
1Q 2014 Results
29th April 2014
bp
Clair, North Sea

Hello and welcome. This is BP's first quarter 2014 results webcast and conference call.

I'm Jess Mitchell, BP's Head of Investor Relations and I'm here with our Group Chief Executive Bob Dudley, and our Chief Financial Officer Brian Gilvary. Before we start, I need to draw your attention to our cautionary statement.

Cautionary statement

bp

Forward-looking statements - cautionary statement

This presentation and the associated slides and discussion contain forward-looking statements – that is, statements related to future, not past events – with respect to the financial condition, results of operations and business of BP and certain of the expectations, intentions, plans and objectives of BP with respect to these items, in particular statements regarding: plans regarding future divestment of $10 billion in assets by 2015; [expectations regarding second quarter 2014 reported production;] plans to continue to increase heavy crude processing at the Whiting refinery to [280,000] barrels per day during the end of the second quarter; expectations regarding a continued strong performance from Lubricants and a challenging petrochemicals environment; the expected levels of gearing, the full year effective tax rate and the average quarterly charge in Other Businesses and Corporate; plans to complete 15 exploration wells in 2014; plans regarding major projects including the timing of start-ups; expectations regarding operated production in the Global Wells Organization; prospects for the 2014 turnaround programme; plans to halt refinery operations at Bulwer Island; the anticipated delivery of an increase in operating cash flow by more than 50% by 2014 versus 2011; expectations regarding prospects for future distributions to shareholders; expectations regarding delivery of operating cash flow of $30 to $31 billion in 2014; expectations regarding 2015 operating cash flow; expectations regarding a higher contribution from major projects in the Upstream in the future; expectations regarding material growth in operating cash flow from 2015 to 2018; plans and expectations regarding the range of capital expenditure in 2014 and from 2015 to 2018; plans and expectations regarding the 'BP Proposition', including plans to focus on value rather than volume, active portfolio management, the delivery of material growth in operating cash flow and strong capital discipline; and expectations regarding legal and trial proceedings, court decisions, potential investigations and civil actions by regulators, government entities and/or other entities or parties, and BP's intentions in respect thereof.

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 may differ materially from those expressed in such statements, depending on a variety of factors, including the timing of the receipt of relevant third party and/or regulatory approvals; 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 divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA effects; operational problems; economic and financial market conditions generally or in various countries and regions; political stability in relevant areas of the world; changes in laws and governmental regulations; 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; the impact on our reputation following the Gulf of Mexico oil spill; the actions of the Claims Administrator appointed under the Economic and Property Damages Settlement; the actions of all parties to the Gulf of Mexico oil spill-related litigation at various phases of the litigation; 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; decisions by Rosneft's management and board of directors in respect of strategy, operations or otherwise; 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 other factors discussed under "Risk factors" in BP Annual Report and Form 20-F 2013 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.

Statement of Assumptions - The operating cash flow projections in this presentation for 2014 assume an oil price of $100/bbl and a Henry Hub gas price of $5/mmBtu, and, for 2015 to 2018, assume an oil price of $100/bbl and a Henry Hub gas price of $5/mmBtu; real. These projections have been adjusted to (i) remove TNK-BP dividends from 2011 operating cash flow; (ii) include BP's estimate of Rosneft dividends; and (iii) include the impact of payments in respect of the settlements reached of all criminal and securities claims with the U.S. government. These projections do not reflect any cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Gulf of Mexico oil spill which may or may not arise during such periods. As disclosed in BP Annual Report and Form 20-F 2013, we are not today able to reliably estimate the amount or timing of a number of contingent liabilities.

Cautionary note to US investors– This presentation may contain 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. 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.

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

April 2014

3

During today's 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 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.

Thank you, and now over to Bob.

Thank you Jess and welcome to everyone who has joined us today, wherever you are in the world.

Agenda

1Q 2014 Results

US legal update

Business progress

The BP Proposition

Q&A

5

The first quarter has been a very productive three months for us.

In the Upstream, we have made new exploration discoveries and started up new projects.

In the Downstream, the newly modernised Whiting refinery continued to ramp-up, along with progress across our fuels, lubricants and petrochemicals businesses.

And we continued our focus on safe and reliable operations across the whole of the Group.

In March, we affirmed BP's proposition to shareholders out to 2018. And just to remind you of what we said, we have committed to growing sustainable free cash flow through a combination of growing operating cash and capital discipline, with the intention of growing distributions to shareholders.

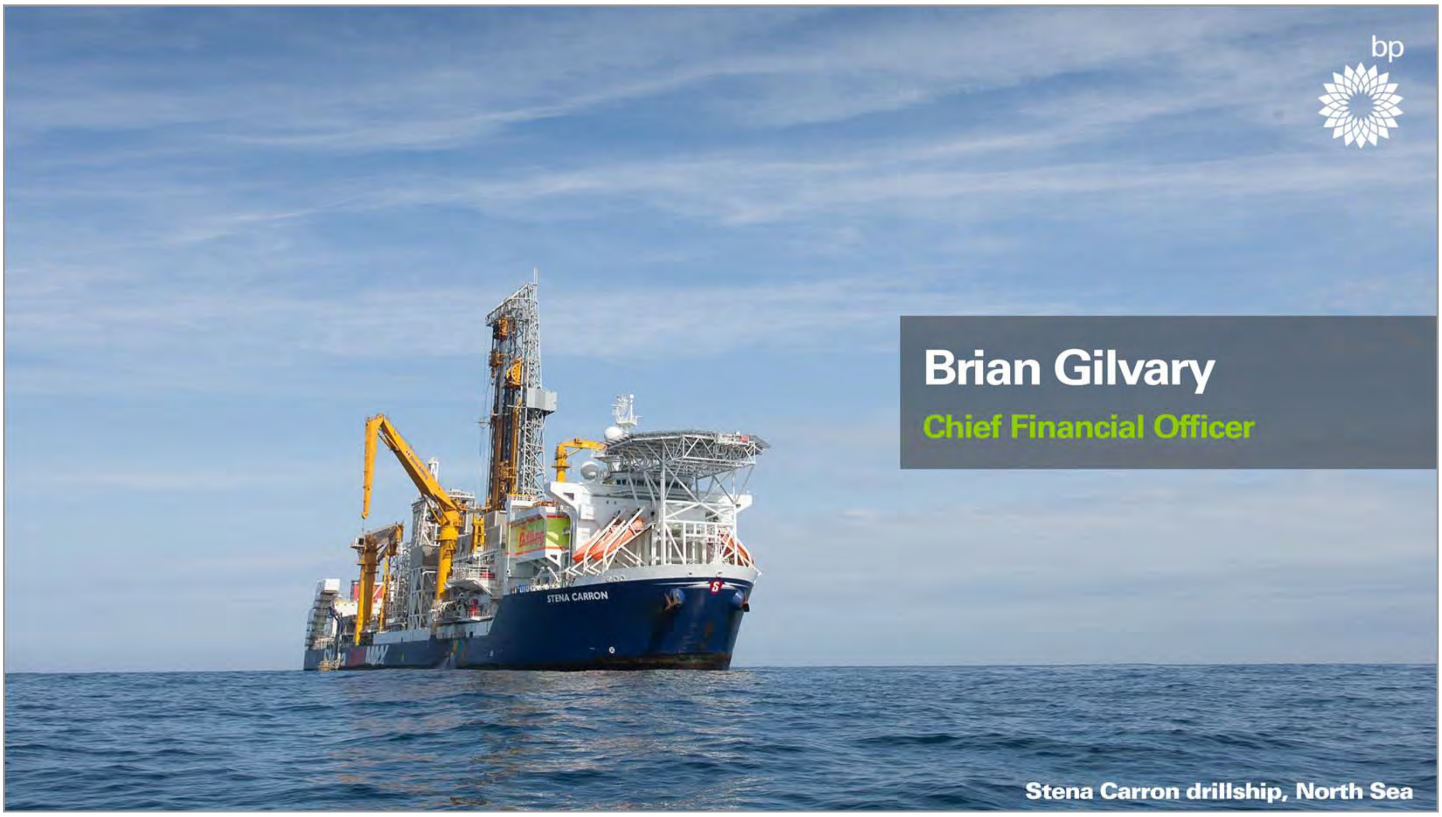
As you can see from today's results, we have delivered a solid start to the year, which puts us firmly on course to deliver our 2014 goal of delivering 30 to 31 billion dollars of operating cash flow, at a $100 oil price.

