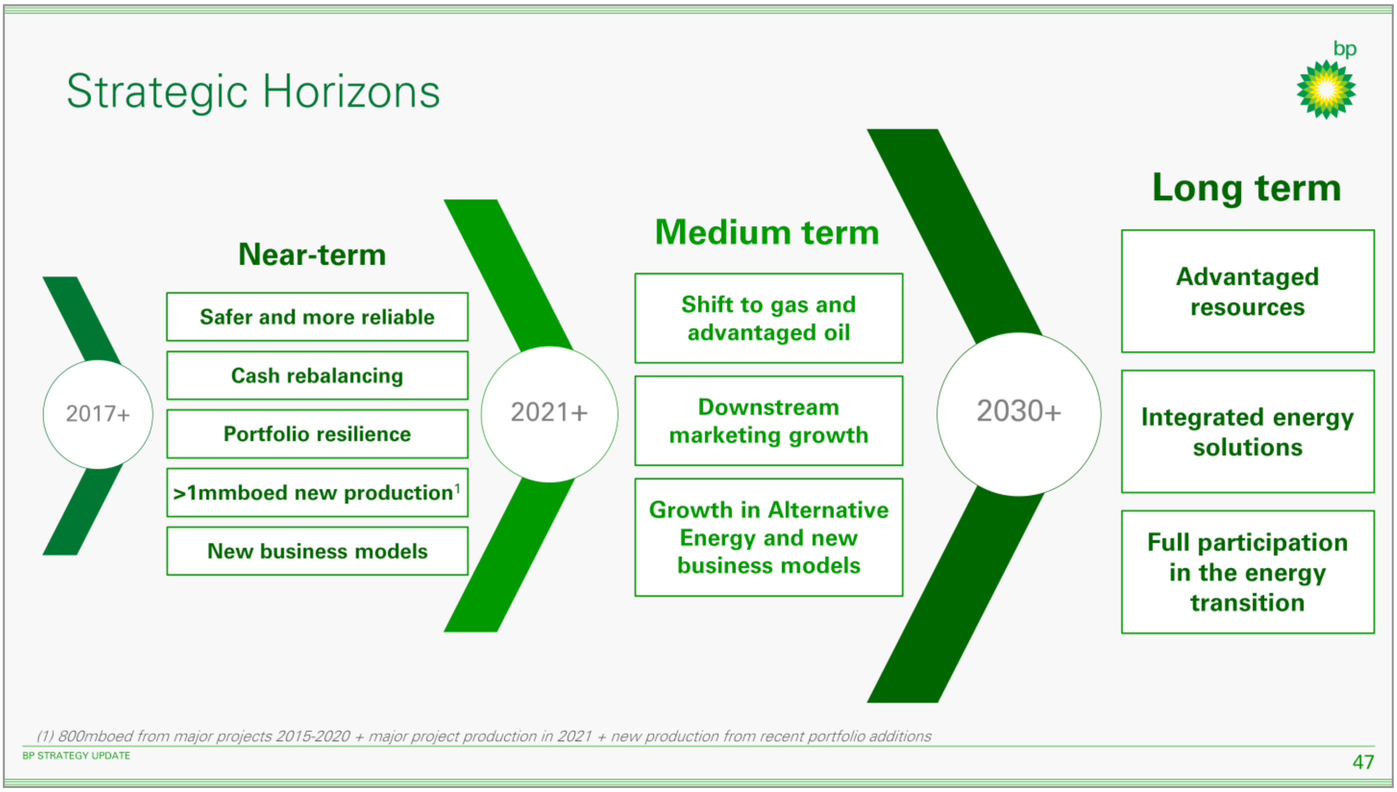

Thanks Tufan.




We've spent much of today looking at the nearer term, but I now want to focus a bit on the medium- and longer-term and describe how we plan to incubate and grow new business models for the future which are built around our core businesses.

So, in developing our strategic priorities over a very long term time horizon we have used our Energy and Technology Outlooks as key inputs for thinking about the future.

