



BP 4Q and full year 2019 Results: Webcast Q&A Transcript

Tuesday, 4 February 2020





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Q&A TRANSCRIPT

Craig Marshall (BP): Okay, thank you again everybody for listening. Good morning. We are going to turn to questions and answers, as usual. If you can limit your questions to no more than two, so everybody gets a chance to ask. On that note, let us take the first question, from Lydia Rainforth at Barclays. Good morning, Lydia.

Lydia Rainforth (Barclays): Thank you and good morning. Bob, thank you to you, as well. Two questions, if I could? The first one: if I just think back over the last ten years, obviously you have seen that period of safety improvement that you talked about and then the modernisation of BP, are you surprised at how quickly the business was able to modernise? What sort of confidence does that give you about what can happen going forward?

The second question was a little bit more specific around the low-carbon businesses that you have started to go back into. How do you think about whether BP can make money out of those and deliver competitive returns? Is it a case of looking at cost of capital for those businesses in a slightly different way? Thanks.

Bob Dudley (BP): Well, thank you Lydia and thank you for all your good questions over the years. Your first one, about safety and modernisation: I have to say, if you were in the company, it did not feel like it was so quick. It was many years of small changes, including shutting down our facilities around the world, turning them around and retooling things, getting the culture and speaking up and measuring everything. I don't think it was that quick but I think it was very, very thorough and I think it is now firmly embedded in the culture.

Then, with modernisation, I do think we very early on embraced big data, we really did begin working with some great third parties to work on the big data, which also combines, of course, with safety but also optimisation of reservoirs and how we produce all kinds of things. This has been steady and it has accelerated in the second half of this last decade. So, thanks. I think we do have a culture that has firmly got its eye on safety and always thinking about how to modernise things.

On the low-carbon side, we have made some big steps. We always, even through the Gulf of Mexico incident, retained our wind business, retained and began the biofuels businesses; we did move out of solar for a while. In some ways it is remarkable that we kept, not only some of the businesses, but all of the talent around low-carbon. I hear people



say, 'Well, you only invest 3% of your capital in low-carbon,' but this is where I think it would be good for many of you to think about these business models, like the one at Lightsource BP, which is 50/50 BP with Lightsource, acquiring a stake and taking it from several countries to ten countries. It has attracted somewhere between \$5-7 billion of capital in that business; we have taken it around the world. You look at the economics of that. We use solar, for example, in our operations, which means we replace, maybe, burning gas that can be sold as molecules for the country we are in. So you have to look at corporate economics around it. I think we get better, better and better and more efficient.

BP Bunge has got a great future; the combinations in Brazil, 11 mills in a country that will use the ethanol and the sugar for all kinds of things.

So I think you are right, there has to be good return on capital on it, but let me ask Brian to add to that.

Brian Gilvary (BP): Yeah, I think that is a good summary, Bob. What I would say, Lydia, is the way we think about it at the moment is, in some respects like we have done through every energy transition, as we are moving into new products and new sources of value, we may do some of that off balance sheet, which is what you have seen around Lightsource BP and BP Bunge in terms of what we are doing in terms of Brazil. Equally, things will come back onto the balance sheet at a point where we think there is a viable business going forward. There is no question we have seen a rapid move in the market over the last three or four years. Solar now is very economic and you can see that we will continue to seed investments in smaller ventures which will give us all sorts of information about how this energy market will transform.

I would also remind you, for example, wind is currently on balance sheet, it sits inside our books and is very economic and makes a good return with the tax credits that come with it in the United States. So I think it is looking for things which are complementary to what we do and moving things both off and on balance sheet as we go forward. However, I think it is a great time, as Bernard steps in I think it is a really exciting opportunity for us in terms of what some of those opportunities might look like.

Lydia Rainforth: That is super, thank you very much.

Craig Marshall: Thank you Lydia. We are going to take the next question from Alastair Syme at Citi. Alastair?

Alastair Syme (Citi): Good morning. Thank you everyone. A couple of questions, one on the BPX business. You previously talked about \$1 billion of free cash flow uplift from this business by 2021, so I am just trying to figure out what the 2019 baseline is in that and how the gap gets bridged, if you could help split between synergies and growth.



My follow-up was really just to ask about Mauritania and Senegal. There was a lot of exploration work in 2019, so I just wanted to get a status of where that asset is and when should we expect the next project to mature to FID? Thank you.

Brian Gilvary: Thanks Alastair. I will just pick up the first question, around BPX. Everything is on track, in terms of the \$1 billion of free cash by 2021. We have ramped down activity in the Haynesville, as we have ramped up in the Eagle Ford and Permian, as more take-away capacity comes through. The synergy number we now expect to be significantly higher than we first set and I think, as I already laid out for you, we are over three times the level we thought we would be at this point, in terms of 2019. Everything is on track and the great thing about our new position: we have now pretty much sold out of all of the gas assets, which is what you saw come through as the final impairment charge that we saw around those packages. There is one small package left to do but pretty much everything is announced around that. The focus now, for Dave and the team, is absolutely around the oil business and everything we see gives us confidence in that \$1 billion. That is absolutely a promise that you should expect to see delivered next year. Of course, we have the flexibility through this year as to how we ramp activity up, depending on what the price signals are that we see from the marketplace.

It is worth just pointing out that, on the gas side, we have seen something like a 40% drop across the sector in the gas rig count, year on year and about 25% of all the gas you see in the United States comes from associated oil. That started to taper off a little bit at the back end of last year but we will be able to ramp that activity up as opportunities arise.

Alastair Syme: Brian, can I just ask if the business, if you strip out the acquisition costs, was free cash positive in 2019?

Brian Gilvary: We would not normally give you that specific level of detail, Alastair, but we will come back to you before the end of the call. We don't normally provide that. It is a choice because ultimately it is the capital. We did ramp capital down in 2019 to somewhere around about \$2 billion that we talked about at 3Q versus we were planning on something around close to \$2.5 billion. However, I think it will be too early. All the synergies will come through this year, given where the run rate was, as we exit this year. Now we are expecting synergies somewhere close to \$400 million. So I would anticipate it will certainly be \$1 billion surplus next year, but we would not normally give specific guidance around 2019.

