


Performing while transforming

bp second quarter 2022 financial results

2 August 2022



Craig Marshall
svp investor relations

Good morning everyone and welcome to bp’s second quarter 2022 results presentation.

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

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

Cautionary statement

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

In particular, the following, among other statements, are all forward looking in nature: expectations regarding the conflict in Ukraine, including the impacts and consequences on energy supplies; plans, expectations and assumptions regarding oil and gas demand, supply, and prices; expectations regarding capacity and inventory levels; plans and expectations regarding bp's performance, earnings, balance sheet and capital expenditure, including with respect to bp's resilient hydrocarbons, convenience and mobility and low carbon energy businesses; plans and expectations related to earnings growth, including the aim that resilient hydrocarbons will reach $28-33 billion of EBITDA by 2030, that EBITDA from convenience and mobility will reach around $9-10 billion by 2030, that EBITDA for bp's low carbon businesses will reach around $2-3 billion of EBITDA by 2030, that EBITDA from transition growth businesses will reach around $9-10 billion by 2030, and that EBITDA from EV charging will reach around $2 billion by 2030; plans to high-grade bp's oil and gas portfolio, including expectations regarding future production; expectations regarding the oil and gas business's contribution to the aim of sustaining EBITDA from resilient hydrocarbons to 2030; plans and expectations regarding allocating investments to material regions of the world, and expectations regarding EBITDA growth from these regions; plans and expectations regarding cost efficiency, divestment and growing unit margins; plans and expectations for oil and gas EBITDA to remain highly leveraged to price over the decade; plans and expectations regarding the start-up of new high-margin, major projects by end 2024; plans and expectations regarding increased investment in bpx energy from 2021 to 2022 and growing production in bpx energy; plans and expectations regarding the growth in EV charge points and charge capacity, including expectations related to the benefits of bp's integrated organisation and expectations related to growth in regions including the US; plans and expectations regarding bp's 'on-the-go' chargers; plans and expectations regarding bp's five transition growth engines of EV charging, convenience, bioenergy, renewables and hydrogen; plans and expectations regarding bp's convenience and mobility business; plans and expectations regarding resilient hydrocarbons; expectations regarding refining margins and product demand; expectations regarding bp's future financial performance and cash flows; expectations regarding supply issues; expectations with regards to bp's transformation to an IEC; expectations regarding the energy trilemma and bp's capabilities and scale to help the world address it; plans and expectations regarding bp's financial frame; bp's plans and expectations regarding the allocation of surplus cash flow; plans regarding future quarterly dividends and the amount and timing of share buybacks; plans and expectations regarding bp's credit rating, including in respect of maintaining a strong investment grade credit rating; expectations regarding bp's development of hydrogen projects and bp's hydrogen production, low carbon energy hubs and wind projects; plans and expectations regarding start-ups during 2022; expectations of disposal proceeds of $2-3 billion in 2022; plans and expectations of around $14-15 billion capital expenditure in 2022; plans and expectations regarding the acquisition of a 35% interest in the Bay du Nord discovery in offshore Canada, the divestment of bp's Sunrise oil sands asset, the delivery of low carbon hydrogen to bp's Rotterdam, Lingen, Gelsenkirchen and Castellon refineries, the award of a 100% working interest in an offshore exploration block in Egypt, the appraisal of the Brazil discovery at Cabo Frio, the Basra Energy Company joint venture, the Indonesia discovery at Timpan-1 and bp's acquisition of a stake in the Asian Renewable Energy Hub project; and plans and expectations regarding joint ventures, partnerships and other collaborations with Uber Eats, Didi, Daimler Trucks, Eni, PetroChina, Volkswagen Group, Iberdrola and Thyssenkrupp Steel.

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 or outcomes, may differ materially from those expressed in such statements, depending on a variety of factors, including: the extent and duration of the impact of current market conditions including the volatility of oil prices, the effects of bp's plan to exit its shareholding in Rosneft and other investments in Russia, the impact of COVID-19, overall global economic and business conditions impacting bp's business and demand for bp's products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; developments in policy, law, regulation, technology and markets, including societal and investor sentiment related to the issue of climate change; the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain acquisitions and divestments; future levels of industry product supply, demand and pricing, including supply growth in North America and continued base oil and additive supply shortages; OPEC+ quota restrictions; PSA and TSC effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations and policies, including related to climate change; changes in social attitudes and customer preferences; 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; bp's access to future credit resources; business disruption and crisis management; the impact on bp's reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; the possibility that international sanctions or other steps taken by governmental authorities or any other relevant persons may impact Rosneft's business or outlook, bp's ability to sell its interests in Rosneft, or the price for which bp could sell such interests; the possibility that actions of any competent authorities or any other relevant persons may limit bp's ability to sell its interests in Rosneft, or the price for which it could sell such interests; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed elsewhere in this report, as well as those factors discussed under "Risk factors" in bp's Annual Report and Form 20-F 2021 as filed with the US Securities and Exchange Commission.

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

This presentation 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.

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

August 2022

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

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

I will now handover to Bernard.

Bernard Looney

Chief executive officer

Thanks Craig.

Good morning everyone.

Welcome to our second quarter results. It is great to have you join us on the call and see those of you here in person.

You are going to hear about – what I hope you will agree – is some good progress from us today.

But before we do that – let me take a moment to put what follows into context.

Russia's military action is continuing in Ukraine, devastating people's lives and disrupting energy supplies.

The cost of living is spiralling upwards – with energy costs a big contributor.

And since the start of the Ukraine conflict, power generation from coal in Europe has significantly increased.

These are stark examples of the energy trilemma.

- Energy security under threat;
- Energy affordability an acute problem for many; and
- A pressing need for lower carbon energy.

We see this.

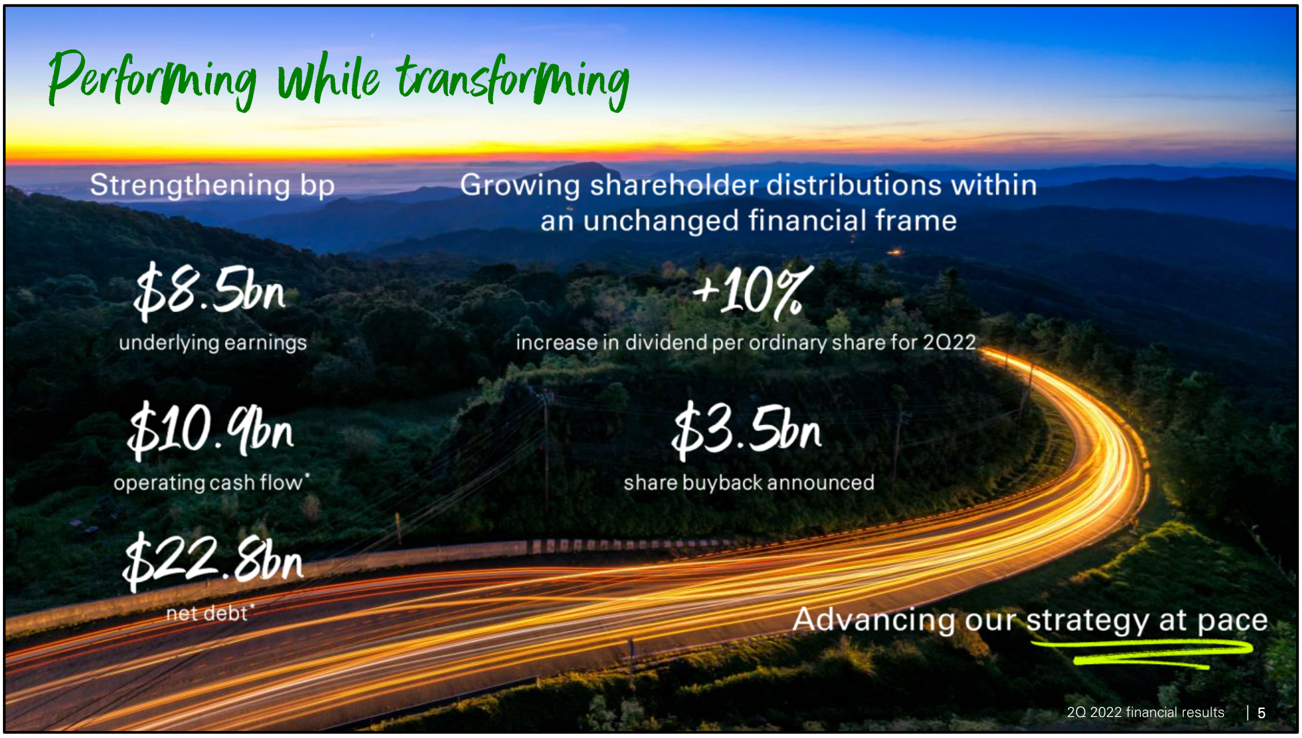
And it's why we are absolutely focused on delivering our strategy to transform to an Integrated Energy Company. A company which can help solve that energy trilemma. We do that by:

a) Working hard to keep the energy flowing today. And – not or -

b) At the same time investing to accelerate the energy transition.

That's the role of an IEC and its purpose has never been clearer.

And we do all of that while remaining acutely focused on delivering long-term value for our owners.



That is the context against which we present today's results.

A set of results that show us performing while transforming.

During the quarter we generated operating cash flow of $10.9 billion.

We reduced net debt for the ninth consecutive quarter to reach $22.8 billion.

And we are growing distributions to shareholders – our owners - by announcing:

– A 10% increase in the quarterly dividend per ordinary share;

– And a further $3.5 billion share buyback.

Crucially we are doing this within a financial frame which is unchanged and maintaining a resilient $40 per barrel cash balance point. With all the uncertainty in the world – now is not the time to lose discipline.

We also have real momentum in our transformation. In a moment I will update you on how we are:

– Driving improvement in our oil and gas portfolio; and

– Making good progress in our transition growth engines.

