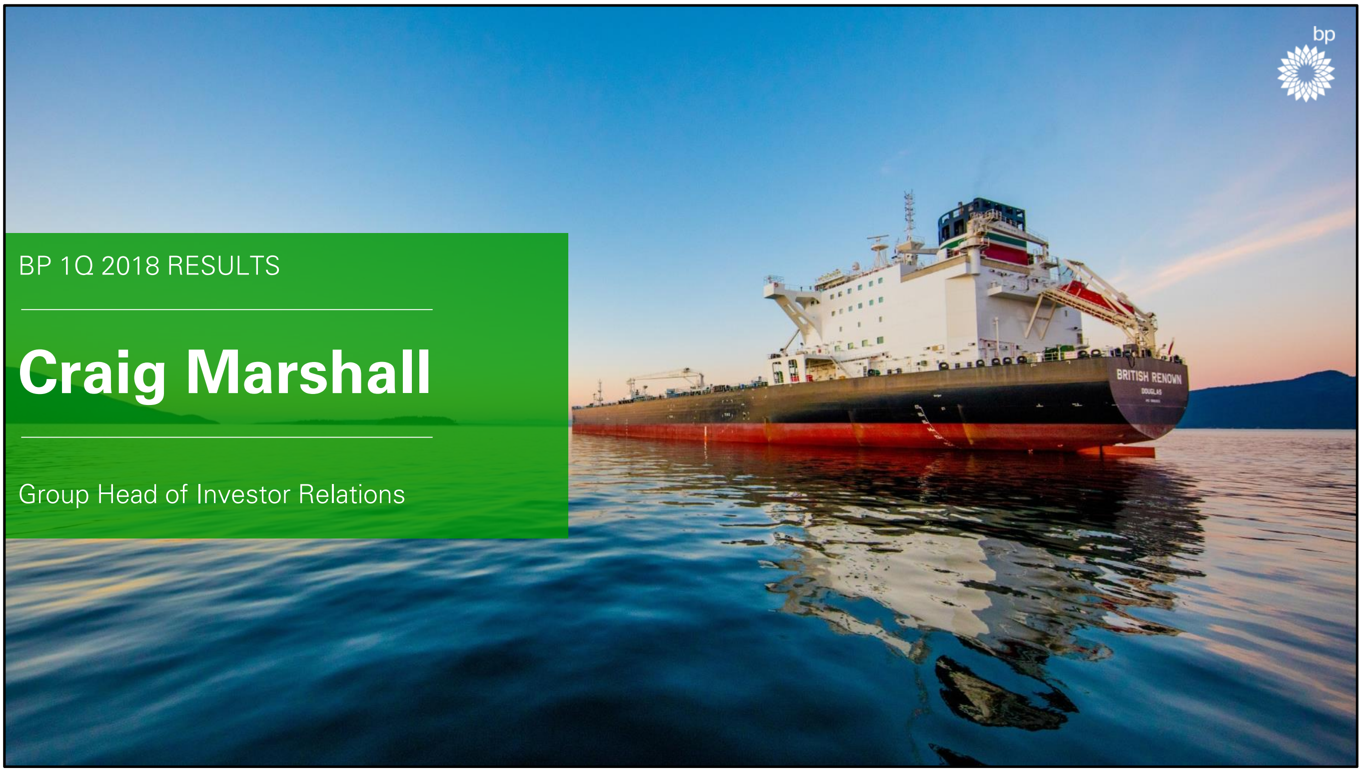

1 May 2018
bp
BP 1Q 2018 RESULTS



Welcome to BP's first-quarter 2018 results presentation.

I'm Craig Marshall, BP's group head of investor relations, and I am here today with our chief financial officer, Brian Gilvary.

Before we begin, I would like 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 and circumstances– 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 and gas prices and supply and the refining marker margin in the second quarter of 2018; plans and expectations regarding share buybacks, including to offset the impact of dilution from the scrip program; expectations regarding industry refining margins, turnaround activity and discounts for North American heavy crude oil in the second quarter of 2018; expectations regarding Upstream underlying production in 2018 and Upstream reported production in the second quarter of 2018; expectations regarding the timing and amount of future payments relating to the Gulf of Mexico oil spill; plans and expectations with respect to Upstream projects, production, investments and activities, including the continued ramp-up of 2017 major projects and the start-up of six projects in 2018; expectations regarding organic capital expenditure, organic free cash flow, the organic breakeven point, operating cash flow, the DD&A charge, cost and capital discipline, the Other Businesses and Corporate average underlying quarterly charge and the 2018 underlying effective tax rate; plans and expectations regarding sustainable free cash flow and distributions to shareholders over the long term; expectations that ROACE will exceed 10% by 2021; plans and expectations regarding Downstream returns and earnings; expectations regarding the amount and timing of divestment proceeds; plans and expectations to target gearing within a 20-30% band and for gearing to trend down; plans to ensure the right balance between distributions and disciplined investment. 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; amounts ultimately payable and timing of payments relating to the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; 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 2017 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.
Tables and projections in this presentation are BP projections unless otherwise stated.

