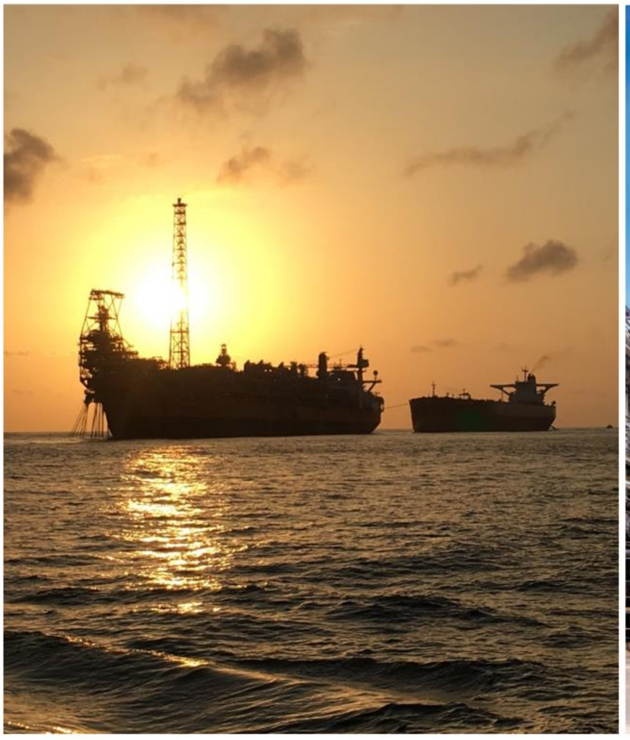
1Q 2017 Results

2 May 2017



Hello and welcome. This is BP's first-quarter 2017 results webcast and conference call.

I'm Jess Mitchell, BP's Head of Investor Relations and I'm here with our Chief Financial Officer, Brian Gilvary.

Before we start, I need to draw your attention to our cautionary statement.

Cautionary statement

Forward-looking statements - cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA'), BP is providing the following 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 expectations related to future oil prices and supply, including the potential for continued OPEC production cuts; expectations with respect to industry refining margins, crude oil differentials and turnaround activity in the second quarter of 2017; expectations with respect to reported production in the second quarter of 2017; expectations with respect to the timing and amount of future payments relating to the Gulf of Mexico oil spill; expectations that Business Economic Loss claims will be substantially paid in 2017; plans and expectations with respect to Upstream projects, investments and activities in Egypt, the North Sea, Trinidad, Oman, and Australia; expectations regarding Upstream production in the second quarter of 2017; plans and expectations regarding development of Downstream markets in Mexico and Indonesia; intention to divest BP's interest in SECCO; expectations with respect to the operating cost of the Cooper River PTA plant; expectations regarding operating cash flow, restructuring charges, organic capital expenditure, inorganic cash outflow, divestment proceeds, the average underlying quarterly charge and the effective tax rate; plans and expectations to target gearing within a 20-30% band; plans and expectations to increase production by 1 million barrels of new oil equivalent production per day by 2021, including 800 thousand barrels per day from new major projects by 2020, and to reduce the organic cash balance point to around $35-50 per barrel by 2021; and plans and expectations with respect to dividends. 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 specific factors identified in the discussions accompanying such forward-looking statements; 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 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; 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; 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; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft's management and board of directors; 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 2016 as filed with the US Securities and Exchange Commission.

This document 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. 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

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.

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

May 2017

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 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 Brian.

Thank you.