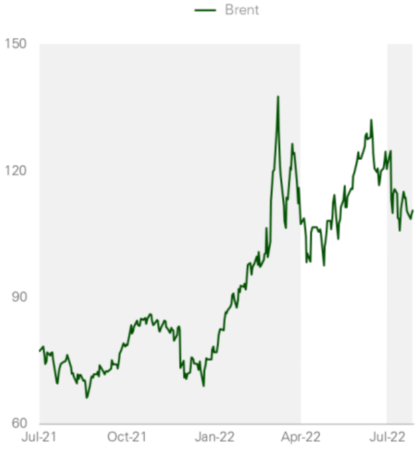
But for now, I will hand over to Murray to take us through the second quarter results.

Murray.

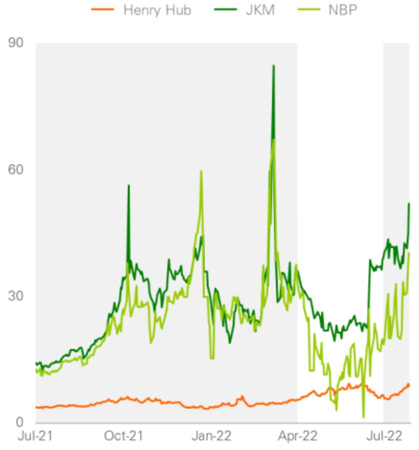
Thanks Bernard and good morning everyone.

Macro environment

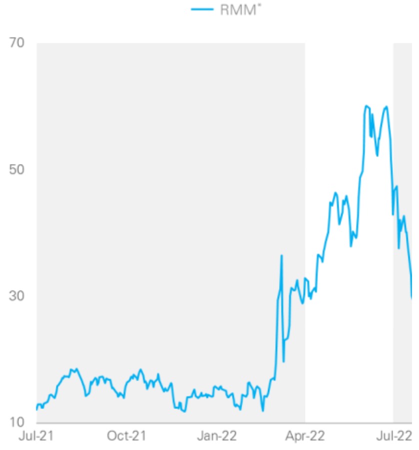
Oil price[1] $/bbl



Natural gas price[1] $/mmbtu



Refining marker margin*[1] $/bbl



Source: Platts - all data 1 July 2021 to 27 July 2022

(1) *Spot price*

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Let's begin with macro environment.

Starting with the oil price. During the second quarter, Brent averaged $114 per barrel, up from $102 per barrel in the first quarter. This was driven by reduced spare global capacity and inventory levels significantly below the 5-year average.

Looking ahead, we expect these factors to keep oil prices elevated during the third quarter.

Turning to gas prices. During the second quarter, average European prices declined as high LNG imports supported a recovery in inventories. However, in the latter stages of the quarter prices moved sharply higher driven by reduced Russian supply and the outage at Freeport. In the US, Henry Hub rose by an average 60% from the first quarter. This was supported by limited gas production growth and strong gas-to-power demand.

The outlook for global gas prices is heavily dependent on Russian pipeline flows. We expect prices to remain elevated and volatile during the third quarter due to a lack of supply to Europe.

Moving to refining. Margins more than doubled to average $45.50 per barrel in the second quarter. This reflects resilient demand, lower stocks and sanctioning of Russian crude and product. In the third quarter we expect refining margins to remain elevated due to ongoing supply disruptions.

Underlying results

$bn	2Q21	1Q22	2Q22
Underlying RCPBIT*	4.7	10.2	12.8
Gas & low carbon energy	1.2	3.6	3.1
Oil production & operations	2.2	4.7	5.9
Customers & products	0.8	2.2	4.0
Other businesses and corporate[1]	0.4	(0.3)	(0.2)
Of which:			
Other businesses and corporate excluding Rosneft*	(0.3)	(0.3)	(0.2)
Rosneft*	0.7	-	-
Consolidation adjustment - UPII*	(0.0)	0.0	(0.0)
Underlying replacement cost profit*	2.8	6.2	8.5
Operating cash flow*	5.4	8.2	10.9
Capital expenditure*	(2.5)	(2.9)	(2.8)
Divestment and other proceeds	0.2	1.2	0.7
Surplus cash flow*	0.7	4.1	6.6
Net issue (repurchase) of shares	(0.5)	(1.6)	(2.3)
Net debt*	32.7	27.5	22.8
Announced dividend per ordinary share (cents per share)	5.460	5.460	6.006

(1) *From first quarter 2022 the results of Rosneft, previously reported as a separate segment, are also included in other businesses & corporate. Comparative information for 2021 has been restated to reflect the changes in reportable segments.*

2Q 2022 vs 1Q 2022

- Strong realised refining margins
- Higher liquids and gas realisations*
- Average gas marketing and trading result after exceptional 1Q22
- Higher refinery turnaround and maintenance activity

Moving to results.

In the second quarter we reported an underlying replacement cost profit of $8.5 billion compared to $6.2 billion last quarter.

Compared to the first quarter:

– In gas and low carbon energy the result benefited from higher realisations. This was offset by an average gas marketing and trading result following the exceptional performance in the first quarter. The result includes our best estimate of the impact of the recent outage at Freeport LNG leading to a significant reduction in the number of cargoes expected to be received.

– In oil production and operations, the result reflects higher realisations.

– In customers and products, the products result benefited from a significant increase in refining margins partially offset by higher turnaround and maintenance activity. The contribution from oil trading remained exceptionally strong.

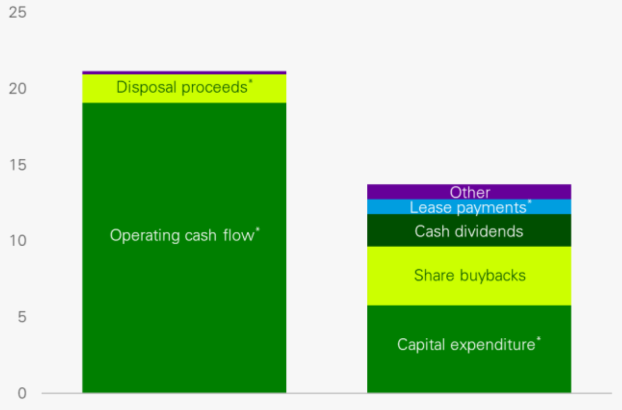
Strength in products more than offset the impact of weaker fuel retail margins and higher inflation in a challenging environment in our customers businesses. Despite these factors, the convenience contribution remained strong.

Cash flow and balance sheet

2Q22 highlights

- $10.9bn operating cash flow* including:
  - $2.9bn working capital*1 build – includes $1.2bn Gulf of Mexico oil spill payment
- $6.6bn surplus cash flow*
- $2.3bn share buyback executed
  - $2.5bn programme announced with 1Q22 results completed on 22 July
- Net debt* reduced to $22.8bn

1H22 cash inflows/outflows $bn



(1) *Adjusted for inventory holding gains and fair value accounting effects*

Turning to cash flow.

Operating cash flow was $10.9 billion in the second quarter. This included $1.2 billion of Gulf of Mexico oil spill payments within a working capital build of $2.9 billion.

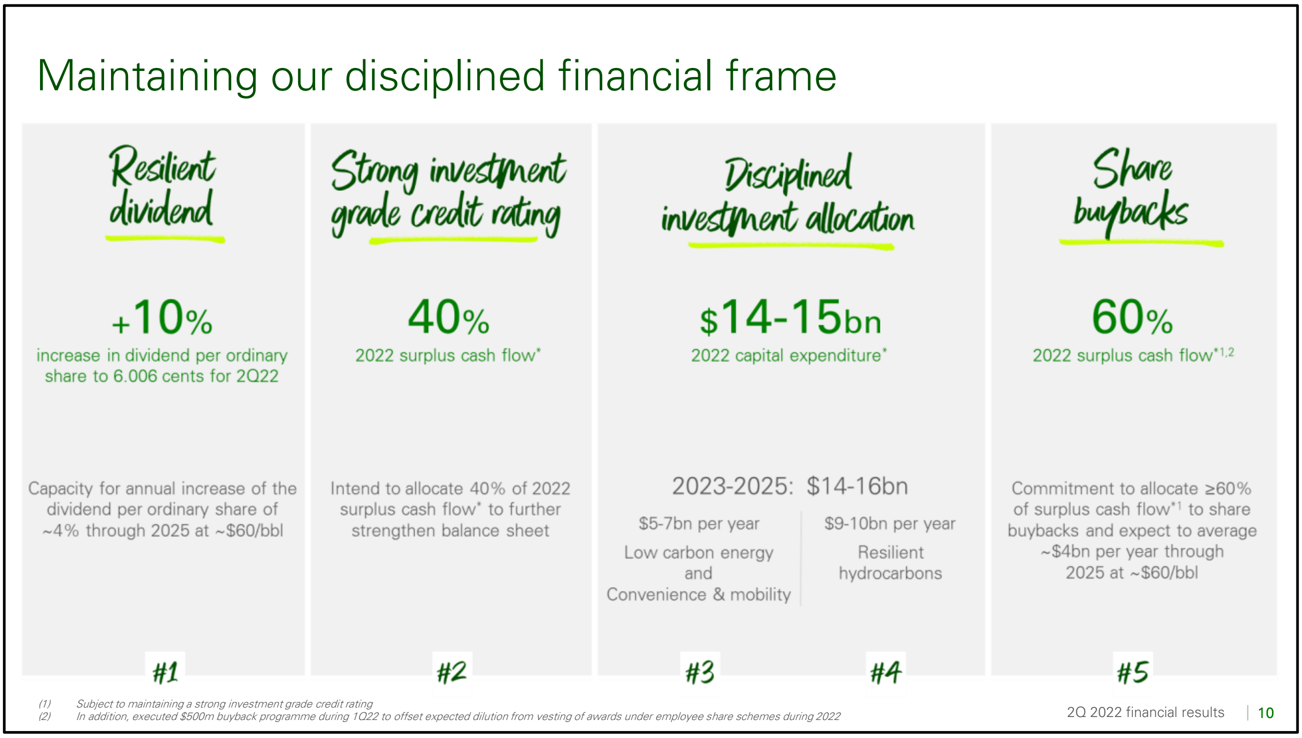
Capital expenditure was $2.8 billion with our guidance for 2022 remaining in a range of $14 to 15 billion.