Specifically, we have developed three scenarios to frame our strategy and to make portfolio choices.

In broad terms, these scenarios corresponded to a return to the oil price cycle as we have experienced before, a second scenario of oil and gas oversupply, chiefly from shale and OPEC, and a third scenario representing our 'faster transition' cases described in this year's Energy Outlook of strong climate policies including faster renewable energy penetration and mobility revolution.

Key for us is a strategy and investment choices that are robust to this range of scenarios and, given the uncertainties of the energy outlook, should not to be fixed on a single view. Our strategy is resilient to, and can achieve growth, under a range of outcomes.

You have heard from Tufan and Bernard about our plans to grow in Downstream growth markets and our shift to gas and advantaged oil as well as the recent investments we have made in support of these priorities.

We also have solid operating performance in Alternative Energy and potential opportunities for growth.

In addition to these well-established parts of the group we have created a new set of activities to develop new business models for the future through venturing and partnerships aimed at multi-decade transition.

More on this shortly.

# Alternative Energy

- Strong safety and operational performance
- Generating operating cash
- Focus on optimisation and efficiency
- Technology commercialisation
- Evaluating growth options

US Wind

**1,432**

MW capacity

BP Biofuels

**10**

Mte/yr capacity



First, I want to spend some time on our existing and sizeable Alternative Energy portfolio as it stands today. BP's Alternative Energy business started in the last decade and since that time, we have learned a lot and focused on two businesses that fit well within our core activities.

Our Brazilian biofuels and our US Wind businesses represent the largest operated renewables businesses amongst our oil and gas peers. The hard work put into focusing on safe, reliable and efficient operations has transformed both businesses, positioning them strongly amongst competitors.

Last year the reliability of our operated Biofuels and Wind operations was 93.3% and 91.4%, respectively. We have also continued to see improved performance on safety particularly in process safety.

We continue to drive efficiencies across the business. And, in 2016, these businesses were generating positive operating cash. To further progress the optimisation of our Wind Energy assets we are upgrading some of our existing turbines through a repowering programme.

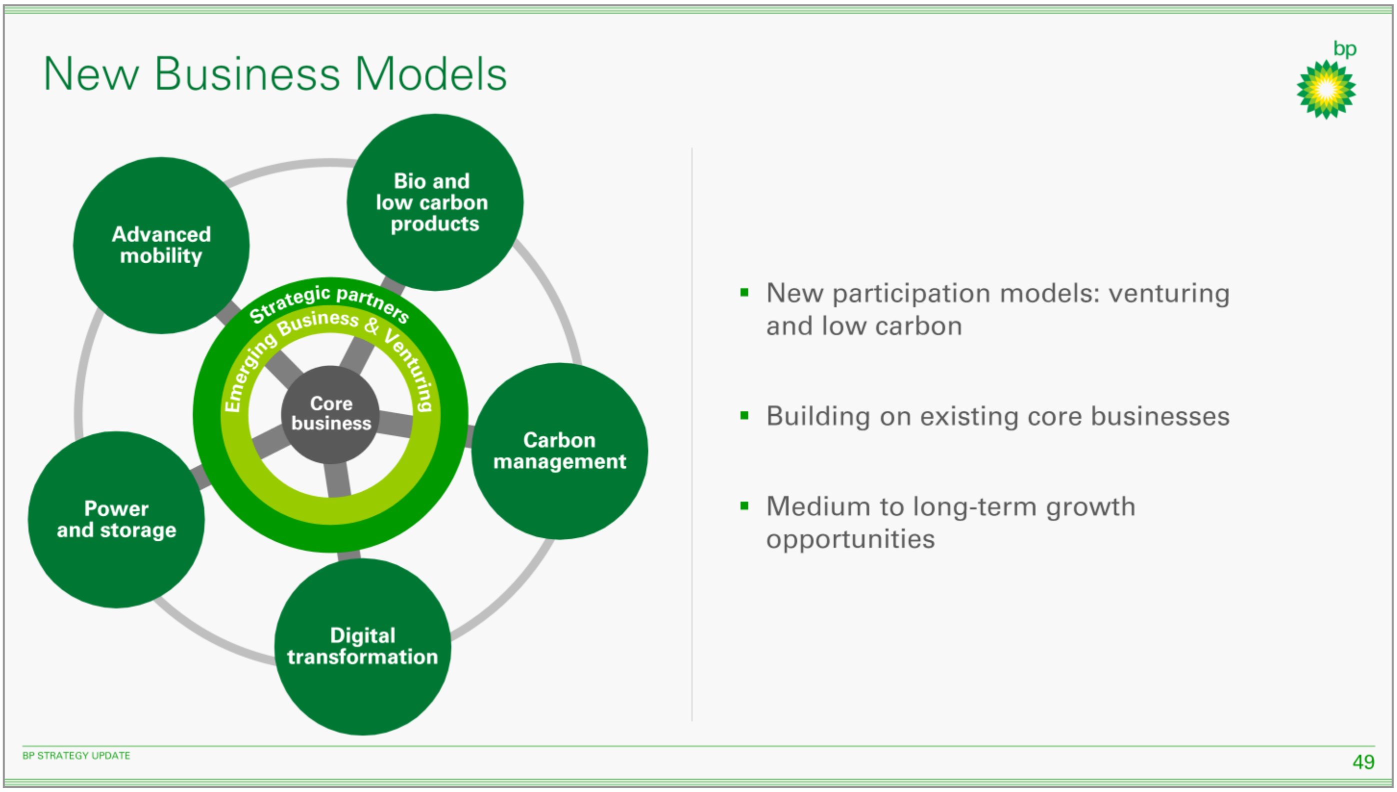
We are also utilising digital technologies analysing some two billion data points a day to continually optimise turbine performance.