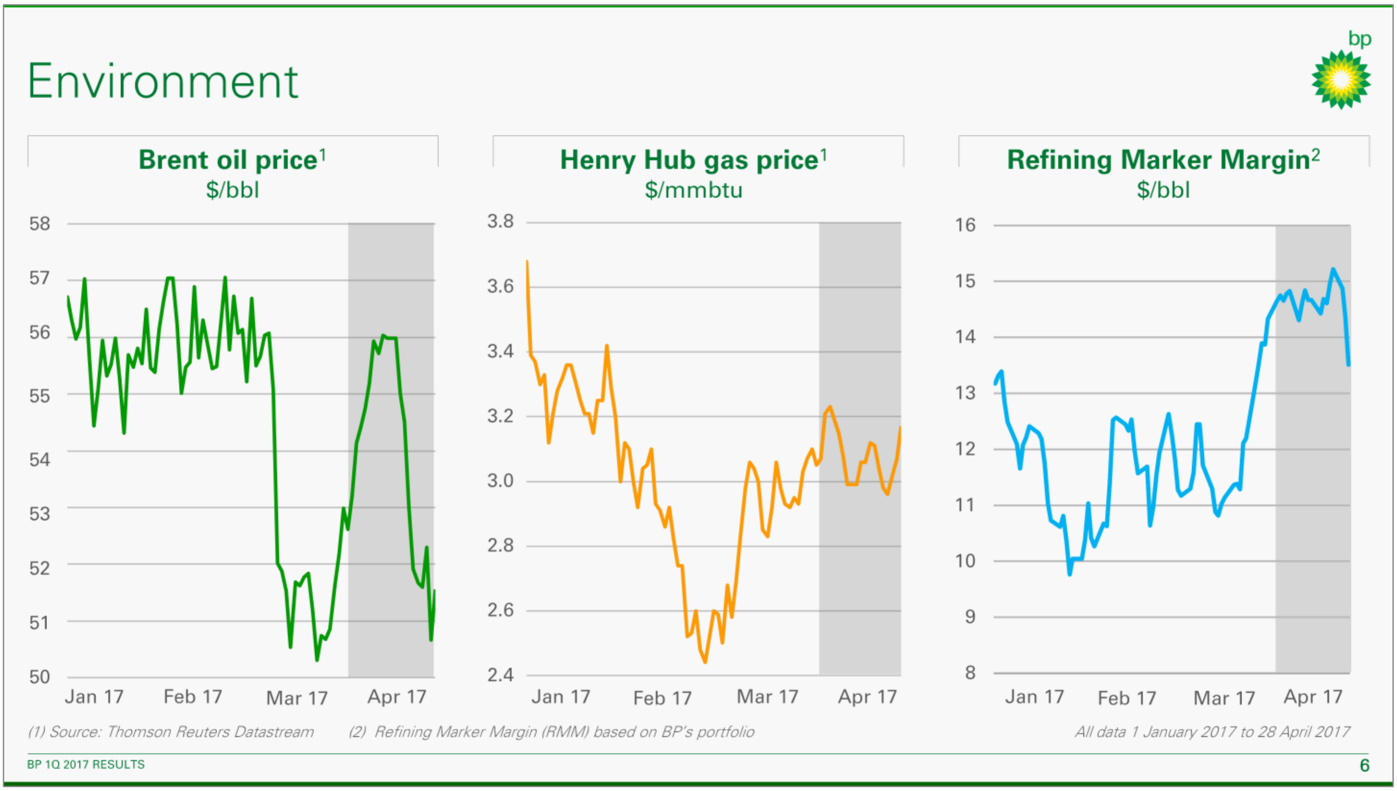
Agenda

- Environment
- 1Q 2017 Results
- Financial frame
- Business update
- Q&A

Good morning everyone and thank you for joining us.

At the end of February we laid out our investment proposition for the next five years and beyond in some detail. So today I will keep things brief, focusing mainly on our results for the quarter.

It has been a quarter with stronger underlying earnings and robust cash flow, reflecting the firming of the environment relative to prior periods and continued operational momentum in our businesses. As usual, I'll start with an overview of the environment for the quarter before taking you through the numbers and a reminder of our financial guidance for 2017. I'll finish up with an update on the progress in our Upstream and Downstream businesses before we take your questions.



Turning to the environment.

Brent crude averaged $54 per barrel in the first quarter, up from $49 per barrel in the fourth quarter of 2016 and $34 per barrel a year ago. This was despite a brief weakening of oil prices during March following a larger than expected inventory build in the United States.

Mild weather conditions in the US brought Henry Hub natural gas down from the high in December to average $3.30 per million British Thermal Units in the first quarter, compared to $3.00 in the fourth quarter and $2.10 a year ago.

The first-quarter global refining marker margin averaged $11.70 per barrel, compared to $11.40 per barrel in the fourth quarter and $10.50 per barrel a year ago.

Looking ahead we expect the oil market to continue to rebalance in 2017 driven by above average global oil demand growth. The timing and extent of this rebalancing will depend on a number of factors including, most importantly, whether OPEC cuts are extended into the second half of the year, and the extent to which US tight oil responds to the more favourable outlook.

So we expect oil prices to remain uncertain and volatile, but we continue to expect the momentum in our businesses to drive stronger operating cash flows as we move through the second half of the year driven by our cost restructuring over the last three years and the series of new projects we have coming online this year.

1Q 2017 Summary

$bn	1Q16	4Q16	1Q17	% Y-o-Y	% Q-o-Q
Upstream	(0.7)	0.4	1.4		
Downstream	1.8	0.9	1.7		
Other businesses & corporate	(0.2)	(0.4)	(0.4)		
Underlying business RCPBIT[1]	**0.9**	**0.9**	**2.7**	**201%**	**213%**
Rosneft[2]	0.1	0.1	0.1		
Consolidation adjustment - unrealised profit in inventory	0.0	(0.1)	(0.1)		
Underlying RCPBIT[1]	**1.0**	**0.9**	**2.7**	**172%**	**216%**
Finance costs[3]	(0.3)	(0.4)	(0.4)		
Tax	(0.1)	(0.1)	(0.8)		
Minority interest	(0.0)	(0.0)	(0.0)		
Underlying replacement cost profit	**0.5**	**0.4**	**1.5**	**184%**	**278%**
Underlying operating cash flow[4]	**3.0**	**4.5**	**4.4**	**47%**	**(1%)**
Underlying earnings per share (cents)	**2.9**	**2.1**	**7.7**	**169%**	**267%**
Dividend paid per share (cents)	**10.0**	**10.0**	**10.0**	**0%**	**0%**

(1) Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects
(2) BP estimate of Rosneft earnings after interest, tax and minority interest
(3) Finance costs and net finance income or expense relating to pensions and other post-retirement benefits
(4) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding pre-tax Deepwater Horizon payments

Turning now to the results for the Group.

BP's first-quarter underlying replacement cost profit was $1.5 billion, around $1.0 billion higher than the same period a year ago, and $1.1 billion higher than the fourth quarter of 2016.

Compared to a year ago, the result reflects:

- Higher Upstream liquids and gas realisations; and
- Higher production.

Partly offset by:

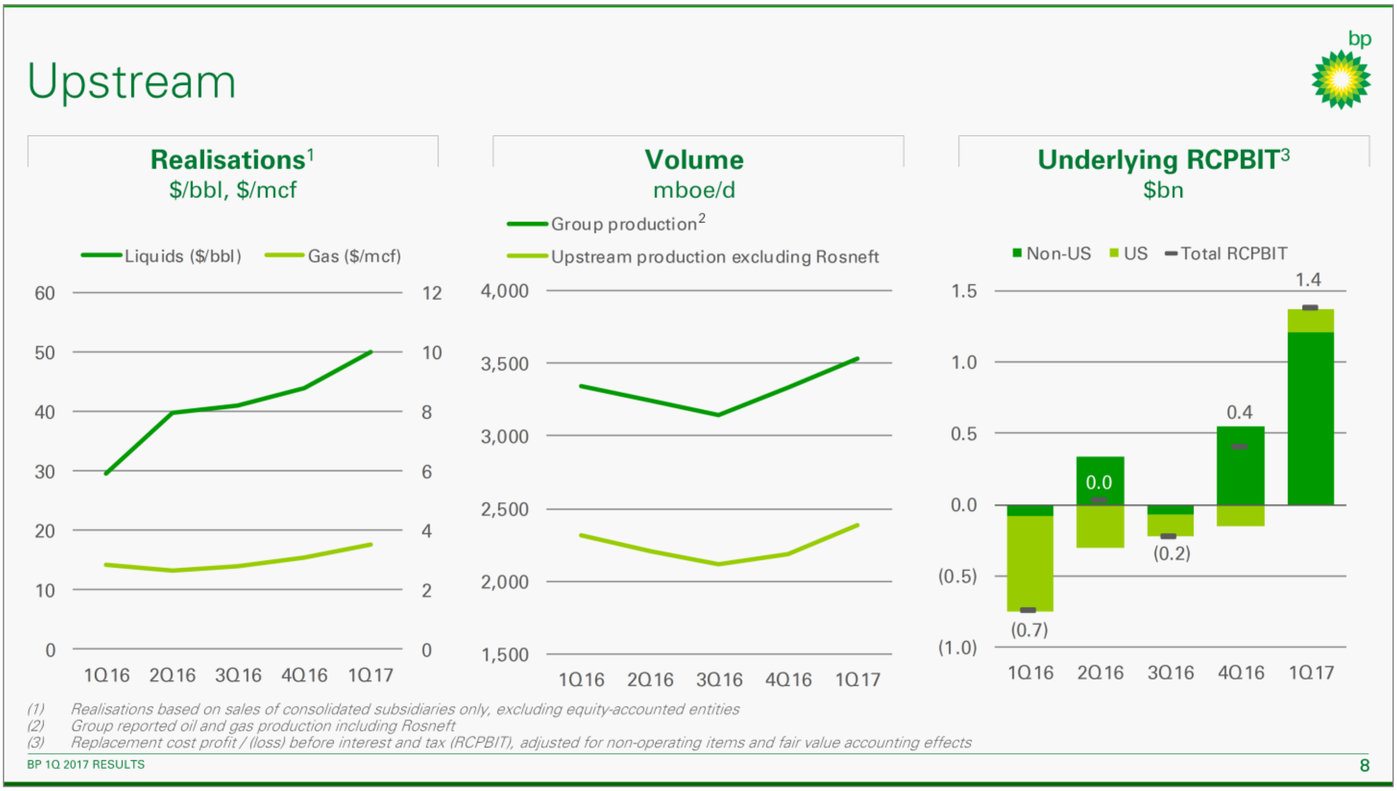
- Higher DD&A and exploration write-offs; and
- A lower contribution from oil supply and trading, although the performance for the quarter remained strong.

Compared to the previous quarter, the result reflects:

- Higher Upstream liquids and gas realisations;
- A stronger contribution from supply and trading; and
- Lower Downstream turnaround activity.

First-quarter underlying operating cash flow, which excludes Gulf of Mexico oil spill payments, was $4.4 billion.

The first-quarter dividend, payable in the second quarter of 2017, remains unchanged at 10 cents per ordinary share.



In Upstream, the underlying first quarter replacement cost profit before interest and tax of $1.4 billion compares with a loss of $750 million a year ago and a profit of $400 million in the fourth quarter of 2016.

Compared to the first quarter of 2016 the result reflects:

- Higher liquids and gas realisations; and
- Higher production including the impact of the Abu Dhabi ADCO concession renewal.

Partly offset by:

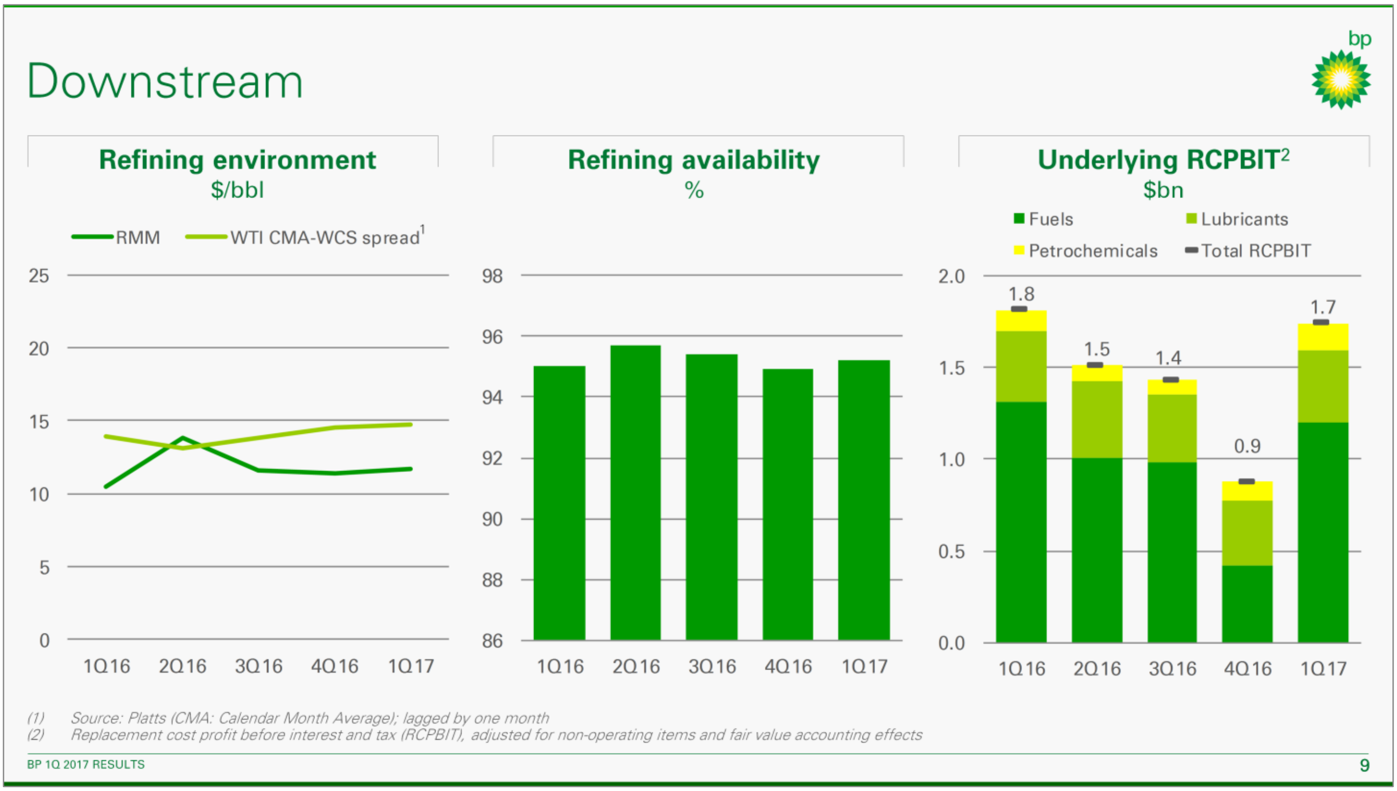
- Higher DD&A and exploration write-offs.