So, turning to the agenda, Brian will start by taking us through the results for the first quarter in detail, along with a reminder of our financial framework and guidance.

I will then talk briefly about on-going legal proceedings in the US before sharing some of the first quarter highlights in our operations and at Rosneft.

And finally, there will be time for Brian and I to take your questions.

So, let me now hand over to Brian to take you through the numbers.


bp
Brian Gilvary
Chief Financial Officer
Stena Carron drillship, North Sea

Thanks Bob.

1Q 2014 Summary

Underlying earnings figures are adjusted for the costs associated with the Gulf of Mexico oil spill, other non-operating items and fair value accounting effects

bp

$bn	1Q13	4Q13	1Q14
Upstream	5.7	3.9	4.4
Downstream	1.6	0.1	1.0
Other businesses & corporate	(0.5)	(0.6)	(0.5)
Underlying business RCPBIT(1)	**6.9**	**3.3**	**4.9**
Rosneft(2)	0.1	1.1	0.3
Consolidation adjustment - unrealised profit in inventory	0.4	(0.2)	0.1
Underlying RCPBIT(1)	**7.4**	**4.2**	**5.3**
Finance costs(3)	(0.4)	(0.4)	(0.4)
Tax	(2.7)	(0.9)	(1.6)
Minority interest	(0.1)	(0.1)	(0.1)
Underlying replacement cost profit	**4.2**	**2.8**	**3.2**
Underlying earnings per share (cents)	**22.0**	**15.0**	**17.5**
Dividend paid per share (cents)	**9.0**	**9.5**	**9.5**
Operating cash flow	**4.0**	**5.4**	**8.2**

(1) Replacement cost profit before interest and tax (RCPBIT)
(2) Rosneft earnings are after interest, tax and minority interest. Based on preliminary Rosneft 1Q14 results
(3) Finance costs and net finance income or expense relating to pensions and other post-retirement benefits

7

BP's first quarter underlying replacement cost profit was $3.2 billion, down 23% on the same period a year ago and 15% higher than the fourth quarter of 2013.

Compared to a year ago, the result reflects:

- Higher costs, predominantly non-cash, in the Upstream business;
- A significantly weaker refining environment; and
- Lower production.

Partly offset by:

- The return of the largest crude unit at our Whiting refinery.

Compared to the previous quarter, the result reflects:

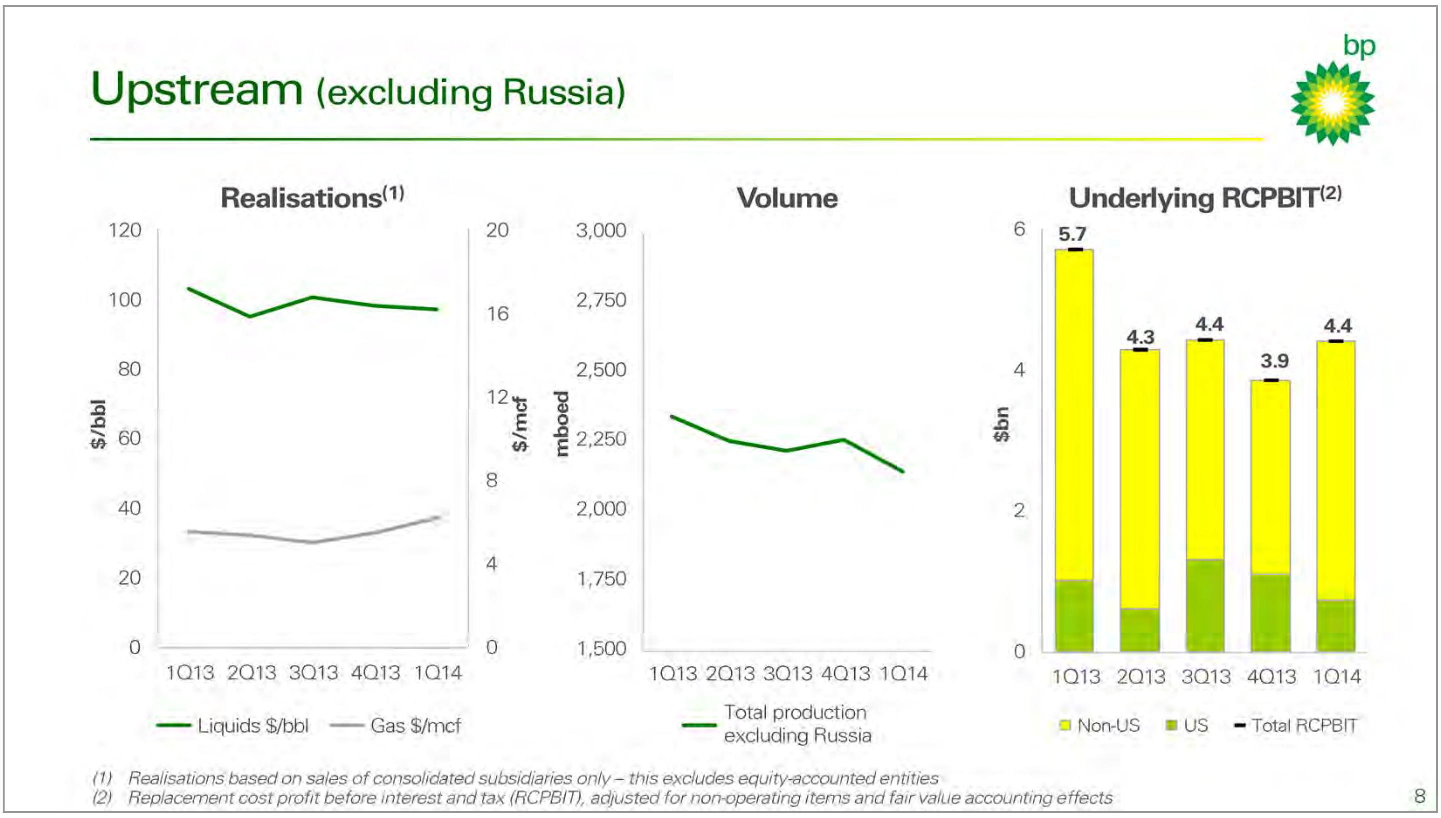
- Lower costs; and
- A stronger contribution from supply and trading in both Upstream and Downstream.

Partly offset by:

- A significant reduction in our share of earnings from Rosneft due to the recent weakness of the Rouble; and
- The absence of the one-off benefits to BP's share of Rosneft net income in the fourth quarter.

Operating cash flow was $8.2 billion for the quarter.

We have announced a 8.3% year-on-year increase in the first quarter dividend to 9.75 cents per ordinary share, payable in June.



In Upstream, the underlying first quarter replacement cost profit before interest and tax of $4.4 billion compares with $5.7 billion a year ago and $3.9 billion in the fourth quarter of 2013.

Compared to the first quarter of 2013 the result reflects:

- Higher costs, predominantly exploration write-offs and DD&A; and
- Lower production and lower liquids realisations.

Partly offset by:

- Strong gas marketing and trading results; and
- Higher gas realisations.