And disposal proceeds were $700 million in the quarter, bringing the first half total to $1.9 billion. Guidance of $2 to 3 billion in 2022 is unchanged.

During the quarter we repurchased $2.3 billion of shares. The $2.5 billion programme announced with first quarter 2022 results was completed on 22 July.

Reflecting underlying cash flow delivery, net debt fell for the ninth consecutive quarter to reach $22.8 billion.

With second quarter surplus cash flow of $6.6 billion, we intend to execute a share buyback of $3.5 billion prior to reporting third quarter results.



Moving to our disciplined financial frame which has five priorities and remains unchanged.

Our first priority remains a resilient dividend.

As Bernard has outlined, we have announced a 10% increase in the quarterly dividend.

Crucially, this is funded within an unchanged 2021 to 2025 average cash balance point of around $40 per barrel Brent, $3 Henry Hub and $11 per barrel RMM – all 2020 real.

This increase reflects the underlying performance and cash generation of the business, which has enabled strong progress in delivering share buybacks and net debt reduction.

Our second priority is to maintain a strong investment grade credit rating. We intend to continue to allocate 40% of 2022 surplus cash flow to further strengthen the balance sheet.

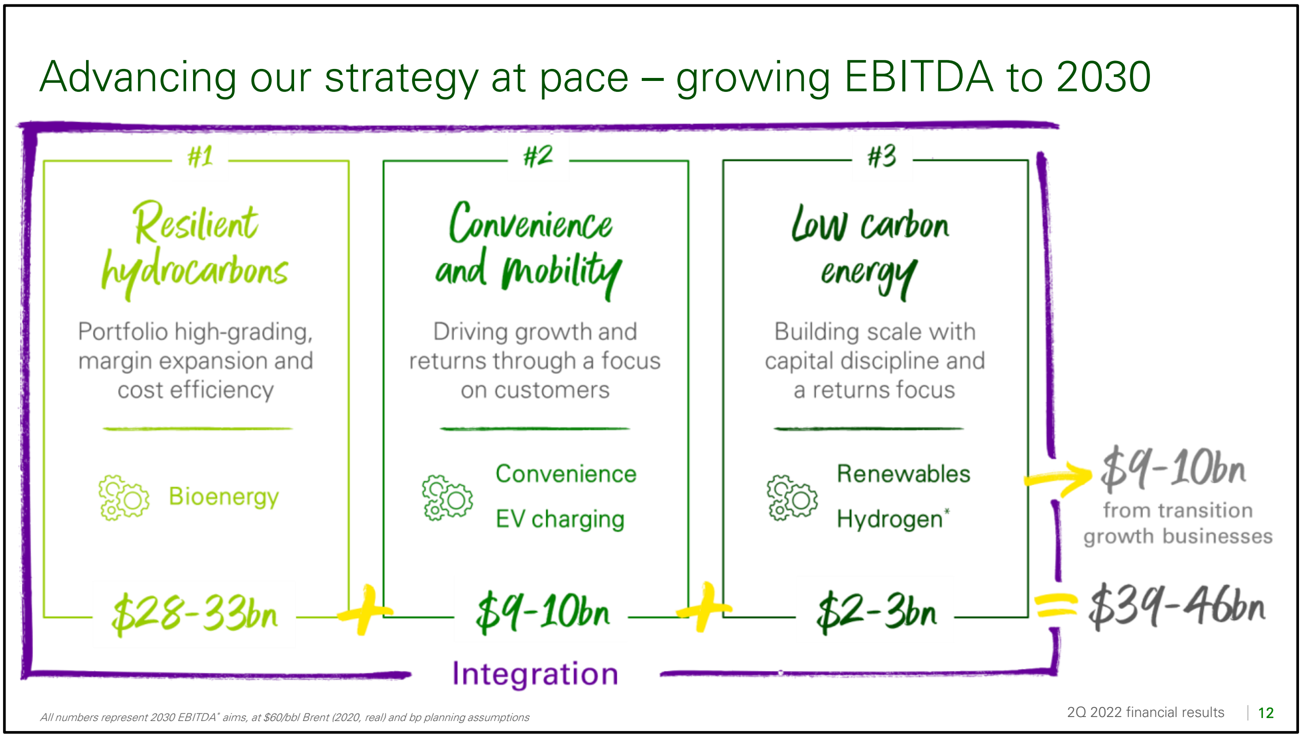
Our third and fourth priorities are the disciplined allocation of investment to our low carbon and convenience and mobility businesses and to resilient hydrocarbons.

And our fifth priority is share buybacks. We are committed to returning 60% of 2022 surplus cash flow through share buybacks subject to maintaining a strong investment grade credit rating. And we have now announced share buybacks from 2021 and first half 2022 surplus cash flow of over $10 billion. This is equivalent to 60% of the cumulative surplus.

I'll now hand back to Bernard.

Bernard Looney
Chief executive officer

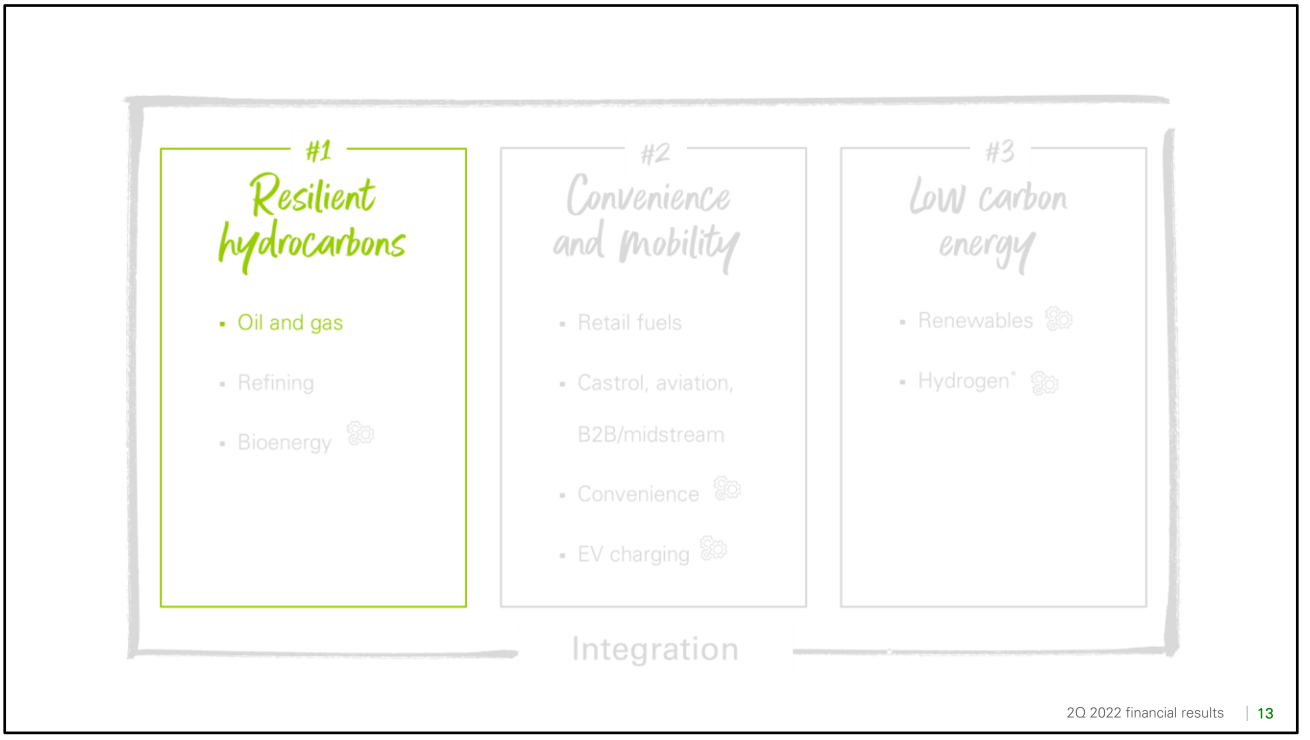
Thanks Murray.