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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.

Now, over to Brian.

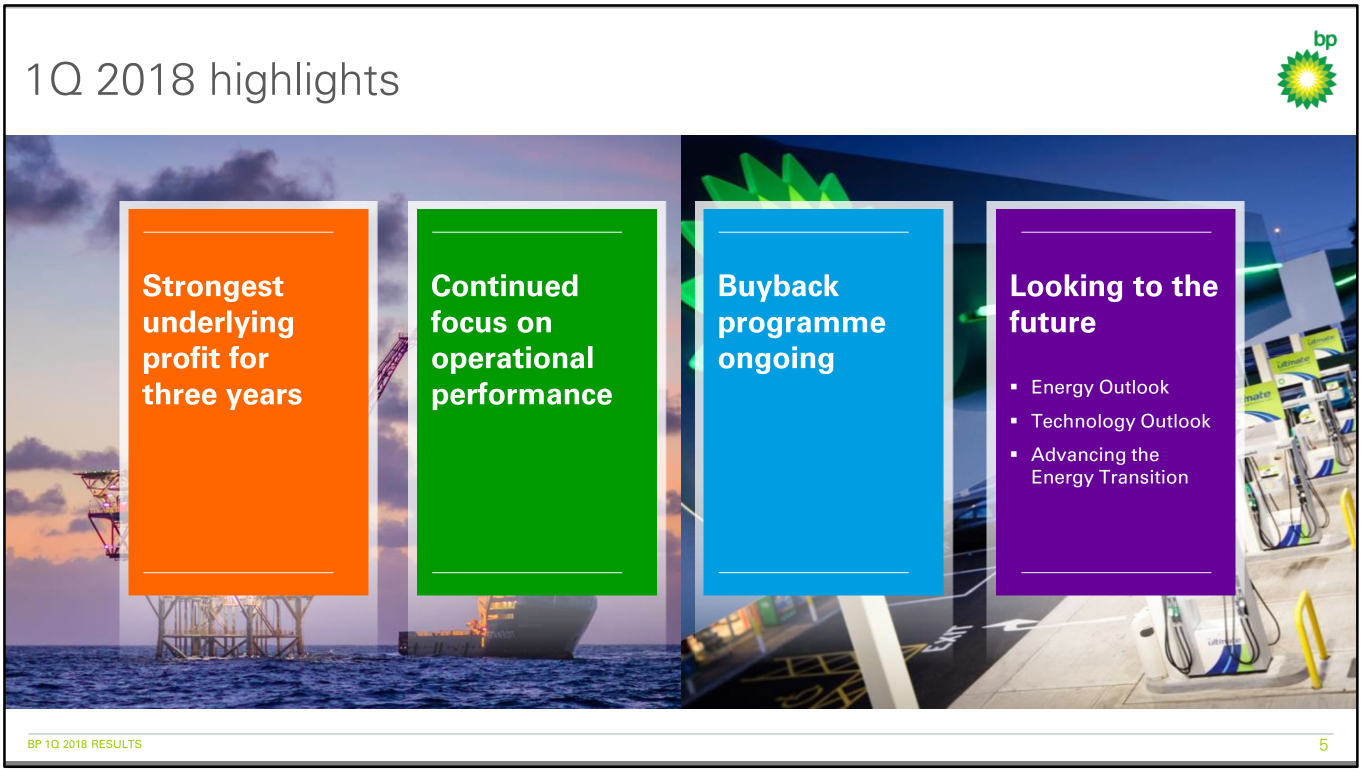
Thanks Craig, and thank you to everyone for joining us today.

Before we begin, let me take a moment to comment on the updated format of today’s presentation.

This time last year we introduced a new SEA, which was designed to provide a simplified approach to ensuring key information is presented to you and the investment community in a user-friendly format.

Consistent with those changes we have updated our results presentation to provide a succinct, strategically focused set of quarterly materials that underpin delivery of our medium and long-term targets set out over a year ago.

The supplementary materials contain further disclosures, which together with our SEA, provide all of the usual material around our quarterly results.



So, starting with highlights of the first quarter.

Following a year of strong delivery and growth in 2017, we have had a good start to this year. Underlying profit for the first quarter of $2.6 billion grew by 23% relative to the previous quarter and 71% versus the same quarter last year, making this the strongest quarter for three years.

In the Upstream, we delivered 14% growth in underlying production relative to the same quarter last year. This growth, coupled with the stronger oil price environment, enabled us to deliver Upstream underlying pre-tax earnings of $3.2 billion, our best result since the third quarter of 2014, when oil prices were over $100 a barrel.

Our Downstream delivered underlying pre-tax earnings of $1.8 billion this quarter, benefiting from the continuing high availability across our North American refining systems, which enabled us to capture wider light-heavy crude discounts for available heavy crude out of Canada.