Excluding Rosneft, first-quarter reported production versus a year ago was 3.0% higher. After adjusting for entitlement and portfolio impacts, underlying production increased by 3.0% due to the ramp-up of major projects.

Compared to the fourth quarter the result reflects, again:

- Higher liquids and gas realisations; and
- The impact of the Abu Dhabi concession renewal.

Looking ahead, we expect second-quarter 2017 reported production to be broadly flat compared to the first quarter with the continued ramp-up of major projects offset by seasonal turnaround and maintenance activities.



Turning to the Downstream, the first-quarter underlying replacement cost profit before interest and tax was $1.7 billion compared with $1.8 billion a year ago and $880 million in the fourth quarter.

The Fuels business reported an underlying replacement cost profit before interest and tax of $1.2 billion in the first quarter, compared with $1.3 billion in the same quarter last year and $420 million in the fourth quarter.

Compared to a year ago the result reflects:

– Improved refining margins; and

– A higher fuels marketing performance.

Offset by:

– A higher level of turnaround activity; and

– A lower contribution from supply and trading, although as already noted, the trading performance for the quarter remained strong.

Compared to the fourth quarter, the result reflects:

– A stronger supply and trading performance;

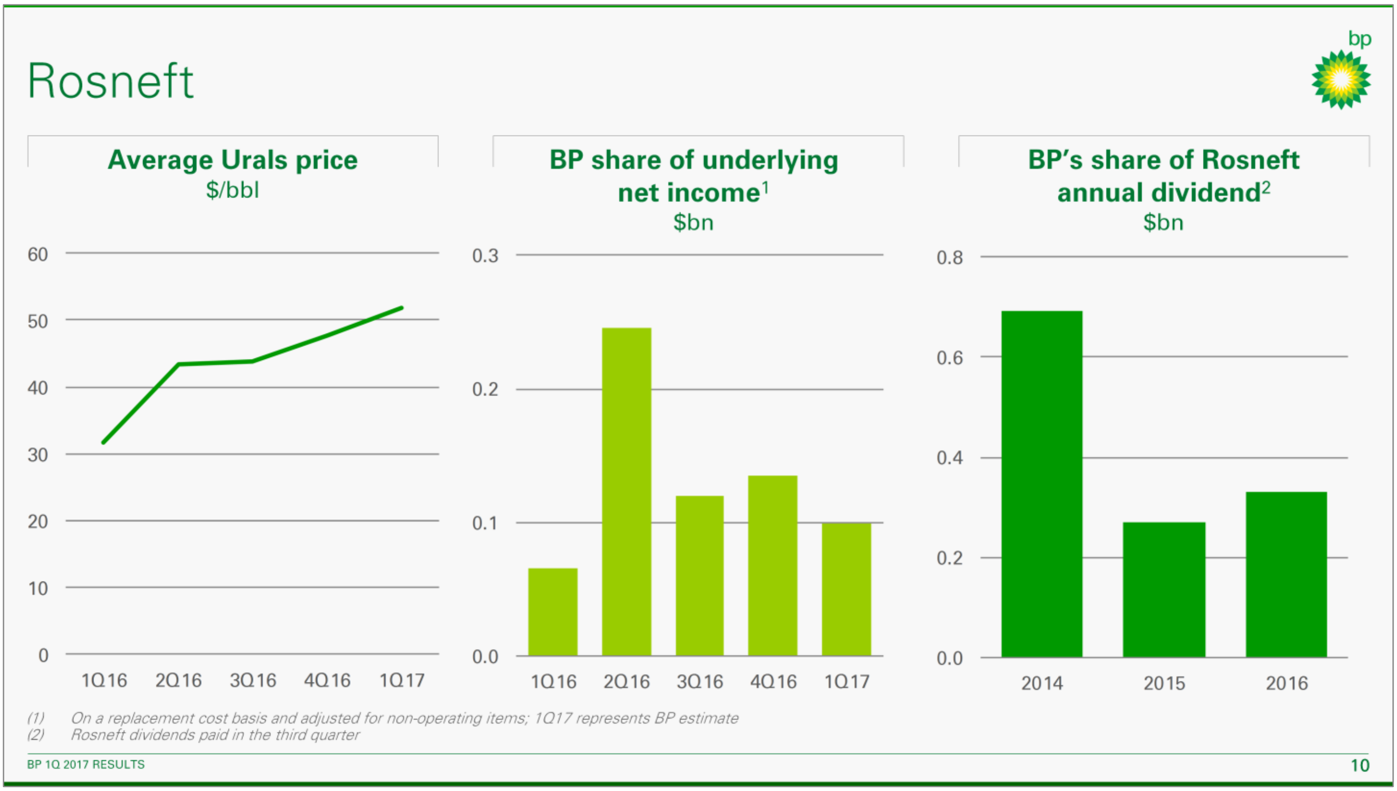
– A lower level of turnaround activity; and

– Benefits from lower costs.

The Lubricants business reported an underlying replacement cost profit of $390 million in the first quarter, compared with $380 million a year ago and $360 million in the fourth quarter.

The Petrochemicals business reported an underlying replacement cost profit of $150 million in the first quarter, compared with $110 million a year ago and $100 million in the fourth quarter.

