BP 4Q and full year 2018

Results and strategy update

5 February 2019

Welcome to BP’s fourth-quarter and full-year 2018 results and strategy update.

I’m Craig Marshall, BP’s head of investor relations, and I am here today with our chief executive, Bob Dudley and chief financial officer Brian Gilvary. We are also joined by Upstream chief executive Bernard Looney and Downstream chief executive Tufan Erginbilgic.

Before we begin, I’ll 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 prices and supply and demand; expectations related to global energy supply and demand including with respect to natural gas and renewables; expectations regarding the dual challenge of the global energy system, including projected demand for energy and BP's ability to supply oil, gas and renewables to meet this growth, carbon emissions growth and carbon emissions reductions and investment needed to be on a path consistent with meeting Paris climate goals; plans and expectations regarding BP's emissions reductions, including to have zero net growth in operational emissions to 2025, 3.5Mte of sustainable GHG emissions reductions by 2025 and to target methane intensity of 0.2% and hold it below 0.3%; plans and expectations with regard to the Biofuels and Wind businesses, including to drive further growth in the alternative energy portfolio; plans and expectations regarding BP publications, including the Energy Outlook, the Sustainability Report, the rules of thumb for 2019 on price movement impacts and additional disclosures required by IFRS 16; expectations regarding industry refining margins, turnaround and maintenance activity and narrower North American heavy crude oil discounts in the first quarter of 2019; expectations regarding Upstream underlying production in 2019 and in 2021 and Upstream reported production in the first quarter of 2019; 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, start-ups, production, investments and activities in Alaska, Angola, Australia, Azerbaijan, Egypt, the Gulf of Mexico, India, Indonesia, Mauritania & Senegal, the North Sea, Oman, Russia and Trinidad and Tobago; plans and expectations regarding joint ventures with Rosneft; expectations regarding the resource base, including to high-grade; plans and expectations regarding major projects production including with respect to 35% greater cash margins and 20% lower development than 2015 base and 900 thousand barrels per day of new major project production by 2021; plans and expectations regarding FIDs, including to make 20 FIDs and location of major projects reaching FID; expectations regarding organic capital expenditure, free cash growth, organic free cash flow and organic free cash flow per share, pre-tax free cash flow, underlying earnings growth, the refining marker margin, the DD&A charge, the Other Businesses and Corporate average underlying quarterly charge and the 2019 underlying effective tax rate; plans and expectations regarding share buybacks, including to offset the impact of dilution from the scrip program since the third quarter of 2017; plans and expectations regarding new business models, including to achieve a $0.5 billion manufacturing earnings benefit by 2025, expand Chargemaster charging points, scale-up advanced mobility opportunities and expand lower carbon bio-processing and chemical recycling; plans and expectations regarding sustainable free cash flow and distributions to shareholders over the long term; expectations that ROACE will exceed 10% by 2021 at $55/bbl; plans and expectations regarding BP's acquisition of onshore-US oil and gas assets from BHP, including expectations regarding the funding and timing of purchase price payments and future performance and operations; plans and expectations regarding Downstream underlying earnings growth, free cash flow and pre-tax returns by 2021; plans and expectations regarding marketing, including BP's convenience partnership model and earnings growth from new markets, and manufacturing, including earnings growth; plans and expectations regarding a petrochemicals complex in Turkey; plans and expectations regarding spending on and development of renewables, including to progress the Butamax plant upgrade in 2019 and invest $500 million in 2019; plans to maintain focus on safety and discipline; plans and expectations regarding agility, digital and mindset; expectations regarding the amount and timing of divestment proceeds, including to complete more than $10 billion in divestments over the next two years; plans and expectations to targetwith respect to gearing within a 20-30% band; and expectations regarding the expected quarterly dividend payment and timing of such payment. 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 projects 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 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 "Principal risks and uncertainties" in our results announcement for the period ended June 30, 2018 and under "Risk factors" in BP Annual Report and Form 20-F 2017 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.

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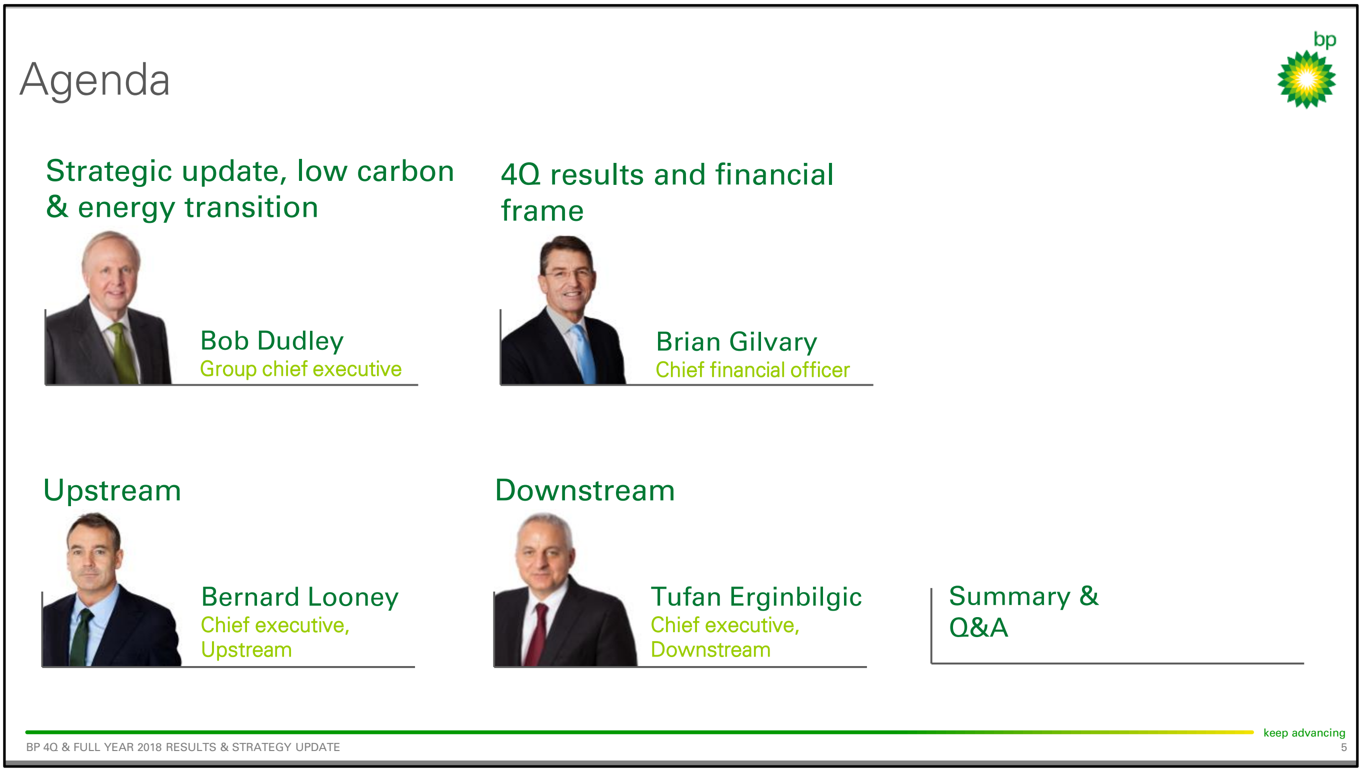
During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange Announcement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

Now, over to Bob.

Bob Dudley
Group Chief Executive

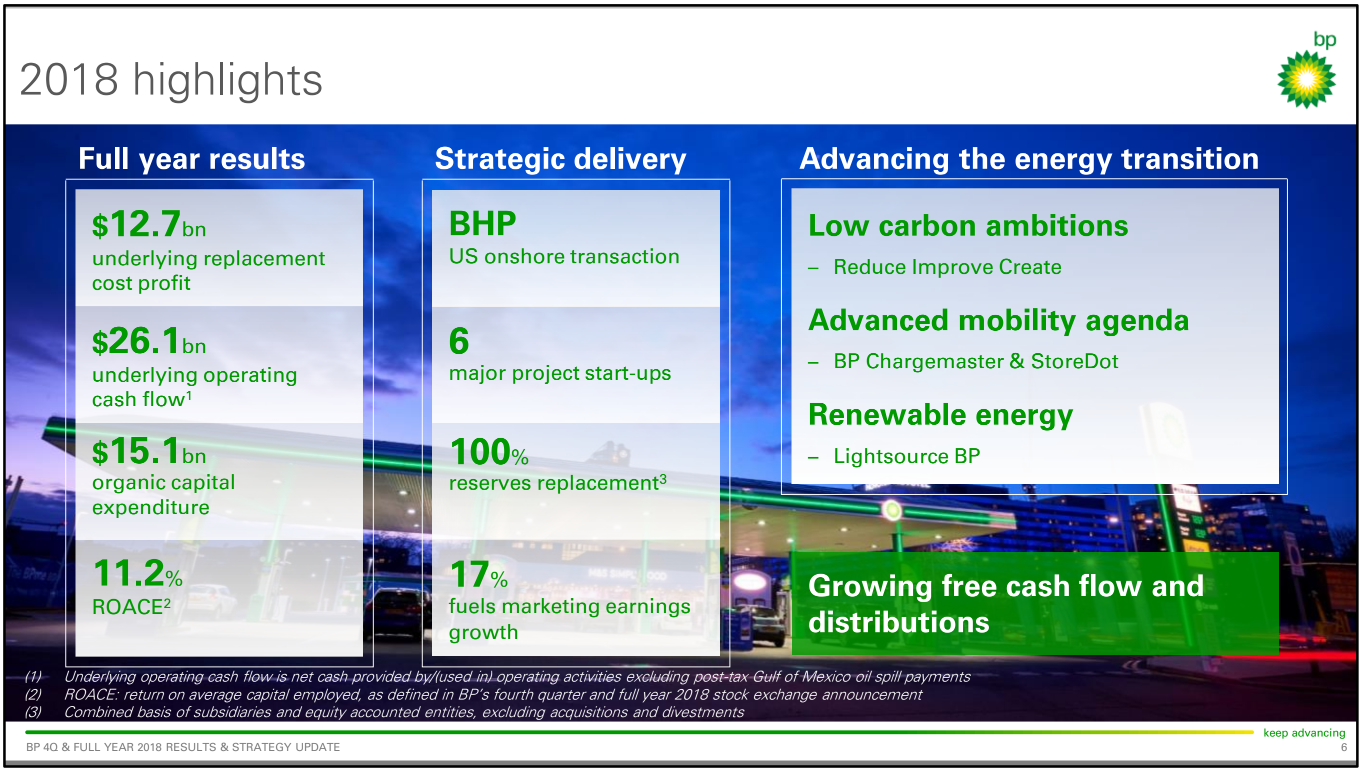
BP 4Q and full year 2018
Results and strategy update

Thank you Craig and welcome to everyone joining us today.



Six months ago, we opened our second quarter remarks by commenting on how busy the first half of 2018 had been – and the second half was no different. We are now two years into our five-year plan and are making strong and steady progress, despite the continuing volatility in the energy market.

First, to the agenda today. I'll begin the presentation with a review of the strategic highlights from 2018, reflecting on some of the key themes we have seen in the broader energy markets, and demonstrate how our strategy is consistent with advancing the energy transition. Brian will then take you through the detail of the fourth-quarter and full-year results and provide you with guidance on the outlook for 2019 and our financial frame. Bernard and Tufan will then have an opportunity to update you on their businesses. Lamar cannot be with us today as he is flying to meet shareholders, so I will provide an update on our low-carbon strategy that he shared with you last year. We'll then be ready to take your questions.



Now to highlights from the year.

The continuing business momentum has underpinned another strong set of operational and financial results. This is a testament to the resilience of our strategy and supports our commitment to growing free cash flow and distributions to shareholders.

We reported underlying replacement cost profit of $12.7 billion dollars for the full year, more than double that of a year ago. Our underlying operating cash flow increased to $26.1 billion. This is up 33% on 2017, after adjusting for a working capital build, reflecting real growth from across our businesses.

Organic capital expenditure was in line with guidance at $15.1 billion, demonstrating our continued focus on cost and capital discipline. And return on average capital employed was 11.2%, almost double that of 2017.

In the Upstream, we remain on track to deliver 900 thousand barrels per day of new major project production by 2021, supported by the start-up of a further six major projects during 2018. We also completed the transaction to acquire BHP's Lower 48 assets, creating a significant position in the region that is already contributing to production, earnings and cash flow growth. And, with the sanctioning of a further nine projects in 2018, our organic reserves replacement ratio was just over 100% for the year. On a an organic plus inorganic basis it was 209%.

In the Downstream, we delivered our best underlying pre-tax earnings on record, of $7.6 billion. This was underpinned by the continued growth of our fuels marketing business in new and established markets, with 17% year-on-year earnings growth. Across our manufacturing business we continue to see strong performance, with record refining throughput in the year. We also made a series of announcements of interest that support our advanced mobility agenda, notably our purchase of Chargemaster, the UK's largest electric vehicle charging company.

In Russia, our 19.75% shareholding in Rosneft provides us a strong position in one of the largest and lowest-cost hydrocarbon resource basins in the world, with access to major markets, both east and west. In 2018, BP’s share of production from Rosneft was around 1.1 million barrels per day, and we also received $620 million in dividends, and these are after tax.

In addition to our equity position, we also have established technical cooperation arrangements, and are building a material business that is generating incremental value through standalone joint ventures, both in Russia and elsewhere. Bernard will touch on these projects later.

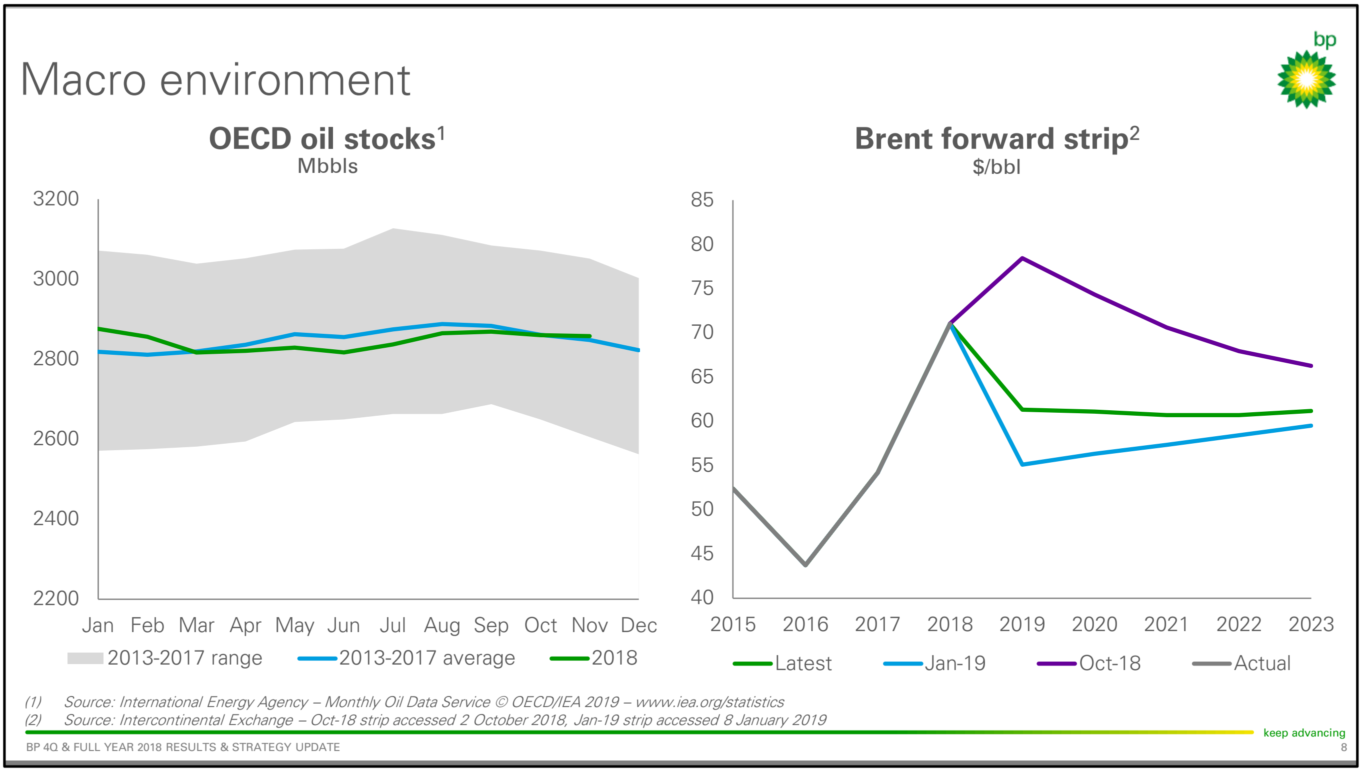
Turning to our Renewables and low carbon businesses. In Alternative Energy the partnership with Lightsource BP goes from strength to strength, having doubled its footprint around the world since we first combined. In conjunction with our existing biofuels and wind businesses, we firmly believe that this kind of strategic partnership will drive further growth in our Alternative Energy portfolio.