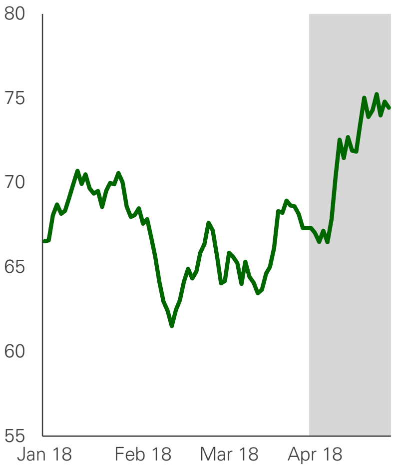
We also continued with our share buyback programme through the quarter. Since we started the buyback programme in the fourth quarter of 2017 we have bought back 69 million shares at a total cost of $460 million.

This quarter we also published the annual update of our Energy Outlook, the second Technology Outlook, and most recently our report on 'Advancing the energy transition'. This report lays out our Reduce-Improve-Create framework, setting out short to medium-term, measurable emissions targets, as well as our approach to creating low-carbon business opportunities where we see potential.

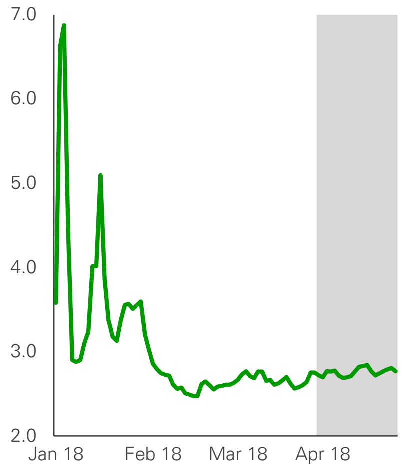
In summary, it has been another busy quarter of continuing development and delivery across the businesses.

Environment

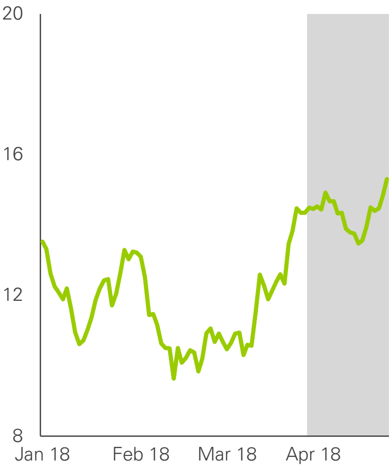
Brent oil price[1]
$/bbl



Henry Hub gas price[1]
$/mmbtu



Refining Marker Margin[2]
$/bbl



(1) Source: Platts
(2) Refining Marker Margin (RMM) based on BP's portfolio

All data 1 January 2018 to 27 April 2018

Now, before turning to results, we'll take you through our view of the environment.

Brent crude averaged $67 per barrel in the first quarter of 2018, versus $61 per barrel in the fourth quarter of 2017. This reflected continued robust global demand growth, building on the 1.7 million barrels per day growth in 2017, a high level of compliance with the supply cuts targeted by OPEC and participating countries, and geopolitical concerns about possible future supply disruptions.

US Henry Hub gas prices spiked briefly in January in response to extreme cold weather. The price moderated in February with warmer weather and increased US production, averaging $3.00 per million British Thermal Units for the quarter.

BP's global refining marker margin averaged $11.70 per barrel in the first quarter of 2018, down from the fourth quarter of 2017, but flat compared with a year ago.

Looking to the rest of the year, we expect the Brent oil price to be influenced by the degree of continued production discipline from OPEC and other participating countries, the pace of US lower 48 supply growth, and global demand strength. There remain significant uncertainties including geopolitical risks and the possibility of further guidance from OPEC, as OECD commercial stocks near their five-year rolling average.

1Q 2018 results summary

$bn	1Q17	4Q17	1Q18
Underlying replacement cost profit	**1.5**	**2.1**	**2.6**
Underlying operating cash flow[1]	**4.4**	**6.2**	**5.4**
Underlying RCPBIT[2]			
Upstream	1.4	2.2	3.2
Downstream	1.7	1.5	1.8
Rosneft[3]	0.1	0.3	0.2
Other businesses and corporate	(0.4)	(0.4)	(0.4)
Underlying earnings per share (cents)	**7.7**	**10.6**	**13.0**
Dividend paid per share (cents)	**10.0**	**10.0**	**10.0**

1Q 2018 vs 4Q 2017

- **Ramp-up of major projects**
- **Improved supply and trading contribution**
- **Wider WTI-WCS spread**

(1) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding post-tax Gulf of Mexico oil spill payments
(2) Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects
(3) BP estimate of Rosneft earnings after interest, tax and minority interest

