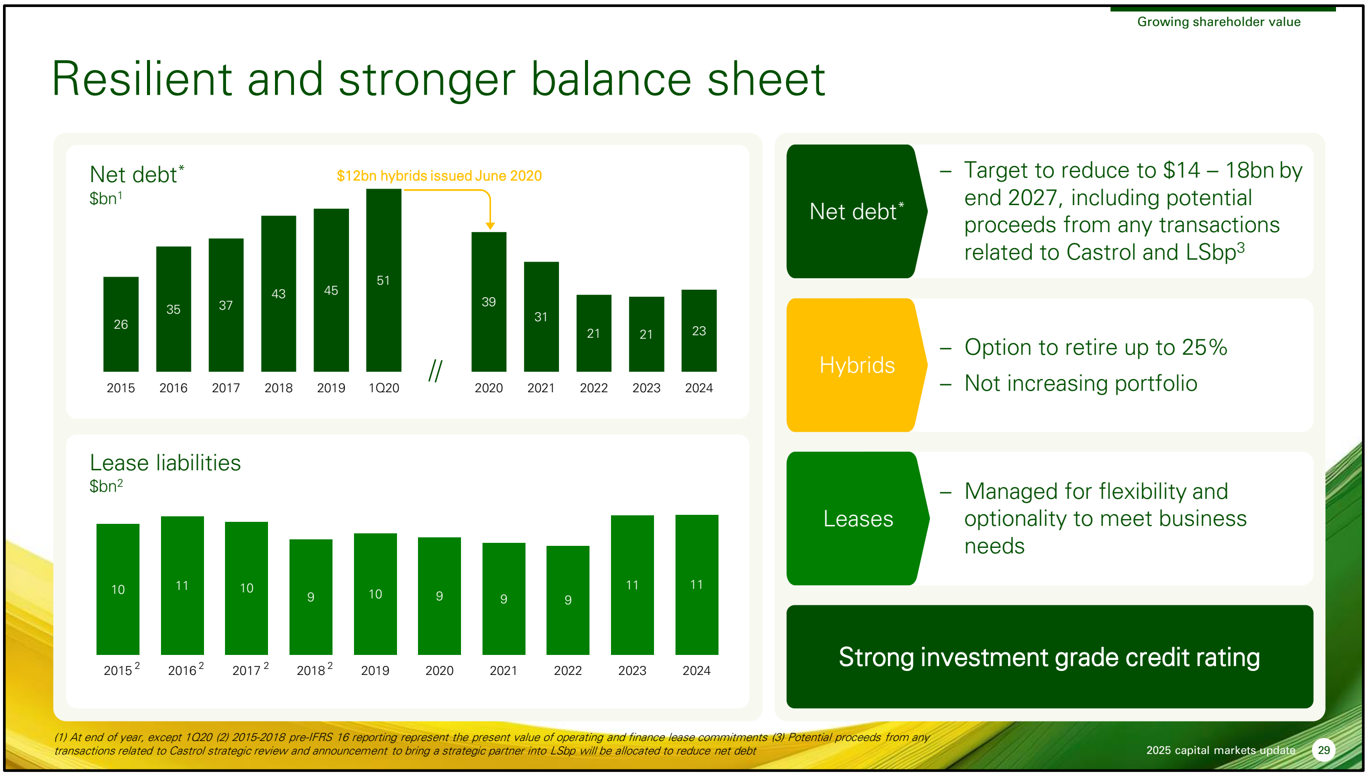
In biogas, we have clear plans to increase capacity and drive further improvements, both in capex and cost efficiency.



In the downstream we expect to increase operating cash by $3.5 to 4 billion, with delivery split broadly evenly between customers and products.

In customers, our recent acquisition of bp bioenergy is expected to contribute around one third of the growth to 2027. The balance is underpinned by a structural cost reduction programme of around $1.5 billion, from stronger performance at TravelCenters of America, and growth across our other businesses.

In products, around two thirds of the cash flow growth is underpinned by improved refining availability, structural cost reductions of over $500 million and commercial optimisation. The balance comes from turnaround phasing, value chain optimisation and a modest increase in our refining margin assumption.



Turning next to the balance sheet.

I have spoken before on why a strong and resilient balance sheet is important to bp, enabling us to manage the business through the commodity cycle. We think about our capital structure holistically in terms of all relevant liabilities, and the through cycle cash generation capacity of our assets to support them.

We have come a long way on net debt, which built through the second half of the last decade and peaked at $51 billion in the first quarter of 2020.

During the COVID pandemic we took the decision to issue hybrid bonds, which generated significant liquidity at a time of extreme uncertainty and diversified our sources of capital. To be clear, we hold hybrids as a permanent feature of our capital structure but I don't plan to increase the portfolio further. We do of course proactively manage maturities, and the increase in hybrids at the end of 2024 was largely due to us taking advantage of strong market conditions – where we issued $2.5 billion of perpetual hybrid bonds - securing competitive rates - ahead of refinancing needs this year and in 2026.