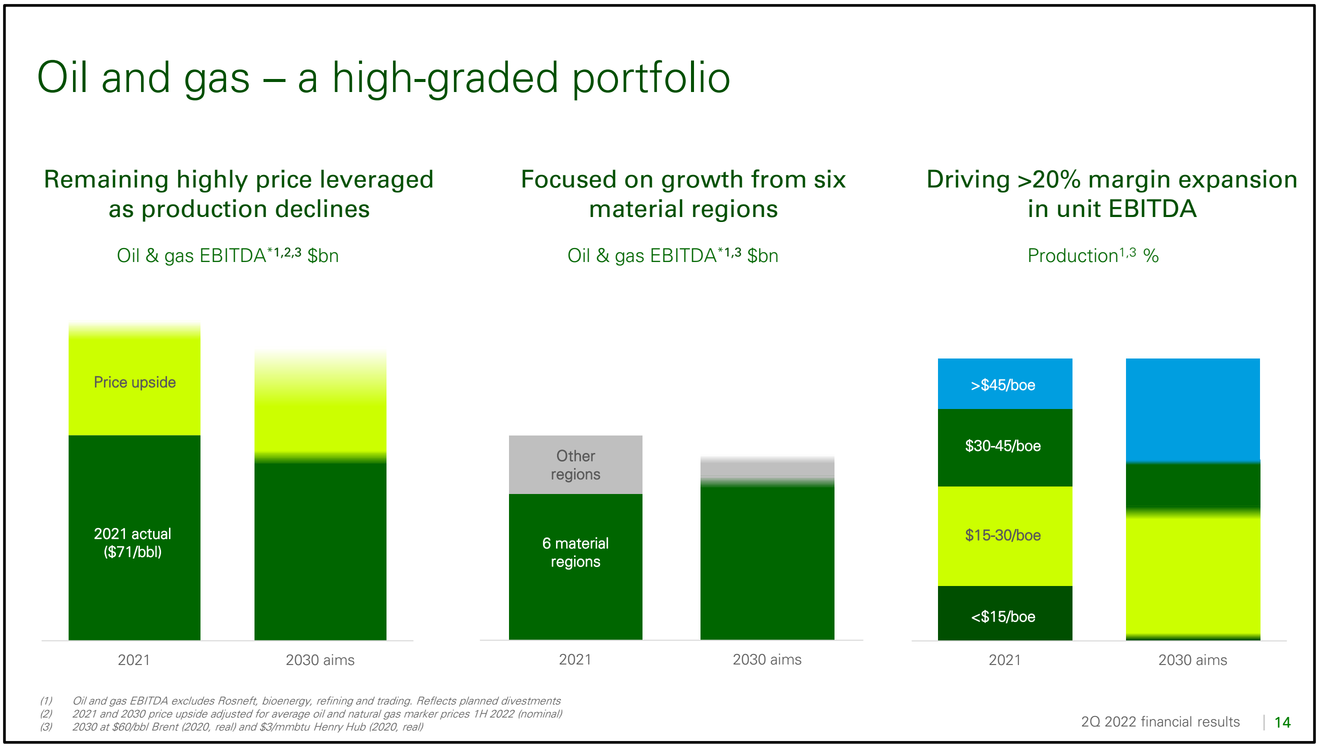
Turning then to our strategic momentum in transforming to an IEC.

First, I am going to provide an update on the progress that we are making in our oil and gas business.

Second, I want to highlight some examples which give us growing confidence in our transition growth engines and how this is underpinned by incumbency. By our assets, our capabilities, our relationships and our brand. I will focus today on two of the engines – EV charging and hydrogen – where we are excited by the progress made in recent months.



Turning first to our oil and gas business.



Our strategy in oil and gas is to maximise returns and cash flow; creating resilience through lower costs, higher margins and lower operational emissions. Focusing on the best barrels. And high grading through divestment at the right time and for the right value.

Let me say three things about our oil and gas portfolio.

Firstly. Leverage to price.

Today's results show our portfolio doing what is it supposed to do – capturing the upside from higher prices.

And as the first chart shows, over the decade, we expect our oil and gas EBITDA to remain highly leveraged to price as we high-grade our portfolio and reduce production.

This is enabled by EBITDA growth coming from just six material regions.

Secondly. Focus. The middle chart.

Underpinned by a deep resource base, we are focusing our investment and leveraging incumbency. Through 2030 we plan to allocate around 80% of oil and gas investment to these six material regions. We expect EBITDA to grow from them and represent around 90% of the 2030 total from oil and gas.

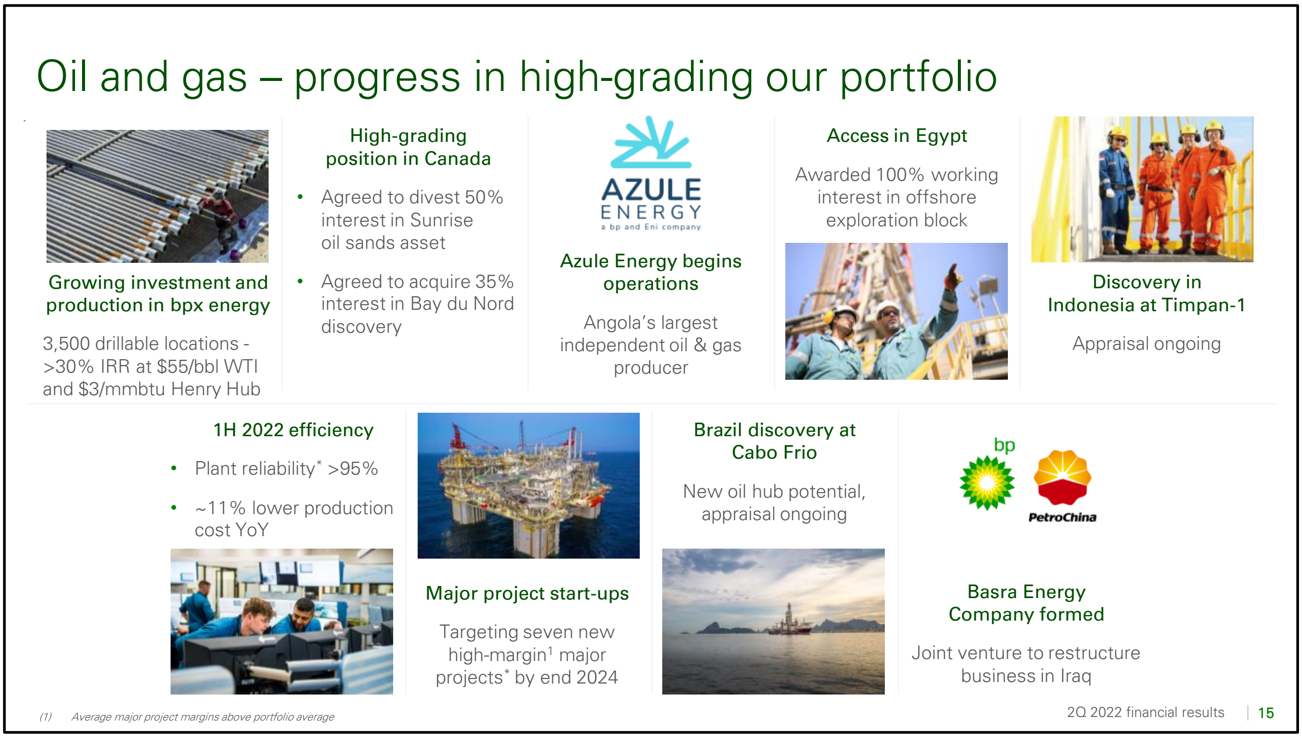
Thirdly. Higher unit margins.

The third chart illustrates our evolving margin mix. It's the same chart we shared at our strategy update in February.

It demonstrates how unit margins are expected to grow by over 20% by 2030 relative to 2021 as we:

- Focus our investment in higher margin regions;
- Execute our plans to drive cost efficiency; and
- High-grade through divestments in lower margin regions.

This high-graded oil and gas portfolio, together with our growth plans in refining and bioenergy, gives us confidence in sustaining EBITDA from resilient hydrocarbons at around 2021 levels through 2025, aiming to hold around this level to 2030.



And we are making real progress – in four areas.

First, investment.

By the end of 2024 we expect to start-up a further seven high-margin major projects.

And to maximise value we will be flexible in our capital allocation. For instance, within our disciplined capital frame we plan to increase investment in bpx energy from $1 billion in 2021 to around $1.7 billion in 2022. Here we are leveraging a hopper of around 3,500 drilling locations capable of delivering IRRs of over 30% at $55 WTI and $3 Henry Hub.

Second, reliability and efficiency.

In the first half of 2022 plant reliability increased to over 95% and unit production costs fell by almost 11% compared to the same period last year.

Third, exploration and renewal.

We continue to selectively explore, aiming to further enhance our portfolio. So far this year we have:

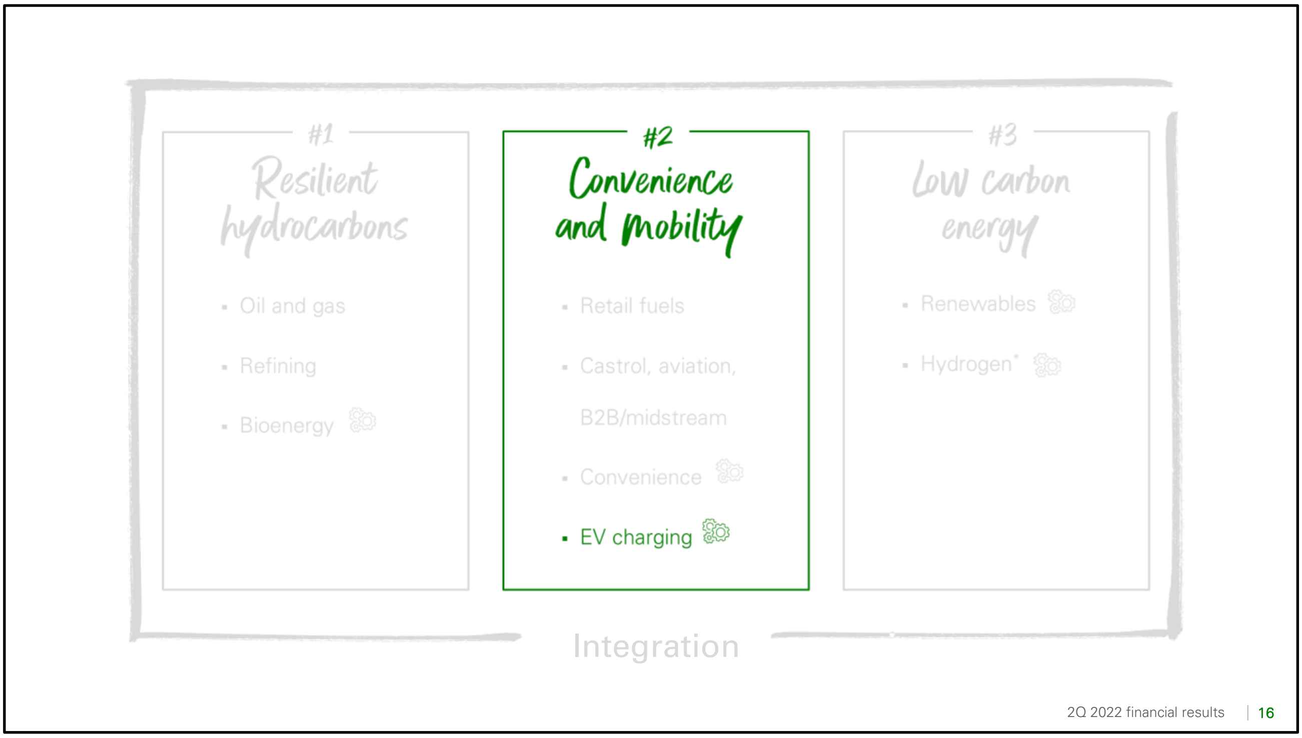
- Announced an oil discovery offshore Brazil with the potential to become a new hub;
- Participated in a gas discovery offshore Indonesia;
- And strengthened our position offshore Canada, agreeing to acquire a 35% interest in the Bay du Nord discovery.