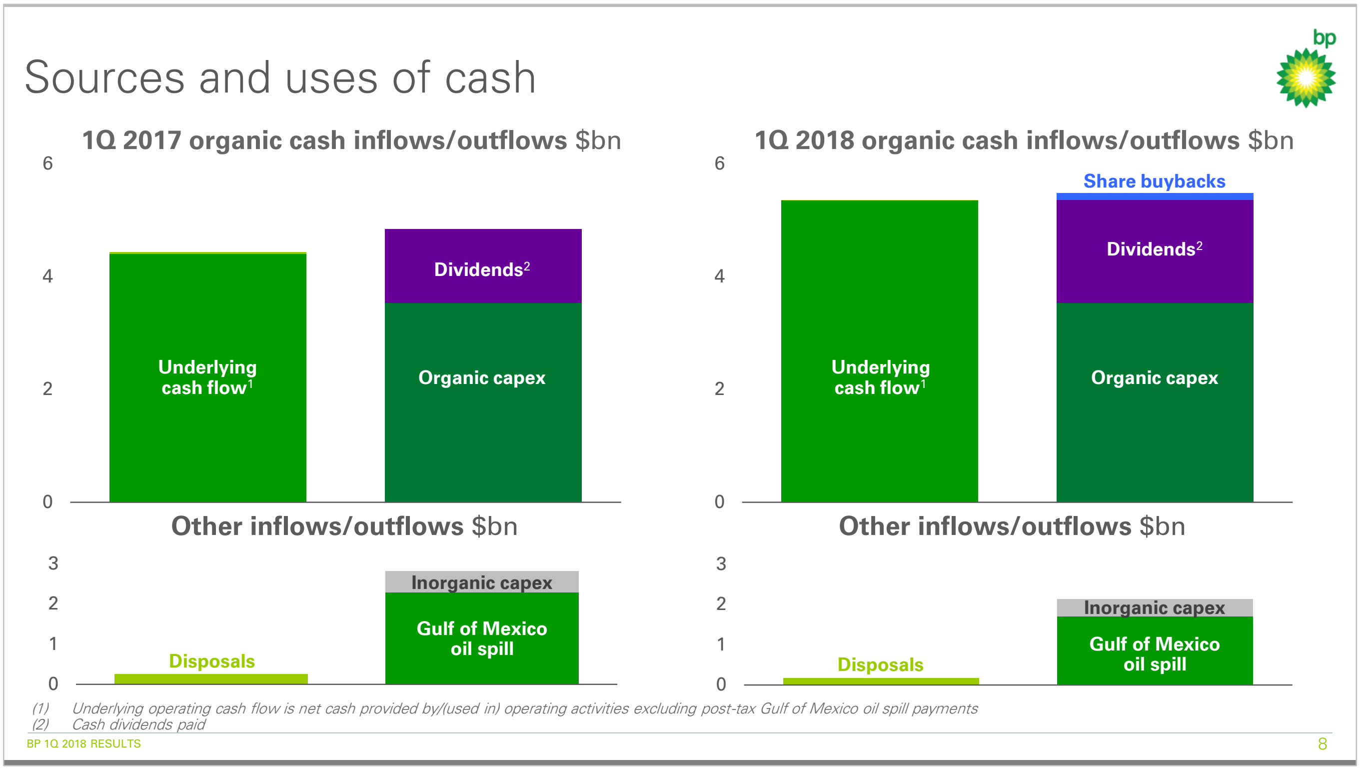
Looking now at the Group results for the first quarter.

BP's first quarter underlying replacement cost profit increased to $2.6 billion, compared with $1.5 billion a year ago and $2.1 billion in the fourth quarter of 2017.

Compared to a year ago the result benefits from higher liquids and gas realisations coupled with continued underlying performance delivery across the business. In the Upstream, we saw production increase as a result of the ramp-up of the seven major projects that started up in 2017 and continued strong performance from the base. In the Downstream, we also saw benefits from increased commercial optimization and higher Canadian heavy crude oil discounts.

Compared to the fourth quarter of 2017 the improvement in earnings reflects higher liquids and gas realisations and higher production in the Upstream. In the Downstream, lower industry refining margins were more than offset by the benefit from higher Canadian heavy crude oil discounts, lower costs and a lower level of turnaround activity. The Group result also reflects a higher overall trading contribution, this quarter.

The first quarter dividend, payable in the second quarter of 2018, remains unchanged at 10 cents per ordinary share.



Turning to cash flow, and our sources and uses of cash in the first quarter.

