Cautionary statement

Forward-looking statements - cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding: BP's expectations regarding the expected number of exploration wells to be completed in 2013 and in the future, including the number of wildcat tests per year through 2017; expectations and prospects for access to resources in the future, including prospective access volumes through 2015; BP's belief that it can sustain its targeted level of exploration drill-out through 2017; the expected level of costs and capital expenditures on exploration, drilling and appraisal through the plan period; BP's plans to build a material and leading presence in certain major hydrocarbon basins; BP's plans for certain key exploration wells in its deepwater exploration inventory through 2017, including the expected mean resource potential thereof; the prospects for certain deepwater areas in the Atlantic Basin, the Eastern Mediterranean and South Asia to be material provinces in the future; prospects for further tests in the Cauvery Basin, and the expected timing of future drilling therein; the expected timing of first gas in the D55 discovery in India; prospects for the East Nile Delta and plans for future development, including in respect of Salamat-1; BP's plans to progress certain resources in Trinidad; expectations regarding Project 20K™, including plans to work with Maersk and certain major universities on collaborative studies related thereto, the timing of the definition and delivery of key systems and of Front End Engineering Design and the expected volume of BP's current and future resources globally that could be accessed by Project 20K™ technology; plans to work closely with regulators and international standards bodies to define new codes and standards for 20 thousand psi service; expectations regarding Oman Block 61, including its future potential, the timing of FID, the expected level of plateau production and prospects for further appraisal; expectations for future access opportunities in the Atlantic; expectations regarding access opportunities in Nova Scotia, and BP's plans to undertake seismic work in Nova Scotia in 2014; the potential for Nova Scotia to become a multi-billion barrel province; [prospects for BP's acreage position in deepwater Morocco;] the expected importance of the Norwegian Barents Sea in the coming decades and BP's intentions to build on its position there in the future; the expected timing of drilling in the Kara Sea; prospects for BP's US shale production, including BP's total expected production in 2013 and the timing of future access, appraisal and development through 2014; BP's plans in respect of potential shale plays outside of the US; plans for prioritization and allocation of global project work in the future; expectations regarding the materiality of BP's positions in its exploration portfolio, including the volume of prospects thereof and the value of BP's terms of access; expectations regarding the future momentum of BP's drilling program; and plans to achieve basin mastery over the long term in Angola, the Gulf of Mexico, Egypt, Azerbaijan, Trinidad, the UK continental shelf, Eagle Ford and Nova Scotia.

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. Actual results may differ from those expressed in such statements, depending on a variety of factors including the actions of regulators and the timing of the receipt of governmental and regulatory approvals; strategic and operational decisions by Rosneft's management and board of directors; the timing of bringing new fields onstream and of project start-ups; the timing of and prospects for ramp up of major projects and higher margin assets; the timing and nature of maintenance outages and turnaround activity; the impact of reserves reviews; the timing and nature of divestments; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; economic and financial 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; regulatory or legal actions including court decisions, the types of enforcement action pursued and the nature of remedies sought or imposed; the impact on our reputation following the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners, creditors, rating agencies and others; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism or sabotage; and other factors discussed under "Principal risks and uncertainties" in our Stock Exchange Announcement for the period ended 30 June 2013 and under "Risk factors" in our Annual Report and Form 20-F 2012 as filed with the US Securities and Exchange Commission.

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

Cautionary note to US investors – This presentation uses terms, such as "mean resource potential", "resource base" and "net resources", and contains references to non-proved resources, hydrocarbon columns 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. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov.

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

Stock Exchange Announcement: For further information on BP's results, please see our Stock Exchange Announcement for the period ended 30 June 2013.

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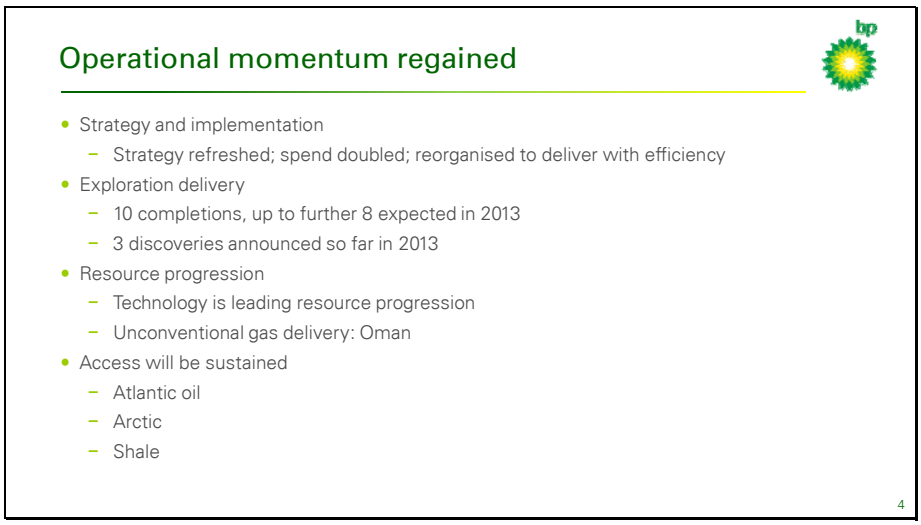
During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Outcomes could differ materially due to factors that we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange Announcement and SEC filings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

Good morning, welcome, and thank you for joining us at this exploration review. The plan is to update you on some exploration results and other progress we have made, and also to outline our forward programme. And just for clarity, exploration in today's context includes the whole activity set of resource access, prospecting and appraisal.

I will kick off with a little context and then hand over to a few of my team to take you through some specifics.

Before I start, I need to introduce you to my Exploration team who are here with us today. On stage with me are Spencer Howe our VP Exploration, Rebecca Wiles our VP Resource Appraisal and Jonathan Evans our VP Access. And in the front row we have Chuck Guderjahn, the Head of Function, Liz Jolley, VP Basin Analysis and Exploration Assurance and Martin Illingworth, our VP Performance.



Our big context today is that momentum has returned to exploration in BP. After a 3 year lull in execution, this year we should complete as many wells as in the past three years put together. Prior to that, we had been re-loading our exploration inventory with a succession of acreage access. We supplemented this with resource access deals like our Canadian oil sands entry, India gas and of course the Rumaila re-development project in Iraq.