In the second quarter, we expect improved industry refining margins to be offset by both narrower North American heavy crude oil differentials and a higher level of turnaround activity compared with the first quarter.



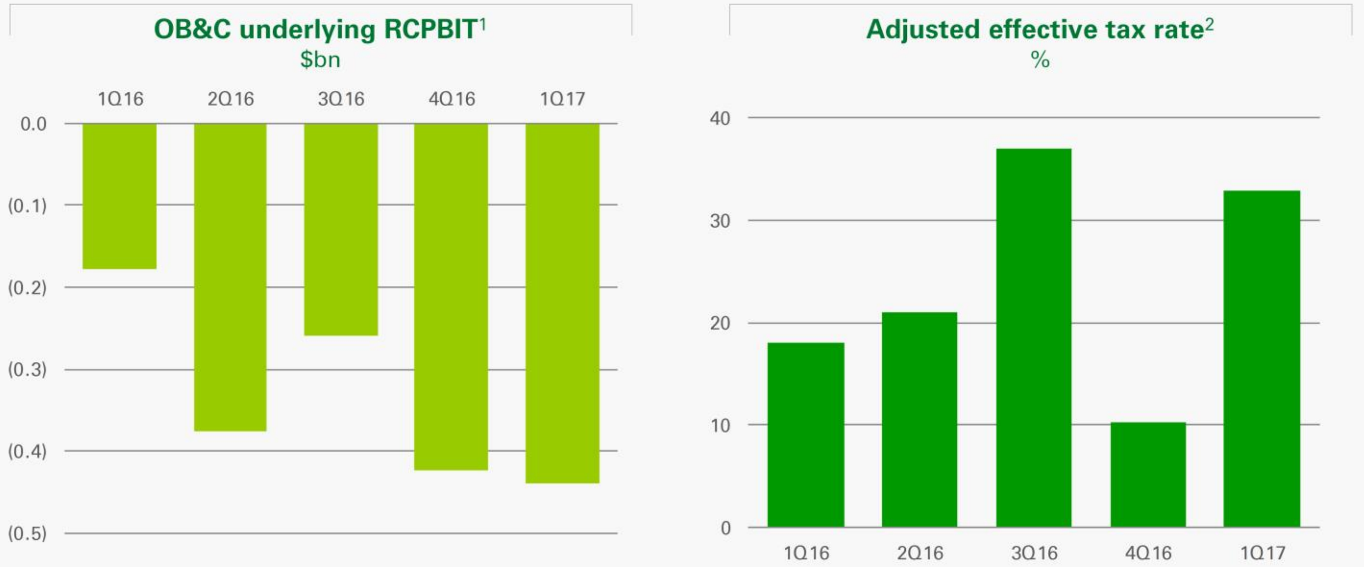
Turning to Rosneft. Based on preliminary estimates, we have recognised $100 million as BP's share of Rosneft's underlying net income for the first quarter compared to $66 million a year ago reflecting a higher Urals price offset by adverse foreign exchange impacts from a stronger rouble.

Our estimate of BP's share of Rosneft's production for the first quarter is 1.1 million barrels of oil equivalent per day, an increase of 11% compared with a year ago and roughly flat compared with the previous quarter. The increase versus last year reflects the completion of the acquisition of Bashneft, commencement of the Suzun and East Messoyakha fields and Rosneft's increased stake in the Petromonagas joint venture.

Further details will be available when Rosneft report their first-quarter results.

On the 24th of April, the Rosneft board indicated a recommended dividend payout of 35% of IFRS earnings. At current exchange rates, this would imply a dividend payable to BP of around $200 million after tax for 2016, that is expected to be paid in the third quarter of 2017. The final decision regarding the payout will be taken at Rosneft's upcoming Annual General Meeting.

Other items



(1) Other businesses and corporate replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items
(2) Effective tax rate on replacement cost profit adjusted to remove the effects of non-operating items and fair value accounting effects

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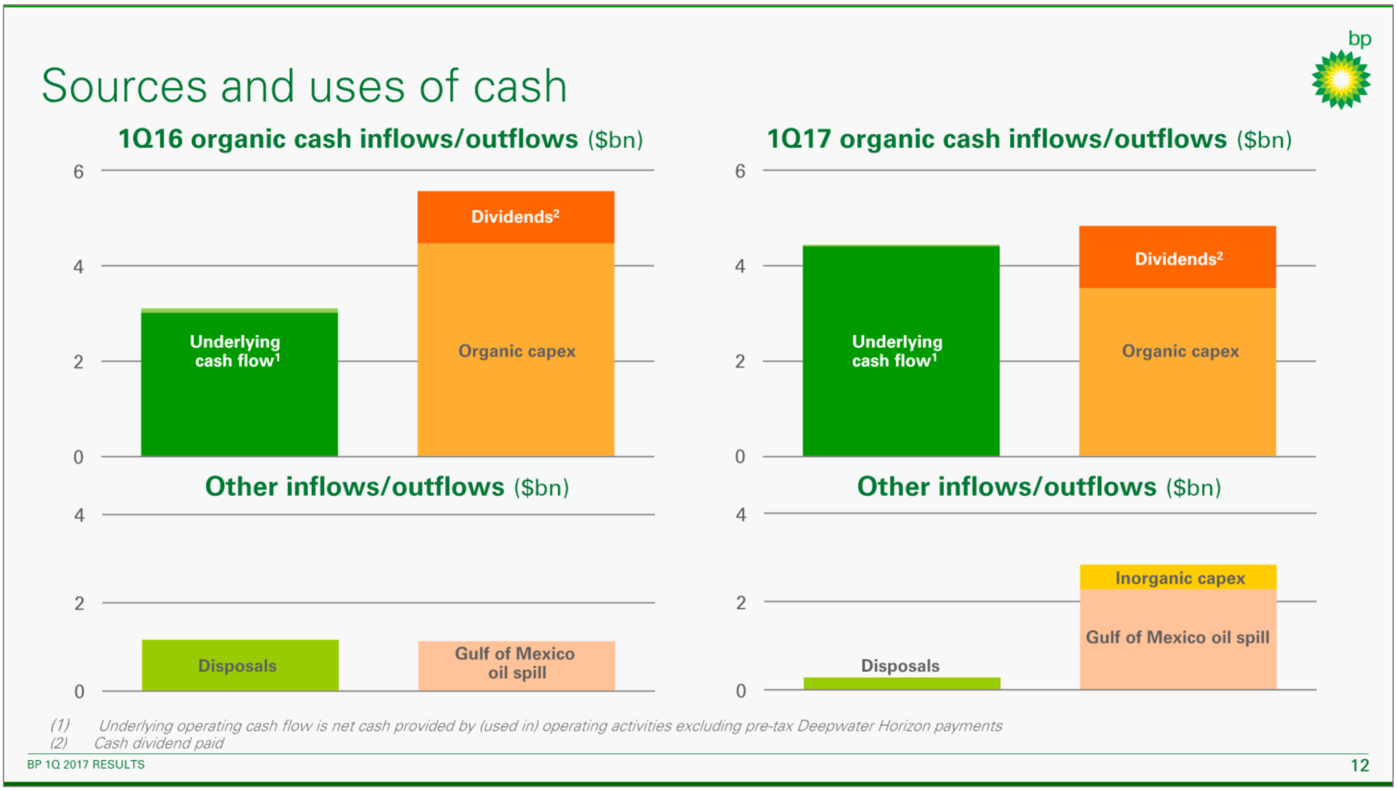
In Other Businesses and Corporate, the pre-tax underlying replacement cost charge was $440 million for the first quarter compared with a charge of $180 million in the same period a year ago due to adverse foreign exchange impacts. We continue to expect the average underlying quarterly charge for the year to be around $350 million, although this may fluctuate between individual quarters.