Finally, portfolio optimisation. This year we have:

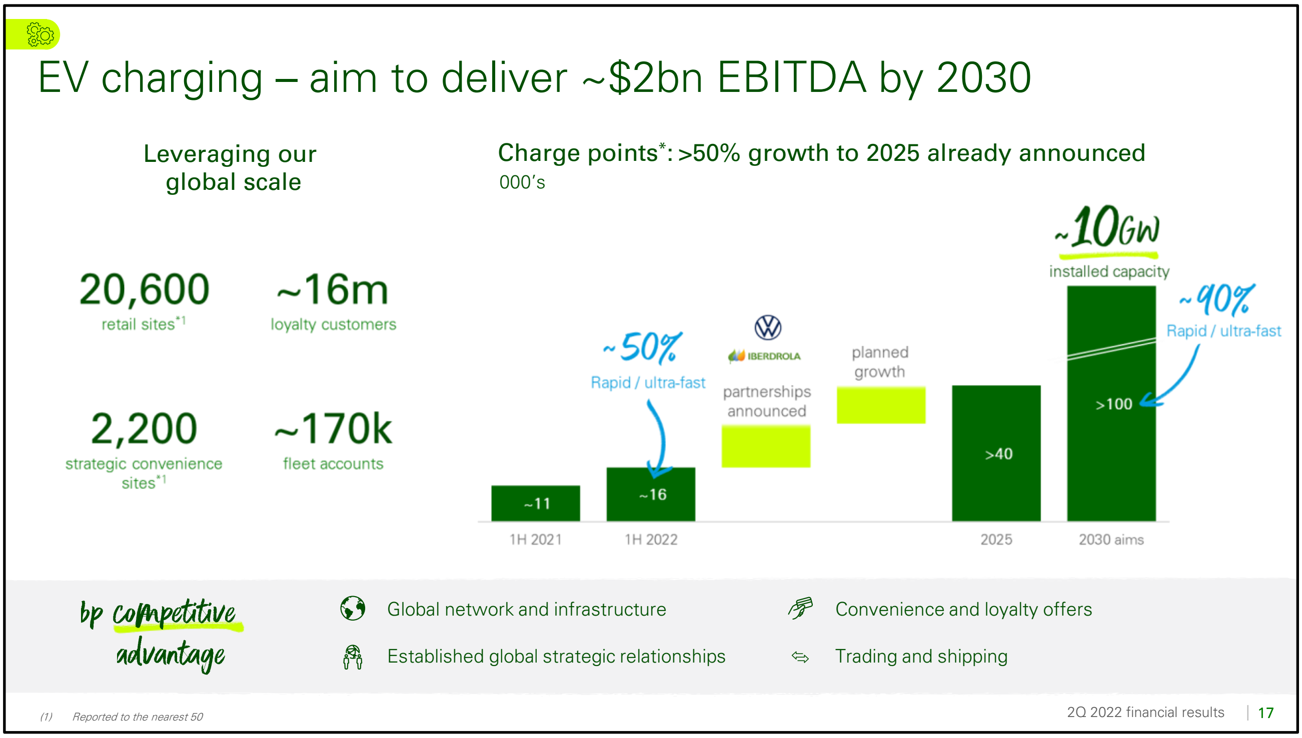
– Agreed to divest our Canadian Sunrise and Pike oil sands assets;

– Created a new Angola focused company – Azule Energy – in a joint venture between Eni and ourselves; and

– Restructured our business in Iraq with PetroChina.



Now let me turn to two of our transition growth engines, starting with EV charging.



Here, we aim to deliver around $2 billion of EBITDA by 2030, focusing on fleet and fast charging to 'on-the-go' customers.

Clear sources of competitive advantage underpin this:

- Our global network of 20,600 retail sites;
- Integrated convenience offers at our 2,200 strategic sites;
- Our customer base with around 16 million loyalty customers and around 170,000 fleet accounts;
- Our trading and shipping organisation which provides optimised and reliable electron sourcing. Over time, one of the benefits of integration is expected to be the sourcing of electrons from our own renewables business. And here, we have already secured offshore wind licenses with over 5 gigawatts of capacity net bp;
- And strategic relationships with partners like VW, Uber, Didi, and Daimler Trucks.

We are accelerating our roll-out plans.

- We now have around 16,000 charge points – up almost 50% since the same point last year;
- We have announced partnerships with VW and Iberdrola that have the potential to help achieve half of our target growth to 2025;
- And we are excited about potential opportunities in other regions, like the

US.

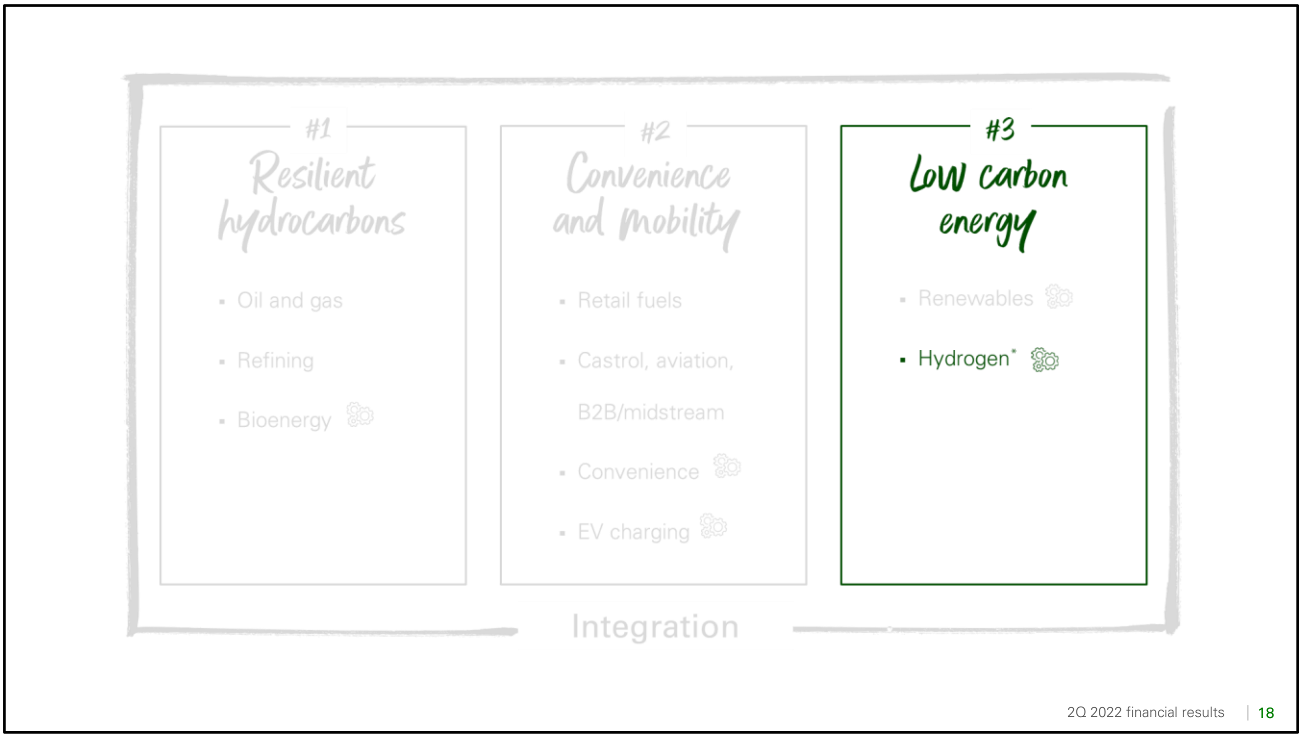
Importantly, we have a distinctive focus on fast-charging.