Following our decision to create a separate business around our US lower 48 onshore oil and gas activities, and as a consequence of disappointing appraisal results, we have decided not to proceed with development plans in the Utica shale. As a result, we have taken a $520 million exploration write-off relating to Utica acreage in the quarter.

Excluding Russia, first quarter reported production versus a year ago was 8.5% lower, primarily due to the Abu Dhabi onshore concession expiry in January and the impact of divestments. After adjusting for these factors and entitlement impacts, underlying production was slightly lower. With new major project volumes in the North Sea, Angola and the Gulf of Mexico we have grown our total underlying production in higher-margin areas.

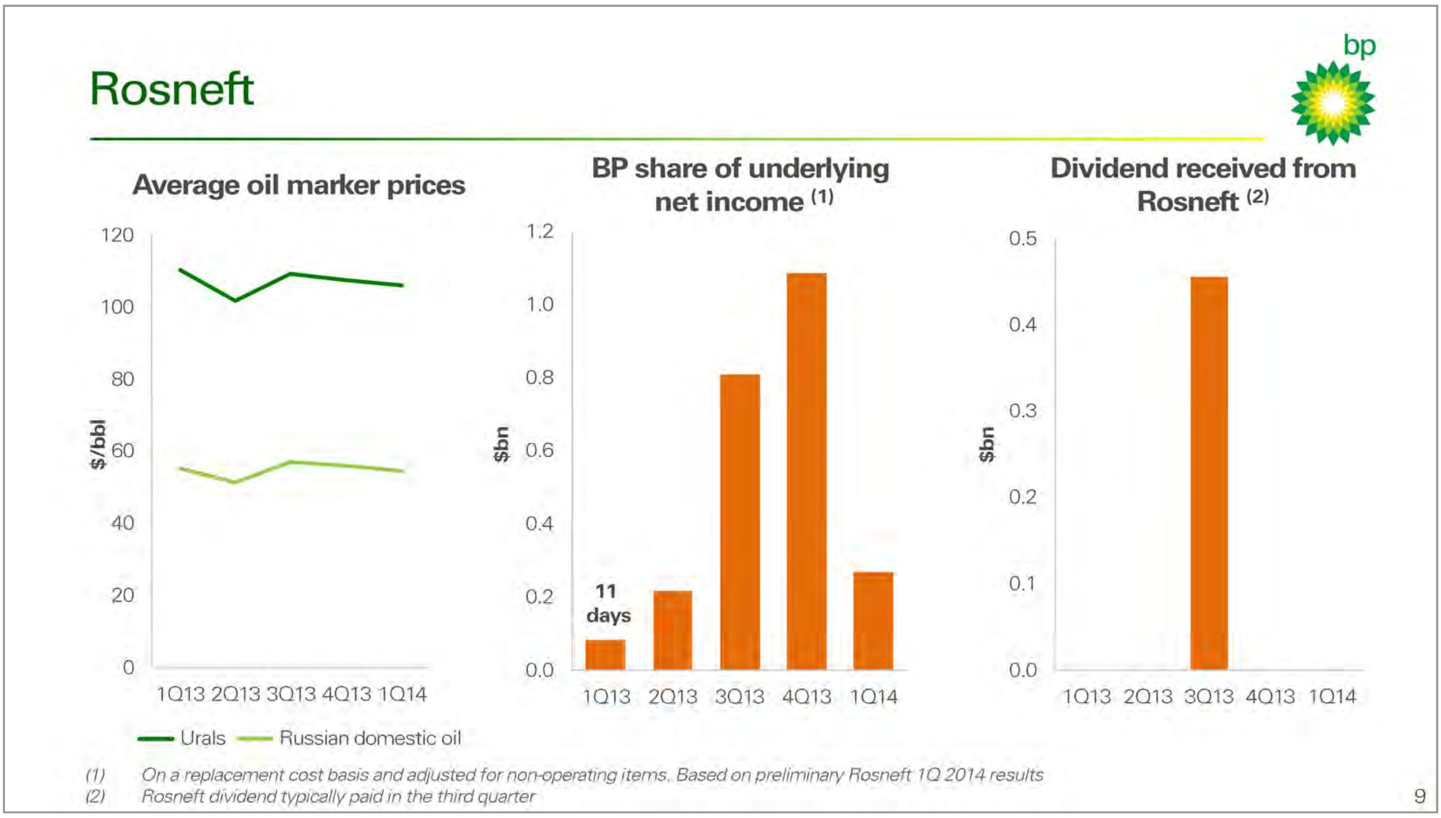
Compared to the fourth quarter, the result reflects:

- Lower costs;
- Higher gas realisations; and
- Stronger gas marketing and trading results.

Partly offset by:

- The absence of the one-off benefit to production taxes in the fourth quarter; and
- Lower liquids realisations.

Looking ahead, we expect second quarter 2014 reported production to be lower than the first quarter. This is driven by planned major turnaround activity in the higher-margin North Sea and Gulf of Mexico regions. We expect the turnaround impact on production to be slightly less than the impact experienced in the second quarter of 2013.