Bob Dudley: Alastair, this is Bob on Mauritania/Senegal. Those of you who know this project, it's clearly got the potential to be a long-term, large integrated LNG business with tens of TCF of gas that have been discovered. The FID, which we announced in December 2018, is in place; the inter-state cooperation agreement between the two governments of Senegal and Mauritania has been ratified. The unitisation has been ratified



and the sales and purchase agreement for the LNG should be coming along any time now. So phase one, in execution; the planned phases two and three which are progressing through their optimisation right now. So that project is on track; I have a lot of faith in it.

Alastair Syme: Great, thank you very much.

Craig Marshall: Okay, thanks Alastair, we will take the next question from Os Clint at Bernstein. Os?

Oswald Clint (Bernstein): Thank you, good morning everyone. Perhaps, first question, I just wanted to ask about the dividend. I guess I walked away from 3Q thinking gearing levels about 30% is a tough level to talk about a dividend hike, in terms of your Board meeting, so I just wondered if you could share a bit more colour about what happened in this quarter's meetings, surrounding the dividend. Is it really just confidence in the 2021 delivery, which Brian has actually spoken to this morning? Have you really interrogated all of the assumptions that underpin Upstream and Downstream delivery here? Obviously there are some other companies out there that get 12 months away and start to worry about macro affecting their end-period targets.

That is the first question. Secondly, thank you very much Bob for all your time over the last couple of years. I wanted to ask you, as we think about the value proposition with the Reliance Downstream marketing venture now from here, if you could just perhaps reflect on the Upstream Reliance deal I guess you did almost a decade ago and if that deal delivered everything you thought it would, if anything went wrong or slower and if there are any lessons learned that we should take from that and kind of transplant into the Downstream venture? Thank you.

Bob Dudley: Thanks Oswald. Our partnership with Reliance has been great. I made no secret about the fact that I was disappointed with the Indian government at that time for not following through on what I would call the market gas pricing, which was clearly part of the contract. So it took some patience and perseverance. However, we have since gone out and found more gas around there. We just shut down the production facilities in D6 to be able to bring on shortly - March or April - the new production for the satellite fields around it, so significant production will come back onstream. So that has all been really well-engineered, a cost-effective program.

I think, for the lessons learned there, I remain very optimistic about India as a country. You can argue about growth but roughly 6% growth, I think, in one of the largest countries in the world, just beginning to travel, in many ways. We look at the Downstream JV as not just one on liquid fuels but also mobility. We will take all the things that we are working on - electrification of vehicles, liquid fuels marketing, convenience marketing - with a great partner who has all this wire broadbanded up, because it will be fast and quick, a lot of



efficiencies because Reliance is quite a talented company as well. So we will rebrand it, it will be called Jio-BP, which I am told in Hindi means Long Live BP. It's a combination, of course, of the two companies. The commitment is there, we should close that deal here in the first half of the year.

Brian Gilvary: Then, coming back to the question on dividend, I think a lot has changed between 3Q and 4Q around uncertainty in terms of the outlook vis-à-vis balance sheet. I think, firstly, to start with, we laid out the targets in 2017 out to 2021. They had significant surplus free cash to the tune of \$5–6 billion over and above the \$8 billion dividend that we have today. We moved on the dividend, as part of that strategy, in 2Q18, so we are in the sort of right postcode in terms of timing around dividend. On the uncertainty around 3Q: I think what we have seen through the fourth quarter is a major derisking of the uncertainty around balance sheet. Investors have said quite clearly to us, they are looking for us to deleverage the balance sheet. We had a combination of a strong set of earnings in 4Q and strong operating cash in 4Q. We have announced \$9.4 billion of the \$10 billion package that we said we would be doing over 2019 and 2020, so a year early. And only \$2.8 billion of cash came in around that package in 2019, so you would expect the majority of the balance, with some payments out to 2021, to come through in 2020. We have also announced a further package of \$5 billion, which we expect to announce by mid 2021. CAPEX is at the low end of the range; net debt came down by over \$1 billion in the fourth quarter; and one of the important measures was gearing came down from 31.7% at 3Q to 31.1% in spite of \$2 billion of impairments associated with some of the Lower 48 gas sales, or just shy of \$2 billion.

So I think all of the outlook is far more positive. The link back to macro we worry less about. If you remember, what we laid out in 2017 was at \$55 a barrel Brent real, so we have been in the \$60–65 range. We will come back to that in terms of what the macro outlook looks like. There is no question that coronavirus, I suspect, will impact demand this year. We are currently seeing for the year, something around 300–500 thousand barrels a day impact on demand growth that we were looking around 1.2 million barrels a day coming into this year. Of course, that will unfold as the year progresses. It may be more or less than that, but that would be our current estimate. Then the question will be whether OPEC balances or not.

However, just reflecting on the last ten years, it is sort of relevant, I think, vis-à-vis Bob's tenure, we have dealt with oil prices that have gone from \$100 to \$28 a barrel, so we have the flexibility to react. What we laid out for you in 2017 was a strategy out to 2021 where we would be able to manage the downsides and the upsides.

In the last two or three quarters, certainly through last year, we had the benefit of upside on oil prices. Oil prices may stay around \$55 a barrel right now given what we are seeing



around coronavirus, but they may recover by the end of the year. I think we will see how that plays out, but from our perspective there is no question now, you can see probably somewhere in the range of \$7-9 billion of cash from divestment proceeds coming through this year. If you think about the balance of \$6.6 billion of proceeds still to come from the \$9.4 billion of disposals we have already announced, plus say 40% of the balance of the additional \$5 billion target to come through maybe this year, it says that the backdrop is positive. And we have growing free cash flow out to 2021 and 2021 is underpinned. So I think when we looked at it in the round, especially the strong set of 4Q results and the further \$5 billion package that we announced, it was sufficient to justify the dividend move now.

Oswald Clint: Excellent. Thank you. Thank you both.

Craig Marshall: Okay, thank you, Os. We will take the next question from Irene Himona. Irene, good morning.

Irene Himona (Societe Generale): Good morning. Thank you. And Bob, congratulations on a job well done and all the best for the future. So I had two questions. First of all, 2019 reserve replacement of 67%. I wanted to ask is this metric as relevant to BP these days as it used to be? Are you striving consciously to replace reserves in a world where there is an energy transition and we are looking at peak oil at some point? So how should we think of BP's exploration effort and future reserve replacement ambitions?

Then my second question for Brian. So in Q4 underlying tax 27% and for the full year 35.5%, so well below your guidance and indeed, as we saw in Q3, well below your expectations. I think you attribute that in the press release to lower deferred tax. Can you just help us understand what were the key drivers, let us say the key unanticipated drivers that led to such a discrepancy between your expectations and the actual for the year? Thank you.