All this activity has been in service of the strategic intent of renewing the company through the creation of material profit centres. The route to this end is through deepwater exploration and the building of major resource positions in gas value chains or the world's giant oil fields. In the presentation today we will largely concentrate on the first of these, deepwater exploration

After the exploration reloading we are starting to see some results. We have completed 10 wells to date this year, and we are currently drilling 8. We expect to complete between 16 and 18 wells in total this year. As I said, more than the last 3 years combined. And let's be clear, these are new field wildcat tests, not appraisals of previously drilled structures and known fields. This is new exploration, our appraisal wells are not included.

To date, of the 10 completions, we can confirm 3 significant discoveries and one dry well. The remainder are under evaluation and will be announced as appropriate. Later in the presentation Spencer will expand on this story.

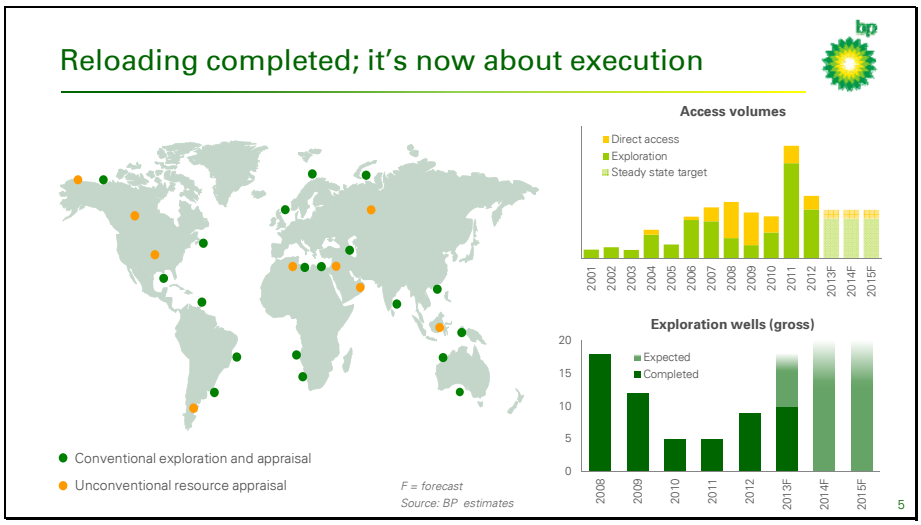
To progress our resources we are leveraging technology: such as our deep capability in seismic imaging; and our Project **20K** to develop our high pressure discoveries. Rebecca will describe how this focus on science and engineering development is beginning to pay dividends in this field.

Finally, we will be continuing to access new acreage to sustain our exploration momentum, and ensure we can drive quality-through-choice

into our inventory. Jonathan will outline some of this position with respect to recent access.

All of this means a good level of activity across the Exploration Function in BP. However, I can assure you that this is not being done without spend discipline, and a drive for efficiency. Our cash costs and drilling capital spend remains in the $3-3.5bn range through our plan period.

So, a quick reminder of recent history and then we will get to some results.



This slide summarises our activity over the last few years and shows the outcome geographically.

The top right hand chart shows the risked resources accessed against time, and plots our re-loading since the middle of the last decade. In the period before 2006 BP was living off the portfolio created by the two mergers. The green shows our estimates of the risked exploration resource accessed, and the yellow the resources coming directly through deals like the Sunrise oil sands, which is the large yellow chunk in 2008.

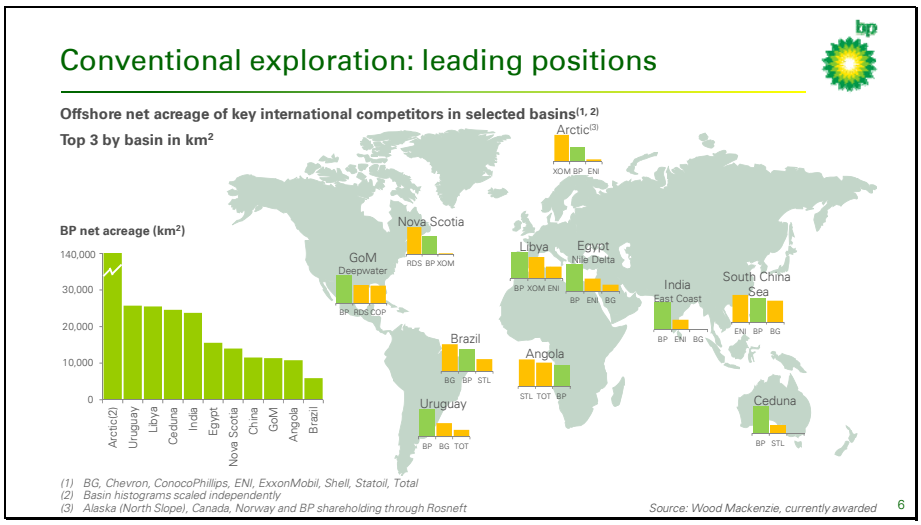
The risked exploration acreage accessed has broadly tripled our prospect inventory. A significant proportion of this is new plays, which has inevitably raised the risk profile of the portfolio.

The lower chart shows our disrupted drilling programme over the last three years and the plan forward. The task now is to execute the testing of this portfolio by targeting 15 to 20 wildcat exploration wells per year.

The map summarises the geographic spread of our position. Behind that spread are 4 exploration themes that we are pursuing, shown in green dots:

- The deepwater oil theme of the Gulf of Mexico and the Atlantic basin
- The deepwater gas and liquids theme of North Africa
- The Asia gas market theme of India/China/Australia
- The Arctic frontier

In addition to this conventional exploration focus, our unconventional position is also shown in orange. This is dominantly in North America today. However, our growing focus is on selected international shales and tight gas positions. We continue to be very focussed and disciplined in the matter of unconventionals. Not all shales and tight liquid opportunities are equal, and few are currently commercial outside of the Lower 48. We will expand on this as we go.



This map gives you a sense of the competitive position that we have created. The histograms show BP's conventional net acreage position relative to our key international competitors.

As you can see, our intent is to build a material and leading presence in the world's great hydrocarbon provinces; those of today and those of the future. That strategy has served us well in the past and we continue to search for such leadership positions at the frontiers of exploration.

We have built leading deepwater acreage positions in the Gulf of Mexico, Uruguay, Libya, Egypt, the East coast of India and Australia's Ceduna basin. BP is the second largest offshore acreage holder in Nova Scotia, Brazil, the South China Sea and, as a result of our shareholding in Rosneft, the Arctic. In Angola, we are the third largest offshore acreage holder, and importantly, the second largest within the growing pre-salt play.

