bp

from IOC to IEC

bp first quarter 2021

financial results presentation

Good morning everyone and welcome to bp's first quarter 2021 results presentation.

I'm here today with Bernard Looney, chief executive officer and Murray Auchincloss, chief financial officer.

Before we begin today, let me draw your attention to our cautionary statement.

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this results announcement contains certain forecasts, projections and forward-looking statements - that is, statements related to future, not past events and circumstances - with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see', 'focus on' or similar expressions.

In particular, the following, among other statements, are all forward looking in nature: expectations regarding the COVID-19 pandemic, including the impacts of the pandemic on volume, margin and performance; expectations regarding the shape of the COVID-19 recovery; expectations regarding oil and gas prices and demand and future refining margins; plans and expectations regarding the divestment programme, including the amount and timing of proceeds in 2021, and plans and expectations in respect of reaching $25 billion of proceeds by 2025 and expectations that disposal proceeds will reach $5-6 billion during the latter stages of 2021; plans and expectations in respect of maintaining a strong investment grade credit rating; expectations regarding operating cash flow, convenience & mobility EBITDA growth, capital expenditure (including expected capital expenditure of around $13 billion in 2021 and capital expenditure of $14-16 billion thereafter), plans and expectations with respect to dividends, distributions and share buybacks (including plans and expectations to return at least 60% of surplus cash flow to shareholders and to offset dilution from employee share schemes going forward), including the intention of maintaining a dividend of 5.25 cents per ordinary share per quarter; expectations with respect to the timing of cash outflows, including the timing of severance payments associated with the reinvent programme, annual GOM oil spill payment, and an improvement in realized refining margins relative to the quarter-to-date rise in RMM; plans and expectations that convenience and mobility will deliver returns in the range of 15-20%; plans and expectations to develop the UK's largest blue hydrogen facility targeting one gigawatt of production by 2030; plans and expectations with respect to the roll-out of EV charging networks, including plans to have more than 70 thousand bp-operated EV charge points by 2030; expectations to grow margin share from convenience and electrification to around 50% by 2030; plans and expectations regarding bp's hydrocarbons business, including achieving $1.5 billion of annual cost savings by 2023 as part of the $3-4 billion reinvent bp target; expectations regarding refining margins, refinery capacity additions in 2021, refinery utilization rates, North American heavy crude differential, levels of turnaround activity in the refining portfolio, marketing volumes and product demand; plans and expectations regarding the ramp-up and production capacity of the Mad Dog 2, KG D6 Satellite Cluster and Raven projects; plans and expectations to reach 900kboed by the end of 2021; plans and expectations regarding joint ventures and other agreements, including bp's partnership with EnBW to develop offshore wind opportunities in the Irish Sea (including the expectation of achieving 8-10% returns), and bp's partnerships with Amazon, Pure Planet, Utilita, Infosys, BMW, Daimler, Volkswagen Group and other industries and cities; expectations with respect to completion of transactions of agreed disposals; plans and expectations related to potential future transactions; plans and expectations regarding the net output from the recent UK Round 4 offshore wind lease awards; and plans and expectations regarding bp's convenience and mobility business, including plans to nearly double EBITDA from 2019 to 2030 with returns of 15-20%.

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 extent and duration of the impact of current market conditions including the volatility of oil prices, the impact of COVID-19, overall global economic and business conditions impacting our business and demand for our products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; 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 acquisitions and divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA and TSC effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; 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 elsewhere in this report, as well those factors discussed under "Risk factors" in bp Annual Report and Form 20-F 2020 as filed with the US Securities and Exchange Commission.

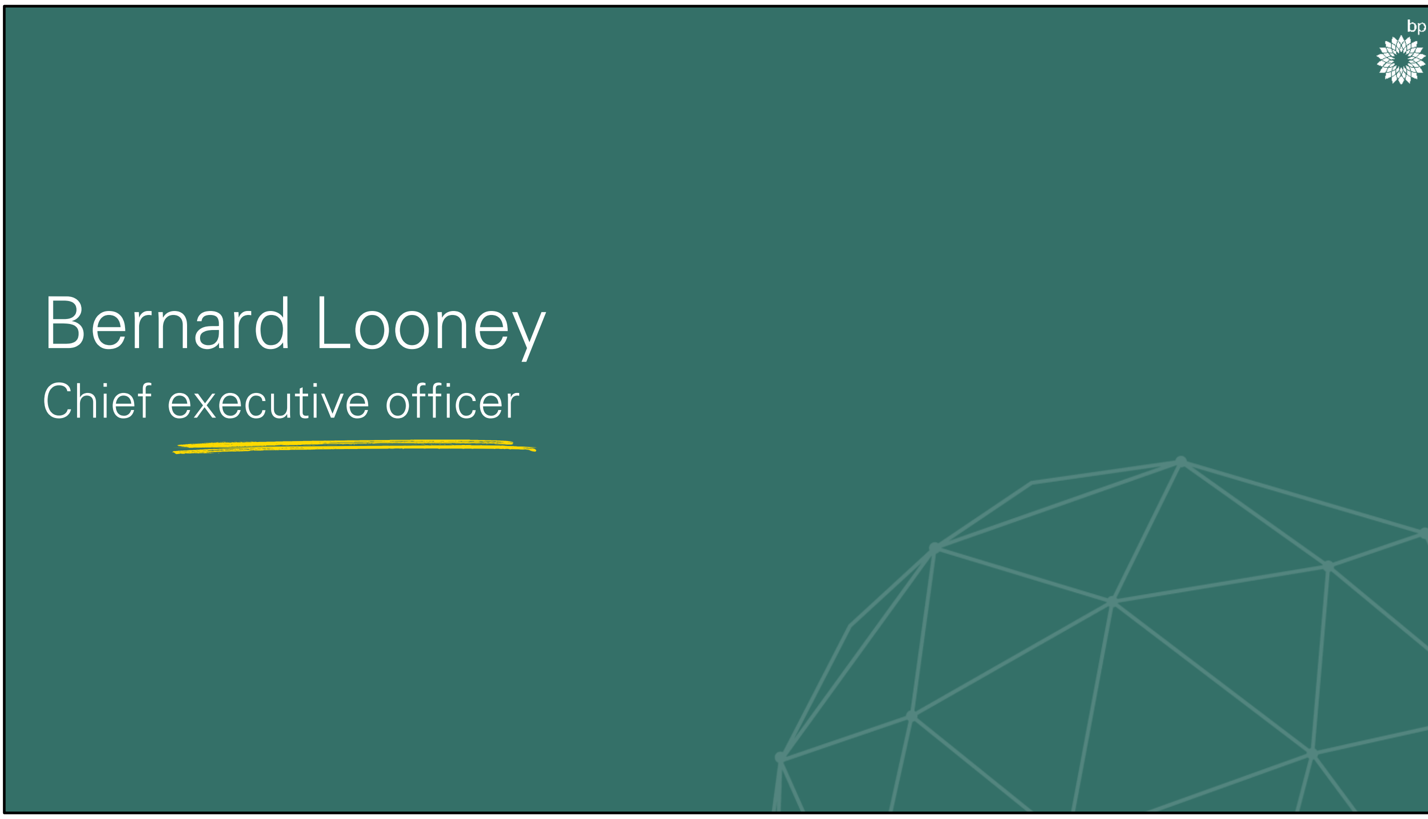
Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance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

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

April 2021

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.

I'll now handover to Bernard.



Thanks Craig.

Good morning and welcome everyone, it’s great to have you join us today.

As ever, I hope everyone is staying safe in what continues to be the most challenging of times.

Today we report our first quarter results – and it has been a strong quarter.

We are making great progress right across the business, underpinned by our continued focus on what we call – 'performing while transforming'.

And this starts with safety – our core value.

As part of our strategy we have harmonised our safety leadership principles which define our safety culture and how we expect everyone to lead with care, and with trust and speak-up at its foundation. This has my personal oversight at our Group Operating Risk Committee, which I chair.

We are seeing good progress:

– Staff in essential roles are beginning to return to the office and the field;

– Our maintenance activity levels are broadly back to pre-pandemic levels; and

– We have focused our assurance activities on our biggest risks during this time of change.

And we continue to support our staff – our frontline workers as well as those who continue to work remotely – remaining focused on their health and well-being during this unprecedented period.

This supports our operational performance, which continues to be resilient, and is an underpin to strong financial delivery. As we like to say, a safe business is a good business.

In the first quarter, cash flow was strong – with an inflow of around $11 billion, including the accelerated disposal proceeds.

As a result, net debt reduced by $5.6 billion, and we achieved our target of $35 billion during the quarter, around a year earlier than expected.

We are commencing share buybacks during the second quarter starting with the intent to offset the full year dilution from employee share schemes.

Murray will talk more about this shortly.

At the same time, we continue to make disciplined progress executing our strategy, including:

– Continuing the roll-out of our single operating model to drive efficiency throughout our organisation;

– Strengthening our position in offshore wind, here in the UK; and

– Accelerating the development of our electrification agenda in Europe.

So, we're in good shape, and I am encouraged by the progress we are making in support of our proposition to deliver long-term shareholder value.

I'll come back in a little while to share some more about how we are advancing our strategy. But let me first hand you over to Murray, to take you through our results and provide more detail on our financial frame.