Brian Gilvary: So maybe if I just take the tax question first. It was indeed deferred taxes and actually in Q3, you remember we talked about expecting taxes to be higher. The big change is the mix. We have just gone and looked at what we think the tax will look like for 2020. Of course, we have big swings in profit mix in terms of Downstream to Upstream and then within the Upstream, depending on what prices are doing. So it is really hard to try and come up with an estimate ahead of time. We started to give guidance at the time of the Abu Dhabi deal because, of course, the high tax barrels that come with that, which moves our overall tax rate up from a long-term historic level of about 32% to something north of 40%. We have done the roll-up now for next year and we have tried to give you guidance here that it is somewhere probably below 40% next year. I would say the range about where we have actually come out this year around 35-36% to 40% is a sort of good ranged number, but there is such a huge swing, Irene, in terms of the balance and profits



between Upstream and Downstream and the tax characteristics of those. The big difference in 4Q was really around deferred taxes, around some specific assets that rolled forward. Of course, you also have the impacts of some of the impairments that came through that moved the tax number around. However, even at the end of 3Q, we would not have anticipated tax to be as low as it has come through in the fourth quarter.

Bob Dudley: Thanks Brian and thank you Irene. Thank you for your comment as well. On reserve replacement ratio, we have focused for some time now on value over volume. About a year or so ago, we removed reserve replacement ratio from our compensation metrics. Over the last five years, we have had a rolling average of 97% in terms of reserve replacement ratio, this last year was 67%, a little lower. We had fewer major development sanctions than typical, in 2019, than we have had in the past. The reserves are still healthy. Our reserve production ratio, RP ratio, is still just around 14 years. However, I think the idea of being driven for just reserve replacement ratio is not how we will drive BP going forward. But it does not mean we are not going to add reserves. We still have a whole set of projects that we can see until 2025. However, I feel that it is the kind of reserves you add, whether it is gas, advantaged oil, advantaged gas, that has got to be key and I am sure will drive our project sanctions.

Irene Himona: Thank you.

Craig Marshall: Thanks Irene. We will take the next question from Jon Rigby at UBS. Jon, good morning.

Jon Rigby (UBS): Hi, morning. Yes, thank you. Excuse the pun, but to drill down on that reserve replacement question a little bit. I notice the exploration charge, both the write-off carried forward and also the activity in the quarter, has been dropping. It looks now like a pattern, maybe two to three years. So I just wondered is that reflective of strategic decision making around what you want to do around exploration?

Then the second question is you have had a couple, I think, comparative quarters of very good trading results, but you do not call it out this quarter. But I do notice that your inventory run by IST, the RMI, is quite high for a 4Q in absolute terms and, if relative to the oil price, is very high. So I just wondered whether you are able to characterise what you were doing and whether that is reflective of activity in the fourth quarter around trading. Thanks.

Brian Gilvary: Okay, Jon. I will take the trading question first. Yes, RMI was driven up. It was actually by higher volumes that we were carrying through the year end and by higher prices. And that will swing around depending on activity, but we are carrying higher volumes through the end of the year. In terms of performance of the business, it was a strong quarter for gas, it was probably below average, certainly below plan for the fourth

quarter, for trading for oil, which was really about the big swings that we saw in the last 10-15 days in the quarter. However, overall for oil trading and gas trading, they both had record years in 2019 and certainly as strong a set of results as we have seen in recent years and certainly over the last decade. So a lot of things went in the right direction. Some quarters were stronger, some were weaker for each of them, but overall it has been a good year for the trading business. But the RMI activity was really about volumes and it was about higher prices.

Jon Rigby: Right.

Bob Dudley: And Jon, you were asking about drilling down on exploration. I mean, we are still clearly continuing to explore. We have drilled exploration wells this year, two of them in Egypt, the Gulf of Mexico, four of them in Trinidad, we have had three announced discoveries so far this year, and we have a whole plan of exploration going forward. And in terms of FIDs, we see about ten projects in 2020/21 that we consider FID-ing that are coming down the pipe. We have not announced which projects exactly, but they are spread across the world from Angola to the Gulf of Mexico and Trinidad, in 2020. And we have about seven others from Angola, the North Sea, Australia, Senegal, a couple in the Gulf of Mexico and maybe one in Egypt. So we will continue to explore. I am not sure that exactly got to your question.

Jon Rigby: It was really just whether there is a re-optimising of risk as you enter into the 2020s and how you apply your capital to exploration, but I think that captures it, thank you. Just also to add my thanks to you for the past ten years and good luck in your retirement.

Bob Dudley: Well thank you, Jon. I will just add to that. To your point, yes, we will re-characterise exploration and risk and think about exploration combined with access, which often does not necessarily require exploration drilling. We have been steadily reducing our exploration now for a number of years and we will keep doing that. We will focus a lot on, as you know, on ILX or Infrastructure Led Exploration, in our existing business, focussing around where we already have our facilities, most certainly. Thanks Jon.

Jon Rigby: Thank you.

Craig Marshall: Thank you, Jon. We will take the next question from Chris Kuplent at Bank of America. Chris.

Chris Kuplent (Bank of America Merrill Lynch): Thank you very much and can I just echo, Bob and Brian, thank you for all of your help over the years.

Just two quick questions, I hope. The 2020 production outlook you have given: of course production will be impacted by disposals, but you are already pointing at an underlying decline as well and you are referring to low gas margin basins. Does that refer explicitly to BPX or others as well? So any bit of colour would be helpful.



Secondly, a bit of a wider question, you said you have completed the buyback programme, what do you see the role of buybacks within your progressive distribution policy going forward? Thank you.

Brian Gilvary: Okay, Chris, if I just pick up the first part of that. Reported production, I think we have said already today, you will see about 200-250 thousand barrels of oil equivalent per day that we have disposed out of the asset base, so you will see that come through this year which is why reported is lower. In terms of underlying, you have lower activity in Haynesville. So if you think from a value over volume perspective, that is a good thing. So the rig count is down to, I think, just one rig or two rigs. I think it is about one rig now down in Haynesville. So that will be lower underlying production. There are lower volumes coming out of Trinidad to do with some infill wells we have. And of course we have also got the impact of Raven being delayed out to the back-end of this year from last year, which we would have anticipated as part of the underlying growth this year. But they are the three major drivers of why the underlying number will be slightly down.