– Around 50% of our charge points are now rapid or ultra-fast – that's at least 50kW for rapid, more than 150kW for ultra-fast;

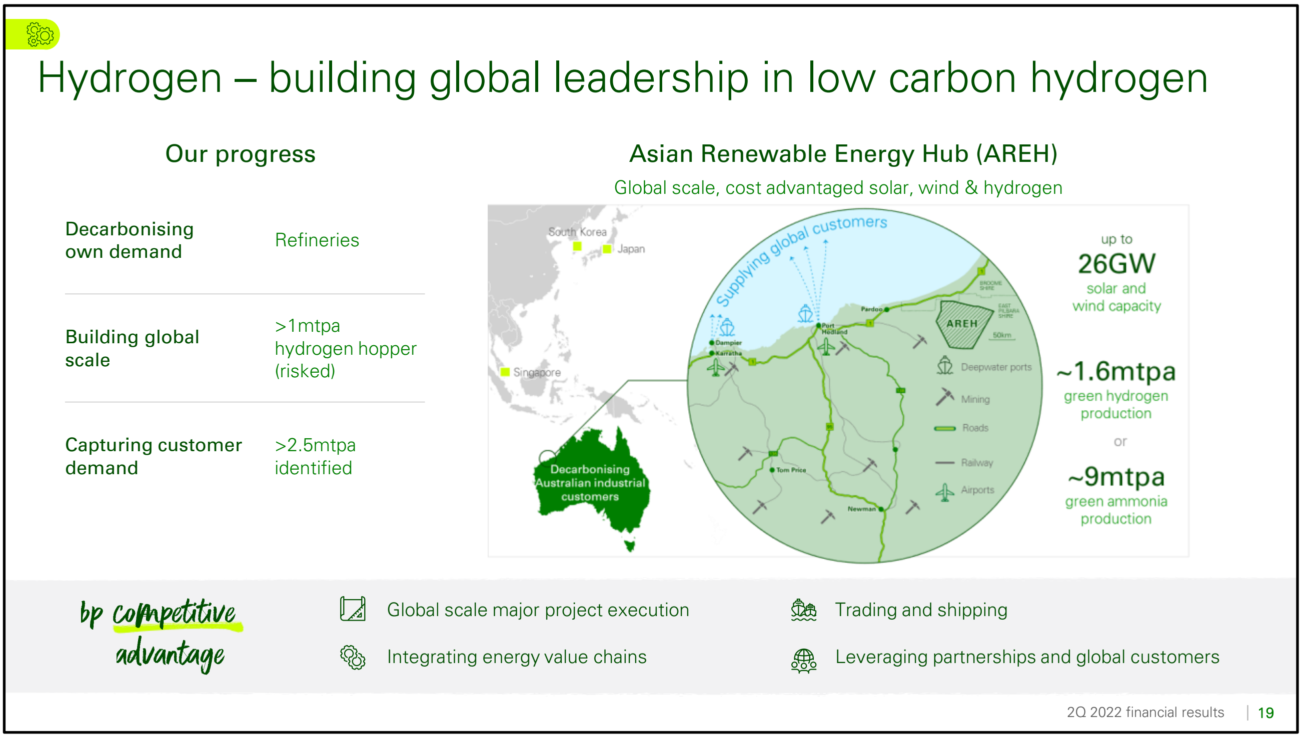
– We recently became the leading provider of ultra-fast charging in Germany, building on our leading position in the UK;

– And by 2030, we expect around 90% of our 100,000 'on-the-go' chargers to be rapid or ultra-fast, resulting in around 10 gigawatts of installed capacity. This is equivalent to around 30 billion EV miles driven per annum assuming just a 10% utilisation of our network – 15 times more than a network of the same scale with predominately 7kW charge points.

And we are rapidly growing electron sales. Supported by increasing utilisation rates, the amount of electricity we sold through EV charging rose more than two-fold in the first half of 2022 compared to the prior year.



Turning then to hydrogen.



We see a huge opportunity given the anticipated strong growth in global demand for low carbon hydrogen.

Our strategy is to leverage existing demand pools – often our own - and develop advantaged production hubs – manufacturing green and blue hydrogen at scale to create competitive supply for global markets.

It is underpinned by our distinctive sources of competitive advantage:

– Delivering and operating complex global scale major projects;

– Our global trading capability and experience in building integrated value chains; and

– Our track record in building and maintaining partnerships – establishing long-term customer relationships.

We are actively progressing our business development and now have a global scale, risked project hopper of over one million tonnes per annum hydrogen production capacity. And we have identified more than 2.5 million tonnes per annum of potential customer demand. This includes our recently announced strategic collaboration with Thyssenkrupp Steel to advance decarbonisation of steel production.

Initially we are progressing projects that help decarbonise hydrogen feedstock supply to deliver low carbon hydrogen to our Rotterdam, Lingen, Gelsenkirchen and Castellon refineries.

We are also helping to decarbonise industrial clusters, including in Texas, and at

Teesside in the UK.

And we are accelerating our aim to create cost-advantaged global production hubs. We have agreed to lead and operate the Asian Renewable Energy Hub – AREH – in Australia where bp will hold 40.5% stake.

AREH has the potential to be one of the world's largest renewables and green hydrogen hubs that will help decarbonise the Australian market, as well as supplying competitive green hydrogen and ammonia to major international users.

This project has plans to reach up to 26 gigawatts of renewable energy. To put this in context, it's around a third of all electricity generated in Australia in 2020. And it will target production of 1.6 million tonnes of green hydrogen or nine million tonnes of green ammonia per annum. Hydrogen at scale.

To summarise.

I hope you agree that today's results show that bp is focused on delivery.

We are performing while transforming – doing exactly what we said we would do.

- The company is running well and continues to strengthen.
- We have real strategic momentum in our transformation to an IEC.
- Our financial frame has clarity and discipline. It is unchanged – and doing what it is intended to do.
- And we are growing distributions – remaining acutely focused on delivering long-term value for our owners.

We believe more than ever that bp has the capabilities and scale to help the world address the energy trilemma.

Thank you for listening. We should stop now and take any questions you might have.

Q&A

Appendix

Guidance

Full year 2022

Capital expenditure*	$14-15bn
DD&A	Similar level to 2021
Divestment and other proceeds	$2-3bn
Gulf of Mexico oil spill payments	~$1.4bn pre-tax
OB&C* underlying annual charge	$1.2-1.4bn full year, quarterly charges may vary
Underlying effective tax rate*[1]	Expected to be around 35[2]%
Reported and underlying* upstream production (ex. Rosneft)	For full year 2022 we continue to expect reported upstream production to be broadly flat compared with 2021 despite the absence of production from our Russia incorporated joint ventures. On an underlying basis, we expect upstream production to be slightly higher.

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

(2) Guidance updated with bp's 2Q22 stock exchange announcement – The reduction from prior guidance of around 40% reflects changes in the geographical mix of the group's profits and losses and additional recognition of deferred tax assets, partly offset by the impact of the new levy on UK oil and gas profits

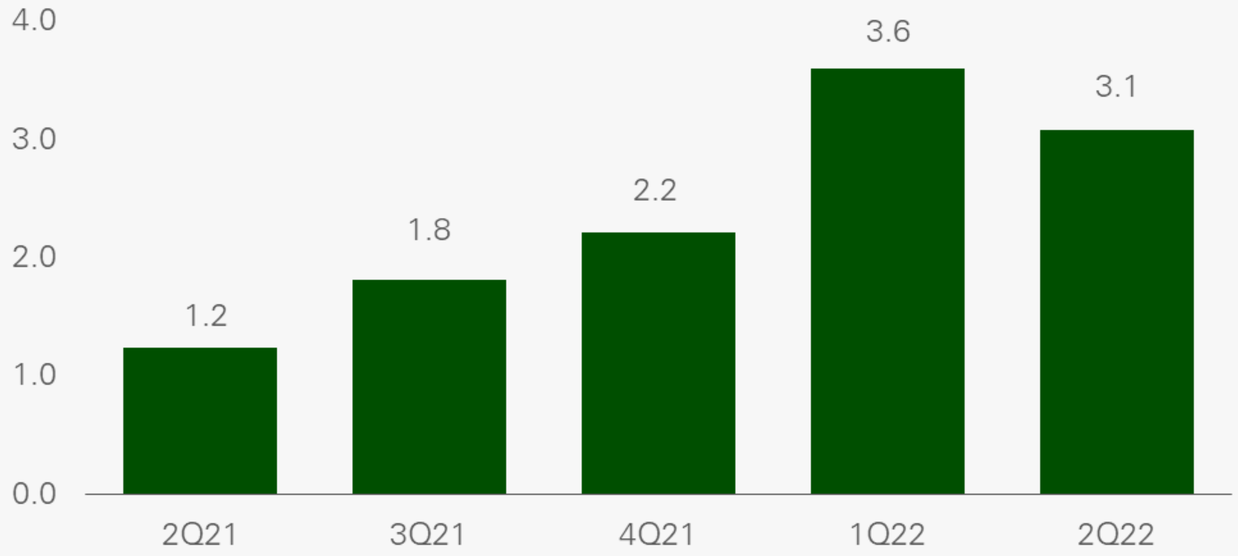
3Q22 vs 2Q22

- Looking ahead, we expect third-quarter 2022 upstream production on a reported basis to be broadly flat compared with the second-quarter 2022, with improved base performance offset by planned maintenance activity in high margin regions.
- In our customers & products business, there remains an elevated level of uncertainty due to the ongoing impacts of the conflict in Ukraine and consumer demand changes driven by inflationary pressures. We expect high base oil prices to persist in Castrol. In refining, we expect margins to remain high, the benefits of which will be partially offset by a continued high level of turnaround activity and elevated energy prices.