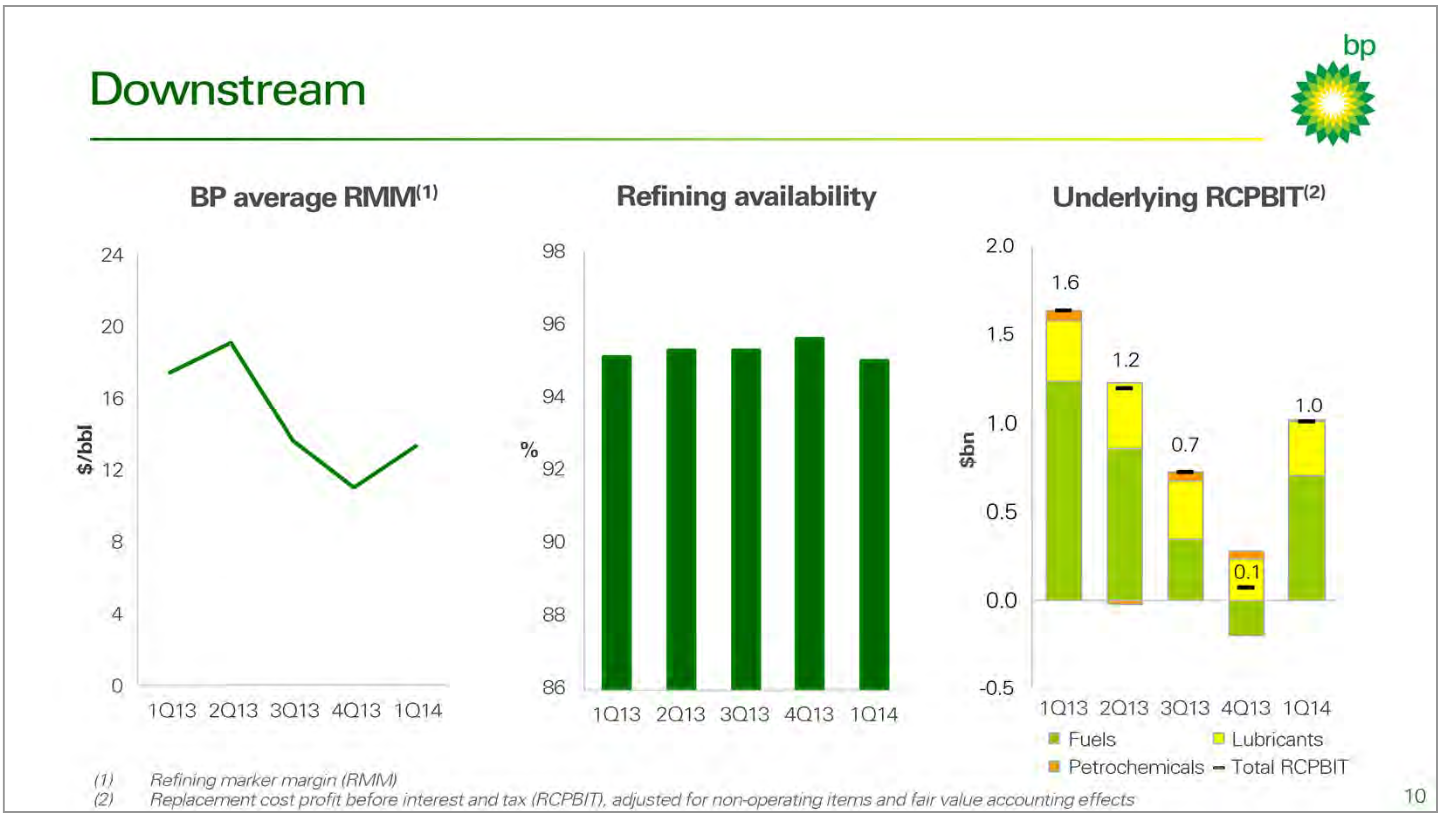


Rosneft is expected to announce first quarter results tomorrow. Based on preliminary information, we expect BP’s underlying net income related to our Rosneft shareholding to be $270 million for the first quarter. This compares to BP’s share of Rosneft net income in the first quarter of last year of $90 million, which included only 11 days of earnings.

Compared to the previous quarter, underlying net income is expected to be $820 million lower. The first quarter was adversely impacted by the devaluation of the Rouble and the absence of adjustments made in the fourth quarter to finalise BP’s equity accounting for 2013.

BP’s share of Rosneft production for the first quarter is estimated at one million barrels of oil equivalent per day.

We expect to receive our next dividend from Rosneft in the third quarter of 2014.



In the Downstream, the first quarter underlying replacement cost profit before interest and tax was $1 billion compared with $1.6 billion in the first quarter last year and $70 million in the fourth quarter.

The fuels business reported an underlying replacement cost profit before interest and tax of $700 million in the first quarter, compared with a $1.2 billion profit in the same quarter last year. The decrease reflects:

– A significantly weaker refining environment.

Partly offset by:

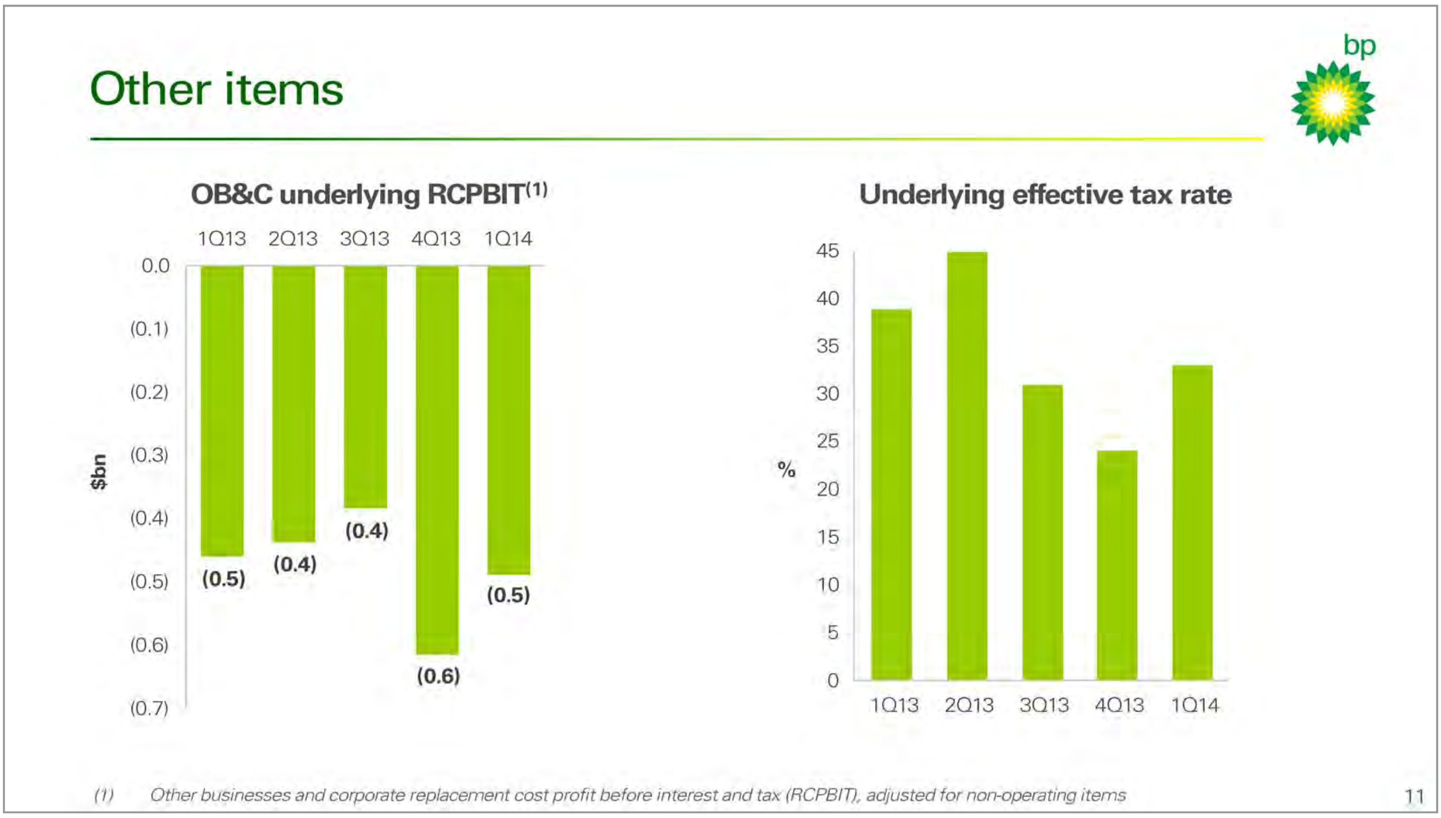
– The return of the largest crude unit at our Whiting refinery which had a planned outage in the same period of 2013; and
– The progressive increase in heavy crude processing throughout the quarter.

This quarter, the fuels business also had a strong supply and trading contribution, similar to the first quarter of 2013. Heavy crude processing continued to increase at Whiting, reaching about 200,000 barrels per day at the end of the quarter. It is expected to reach around 280,000 barrels per day during the second quarter, optimising to market conditions.

The lubricants business reported an underlying replacement cost profit before interest and tax of $310 million compared with $350 million in the same quarter last year. The difference is primarily due to exchange rate effects on the Indian Rupee, the British Pound, and the South African Rand. Beyond this, the result reflects continued delivery of our strategy focused on premium lubricants, leading brands and high growth markets.

The petrochemicals business reported a break-even result. Our major complex near

Shanghai has been down for a site turnaround since early March. The environment for this business continues to be challenging with strong product demand growth more than offset by excess supply.



In Other Businesses and Corporate, we reported a pre-tax underlying replacement cost charge of $490 million for the first quarter, in line with guidance.

Guidance for 2014 remains unchanged with the average underlying quarterly charge in the range of 400 to 500 million dollars per quarter.

The underlying effective tax rate for the first quarter was 33%, compared to 39% in the first quarter of 2013. The rate is lower than a year ago mainly due to foreign exchange effects and a higher level of equity income from Rosneft, which is reported net of tax.

Guidance for the full year effective tax rate remains around 35%.