The adjusted effective tax rate in the first quarter was 33% compared with 18% for the same period last year mainly reflecting the Abu Dhabi concession renewal.

In the current environment we continue to expect the effective tax rate to be in the region of 40% in 2017, including the impact of the Abu Dhabi barrels.



Now looking at cash flow, this slide compares our sources and uses of cash in the first quarter of 2017.

Excluding pre-tax oil spill related outgoings, underlying operating cash flow for the quarter was $4.4 billion, including a working capital build of $1.3 billion. This compared to $3.0 billion for the same period last year.

Gulf of Mexico oil spill payments were $2.3 billion in the first quarter and included a $740 million Department of Justice settlement payment.

Organic capital expenditure in the first quarter was $3.5 billion, compared to $4.5 billion a year ago.

Net debt at the end of the quarter was $38.6 billion and gearing was at 28%, within our 20-30% target band.

Financial framework

Disciplined growth

- Underlying operating cash flow to improve materially from 2H17 as new projects ramp-up
- Group capital frame maintained
- Continued focus on capital and cost efficiency
- Gearing within 20-30% band

	2017	2018 - 2021
Organic capital expenditure	$15-17bn	$15-17bn
Divestments	$4.5-5.5bn	Ongoing $2-3bn p.a.
Deepwater Horizon cash payments	$4.5-5.5bn	~$2bn in 2018 Stepping down thereafter

Now, turning to a reminder of our financial frame.

As outlined with our Strategy Update at the end of February our framework is based firmly on a principle of disciplined growth.

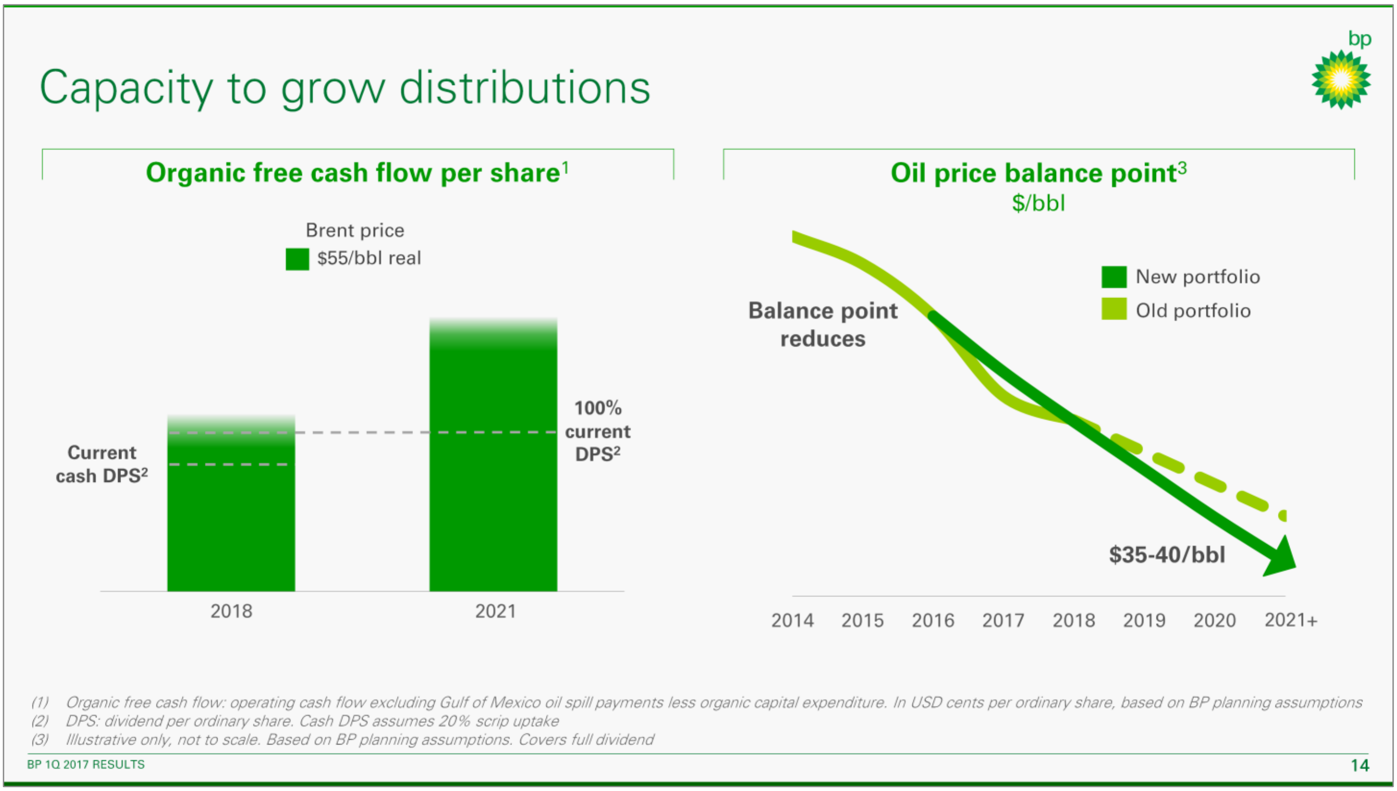
Having delivered on our capital and cash cost reduction targets a year ahead of plan we completed a number of deals at the end of last year to further enhance the growth prospects in the portfolio. These deals require some additional organic capital expenditure in 2017 but we still expect our overall capital spend for this year to fall comfortably within the $15-17 billion capital frame we showed you in Baku. Looking out to 2021 we expect to be able to maintain organic capital expenditure for the Group within this $15-17 billion per annum range, while also keeping gearing within our 20-30% target band.