I hope that gives a context for the detail to come. I would now like to hand over to Spencer to take you through our present and planned exploration test programme and show you some of our early results.

Deep exploration inventory: key wells(1)

Country/Basin	2012	2013	2014	2015	2016	2017
Angola *pre-salt*	Ogonga	Lontra	Puma, Orca	Katambi, Borboleta, Onca	Mangandos	Blk-19A-Play Test
Brazil *Deepwater*	Pecem	Pitanga	Pitu, Guajuru, Jacana	Amapa-1	Amapa-2 & 3	Amapa-4 & 5
Gulf of Mexico		Gila, Rio Grande	Bright	Hopkins, Bluegill, Kerinchi	Mazama, Penguin, Sodalite	MC New Play Test
Egypt *Nile Delta*		Salamat, Notus	Gebel el Bahar			
China & Indonesia		Teteruga, LW21-1	Terrace			
India		CY-S1 MJ-1	KGD3QB-1, CY-S4	CY- T1		
Libya *Sirte*				Abushoka, Trelia	Aurata, Sfen	Matseti, Matsola
Australia *Ceduna*					Whiptail	Silvereye, Play test 3
Uruguay					Play test 1	Play test 2
Nova Scotia						Play test 1
Russia *Arctic*(2)				Universitetskaya	Vikulov	Kara Sea-3

(1) Sequence may change depending upon results
(2) Through Rosneft shareholding

Play test | Drill out

8

Good morning. Firstly, I'd like to give you an insight into the depth of our inventory by highlighting some of our significant exploration tests over the next 5 years. Not all our wells are show here, but a selection that we believe to be the most significant. They are significant either because they are large in volume, and/or because they may open up material new plays.

Our portfolio is expected to enable us to maintain our momentum and continue to drill 15 to 20 exploration wildcat wells per year over the next 5 years. This includes testing up to 20 new plays in this timeframe, all of which have significant follow-on potential.

The chart shows our 50 or so key exploration wells that will target prospects with a mean resource potential greater than two hundred and fifty million barrels of oil equivalent. The other planned wells either have this scale in the range of possible outcomes, or are targeted at filling existing

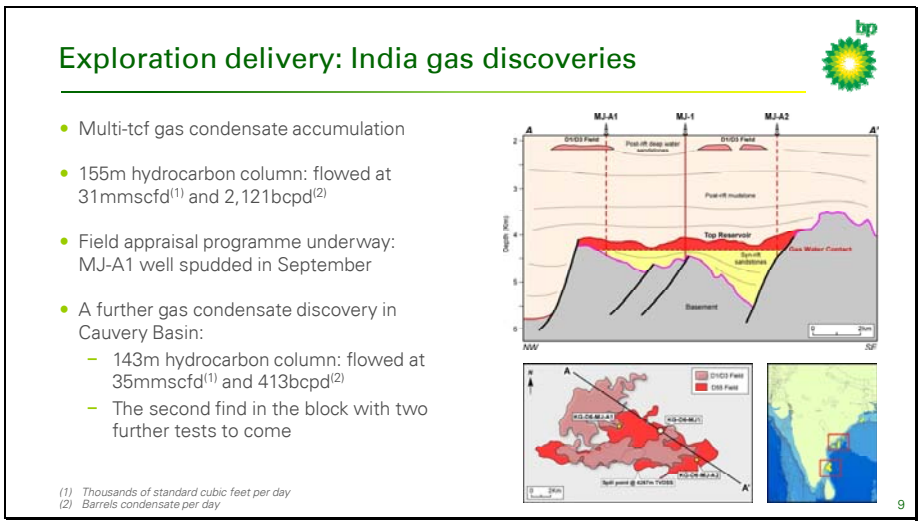
infrastructure hubs, or ILX opportunities as we call them. This ILX activity tends to be low risk and small in volume yet high in value.

We have built our exploration inventory in two ways. Firstly, we have continued to generate opportunities from our core positions like Egypt, Angola and the Gulf of Mexico. In these core positions we are both drilling out proven plays like the Gulf of Mexico Paleogene; and also testing new ones such as the pre-salt play in Angola.

Secondly, we have created material new positions in deepwater areas following the exploration themes Mike outlined – in the Atlantic basin: Nova Scotia, Brazil and Uruguay – in the Eastern Mediterranean: the offshore Sirt Basin of Libya and in South Asia, East India, South China Sea and South Australia.

All of these new areas have the potential to be material new provinces, and in each we have a material presence. Yet none are proven today, so significant risk exists.

Now let's look at some of this year's results. As Mike said, we have a score card of 3 discoveries and one dry well to date and a number of other wells under evaluation. Let's focus on the successes.



Our strategic partnership with Reliance Industries has provided BP with a 30% share in key deepwater blocks of East India. The rationale for the alliance remains unchanged; to bring BP's sub-surface skills and experience to the exploration and development of India's gas endowment, and to grow a full value chain position for BP in that emerging gas market. At present this results in an upstream activity set comprised of firstly, managing the producing fields in the Krishna-Godavary Basin in Block D6. Secondly, progressing new projects for developing over 2 trillion cubic feet of gas resources in D6, and thirdly, finding new gas and developing new markets through exploration.

In addition, the Reliance-BP gas marketing Joint Venture positions BP as the only IOC in the full domestic gas value chain in India.

Following creation of the alliance, we took an 18-month study break to rebuild the Prospect Inventory in India. The MJ-1 prospect subsequently became the first exploration target drilled by the new partnership and has resulted in a major new multi-tcf discovery called D55.

The MJ-1 well encountered good quality reservoir within a total wet gas column of one hundred and fifty five metres. Subsequent testing resulted in a constrained flow rate of thirty one million cubic feet of gas per day and two thousand one hundred barrels of condensate per day, indicating very encouraging initial well productivity.