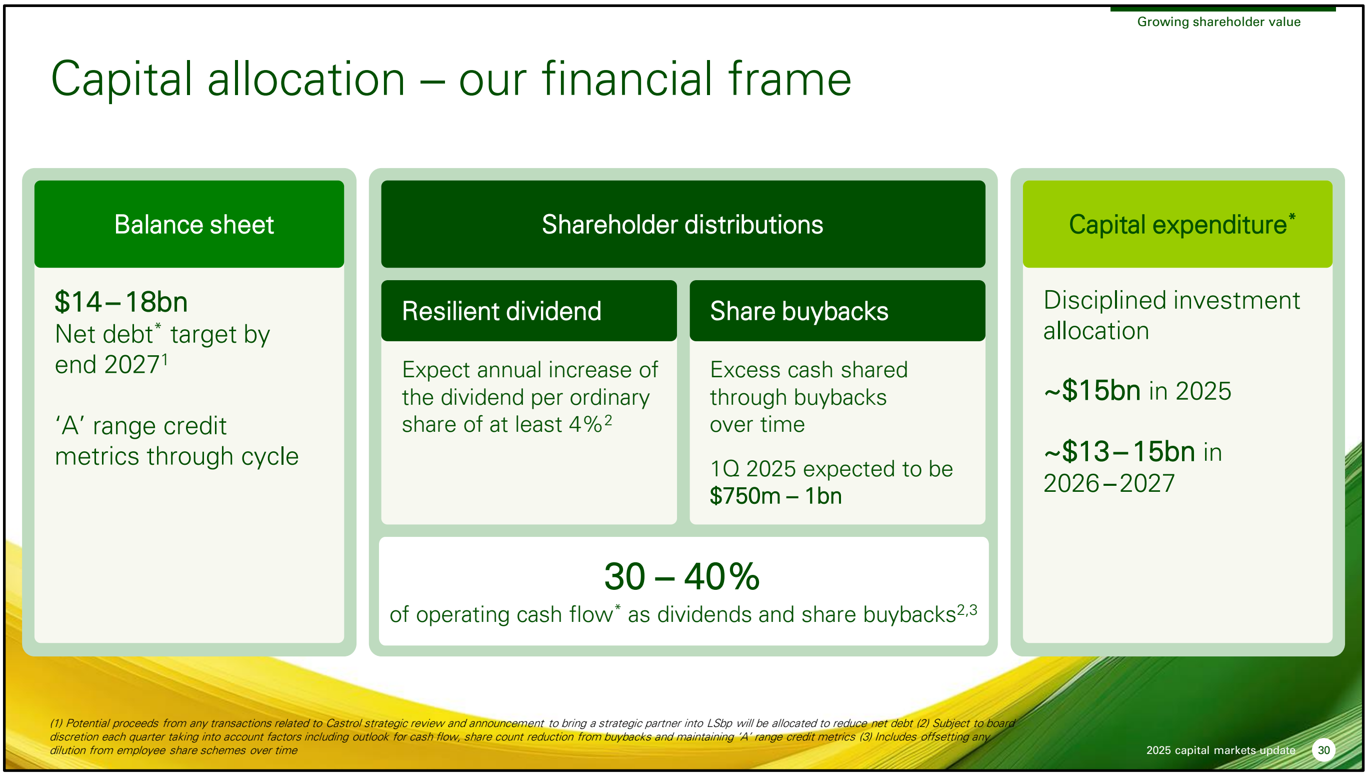
We will consider options to reduce the hybrid stack as we approach each maturity window, but will be driven by value and working inside the S&P limitations of a 10% reduction in any one year up to a cumulative reduction of 25% of the total hybrid stack.

Turning to leases – in broad terms, we have continued to use leases in a consistent way, both before and after the 2019 accounting change. These leases are primarily on operating assets, such as our vessels used by trading and drilling rigs in the upstream. There are product storage and retail service stations within the downstream including from the acquisition of TravelCenters of America, and now farmland in bp bioenergy. These are all assets that we choose not to own directly. We continuously manage leases to suit business needs and will always look to optimise finance costs.

Looking at our capital structure as a whole, our balance sheet is strong however, we see incremental value in adding further resilience and flexibility, through the cycle. Today we are announcing a net debt target of $14 to $18 billion to be achieved through the end of 2027.

We are constantly reviewing and seeking to high-grade our deep portfolio of assets, and today, have announced a divestment programme of $20 billion through to the end of 2027. Any potential proceeds from the strategic review of Castrol and LightSource bp transactions will be dedicated to strengthening the balance sheet. The exact timing of achieving our net debt target range will therefore be impacted by the timing of any potential transactions.