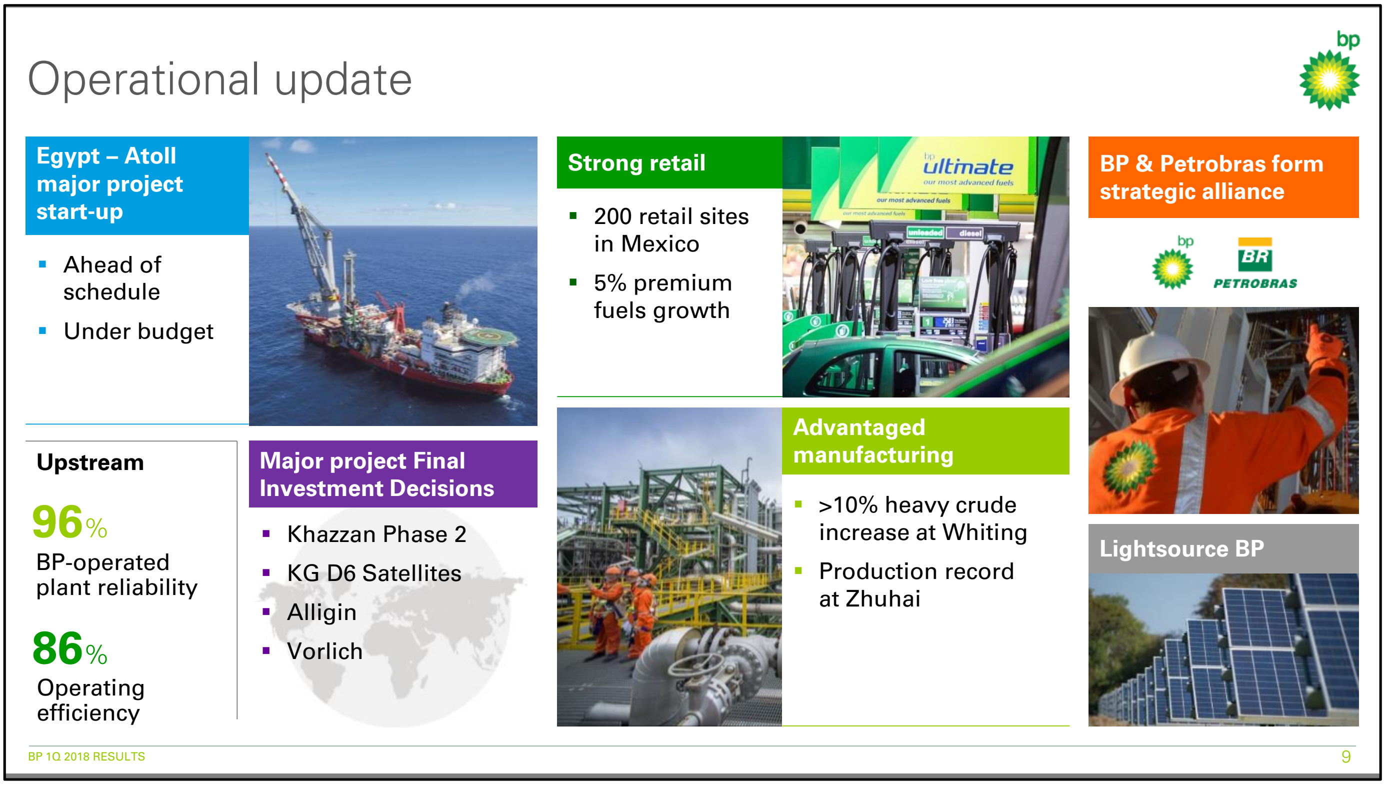
Excluding oil spill related outgoings, underlying operating cash flow was $5.4 billion. This included a working capital build of $1.7 billion, driven by the increasing oil price and normal seasonal builds across our businesses.

Organic capital expenditure was $3.5 billion for the quarter.

Divestment proceeds totalled $200 million, and we made Gulf of Mexico oil spill payments of $1.6 billion, including $1.2 billion relating to the final Department of Justice 2012 settlement agreement.

These payments, along with the seasonal working capital build, saw quarter-end net debt at $40 billion and gearing of 28.1%, within our 20 to 30% band.

As mentioned, we remain active in our share buyback programme, and bought back 18 million shares through the quarter, at a cost of $120 million. While the shape of the programme will vary from quarter to quarter, we continue to buy-back shares to fully offset the dilution impact of the scrip dividend issued over the year.



Across our operations we continue to make good progress.

Two weeks ago we announced a new strategic alliance with Petrobras, with a commitment to work together in Brazil on a range of opportunities across our whole business.

In the Upstream, our focus on execution is delivering improved performance. Plant reliability in our operations was a record 96% in the first quarter. This helped us deliver an operating efficiency of 86% - a 2% improvement on our previous best.

In February we announced the successful start-up of the Atoll gas field in Egypt; ahead of schedule and under budget. This gas project was brought onstream less than 33 months after the initial exploration discovery.

We have also taken Final Investment Decisions, or FIDs, on:

- The development of Ghazeer - the second phase of the giant Khazzan gas field in Oman;
- KG D6 Satellites, the second project in the integrated KG D6 development in India; and
- Alligin and Vorlich, two new UK North Sea subsea field developments.

In the Downstream, we have continued to make good strategic progress, leveraging our strong brands and quality portfolio.

In Retail, premium fuel volumes grew by 5% compared with last year and we continued the rollout of our convenience partnership model across our network. We also celebrated our first year of operations in Mexico, where average fuels volumes per site have increased by over 60%, and we recently opened our 200th site.

At our Whiting refinery in the US, we processed over 10% more heavy crude than a year ago, partially capturing the higher light-heavy discounts, and in Petrochemicals we achieved a new production record at our PTA plant in Zhuhai, China.