Gas and low carbon energy

	2Q21	1Q22	2Q22
Production volume			
Liquids (mbd)	109	121	112
Natural gas (mmcfd)	4,440	4,897	4,709
Total hydrocarbons (mboed)	875	966	924
Average realisations*			
Liquids ($/bbl)	61.69	86.09	105.50
Natural gas ($/mcf)	4.14	7.88	8.42
Total hydrocarbons ($/boe)	28.97	50.91	55.79
Selected financial metrics ($bn)			
Adjusted EBITDA*	2.4	4.8	4.3
Capital expenditure* – gas	0.7	0.6	0.7
Capital expenditure* – low carbon	0.0	0.2	0.1
Operational metrics (GW, bp net)			
Installed renewables capacity*	1.6	1.9	2.0
Developed renewables to FID*	3.7	4.4	4.4
Renewables pipeline*	21.2	24.9	25.8

Underlying RCPBIT* $bn

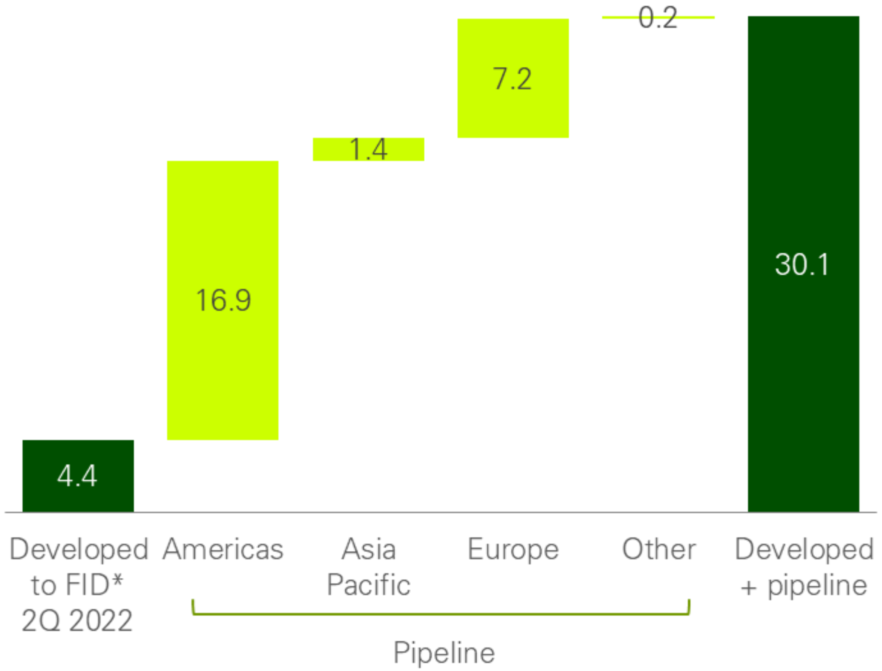


2Q 2022 vs 1Q 2022

- Average gas marketing and trading result including our best estimate of the impact of the recent outage at Freeport LNG
- Higher realisations*
- Lower production due to base decline

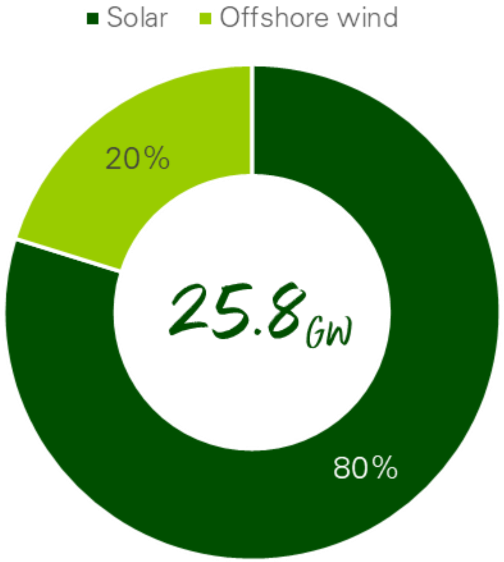
Gas and low carbon energy

Developed renewables to FID* and renewables pipeline* bp net, GW



- Developed and pipeline 0.9GW higher than 1Q22, driven by increase in Lightsource bp pipeline
- 53 projects developed to FID* by Lightsource bp with weighted average expected IRR of 8 – 10%

Renewables pipeline* by technology bp net



Renewables hopper* bp net

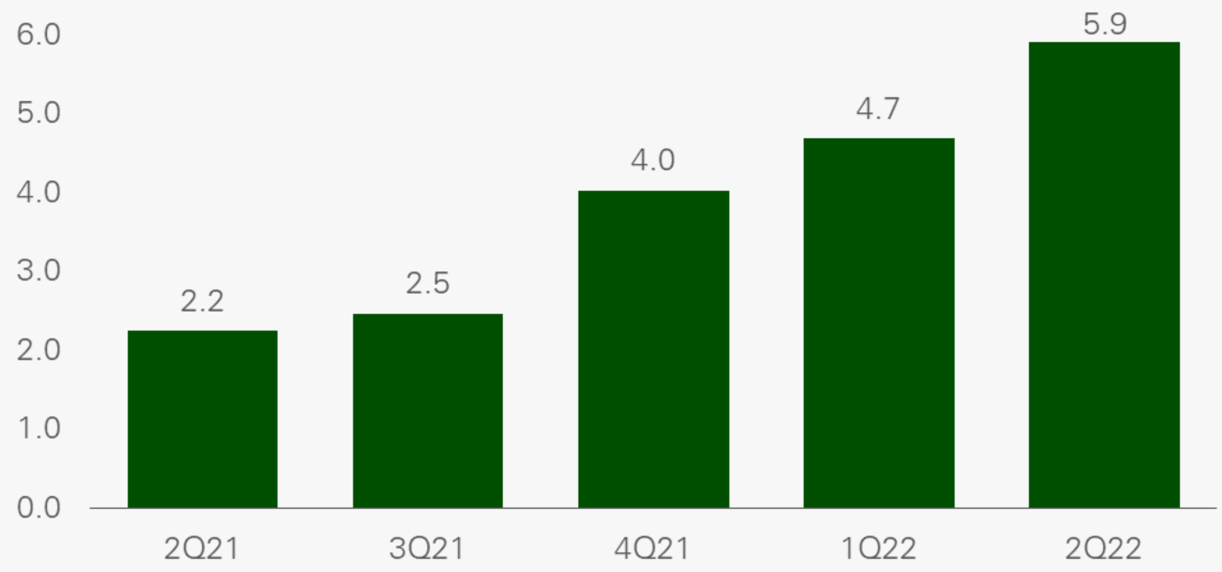
active projects

Oil production and operations

	2Q21	1Q22	2Q22
Production volume[1]			
Liquids (mbd)	938	948	935
Natural gas (mmcfd)	1,786	1,964	1,964
Total hydrocarbons (mboed)	1,245	1,286	1,274
Average realisations*			
Liquids ($/bbl)	60.55	83.47	100.34
Natural gas ($/mcf)	3.90	9.40	7.97
Total hydrocarbons ($/boe)	52.47	76.64	87.46
Selected financial metrics ($bn)			
Exploration write-offs	0.0	0.1	0.1
Adjusted EBITDA*	3.8	6.2	7.4
Capital expenditure*	1.1	1.3	1.2
Combined upstream			
Oil and gas production[1] (mboed)	2,120	2,252	2,198
bp average realisation* ($/boe)	41.84	64.70	73.24
Unit production costs* [1,2] ($/boe)	7.33	6.52	6.53
bp-operated plant reliability* [2] (%)	93.7	96.1	95.3

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

Underlying RCPBIT* $bn



2Q 2022 vs 1Q 2022

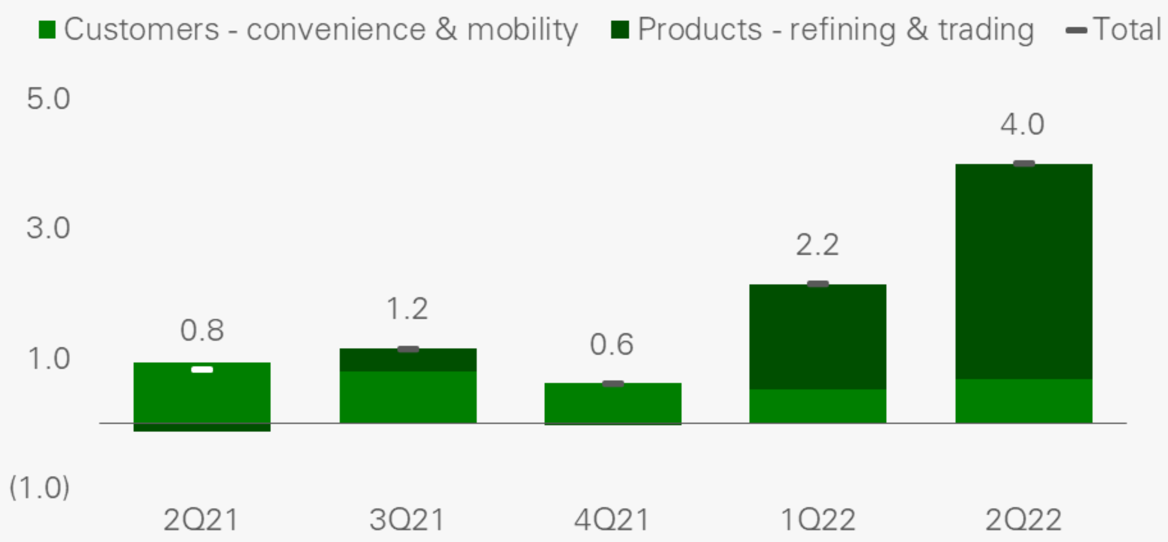
- Higher liquids and gas realisations*

Customers and products

	2Q21	1Q22	2Q22
Customers – convenience & mobility			
Customers – convenience & mobility adjusted EBITDA*	1.3	0.8	1.0
*Castrol[1] adjusted EBITDA**	*0.3*	*0.3*	*0.3*
Capital expenditure*	0.3	0.3	0.3
bp retail sites* – total[2]	20,300	20,550	20,600
bp retail sites in growth markets* [2]	2,700	2,650	2,650
Strategic convenience sites* [2]	2,000	2,150	2,200
Marketing sales of refined products (mbd)	2,853	2,819	3,003
Products – refining & trading			
Adjusted EBITDA*	0.3	2.0	3.7
Capital expenditure*	0.3	0.4	0.3
Refining environment			
RMM* [3] ($/bbl)	13.7	18.9	45.5
Refining throughput (mbd)	1,507	1,650	1,480
Refining availability* (%)	93.5	95.0	93.9