Murray…

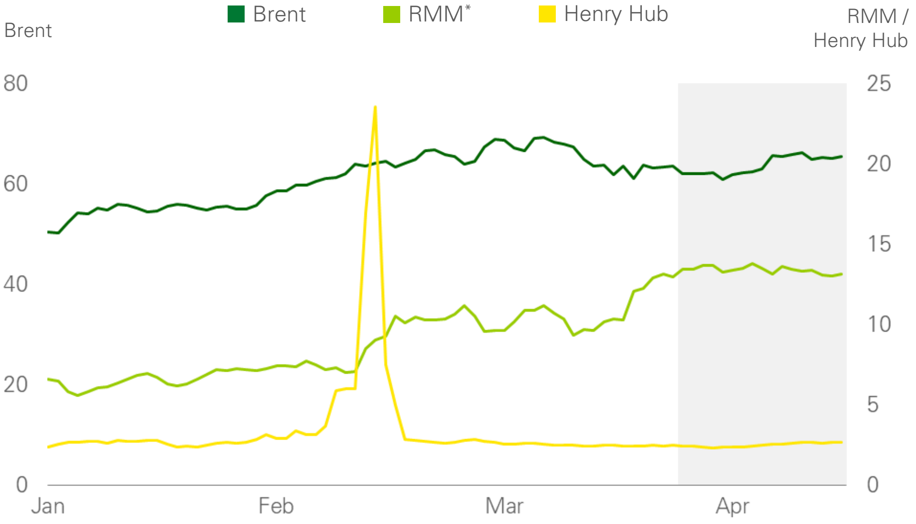
Murray Auchincloss

Chief financial officer

Thanks Bernard.

Environment

Commodity prices $/bbl / $/mmBtu



Source: Platts - all data 1 January 2021 to 23 April 2021

1Q 2021 vs 4Q 2020

- Average Brent price $61/bbl
  38% higher
- bp's average RMM* $8.70/bbl
  47% higher
- Average Henry Hub[1] price $3.50/mmBtu
  40% higher

(1) Spot price

** For items marked with an asterisk throughout this document, definitions are provided in the glossary*

As usual, let me start with the environment.

Oil price rebounded in the quarter with Brent averaging $61 – a 38% increase from the fourth quarter.

We expect oil prices to remain firm as demand improves, driven by strong growth in the US and China, the ongoing vaccine roll-out programmes and supported by continued supply intervention by OPEC+.

The Henry Hub gas price averaged $3.50, up from $2.50 in the fourth quarter. The increase was due to storm Uri in the middle of February, which resulted in very high gas demand, combined with a substantial drop in production – pushing prices to record levels.

And refining margins improved. bp's RMM averaged $8.70, up from $5.90 in the previous quarter, supported by improved US margins following storm Uri disruptions and the higher cost of renewable fuel credits in the US.

As demand improves, refinery utilisation rates are expected to increase. Although with net capacity additions of almost 1 million barrels per day in 2021, we expect industry refining margins to improve compared to 2020 but remain below pre-COVID levels.

Looking to the second quarter of 2021, realized refining margins are expected to show a smaller improvement due to the slower recovery in diesel and jet demand. In addition, we expect a narrower North America heavy crude oil differential and a higher level of turnaround activity in our refining portfolio.

1Q21 underlying results summary

$bn	1Q20	4Q20	1Q21
Underlying RCPBIT*	2.4	1.0	4.7
Gas & low carbon energy	0.8	0.2	2.3
Oil production & operations	0.9	0.6	1.6
Customers & products	0.9	0.1	0.7
Rosneft*	(0.0)	0.3	0.4
Other businesses and corporate	(0.4)	(0.1)	(0.2)
Consolidation adjustment - UPII	0.2	(0.1)	0.0
Underlying replacement cost profit	0.8	0.1	2.6
Operating cash flow	1.0	2.3	6.1
Capital expenditure	(3.9)	(3.5)	(3.8)
Divestment and other proceeds	0.7	4.2	4.8
Net issue (repurchase) of shares	(0.8)	0.0	0.0
Net debt	51.4	38.9	33.3
Announced dividend per ordinary share (cents per share)	10.50	5.25	5.25

1Q 2021 vs 4Q 2020

- Exceptional gas marketing and trading performance
- Significantly higher oil prices
- Higher refining margins

Before I turn to results let me remind you that this is the first quarter reporting under our new segmental structure.

Further details on this and our new disclosure framework, including restated and resegmented data for 2019 and 2020 can be found on bp.com.

I also want to draw your attention to a change in accounting presentation commencing this quarter. As previously disclosed, we have moved to net presentation of certain derivative contracts related to our trading business. Whilst this is a significant change to revenue and costs, it has no impact on replacement cost profit or cash flow.

Moving then to bp's underlying results.

In the first quarter we reported an underlying replacement cost profit of $2.6 billion, compared to $800 million a year ago and $100 million in the fourth quarter of 2020.

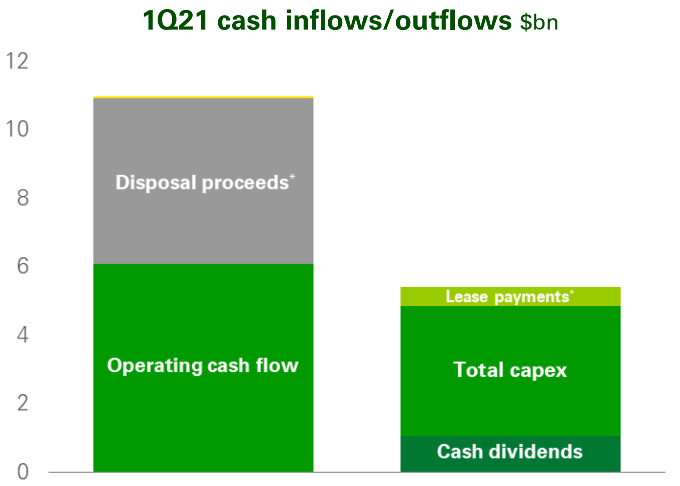
Compared to the fourth quarter, the result reflects an exceptional gas marketing and trading performance, notably from LNG and the impact of storm Uri in the US.

The result also reflects significantly higher oil prices and higher refining margins.

And of course, my favourite figure on the slide – in the last four quarters net debt has fallen from over $51 billion to around $33 billion in the first quarter.

Finally, the first quarter dividend, payable in the second quarter, remains unchanged at 5.25 cents per ordinary share.

$35bn net debt target achieved



- $11.0bn cash inflow*
  - $6.1bn operating cash flow
  - $4.8bn disposal proceeds*
- $5.6bn net debt reduction
- $35bn net debt target achieved – $33.3bn at end-1Q21
- $1.7bn surplus cash flow* at end-1Q21
  - Expect surplus cash flow deficit in 2Q21
  - Expect 2H21 surplus cash flow above
    - ~$45/bbl Brent
    - ~$13/bbl RMM*
    - $3/mmBtu Henry Hub

Turning to cash flow and the balance sheet.

Operating cash flow of $6.1 billion was underpinned by strong business performance and included a working capital build of $1.2 billion with $500 million of severance payments. This build was largely offset by other timing differences.

Cash flow was supported by the earlier than anticipated delivery of disposal proceeds, with $4.8 billion of disposal proceeds realised in the first quarter. We now expect proceeds for the year to reach $5-6 billion during the latter stages of 2021.

Our target of $25 billion of disposal proceeds between the second half of 2020 and 2025 is now underpinned by agreed or completed transactions of around $14.7 billion with approximately $10 billion of proceeds received.

During the quarter, capital expenditure was $3.8 billion. Of this, $1.2 billion was one-off expenditures, including the final payment to Equinor related to the formation of our US offshore wind joint venture; and the initial payment following our success in the UK offshore wind lease round.

We continue to expect capital expenditure of around $13 billion during 2021 including inorganics.

Reflecting this strong cash flow delivery, net debt fell by $5.6 billion during the quarter to $33.3 billion.

Surplus cash flow of $1.7 billion was generated during the first quarter after reaching our $35 billion net debt target.

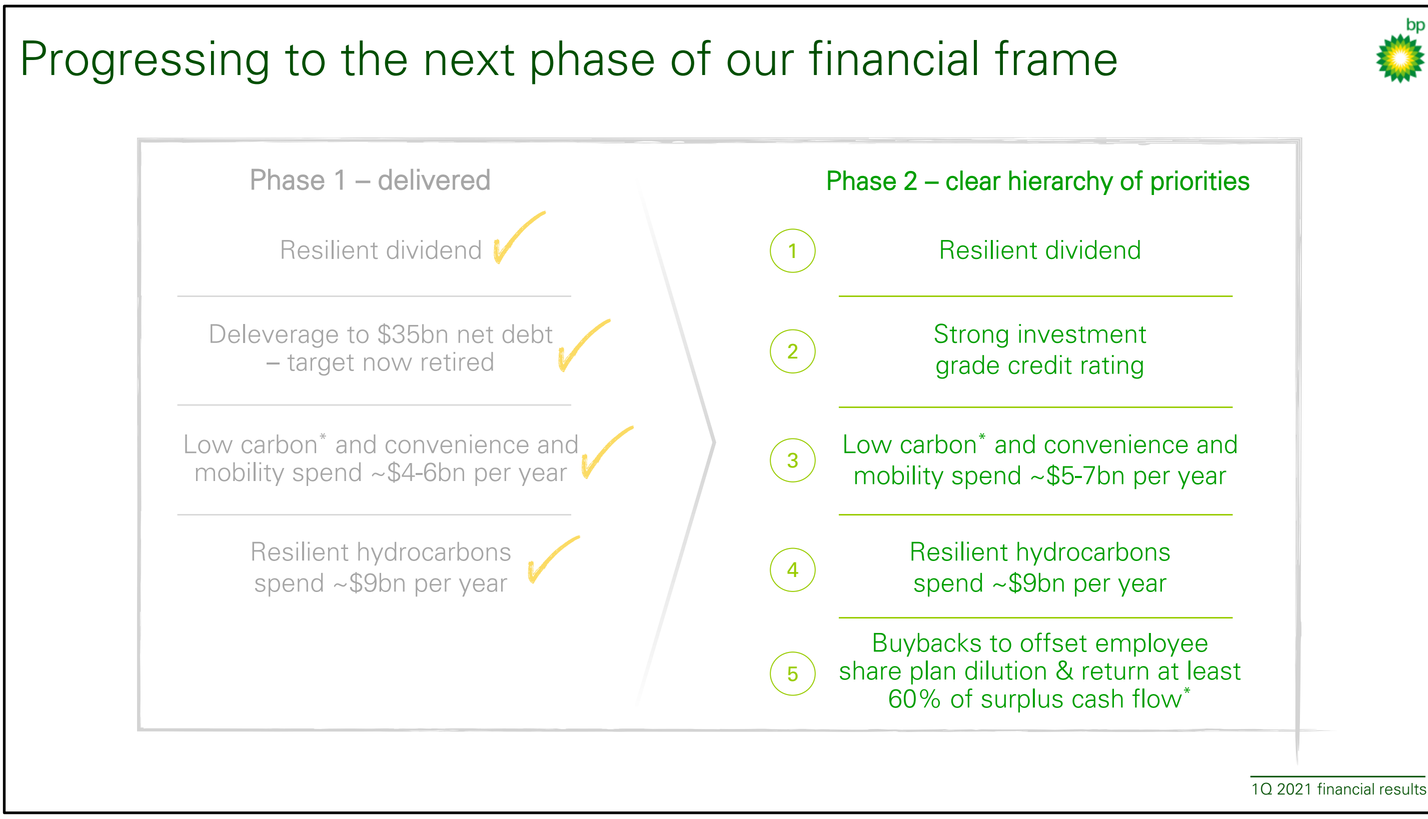
Looking ahead to the second quarter, we continue to expect cash flow to be impacted by:

— The $1.2 billion pre-tax annual Gulf of Mexico oil spill payment;

— Further severance payments associated with our reinvent programme; and

— A smaller improvement in realised refining margins relative to the quarter-to-date rise in our RMM.

As a result of these factors, we expect a cash flow deficit in the second quarter.



Having reached our $35 billion net debt target, we now progress to the second phase of our financial frame.

We have a clear set of priorities for the uses of cash and a disciplined approach to capital allocation to support the delivery of our strategy.

Our first priority is the resilient dividend, intended to remain fixed at 5.25 cents per ordinary share per quarter, subject to the board's discretion each quarter.

Second, having reached $35 billion net debt we now retire this target. We remain committed to maintaining a robust balance sheet with a strong investment grade credit rating.

Third, capital investment. We expect capex of $14-16 billion per year during this second phase, including inorganic spending; however we continue to expect capex of around $13 billion, including inorganics, during 2021.

Finally share buybacks.

We are introducing an intent going forward, to offset dilution from vesting of awards under employee share schemes through buybacks. Surplus cash flow is now defined after the cost of buying back these shares.

In addition, having reached our net debt target, we remain committed to allocating at least 60% of surplus cash to share buybacks, subject to maintaining a strong investment grade credit rating.

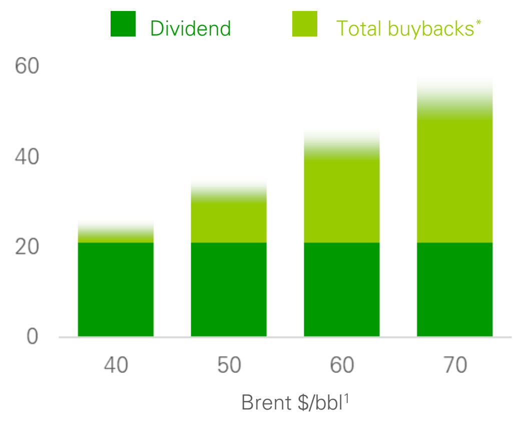
In considering the quantum of buybacks, the board will take account of the cumulative level of, and outlook for, surplus cash flow; with the intention to provide guidance on a quarter-forward basis while macro uncertainties remain.

Committed distributions – buybacks commencing in 2Q21

2021 implementation

- Resilient dividend at 5.25 cents per share per quarter*
- Share buybacks comprising two elements:
  - Offset expected full-year dilution from employee share schemes in the second quarter at a cost of ~$500m
  - Distribute 60% of surplus cash flow* via buybacks* with remaining 40% planned to be used to deleverage
- Update on 3Q21 buybacks with 2Q21 results

2021-25 average annual per share distributions* c/share



(1) 2020 real

Now let me explain how we plan to implement our distribution policy in 2021.

First, our priority of a resilient dividend remains unchanged.

Second, this quarter we intend to offset, through buybacks, the expected full-year dilution from the vesting of awards under employee share schemes, at a cost of around $500 million.

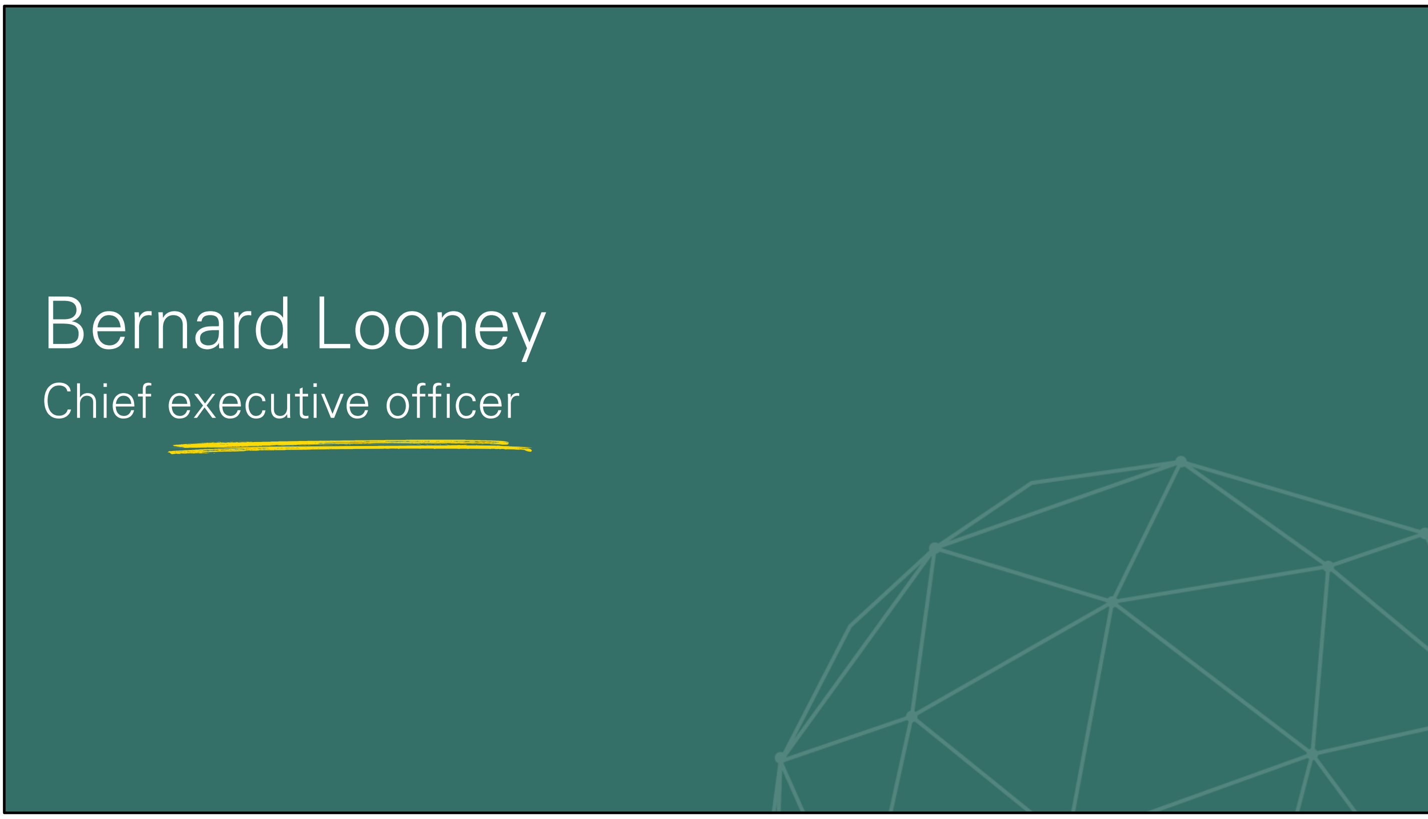
Third, for 2021 the board is committed to using 60% of surplus cash flow for buybacks, subject to maintaining a strong investment grade credit rating. We plan to allocate the remaining 40% to continue strengthening the balance sheet and support our credit rating.

Fourth, given continued macro uncertainty and the expected second quarter cash outflow, we will provide an update on our third quarter buyback plans at the time of second quarter results, taking into account the surplus cash in the first half of the year as well as the outlook for surplus cash.

In the second half of the year we expect to generate surplus cash flow above an oil price of around $45 per barrel with an RMM of around $13 per barrel and Henry Hub of $3.

Looking ahead through 2025, we believe our approach to dividend and buybacks provides for attractive total distributions per share with upside to higher prices.

Thanks for listening and now let me now hand back to Bernard.