At the same time we will benefit from the start-up of our extensive programme of Upstream major projects over this period, with seven project start-ups planned this year. We expect the ramp-up of these projects to drive a material improvement in the Group’s operating cash flow from the second half of the year, along with continued strong underlying performance improvement in the Downstream.

Operating cash flow will also reflect the ongoing focus on continuous efficiency improvement and transformation taking place across the Group. Non-operating restructuring charges will continue into 2017 although we expect the cash flow impact to be lower than last year.

Looking to inorganic sources and uses of cash, Deepwater Horizon cash payments in 2017 are expected to be in a range of $4.5-5.5 billion with the larger part of the outflow in the first half as we make payment on the annual settlement amounts. We expect the remaining Business Economic Loss claims to be substantially paid this year. Total Deepwater Horizon cash payments are then estimated to fall sharply to around $2 billion in 2018, and to step down to a little over $1 billion per annum from 2019 onwards.

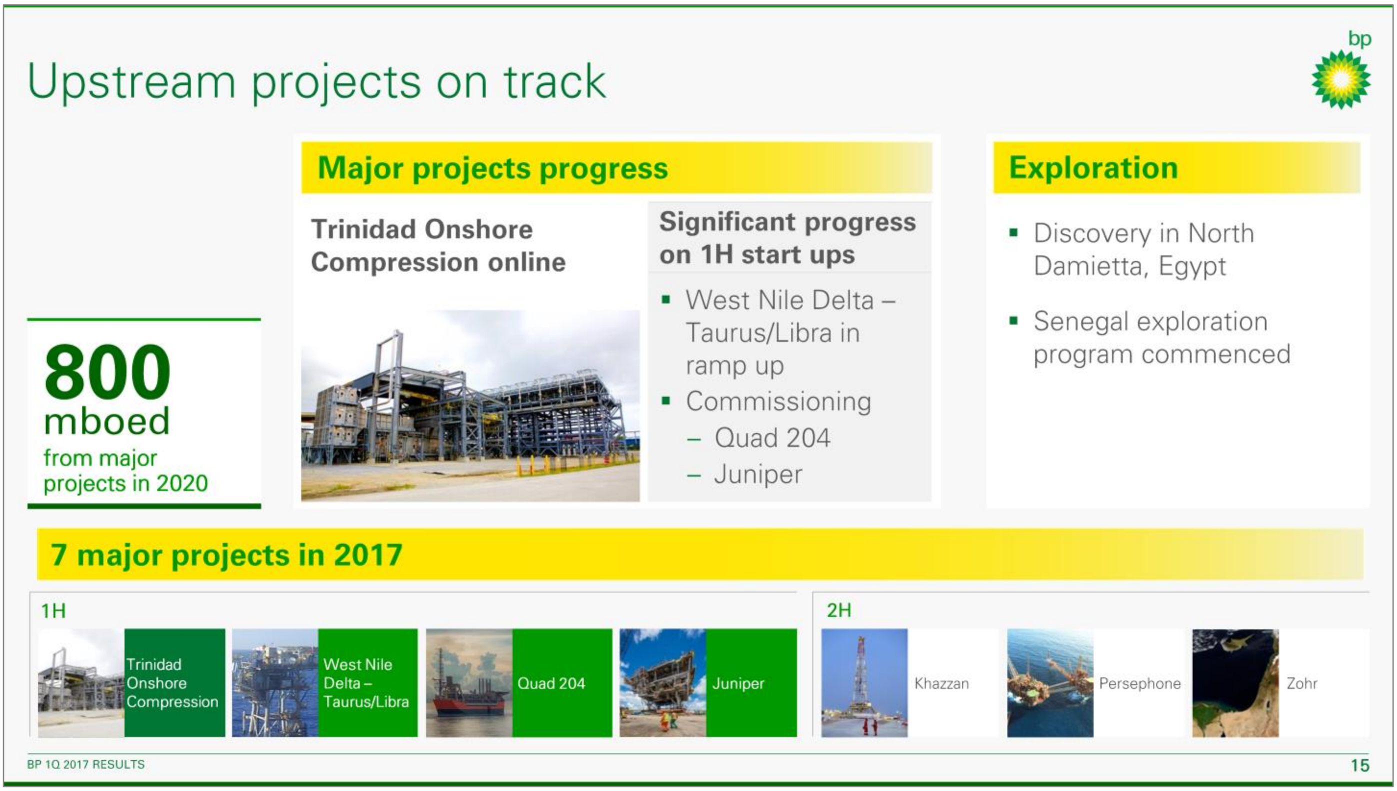
Divestments are also expected to be in the range of $4.5-5.5 billion for this year with disposal proceeds weighted towards the second half. From 2018 we expect divestments to reduce to a more typical $2-3 billion per annum.