We have also been in progress on the broader energy transition agenda. We are addressing the dual challenge and setting ambitious targets to reduce our emissions, continuing to improve our products and creating new low carbon businesses and markets. I’ll talk more about this, and the announcement last week of the BP Board’s support for a proposed climate reporting resolution, later.

I want to update you on the safe, reliable and efficient execution across our businesses – it's a story of real progress however we remain focused on moving that agenda.

Safety remains our number one priority and a core value. As you'll see from the slide, there was a reduction in the number of process safety events in 2018. This is an important indicator of how we are working to keep our people out of harms way and our plants running safely. Our aim remains the same; to have no accidents, no harm to people and no damage to the environment. There is always more we can do to drive improving results, today and in the future.

As you have heard me say before, safety is good business. This commitment to safety also leads to improving reliability of our underlying businesses, which in turn leads to improved cash flows, thus business performance. In this regard, we have seen a consistent improvement in our Upstream plant reliability, a record 96% in 2018, and in the Downstream, our refining availability remained strong at 95%.



Turning then to the macro environment. We continue to see a number of factors contributing to an increase in volatility in the energy markets.

Over the course of 2018, OECD stocks moved back in line with five-year average levels. During the second half of the year inventories began rising, driven by a combination of:

– Increasing OPEC production levels;

– Record US supply growth; and

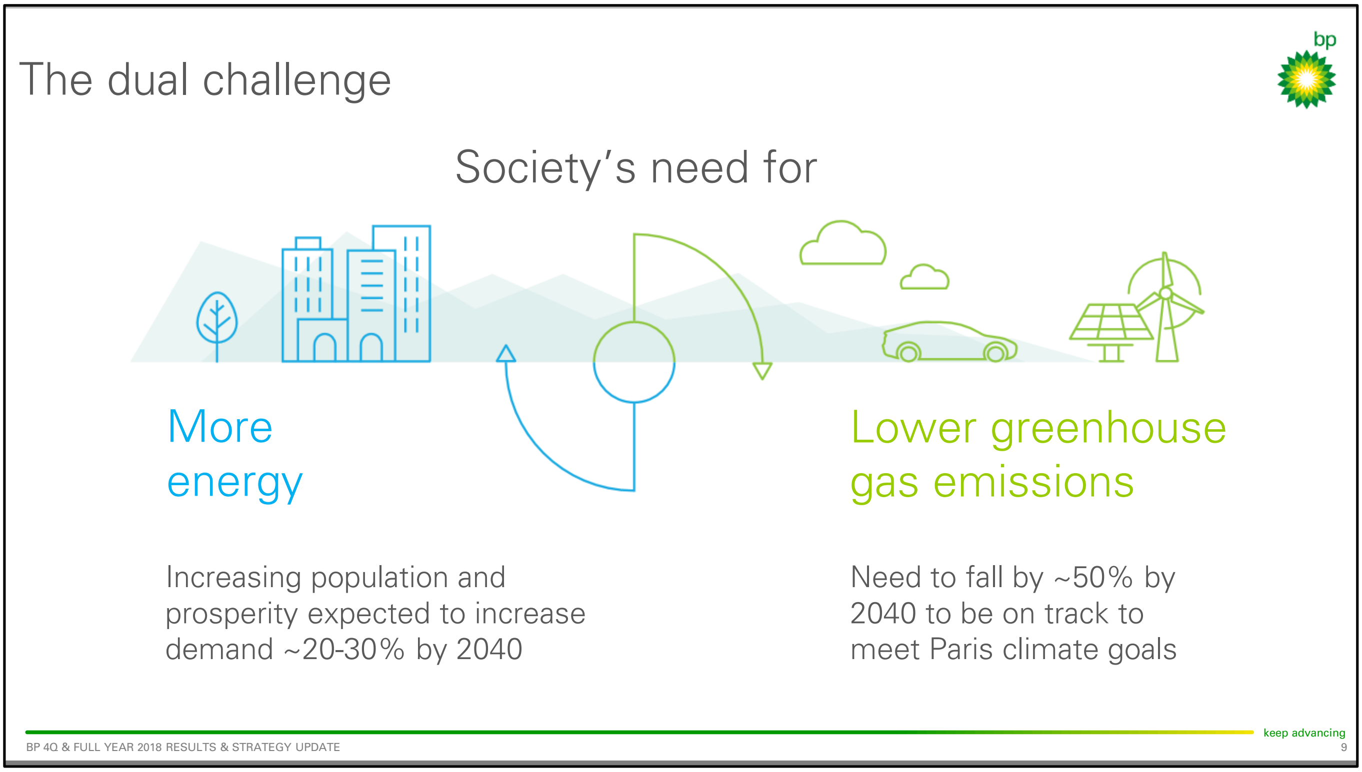
– The decision by the US government to grant waivers to buyers of Iranian oil.

Together, these saw the Brent oil price fall from a 4-year high in October of $86 barrel to around $50 by the end of the year.

Looking to 2019, the Brent oil price has improved to around $63 per barrel so far this year, as OPEC+ have started to implement their decision to reduce production for the first-half of 2019. On supply, US tight oil is expected to continue to grow strongly, especially in the second half of the year as new pipeline infrastructure is introduced. On demand, we expect growth to remain above average, supported by continuing gains in China and India.

The outlook for oil price is expected to remain volatile, with many uncertainties, including how markets respond to evolving sentiment around ongoing trade discussions, and Venezuela is an obvious concern.

Turning briefly to gas markets. The Henry Hub gas price moved significantly in the fourth quarter, increasing to $3.70 per million British Thermal Units with storage levels well below historical averages. Year to date, prices have returned to recent average levels of around $3.00 per million British Thermal Units due to milder weather. Relatively low levels of storage mean that prices are likely to remain sensitive to weather conditions over the next few months.



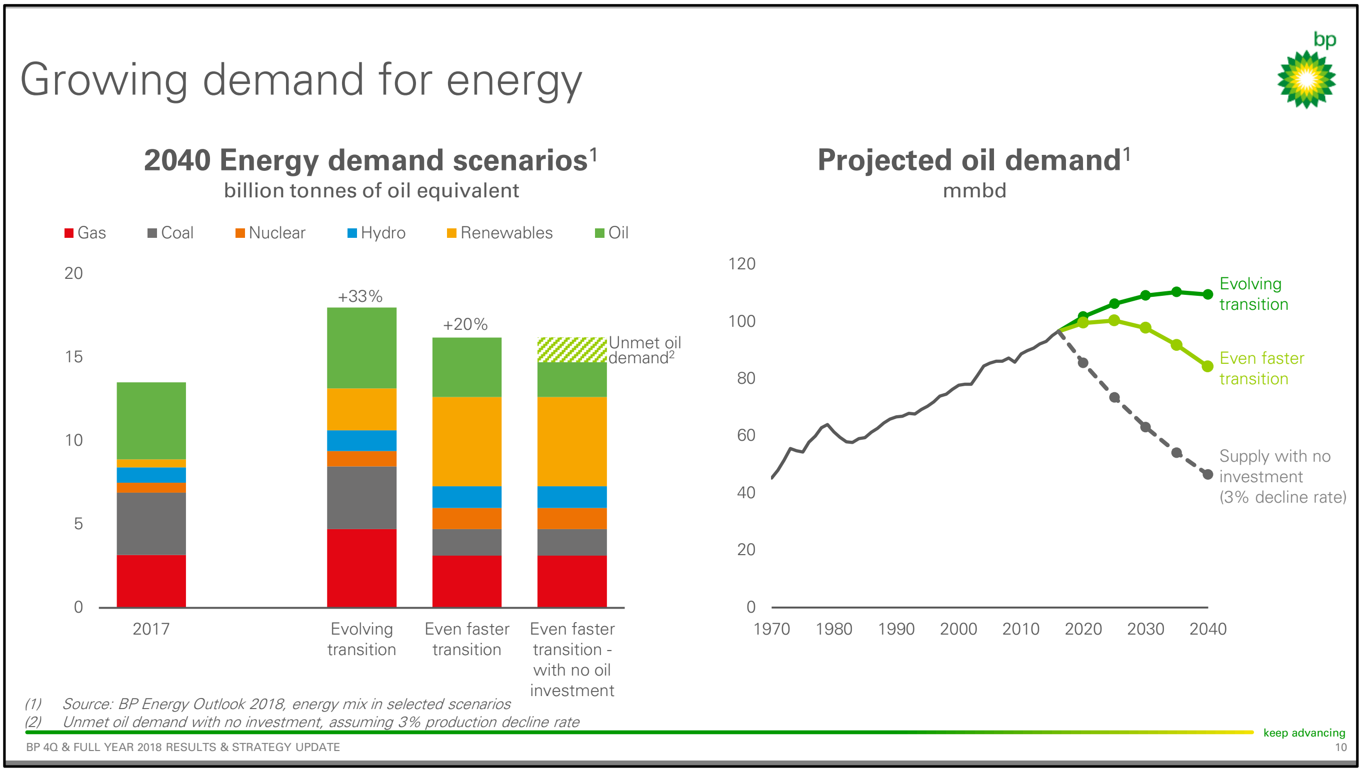
So, as investors, and the wider society are faced with the challenges of near-term price volatility, so too are we focusing our collective attention on the dual challenge facing the global energy system – that's meeting society's demand for more energy, while at the same time working to reduce carbon emissions to help the world tackle the threat of climate change.

First, we estimate that the world is likely to need around 30% more energy by 2040 to continue to grow. The majority of this additional demand comes from growing prosperity in Asia, with around two and a half billion people set to be lifted from low to middle incomes over the next 20 years.

Second, carbon emissions need to fall rapidly to be on a path consistent with meeting the Paris climate goals. There are a range of paths, but our 'even faster transition' scenario, which I'll mention shortly, sees emission reductions in the order of 50% or so by 2040. We all have a role to play in reducing emissions – governments, consumers as well as businesses like BP. Yet on current trends, emissions are likely to continue to edge upwards in the nearer term.

As a global energy business we are very committed to playing our part in a lower carbon future. We have introduced a clear framework that will shape our approach and hold us accountable through clear targets. We call it RIC, or R I C, and more on that shortly.

Let me then spend a moment looking at how BP is thinking about the two parts of the dual energy challenge.



Turning to the first part – that of a growing demand for energy.

A year ago, Spencer Dale, our chief economist, laid out some scenarios within our Energy Outlook as to how the energy transition might evolve, and he and his team will release this year's Energy Outlook in just over a week. I want to refer to a couple of scenarios from last year's Energy Outlook that help inform us about the future, and position BP to be flexible to a range of outcomes.

First, an 'evolving transition scenario', which sees recent changes in global government policies, technological developments and social preferences continuing at a pace consistent with recent history. By 2040 energy demand increases by a third, with oil demand growing from around 100 million barrels per day today to 110 million barrels per day, by 2040. But, carbon emissions increase by 10%, far higher than the rapid decline thought necessary to be consistent with the Paris climate goals.

Second, an 'even faster transition' scenario, which sets a trajectory consistent with meeting Paris climate goals. Carbon emissions fall by nearly 50% by 2040, while energy demand grows by over 20%. Gas demand is broadly unchanged in 2040 versus today, while oil demand falls to around 80 million barrels per day.

Third, a scenario we have called 'supply with no investment', which assumes new investment in oil is stopped and existing oil production declines at a conservative rate of 3%, such that oil supply falls to around 45 million barrels per day.

So what does all of this mean for BP and our industry?

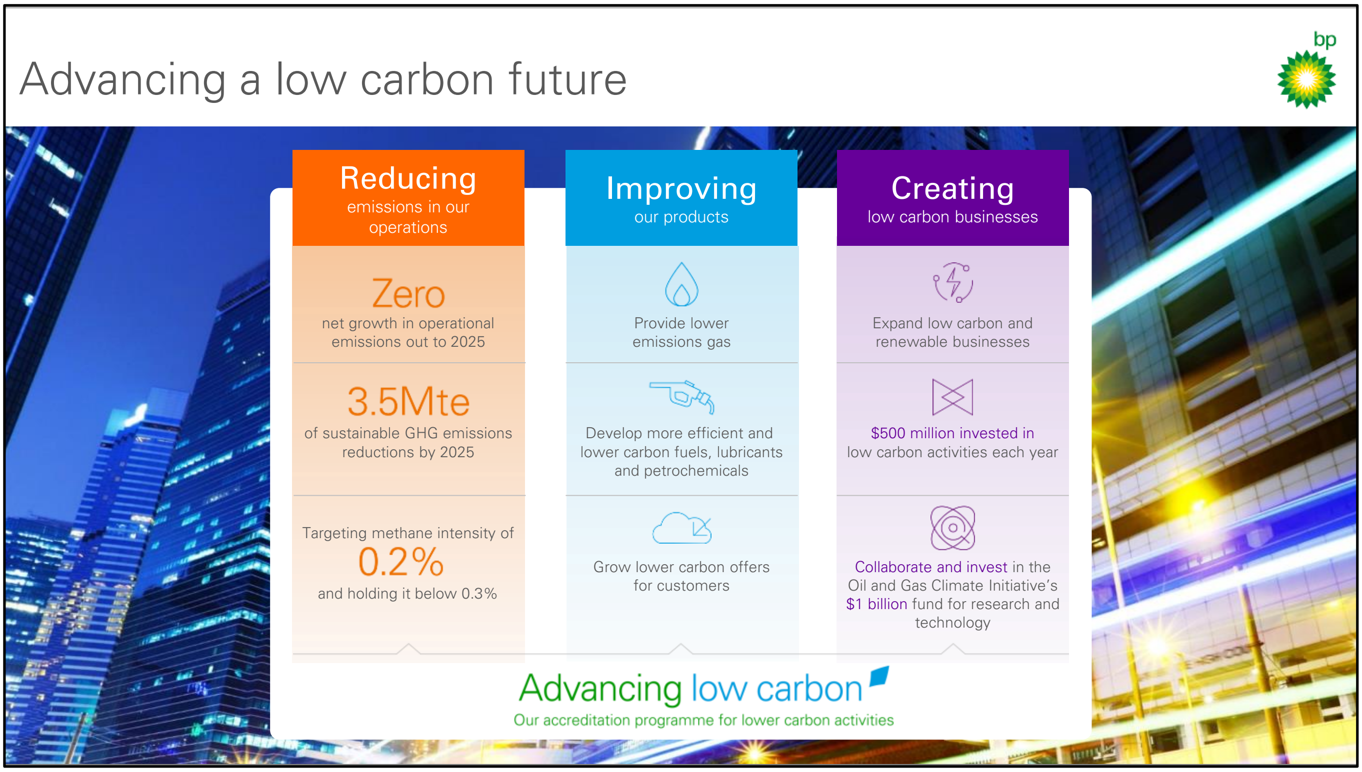
– The world will need all forms of energy to meet demand in any scenario;

– Renewables will grow significantly, at a faster pace than any other form of energy in history, however oil, and gas in particular, still have a significant role to play in the dual energy challenge;

- Successful companies will be those who have the greatest flexibility, adapting to the prevailing price environment to produce the energy required in the form demanded. For oil in particular, under a scenario that is broadly consistent with the Paris goals, significant investment is required – many trillions of dollars to bridge the gap between available levels of supply in the 'no investment' case and the likely levels of oil demand in 2040, even in scenarios designed to be consistent with meeting the Paris goals.

We believe we are well placed to compete. Our focus on advantaged oil and gas, is driving down our breakeven so that our barrels are increasingly competitive. To enable this, we are investing our capital with discipline, improving the efficiency of our spending through standardisation, driving deflation and implementing technology, leading to improving returns. We believe we can also compete through a strategy of maintaining balance and diversification across our portfolio, be it oil or gas, growing our low carbon and renewables portfolio, or investing in different geographies, markets or pricing regimes.

In summary, it's about progressing our strategy, but doing so in a way that keeps us flexible and adaptable to the pace of change and to the changing environment.



The second part of the dual challenge relates to the need to reduce emissions.