In terms of distributions, the buyback is now complete in terms of the scrip that we have issued since the third quarter 2017, so that was a big signal which I probably should have alluded to earlier. Having that also behind us – I mean, there are two things which have helped with the balance sheet. There is completing the buyback, which I think has been good that we promised to do that and we have done it. And the second thing, of course, is Deepwater Horizon payments are now down to below \$1 billion a year or around \$1 billion a year post tax out to 2032, so that has taken a big piece of risk off the balance sheet.

In terms of further buybacks, I think all options are open within the financial frame, especially given where the equity values sit today. There is no question that is an attractive proposition. However, that is really one for the broader financial frame conversation with the Board as we progress through this year. Bernard will lay out next week his ambition for the company going forward, but I think buybacks will always been an opportunity in terms of our armoury of things we can do around distributions, especially when we think the equity value of the company is significantly above where we see the market trading.

Chris Kuplent: Okay, thank you.

Brian Gilvary: Thanks Chris.

Craig Marshall: Okay, thank you Chris. We will take the next question from Thomas Adolff at Credit Suisse. Thomas?

Thomas Adolff (Credit Suisse): Good morning. Two questions from me as well please. Firstly, a few years ago you had a number of gaps in your Upstream portfolio and they included the Permian and Brazil and subsequently you filled them. I was wondering if you



could give us an update on Brazil. It has gone quiet somewhat. And whether you are overall happy with the portfolio you have today. Obviously Suriname and Guyana seem to be getting quite hot.

Then secondly on Russia, Bob, you have a very long history working in Russia starting with Amoco and then with TNK BP and then of course today with BP in Rosneft, and I understand this partnership with Rosneft is very important to you and you emphasised the importance of partnerships and relationships on today's call. I am not sure if Bernard is on the call for the Q&A but if he is, I was wondering if Bernard can talk to us about the strategic rationale to have this stake in Rosneft and what it brings to BP and whether it differentiates your investment proposition.

Bob Dudley: Thomas, I will come in on Brazil and Russia and let Brian also add to that. So in Brazil, we are happy, we have a very big integrated business now in Brazil. It is not only the exploration side but we have biofuels, Air BP, the jet fuels, trading operations and supplying and working with a power plant there for the use of gas. On the exploration side, we have some good acreage yet to be drilled. The first well back in the first quarter of 2019 was a disappointment, but we have been very, very careful in terms of adding to that. I think that we will see exploration. Not sure. We have stepped back from some of the programmes there like the transfer rights there because it just looked pricey for us, so we are going to be very capital disciplined about what we are doing there. But it is obviously, a great province for energy going forward.

On Russia, I will just say Russia is really important to BP. I will let Brian give a perspective so you know it is not just mine because Bernard is not here, although we have talked to Bernard, obviously, over the years. To me, it is a great partnership, it has been hard one and it is strategic, I think. It has enormous optionality, not only just for the shareholding in Rosneft but also the joint venture projects that we've worked with and are working and producing from with Rosneft. But Brian?

Brian Gilvary: We've been in Russia for over 30 years. The current version of that looks very positive, from BP's perspective. Rosneft is probably one of our deepest, most important strategic relationships. Bob has built that up over time. I was on the TNK Board myself for the best part of 10 years, so know a lot about Russia and the challenges and the opportunities which have come with it. We think about Russia strategically in terms of Rosneft and that relationship. I think there was some commentary at the weekend about linking this to climate change and to energy transition. I just remind people that Russia has signed up the Paris Climate Accord. They are doing a lot in terms of the energy transition. They've also signed up to the UN Sustainable Development Goals and they're one of the largest oil and gas provinces in the world. So I think it is incredibly important for BP that we continue to deepen that relationship that we have today and I think the things that Bob



and the team have been able to do in terms of – and with Bernard – the additional joint ventures we now have on the ground, as BP, in places like Taas, which are now generating revenues and production for us.

And I'd also say that while the ownership of Rosneft is an investment in the company and that pays us a dividend, that dividend underpins 10% of our own dividend and is very important for us going forward. So I think any of the news reports, that the idea Rosneft would be non-strategic for us in this next decade, have got absolutely no founding at all and we just still see it as a very important relationship going forward. And I think I can probably say on the call if Bernard was here, he was in Russia in the last few weeks to cement those relationships going forward.

Bob Dudley: And I would say to those of you – and many of you maybe don't follow Rosneft – but it's worth looking at, because that company is transforming itself. It's a little bit like as TNK changed over the years, the emphasis on safety, efficiency, modernisation, reductions in corrosion, baselining their flaring and greatly reducing their flaring, they are doing all the right things that you would expect and so I think it's a company that is slightly constrained because of the OPEC+ agreement, but they've got developments down the road, great projects ahead of it and so it's not just a passive investment; we work closely with them on all fronts.

Thomas Adolff: Great, thank you.

Craig Marshall: Okay, thank you, Thomas. We'll take the next question from Jason Kenney at Santander. Jason?

Jason Kenney (Santander): Good morning and thanks for the opportunity. Bob, all the best for your retirement. I'm looking forward to the book of your time associated with BP, it should be fascinating, and if ever you're in Edinburgh, definitely a wee dram is available.

I've got a couple of questions. Firstly, what's happening in Iraq? I think the Kirkuk expansion plans have stalled and any insight as to where you think that can go over the next 5 - 10 years would be interesting.

And then, secondly, on the recycling start-ups, the position you're taking with Unilever and Danone to look at recycling of plastics. What kind of scale do you think that can grow to and over which geographies in the next decade or so? Thanks.

Bob Dudley: Well, thanks, Jason. I think I'll take you up on the wee dram. I'm not sure about the book. I don't think I'd live through a book. But I'd like to say I think there's a lot of things in your question there, so: Kirkuk and Iraq. I would say Kirkuk is in hibernation for us. We've stopped. We've done a lot of work there, it's a big field. It's in quite tricky geography. It sort of stands between Northern Iraq or Kurdistan and Southern Iraq. To me, some day, Kirkuk will be some sort of key to solving some of the political or maybe being



a union point politically, but just not now for BP. The southern fields in Rumaila continue to operate safely with lots of vigilance there. We still have staff there and that's going fine. Rumaila is just a key field for the Iraqi government, supplies about 40% of the money to their treasury. But on Kirkuk, I think I would stay tuned, but it's going to be a long wait, I think.

Now, on recycling, Brian, you're working with that.