Gulf of Mexico oil spill costs and provisions pre-tax[1]

$bn	To end 2013	1Q14	Cumulative to date
Income statement			
Charge for the period	42.7	0.0	42.7
Balance sheet[2]			
Brought forward		8.5	
Charge to income statement	42.7	0.0	42.7
Payments into Trust Fund	(20.0)	-	(20.0)
Cash settlements received	5.4	-	5.4
Other related payments in the period[3]	(19.6)	(0.7)	(20.3)
Carried forward	8.5	7.8	7.8
Cash outflow	**34.2**	**0.7**	**34.9**

(1) Includes contributions received from Mitsui, Weatherford, Anadarko and Cameron
(2) Balance sheet amount includes all provisions, other payables and the asset balances related to the Gulf of Mexico oil spill
(3) Please refer to details as disclosed in the first quarter Stock Exchange Announcement

12

The charge for the Gulf of Mexico oil spill was $40 million in the first quarter, primarily reflecting the on-going cost of running the Gulf Coast Restoration Organisation.

The total cumulative pre-tax charge for the incident to date is now $42.7 billion.

The charge does not include any provision for business economic loss claims that are yet to be received, processed and paid. Bob will provide an update on the legal process shortly, but as we have previously advised, it is still not possible to reliably estimate the remaining liability for business economic loss claims. We will continue to revisit this each quarter.

The pre-tax cash outflow on costs related to the oil spill for the first quarter was $700 million.

The cumulative amount estimated to be paid from the Trust Fund remained at $19.3 billion, leaving unallocated headroom available in the Trust for further expenditures of around $700 million. In the event that the headroom is fully utilised, subsequent additional costs will be charged to the income statement as they arise.

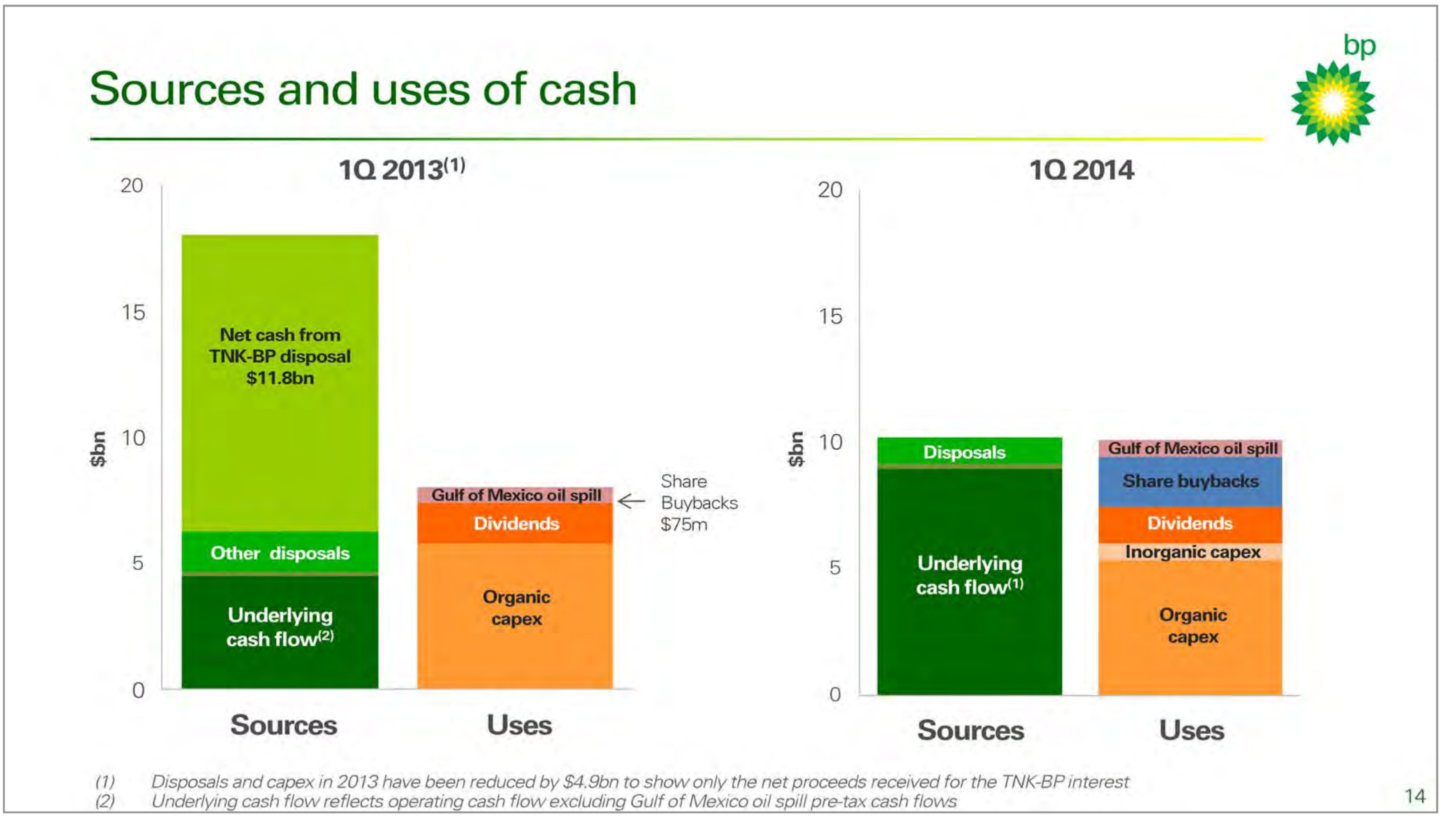
At the end of the quarter, the aggregate remaining cash balances in the Trust and qualified settlement funds was $6.6 billion, with $20 billion paid in and $13.4 billion paid out.

And as indicated in previous quarters, we continue to believe that BP was not grossly negligent and have taken the charge against income on that basis.

Turning now to divestments.

In 2013 we completed our $38 billion divestment programme and the sale of our share of TNK-BP to Rosneft for $27.5 billion. We continue to actively manage our portfolio and in October announced plans to divest a further $10 billion of assets by the end of 2015.

So far we have signed deals worth over $3 billion against this commitment. This includes the recently announced sale of a package of assets in the Alaskan North Slope for $1.25 billion.