We have embedded our approach to lower carbon and reducing emissions within our Advancing the Energy Transition report, which we launched in April last year. This clearly articulates our commitment to advance a low-carbon future through what we call our 'Reduce, Improve, Create', or RIC, framework:

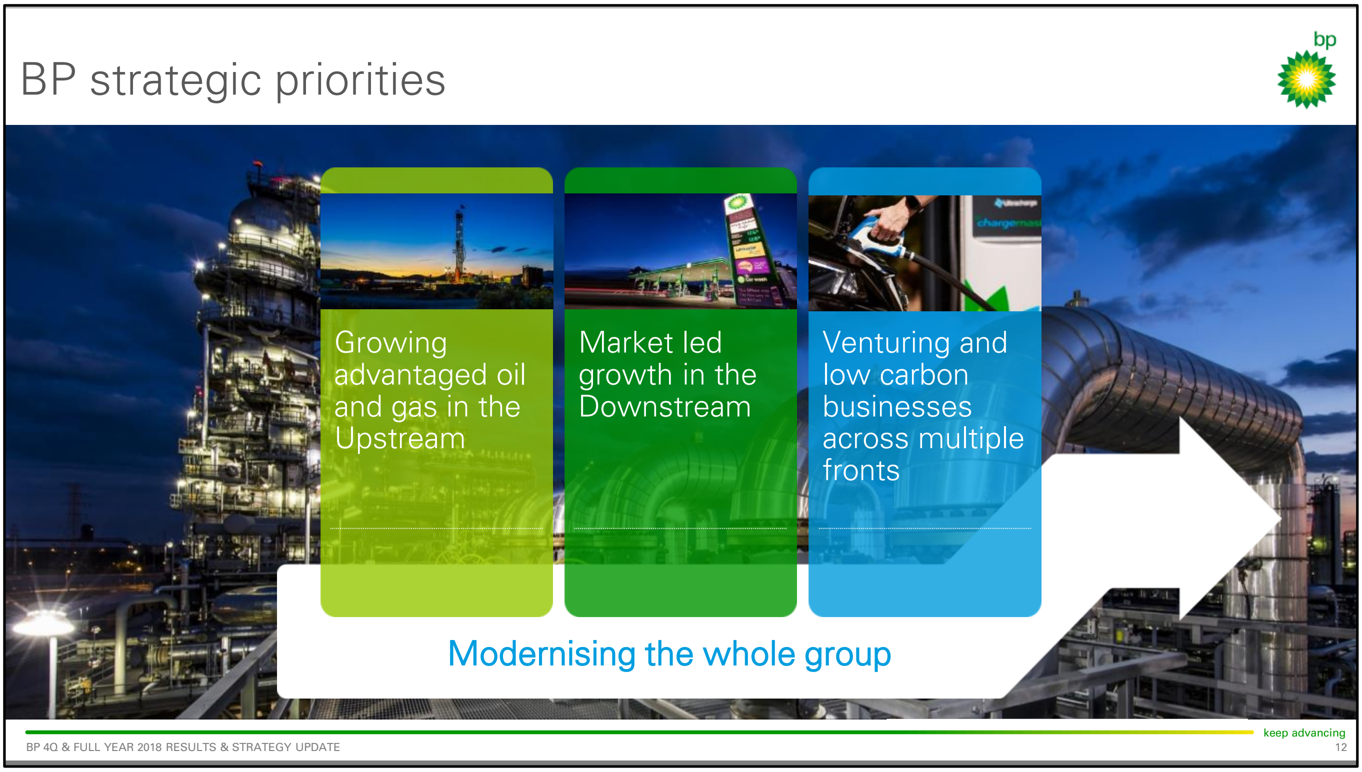
- Reduce the emissions in our operations;
- Improve our products, to help our customers reduce their own emissions from the products they buy and use; and
- Create low carbon businesses, building on our existing Alternative Energy business.

Within this we also set out clear targets for the first time for reducing emissions in our operations – so even as our business grows to meet growing demand for energy, our net carbon emissions will not.

Almost a year later, I am pleased to say that we have made significant progress across our business in support of the targets we laid out. Just a few examples include:

- Significantly reducing flaring at our offshore plant in Angola;
- Using waste heat for power at our Whiting refinery in the US;
- Testing technologies to quantify methane emissions in Azerbaijan and the US; as well as
- Setting out a framework for what we can do across our business operations, we also take action 'outside' the organisation, contributing to international initiatives, like the OGCI (the Oil and Gas Climate Initiative).

We plan to publish an update on all of this in our Sustainability Report in April.



Before I handover to Brian let me briefly summarise. As I mentioned at the start, it's been a busy year, but we have created a strong track record of executing against our strategy.

This strategy that was laid out two years ago and, is based on four, clear priorities. Together these embrace the energy transition and shape how we continue to create shareholder value in this rapidly changing world.

These four priorities are:

- First, growing supplies of clean gas and low-cost / high-margin advantaged oil;
- Second, market-led growth in the downstream for our technologically advanced fuels, lubricants and petrochemicals, and our growing range of bio-products, electric vehicle charging, and industry-leading carbon neutral offers;
- Third, venturing and low carbon across multiple fronts, including testing new, emerging and potentially disruptive technologies and business models; and
- Fourth, continuous modernization of our plants, processes, portfolios and ways of working.

The strategy allows us to flex and evolve with a changing environment, while staying committed to our proposition of growing shareholder value. On that note, let me now hand it over to Brian.

Brian Gilvary
Chief Financial Officer

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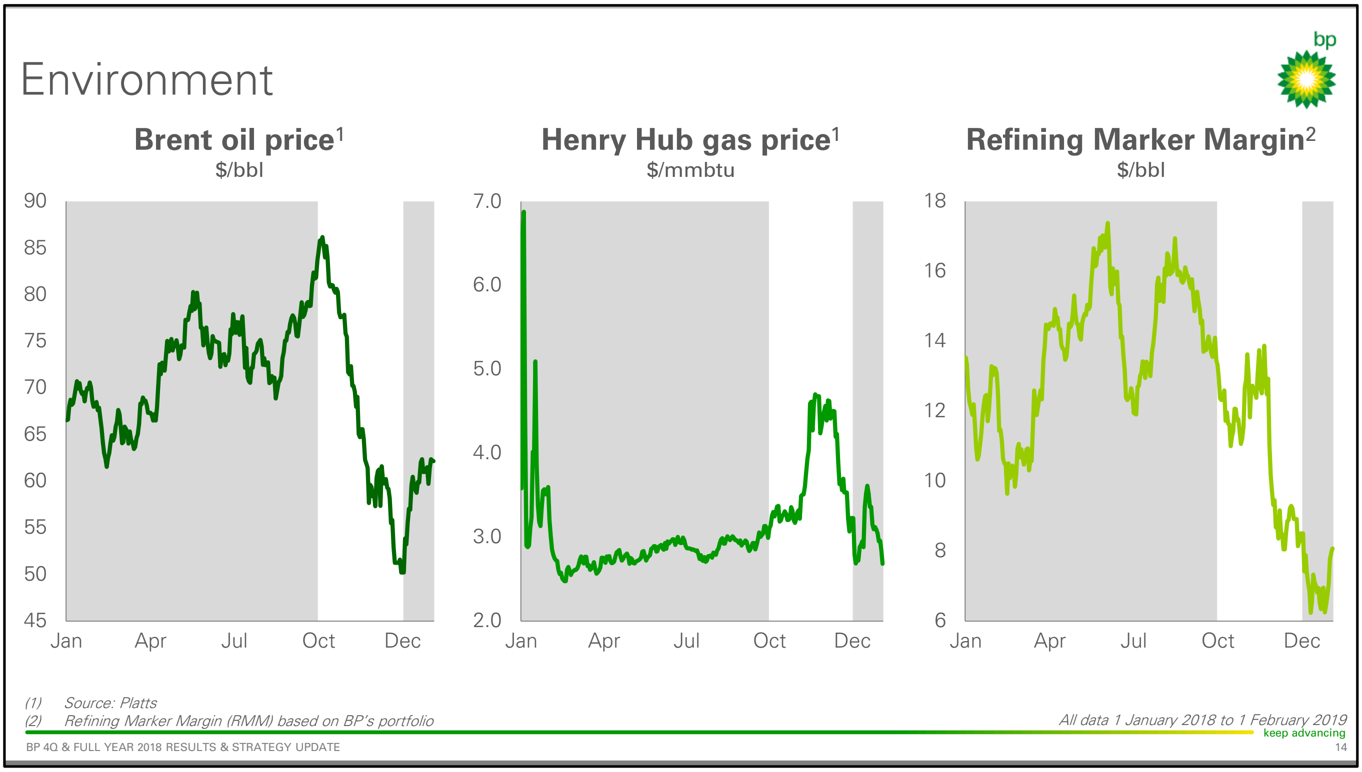

Thanks Bob,

Looking at the environment in the fourth quarter.

Brent crude averaged $69 per barrel, compared with $75 per barrel in the third quarter, reflecting the significant fall in oil prices following the peak at the start of October.

Stronger demand along with low storage levels saw US Henry Hub gas prices increase, averaging $3.70 per million British Thermal Units versus $2.90 in the third quarter.

BP's global refining marker margin averaged $11.00 per barrel, compared with $14.70 per barrel in the third quarter, driven by ongoing product over-supply.

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4Q 2018 results summary

$bn	4Q17	3Q18	4Q18
Underlying replacement cost profit	**2.1**	**3.8**	**3.5**
Underlying operating cash flow[1]	**6.2**	**6.6**	**7.1**
Underlying RCPBIT[2]			
Upstream	2.2	4.0	3.9
Downstream	1.5	2.1	2.2
Rosneft[3]	0.3	0.9	0.4
Other businesses and corporate	(0.4)	(0.3)	(0.3)
Underlying earnings per share (cents)	**10.6**	**19.2**	**17.4**
Dividend paid per share (cents)	**10.00**	**10.25**	**10.25**
Dividend declared per share (cents)	**10.00**	**10.25**	**10.25**

4Q 2018 vs 3Q 2018

- Lower Upstream liquids realisations
- Lower Rosneft contribution
- Strong fuels marketing contribution

(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

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Moving to our results.

For the year, we saw significant growth in earnings, cash and returns.

This was driven by a combination of higher oil prices, continuing strong reliability and availability across the businesses, and growing throughput and production.

This in turn provided us with the flexibility to manage our financial framework through a volatile price environment, while also providing the capacity to complete the $10.3 billion transaction to acquire BHP's Lower 48 assets.

Underlying replacement cost profit for the year was $12.7 billion, compared to $6.2 billion in 2017. For the fourth quarter, underlying replacement cost profit was $3.5 billion, compared to $2.1 billion a year ago and $3.8 billion in the third quarter of 2018.

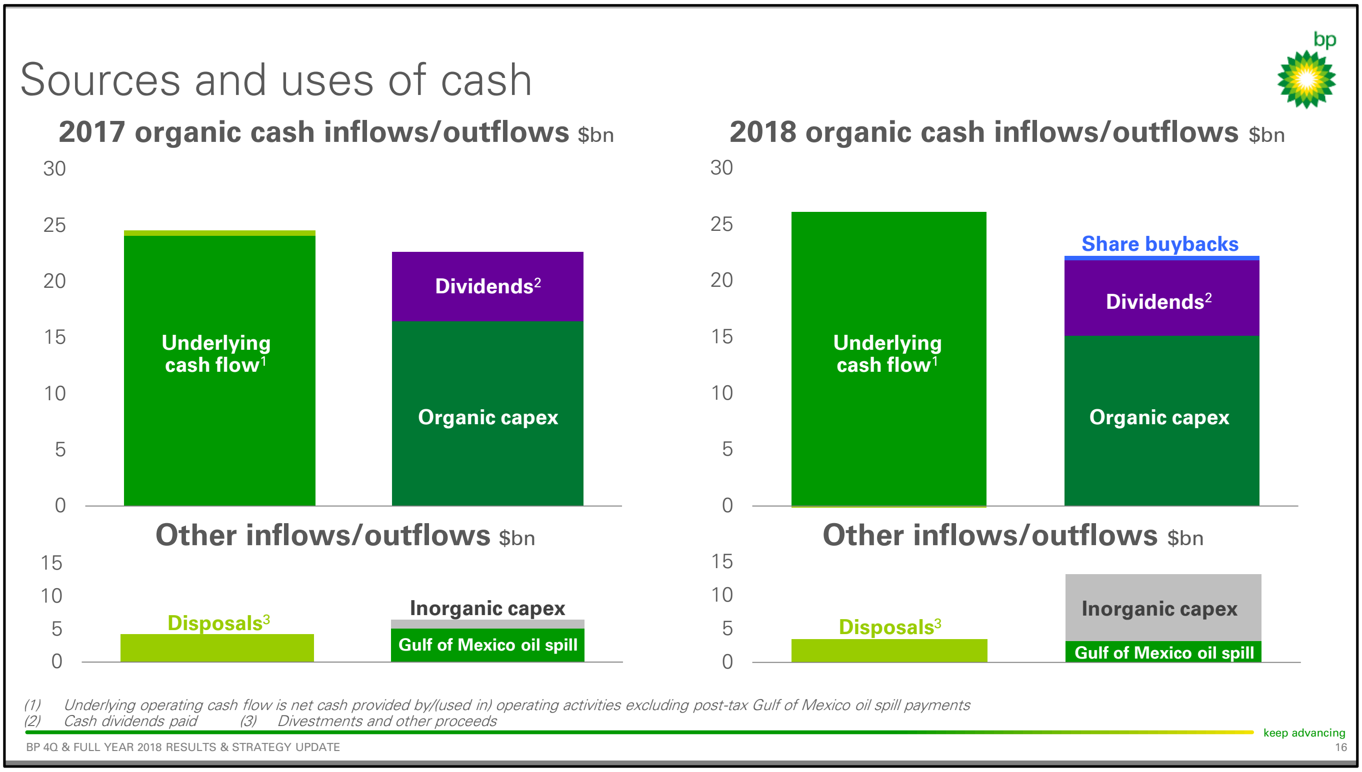
Compared to the third quarter, the fourth quarter result was impacted by lower Upstream liquids realisations, significantly higher turnaround activity in the Downstream, and a lower contribution from Rosneft.

This was partly offset by strong capture of the available North American heavy crude discount by our US refining system, a strong fuels marketing contribution and higher Upstream production, including the addition of the BHP Lower 48 assets.

Compared to a year ago, the result benefits from higher Upstream realisations and production, strong fuels marketing growth in the Downstream, a higher supply and trading contribution and an increased contribution from Rosneft. This was partly offset by a higher effective tax rate.

The fourth quarter also has a $1.2 billion non-operating charge, which includes environmental and other legal provisions, as well as around $440 million for restructuring. This is primarily non-cash. This is the final restructuring charge relating to the programme that started in 2014, which has seen significant restructuring and rationalisation activity across the Group. The total charge since this was initiated is $3.3 billion.

And finally, the fourth quarter dividend, payable in the first quarter, remains unchanged at 10.25 cents per ordinary share.



Turning to cash flow, and our sources and uses of cash.

Excluding oil spill related outgoings, underlying operating cash flow was $26.1 billion for the year, of which $7.1 billion was generated in the fourth quarter.

This included a working capital build of $2.6 billion for the year, of which $1.5 billion was in the fourth quarter.

The fourth quarter build was primarily driven by price and timing effects, including German Mineral Oil Tax payments.

Organic capital expenditure was $4.4 billion in the fourth quarter and $15.1 billion for the year.

After adjusting for the working capital build, our 2018 organic free cash flow surplus was $6.5 billion, equivalent to an organic cash breakeven of around $50 per barrel on a full dividend basis.

Turning to inorganic cash flows. Full year 2018 divestment and other proceeds totalled $3.5 billion, and we made post-tax Gulf of Mexico payments of $3.2 billion. Inorganic capital expenditure was $9.9 billion for the full year, including payments in respect of the BHP acquisition of $6.7 billion.

Gearing at the end of the year was 30%.

We remained active in our share buyback programme and bought back 50 million ordinary shares in 2018, at a cost of $355 million.

2019 guidance

	2018 actual	2019 guidance
Upstream production excluding Rosneft / including Rosneft	**2.5mboed** / 3.7mboed	higher than 2018[1]
Organic capital expenditure	**$15.1bn**	$15-17bn
DD&A	**$15.5bn**	similar level to 2018
Share buybacks	**$355m**	Fully offset dilution since 3Q17
Gulf of Mexico oil spill payments	**$3.2bn**	~$2bn
Other businesses and corporate average underlying quarterly charge	**$390m**	~$350m
Underlying effective tax rate	**38%**	~40%

1Q 2019 outlook

Upstream

Broadly flat production reflecting

- Divestments – North Sea and Alaska
- Maintenance and turnaround activity, mainly in the Gulf of Mexico

Offset by

- Major project ramp up and BHP's US onshore assets

Downstream

- Significantly lower industry refining margins and narrower North America heavy crude oil discounts

(1) Underlying production. The actual reported number will depend on divestments, OPEC quotas, and other factors

Now, turning to guidance, and our outlook for the first quarter of 2019.