Brian Gilvary: Yeah, sure, thanks for asking the question. I actually had somebody from another chemical company talk to me recently about it, about how impressed they were with this. This is a big breakthrough. It's a technology, BP Infinia, that processes polyester plastics, particularly items that are difficult to recycle today. The consortium we've put in place includes, exactly, companies like you said: Danone, Unilever, Britvic. The packaging recycling specialist is in there as well in terms of ALPLA, and REMONDIS in terms of the management recycling specialist, in terms of dealing with the recycling side of this. I think it's a massive opportunity. It's something like \$25 million that we're putting into a plant in Naperville that will test out the technology and then we'll look in terms of full-scale commercialisation and optimisation. I think it's a huge opportunity for us. It is at the pilot plant stage that we'll be looking to build this, to sort of see if we can make this commercial. But I think in terms of all the things we've talked about in the ventures space, this is an example of a technology we've developed in-house that could have major potential scale up, but it's really too early to say, at this point, but all the indications are very positive. And if you look at the consortium we've put together and the sort of brands that we're talking about, I think that sort of gives you an indication of just what the potential might look like. So it's a great example of technology in action within the business and coming from not the areas that we would normally talk about, but if you think about the circular economy and being able to underpin the circular economy, that's a big part of it.

Jason Kenney: Many thanks.

Craig Marshall: Okay, thank you, Jason. I'll take you up on your dram as well. Let's move to Christyan Malek at JP Morgan. Christyan?

Christyan Malek (JP Morgan): Thanks, Craig. It's great to finally see the dividend raised and even better to see that done off a \$55 a barrel breakeven for 2019. So, with that in mind, to what extent will BP continue to focus on delivering a lower cash breakeven to stay competitive within your macro frame that continues to be volatile? And how should we think about the critical path to raise dividends further, given you've chosen to raise it even when the gearing is above 30% still?

Secondly, a question on scaling up new energies and capital investment. While I appreciate there is much to look forward to with Bernard and Murray presenting the path to



decarbonise, I'm just not sure how to solve for that, effectively walking the walk and investing more in non-oil energy solutions while gearing does remain so high. And with the higher dividend going forward, do you think BP has the capital frame to really drive a realistic plan to invest materially in clean energy, or is it wholly dependent on your successful divestments? So - do we need a massive portfolio reshaping? That is basically what I'm asking.

And sorry to make it a third, apologies. Bob, I just want to echo Helge's comments to thank you for your graciousness and humility in helping guide us through some very challenging times – true qualities of a great leader, if I may be permitted to say. While we still have you, it would be great if you could share what are the lessons learned from your tenure at BP and the advice you'd give to the new management team and the analyst community, especially as concerns around the future of fossil fuels continue to mount? Thank you.

Brian Gilvary: Thanks, Christyan. So, first of all, on the dividend and, I think, just to make it clear, it was a move in seamless trajectory of the gearing coming down through the fourth quarter that allowed us to make the move. If gearing had stayed up where it was, or had even gone higher off the back of the equity write-offs, I think it would have been a more difficult decision. If you look through, though, something in the tune of \$7-9 billion of cash coming through this year in deals that we've pretty much done or we're fairly confident will get done through this year on a risked basis, and the fact that capex is at the bottom end of the \$15-17 billion range that we set for 2021, we have de-risked the balance sheet coming into this year, which I think gave the Board the confidence to move the dividend the way we have in the fourth quarter.

The breakeven at \$35-40 a barrel still holds true for 2021 in terms of the target. Of course, it moves towards \$40 the more that we distribute now through the dividend, because of course that's a measure based on how much dividend you've paid out. So now we're paying out a higher dividend and we're not issuing scrip, you move towards the top end of that range, obviously, as we start to distribute. But no, this year we'll be somewhere around mid-\$50s breakeven for the corporation. Remember Deepwater Horizon, which, you know, was \$19 billion of cash was paid out over the last four years. We've absorbed the \$10.25 billion purchase of BHP. In total, that's \$30 billion of cash over the last four years and certainly \$10 billion over the last couple of years. I think we're in a very positive position now vis-à-vis where the balance sheet is and the trajectory through the first and second quarter this year. So I think that does give us confidence. 2021 looks well underpinned and we did premise the 2021 targets around further distribution to shareholders, so I think we have a much clearer runway vis-à-vis the things that we can control. The thing we can't control, of course, is the environment and, as you saw through

'15, '16 and '17, we have a company that's flexible enough to deal with that in pretty much all the scenarios that you could start to paint out.

Bob Dudley: Thanks, Brian. And Christyan, thank you for your kind comments there, and maybe just a few things to think about in terms of lessons. You all cover energy and oil and gas, which I think is one of the world's longest wavelength investment cycles, so that's what we are working in. And I think some of the things around that is because they're such long term – I do think, at BP, we do relationships not transactions, because it's essential in such a long wavelength business.

I think some lessons learned – and you all will know this – culture is critical in any company, in almost any industry and, in our case, safety, discipline around what we do and being a good partner is just really important. And I think patience and perseverance in almost any difficult time, step by step, there are no silver bullets and not allowing anyone to believe that there's a silver bullet is very important. And I just noticed that, today – one thing I'm always struck by in terms of investing, I always go back to the fundamentals and I would say right now we're in a world where sentiment seems to be more important than the fundamentals. And I think, in reality, you always have to get back to the fundamentals, including in the new energy transitions and how we do it to maintain a successful, company that continues with its shareholder distributions. And one thing I always learned, I learned it the hard way, actually, in Russia, but all of us in the company are shareholders ourselves, so we need to learn to make sure we spend the company's money as if it's your money, as shareholders. And that's a fundamental thing we try to drive in our own employees.

Brian Gilvary: And Christyan, just to finish off on your question around capital frame. I think 2021 is underpinned, we've got the \$15-17 billion frame, we're towards the bottom end of that range now given the capital efficiency that Bernard and Murray and the team have been driving in the Upstream in particular, and I think you'll see more to follow on that. Next week, Bernard will come out with his ambition for the company and the next phase of what that will look like. That will then set a frame and a direction for probably a Capital Markets Day at the back end of this year, where we'll then talk about 2025 targets and what the capital frame looks like around that. But I think certainly, without wishing to steal any of Bernard's thunder, I think more of the same on capital discipline is almost certainly coming as he talks about the future.

Christyan Malek: Thank you.

Craig Marshall: Great, thank you, Christyan. Thanks for the questions. We'll take the next question from Martijn Rats at Morgan Stanley. Martijn?