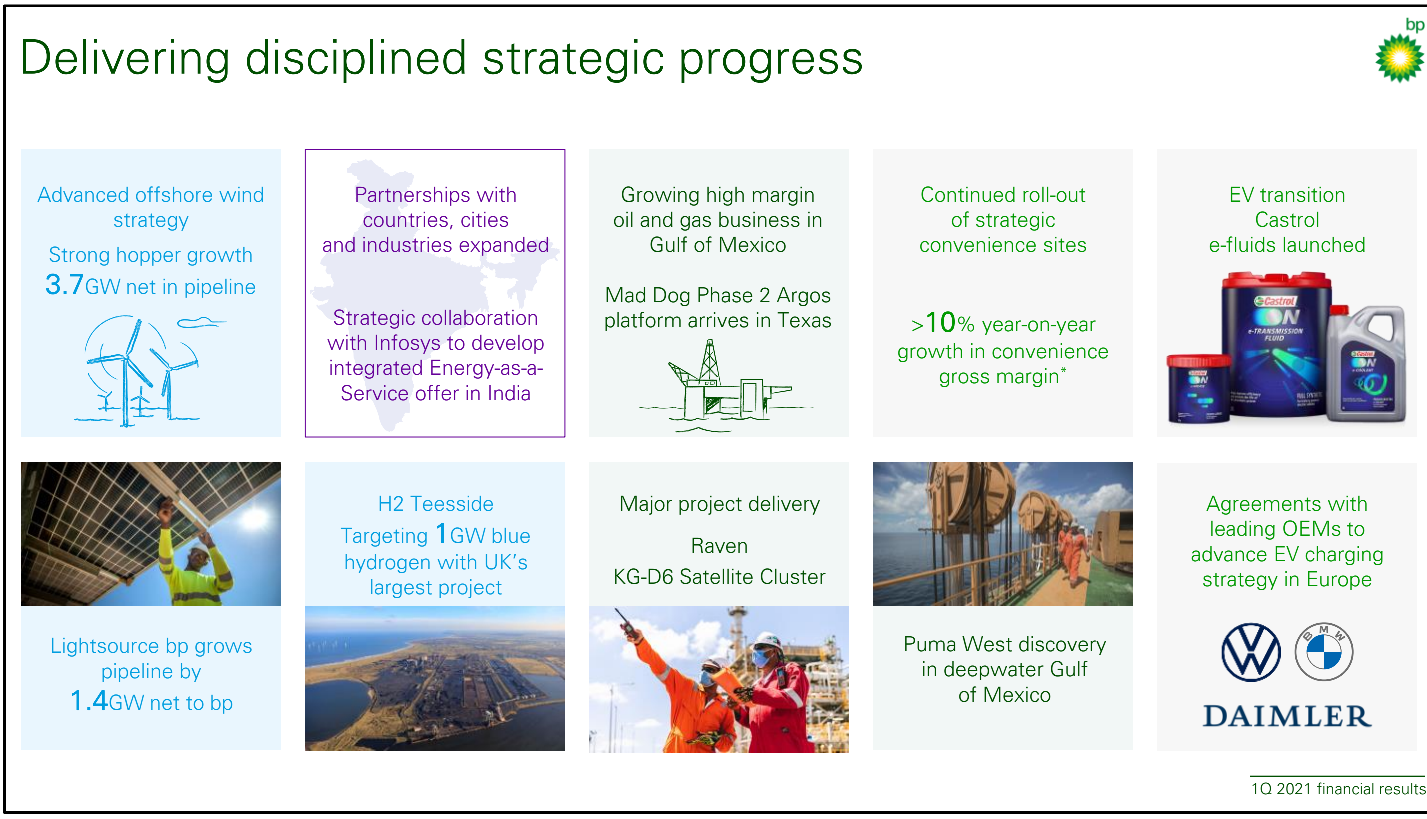
Great, thanks Murray.

As I mentioned earlier, in addition to driving performance of the business, we've been making disciplined progress in advancing our strategy.

I thought it might be helpful to share some examples with you.

Let me start with some highlights from the quarter and then I'll look at three examples in a bit more depth.

We'll then have time to take your questions.



This slide outlines the progress we have made so far this year – from taking delivery of the Argos platform in Texas, after a 16,000 mile journey across the world – to planning the largest blue hydrogen project in the UK.

I won't call out everything in detail, but I do want to emphasise some key points.

Starting with the cash engine – resilient and focused hydrocarbons – two new major projects are now online. Further underpinning our production target of 900 thousand barrels oil equivalent a day, by the end of this year.

First, the Raven project in Egypt. This is a significant milestone, and is expected to continue to ramp-up through this year to deliver around 140 thousand barrels oil equivalent a day net, of high margin production capacity.

Second, the KG D6 Satellite Cluster in India – the second of three projects we are developing with our partner, Reliance. At peak the projects are expected to produce around 65 thousand barrels oil equivalent a day net – enough to meet around 15% of India's gas demand.

And, in the Gulf of Mexico:

– The Mad Dog Phase 2 Argos platform arrived safely in Texas. Once online, the project is expected to deliver around 65 thousand barrels oil equivalent a day to bp, supporting high margin growth through 2025

– In addition, we recently announced an oil discovery at the Puma West prospect near Mad Dog, further highlighting the strength of our business in the region.

Turning to low carbon electricity and energy.

During the first quarter we increased our hopper of offshore wind and solar opportunities by 15 gigawatts, while continuing to high-grade – turning down projects that did not meet our strategic or returns requirements.

Net to bp, our hopper now stands at 35 gigawatts of opportunities that could be progressed into our renewable pipeline.

During the quarter we grew our pipeline of identified projects by three gigawatts, including:

- 1.4 gigawatts of solar pipeline; and
- Preferred bidder status on 1.5 gigawatts, awarded in the UK offshore wind lease round 4. I will come back to talk about this in more detail shortly.

Our pipeline now stands at 13.8 gigawatts – firmly underpinning our 2025 target of 20 gigawatts net to bp, developed to final investment decision.

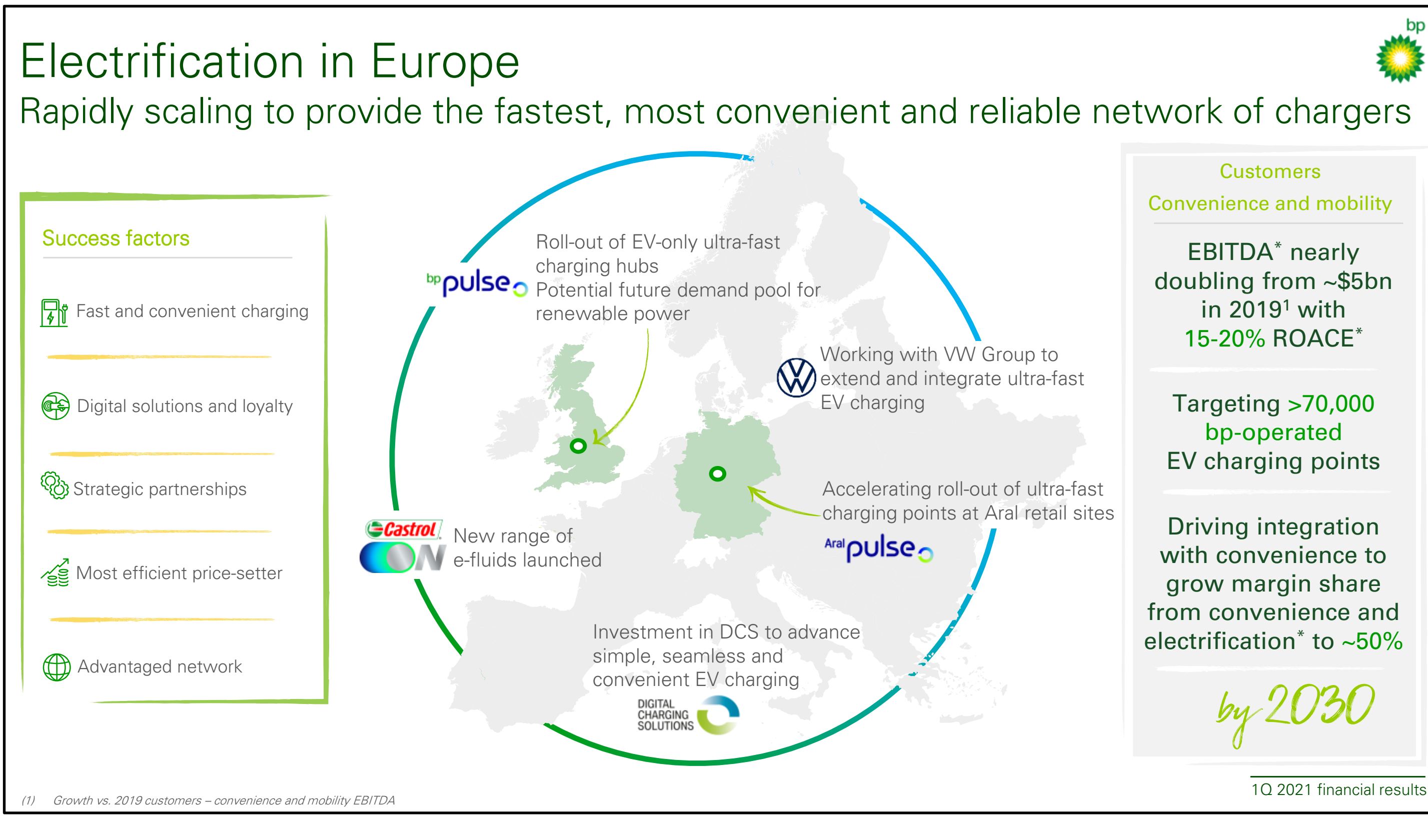
And we also announced our plans to develop the UK's largest blue hydrogen facility, targeting one gigawatt of production by 2030. Integrated with the bp-operated Net Zero Teesside and Northern Endurance Partnership, this project marks an important step in bp's hydrogen business and would significantly contribute to the UK's Ten Point Plan.