In the Upstream, we expect reported production to be flat versus the fourth quarter.

This reflects the volume impact in high-margin regions from asset divestments, including Magnus and Bruce in the North Sea and Kuparuk in Alaska; as well as turnaround and maintenance activities, at Thunder Horse in the Gulf of Mexico.

We expect the volume impact to be offset by major project start-ups and a full-quarter benefit of the BHP Lower 48 assets.

In the Downstream, we expect industry refining margins to be significantly lower, with global product over-supply particularly for gasoline, as well as narrower North American heavy crude differentials.

Looking at our guidance for the full year 2019. We expect Upstream underlying production to be higher than 2018, with continued growth from major project start-ups. Actual reported production will depend on divestments, OPEC quotas, entitlement impacts and other factors, including the pace of integration of the BHP assets.

Organic capital expenditure is expected to remain in the range of $15-17 billion.

The total DD&A charge is expected to be around the same level as 2018.

We expect to continue our share buyback programme, and to fully offset the impact of scrip dilution since the third quarter of 2017 by the end of this year.

Gulf of Mexico oil spill payments are expected to step down to around $2 billion in 2019, in line with the historical settlements. These payments, along with the final cash instalments relating to the BHP transaction, will be weighted towards the first half of the year.

With divestment proceeds weighted to the second half of the year and assuming current oil prices, gearing is expected to remain around the top end of the 20-30% range through the middle of the year.

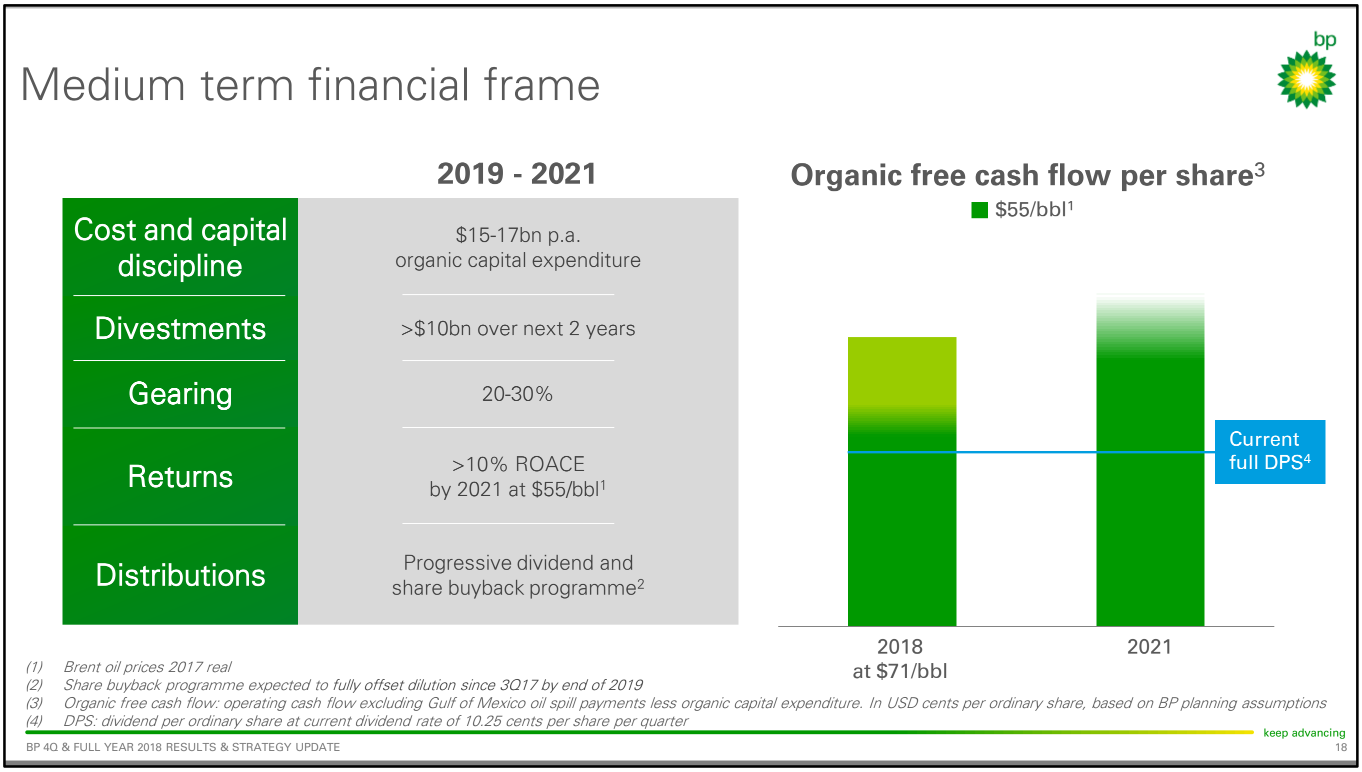
In Other Businesses and Corporate, the average underlying quarterly charge is expected to be around $350 million, although this may fluctuate between individual quarters.

The underlying effective tax rate is expected to be around 40%.

As usual, we will provide updated rules of thumb for 2019 on price movement impacts for the year, and expect to publish these on our website by the end of this month.

Finally, with the implementation of the new IFRS 16 standard on leases, we will be including additional disclosures in our Annual Report and Accounts for 2018 to be published later this year.

We also expect to revisit our guidance, detailing any associated impacts from IFRS 16, at the time of our first-quarter results.



To summarise.

We continue to maintain a disciplined financial framework, and are on-track to deliver the 2021 targets we laid out two years ago.

Organic capital expenditure is expected to remain in the range of $15-17 billion per year.

Over the next two years we plan to complete more than $10 billion in divestments.

Our commitment to fully fund the BHP transaction within the financial framework, using available cash, remains unchanged.

Through the end of January 2019, we have paid the initial consideration and three deferred instalments totalling $7.7 billion, with the remainder to be paid through April.

With the continuing high-grading of our portfolio, alongside strong financial results, we also saw return on average capital employed improve from 5.8% in 2017 to 11.2% in 2018.

We remain confident in our guidance on returns of greater than 10% by 2021 at a $55 per barrel real price assumption.

In addition, our balance sheet and cash cover metrics remain strong. At current oil prices, and in line with growing free cash flow and the receipt of divestment proceeds, we expect gearing to move towards the middle of our targeted range of 20-30% through 2020.

We maintain our progressive dividend policy and the commitment to the share buyback programme and expect to fully offset dilution from the scrip dividend since the third quarter of 2017 by the end of this year.

Taken together, all of this supports our commitment to growing sustainable free cash flow and distributions to shareholders over the longer-term.

On that note, let me now hand over to Bernard.

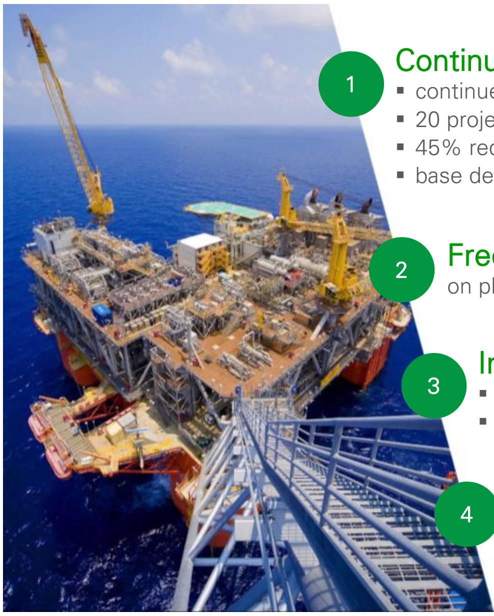
Bernard Looney

Chief Executive, Upstream

BP 4Q and full year 2018
Results and strategy update

Thanks Brian, and good morning ladies and gentlemen

Upstream key messages



1 Continued track record of delivery
- continued safety progress
- 20 projects delivered on average under budget and on schedule[1]
- 45% reduction[2] in unit production costs
- base decline below 3-5% guidance

2 Free cash growth underpinned

on plan for $14-15bn[3] in 2021

3 Improved growth capacity
- upgraded resource base, high quality investment opportunities
- capability to grow 2025 pre-tax free cash flow[3] by 40-50% vs 2021

4 Transformation building momentum

tangible impact, more to come

(1) Since 2016
(2) 2018, compared with 2013
(3) Pre-tax free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure, at $55/bbl Brent 2017 real

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BP 4Q & FULL YEAR 2018 RESULTS & STRATEGY UPDATE 20

In December we hosted many of you at an event in Oman, where I shared a detailed update on our progress and plans for the Upstream. Today, I will summarize the key messages from this event, provide an update on 2018 delivery and provide some context on future plans.

In Oman, we shared the following key messages:

– First – our continued strong track record of delivery. Doing what we said we would. And doing so competitively and safely;

– Second – we are on plan to deliver the 2021 cash flow growth target;

– Third – we have improved both our capacity to grow, and the quality of that growth. We have the capability, within our current resource base, to grow pre-tax free cash by 40-50% from 2021 to 2025 under the current capital frame and with increasing returns;

– Fourth and finally - we are transforming our business. Our teams want it. The next generation will demand it. Our shareholders deserve it and it is now hitting the bottom line, we have momentum and see enormous opportunity.

I'll touch briefly on some of these themes after we take a closer look at 2018 performance.

Continued track record of delivery

FEBRUARY 2018 GUIDANCE	2018 DELIVERY
5-7% underlying production growth[1]	8% underlying production growth[1]
$**12-13**bn organic capital expenditure	$12bn organic capital expenditure
6 major project start-ups	6 start-ups, on average on schedule and under budget
6 potential FIDs	9 FIDs, range of geographies, complexity, size and scope
>**2017** free cash flow[2]	$16.5bn free cash flow[2]

(1) Underlying Upstream production. CAGR: compound annual growth rate
(2) Free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure

BP 4Q & FULL YEAR 2018 RESULTS & STRATEGY UPDATE

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First – we grew reported production 3% versus 2017, ahead of our plan with underlying growth of 8%. We had record plant reliability of 96% and our average base decline over 5 years was 2.5%, better than guidance.

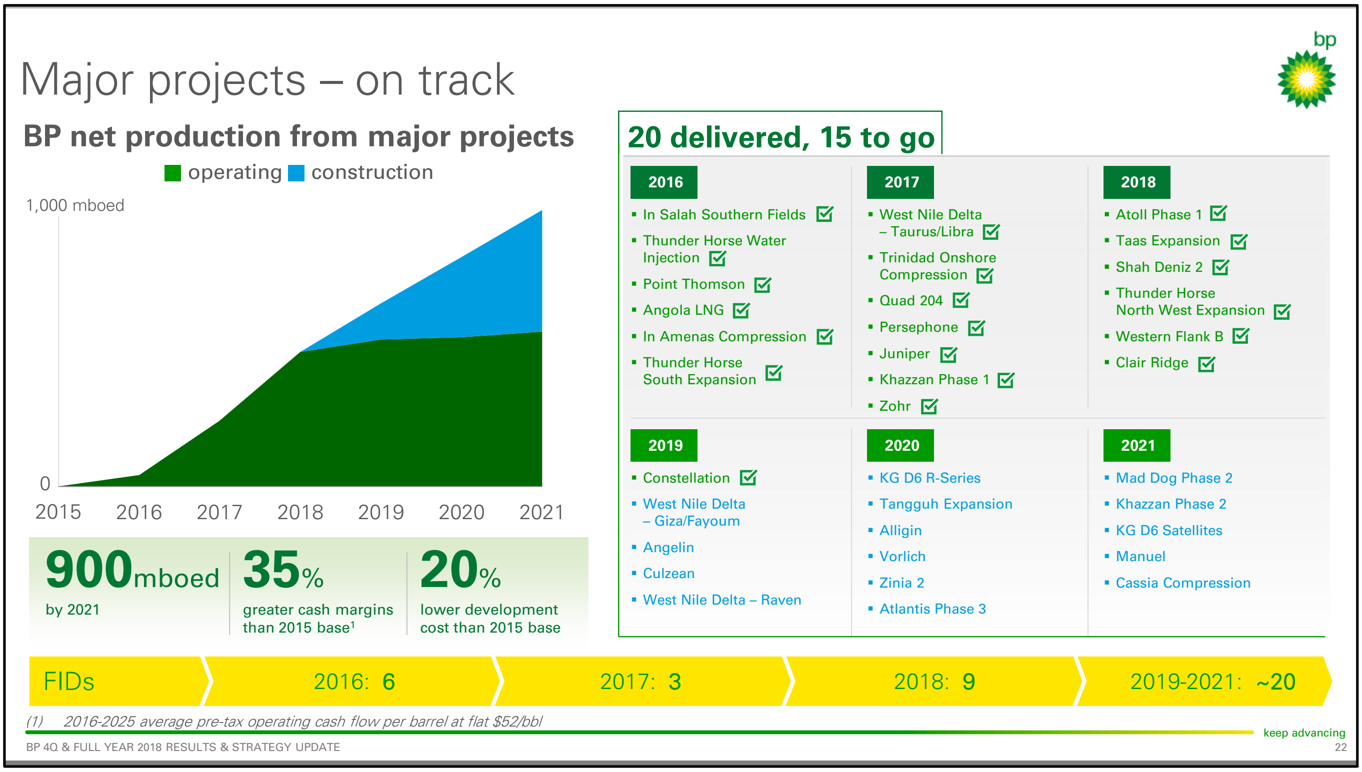
Second – we said we would maintain discipline and invest between $12-13 billion of organic capital per annum. In 2018 we invested $12 billion of organic capital, underpinned by continued gains in execution performance – great delivery from the team and thereby creating the space for the BHP transaction. As an example, 70% of our offshore wells are now top quartile, up from 25% just five years ago. A lot of waste remains, but we will continue to drive the efficiency of spend through our transformation programme to make more capital available for the group.

Third – we delivered six major project start-ups, which on average were delivered under-budget and on schedule. We also made nine final investment decisions.

Fourth - all this helped us generate $16.5 billion of pre-tax free cash flow. This is significantly higher than 2017, even after adjusting for higher oil prices.

Fifth - we strengthened our portfolio, notably through the acquisition of BHP's US onshore assets, which added 4.6 billion barrels to our resource base.

Finally – as Bob mentioned earlier, we are making good progress in Upstream on reducing emissions and have completed more than 50 projects to deliver sustainable emissions reductions. A few examples include reducing flaring in Angola Block 18, electrification of compressors in Alaska, and methane reduction in BPX Energy. This is good progress, but we have more to do.

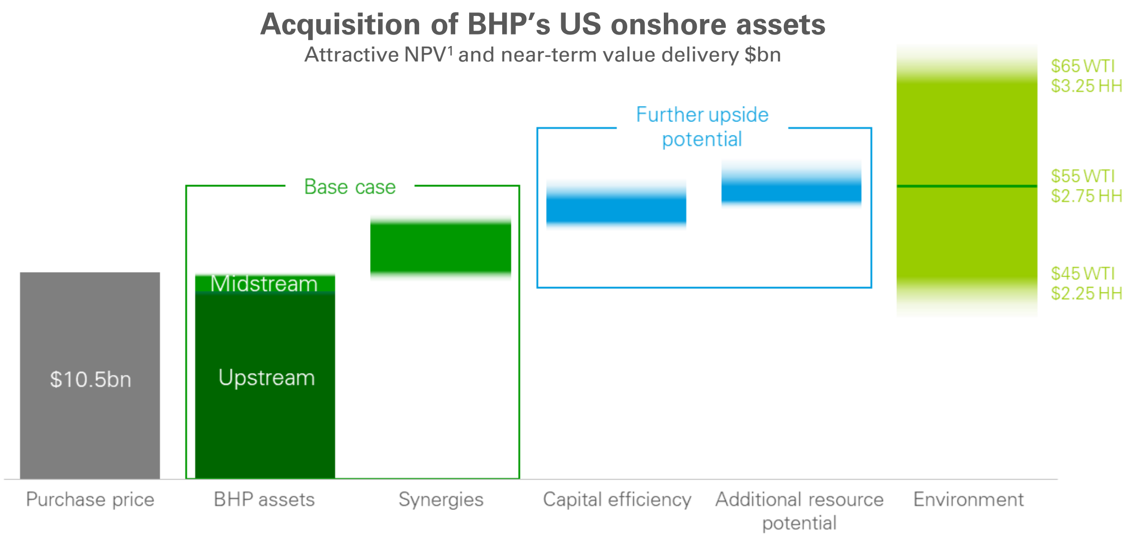


Moving to our projects, we remain on track to add 900 thousand barrels a day of oil equivalent from our new major projects in 2021. Twenty of these projects have been delivered, including the start-up in January of the Anadarko-operated Constellation project in the Gulf of Mexico, and we have 15 to go.