Martijn Rats (Morgan Stanley): Hello, and also, from me, congratulations for the successful and very long-standing career and I appreciate all the guidance over the last couple of years.

I have two very short questions. Very briefly, on the Raven project, I understand it's a year delayed, but could you elaborate a little bit on why that is, because this was a project that was sort of reiterated to be on track for start up end 2019, so a bit more colour would be appreciated.

And the second thing I wanted to ask is about the US. So BPX, 4Q18 over 4Q19, still showed about a 10% decline in production cost per barrel and I was wondering if you could comment on your ability to continue to drive cost there or whether we should expect the return of some inflation in the US shale patch? That would be much appreciated, thank you.

Brian Gilvary: Thanks, Martijn. And maybe just on Raven, I know if Bernard was here he would tell you how disappointed he is and the team are. I mean, it's couched in what has been a really good run of three or four years of projects coming in below cost, on budget and, in some cases, ahead of schedule. This one is delayed and it's delayed significantly and it's pretty much a function of some corrosion issues that were picked up as part of the commissioning. It's going to take longer to resolve than we would have liked. Bernard himself has talked about it and how disappointed he is in where we are. Nevertheless, it won't impact 2021, which I think is important. It's going to affect 2020, obviously, but we should be able to get full ramp by – as we commission towards the end of this year into 2021. So the 2021 targets are underpinned, but it's effectively around some corrosion issues around the installation that we have and the team have to deal with.

And then in terms of BPX activity, as I said earlier, we're on track in terms of delivering \$1 billion of surplus free cash. We'll give you a bigger update in the first quarter around where we are around the next phase of synergies. There is no question that we're seeing more – cost reductions coming in as part of that synergy number, but I think 1Q will give us a chance to give you an update more fully on where we are with BPX now that we've got activity ramping in terms of Eagle Ford and Permian, less so in Haynesville, as I said earlier.

Martijn Rats: Alright, thank you.

Craig Marshall: Okay, we'll take the next question from Lucas Herrmann at Exane. Lucas?

Lucas Herrmann (Exane): Gentlemen, good morning, – and, Bob and Brian, just to reiterate the comments of others. Look, thanks very much for all the help, guidance, assistance over the years. Two modest questions if I might. The first was just typically this time of the year, you give us a better idea of what has gone on in the fuels retailing business



where profit might have been so really just if you could disclose what the full year breakout of numbers in that business were?

And secondly, I just wondered if you could comment on the LNG trading business at all, not at least given the start of incremental volumes that you will start to see there at the extent to which those volumes are effectively underpinned by forward sales into markets. That is it. Thank you.

Brian Gilvary: Yeah, in terms of LNG, you know that we run the portfolio, it is about two-thirds equity, one-third merchant or commercial. No significant equity volumes to come on this year other than the ramp-up of existing LNG that we have. So it is really around the shorts and longs that we have. We have got some exports coming out of the United States if they flow at these levels.

I think what you are going to see in the first half of this year, coming out of the mild winter, Lucas in the States (US), the prices are going to remain pretty soft at the levels that we see today. We think that will clear out by the time we get to the back end of this year, so you will start to see some underpinning on the gas price.

But I think we pretty much held the position, which is, that we were pretty bearish - even third quarter we talked about this - we have been pretty bearish gas prices certainly through 2020. And the question is do you start to recover in 2021 or 2023 given the two effects of gas being backed up in the United States and big LNG projects around the world coming on where we will be moving some of those volumes through our merchant business.

But I think LNG is all about, in terms of LNG trading, it is all about the optionality and making sure that we retain those options with different price points that allows the team to optimise in the way they have, and they had a very successful year last year.

Bob Dudley: And thanks Lucas, a few things on the Downstream. We had a good track record of growth, fuels marketing 2019 earnings were \$2.7 billion. Pretax returns more than 30%. Plans were to grow earnings by greater than \$1.4 billion from 2016 to 2021. I mean, really our focus is on the differentiated retail. It is the most material part of the fuels marketing. We tried to develop strong market positions, the brand, the distinctive offers.

The retail network has grown quite a bit, we have had \$1.2 billion non-fuel gross margin as well. We are up over 10 million customers a day. We have got a 20% premium fuel volumes growth since the Active (brand) fuels were launched in the spring of 2016. We have built up these strategic convenience partnerships like we have M&S in the UK and others in Germany and the Netherlands, 1,600 of those by the end of 2019, we have got 1250 retail sites in new markets, which is Mexico, Indonesia and China. We have got over 520 in Mexico and more than double the volumes in 2019, so these are working well.

Mexico has really been a success despite what you think about what is happening in the country, that has been very successful. And then of course in December of 2019, we signed the agreements with Reliance to form that big fuels retail and aviation joint venture across India, which immediately on closing will provide about 1,400-1,500 sites that we hope to grow to 5,500 across the highways of India over the next five years.

Lucas Herrmann: But Bob is it, sorry to interrupt and to push, in terms of just the financials coming out bottom line EBIT, what typically Tufan would have broken out a number this year, you know the performance of the retail business as in split from refining, I think last year was \$2.8 billion or so dollars of EBIT. Do you have a number for this year or should I talk to IR later?

Brian Gilvary: Lucas, we can pick it up later, but I think there is continued underlying growth in EBIT. It is coming out of places like Mexico where they we still growing the new market entry there. But we will come back, we will circle back at the end of the call. The actual figure at the moment around 2019, I think the cumulative now is something north of \$0.5 billion for this year¹, but we will need to come back and confirm that, which will lead through IR.

Lucas Herrmann: Okay, that is great. Listen, thank you and thanks for everything again.

Bob Dudley: Thanks Lucas.

Speaker: We will take the next question from Peter Low at Redburn. Peter?

Peter Low (Redburn): Hi. Thanks for taking my question. You are guiding to Capex being at the lower end of the \$15-17 billion range again in 2020. Is that a decision you have taken based on the current commodity price environment, and can you perhaps give us some colour on where the flex has come from i.e., where have you chosen through the rephase, or defer spending you could have done? Thanks.

Brian Gilvary: And I think actually, look, this is more of the same in terms of Bernard and Upstream. If you remember when we set out the 2021 targets, Upstream had a range of \$13-\$14 billion of capital, which its always, hindsight is a wonderful thing. But back in 2017, we would have anticipated by now we would be at the top end of the range.