We have also continued to extend our partnerships with countries, cities and industries, recently signing a memorandum of understanding with Infosys, in India. Together, we will explore development of a digitally-enabled 'Energy as a Service' offer at Infosys campuses; which could later be scaled to industrial parks and cities.

And finally, we continue to advance our convenience and mobility strategy.

Compared to the same period a year ago we have added around 300 strategic convenience sites and increased our convenience gross margin by over 10%.

Electrification is core to our next-gen mobility strategy, and we have announced plans to work with a number of OEMs, such as BMW, Daimler and Volkswagen Group to increase the scale, reach and utilisation of our EV network.



Let me now explain how these announcements come together to underpin delivery of our EV agenda.

Our EV customers want fast, convenient, reliable and seamless charging, integrated with leading convenience offers and services.

To deliver this, our strategy is to:

– Provide the fastest, most convenient, and reliable network of chargers, situated in advantaged locations;

– Have leading-edge digital technology; and

– Drive higher EV adoption and utilisation of our network.

By 2030 we aim to have more than 70 thousand bp-operated EV charging points and expect to have grown margin share from convenience and electrification to around 50%.

So, how are we progressing?

We already have an established presence in the UK, Germany and China – and we need to continue to rapidly scale-up to meet growing customer demand. The announcements we have made this quarter clearly demonstrate that we are in action, and leveraging our integrated model, particularly in Europe.

First, our announced investment in Digital Charging Solutions, alongside Daimler and BMW. Through apps and in-car dashboards, DCS connects millions of EV drivers to a European network of nearly 230,000 charging points. Through our investment, bp's network of 8,700 charging points will be integrated with those of DCS – we expect this to drive up our utilisation rates and increase footfall at our convenience stores.

Second, in Germany, we are accelerating deployment of ultra-fast charging points at our

Aral retail sites. We plan 500 ultra-fast charging points at our sites by the end of this year and we expect to capture significant integration value with our convenience offer.

Third, we have recently signed a memorandum of understanding with Volkswagen Group to explore the expansion of ultra-fast EV charging networks and the integration of our own charging networks into their vehicles across Europe. This has the potential to add a further 8,000 charging points by 2025.

And finally, bp Pulse has announced the roll-out of EV-only ultra-fast charging hubs in the UK, with the first due within a year.

As we build scale, we expect to create significant demand for electrons and the opportunity for integration synergies with our renewable power business.

For example, we plan to grow the bp pulse network to 16,000 charging points by 2030, creating around one terawatt hour of annual demand. And by 2040, even in our low case, electron demand from our EV charging network in the UK, could underpin over half of our net output from the recent UK Round 4 offshore wind lease awards; creating offtake optionality and further supporting our aim to be the most efficient price setter in EV charging.

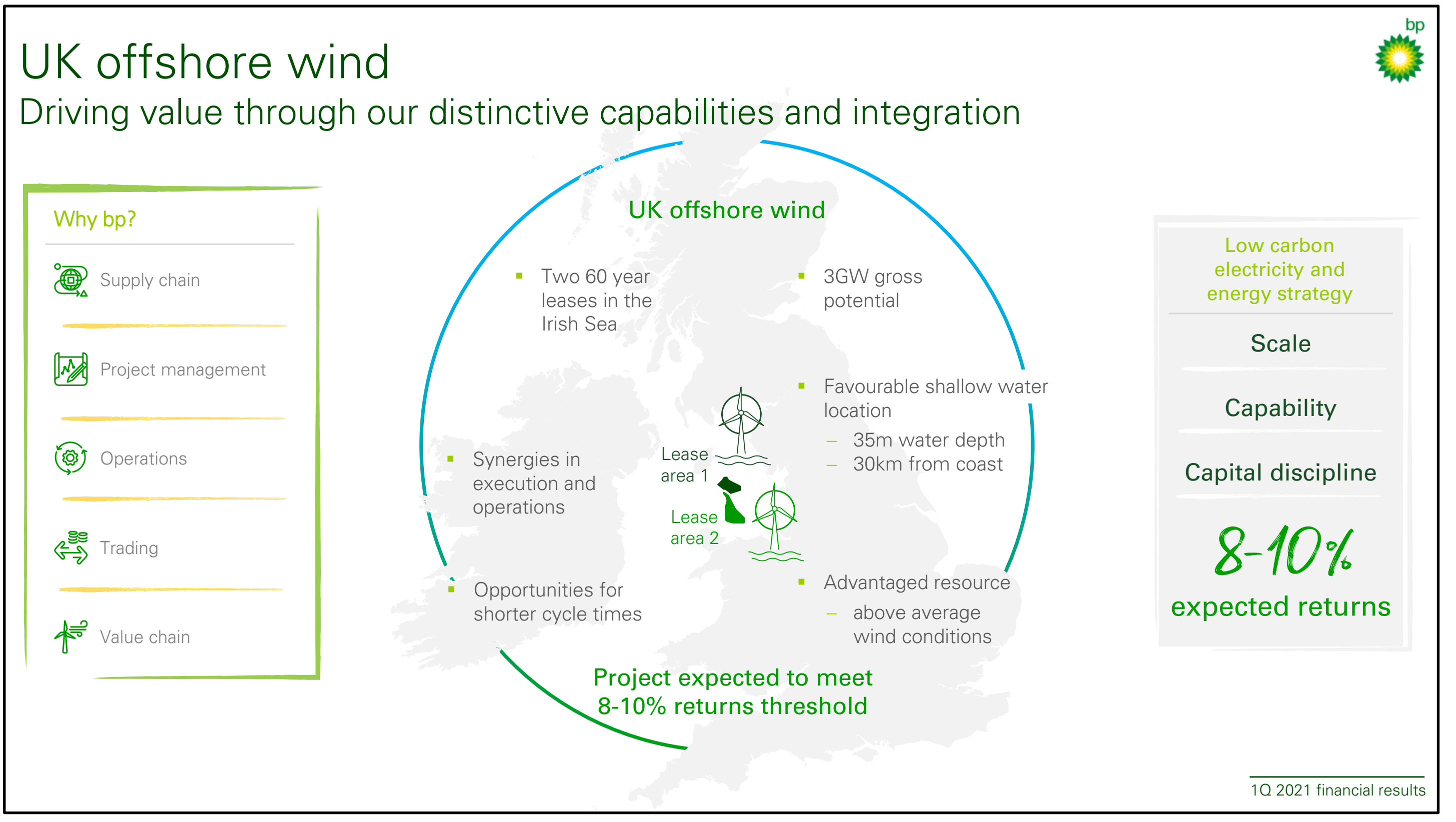
In summary, we know what our customers want, and we have an integrated strategy designed to meet their needs. The progress we have made this quarter is a clear demonstration of that:

– We are expanding our network to help drive the adoption of EVs and provide customers with a great experience; and

– We are leveraging the power of partnerships to enable better and faster utilisation of our network.

And we are moving at pace, to keep up with this fast evolving market.

We believe this strategy will underpin our aim in convenience and mobility to nearly double EBITDA by 2030, from $5 billion in 2019, and deliver 15-20% returns.



Turning to offshore wind.

In the nine months since launching our strategy, we've made good progress, growing our offshore wind pipeline to 3.7 gigawatts net to bp and materially growing our hopper.

Some have asked us about our strategy and why we believe we can deliver attractive returns.

To explain I'm going to talk about the UK, where we've been selected as the preferred bidder for two leases in the Irish Sea, along with our partner EnBW.

We believe this is an advantaged project which compares favourably to other leases offered in Round 4. It benefits from four key attributes:

– One. Advantaged wind resources;

– Two. A favourable location, optimal connection to infrastructure will enable lower connection costs and stronger operating reliability;

– Three. Less complex consenting and grid connection issues, which should result in a shorter development cycle time; and

– Four. Adjacent leases offer opportunities for synergies in execution and operations

We expect this project to meet our investment threshold of 8-10% returns.

Our integrated model gives us confidence that we will deliver value from this project. A few examples.

The development phase will benefit from our centralised projects organisation bringing our offshore hydrocarbon expertise to offshore wind.

We plan to leverage our established offshore supply chain using our scale and experience to manage costs and supplier relationships, for example with turbine manufacturers; and

Decades of offshore project management experience will help us plan and execute the projects efficiently.

In the operational phase we will use technical skills established during ten years of onshore wind operations, including our digital know how.