With the recent sanction of Atlantis Phase 3 in the Gulf of Mexico and Cassia Compression in Trinidad, all of the projects needed to deliver this plan have passed through the final investment decision gate. We expect to deliver this plan with around $15 billion, or 25%, less capital than we envisaged when we first set out our plans.

As well as 35% higher cash margins, these projects are expected to have at least 20% lower development cost than the base business had in 2015. This is advantaged oil and gas.

BPX Energy - improved value creation potential



(1) NPV: net present value at 10% discount rate, $55/bbl WTI, and Midland discount of $7/bbl near-term and around $2/bbl longer-term, $2.75/mmBtu Henry Hub (2018 real). Indicative values only

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BP 4Q & FULL YEAR 2018 RESULTS & STRATEGY UPDATE 23

Next, to an update on BPX Energy. As we said in December, at our event in Oman, the valuation looks just as good today as it did when we originally showed it in July – and likely better.

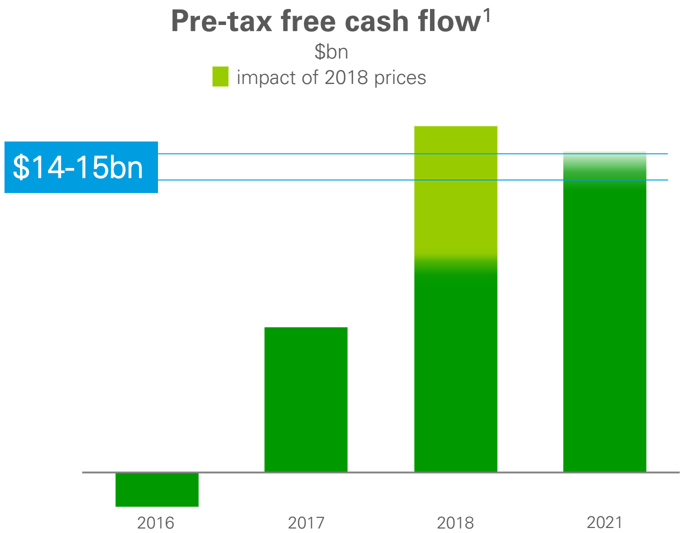
In our newly acquired BHP acreage, we are up and running. Our first two BP-operated rigs are now operating in the Eagle Ford and we spud our first two wells in early January. By the end of the first quarter, we expect to assume full control of field operations.

As we spend more time with these assets, we are confident in delivering the synergies.

We continue to see material upside potential through capital efficiency, and over time we plan to exploit additional resource potential from zones that were not in our base case.

You will increasingly see this performance show up through the separate BPX Energy disclosures, and we will look to update the market on progress through the year.

2021 free cash flow growth underpinned



	2019	2021
Production	>2018 underlying production	>5% CAGR[2]
Organic capital expenditure	$13-14bn	$13-14bn
Major projects	5 start-ups	900mboed[3]
FIDs	7 potential	Continued long term growth

(1) Free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure, at $55/bbl Brent 2017 real. 2016, 2017 and 2018 at actual prices
(2) 2016-2021 compound annual growth rate (3) BP net production from new major project start ups 2016-2021

Our 2018 delivery, progression of major projects and our enhanced position in the Lower 48 hopefully demonstrates why we are increasingly confident in our guidance.

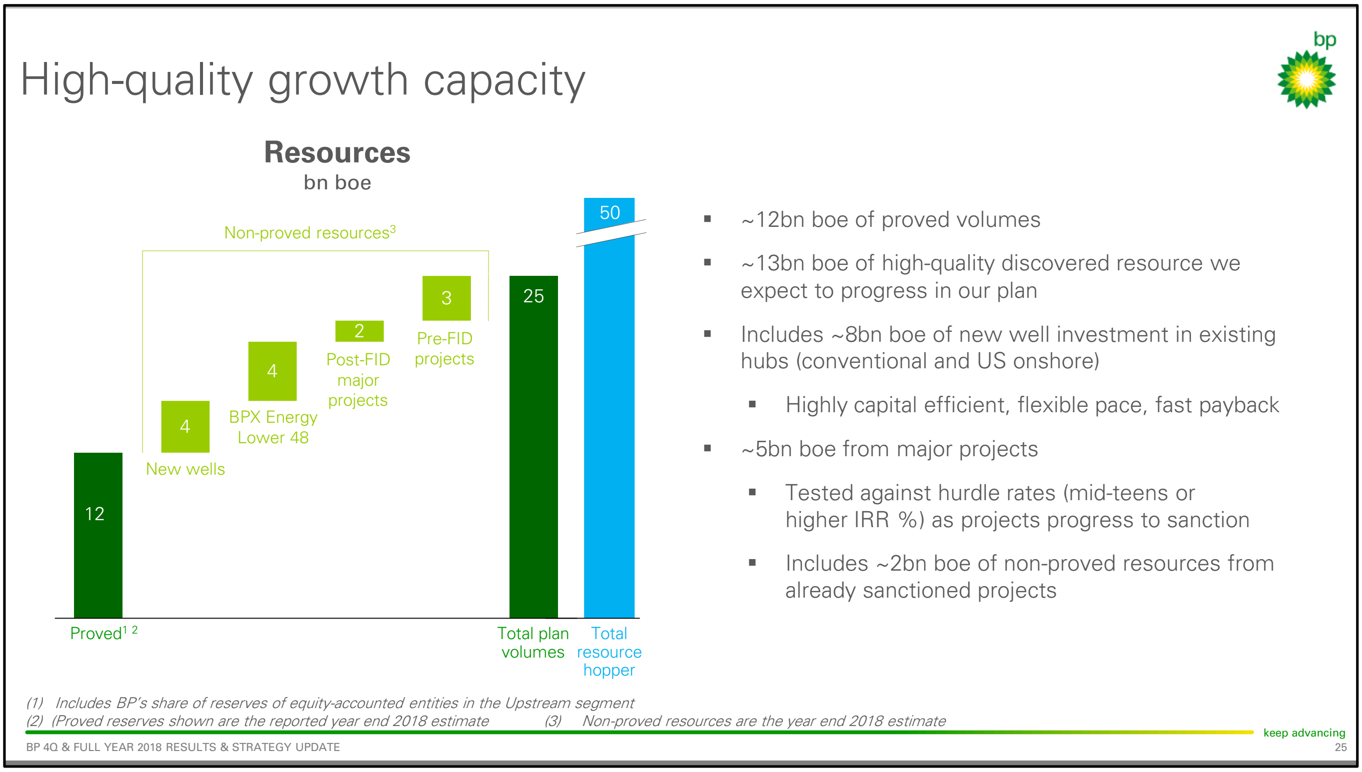
Our plans for 2019 will continue to keep us on track for delivery in 2021, with another year of disciplined growth.

We expect underlying production to be higher than 2018, as we continue to ramp up major projects. Reported production will be relatively flat as we go through our significant divestment programme.

We expect our organic capital expenditure to be $13-14 billion, as we continue to focus on capital discipline and productivity.

We expect to start-up around five major projects, and take a number of final investment decisions on projects in the Gulf of Mexico, in the North Sea, Azerbaijan, Georgia, Turkey and India – underpinning growth to 2021 and beyond.

This underpins our confidence in the progress we are making to deliver $14-15 billion in pre-tax free cash flow by 2021.



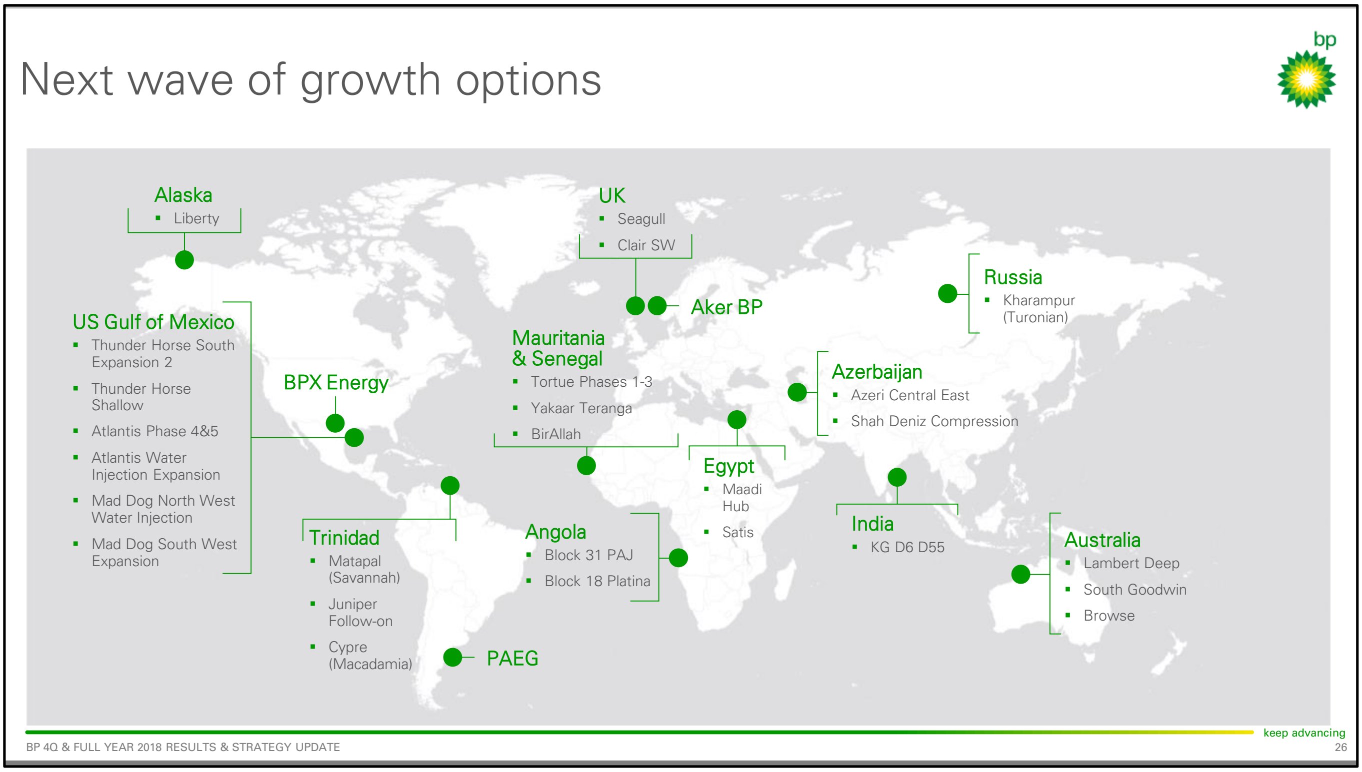
I now want to turn to the longer term. While maintaining our focus on delivery to 2021, we believe we can continue to grow through the next decade while remaining focused on value and quality.

The foundation is a high-quality resource base. We have around 50 billion barrels of discovered resource. Around 25 billion barrels of discovered resources, proved and non-proved, is in our forward plan. Out of that total resource, around 50% is already booked as proved.

Another circa 30%, around eight billion barrels, is expected to come from base management, new wells in our conventional reservoirs, and our BPX Energy acreage. These opportunities leverage existing infrastructure, are very capital efficient, they are flexible and have quick paybacks.

The final circa 20% is from major projects. Those that have been sanctioned, or have yet to be sanctioned and have or are expected to meet our hurdle rates.

To conclude, we don't need more resource in the medium term and will continue to look to high grade.



Now I will describe the next wave of around 20 potential major projects that may reach final investment decision over the next few years, and they are shown on the map.

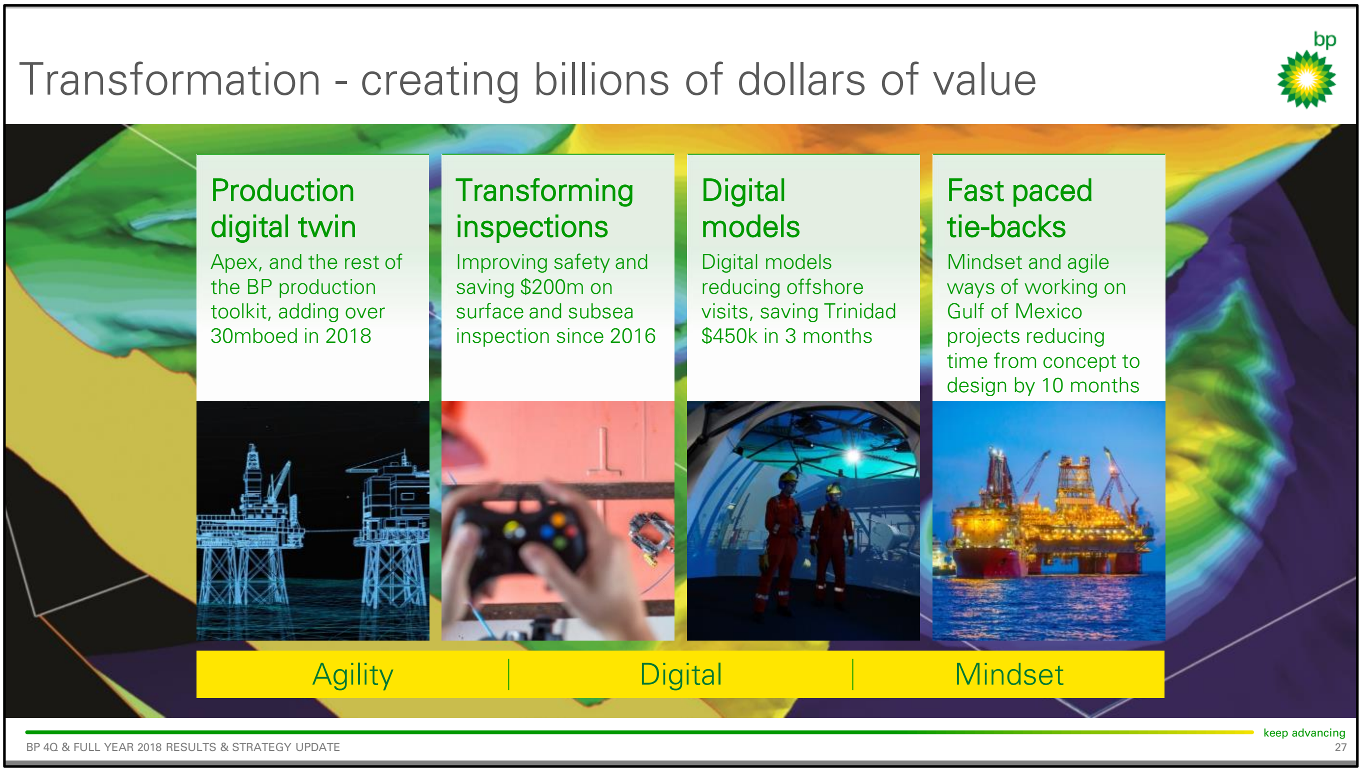
These are several opportunities around our existing hubs in the Gulf of Mexico. And we see similar opportunities in our other high margin oil regions of the North Sea, Angola and Azerbaijan. We continue to strengthen this hopper – for example at Thunder Horse in the Gulf of Mexico, where we recently unlocked an additional one billion barrels of oil in place, gross.

In Mauritania and Senegal, where we recently sanctioned the Greater Tortue Ahmeyim development, we have the potential to create a major new LNG hub. This is the first major gas project to reach final investment decision in the basin and was sanctioned at a fast pace – around three and a half years from discovery.

In Trinidad and Australia, we are focused on keeping the existing LNG infrastructure full, as demonstrated by the sanction of Matapal (formerly known as Savannah) in December.

Finally, as Bob mentioned, we continue to progress our joint ventures with Rosneft. Taas, one of our 2018 major start-ups, is producing, and already returning cash to BP. In December, we closed on our acquisition of a 49% stake in Kharampur and are developing an existing oil field and significant future gas production in West Siberia. And our Yermak exploration joint venture in Western Siberia, where we also hold 49%, completed an extensive seismic program in 2018 and drilled an exploration well.

With all of this, we have increased confidence in continuing to grow beyond 2021. We believe we have the capacity to increase pre-tax free cash flow by a further 40-50% by 2025 at constant capital. This is not a promise or a target, but a scenario which demonstrates the depth and quality of our portfolio.



Finally, let me touch on our transformation agenda which is really starting to bite. We think of it through the lenses of Digital, Agility and Mindset.

We now have around one thousand projects across the Upstream aimed at sustainably improving both performance and how it feels to work in the Upstream.

Some are still in the idea phase, but the majority are in action, with a growing number already executed. We spoke about these four examples in Oman, which demonstrate the enormous potential that we see in this area.