To be clear, we expect net debt to reduce over time and will move at pace to de-lever the balance sheet. For the first half of 2025, we expect net debt to increase given expected timing of divestment proceeds and movements in working capital. We then expect net debt to reduce as we deliver performance improvement, grow operating cash flow and execute on our divestment programme.



Our financial frame brings all of this together – and details the policies and guidance for how we allocate capital between the balance sheet, shareholder distributions and capital investment. We fully understand the importance of striking the right balance between these three calls on our cash.

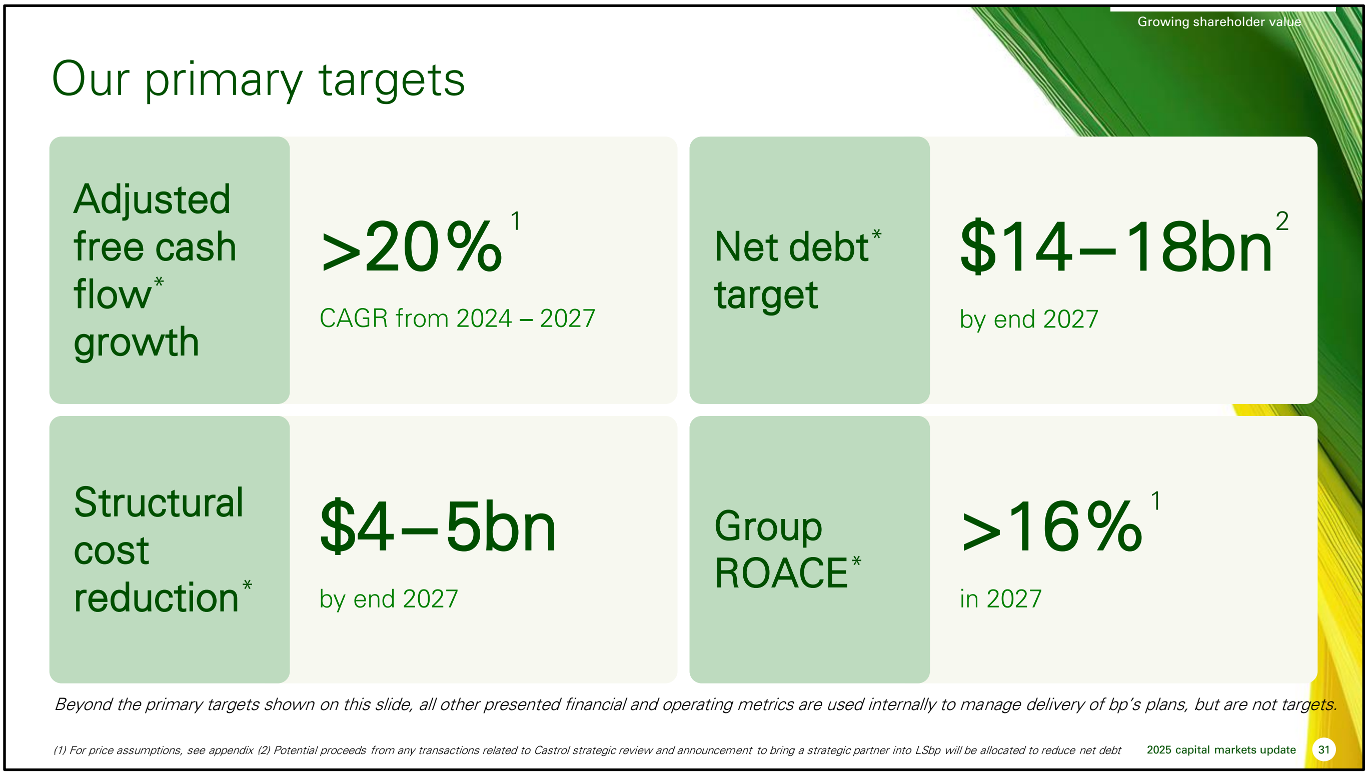
I have already explained why and how we are reducing capital spending and introducing a net debt target range, so let me now turn to shareholder distributions.

Our policy is to maintain a resilient dividend, and we have simplified our guidance – you should expect an increase in the dividend per share of at least 4% per annum, subject to board approval.

We also remain committed to sharing excess cash through buybacks over time - a policy that enables us to share the upside in cash generation when the price environment is stronger, whilst ensuring the balance sheet remains resilient in a lower price environment.

To help you think about total distributions, our guidance is for total dividends and share buybacks to be in the range of 30 to 40% of operating cash flow, over time.

Given the reset of our strategy and financial frame today, and subject to board approval, we expect the 1Q 2025 buyback to be between $750 million and $1 billion. Going forward you can expect us to announce buybacks at the time of quarterly results consistent with our distribution guidance.



So let me recap.

The announcements we are making today to **lower the capex frame**, to reallocate spending towards higher returning opportunities, and deliver the **$4 to 5 billion structural cost reductions,** are expected to drive higher cash generation. We have a target to deliver **greater than 20% compound annual growth in free cash flow** to 2027 and improve **returns on capital employed to greater than 16% by 2027**.