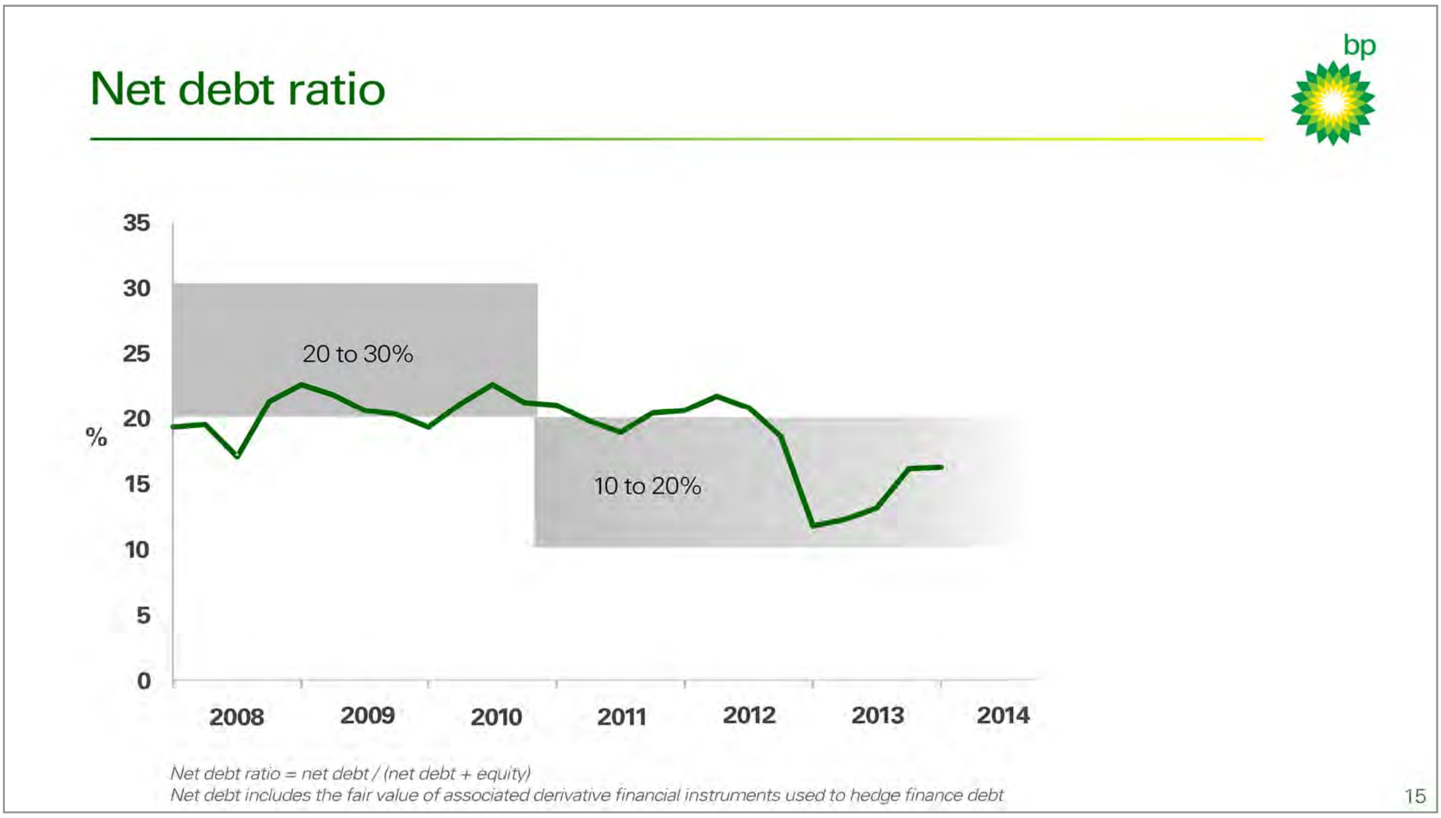
This slide compares our sources and uses of cash in the first quarter of 2013 and 2014.

Operating cash flow was $8.2 billion in the first quarter of 2014 compared to $4 billion a year ago. Excluding oil spill related outgoings, underlying cash flow was $8.9 billion compared to $4.5 billion a year ago. In both cases, the increase is largely due to continued robust cash delivery from our businesses and the absence of the build of working capital reported in the first quarter of 2013.

Our organic capital expenditure in the first quarter was $5.4 billion. Inorganic capital expenditure in the quarter was $680 million, and included the purchase of additional equity in Shah Deniz and the South Caucasus Pipeline in Azerbaijan.

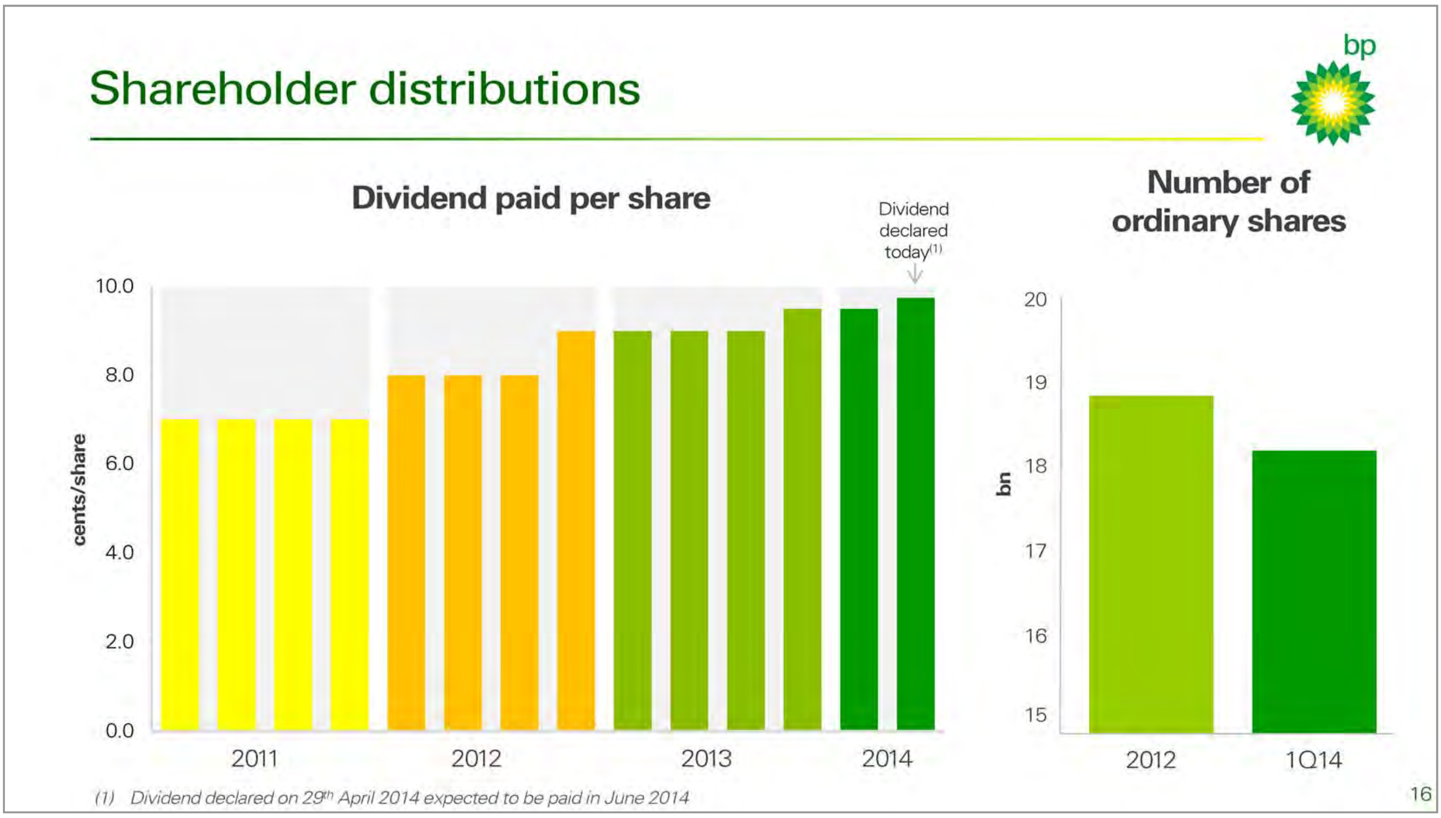
We received divestment proceeds of $1 billion during the first quarter.

$2 billion of shares were also repurchased in the quarter.



At the end of the first quarter, net debt was $25.3 billion with gearing at 16.2%.

As previously stated, our intention remains to keep gearing in a target band of 10 to 20% while uncertainties remain.



As already noted, today we announced an increase in our quarterly dividend to 9.75 cents per ordinary share, 8.3% higher than than a year ago. This reflects our confidence in our ability to grow sustainable free cash over the medium to longer term and the delivery of the 10-point plan. As previously announced, the Board will continue to review the dividend with the first and third quarter results each year.

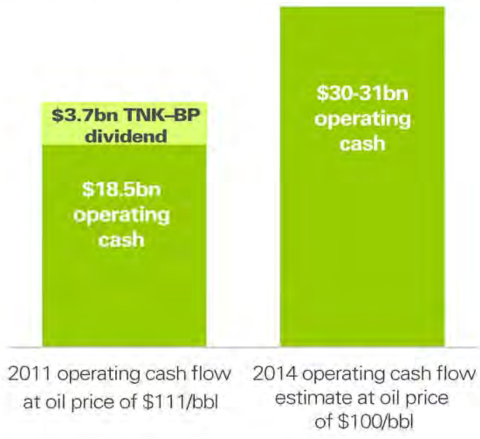
Since the 1st of January this year, we have bought back $2.1 billion of our own shares, bringing the cumulative total since early 2013 to $7.6 billion. Our $8 billion share buyback programme from the proceeds of the sale of our interest in TNK-BP is now approaching completion.