To accelerate Digital further – we have now created a new Digital function which stands alongside our Operating functions. Digital is going to be as important a capability in our industry as knowing how to drill a well. I am keen that we move faster. This new function, and hence increased focus, will help.

Agility is a potential game changer. Last year this went viral, with over three thousand staff trained on agile ways of working, not because they were forced, but because the organisation is energized about how this can transform the business.

Finally, mindset shift remains a must do. Last year, we made our largest investment in leadership training in a decade. Three thousand Upstream leaders trained in mindsets and ways of leading, two thousand additional staff engaged in mindset focused events and more to come in 2019.

Upstream key messages

1. **Continued track record of delivery**
   - continued safety progress
   - 20 projects delivered on average under budget and on schedule[1]
   - 45% reduction[2] in unit production costs
   - base decline below 3-5% guidance

2. **Free cash growth underpinned**
   on plan for \$14-15bn[3] in 2021

3. **Improved growth capacity**
   - upgraded resource base, high quality investment opportunities
   - capability to grow 2025 pre-tax free cash flow[3] by 40-50% vs 2021

4. **Transformation building momentum**
   tangible impact, more to come

(1) Since 2016
(2) 2018, compared with 2013
(3) Pre-tax free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure, at \$55/bbl Brent 2017 real

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In summary, 2018 has been a good year for the Upstream, where we increased confidence in 2021 delivery and underpinned our ability to continue growth well into the next decade.

But we are not stopping there. We will continue to maintain a relentless focus on safety, pushing to improve the underlying efficiency of our business, and are building momentum in transforming how we work.

Thank you for listening. And let me now handover to Tufan.

Tufan Erginbilgic
Chief Executive, Downstream

BP 4Q and full year 2018
Results and strategy update

Thank you Bernard.

Good morning. Today I will provide you with an update of progress against our strategy.

To begin let me briefly touch on the key global trends that are shaping our Downstream industry.

Driven by rising prosperity, global demand for fuels, lubricants and petrochemicals products is expected to continue to grow. The majority of this growth will come from developing economies. Demand is also projected to significantly grow across convenience retail markets.

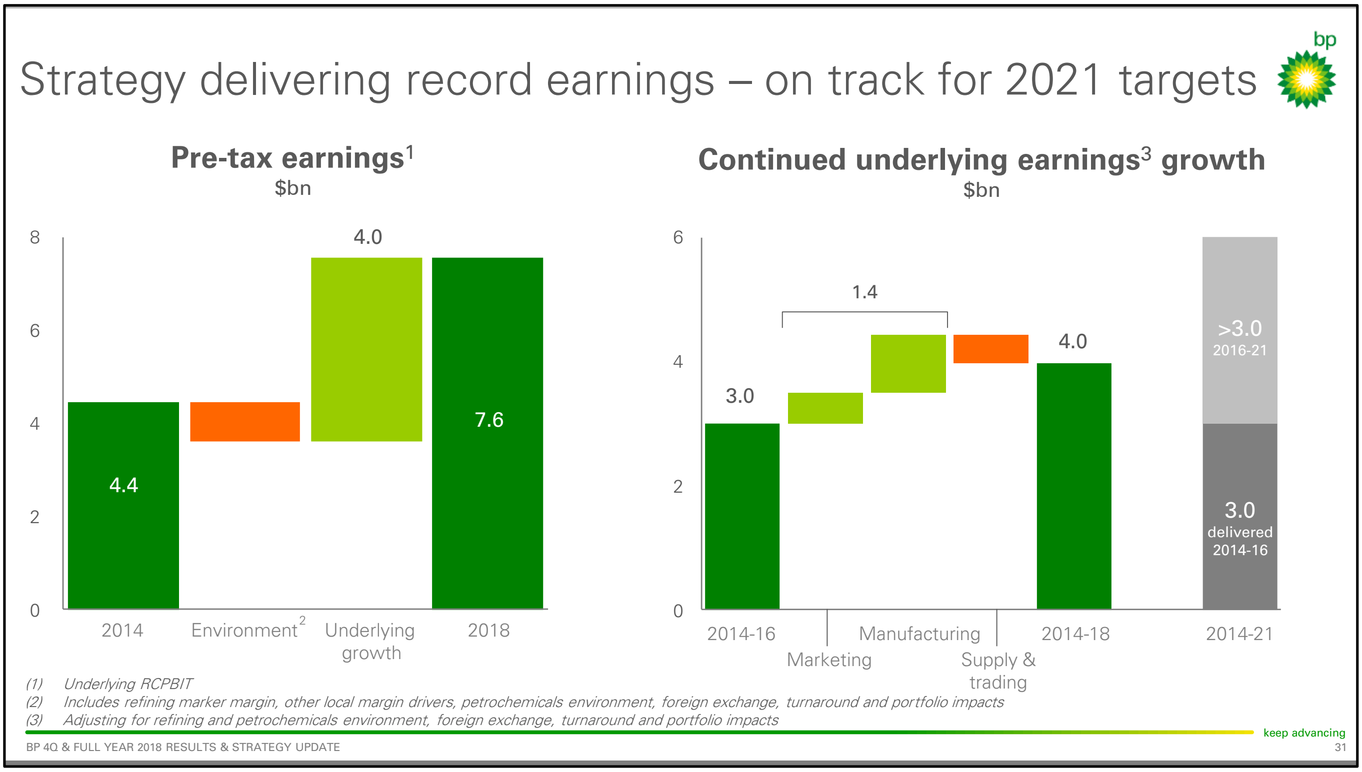
As the energy transition evolves, products and services will need to be delivered in new and better ways, creating increased demand and material gross margin pools in the areas of advanced mobility, bio and lower carbon products, as well as the circular economy. Digital transformation will also continue to rapidly progress.

With these trends in mind our Downstream strategy was developed to deliver underlying earnings growth and build competitively advantaged businesses. It is fit for now and fit for the future.

It focuses on the five key priorities of safety, profitable marketing growth, advantaged manufacturing, efficiency, lower carbon and digital.

We are making strong progress and are on track to deliver our targets.

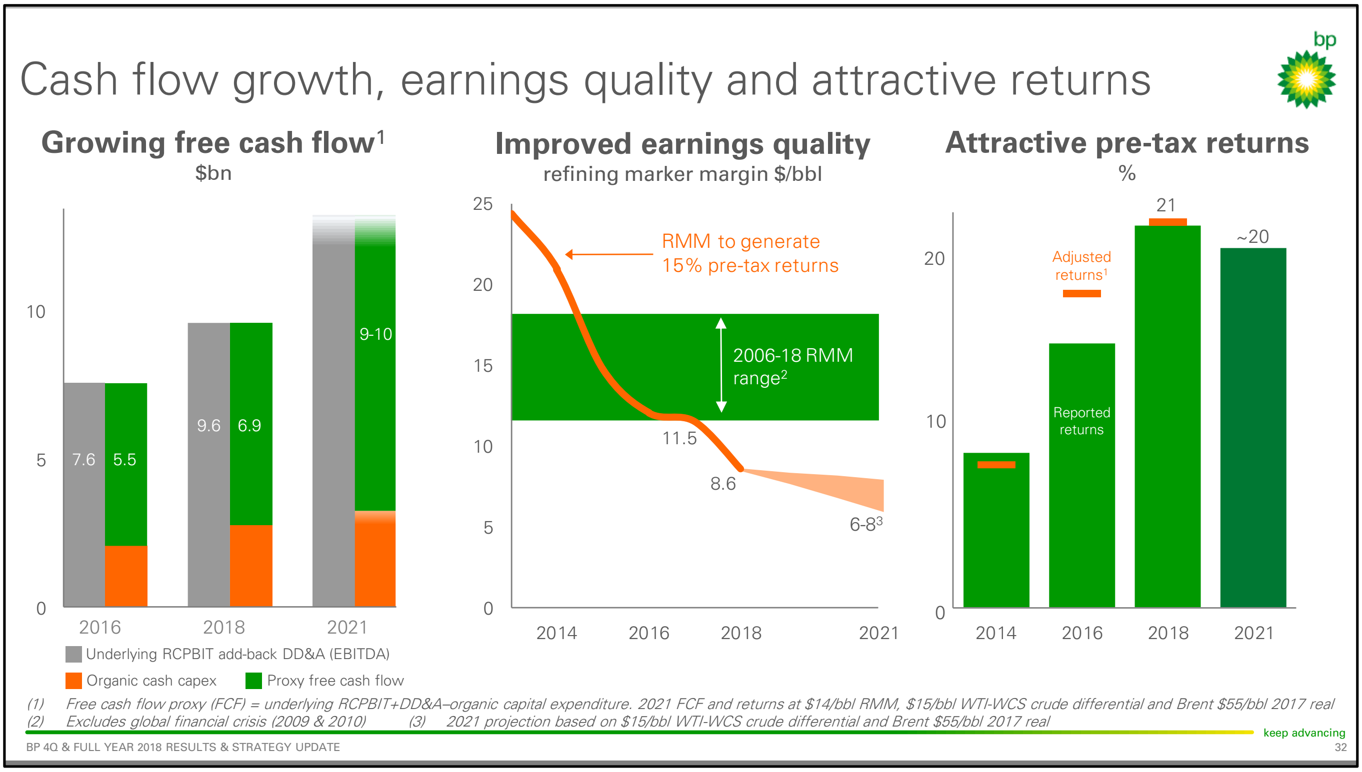
Let me now take you through 2018 delivery in more detail.



Firstly, our 2018 earnings of $7.6 billion are a record and some 70% higher than 2014, despite 2018 having one of the highest levels of turnaround activity in our history.

If you look at the chart of the left you can see this performance reflects $4.0 billion of underlying earnings growth since 2014, with $1.0 billion delivered in the last two years. A strong delivery, particularly in a challenging 2018 environment where oil market opportunities negatively impacted our supply and trading business resulting in a lower contribution, which we do expect to come back. And, in lubricants, increasing base oil prices had an adverse lag impact.

Drivers of growth have been across marketing and manufacturing. If you look at the chart on the right, you can see that in the last two years they have delivered $1.4 billion of growth, $0.5 billion of which was in 2018, putting us firmly on track to deliver our $3 billion target.



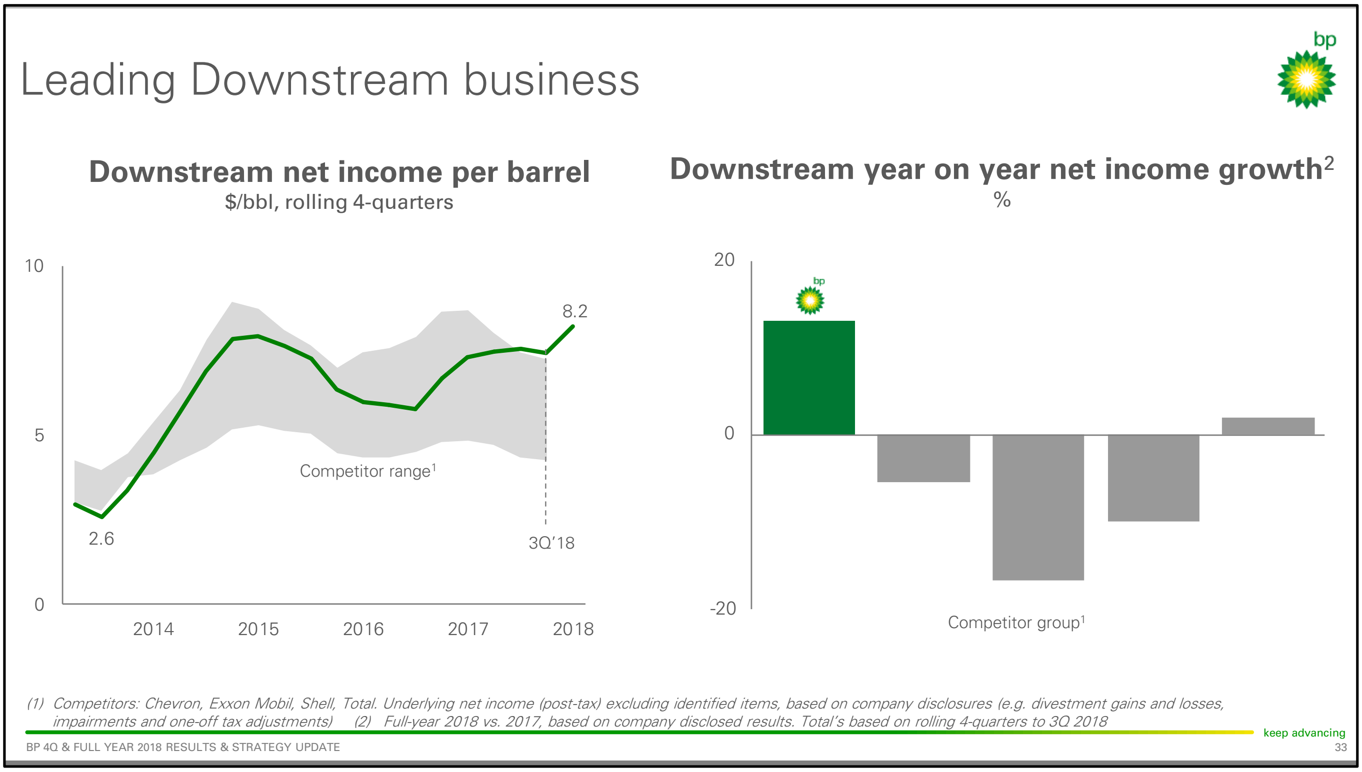
We are also making progress on free cash flow growth, improving earnings quality and our competitiveness, while delivering attractive pre-tax returns.

As you can see from the chart on the left, we have grown EBITDA at double-digit rates since 2016. It now stands at $9.6 billion reflecting $2 billion of growth in the last two years. As planned, to support the sustainability of this growth, we have increased our capital investment in high returning projects with attractive cash profiles. As a result, free cash flow in 2018 grew to nearly $7 billion, on track to deliver our $9-10 billion target in 2021.

This performance improvement further strengthens the quality of our earnings. As you can see, we reduced the BP refining marker margin to deliver 15% returns to $8.60 per barrel, almost at our 2021 target.

And, pre-tax returns of 21% in 2018, our best on record, means we have achieved our 2021 target of around 20% three years ahead of schedule.

This delivery further enhances our competitiveness and provides us with an excellent platform for continued growth.



Indeed, this strong delivery means that we now lead the competition in net income per barrel of refining capacity. A key measure of overall competitive performance which adjusts for business scale. We have come from the bottom of the peer group in 2014 to the very top.

In addition, on the right you can see that this competitive advantage and earnings quality has allowed us to grow net income differentially to the competition year on year.

Now let me share progress across marketing and manufacturing.

Our marketing businesses are material and differentiated. In 2018, earnings grew to $4.1 billion, as you can see on the chart a growth of around 50% over four years, and pre-tax returns remain in excess of 30%.

In fuels marketing, earnings in 2018 grew by 17% to $2.8 billion, reflecting $0.5 billion of underlying earnings growth in the year.

In retail, we continue to strengthen our offer.

Our convenience partnership model continues to deliver differentiated returns as well as a strong value proposition to our customers. We now have 1,400 convenience partnership sites, an increase of 290 in 2018.

As I previously shared with you, a main driver of the increase in our convenience partnership sites is our REWE to Go offer in Germany, where we now have 460 sites with this offer. If you look at the chart in the middle, you can see that these sites already deliver significantly higher earnings than an average industry site and at full maturity we expect that to be even higher.

The success of our convenience partnership model is reflected in our non-fuel retail gross margin, which grew to more than $1.2 billion.

In new markets, we continue to expand our footprint. In Mexico, we now have 440 BP sites, with volumes already running at a level which makes this the fifth largest market in our portfolio. And, we are also active in other new markets such as China and Indonesia. We anticipate that the earnings growth from our new markets will scale up from 2019 onwards.