We have also continued with the development of our alternative energy business, with the recent creation of a new Indian joint venture between lightsourceBP and Everstone Capital to create EverSource Capital.

This partnership provides us with an interest in an innovative fund management platform for low carbon infrastructure projects in India, which we see as a market with huge demand and potential.

Before I summarise, I'd like to take a moment to talk about our 2018 guidance.

In the second quarter we expect Upstream reported production to be lower than the first quarter, due to the expiration of the Abu Dhabi ADMA offshore concession and seasonal turnaround and maintenance activities. In the Downstream we expect seasonally higher industry refining margins, a narrowing of the discount for North American heavy crude oil and a significantly higher level of turnaround activity.

Our full-year 2018 guidance remains unchanged from what we laid out in February.

- We expect Upstream underlying production, to be higher than 2017, driven by the continued ramp-up of the 2017 major projects, as well as the six major project start-ups in 2018. Actual reported production will depend on divestments, OPEC quotas and entitlement impacts.

- The total DD&A charge is expected to be higher than 2017, reflecting the growth in Upstream production volumes and the major project start-ups.

- We expect organic capital expenditure to be in the range of $15-16 billion, at the lower end of our medium term $15-17 billion frame, reflecting the continuing focus on disciplined spend.

- In Other Businesses and Corporate, the average underlying quarterly charge is expected to be around $350 million, although this may fluctuate between individual quarters.

- In the current environment the underlying effective tax rate is expected to be above 40%.

Our balance sheet remains robust and we continue to target a gearing band of 20-30%. With operating cash flow continuing to grow within our disciplined capital frame, and Gulf of Mexico oil spill payments reducing, we expect gearing to trend down through the rest of the year.

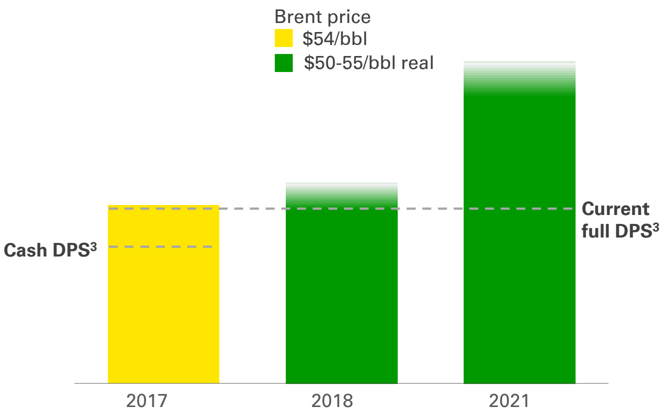
Growing free cash flow and returns

- 2018 organic free cash flow balancing at ~$50/bbl[1]
- Share buybacks offset impact of dilution from scrip over time
- Cost and capital discipline
- $35-40/bbl oil price breakeven by 2021

ROACE > 10%

By 2021 at $55/bbl real

Organic free cash flow per share[2]



(1) Including full dividend, excluding Gulf of Mexico oil spill payments
(2) Organic free cash flow: operating cash flow excluding Gulf of Mexico oil spill payments less organic capital expenditure. In USD cents per ordinary share, based on BP planning assumptions
(3) DPS: dividend per ordinary share. Cash DPS for 2017 reflects 22% scrip uptake

So, in summary:

- We have had a good start to the year, with the financial and operational momentum from 2017 continuing into 2018.
- We will maintain our disciplined capital frame, focused on delivering against our operational and strategic targets across our Upstream, Downstream and low-carbon businesses.
- With growing operating cash flow, we continue to expect the organic breakeven for the Group to average around $50 per barrel on a full dividend basis in 2018, reducing steadily to $35-40 per barrel by 2021 in line with growing free cash flow.
- And as we look beyond 2018 we continue to expect to grow returns as we grow our earnings within our disciplined investment framework. While we still have some way to go to on returns, we are seeing good progress on the underpinning drivers of improvement.

With the continuing momentum across the business, and growing free cash flow, we remain active in our share buyback programme. With gearing expected to trend down this year we will continue to ensure the right balance between distributions and disciplined investment.

Thank you for listening and I’d like to hand over to questions.