Strong free cash flow generation and divestment proceeds support our target to **reduce net debt to $14 to 18 billion by the end of 2027.**

These four primary financial targets, our financial framework and taken together with the five sustainability aims that Murray talked about earlier, we believe support our reset. These primary targets will provide clear and transparent measures through which we will drive performance and on which you'll be able to judge our progress. Subject to board approval, they will form part of the basis for internal performance management and remuneration measures through to 2027. Further information will be provided in our 2024 Annual Report and Accounts.

Alongside this simplification of targets, we are in parallel retiring all other targets and aims, including those relating to our previous strategic themes and transition growth engines.

And with that I'll hand you back to Murray.

Summary

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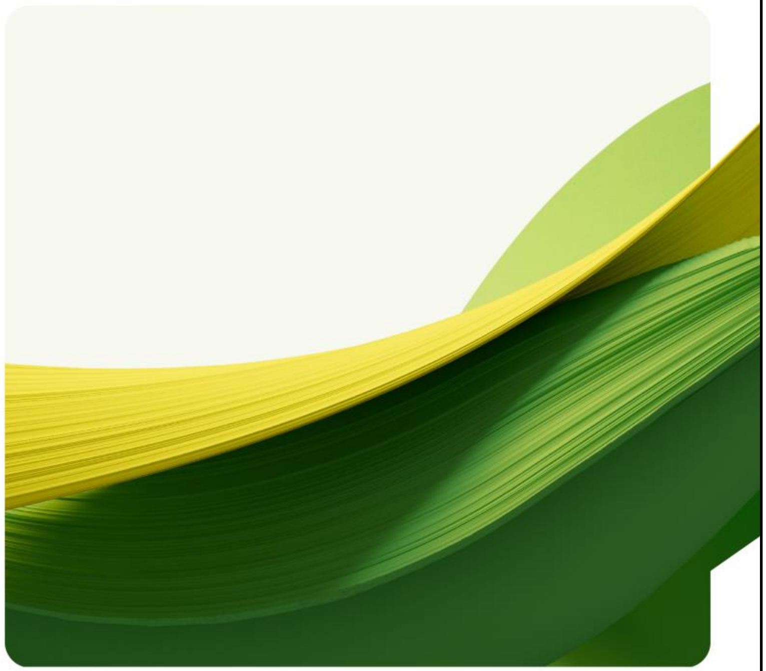
Murray Auchincloss

Chief executive officer



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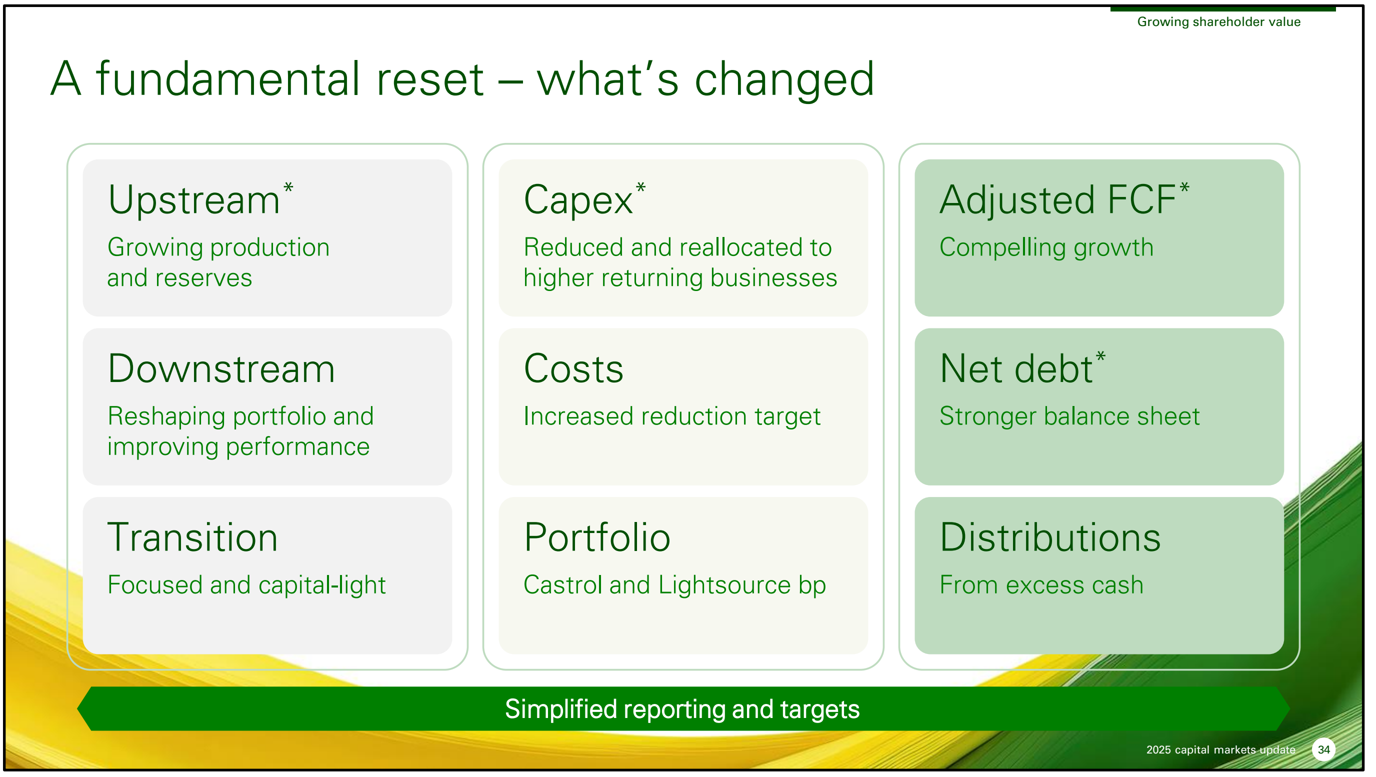