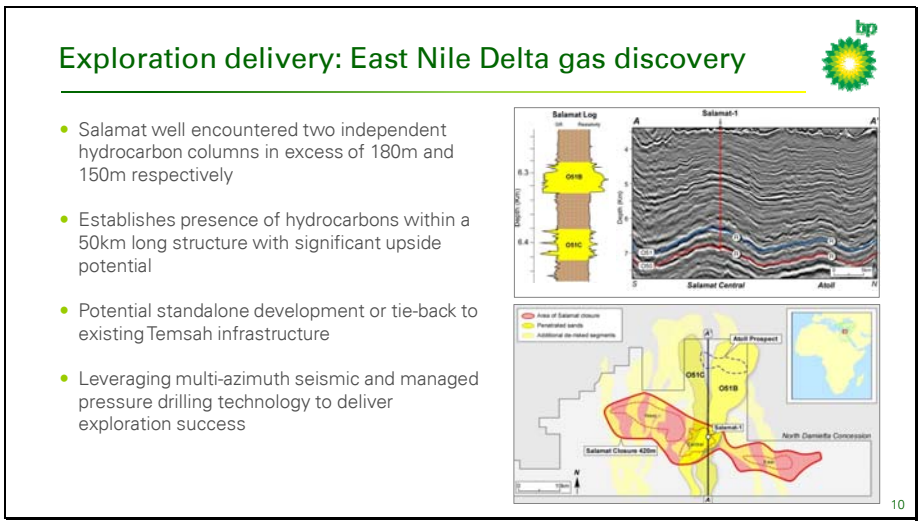
This discovery is situated in the D6 block where the existing producing fields are located. BP and Reliance are aligned on progressing the new D55 opportunity as efficiently as possible and appraisal drilling has already commenced. The appraisal activity is in addition to the on-going development of a number of other existing satellite discoveries in D6. We

are targeting first gas in the 2019 timeframe dependent on the ultimate development solution.

A second exploration well drilled in the Cauvery Basin has resulted in a further significant discovery. The S1 well encountered Mesozoic reservoirs with a total hydrocarbon column of a hundred and forty three metres and flowed at thirty five million cubic feet of gas per day and four hundred barrels of condensate per day on test. The new field has been named D56. The find is the second in this block and adds important new resources to those already discovered.

These early results support a 3 to 4 well exploration programme, the first of which we plan to drill in 2014.

Now, to North Africa and Egypt.



BP has been exploring in Egypt for around 50 years. We hold a significant position underpinned by the largest resource base in the Nile Delta and leadership in technologies such as multi azimuth seismic and Managed Pressure Drilling.

BP has been the early mover in recognising the potential of the deepwater Oligo-Miocene play system, and made the first significant discoveries in the West Nile delta. We extended the testing of these plays eastwards by accessing additional acreage in the East Nile Delta, including the North Damietta and North Tineh Concessions that were awarded in 2009.

Our latest deepwater exploration well, Salamat-1, is located in the North Damietta Concession and is a significant new find. The well reached a total depth of around seven thousand metres, which makes it the deepest well drilled in the Nile Delta. It encountered gas and condensate within channelized Oligocene sands.

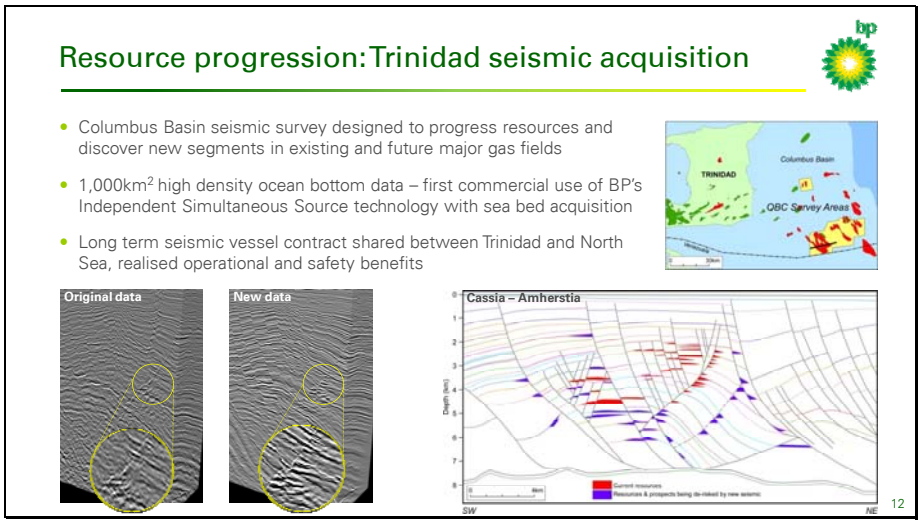
The well tested a superposed channel centre labelled the O51b and an underlying O51c channel margin, and found two independent reservoirs of gas condensate. We encountered gas columns in excess of one hundred and eighty metres and one hundred and fifty metres respectively. Salamat confirms the presence of wet gas in the central culmination within a fifty kilometre long structure, with significant upside potential. This further increases our confidence in the materiality of the deep Oligocene play in the East Nile Delta. We also have follow on potentials, such as the Atoll prospect named on the map and seismic line. There are similar features to the east, too. Importantly, the test also supports our seismic characterisation of the channelized reservoir system.

Two distinct options exist for development: a standalone facility or a tie-back to BP's nearby Akhan-Temsah infrastructure. Both will be evaluated.

We are currently drilling another prospect along strike from Salamat in the Gebel el Bahar structure. And we are also partners in the Notus prospect currently being drilled by BG.

So, some early results. The India D55 discovery is expected to have a medium-term impact on our business in the country and Salamat confirms the potential of our exploration portfolio in Egypt's Nile Delta.

I will now hand over to Rebecca, who will take you through how we are progressing our discovered barrels along the value chain.



Thank you Spencer, and good morning.

The main aim of the Resource Appraisal team is to reduce the subsurface uncertainty of fields to the point at which we have the confidence to progress them as commercial projects. I would like to describe how distinctive technology application forms a key part of this process.

My first example is from Trinidad, where earlier this year we completed a high density Ocean Bottom Cable 3D seismic survey. The intent of the programme was to improve the subsurface resolution of hydrocarbon accumulations in the Columbus Basin around our existing major gas fields such that we could confidently progress these resources through appraisal to development.

With such a large survey, acquisition efficiency was paramount and so we successfully applied Independent Simultaneous Source technology. This was the first commercial seabed application of this technique after BP invented it and tested it in the deserts of North Africa and the Middle East.

It uses two source vessels operating independently, and so recording is twice as fast as with one vessel.