In Biofuels we continue to improve the efficiency of our operations through improvement in feedstock yields and costs. In 2016, our Tropical site achieved a 39% increase in production from debottlenecking activities.

We are looking at options to commercialise technology at scale in renewable fuels and an example is our Butamax joint venture with DuPont.

In addition to our current focus on biofuels and wind, we are also evaluating other areas where we can access lower-carbon, commercially attractive opportunities to work synergistically with our existing businesses.

In summary, we believe we can continue to deliver disciplined and value accretive growth options through sound business models in our Alternative Energy business.




We are also actively developing new business models in the venturing and low carbon space in five areas.

Firstly, sustainable and advanced mobility which includes vehicle electrification, new mobility models, and automation.

Secondly advanced bio-products, including bio-plastics, bio-PX, bio-lubricants and bio-jet. As Tufan mentioned, an example of a recent investment in this area is Fulcrum Energy, a bio-jet from waste company in the US, which has material growth potential in this new market.

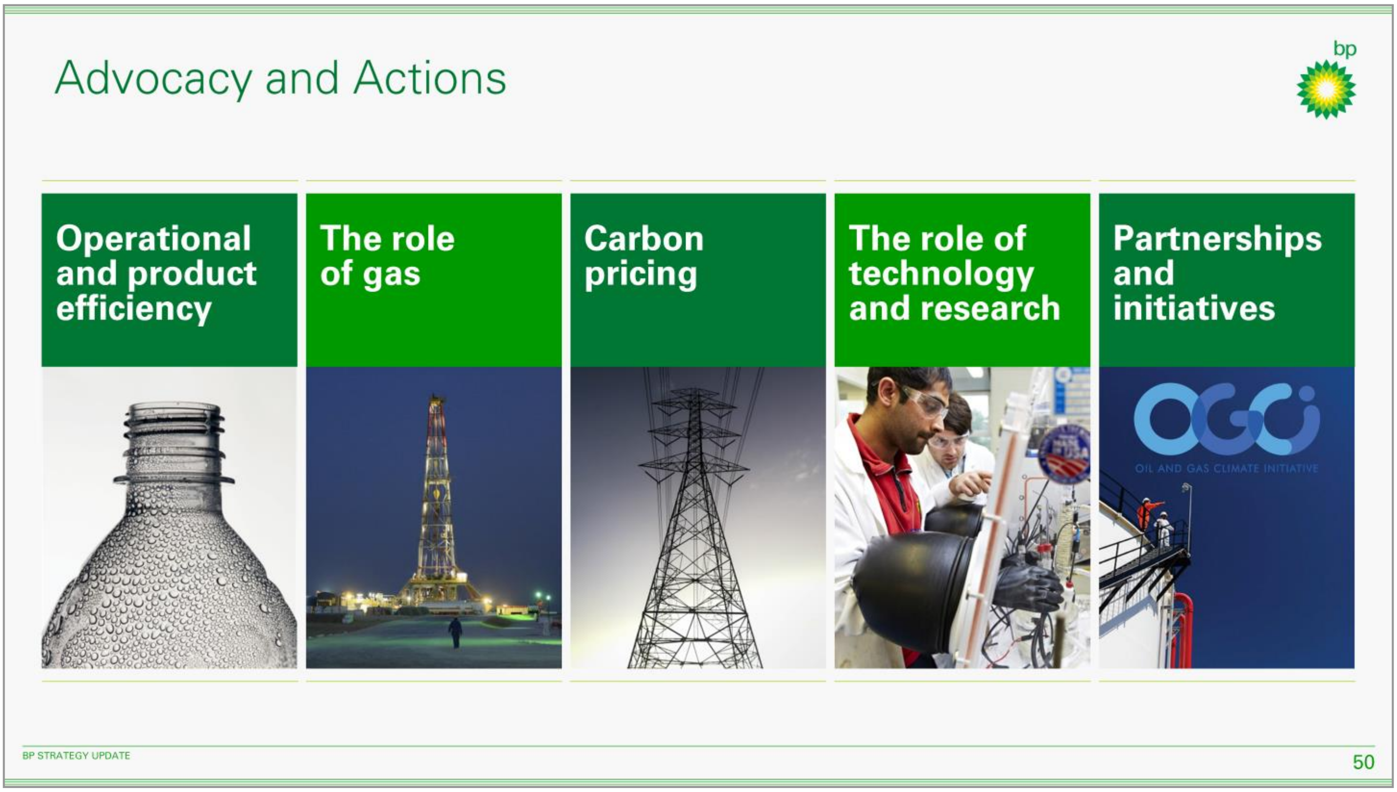
The third area is carbon management, including carbon markets, carbon offsets and carbon capture use and storage. We are one of the leaders in the Chinese carbon market, and have invested in breakthrough technology ventures in carbon capture and use, such as Solidia low carbon cement.

We also are pursuing potential opportunities in the renewable natural gas space and plan on being part of this growing market.