Thanks Kate.

I'm truly excited about the strategy we have laid out – a reset bp, a new direction for bp and a bp comprising a unique set of assets, capabilities and experience – and importantly backed by a world-class team.

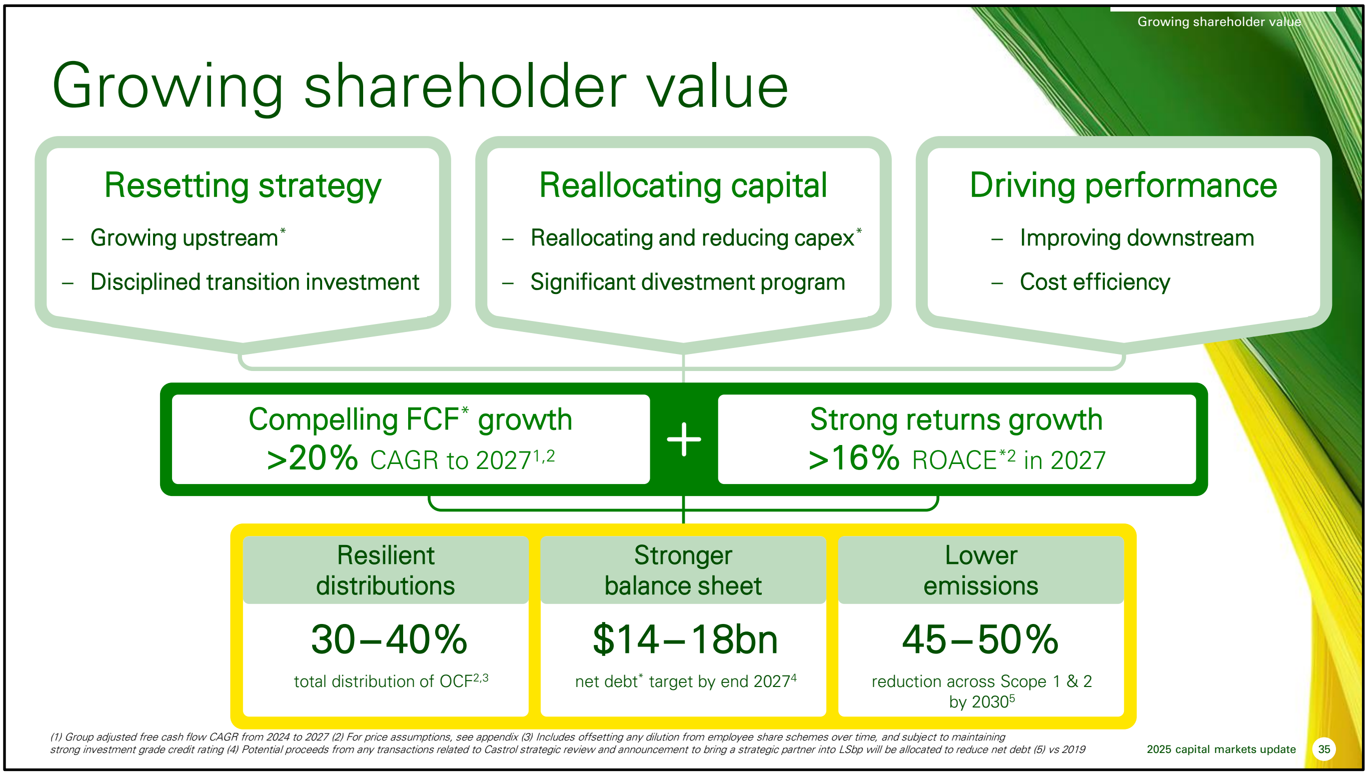
This is a fundamental reset for bp:

– It's comprehensive - touching all parts of our business and strategy;

– It includes significant interventions around capex, costs and our portfolio; and

– It drives new and clear outcomes, including growing cash flow and returns, a stronger balance sheet, and a clear distribution framework

And we will be communicating our progress through a simpler reporting framework and with greater transparency, including a significantly reduced number of targets.