(1) Castrol is included in customers – convenience & mobility
(2) Reported to the nearest 50
(3) The RMM in the quarter is calculated based on bp's current refinery portfolio. On a comparative basis, the first quarter 2022 and the second quarter 2021 RMM* would be $19.3/bbl $14.2/bbl respectively*

Underlying RCPBIT* $bn



2Q 2022 vs 1Q 2022

Customers

- Convenience & mobility – higher volumes and robust convenience performance partially offset by lower fuels retail margins and higher inflation
- Castrol – broadly flat; base oil prices continued to increase and Covid lockdowns in China

Products

- Refining – significant increase in refining margins, partly offset by higher turnaround and maintenance activity
- Trading – exceptional performance

Glossary

Glossary – definitions

Adjusting items	Include gains and losses on the sale of businesses and fixed assets, impairments, environmental and other provisions, restructuring, integration and rationalisation costs, fair value accounting effects, financial impacts relating to Rosneft for the 2022 financial reporting period and costs relating to the Gulf of Mexico oil spill and other items. Adjusting items within equity-accounted earnings are reported net of incremental income tax reported by the equity-accounted entity. Adjusting items are used as a reconciling adjustment to derive underlying RC profit or loss and related underlying measures which are non-GAAP measures.
bp-operated plant reliability	Calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity, excluding non-operated assets and bpx energy. Unplanned plant deferrals are associated with the topside plant and where applicable the subsea equipment (excluding wells and reservoir). Unplanned plant deferrals include breakdowns, which does not include Gulf of Mexico weather related downtime.
Capital expenditure	Total cash capital expenditure as stated in the condensed group cash flow statement. Capital expenditure for the operating segments and customers & products businesses is presented on the same basis.
Consolidation adjustment – UPII	Unrealised profit in inventory arising on inter-segment transactions.
Developed renewables to final investment decision (FID)	Total generating capacity for assets developed to FID by all entities where bp has an equity share (proportionate to equity share). If asset is subsequently sold bp will continue to record capacity as developed to FID. If bp equity share increases developed capacity to FID will increase proportionately to share increase for any assets where bp held equity at the point of FID.
Disposal proceeds	Divestments and other proceeds.
EBITDA / adjusted EBITDA	RC profit before interest and tax, excluding net adjusting items*, adding back depreciation, depletion and amortisation and exploration write-offs (net of adjusting items).
Electric vehicle charge points/ EV charge points	Number of connectors on a charging device, operated by either bp or a bp joint venture.
Fair value accounting effects	Reflect the difference between the way bp manages the economic exposure and internally measures performance of certain activities and the way those activities are measured under IFRS.
Hopper	Renewables hopper comprises of project opportunities from the point of initial evaluation until they are either stopped or become part of the renewable pipeline.
Hydrogen / low carbon hydrogen	Hydrogen fuel with reduced carbon attributes, including renewable (green) hydrogen made from solar, wind and hydro-electricity, and (blue) made from natural gas in combination with carbon capture and storage.
Installed renewables capacity	bp's share of capacity for operating assets owned by entities where bp has an equity share.
Lease payments	Lease liability payments.
Major projects	Have a bp net investment of at least $250 million, or are considered to be of strategic importance to bp or of a high degree of complexity.

Glossary – definitions

Net debt	Calculated as finance debt, as shown in the balance sheet, plus the fair value of associated derivative financial instruments that are used to hedge foreign currency exchange and interest rate risks relating to finance debt, for which hedge accounting is applied, less cash and cash equivalents. Net debt does not include accrued interest, which is reported within other receivables and other payables on the balance sheet and for which the associated cash flows are presented as operating cash flows in the group cash flow statement.
OB&C	Other businesses and corporate.
Operating cash flow	Net cash provided by (used in) operating activities as stated in the condensed group cash flow statement.
Realisations	Result of dividing revenue generated from hydrocarbon sales, excluding revenue generated from purchases made for resale and royalty volumes, by revenue generating hydrocarbon production volumes. Revenue generating hydrocarbon production reflects the bp share of production as adjusted for any production which does not generate revenue. Adjustments may include losses due to shrinkage, amounts consumed during processing, and contractual or regulatory host committed volumes such as royalties. For the gas & low carbon energy and oil production & operations segments, realizations include transfers between businesses.
Refining availability	Represents Solomon Associates' operational availability for bp-operated refineries, which is defined as the percentage of the year that a unit is available for processing after subtracting the annualized time lost due to turnaround activity and all planned mechanical, process and regulatory downtime.
Refining marker margin (RMM)	Average of regional indicator margins weighted for bp's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. The regional indicator margins may not be representative of the margins achieved by bp in any period because of bp's particular refinery configurations and crude and product slate.
Renewables pipeline	Renewable projects satisfying the following criteria until the point they can be considered developed to final investment decision (FID): Site based projects that have obtained land exclusivity rights, or for PPA based projects an offer has been made to the counterparty, or for auction projects pre-qualification criteria has been met, or for acquisition projects post a binding offer being accepted.
Replacement cost (RC) profit or loss	Reflects the replacement cost of inventories sold in the period and is calculated as profit or loss attributable to bp shareholders, adjusting for inventory holding gains and losses (net of tax).
Retail sites	Include sites operated by dealers, jobbers, franchisees or brand licensees or joint venture (JV) partners, under the bp brand. These may move to and from the bp brand as their fuel supply agreement or brand licence agreement expires and are renegotiated in the normal course of business. Retail sites are primarily branded bp, ARCO, Amoco, Aral and Thorntons, and also includes sites in India through our Jio-bp JV.
Retail sites in growth markets	Retail sites that are either bp branded or co-branded with our partners in China, Mexico and Indonesia and also include sites in India through our Jio-bp JV.
Rosneft underlying RCPBIT	bp's adjusted share of Rosneft's earnings after Rosneft's own finance costs, taxation and non-controlling interests is included in the bp group income statement within profit before interest and taxation. For each year-to-date period it is calculated by translating the amounts reported in Russian roubles into US dollars using the average exchange rate for the year to date.
Strategic convenience sites	Retail sites, within the bp portfolio, which sell bp-branded vehicle energy and carry one of the strategic convenience brands (e.g. M&S, Thorntons, Rewe to Go). To be considered a strategic convenience brand the convenience offer should have a demonstrable level of differentiation in the market in which it operates. Strategic convenience site count includes sites under a pilot phase, but exclude sites in growth markets.

Glossary – definitions

Surplus cash flow	Refers to the net surplus of sources of cash over uses of cash, after reaching the $35 billion net debt target. Sources of cash include net cash provided by operating activities, cash provided from investing activities and cash receipts relating to transactions involving non-controlling interests. Uses of cash include lease liability payments, payments on perpetual hybrid bond, dividends paid, cash capital expenditure, the cash cost of share buybacks to offset the dilution from vesting of awards under employee share schemes, cash payments relating to transactions involving non-controlling interests and currency translation differences relating to cash and cash equivalents as presented on the condensed group cash flow statement.
Technical service contract (TSC)	Technical service contract is an arrangement through which an oil and gas company bears the risks and costs of exploration, development and production. In return, the oil and gas company receives entitlement to variable physical volumes of hydrocarbons, representing recovery of the costs incurred and a profit margin which reflects incremental production added to the oilfield
Underlying effective tax rate (ETR)	Calculated by dividing taxation on an underlying replacement cost (RC) basis by underlying RC profit or loss before tax. Taxation on an underlying RC basis for the group is calculated as taxation as stated on the group income statement adjusted for taxation on inventory holding gains and losses and total taxation on adjusting items.
Underlying production	2022 underlying production, when compared with 2021, is production after adjusting for acquisitions and divestments, curtailments, and entitlement impacts in our production-sharing agreements/contracts and technical service contract*.
Underlying replacement cost profit	Replacement cost profit or loss* after excluding net adjusting items and related taxation.
Underlying replacement cost profit or loss before interest and tax (RCPBIT)	Underlying RC profit or loss before interest and tax for the operating segments or customers & products businesses is calculated as RC profit or loss (as defined above) including profit or loss attributable to non-controlling interests before interest and tax for the operating segments and excluding net adjusting items for the respective operating segment or business.
Unit production costs	Calculated as production cost divided by units of production. Production cost does not include ad valorem and severance taxes. Units of production are barrels for liquids and thousands of cubic feet for gas. Amounts disclosed are for bp subsidiaries only and do not include bp's share of equity-accounted entities.
Working capital	Movements in inventories and other current and non-current assets and liabilities as reported in the condensed group cash flow statement. Change in working capital adjusted for inventory holding gains/losses and fair value accounting effects relating to subsidiaries is a non-GAAP measure. It is calculated by adjusting for inventory holding gains/losses reported in the period and from the second quarter 2021 onwards, it is also adjusted for fair value accounting effects relating to subsidiaries reported within adjusting items for the period. This represents what would have been reported as movements in inventories and other current and non-current assets and liabilities, if the starting point in determining net cash provided by operating activities had been underlying replacement cost profit rather than profit for the period. The nearest equivalent measure on an IFRS basis for this is movements in inventories and other current and non-current assets and liabilities. In the context of describing working capital after adjusting for Gulf of Mexico oil spill outflows, change in working capital also excludes movements in inventories and other current and non-current assets and liabilities relating to the Gulf of Mexico oil spill. bp utilises various arrangements in order to manage its working capital including discounting of receivables and, in the supply and trading business, the active management of supplier payment terms, inventory and collateral.

Glossary - abbreviations

Barrel (bbl)	159 litres, 42 US gallons.
boe	Barrels of oil equivalent.
GW	Gigawatt.
mbd	Thousand barrels per day.
mboed	Thousand barrels of oil equivalent per day.
mmbtu	Million British thermal units.
mtpa	Million tonnes per annum.
RC	Replacement cost.
SAF	Sustainable aviation fuel.
SVP	Senior vice president.