What we've been doing in the Upstream in particular, is continue to drive capital efficiency. Capex in 2019 was down to below \$12 billion. In Upstream set against that \$13-14 we set, it is about capital efficiency. I think as you see Bernard go from Chief Executive, Upstream to Chief Executive of the company, you are going to see more drive on capital efficiency.

I think Bernard would say if he was here, there is more that can be done in the Upstream. So, the actual summation of where we have come out, even having absorbed the capital now for BHP and the BHP/BPX Energy transaction that we did, that will comfortably be



down towards the bottom end of the range. And in some respects that is not so much set by the macro, it is a function of where we are in terms of the - we are 12 quarters into the - 20 quarter strategy, and it creates some flexibility from a risk perspective if we see a serious downside to the oil price over the next six to nine months depending on what happens with coronavirus. So I think it is a conservative assumption, and I think it is the right assumption, but we are continuing to see continued deflation in the Upstream as we go forward.

Peter Low (Redburn): Very clear, thank you.

Craig Marshall: Peter, thank you. We will take the next question from Henry Tarr at Berenberg. Henry?

Henry Tarr (Berenberg): Hi there, and thanks for taking my question. Just a couple, so one back on the refining environment. I think you talked about the improvement of the underlying environment hopefully through the rest of this year. What would you need to see for that to come through? I guess IMO is not yet played out as some might have thought, and there looks to be too much capacity currently in both petchems and refining. So how confident are you that we will see an improvement there over the coming quarters?

And then just secondly on divestments, given the challenging environment, how easy has it been to strike deals? And I guess you have got the further \$5 billion as we look into 2021. Are there any areas specifically where you are looking, where you think there is interest around divestments? Thanks.

Brian Gilvary: So let me pick up divestments because a big chunk of that was the purchase of BPX's BHP assets, and the selling off of BPX's old dry gas. The difficult assets to be selling the Lower 48 gas assets, we are pretty much now done with those. And there has been less issues with selling the balance of midstream/Downstream/Upstream assets. Certainly Upstream in terms of oil linked assets you have seen in the North Sea in the fourth quarter, so less of an issue with those.

We have now announced \$9.4 billion of the \$10 billion divestments. The balance will come very shortly, and then we have got another \$5 billion package. The \$5 billion package is going to be a mix of Upstream/Downstream/midstream, so it is across the piece. And there will be some portfolio options in terms of less price sensitive things that we can do inside that \$5 billion. So very confident, and I think our M&A team, I think their track record now must be somewhere up to \$75 billion to \$80 billion if not \$85 billion of disposals over the last decade.

So we have a pretty hot, very well-tuned machine, and it is been particularly well-tuned through 2019 as it's had to deal with some of the private equity bidders that we had to

deal with in terms of Lower 48 gas. That won't be an issue I believe going forward.

In terms of refining margins, actually, we are starting to see MARPOL kick in. I mean it is now active this year, takes effect March 1st.

People have to either deal with scrubbers, use 0.5% sulphur or switch to LNG in terms of its use. But I think that will underpin margins this year and we are seeing that. You are going to have to start to see some of these stocks clear out. One of the things particularly you need to believe of course is the light heavy spread, and we will see the benefits of that up at Whiting where it's above 20 bucks a barrel now, and I think it averaged somewhere close to \$12 last year, or certainly below \$12.

So I think, that will, from our position as BP's position, in terms of light to heavy, will help, but you are right, there are some stocks to clear out before we start to see that recovery. But MARPOL definitely, in terms of distillate [will underpin] the market.

Bob Dudley: I think I would add as a footnote. As we look at the schedule of turnarounds around the world and where our refineries are, we have very few coming up and others do, so we will have a pretty straight through period of uptime.

Brian Gilvary: Yeah, that is actually, Bob, that is a really important point. 2Q is going to be a high turnaround quarter I think for the industry. We have done most of ours in the last two years, so we will have a relatively low turnaround year this year.

Henry Tarr: Great, thanks, and I wish you both the best of the future.

Craig Marshall: Thank you, Henry. Okay, we will take the next question from Jason Gammel of Jefferies. Jason?

Jason Gammel (Jefferies): Thank you, Craig and Bob may I just add my best wishes to you for all your future endeavours. Bob, you have taken over essentially leadership on BP's strategy for the energy transition. And I was hoping you could just leave us with some thoughts on what you think BP needs to do to be successful in the energy transition, and maybe even any high level milestones that we should be looking for out of BP?

And then my second question is on the divestiture, the incremental divestitures that were announced today. You've just give us some details on that and I know you do not want to identify specific assets, but does carbon intensity of the assets play a large role on your decision on whether to put them up for sale or not, and I am really kind of thinking in particular Canadian oil sands.

Brian Gilvary: Yeah, I will just pick up the second part of the question to say that value over volume is what determines everything we do in strategy. We already deploy a carbon price across our whole portfolio when we look at investments². It is \$40 a tonne, and we stress test up to \$80 a tonne.

²Applies when evaluating our plans for certain large new projects and also those for which operational emissions costs would be a material part of the project.



So in some respects that is already built into our valuation as we think about the carrying value of these assets going forward. So I think I would not specifically point to any asset, which you would not expect me to, but it is very much driven by strategy and think about value over volume in terms of the portfolio going forward.

Bob Dudley: Yes, Jason, thank you very much for your remarks and thanks for some I saw you say in the paper. It is gratifying. I think the thing as we go forward, we have completely reestablished what we are doing in the low carbon world. Lightsource BP, as a business model, is quite unique and different and I think has clearly grown and been successful, and it attracts a lot of capital that we might not see coming into oil and gas projects.

And I do not think we get the credit for that. It is going to continue to grow. BP Bunge is another one. It's the business models that are different I think in some of the low carbon and new alternative energies that I think you will see us having done, and I think you will see us continue to do those. So it may require a little bit different way of evaluating them for you, as you model things. I think the combinations of our businesses, the integration of our business, it will be something that I think you will have to work with us on how we model those going forward.

I think returns are important, but many businesses go through phases and they change their business character over time, and so it is getting the right pace of doing that going forward. Mobility is changing remarkably. Electrification of car fleets, and of course, is going to be a huge amount of liquid fuels used with heavy vehicles, automobiles and air transport. But mobility, electric mobility is certainly coming to a city near you I think.

The combination of what we are doing with ultra fast charging and the liquid fuels in the convenience marketing is a key here. And I think you have heard - we actually make more money off of cup of coffee in London than we do a tank of fuel in terms of margins. So it is how we are using our assets differently and our real estate that I think is going to be part of this future as well.