So let me summarise our proposition to you, our shareholders.

Over the next twelve months, we expect to see the cash flow being delivered from the performance improvements we are addressing, in particular in our downstream.

Our disciplined investment into upstream projects with attractive returns is expected to similarly support our target to grow free cash flow and returns.

And in doing so, this is expected to enable us to strengthen the balance sheet and distribute 30 to 40% of operating cash flow over time to our shareholders, through a resilient and growing dividend through cycle, with share buybacks.

Finally, we will continue to build on our strong track record in lowering scope 1 and 2 emissions through the decade.

We believe this makes bp a compelling investor proposition – sustainably delivering long-term shareholder value through the energy transition.

Thanks for listening, and before we move to a break, let me show you a short video that I hope brings all of this to life. Following the break, we will then handover to Gordon, William, Emma and Carol who will run you through the exciting plans we have to grow value across our businesses.

Appendix

Price assumptions

Marker prices	2024 Actual	2024[1]	2025	2026	2027
Brent ($/bbl)	80.8	70	71.5	72.9	74.4
Henry Hub ($/mmbtu)	2.3	4.0	4.1	4.2	4.3
Refining marker margin ($/bbl)	17.7	17.0	17.4	17.8	18.1

2025 rule-of-thumb impact on pre-tax replacement cost operating profit[2]

- Oil price Brent +/- $1/bbl is ~$340m
- Natural gas price Henry Hub +/- $0.10/mmbtu is $40m
- Refining marker margin* +/- $1/bbl is $400m

These prices are not intended to reflect management's forecasts for future prices.

(1) Reference year 2024 , assumes inflation ~2% (2) See Trading conditions update | Investors | Home *for explanation*

Adjusted free cash flow reconciliation

$bn	2024
Net cash provided by operating activities	27.3
Exclude: working capital* release	0.8
Adjusted operating cash flow	**26.5**
Less: capex	(16.2)
Adjusted free cash flow*	**10.3**

Adjusted free cash flow

Non-IFRS measure. It is defined as adjusted operating cash flow* less capital expenditure*.

bp believes the measure provides useful information to investors. Adjusted free cash flow enables investors to measure our progress towards improving our performance. The nearest IFRS measures are net cash provided by operating activities and total cash capital expenditure.

Glossary

Glossary – abbreviations

Barrel (bbl)	159 litres, 42 US gallons.
BTC	Business technology centres.
C&P	Customers & products.
CAGR	Compound annual growth rate.
CCS	Carbon, capture and storage.
EV	Electric vehicle.
FID	Final investment decision.
gCO_2e/MJ	Grams of carbon dioxide equivalent per megajoule of energy.
GoA	Gulf of America.
GSK	Gelsenkirchen.
GTA	Greater Tortue Ahmeyim.
H_2	Hydrogen.
IFRS	International Financial Reporting Standards.
LCE	Low carbon energy.
LNG	Liquefied natural gas.
LSbp	Lightsource bp.
mmbtu	Million British thermal units.
mmboed	Million barrels of oil equivalent per day.
$MtCO_2e$	Million tonnes of carbon dioxide equivalent.
NL	Netherlands.
OB&C	Other businesses and corporate.
OCF	Operating cash flow.
ONGC	Oil and Natural Gas Corporation.
RC	Replacement cost.
SVP	Senior vice president.
TA	TravelCenters of America.
TAM	Total addressable market.
TAR	Turnaround activity.
TR	Turkey.
TSP	Technical service provider.