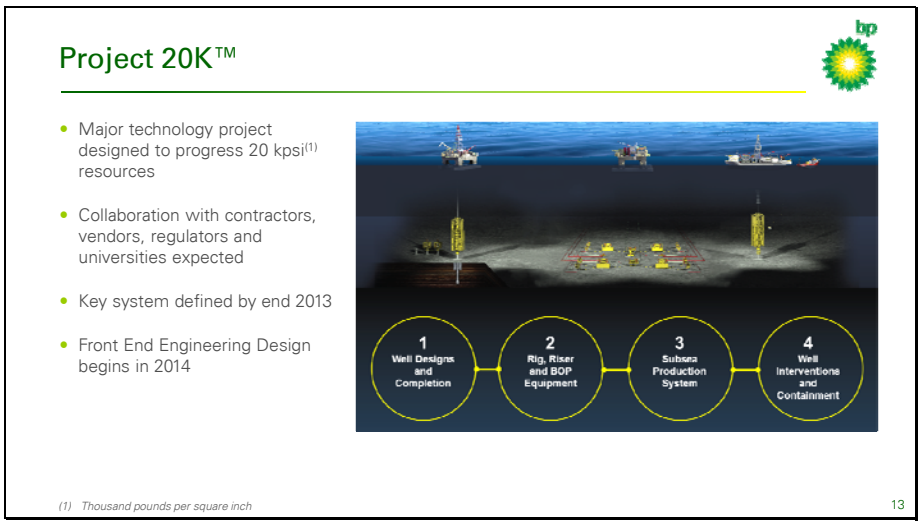
The use of Ocean Bottom Cables enables data to be recorded close to platforms with full azimuth data, long offsets and broad bandwidth. It illuminates targets from all directions, images steep and deep structures, and improves resolution. Although we only have preliminary seismic products from our Trinidad programme, we can see that the results from this survey are excellent.

On this project, we also pushed the boundaries of efficient contracting. We entered into a two year contract with Western Geco to maximise efficiency gains by sharing vessels with BP surveys in the North Sea over the summer seasons of 2011 to 2013 and in Trinidad over the intervening winter months. Through working continuously with the same vessels, sharing technical learnings between the two Regions and increasing the length of cable used between the two programmes, we were able to enhance operational and HSE performance. Compared to the first season, we increased acquisition efficiency in the second season by 45%, resulting in a 22% reduction in cost per square kilometre, We also improved our HSE statistics.

The example shown in the slide is in the Cassia-Amherstia area. You can clearly see the improved fault delineation, image quality and continuity of deep reflectors. The data is enabling us to confirm known segments, shown in red on the schematic, and identify new resources and prospects where previously little could be seen. These are shown in purple in the diagram and include opportunities for exploration in the deeper stratigraphy.

We will be progressing these resources through appraisal, either directly into existing infrastructure or, in the case of the Angelin discovery, into our global projects organisation to compete as a potential next Trinidad gas project.

Now moving to another area of distinctive technology.



In 2006 and 2009, BP discovered two major fields, Kaskida and Tiber, in the Paleogene reservoirs of the Gulf of Mexico. However, to develop these reservoirs, we need to step beyond the existing 15 thousand psi pressure capability routinely employed by the industry. In addition to these discoveries, we also have a prospect inventory of similar structures at similar pressures in the Gulf of Mexico, Azerbaijan and Egypt. This includes the Gila well in the Gulf of Mexico that we are currently drilling.

Project **20K™** was launched in 2012 to address the safe development of these resources. It is a BP led major technology project, designed to progress resources that require development at pressures of up to 20 thousand psi at the mudline and up to three hundred and fifty degrees Fahrenheit. BP currently has up to four billion barrels of oil equivalent net resources around the world that would be unlocked by this technology. The need for this technology is growing as BP and the industry continue to discover reservoirs at higher pressures and temperatures.

Project **20K™** will develop an integrated system consisting of four main components to drill, complete, produce and intervene in fields. By mid-2014, we plan to finalise the conceptual engineering for each system to enable Front End Engineering Design to commence. The project is on track to deliver all four systems before the end of the decade.

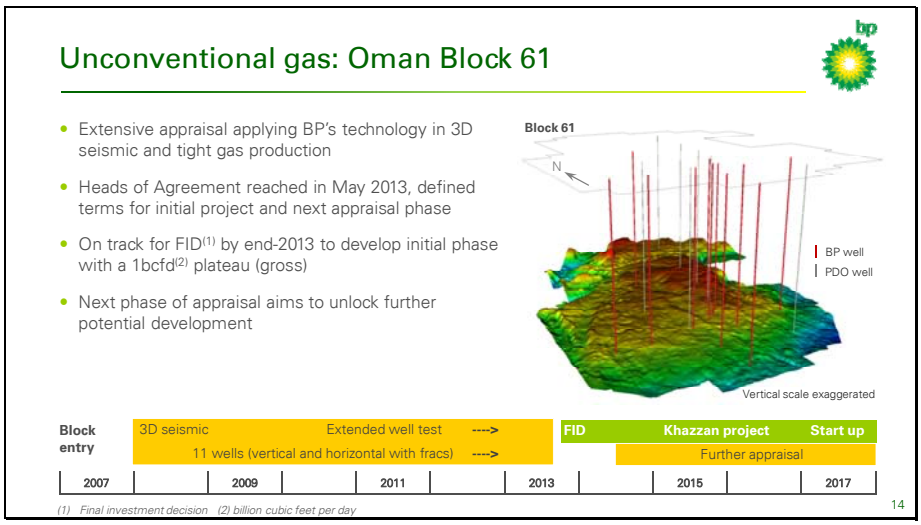
For the rig, riser and BOP, we are also interested in enhancing safety and reducing risk and improving reliability. We are evaluating existing deepwater drillship vs. semi-submersible designs, and are focussed on improving the efficiency of rig operations. BP and Maersk will be working together to perform the conceptual engineering studies.

On the subsea side, one of the main focus areas is the development of the **20K™** High Integrity Pressure Protection System or HIPPS. This is a

technology aimed at providing automatic intervention to isolate hydrocarbons near the well during production if the pressure gets too high. Last year, we announced that FMC Technologies will work jointly with BP to design and develop 20 thousand psi rated subsea production equipment. KBR has been selected as our Engineering and Project Management Services contractor to develop programme execution and management plans for the project.

This will all require extensive collaboration with industry suppliers, vendors, contractors and other operators. We expect to announce shortly collaborative studies with major universities to further support this initiative.

We are keeping a strong focus on safety and risk management and will be working closely with regulators and international standards bodies in defining new codes and standards for twenty thousand psi service. BP estimates that we could potentially access ten to twenty billion barrels of oil equivalent of resources globally with the application of **20K™** technology.