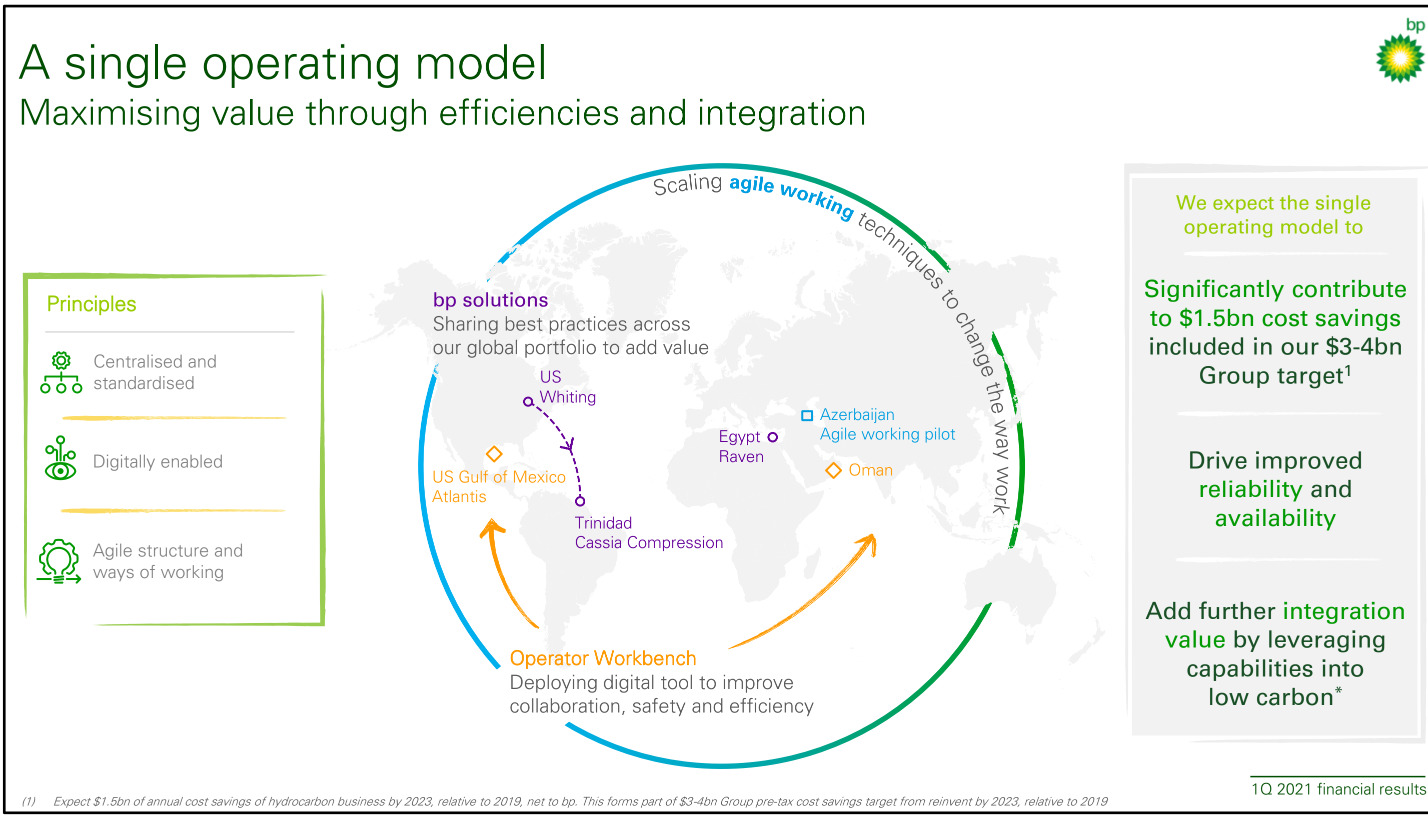
Finally, in the offtake phase our world-class trading organisation will utilise our expertise in power markets to manage risk and market access optionality, likely to include CfD mechanisms.

We are building a portfolio of customer demand contracts with companies like Amazon and supply agreements with customers such as Pure Planet and Utilita.

And in our own business, we are creating demand pools which will allow us to establish integrated value chains:

- Through our rapid expansion in EV charging that I described earlier;
- Through the potential electrification of our offshore oil and gas facilities; and
- In the longer-term, the potential for green hydrogen, underpinned by the optionality of a 60-year offshore wind lease term.

In summary, our integrated model gives us confidence in achieving 8-10% returns and accessing multiple sources of upside.



Turning to our single operating model – the most significant change to come from our new organisational structure.

We see a huge prize in running operations across the whole group in one place. This includes oil wells, refineries, and offshore wind farms.

We expect this to:

– Significantly contribute to $1.5 billion of annual cost savings from our hydrocarbons business by 2023, part of our $3-4 billion reinvent bp target;

– Drive improved reliability and availability; and

– Create integration value as we leverage our capabilities into low carbon energy.

So how do we plan to achieve this?

First, through a centralised and standardised approach to development and operations.

While we had centralised teams in our upstream oil and gas business, our operating model is now being extended to all of our businesses including refineries and low carbon.

Through our newly created bp solutions team, we are sharing best practices across our global portfolio, deploying our best experts to work on our biggest opportunities in order to add value.

Here are two great examples from the last three months:

– We've taken furnace experts from our European refineries to support the safe start-up of our Raven major project; and

– We've deployed compressor expertise from the Whiting refinery to a construction yard in Mexico to support the commissioning plan for the Cassia Compression major project.

And, looking to our low carbon businesses. In addition to leveraging our established supply chain and project management experience in offshore wind, hydrogen, CCUS and biofuels are other areas where our existing capabilities and integrated single operating model can create a competitive advantage.

Second, we are in action to change the way we work. Following a successful pilot in Azerbaijan, we are now rapidly scaling the use of business agility techniques across oil and gas production and our refineries. By the end of this year we expect to have over 14,000 people working in agile teams across bp.

Third, we continue to invest in digital tools as a key enabler for performance delivery and risk reduction.

We will manage production from sand face to export in an integrated, fully digitised workflow, assisted by our Apex and Vertex products as well as the use of digital twins across our portfolio.

We're also deploying a proprietary tool called Operator Workbench. This equips field teams with mobile technology and digitised workflows to improve collaboration, safety and efficiency. Two examples:

– In Oman its use has freed-up thousands of hours to allow operators to focus on priority work; and has reduced the amount of driving and risk of human error by signing off on work at the site; and

– On our Atlantis platform, we are using it in our operator rounds and it has enabled savings of $1.5 million per annum on water treatment alone.

We believe the use of this integrated approach will allow us to leverage our deep skills and knowledge across all operations and will be at the heart of our transformation to an integrated energy company.

So in summary – those are just three examples of our strategy in action – and they illustrate the momentum we see in our business.

I hope they help you understand what an IEC looks like and why we believe that the energy transition represents such a great business opportunity for bp.

As we transform we will continue to share our progress with you.

And we welcome your feedback on how we can provide greater insight into our strategy.

In the nine months since launching this strategy, we have achieved a lot.

We've reset bp and entered 2021 in a strong position to compete.

We are leaner, flatter, nimbler, and 100% focused on execution.

- We've delivered a strong set of results for the first quarter;
- Our financial frame is robust – we are committed to distributions and are commencing share buybacks in the second quarter; and
- As you can see, we are progressing our strategic agenda with discipline and a focus on value.

This is what we mean by performing while transforming and how it supports the delivery of long-term value for our shareholders.

We are excited about what's to come and look forward to updating you more as the year goes on.

Thank you for your time today, and let's now turn to your questions…

Q&A

Appendix

Investor proposition

Resilient dividend of 5.25 cents per share per quarter*

≥60% surplus cash as share buybacks[1]

Committed distributions

7-9% EBIDA* per share CAGR*

Growing ROACE to 12-14%[2]

Profitable growth

>20% capital employed in transition[3]

Sustainable value

delivering long-term shareholder value

(1) *At least 60% of surplus cash as buyback after having reached $35bn net debt and subject to maintaining a strong investment grade credit rating*
(2) *ROACE: return on average capital employed as defined in bp's 2019 annual report, by 2025, $50-60/bbl (2020 real), at bp planning assumptions*
(3) *By 2025*

Guidance

Full year 2021

Total capital expenditure	~$13bn
DD&A	Similar level to 2020
Gulf of Mexico oil spill payments	~$1bn post-tax
OB&C* underlying annual charge	$1.2-1.4bn Quarterly charge may vary quarter to quarter
Underlying effective tax rate*	>40%[1]

Reported upstream production (ex. Rosneft)	Lower than 2020 due to the impact of the ongoing divestment programme
Underlying production* (ex. Rosneft)	Slightly higher than 2020 due to the ramp-up of major projects, primarily in gas regions, partly offset by the impacts of reduced capital investment and decline in lower-margin gas assets

2Q21 vs 1Q21

- Higher product demand across our customer businesses as restrictions begin to ease and vaccination rollouts continue
- This should help provide some support to industry refining margins, although realized refining margins are expected to show a smaller improvement due to the slower recovery in diesel and jet demand and a narrower North American heavy crude oil differential. In addition, we expect a higher level of turnaround activity in our refining portfolio
- Lower reported upstream production mainly due to divestments and seasonal maintenance activities, primarily in the Gulf of Mexico, the North Sea, and Trinidad, partly offset by the ramp up of the Raven and KG D6 R Cluster major projects. Within this, we expect both gas & low carbon energy and oil production & operations to be lower

(1) Underlying effective tax rate is sensitive to the impact that volatility in the current environment may have on the geographical mix of the group's profits and losses

Medium term financial frame

	2019	2020	2021 plan	2025 plan
Reported upstream production (ex. Rosneft)	2.6mboed	2.4mboed	lower than 2020 slightly higher underlying basis	~2.0 mboed
Capital expenditure	$19.4bn $15.2bn ex. inorganic	$14.1bn $12bn ex. inorganic	~$13bn	$14-16bn
Cash cost saving (vs 2019)	N/A	12% reduction	$2.5bn before end-2021	$3-4bn in 2023 from reinvent bp
Divestment and other proceeds	$2.8bn	$6.6bn inc. $4.8bn in 2H20	$5-6bn	$25bn 2H20-2025
Net debt	$45.4bn	$38.9bn	maintain a strong investment grade credit rating	
ROACE*	8.9%	(3.8%)	12-14% by 2025[1]	
EBIDA* per share	156¢	95¢	7-9% CAGR by 2025[1] vs 2H19-1H20	
Dividend	41¢/share	31.5 ¢/share	Resilient dividend at 5.25¢/sh per quarter*	
Buybacks	N/A	N/A	Offset dilution from employee share plans Return at least 60% of surplus cash flow* via buybacks*	