Glossary

Adjusted free cash flow (Adjusted FCF, or free cash flow)	Adjusted free cash flow is a non-IFRS measure. It is defined as adjusted operating cash flow less capital expenditure. bp believes the measure provides useful information to investors. Adjusted free cash flow enables investors to measure our progress on delivering growth and improving our performance. The nearest IFRS measures are net cash provided by operating activities and total cash capital expenditure.
Adjusted free cash flow CAGR	Adjusted free cash flow CAGR is a non-IFRS measure. It is annualised growth rate of adjusted free cash flow (defined above) at $70/bbl Brent, $4/mmbtu Henry Hub, and $17/bbl refining marker margin, all 2024 real. bp believes the measure provides useful information to investors. Adjusting free cash flow CAGR enables investors to measure our progress on delivering growth and improving our performance. The nearest IFRS measure is net cash provided by (used in) operating activities.
Adjusting items	Items that bp discloses separately because it considers such disclosures to be meaningful and relevant to investors. They are items that management considers to be important to period-on-period analysis of the group's results and are disclosed in order to enable investors to better understand and evaluate the group's reported financial performance. Adjusting items include gains and losses on the sale of businesses and fixed assets, impairments, environmental and related provisions and charges, restructuring, integration and rationalisation costs, fair value accounting effects and costs relating to the Gulf of America oil spill and other items. Adjusting items within equity-accounted earnings are reported net of incremental income tax reported by the equity accounted entity. Adjusting items are used as a reconciling adjustment to derive underlying RC profit or loss and related underlying measures which are non-IFRS measures.
Adjusted operating cash flow	Non-IFRS measure. It is defined as net cash provided by (used in) operating activities as presented in the group cash flow statement, excluding movements in inventories and other current and non-current assets and liabilities as presented in the group cash flow statement, adjusted for inventory holding gains/losses*, fair value accounting effects (FVAEs) relating to subsidiaries and other adjusting items relating to the non-cash movement of US emissions obligations carried as a provision that will be settled by allowances held as inventory. When used in the context of a segment or subset of businesses rather than the group, the terms refer to the segment or business' estimated share thereof.
bp-operated plant reliability	Calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity, excluding non-operated assets and bpx energy. Unplanned plant deferrals are associated with the topside plant and where applicable the subsea equipment (excluding wells and reservoir). Unplanned plant deferrals include breakdowns, which does not include Gulf of America weather related downtime.
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.
Downstream operating cash flow	Non-IFRS measure and the customers & products' estimated share of adjusted operating cash flow* for the group as defined.
Energy products	For the purposes of our 2024 disclosures relating to net zero sales we consider an energy product to be one that is emissive or provides energy in its end use case. For further information on products included in bp's 2024 net zero sales aim reporting see the Basis of Reporting bp.com/basisofreporting.

Glossary

Fair value accounting effects	Non-IFRS adjustments to our IFRS profit (loss). They reflect the difference between the way bp manages the economic exposure and internally measures performance of certain activities and the way those activities are measured under IFRS. Fair value accounting effects are included within adjusting items. They relate to certain of the group's commodity, interest rate and currency risk exposures as detailed below. Other than as noted below, the fair value accounting effects described are reported in both the gas & low carbon energy and customers & products segments.
Green hydrogen	Hydrogen produced by electrolysis of water using renewable power.
Grey hydrogen	Produced via natural gas or coal without CCUS.
Hydrocarbons	Liquids and natural gas. Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
Inorganic capital expenditure (Inorganic)	A subset of capital expenditure on a cash basis and a non-IFRS measure. Inorganic capital expenditure comprises consideration in business combinations and certain other significant investments made by the group. It is reported on a cash basis. bp believes that this measure provides useful information as it allows investors to understand how bp’s management invests funds in projects which expand the group’s activities through acquisition. The nearest equivalent measure on an IFRS basis is capital expenditure on a cash basis.
Inventory holding gains and losses	Inventory holding gains and losses are non-IFRS adjustments to our IFRS profit (loss) and represent: • The difference between the cost of sales calculated using the replacement cost of inventory and the cost of sales calculated on the first-in first-out (FIFO) method after adjusting for any changes in provisions where the net realizable value of the inventory is lower than its cost. Under the FIFO method, which we use for IFRS reporting of inventories other than for trading inventories, the cost of inventory charged to the income statement is based on its historical cost of purchase or manufacture, rather than its replacement cost. In volatile energy markets, this can have a significant distorting effect on reported income. The amounts disclosed as inventory holding gains and losses represent the difference between the charge to the income statement for inventory on a FIFO basis (after adjusting for any related movements in net realizable value provisions) and the charge that would have arisen based on the replacement cost of inventory. For this purpose, the replacement cost of inventory is calculated using data from each operation’s production and manufacturing system, either on a monthly basis, or separately for each transaction where the system allows this approach. • An adjustment relating to certain trading inventories that are not price risk managed which relate to a minimum inventory volume that is required to be held to maintain underlying business activities. This adjustment represents the movement in fair value of the inventories due to prices, on a grade-by-grade basis, during the period. This is calculated from each operation’s inventory management system on a monthly basis using the discrete monthly movement in market prices for these inventories. The amounts disclosed are not separately reflected in the financial statements as a gain or loss. No adjustment is made in respect of the cost of inventories held as part of a trading position and certain other temporary inventory positions that are price risk-managed.