Moving from deepwater to onshore, unconventional resources make up around 40% of BP's resource base and are a major part of our Appraisal portfolio. BP is currently progressing opportunities in unconventional oil, tight gas, shale gas and coal bed methane.

The Oman Khazzan development is a good demonstration of BP applying its North American expertise to unlock a huge tight gas resource base internationally.

BP entered the two thousand eight hundred square kilometre block in February 2007 and acquired an advanced, high resolution 3D seismic programme. We have drilled 11 wells. This has delineated the reservoirs, proved up the productivity through an extended well test facility and evaluated completion and stimulation techniques, including horizontal wells with multi-stage hydraulic fractures.

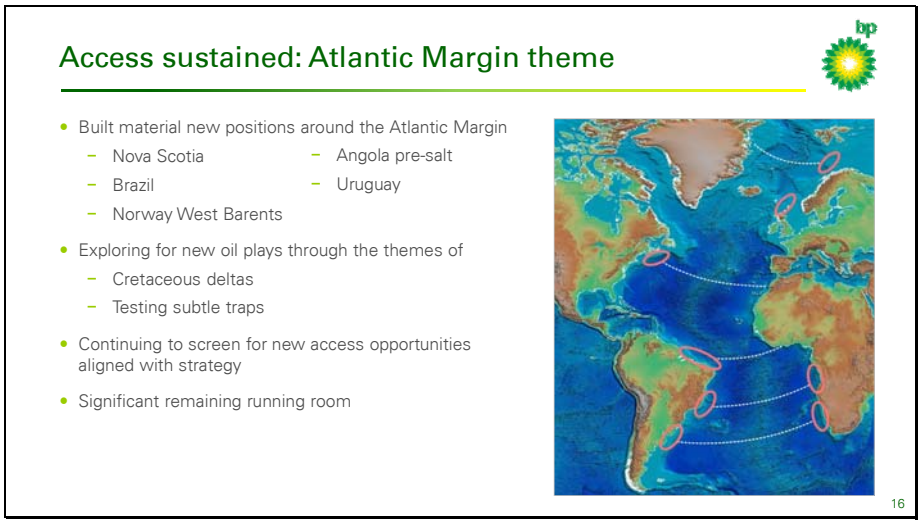
Although yet to be sanctioned, the first phase of this major development is expected to produce around one billion cubic feet per day on plateau from around three hundred wells in the southern half of the block.

The future potential of the block lies in multiple reservoirs. This will be progressed via an appraisal programme that will test and, if successful, unlock a second development in the North of the licence and provide additional resource to sustain the southern development area.

The key technologies that support progression here are high quality 3D seismic and well completion and stimulation. Both together are needed to 'crack the code' of identifying sweets spots in the Khazzan reservoirs. We will be incorporating learnings from Phase 1 into our appraisal of this resource.

Spencer has discussed exploration delivery and I have taken you through some of how we progress discovered resources. Now Jonathan will come

back to how we plan to sustain levels of access to underpin continued performance of our exploration programme.



Thanks Rebecca and hello.

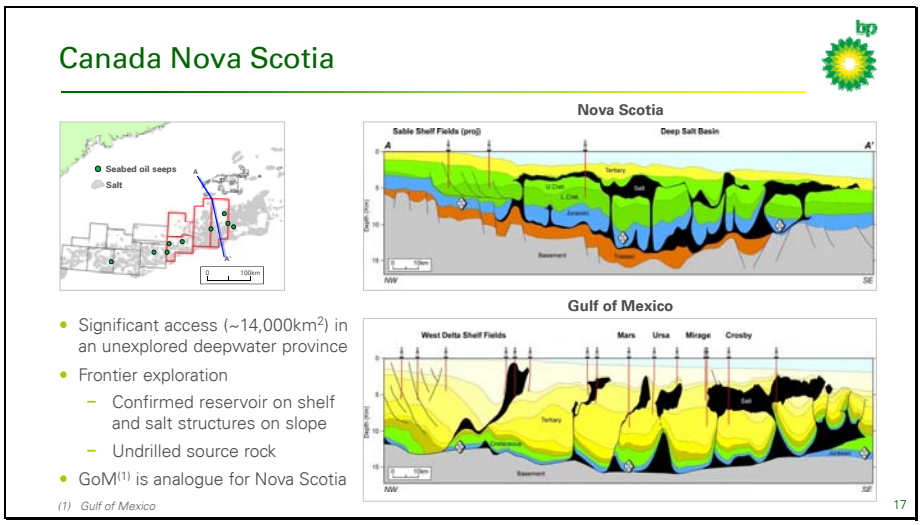
As you have heard, after a focussed effort to rebuild our exploration portfolio over the past several years, we now believe that we have reached the point where we can sustain our targeted level of Exploration drill-out over the next five years or so. This has been the largest amount of Access since probably the late 1980s and 1990s when BP and heritage companies moved away from our historic heartlands in the US and North Sea to Access new opportunities in places like Azerbaijan, Angola, Egypt and Indonesia, which are now major parts of our production portfolio. One lesson we learnt from the post-merger years is that Access must be sustained at a level that constantly refreshes the portfolio and allows for failure.

As an example, over the past couple of years, we have been pursuing a theme of building positions around the Atlantic Basin in oil-prone plays. In the east, we have accessed new positions in Norway, Angola and Namibia while in the west, we have added material acreage in Uruguay, Brazil and Nova Scotia. We believe there are still new opportunities in the Atlantic and

we are looking to capture them where possible. In addition, my team continues to develop new ideas to drive further Access. Recent examples have included exporting sub-salt ideas from Brazil to Angola and from the Gulf of Mexico to Nova Scotia.

Today I can confirm another addition to our Atlantic Basin portfolio. On Monday, the 15th of October, we farmed-in to Kosmos Energy's large acreage position in deepwater Morocco. Subject to Government approval, this will give us a significant stake in 26,000km^2 of gross acreage in another untested salt basin. It is conjugate to our existing acreage in Nova Scotia and we believe it contains similar play systems and resource potential. We expect our first well in Morocco to be drilled next year.

In each of these new areas we seek to build material positions with scale that will be relevant to BP in the success case. Nova Scotia is a good recent example.