(1) $50-60/bbl (2020 real), at bp planning assumptions

1Q 2021 summary

$bn	1Q20	4Q20	1Q21	% Y-o-Y	% Q-o-Q
Gas & low carbon energy	0.8	0.2	2.3		
Oil production & operations	0.9	0.6	1.6		
Customers & products	0.9	0.1	0.7		
Other businesses and corporate	(0.4)	(0.1)	(0.2)		
Underlying business RCPBIT*	**2.2**	**0.7**	**4.3**	**94%**	**489%**
Rosneft*	(0.0)	0.3	0.4		
Consolidation adjustment – unrealised profit in inventory	0.2	(0.1)	0.0		
Underlying RCPBIT*	**2.4**	**1.0**	**4.7**	**96%**	**385%**
Finance costs*	(0.7)	(0.6)	(0.6)		
Tax	(1.0)	(0.2)	(1.3)		
Minority interest	0.0	(0.1)	(0.2)		
Underlying replacement cost profit	**0.8**	**0.1**	**2.6**	**232%**	**2187%**
Underlying effective tax rate*	55%	40%	30%		
Operating cash flow	1.0	2.3	6.1	542%	169%
Underlying earnings per share (cents)	3.9	0.6	13.0	231%	2180%
Announced dividend per ordinary share (cents per share)	10.50	5.25	5.25	(50%)	0%

Gas and low carbon energy

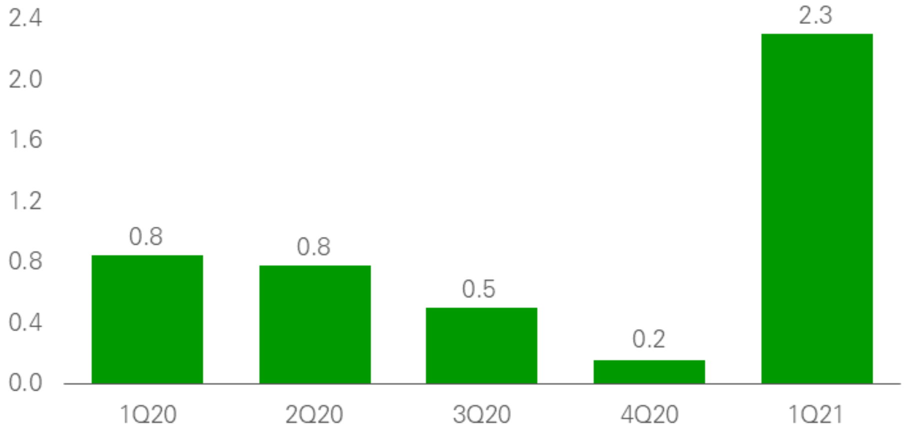
Production volume	1Q20	4Q20	1Q21
Liquids (mbd)	96	98	112
Natural gas (mmcfd)	4,665	4,049	4,623
Total hydrocarbons (mboed)	900	796	909

Realisations*	1Q20	4Q20	1Q21
Liquids ($/bbl)	45.70	36.51	55.38
Natural gas ($/mcf)	3.51	3.37	3.94
Total hydrocarbons ($/boe)	23.30	21.27	26.84

Selected financial metrics ($bn)	1Q20	4Q20	1Q21
EBITDA*	1.9	0.9	3.1
Capital expenditure - gas	1.2	0.9	0.8
Capital expenditure - low carbon	0.0	0.5	1.1

Operational metrics (GW, bp net)	1Q20	4Q20	1Q21
Installed renewables capacity*	1.1	1.5	1.6
Developed renewables to FID*	2.7	3.3	3.3
Renewables pipeline*	N/A	10.9	13.8

Underlying RCPBIT* $bn



1Q 2021 vs 4Q 2020

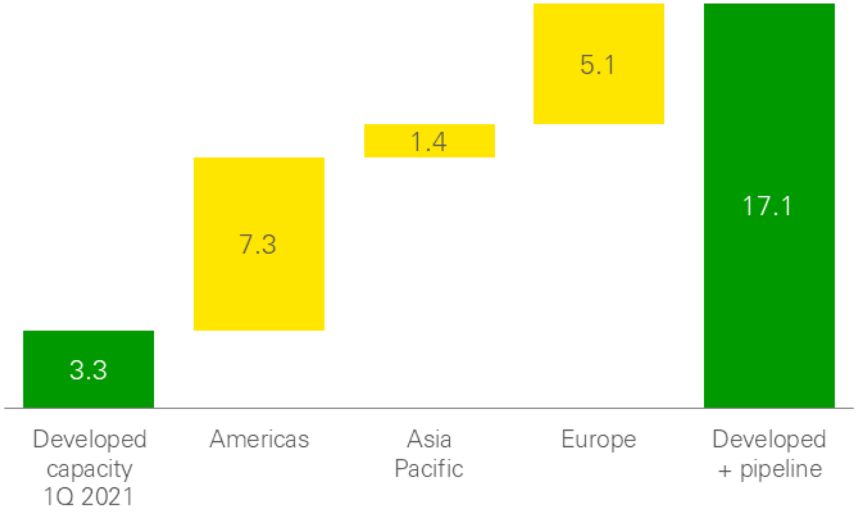
- Exceptionally strong gas marketing and trading results
- Higher realisations and higher production from gas major projects and recovery from planned maintenance

Gas and low carbon energy

Building scale and capability with capital discipline and a returns focus

Developed to FID* and pipeline*

GW bp net



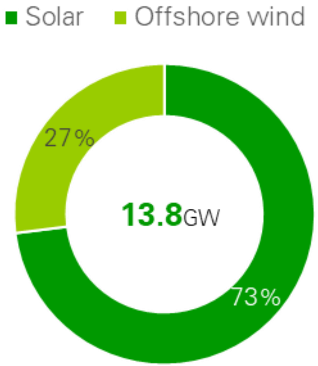
Developed to FID* and pipeline* ~3GW higher than 4Q20

30 projects developed to FID* with Lightsource bp weighted average expected IRR of 8-10%

Pipeline*

By technology

bp net



Hopper*

bp net

35GW active projects an increase of 15GW from 4Q20

Oil production and operations

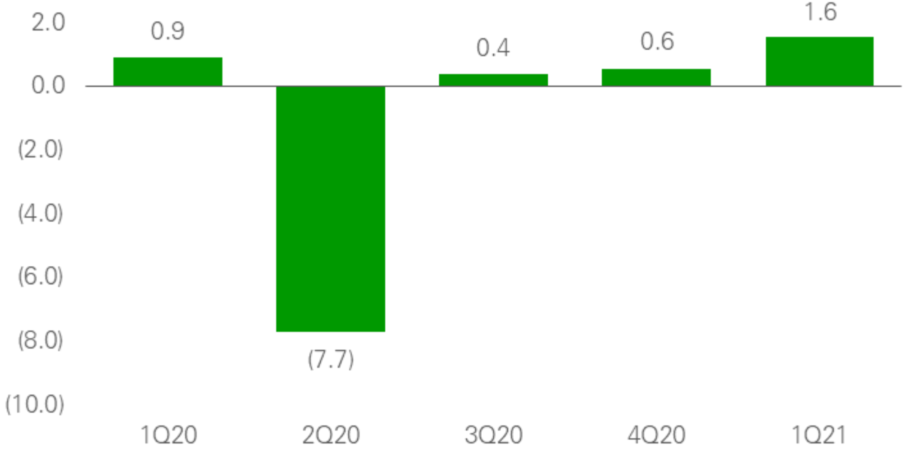
Production volume[1]	1Q20	4Q20	1Q21
Liquids (mbd)	1,211	1,021	997
Natural gas (mmcfd)	2,723	1,962	1,810
Total hydrocarbons (mboed)	1,679	1,359	1,309

Realisations*	1Q20	4Q20	1Q21
Liquids ($/bbl)	47.64	38.58	52.92
Natural gas ($/mcf)	1.44	2.38	4.11
Total hydrocarbons ($/boe)	37.10	33.18	46.81

Selected financial metrics ($bn)	1Q20	4Q20	1Q21
Exploration write-offs	0.1	0.1	0.1
EBITDA*	3.1	2.5	3.2
Capital expenditure	2.0	1.1	1.3

Combined upstream	1Q20	4Q20	1Q21
Oil and gas production[1] (mboed)	2,579	2,155	2,218
Realisations* ($/boe)	31.80	28.48	37.75
Unit production costs*[1,2] ($/boe)	7.07	6.39	7.36
bp-operated plant reliability*[2] (%)	93.0	94.0	93.0

Underlying RCPBIT* $bn



1Q 2021 vs 4Q 2020

- Higher liquids and gas realisations

Partially offset by

- Lower production

(1) Excluding Rosneft
(2) On a year to date basis

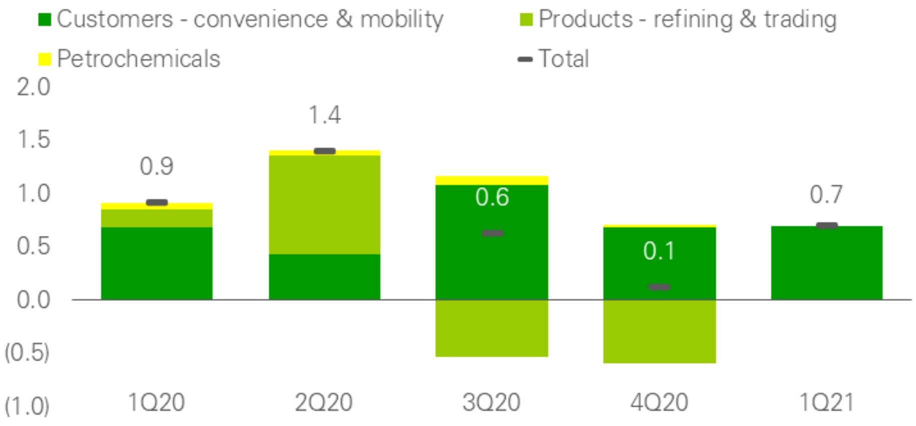
Customers and products

Customers - convenience & mobility	1Q20	4Q20	1Q21
Customers - convenience & mobility EBITDA*	1.0	1.0	1.0
*Castrol[1] EBITDA**	*0.2*	*0.3*	*0.4*
Capital expenditure	0.3	0.4	0.3
bp retail sites - total[2]	18,900	20,300	20,300
bp retail sites in growth markets[2]	1,300	2,700	2,700
Strategic convenience sites[2]	1,700	1,900	2,000