Partnerships. We will form some new ones, some interesting ones. You have seen us talk about the creation and the goal of five unicorns. And we think we have some of the technologies that can be able to do that, not necessarily in low carbon but just our capabilities in terms of many things like acoustics going forward.

I think you may see us move into - we are very intrigued with - offshore wind for example. We obviously think we have the offshore capabilities to get involved with that. You will probably see that. We did not do so for many years quite frankly, because the gear boxes were in the salt zones. So now they are building them the size of the Eiffel Tower and they are out of that salt zone. And I think there is a lot of different things - and some of the other companies are doing it as well - that you will see us pursue. Stay tuned, Jason.



Craig Marshall: Thank you, Jason. Okay, we are going to take the penultimate question from Pavel Molchanov at Raymond James. Pavel?

Pavel Molchanov (Raymond James): Thanks for taking the questions. First in relation to the ESG topic. Several of your European peers are starting to include Scope 3 emissions in their internal targets. You have not historically wanted to do that. I am curious if you might be rethinking that stance? And then secondly as it relates to reserve bookings, you mentioned the small number of project FIDs in 2019 as the reason for not achieving 100% replacement. Should we anticipate a revival of FIDs this year as a means of getting the replacement back above 100%?

Bob Dudley: Well, I will make a comment, Pavel, on Scope 3 emissions. We do report Scope 3 emissions. It is a myth that we do not, but we do. But Scope 3 emissions has become a real shorthand thing. When actually if you look into it and you look at the six European oil companies, everyone defines it differently. So I think it is a starting point it would help if we all got a common definition on that. But we will. We will define and get clear how we measure it and I would expect that. But it is too shorthand. It has been, at least for me, too shorthand because it just means so many different things to different people. And Brain, why do not you add to that and then I will come back to reserves.

Brian Gilvary: Yeah, I mean, just to that point, that Bob has alluded to, I can tell you this from the Chairman of The Hundred Group of 100 directors in the UK, there are 15 different separate definitions that you could look at around Scope 3 emissions. We have looked into this exhaustively over the last couple of years. And there is not consistency across sectors and there is not consistency within sectors. So I do think we do need to get consistency on the measure going forward.

But I think it would be premature to talk about what we will now do in the next phase ahead of Bernard's ambition that he will lay out for the company next week. So I think there will be more to follow around the specifics of that on 12th February. So I think if you are happy to leave it till then, Pavel, we will come back to it then.

Bob Dudley: Then on reserve replacement ratios, we really had the five FIDs in 2019 in the Gulf of Mexico (Atlantis), Seagull, Azerbaijan, the Central East projects, Thunderhorse South and our KG fields in India. And as we go forward, we see the four or five in 2020 and seven or eight in 2021. It is never a smooth line with reserve replacement ratios. They kind of move up and down. It is not something we are really emphasising. It's about value over volume. And I do not look at 67% or 70% as a big drop because we have been measuring about 100% over the last five years. Not sure, but again it is value over the volume.



Craig Marshall: Okay. Thank you, Pavel. And we will take the final question from Bertrand Hodee. Thanks for being patient, Bertrand.

Bertrand Hodee (Kepler Cheuvreux): Thanks for taking my question and congratulations Bob, Brian and for all the good work and strong achievement at BP. I have two small questions left. One on project delivery. So Brian, I'd appreciate a comment on Egypt and why we are having delays. Can you give us an update on Tangguh Train 3 and Shah Deniz Phase 2 export? When can we expect those two to start-up? And a second question is related to the impact of divestments on your 2020 production. So Brian, you mentioned 250 thousand barrels per day of negative impact from divestment. Can you give us a share of US gas inside that number, please?

Brian Gilvary: Yes. So in terms of projects, Tangguh expansion is on track. I think first product is something like 2021. So we will come back to that at the end of this year in terms of how that looks. I do not have the other figures to hand in terms of Azerbaijan. But as far as I know everything on the project side is on track, vis-à-vis, what we laid out last year. And then sorry Bertrand on your second question?

Bertrand Hodee: So the second question was around the divestment impact on your Upstream projection in 2020. You mentioned 250 thousand barrels per day of negative impact from divestment expected in 2020. I was wondering how much inside that relates to your US Lower 48 onshore, so to natural gas?

Brian Gilvary: Yes. The bulk of it will be natural gas equivalent. There are some assets that were sold off in the North Sea in terms of oil production but the bulk of it will be Lower 48 gas and of course that would be negative cash right now given where we see Henry Hub gas prices. So it does not really have an impact from a cash perspective.

Bertrand Hodee: Okay, thank you.

Brian Gilvary: Very good. Thank Bertrand. And Bertrand we will follow up with you after the call on the project, specifically around Azerbaijan, but I do not think there were any issues around it.

Bertrand Hodee: Perfect.

Craig Marshall: Okay. Thank you everybody for the questions. That is the end of the Q&A. I am now going to hand over to Bob. But just before I do, on a personal note, Bob, it has been an absolute privilege to work for you. And I know I speak on behalf of Investor Relations when I say that, and I am sure that is echoed from the investment community. So thank you very much.

Bob Dudley: Well, thank you, Craig, and thank all of you on the call who Brian and I work with so closely over the really many years here. I think rather than reflecting on the things,



as I often do at the end of a call, which is about safety, people, and BP's culture and the strong portfolio relationships, they are going to remain central to this company going forward.

BP, I think, has an enormously talented, motivated workforce and it is what they do that makes BP a great company in my view. And as for you all, our investors and our analysts, I think one of the cornerstones of our strategies have been this sort of steadfast focus on growing shareholder value with capital discipline.

And admittedly, it took us a while to get on that track. But set against this backdrop of all the challenges and the volatility, I think it has been good. I think we are delivering that the investor proposition that many of you have challenged us on over the years. I met a great number of you all around the world, and quite frankly, I never fail to be impressed with your interest in the company, in the industry, your knowledge, the challenge you have given us and the advice many times and the support you have given to us at BP.

So you have my thanks. It has been, for me, a real privilege to work with you and a real pleasure at least most of the time, some of those meetings were not always that great but most of the time... there were few years there! So I hope you carry on with that same dialogue with the Bernard and the team. He takes over with Craig and his terrific IR team. This is a bit of a historic moment because I am sharing my very last meeting with you at BP because when I walk out of this call I am going to go out to lunch with my team and I step down as CEO. So thank you all very much for sharing that.

[END OF TRANSCRIPT]