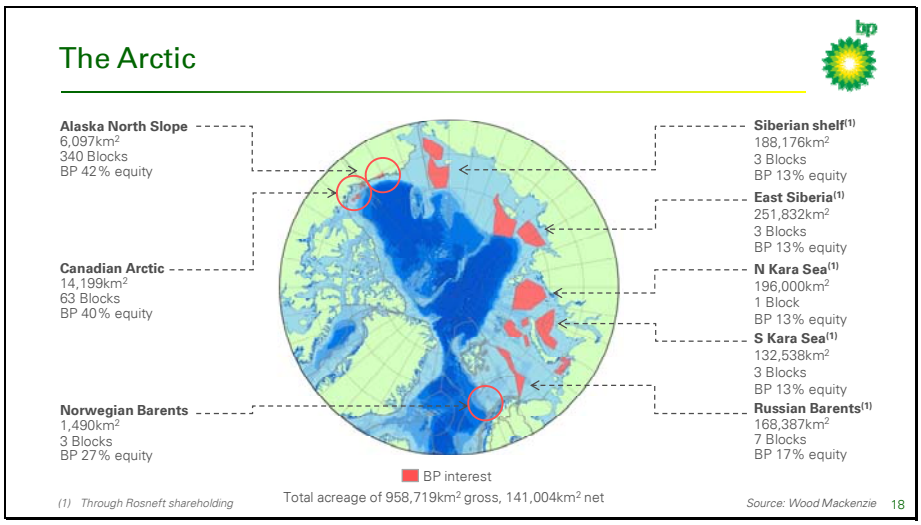


Based on improved seismic data which became available in 2010, we confirmed the presence of an untested salt basin in deepwater offshore Nova Scotia, downdip of the Sable Island gas province. Some exploration had occurred, but generally in shallow water and the seismic available previously was not able to resolve the geology beneath the complex salt in this area. Some aspects of the geology are reminiscent of the features found in the Mississippi Canyon area of the Gulf of Mexico. We believe that reservoir and traps have low risk, so the key question is whether there is a working source rock in the basin and, if so, where the oil has migrated to.

Detailed work to reduce these risks led us to high-grade a particular area to target for exploration. Once this became available for licensing in 2012, we moved aggressively to capture the key blocks and succeeded in winning fourteen thousand square kilometres of acreage. For comparison, that's about the same size as the whole of the deepwater Mississippi Canyon petroleum province in the Gulf of Mexico.

If the play works, we believe Nova Scotia could become a multi-billion barrel province. We will be shooting our first seismic next year – and the survey is being designed by our experts in sub-salt imaging based in Houston.

While BP operates in Nova Scotia, we have built a large non-operated position in the Arctic region.

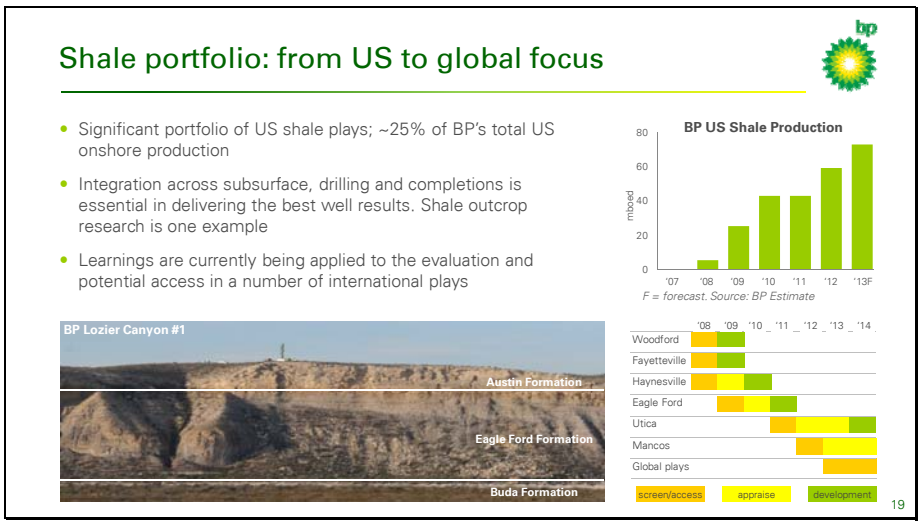


This is a map of the Arctic centred on the North pole, with areas of BP interest marked in red.

Earlier, I mentioned the Norwegian Barents in the context of the Atlantic Basin. Of course, this area also lies in the Arctic and that is an emerging area which we believe will be of increasing importance to the industry over the coming decades. Just as we have done in the Atlantic, we are seeking to build positions in oil-prone plays around the Arctic margin. However, the uncertainty of timing and outcome and the huge capability required has led BP to adopt a largely non-operated strategy for our offshore ice-bound Arctic exploration.

BP has a very long history in the Arctic building on our heritage in Alaska and successful exploration in the 1980s in Arctic Canada by Dome Petroleum among other heritage companies. In 2008, we accessed a large area of unexplored acreage in the Canadian Beaufort. More recently, we have secured some blocks in the Norwegian Barents in the recent 22nd licence round. This was the first time BP has participated in a Norwegian exploration round for more than a decade and we are very pleased to have been awarded our two top ranked areas. We hope to build on this position in future rounds.

Through our partnership with Rosneft, we are also one of the leading acreage holders in the Russian Arctic, where Rosneft have signed a series of deals with Statoil, ENI, Exxon and others to explore frontier areas of the Russian Barents, Kara Sea and Siberian shelf. Through our shareholding in Rosneft, we have an equivalent of around 13% carried interest in each of these licences. These are very high risk and high cost areas so our equity level and zero cost-exposure feel appropriate to us at this stage of Arctic Russia's evolution. Exxon plan to begin drilling our first well in the Kara Sea, Universitetskaya, next summer.



So far, I have focused on describing our sustained pursuit of Access for conventional oil in deepwater and the Arctic. Of course, in common with the industry, we recognise the growing importance of unconventionals.

For the past eight years or so, we have been building positions in US shale plays. BP's onshore US unconventional gas business has resources of around 8bnboe, with shales representing about 45% of this total. We have built a 70+ thousand barrel of oil equivalent per day shale production business which continues to grow. BP has large working interest in four actively producing shale plays in the US: Arkoma Woodford, Fayetteville, Haynesville and the South Texas Eagle Ford where we now hold over four hundred thousand acres with our partner Lewis Energy. BP is also appraising a liquid-rich play in the Utica/Point Pleasant shale in Ohio, and are at the early stages of appraisal of the Mancos shale play in the San Juan basin of New Mexico.