We intend to use the post-tax proceeds from our current $10 billion divestment programme predominantly for shareholder distributions, with a bias to share buybacks. This will support a continuation of buybacks beyond the current programme.

Growing sustainable free cash flow

- Progressive dividend policy underpinned by
  - More than 50% growth in operating cash flow in 2014 at $100/bbl versus 2011[(1)]
  - Material growth in operating cash flow from 2015 to 2018
  - Strong capital discipline
    - $24-25bn in 2014
    - $24-26bn between 2015 and 2018
- Surplus cash biased to further distributions
- Gearing target of 10-20% while uncertainties remain

Post-tax operating cash flow



(1) See statement of assumptions in the cautionary statement; Adjusted to remove TNK-BP dividends from 2011 operating cash flow; 2014 includes BP estimate of Rosneft dividend; 2014 includes the impact of payments in respect of the settlement of all criminal and securities claims reached with the US Government and SEC; Does not reflect other future potential cash flows arising from the Gulf of Mexico oil spill; BP assumptions for 2014: $100/bbl oil, $5/mmbtu Henry Hub gas

17

Looking further out to 2018 and the financial outlook we shared with you in March.

We remain confident of delivering operating cash flow of 30 to 31 billion dollars in 2014 at $100/bbl, an increase of more than 50% over 2011.

Relative to 2013, this reflects the higher expected contribution from major projects in the Upstream, the continuing ramp-up of the Whiting refinery and some reversal of the working capital builds seen in 2012 and 2013.

In 2015 we expect operating cash flow to be broadly similar to 2014, before then growing out to 2018.

We also intend to keep capital expenditure in a range of 24 to 26 billion dollars per annum over the same period.

This will provide the platform for us to continue to grow shareholder distributions. Firstly, by growing dividend per share progressively, in accordance with expected growth in sustainable underlying operating cash flow. Secondly, we will then look to bias surplus cash over and above capital requirements and dividend payments to further distributions through buybacks or other mechanisms.

Now let me hand you back to Bob.

Thank you Brian.

US legal update

MDL 2179 trial

- Phase 1 and 2 proceedings complete
- Penalty phase scheduled to begin 20th January 2015

PSC settlement[1]

- Fifth Circuit rulings on BEL[2] contract misinterpretation
  - New matching policy under consideration by District Court
  - En banc review requests pending on causation issue and related issue of final approval of settlement
- Temporary injunction remains in place for all BEL claims

EPA[3] suspension and debarment lifted

- BP and EPA reached administrative agreement resolving suspension/debarment issues

(1) Plaintiffs' Steering Committee (PSC)
(2) Business economic loss (BEL)
(3) Environmental Protection Agency (EPA)

19

Next, let me give you a brief update on the status of certain Gulf of Mexico related legal proceedings in the United States.

As you probably know, the first and second phases of the MDL 2179 trial in New Orleans are now complete, with the court yet to rule on either.

The penalty phase, in which the court will hear evidence regarding the penalty factors set out in the Clean Water Act, has been scheduled to begin on January 20th next year.

Separately, BP continues to contest the payment of business economic loss claims which we believe to be unfounded. Last month the Fifth Circuit denied BP's request for a permanent injunction to prevent the payment of business economic loss claims not traceable to the oil spill. We disagree with this decision and have requested an en banc hearing review by all of the active Fifth Circuit judges. We have also asked the Court to consider this petition at the same time as it considers our petition in the appeal related to the final approval of the settlement.

Importantly, the court issued a fair and reasonable ruling regarding the matching of revenues and expenses in calculating business economic loss claims, and a new matching policy has been submitted to the District Court for approval. BP has indicated its support for the policy, while the Plaintiffs' Steering Committee have objected. In the meantime, the temporary stay of all business economic loss claim payments remains in place until the Appellate Court issues its mandate.

Also last month, BP entered into an administrative agreement with the United States Environmental Protection Agency, on behalf of the federal government, resolving all matters related to the suspension, debarment and statutory disqualification of BP following the Deepwater Horizon accident and oil spill. As a result of this agreement, BP is once again eligible to enter into contracts with the US government, including new deepwater drilling leases in the Gulf of Mexico and fuel supply contracts, and I will come back to this in a moment.

We are determined to pursue fair outcomes in all legal proceedings for our millions of large and small shareholders. We continue to compartmentalise the management of these activities to avoid distraction, and BP's operating teams remain firmly focused on delivering our business objectives.

Upstream milestones and progress

Active portfolio management

- Sale of selected Alaska North Slope interests
- New model for US Lower 48 onshore business

Access and exploration

- New discoveries at Orca and Notus prospects
- Success in Gulf of Mexico lease sale

Major projects

- Four major project start-ups online so far in 2014
- Three further projects on track to start-up this year

Operations

- Execution of turnaround programme
- Continued improvement in BP-operated plant efficiency

Wells

- Production from new wells and interventions forecast to be highest for 4 years

20

Turning to the Upstream, we announced last week a deal to sell interests in a number of our Alaskan assets to Hilcorp for $1.25 billion, plus a development carry for the Liberty field of up to $250 million. This deal will concentrate our operating footprint and we expect it to drive higher activity into the basin. This enables us to focus more intensely on maximising production from Prudhoe Bay, North America's largest oil field, as well as progressing the Alaska LNG opportunity.

In exploration, following last year's success, we intend to complete at least 15 exploration wells in 2014. Eight wells have already been completed, resulting in two new discoveries at Orca, in Angola, and Notus, in Egypt. Both of these wells were tests of newly acquired acreage and give us further encouragement in the plays we are testing.

We continue to access new acreage, as our recent result in the Gulf of Mexico lease sale shows. BP was the highest bidder on 24 out of 31 blocks, with final award subject to regulatory approval. This was made possible by the lifting of BP's debarment by the US EPA in March and demonstrates our continued commitment to the Gulf of Mexico.

Turning to projects, the first quarter of 2014 saw three major project start-ups - Na Kika Phase 3 and Mars B in the Gulf of Mexico and the Chirag Oil Project in Azerbaijan.

And I am pleased to say that the Atlantis North Expansion Phase 2 project in the Gulf of Mexico started up earlier this month. This milestone represents the first of our four new production wells in this development.

We continue to make progress on three further start-ups planned for 2014:

- In Angola, the CLOV FPSO is now moored on-site, with hook-up, well clean-up and other pre-commissioning activities now in progress.

- In the North Sea, the Kinnoull project offshore construction and commissioning ramp-up are on track.

- And finally in Canada, all wells have been drilled on the Sunrise Phase 1 oil sands project. The wells facilities are also complete and construction of the central processing facilities is in progress.

In our operations, we have started our 2014 turnaround programme, with our first, in Angola, completed ahead of schedule. The majority of seasonal turnaround activities will occur in the second and third quarters. Having invested heavily over the past few years, our 2014 programme represents a lower level of activity compared to prior years.

We continue to see an improvement in our operations, with first quarter BP-operated plant efficiency more than one per cent higher than the 2013 average. This is driven by our investment in maintenance and reliability, as well as the benefits being delivered by our functional organisation model.

Finally, in our Global Wells Organisation, we expect to deliver our highest operated production from new wells and wellwork for four years. Our top 15 wells for 2014, which includes those on major projects, will deliver two-thirds of total new well production this year. Forty-five per cent of these wells have come online in the first quarter.