Products - refining & trading	1Q20	4Q20	1Q21
EBITDA*	0.6	(0.2)	0.4
Capital expenditure	0.3	0.4	0.2
Marketing sales of refined products (mb/d)[3]	2,968	2,683	2,476

Refining environment	1Q20	4Q20	1Q21
RMM* ($/bbl)	8.8	5.9	8.7
Refining throughputs (mb/d)	1,806	1,628	1,601
Refining availability* (%)	96	96	95

Underlying RCPBIT* $bn



1Q 2021 vs 4Q 2020

Customers – Material and resilient performance despite renewed COVID restrictions

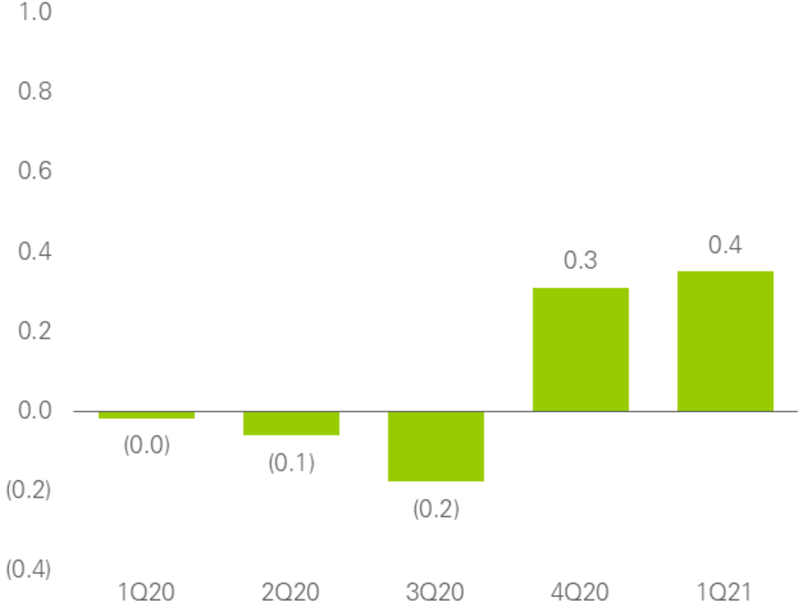
- Retail and aviation volumes impacted due to COVID-19 restrictions
- Resilient convenience performance
- Stronger performance in Castrol supported by stronger volumes and growth market earnings

Products – Improved refining environment and lower TAR activity. Higher contribution from trading

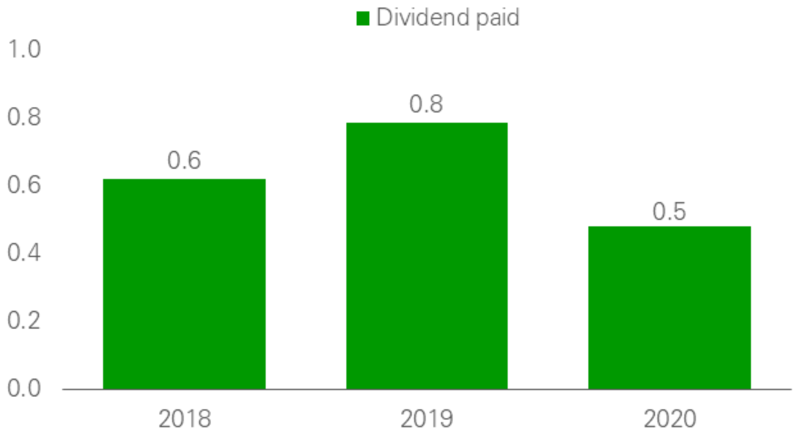
(1) Castrol is included in customers – convenience & mobility
(2) Reported to the nearest 100
(3) Comparative information for 2020 has been restated for the changes to net presentation of revenues and purchases relating to physically settled derivative contracts effective 1 January 2021. For more information see SEA - note 1 basis of preparation - voluntary change in accounting policy

Rosneft

bp share of underlying net income* $bn



bp share of Rosneft dividend* $bn



Production volume[1]	1Q20	4Q20	1Q21
Liquids (mbd)	916	876	827
Natural gas (mmcfd)	1,275	1,360	1,294
Total hydrocarbons (mboed)	1,136	1,111	1,050

(1) *bp share of Rosneft production*

Glossary

Glossary

2021-25 average annual per share distributions	Dividend assumes 5.25 cents per ordinary share per quarter plus total buyback expenditure divided by projected share count 2021-25 average based on intended buybacks to offset dilution from employee share options and using 60% of surplus for buybacks, at reference oil price and 2021-5 average bp planning assumptions ($11/bbl 2021 RMM, $3.mmbtu Henry Hub, 2020 real)
bp-operated plant reliability	Calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity. Unplanned plant deferrals are associated with the topside plant and where applicable the subsea equipment (excluding wells and reservoir). Unplanned plant deferrals include breakdowns, which does not include Gulf of Mexico weather related downtime.
bp share of Rosneft dividend	From 2018, represents bp's share of 50% of Rosneft's IFRS net profit
bp share of underlying net income	On a replacement cost basis and adjusted for adjusting items; 1Q21 represents bp estimate
Buybacks from surplus cash flow	bp is committed to returning at least 60% of surplus cash flow over time, by way of share buybacks, subject to maintaining a strong investment grade credit rating. In considering the quantum of share buybacks, the board will take account of the cumulative level of, and outlook for, surplus cash flow, with the intention to provide guidance on a quarter-forward basis while macro uncertainties remain.
Cash inflow	Operating cash flow plus divestment and other proceeds
Convenience gross margin	Store gross margin as well as other merchandise and service contribution, not considered as retail fuels or store gross margin, received from the retail service stations operated under a bp brand, excluding equity-accounted entities.
Developed renewables to FID	Total generating capacity for assets developed to FID by all entities where bp has an equity share (proportionate to equity share). If asset is subsequently sold bp will continue to record capacity as developed to FID. If bp equity share increases developed capacity to FID will increase proportionately to share increase for any assets where bp held equity at the point of FID.
Disposal proceeds	Divestments and other proceeds
EBIDA	Underlying replacement cost profit before interest and tax, add back depreciation, depletion and amortization and exploration expenditure written-off (net of adjusting items), less taxation on an underlying RC basis
EBIDA per share CAGR	2H19/1H20-2025, $50-60/bbl Brent (2020 real), at bp planning assumptions
EBITDA	Underlying replacement cost profit before interest and tax, add back depreciation, depletion and amortization and exploration expenditure written-off (net of adjusting items)
Finance costs	Finance costs and net finance income or expense relating to pensions and other post-retirement benefits
Hopper	Renewable hopper comprises of project opportunities from the point of initial evaluation until they are either stopped or become part of the renewable pipeline
Installed renewables capacity	bp's share of capacity for operating assets owned by entities where bp has an equity share
Lease payments	Lease liability payments
Low carbon	Low carbon electricity and energy
Margin share for convenience and electrification	Ratio of convenience and electrification gross margin of total consumer energy (retail fuels and electrification) and convenience gross margin, excluding equity accounted entities

Glossary

OB&C	Other businesses and corporate
Pipeline	Renewable pipeline includes projects that have achieved pre-set milestone criteria
Realisations	Based on sales of consolidated subsidiaries only, excluding equity-accounted entities
Refining availability	bp-operated refining availability
Refining marker margin (RMM)	Based on bp's portfolio
Renewables pipeline	Renewable projects satisfying criteria to the point they can be considered developed to final investment decision (FID): Site based projects have obtained land exclusivity rights, or for PPA based projects an offer has been made to the counterparty, or for auction projects pre-qualification criteria has been met, or for acquisition projects post a binding offer being accepted.
Replacement cost profit before interest and tax (RCPBIT)	Adjusted for adjusting items and fair value accounting effects
Resilient dividend at 5.25 cents per share per quarter	Dividend per ordinary share per quarter, intended to remain fixed at this level, subject to board discretion each quarter
ROACE	Return on average capital employed as defined in bp's 2020 annual report
Rosneft RCPBIT	bp estimate of Rosneft earnings after interest, tax and minority interest
Surplus cash flow	Non-GAAP measure and refers to surplus of sources of cash, after reaching the $35 billion net debt target, including operating cash flow and divestment and other proceeds, over uses, including leases, hybrid servicing costs, dividend payments, cash capital expenditure and the cost of share buybacks to offset the dilution from vesting of awards under employee share schemes
Total buybacks	Buybacks to offset dilution from employee share schemes plus buybacks from surplus cash flow
Underlying effective tax rate	Underlying effective tax rate on replacement cost profit adjusted to remove the effects of adjusting items and fair value accounting effects
Underlying production	When compared with 2020, is production after adjusting for acquisitions and divestments, curtailments, and entitlement impacts in our production-sharing agreements/contracts and technical service contract
Unit production costs	Calculated as production cost divided by units of production. Production cost does not include ad valorem and severance taxes. Units of production are barrels for liquids and thousands of cubic feet for gas. Amounts disclosed are for bp subsidiaries only and do not include bp's share of equity-accounted entities