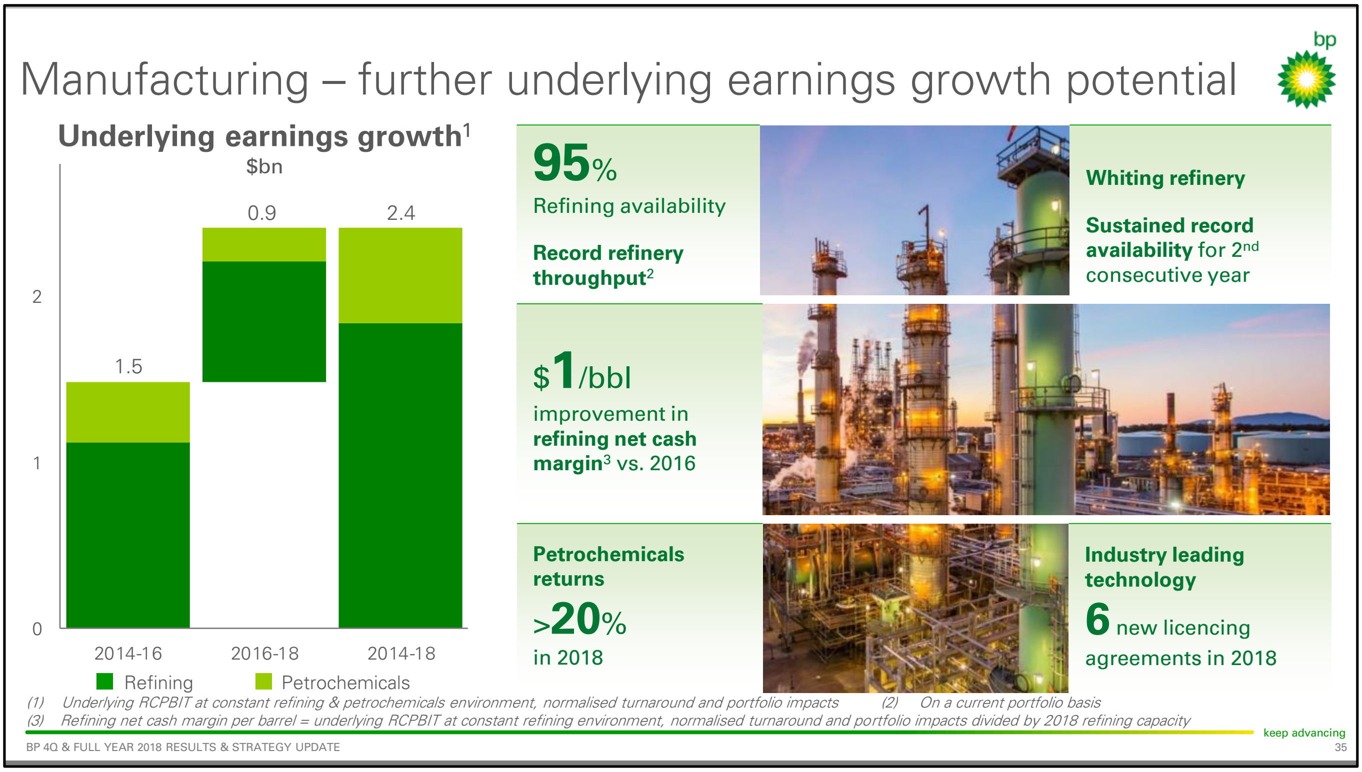
We also continue to grow our B2B fuels and Air BP businesses, with Air BP's earnings growing by 10% in 2018.

Turning to Lubricants, which, in 2018, delivered earnings of $1.3 billion with highly competitive return on sales of 18% in what was a challenging base oil environment.

Indeed, our brands and differentiated position have enabled us to mitigate a large part of the recent base oil price increases. Which over the last two years have impacted our cost of goods by more than $400 million.

This business has significant growth potential, with good exposure to growth markets and the growing premium segment. Earnings from growth countries increased to 65% and premium lubricant volumes grew by 2% in 2018.

In summary, our marketing businesses are making strong progress. We have demonstrated we can grow earnings at double-digit rates over the last four years, while sustainably delivering attractive returns. We also have good and increasing exposure to growth markets. All of this underpins our confidence in further earnings growth to 2021 and beyond.



Turning to manufacturing. We have an advantaged portfolio that has consistently delivered underlying earnings growth. You can see from the chart we have delivered $0.9 billion of growth since 2016.

Delivery has been underpinned by our multi-year business improvement programmes and strong operational performance.

In refining, we continued to progress our key programmes of reliability, efficiency, advantaged feedstock and commercial optimisation:

- In 2018, refining availability was 95% and we achieved record levels of throughput, despite 2018 being a year of high turnaround activity;
- At Whiting, for the second consecutive year availability was sustained at the highest level in more than 10 years. Allowing us to capture the benefits of wider North American heavy crude oil differentials; and
- Through our commercial optimisation programme we delivered additional value from margin improvement initiatives, lower carbon bio-processing and yield optimisation.

All of this supported a continued improvement equivalent to $1 per barrel in underlying net cash margin since 2016, bringing the total improvement to $2.7 per barrel since 2014.

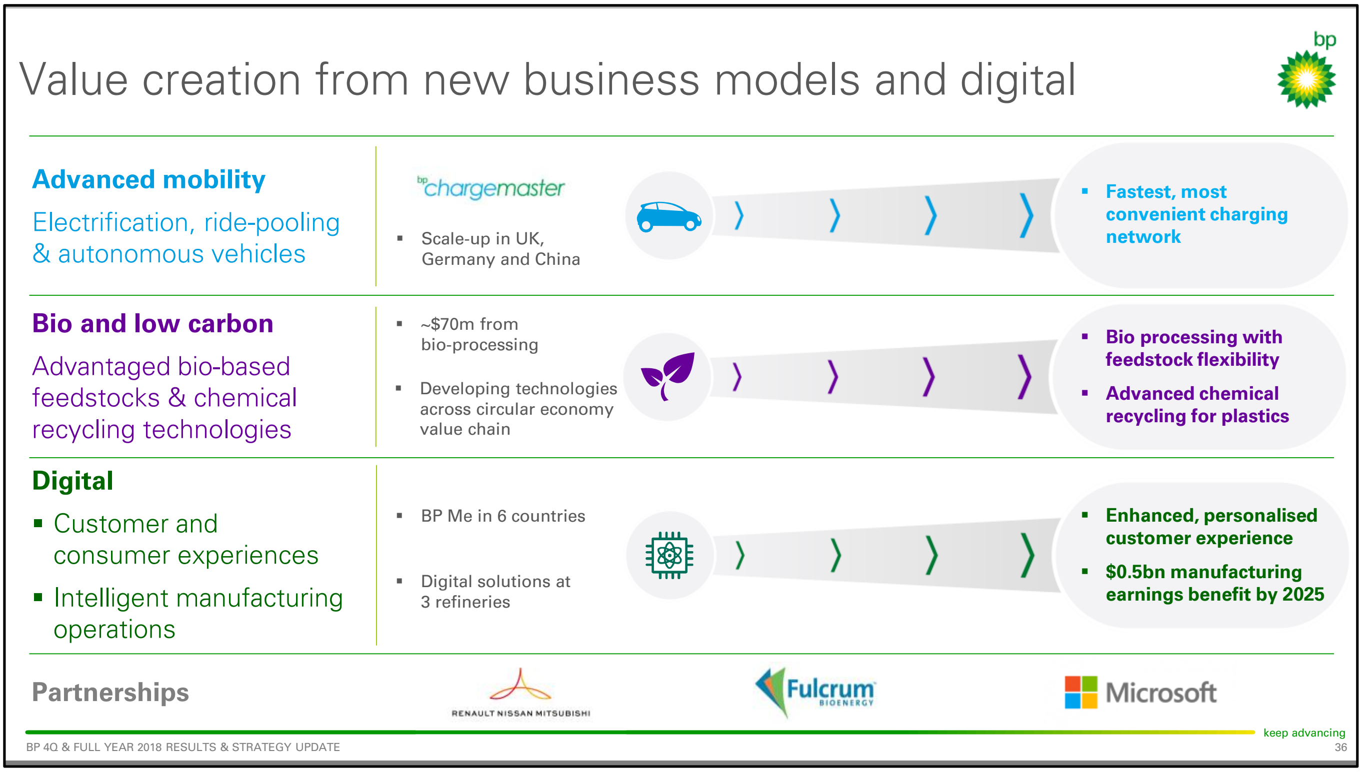
In Petrochemicals, our operational performance, industry leading technology and efficiency gains have supported the delivery of continued underlying earnings growth and pre-tax returns of more than 20% in 2018. In fact, 2018 earnings of around $630 million was higher than 2017, despite the divestment of the SECCO joint venture.

Our technology remains a significant source of competitive advantage. In 2018, we secured six new licensing agreements out of the 10 PTA and PX licenses announced globally.

And, we recently signed a heads of agreement with SOCAR to evaluate the creation of a joint venture to build and operate a world-scale petrochemicals complex in Turkey. This facility would be the largest and most competitive integrated PTA, PX and aromatics complex in the western hemisphere.

In summary, across manufacturing we delivered strong operational performance and continued earnings growth. Looking forward, our business improvement plans support more than $1 billion of additional earnings growth over the next five years that underpins delivery of our 2021 targets. In addition, our refining portfolio is well positioned for the upcoming IMO 2020 changes – with around 47% of our yield being distillates and less than 3% being high sulphur fuel oil.

This delivery potential, and selective investments in an attractive and growing petrochemicals market, gives me confidence in further earnings growth to 2021 and beyond.



Now turning to the transition to a lower carbon and digitally enabled future.

We have a clear strategy with a focused activity set. We are capturing the emerging material gross margin pools by building capability, strategic partnerships, collaborating with industry leaders and leveraging our venturing investments. We have many projects underway.

The plans we have in this space will transform our business over time and are already beginning to create value for us now. To illustrate, let me share a few examples.

In Advanced mobility, we are developing new customer centric solutions.

Our electrification strategy is to provide the fastest and most convenient network of charging solutions.

In 2018, we acquired Chargemaster, the UK's largest electric vehicle charging company. Our ambition is to roll out more than two thousand additional charging points, bringing the total to around nine thousand by 2021, including more than 400 new ultra-fast chargers at our retail forecourts in the UK.

We have plans to scale up advanced mobility opportunities in focus countries such as UK, Germany and China.

In bio and low carbon, advantaged bio-based feedstocks and technologies will be key differentiators. We have made significant progress in innovative technology deployment, some of which are already generating value.

In refining, we have expanded lower carbon bio-processing to four of our refineries, which generated $70 million of margin in 2018. We have plans to expand this three-fold by 2025.

In Petrochemicals, the circular economy is a major driver in the chemicals and plastics sector. We see chemical recycling as a game-changer for plastics circularity. We are developing technologies to lead the market in this space and looking to commercialise these technologies by 2025.

Turning to digital.

In customer and consumer experiences, BPMe is our global customer engagement platform. It will be the portal to a suite of offers and services that will transform our retail offer and deliver an enhanced and personalised customer experience.

It is already in six countries, with over one million downloads and the number is increasing every month. In the UK, one of the first launch markets, users on average buy around three times more Ultimate fuel than other customers.

Across manufacturing, we are developing digital solutions focusing on three key areas: world class productivity, plant availability and optimised production, which are being implemented at our refineries in Kwinana, Whiting and Cherry Point, respectively. We are already using a range of technologies including deployment of sensors, predictive analytics and artificial intelligence. Through the use of digital technologies across our manufacturing portfolio we expect to deliver $0.5 billion of earnings growth by 2025.

As you can see across these new business models and digital we are already in action and creating value in this space

In summary, our strategy continues to deliver results. We have grown underlying earnings by $1.4 billion across marketing and manufacturing in the last two years. In 2018 we delivered nearly $7 billion of free cash flow, with returns of 21%.

This strong delivery puts us firmly on track to deliver our 2021 targets, primarily underpinned by:

- In Marketing, the continued expansion of our successful convenience partnership model, increasing growth market exposure and the scale up of new market earnings;
- In Manufacturing, more than $1 billion of earnings growth in the next five years from our business improvement plans; and
- Across all our businesses, continued focus on efficiency and cost competitiveness.

Looking beyond 2021, we expect continued earnings growth from these areas as well as significant growth potential from:

- Selective investments in an attractive and growing petrochemicals market; and
- Our new business models in advanced mobility, bio and low carbon as well as digital.

In closing, our strategy is clear, it is fit for now and fit for the future. Our delivery gives me great confidence and I am excited with the scale and breadth of opportunities I see. We have committed and capable people, the know how, innovation and partnerships to deliver this.

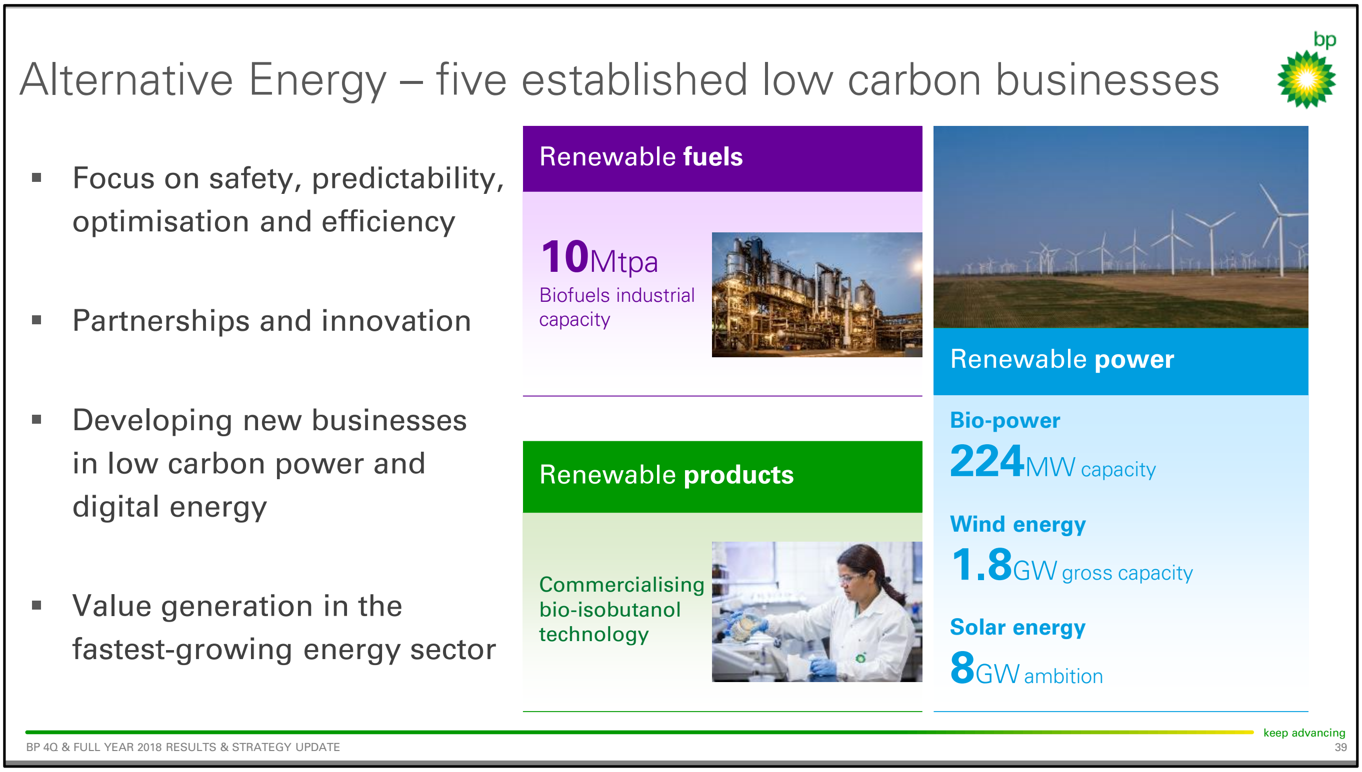
Now let me pass you over to Bob.

Bob Dudley

Group Chief Executive

BP 4Q and full year 2018
Results and strategy update

Thank you Tufan.



I would now like to take a moment to share our work across our low carbon businesses – one of our strategic priorities.

In Alternative Energy, we already have five significant and growing businesses – renewable fuels, renewable products, wind energy, solar energy, and bio-power – and I want to highlight just a few examples of tangible work.

Our renewable fuels business, which operates three world-scale sugarcane ethanol plants in Brazil, has increased production by 40% in five years, through the innovative use of digital technologies as well as distinctive partnerships – such as our joint venture with Copersucar.