BP in Russia

Appointment of David Campbell as new BP Head of Russia

- Based in Moscow
- Reporting to BP Group Chief Executive
- Combines BP's Head of Russia and President of BP Russia roles

Rosneft milestones and progress

- Sale of 49% share in YugraGazPererabotka and long-term associated gas sales agreement with Sibur
- Continued focus on operational efficiency, major projects execution and refining modernisation

21

With regard to Russia, let me first update you on some organisational changes.

We recently announced the appointment of David Campbell as BP's new Head of Russia, based in Moscow and reporting directly to myself. David brings 30 years of experience in commercial, technical and operational leadership roles across a wide range of locations including the Alaskan Arctic, the North Sea, Mexico and Iraq as well as within TNK-BP. This move combines the BP Head of Russia and Regional President roles, simplifying and focusing how we manage our unique position in Russia.

Turning to Rosneft's progress during the quarter. Recent events have created some volatility in the Russian financial markets, and as you have seen the weaker Rouble has affected current quarter earnings. However, Rosneft continues to make strong progress. In the quarter, this included an asset sale of over $1 billion to Sibur, with whom Rosneft also concluded a significant long-term associated gas sales agreement. Rosneft are also focusing on improvements in the efficiency of their operations and also continue to progress the execution of their major projects and their on-going refinery modernisation programme.

Our commitment to Rosneft is a long-term one. Our relationship continues to grow and we believe that it will have significant benefits for both Rosneft and BP.

Downstream milestones and progress

Progress

- 1Q14 Solomon refining availability at 95%
- Heavy crude throughput at Whiting refinery reached about 200,000 barrels per day at end 1Q14

Milestones

- Announced decision to halt refining operations at Bulwer refinery in Australia
- Acquisition of remaining 50% joint venture interests in PTA[1] plant in Indonesia
- Launched Castrol EDGE with TITANIUM Fluid Strength Technology™

(1) *Purified Terephthalic Acid*

22

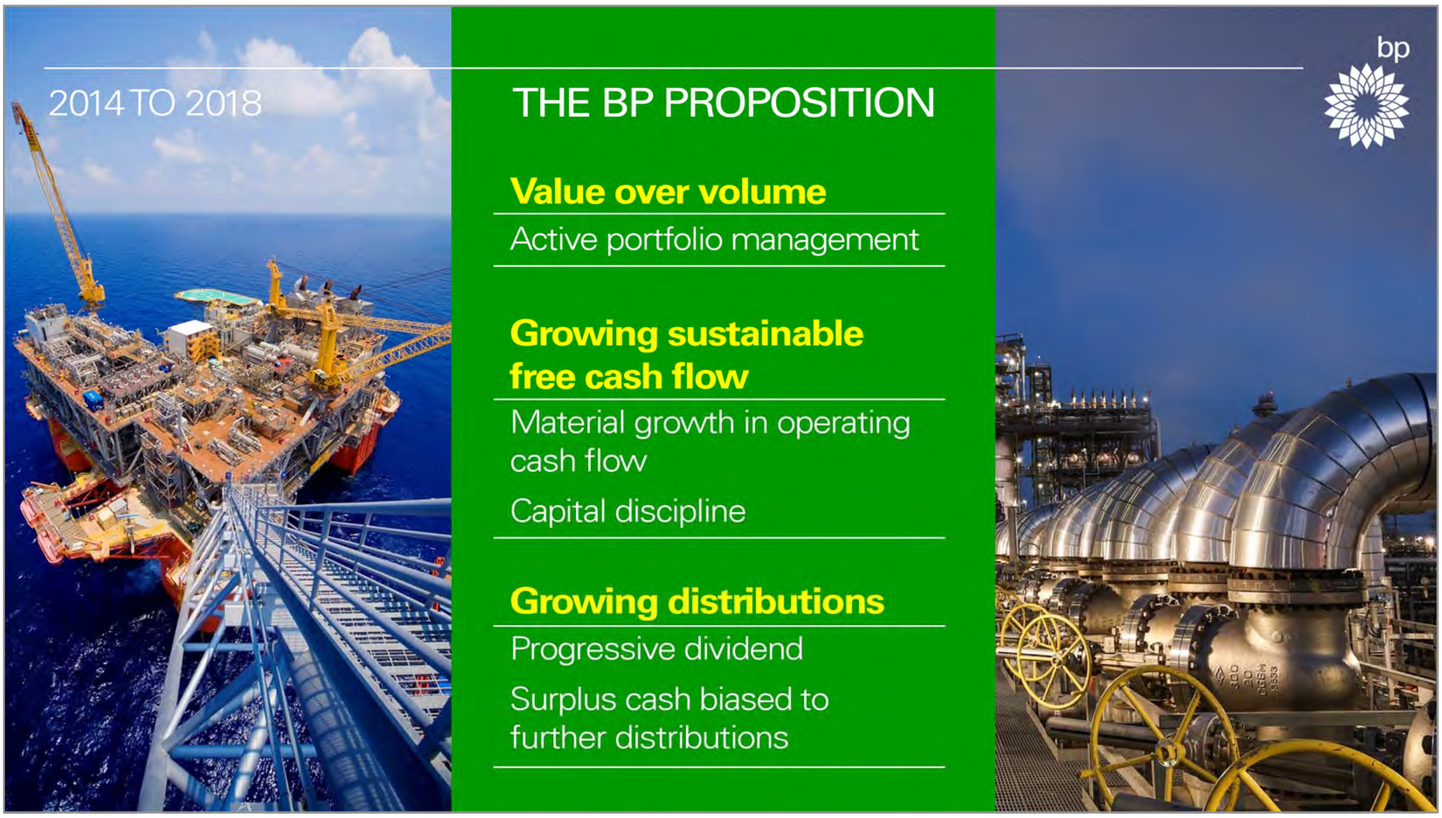
In the Downstream, the quality of our portfolio continues to improve and we are maintaining focus on safe and reliable operations. That's reflected in our high Solomon availablity, which remained strong at 95% in the first quarter.

This quarter we continued to increase heavy crude processing at the Whiting refinery. Throughput reached about 200,000 barrels per day at the end of March and in April has achieved over 210,000 barrels per day. And Whiting is expected to reach heavy throughput of 280,000 barrels per day during the second quarter.

We continue to focus on the overall quality of our Downstream portfolio, having announced earlier this month that we will be ceasing refining operations at the Bulwer Island refinery in Australia by mid 2015. This has been driven by commercial pressures experienced by small scale refineries in the region.

In Petrochemicals, we acquired the remaining 50% joint venture interests in our PTA plant in Indonesia, as we consolidate our footprint around advantaged locations.

And in Lubricants we've launched a new product, Castrol EDGE, boosted with Titanium Fluid Strength Technology, which is a unique polymer, and continues our strategic focus on technology and quality lubricants to further develop our premium brands.



So let me now sum things up.

The BP Proposition out to 2018 is to deliver value for shareholders in the form of sustainable growth in free cash flow in support of growing distributions. We plan to do this through material growth in operating cash flow, coupled with strong capital discipline.

I think we can now fairly claim to be a company that is achieving real business momentum and turning words into action.

Specifically, as you can see we are actively managing our portfolio – both unlocking value today and allowing us to focus on value over volume into the future. Our recent announcement to divest a package of assets in Alaska is a good example of this.

In exploration, we have participated in two new discoveries and eight exploration wells year-to-date.

Also in the Upstream, we have already started-up four major projects this year, all in high-margin areas.

And in the Downstream, the upgraded Whiting refinery is ramping up steadily.

This is all helping us steer a course towards material growth in operating cash flow. At the same time we are maintaining capital discipline and intend to stay strictly within the limits we have set ourselves.

So I am confident we are making strong progress and you can see this reflected in the dividend increase we have announced today.

So thank you for listening and now we will be happy to take your questions.

Q&A

Bob Dudley
Group Chief Executive

Brian Gilvary
Chief Financial Officer

Jess Mitchell
Head of Group Investor Relations