Based on our new portfolio we expect to deliver strong growth in free cash flow out to 2021 as shown on this chart. This is driven by the underlying momentum in operating cash flow in both our Upstream and Downstream coupled with our focus on capital discipline across the Group.

As noted in February, based on our current planning assumptions this is consistent with our organic cash balance point reducing steadily to around $35-40 per barrel over the period, with the recent portfolio additions adding even more resilience to the portfolio.

Our aim is to ensure that the dividend can be sustained by the underlying cash generation of our businesses over time. As organic free cash flow grows we expect our capacity to grow distributions to be materially enhanced. In the first instance, we would look to address the dilution that arises from the undiscounted scrip dividend alternative we currently have in place. We would then aim to balance disciplined investment for even stronger growth with our objective of growing distributions to shareholders over the long term.



Now, turning briefly to the highlights for the quarter from our businesses, starting with the Upstream.

As we showed you in February, we expect to add more than 1 million barrels per day of new oil equivalent production by 2021 from 2016, including our recent portfolio additions, with 800 thousand barrels per day being delivered from our new major projects by 2020. The portfolio under construction is ahead of schedule and around 15% under budget.

The first of our seven planned 2017 start-ups, Trinidad Onshore Compression, came online in April. We expect up to four of the seven projects to be online by mid-year.

We have made substantial progress on our other 2017 projects start-ups, as follows:

- In Egypt, the West Nile Delta project is ahead of schedule and the Taurus/Libra fields are ramping up.
- Quad 204, in the North Sea, is in the final stages of commissioning and we are on track for first oil this month.
- In Trinidad, the subsea installation and hook-up campaign for the Juniper facility is now complete. The project is progressing through commissioning activities and start-up is expected around the middle of this year.
- And Khazzan Phase 1 in Oman, Persephone off the coast of Western Australia, and Zohr in Egypt also remain on track for start-up in the second half of this year.

In Exploration, we continue to pursue opportunities around our incumbent positions. For example, in Egypt we made our third gas discovery in the North Damietta offshore concession in the East Nile Delta. We have also commenced the exploration programme in our new region of Mauritania and Senegal, an emerging world-class basin. We will continue to make disciplined capital and portfolio choices within our extensive global hopper of resource prospects and will continue to exit unattractive positions.

This is an important year of delivery in the Upstream, particularly with the start-up of our suite of major projects. We've made a good start on this and have confidence in delivering the plans we laid out. You should see the impact of this become increasingly visible as we move through this year and production ramps up.

Downstream milestones and progress

Continued marketing growth

- Strong retail and lubricants performance

- Mexico new market entry

- Leading brand partnerships

Strong refining operations

- > 95% Solomon availability

Repositioning petrochemicals

- SECCO divestment
- Completed Cooper River upgrade

In the Downstream we are growing our marketing businesses, delivering strong operational performance and strengthening our competitive position.

Across our marketing businesses, we continue to see year-on-year retail volume growth and we have added more than 30 convenience partnership sites so far this year.

During the quarter, we opened our first retail site in Mexico, the first international oil company-branded site since deregulation of the fuel retail market in 2013. Our plans are to expand in this fast-growing market to around 1,500 sites over the next five years. This presents an exciting opportunity not only for BP but also for Mexican consumers. We also signed an agreement to establish a new retail joint venture in Indonesia, another key growth market for us.

In Lubricants, earnings were underpinned by continued strong premium brand and growth markets performance.

Building on our brand strength we recently announced two new partnerships. We have been appointed the official fuel and lubricants provider to Renault Sport Formula One and through our Air BP business, we are now the fuel and carbon reduction partner of the Red Bull Air Race World Championship.

Turning to manufacturing, operations remained strong with Solomon refining availability for the quarter standing at more than 95%.

And in Petrochemicals, we continue to reposition our portfolio to focus on areas where we have leading proprietary technologies and competitive advantage. In line with this, we recently announced our intention to divest our interest in the SECCO joint venture in China. While the joint venture has been a successful and profitable investment for us, we believe it has greater long-term value in someone else's portfolio. The transaction is subject to regulatory approvals.

Also in Petrochemicals, we completed the upgrade to our industry-leading proprietary technology at our Cooper River PTA plant this quarter. This technology will reduce the facility's overall operating cost, making our business more competitive.

In summary, this has been another strong quarter for Downstream. The business continues to expand earnings potential and improve its competitiveness.

The BP proposition

Safer	Safe, reliable and efficient execution >	Growing **sustainable free cash flow and distributions** to shareholders over the long-term
Fit for the future	A distinctive portfolio fit for a changing world >	
Focused on returns	Value based, disciplined investment and cost focus >	

So to summarise.

Earlier this year we laid out an investment proposition that we believe is good for all seasons and which supports our principal aim of growing sustainable free cash flow and distributions to shareholders over the long term.

This will be delivered first through safe, reliable and efficient operations focused on execution across our businesses. Second, through continuing to build a portfolio that is fit for the future. One that builds on our strong resource base and positions us to be increasingly competitive in any environment, while also ready to make disciplined choices around lower carbon at an informed pace. And third, this proposition will be delivered by maintaining strict discipline within our financial frame and staying focused on delivering returns.

We believe the growth plans we set out for the next five years and beyond are well defined. Our focus over the coming years is firmly on execution of these plans. You'll start to see this through the ramp up of our seven major project start-ups in the Upstream over the course of this year, and in the continued focus on reliability and efficiency in our operations. In the Downstream you'll see evidence in continued underlying performance improvement, including the build-out of strong growth options in our marketing businesses. By the end of this year you should expect to see the momentum in stronger underlying operating cash flows which, coupled with our focus on capital discipline, will grow capacity to deliver sustainable and attractive returns to shareholders over time.

So on that note, thank you for listening, and I'll now open up for questions.

Q&A

Brian Gilvary

Chief Financial Officer

Jess Mitchell

Group Head of Investor Relations