Q&A

Brian Gilvary

Chief Financial Officer

Craig Marshall

Group Head of Investor Relations

BP 1Q 2018 RESULTS

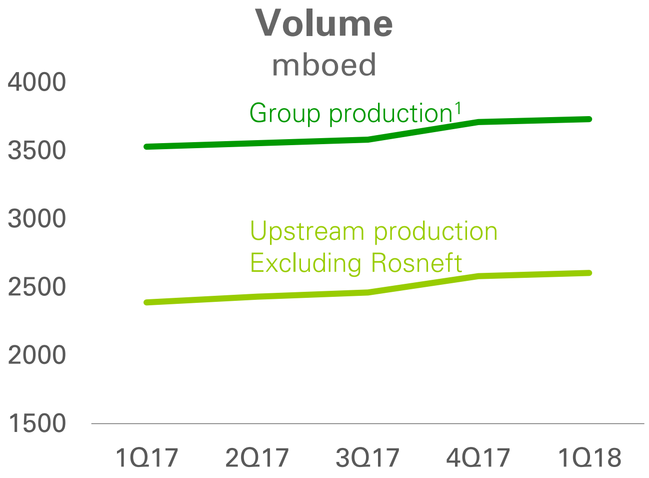
Appendix

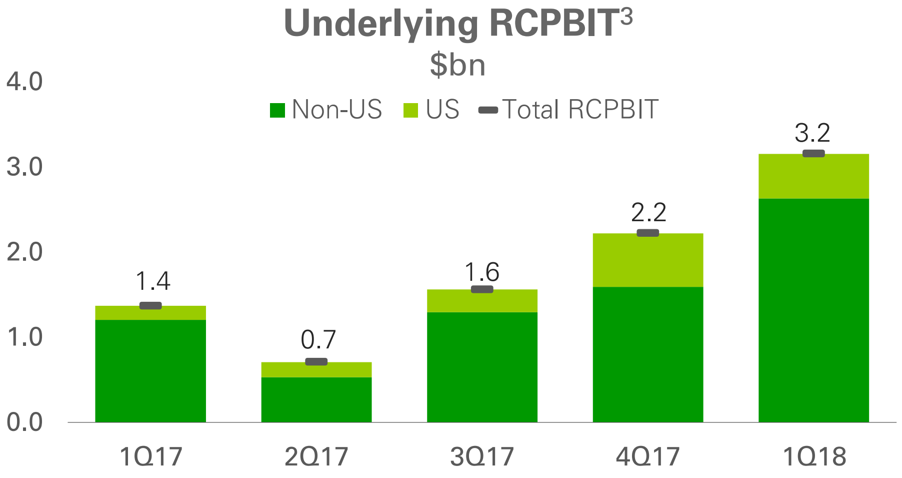
1Q 2018 summary

$bn	1Q17	4Q17	1Q18	% Y-o-Y	% Q-o-Q
Upstream	1.4	2.2	3.2		
Downstream	1.7	1.5	1.8		
Other businesses & corporate	(0.4)	(0.4)	(0.4)		
Underlying business RCPBIT[1]	**2.7**	**3.3**	**4.6**	**72%**	**39%**
Rosneft[2]	0.1	0.3	0.2		
Consolidation adjustment - unrealised profit in inventory	(0.1)	(0.1)	(0.2)		
Underlying RCPBIT[1]	**2.7**	**3.5**	**4.7**	**73%**	**35%**
Finance costs[3]	(0.4)	(0.6)	(0.5)		
Tax	(0.8)	(0.8)	(1.6)		
Minority interest	(0.0)	(0.0)	(0.1)		
Underlying replacement cost profit	**1.5**	**2.1**	**2.6**	**71%**	**23%**
Adjusted effective tax rate[4]	33%	27%	37%		
Underlying operating cash flow[5]	**4.4**	**6.2**	**5.4**	**22%**	**(13%)**
Underlying earnings per share (cents)	**7.7**	**10.6**	**13.0**	**68%**	**22%**
Dividend paid per share (cents)	**10**	**10**	**10**	**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) Effective tax rate on replacement cost profit adjusted to remove the effects of non-operating items and fair value accounting effects
(5) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding post-tax Gulf of Mexico oil spill payments

Upstream





Realisations[2]	1Q17	4Q17	1Q18
Liquids ($/bbl)	50	56	61
Gas ($/mcf)	3.5	3.2	3.8

1Q 2018 versus 4Q 2017

- Higher liquids and gas realizations
- Higher gas marketing and trading results
- Higher production due to major project ramp-ups

(1) Group reported oil and gas production including Rosneft
(2) Realisations based on sales of consolidated subsidiaries only, excluding equity-accounted entities
(3) Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects

Downstream

95% Refining availability 4Q17: 96%	Refining environment	1Q17	4Q17	1Q18
	RMM ($/bbl)	11.7	14.4	11.7