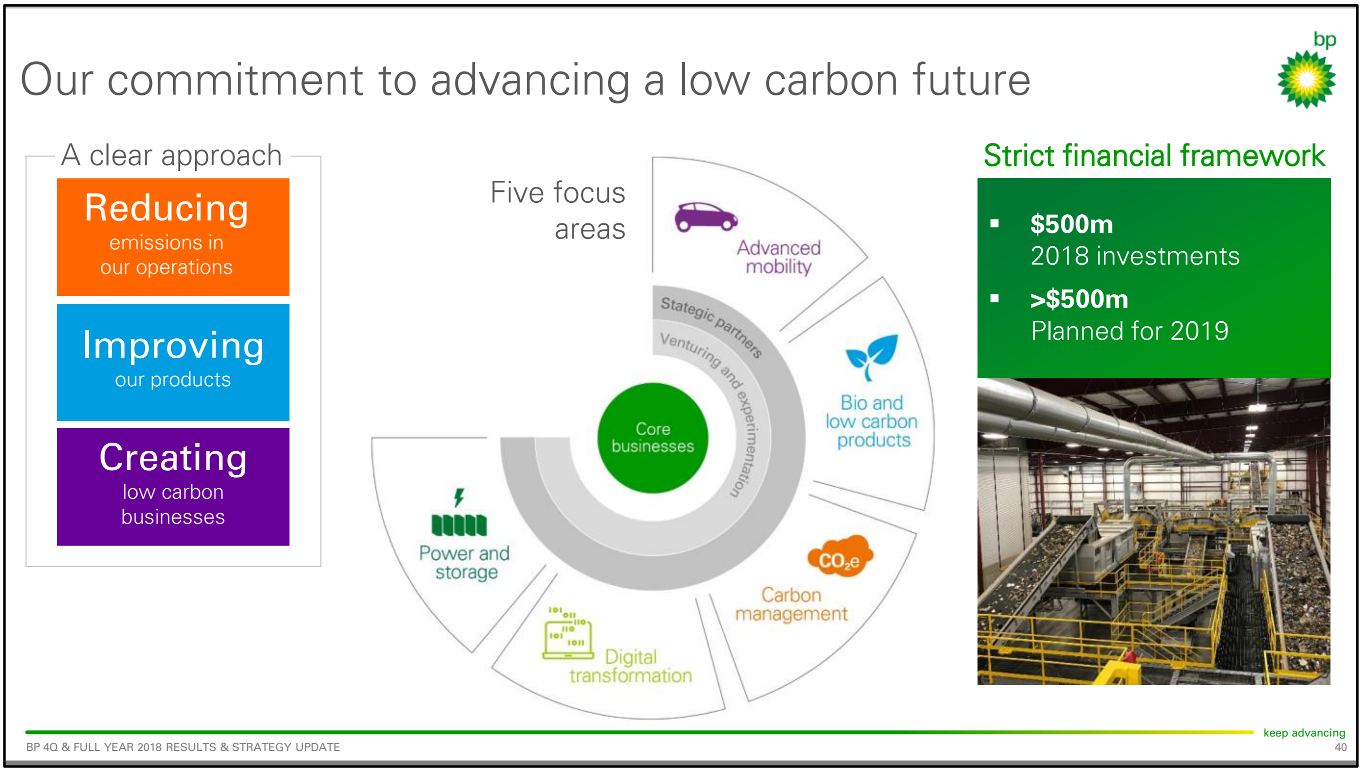
As I mentioned earlier, we are a year on from forming our strategic partnership with Lightsource BP, and have expanded activity from five countries to ten. We have found new ways of leveraging Lightsource's solar capability with BP's networks and resources to expand under a capital light framework. Growth has also been driven by a strong platform of partnerships, including in India, where Lightsource BP and Everstone Capital have partnered to manage a fund, focusing on new energy and conservation projects.

In the US, our wind energy portfolio now has 1.8 gigawatts of gross capacity across 11 sites. We have been restructuring and redeploying capital to optimize the portfolio for long-term growth – including the power storage investment we made in partnership with Tesla.

In renewable products, our Butamax joint venture with DuPont is progressing a plant upgrade in the US that will commercialise our proprietary technology, converting sugars into an energy rich bioproduct – bio-isobutanol.

In addition, Alternative Energy are developing new digital energy and low carbon power

& storage opportunities that offer attractive synergies with our existing portfolio. This includes the agreement with the government of Azerbaijan to jointly evaluate opportunities to develop renewable energy projects there.



The dual energy challenge and accelerated adoption of digital technology is also creating new and very interesting business models.

We are investing in new products, companies and technologies, which leverage our core knowledge and capabilities.

We have a clear financial frame, investing around half a billion dollars annually across five focus areas – they are advanced mobility; bio and low carbon products; carbon management; power and storage; and digital. These focus areas were selected for their potential to become material businesses in the future; and our capital commitment level is designed to provide the right balance between portfolio optionality, commercial scaling and responsible investment.

In addition to what Tufan described, we made big steps in 2018. For example:

– In carbon management we invested in projects that generated more than 25 million tonnes of CO2 equivalent offsets last year, just in forestry projects;

– We invested in StoreDot, an ultra-fast charging battery developer, and Voltaware, a residential and commercial energy management system; and

– In fact, our overall ventures pipeline grew to more than 40 active investments with more than 200 partners.

In addition, we continue to foster and expand relationships at an industry level to ensure future success – in November the OGCI's billion–dollar investment vehicle, Climate Investments, announced the feasibility study for the UK's Clean Gas Project, a world-first in CCUS technology for capturing industrial and gas-fired power generation emissions.

I believe we are in great shape to act where we see opportunity to make a positive difference in this transition – it's inspiring our people to look for new and better lower carbon ways of doing things while creating new value for our company.

Well thank you for listening over the past hour or so. Let me briefly summarise before we move to Q&A.

Two years into our five-year plan we have created a powerful track record of delivery – doing what we said we would do. This delivery is coming from across our growing businesses. It's seeing us invest with discipline into growing our Upstream, both organically and through acquisitions where we believe we can create value. In the Downstream we are expanding our marketing business alongside a strong refining system with high availability. We are also investing into our existing Alternative Energy business and creating new, low-carbon businesses – and all of this is delivering strong financial results.

Many of you may have also seen our announcement last week supporting a proposed resolution from a group of investors called Climate Action 100+. This proposed resolution seeks additional corporate reporting in the context of the Paris goals. It addresses BP's strategy, our metrics and targets and how we evaluate material new capital investments.

We have listened carefully to investor sentiment and opinion over the past few months on the role of BP in the energy transition, recognising that views are wide-ranging. Together with recent engagement between BP and Climate Action 100+, this has enabled us to support the proposed transparency resolution. The Board intends to provide more detail in the notice to shareholders ahead of our Annual General Meeting in May.

So in closing, we are building business momentum, delivering our strategic priorities, and are growing the business, all of which underpins our commitment to growing shareholder value.

And, I’m very optimistic about the future, and the role that BP, as a global energy company, has to play in advancing the energy transition.

Now Brian, Bernard, Tufan and I are now ready to take your questions.

Q&A

Bob Dudley
Group chief executive

Brian Gilvary
Chief financial officer

Bernard Looney
Chief executive, Upstream

Tufan Erginbilgic
Chief executive, Downstream

Craig Marshall
Head of Investor Relations

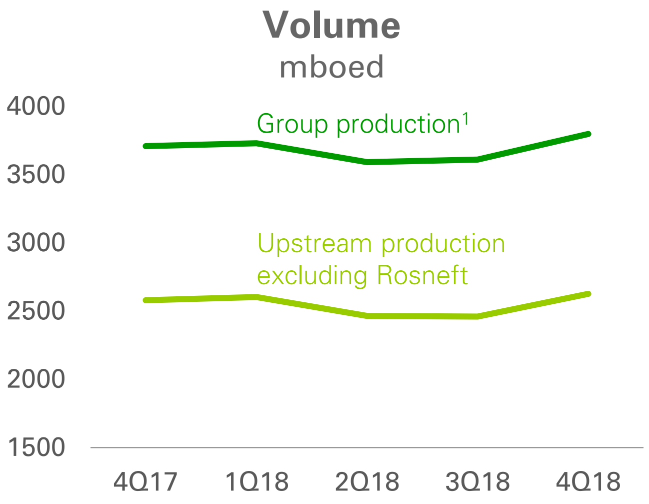
Appendix

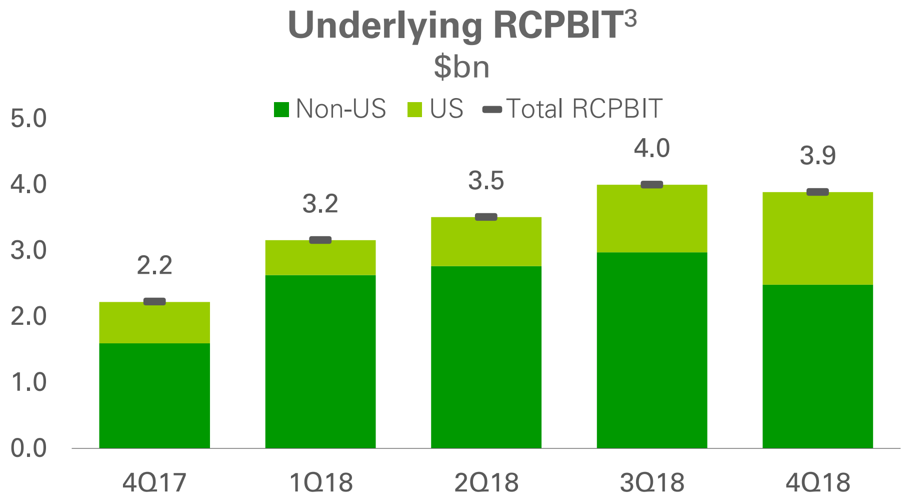
4Q 2018 summary

$bn	4Q17	3Q18	4Q18	% Y-o-Y	% Q-o-Q
Upstream	2.2	4.0	3.9		
Downstream	1.5	2.1	2.2		
Other businesses & corporate	(0.4)	(0.3)	(0.3)		
Underlying business RCPBIT[1]	**3.3**	**5.8**	**5.7**	**73%**	**(1%)**
Rosneft[2]	0.3	0.9	0.4		
Consolidation adjustment - unrealised profit in inventory	(0.1)	0.1	0.1		
Underlying RCPBIT[1]	**3.5**	**6.7**	**6.3**	**81%**	**(6%)**
Finance costs[3]	(0.6)	(0.6)	(0.7)		
Tax	(0.8)	(2.2)	(2.1)		
Minority interest	(0.0)	(0.1)	(0.0)		
Underlying replacement cost profit	**2.1**	**3.8**	**3.5**	**65%**	**(9%)**
Adjusted effective tax rate[4]	27%	36%	38%		
Underlying operating cash flow[5]	**6.2**	**6.6**	**7.1**	**15%**	**7%**
Underlying earnings per share (cents)	**10.6**	**19.2**	**17.4**	**63%**	**(9%)**
Dividend paid per share (cents)	**10**	**10.25**	**10.25**	**3%**	**0%**
Dividend declared per share (cents)	**10**	**10.25**	**10.25**	**3%**	**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 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]	4Q17	3Q18	4Q18
Liquids ($/bbl)	56	70	62
Gas ($/mcf)	3.2	3.9	4.3

4Q 2018 versus 3Q 2018

- Lower liquids realizations
- Strong gas marketing and trading results
- Higher production including acquisition of BHP assets

(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

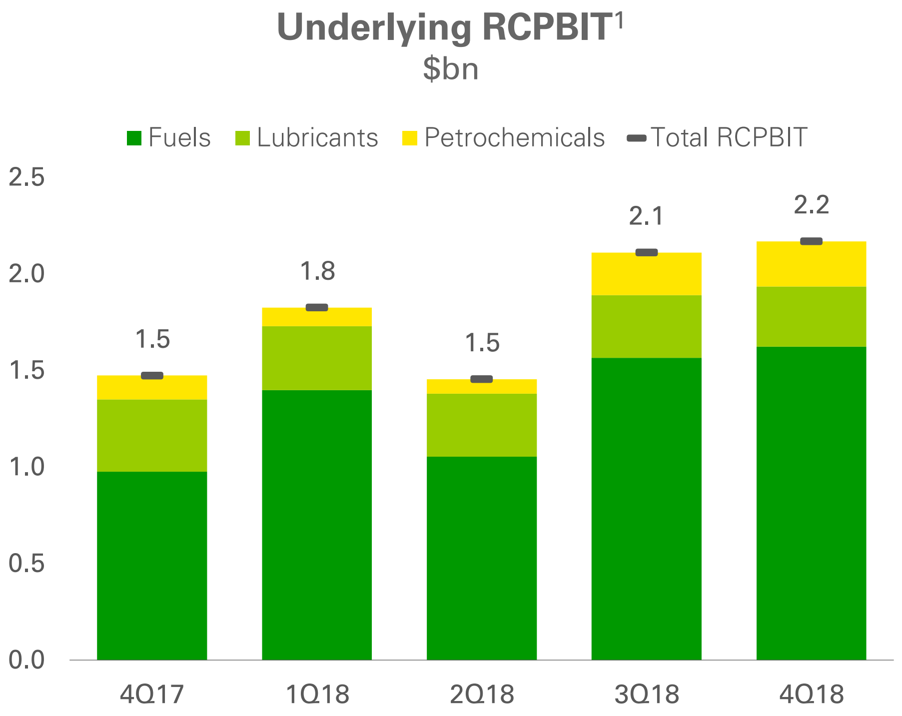
95% Refining availability 3Q18: 96%	Refining environment	4Q17	3Q18	4Q18
	RMM ($/bbl)	14.4	14.7	11.0

4Q 2018 versus 3Q 2018

- Continued fuels marketing growth
- Strong refining performance, enabling capture of wider WTI-WCS spread

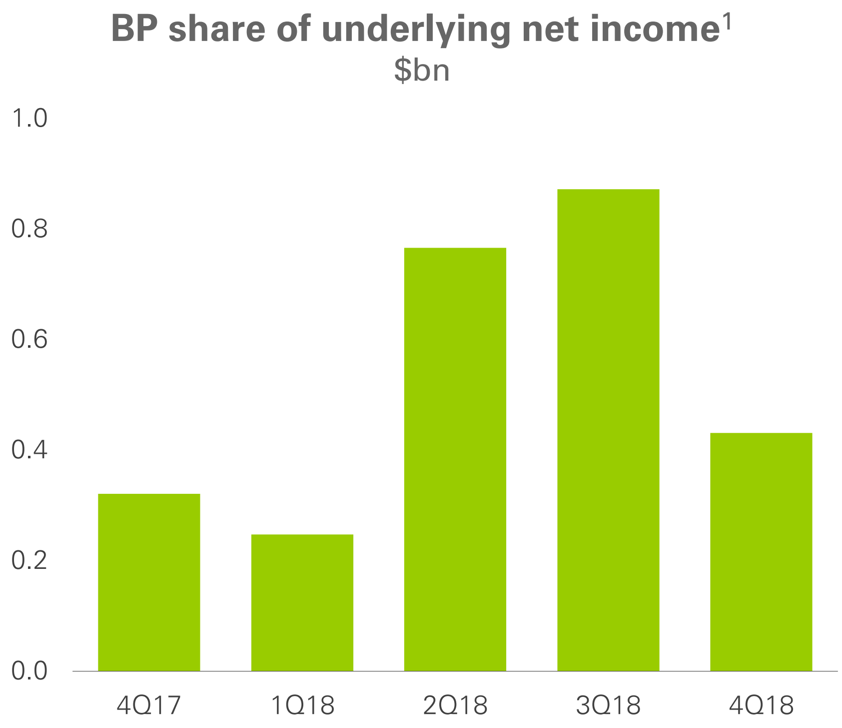
Partially offset by:

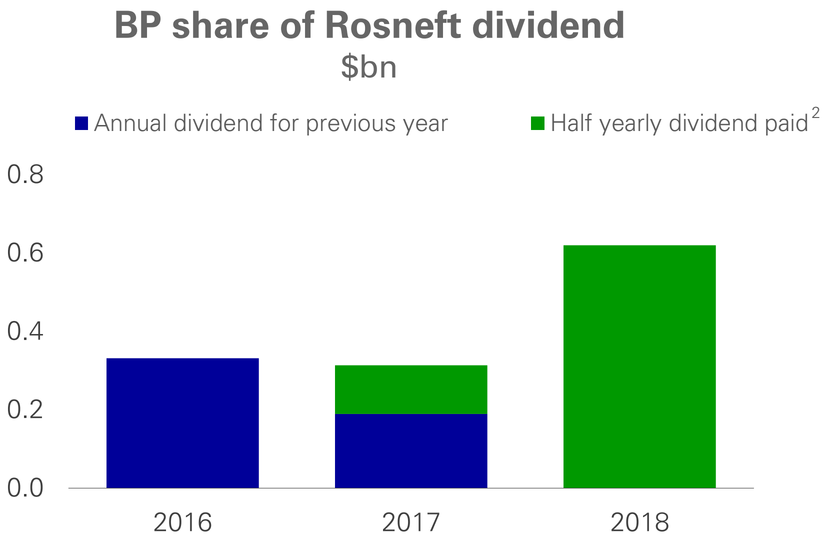
- Higher turnaround activity, lower industry refining margins; and
- A lower supply and trading contribution



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

Rosnett





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BP share of Rosneft production[3]

(1) On a replacement cost basis and adjusted for non-operating items; 4Q18 represents BP estimate
(2) Half yearly dividend representing BP's share of 50% of Rosneft's IFRS net income
(3) Average daily production for the fourth quarter of 2018