Glossary

Joint venture (JV)	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
Major projects	Have a bp net investment of at least $250 million, or are considered to be of strategic importance to bp or of a high degree of complexity.
Net debt	Non-IFRS measure. Calculated as finance debt, as shown in the balance sheet, plus the fair value of associated derivative financial instruments that are used to hedge foreign currency exchange and interest rate risks relating to finance debt, for which hedge accounting is applied, less cash and cash equivalents. Net debt does not include accrued interest, which is reported within other receivables and other payables on the balance sheet and for which the associated cash flows are presented as operating cash flows in the group cash flow statement.
Net zero	References to global net zero in the phrase, 'to help the world get to net zero', means achieving '...a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases...on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty', as set out in Article 4(1) of the Paris Agreement. References to net zero for bp in the context of our ambition and net zero operations and net zero sales aims mean achieving a balance between (a) the relevant Scope 1 and 2 emissions (for net zero operations) and product lifecycle emissions (for net zero sales) and (b) the aggregate of applicable deductions from qualifying activities such as sinks under our methodology at the applicable time.
Net zero operations	bp's aim to reach net zero operational greenhouse gas (CO2 and methane) emissions by 2050 or sooner, on a gross operational control basis, in accordance with bp's net zero operations aim, which relates to our reported Scope 1 and 2 emissions. Any interim target or aim in respect of bp's net zero operations aim is defined in terms of absolute reductions relative to the baseline year of 2019.
Net zero sales	bp's aim to reach net zero for the carbon intensity of sold energy products*. Any interim target or aim in respect of bp's net zero sales aim is defined in terms of reductions in the carbon intensity of the energy products we sell (in grams CO2e/MJ) relative to the baseline year of 2019.
Operating cash flow	Net cash provided by (used in) operating activities as stated in the group cash flow statement. When used in the context of a segment rather than the group, the terms refer to the segment's share thereof.
Refining availability	Represents Solomon Associates' operational availability for bp-operated refineries, which is defined as the percentage of the year that a unit is available for processing after subtracting the annualised time lost due to turnaround activity and all mechanical, process and regulatory downtime.
Refining marker margin (RMM)	Average of regional indicator margins weighted for bp's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. The regional indicator margins may not be representative of the margins achieved by bp in any period because of bp's particular refinery configurations and crude and product slate.
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 recognised 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.

Glossary

Reserves replacement ratio	The extent to which the year's production has been replaced by proved reserves added to our reserve base. The ratio is expressed in oil-equivalent terms and includes changes resulting from discoveries, improved recovery and extensions and revisions to previous estimates, but excludes changes resulting from acquisitions and disposals.
Return on average capital employed (ROACE)	Non-IFRS measure. ROACE is defined as underlying replacement cost profit, which is defined as profit or loss attributable to bp shareholders adjusted for inventory holding gains and losses*, adjusting items and related taxation on inventory holding gains and losses and adjusting items total taxation, after adding back non-controlling interest and interest expense net of tax, divided by the average of the beginning and ending balances of total equity plus finance debt, excluding cash and cash equivalents and goodwill as presented on the group balance sheet over the periods presented. Interest expense before tax is finance costs as presented on the group income statement, excluding lease interest, the unwinding of the discount on provisions and other payables and other adjusting items reported in finance costs. bp believes it is helpful to disclose the ROACE because this measure gives an indication of the company's capital efficiency. The nearest IFRS measures of the numerator and denominator are profit or loss for the period attributable to bp shareholders and total equity respectively. .
Sold energy products	For the purposes of bp's net zero sales aim, these represent the energy products* we sell to third parties. For these purposes, intercompany sales (sales between two group subsidiaries) are not included and equity-accounted entities are treated as third parties.
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 realised 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.
Transition businesses	Business activities including in the areas of biogas, biofuels, EV charging, renewable power generation, hydrogen and carbon capture.
Upstream	Includes oil and natural gas field development and production within the gas & low carbon energy and oil production & operations segments. References to upstream exclude Rosneft.

Glossary

Upstream operating cash flow	Non-IFRS measure and a subset of businesses' estimated share of adjusted operating cash flow* for the group as defined.
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.
Unit production costs	Calculated as production cost divided by units of production. Production cost does not include ad valorem and severance taxes. Units of production are barrels for liquids and thousands of cubic feet for gas. Amounts disclosed are for bp subsidiaries only and do not include bp's share of equity-accounted entities.
Working capital	Movements in inventories and other current and non-current assets and liabilities as reported in the condensed group cash flow statement. Change in working capital adjusted for inventory holding gains/losses*, fair value accounting effects relating to subsidiaries and other adjusting items is a non-IFRS measure. It is calculated by adjusting for inventory holding gains/losses* reported in the period; fair value accounting effects relating to subsidiaries reported within adjusting items for the period; and other adjusting items relating to the non-cash movement of US emissions obligations carried as a provision that will be settled by allowances held as inventory. This represents what would have been reported as movements in inventories and other current and non-current assets and liabilities, if the starting point in determining net cash provided by operating activities had been underlying replacement cost profit rather than profit for the period. The nearest equivalent measure on an IFRS basis for this is movements in inventories and other current and non-current assets and liabilities. bp utilises various arrangements in order to manage its working capital including discounting of receivables and, in the supply and trading business, the active management of supplier payment terms, inventory and collateral.