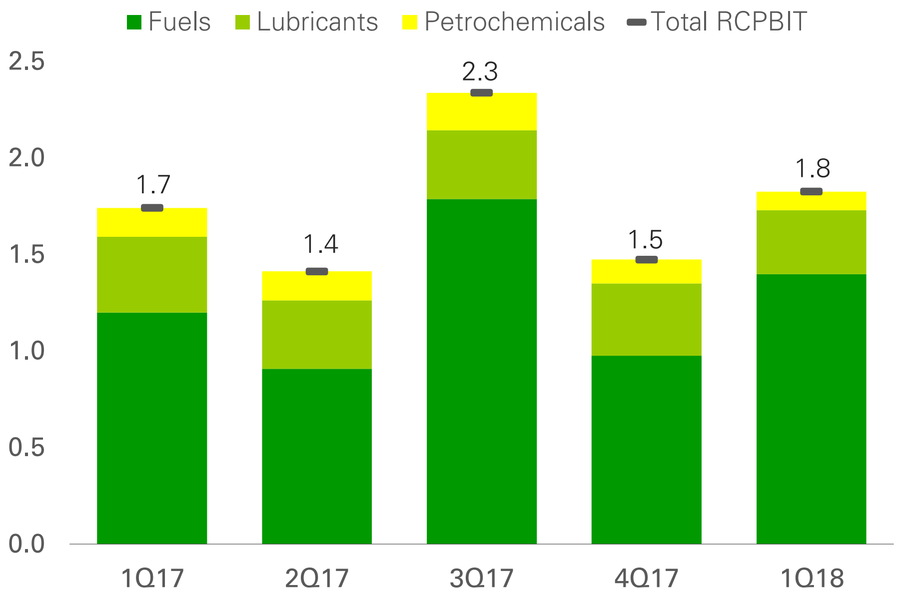
1Q 2018 versus 4Q 2017

- Lower industry refining margins

More than offset by:

- Wider WTI-WCS spread net of pipeline apportionment impact
- Improved supply and trading vs. weak 4th quarter
- Lower level of turnaround activity
- Lower costs

Underlying RCPBIT[1]
$bn

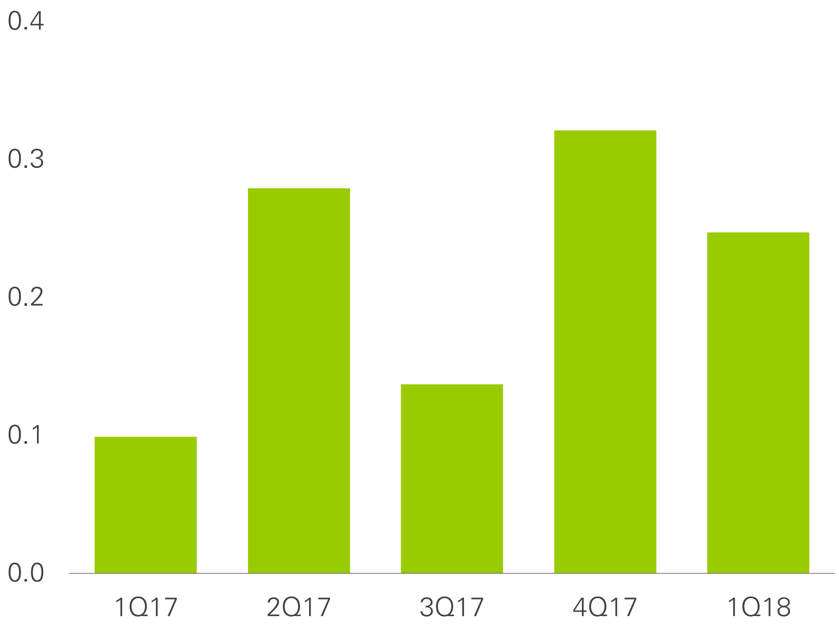


(1) *Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects*

Rosneft

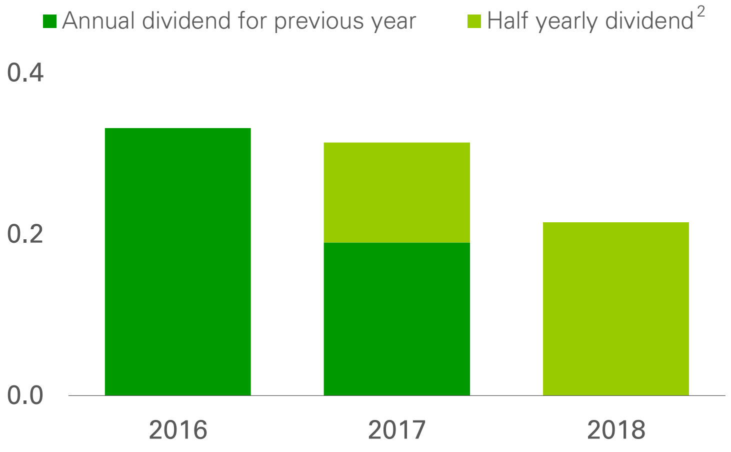
BP share of underlying net income[1]

$bn



BP share of Rosneft dividend

$bn



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BP share of Rosneft production[3]

(1) *On a replacement cost basis and adjusted for non-operating items; 1Q18 represents BP estimate*

(2) *Half yearly dividend representing 50% of Rosneft's IFRS net income. 2018 dividend: On 25 April Rosneft's board recommended a 2H17 dividend for approval at Rosneft's AGM. BP's share is estimated at $215m after tax at current foreign exchange rates. Expected to be paid later this year*

(3) *BP's estimate of Rosneft's production for 1Q18*

The BP proposition

Safer	Safe, reliable and efficient execution	>
Fit for the future	A distinctive portfolio fit for a changing world	>
Focused on returns	Value based, disciplined investment and cost focus	>

Growing **sustainable free cash flow and distributions** to shareholders over the long-term