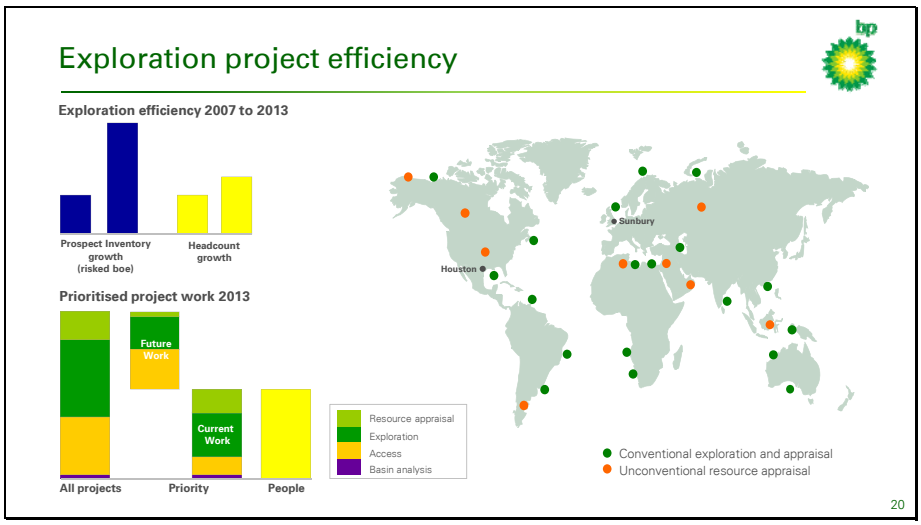
To further enhance our knowledge and performance in shale production, we are using an extensive Eagle Ford outcrop as a learning laboratory. We drilled a research borehole earlier this year, seen here on the slide, and acquired extensive and detailed log and core data. Combined with data from the outcrop itself, this provides us with information about the nature and variability of the shale reservoir. That can be applied widely to identify production sweet spots in the field and optimise completion operations to enhance productivity.

We are now in the process of applying our US understanding of the key subsurface controls on successful shale plays to identify new shale plays globally. As with our strategic approach to conventional resources, we will be focusing on world class resource plays with high resource density, where BP's distinctive capabilities can add value and where we can build a leadership position. We have identified a number of potential opportunities

and we are close to finalising deals to Access a number of these. We hope to be able to make this public within the coming months.

Perhaps as important as what we have decided to focus on is what we have decided not to pursue. For example, for good geological and commercial reasons, we have so far decided not to pursue shale in Europe, Australia, southern Africa or here in the UK. Of course, we continue to monitor competitor results with interest, but so far we have no regrets.

I will now hand back to Mike.



Thank you Jonathan.

This has been a taster of what we are doing to renew BPs resource base. I hope we have given you a sense of the scale, the depth, and the quality of our portfolio, our commitment to technology and of course the quality of the team.

Our strategy has remained constant in terms of targeting scale, leadership, technology and longevity. With the reloading we are doing more and taking on more Exploration risk. In addition, we have embraced unconventional resources in the last decade and they are an increasing component of our future.

To do all this, we have had to change, both in terms of organisation and in process. In particular there are three dimensions where we have implemented change:

the delivery of operational efficiency

rapid and global deployment of new technology

a major upgrade to our planning capability

Rebecca shared the example of a high quality seismic programme being delivered with cost and technology efficiency. This was made possible by our new centralised and functional model anabling the sharing of an OBC seismic crew between the North Sea and Trinidad. Another example is the deployment of a single, semi-submersible drilling rig and crew, shared between Egypt and Libya. Such global sharing, and the rapid deployment of technology was unusual in the decentralised BP, today it is becoming the norm.

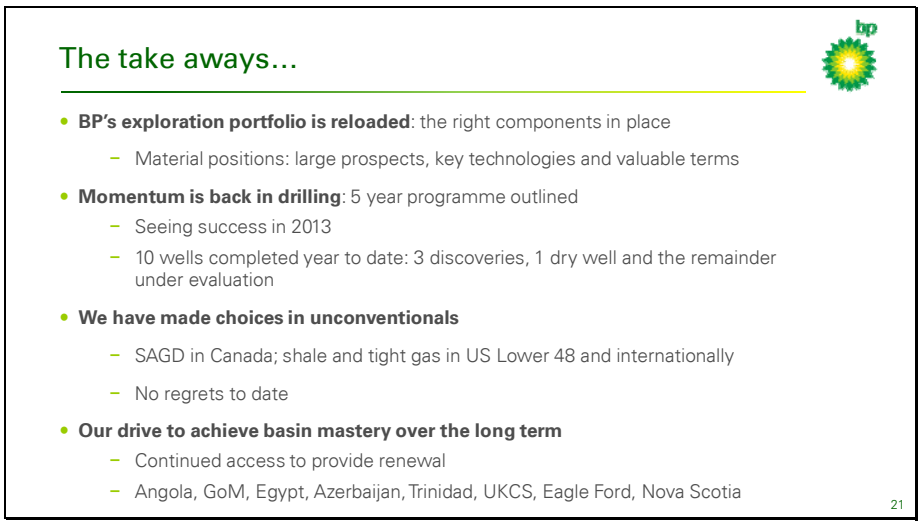
As an indicator of efficiency, you can see from the chart at the top left that our exploration headcount increase has been modest compared to a 3 fold growth in our prospect inventory.

The map shows the location of BP's Exploration activity set which is spread across the globe. In stark contrast, the work is largely centralized into two technical centres, Houston and Sunbury.

Our activity is now prioritized and allocated to the teams best placed to execute it globally.

The lower bar chart shows our workforce capability against our prioritized projects. You will observe we have more options than people to work them.

This is exactly where we intend to be, to enable us to drive quality-through-choice and to hold a rich hopper of future options. A key challenge then is to have the discipline to stop things when they fail, and move on to the next option.



To close, the thoughts I would like to leave you with are:

We have reloaded our hopper with material exploration and resource positions that can make a difference to BP, and sustain and grow the company

We have regained our exploration momentum, and have a 5 year drilling plan. And we are seeing success already in 2013.

We are in the process of expanding our global unconventional inventory, but continue to be selective and focused.

And finally, we continue to learn and experiment in our heartlands as we push ourselves to understand and see the next opportunity set. Our drive remains to achieve basin mastery where we operate.

So, thank you to Spencer, Rebecca and Jonathan. I should also say that there are some 600 great people supporting the efforts we have outlined here. And believe me, they are committed to being good at this. There is nothing more powerful.