The fourth area is low carbon power and storage, in particular where it links in with our existing Alternative Energy and Upstream businesses.

Lastly, digital transformation which looks beyond the near- and medium-term operational efficiency and data analytics to new digital platforms such as blockchain, quantum computing and cognitive computing.

We don’t expect these new business models to deliver profits overnight, but our current portfolio of over 30 projects, ventures, partnerships and proofs of concept we believe will yield material businesses of the future. To that end we are investing around $200 million per year for now, which is included within our capital framework, to incubate and grow options.




Now that I've given you an overview of our existing Alternative Energy portfolio and the new business models that we are working on I'd like to wrap up with the advocacy actions we are taking that extend outside BP, and our industry.

Alongside the operational efficiency you've heard a lot about today we also continue to improve the efficiency and quality of our fuels and lubricants products as the vast majority, 80-90%, of carbon emissions come from their use. Recent examples include PTAir, a low-carbon product in our Petrochemicals business and our new Ultimate fuels with Active technology, launched in 2016.

As we shift our portfolio to be more weighted towards gas we also look to manage methane emissions which will only help to strengthen the case for gas. And today we are announcing a further leg of our Carbon Mitigation Initiative with Princeton University which will further develop scientific understanding of the methane cycle.

We also continue to make the case for carbon pricing, as we've long advocated. We see this is likely to be the most efficient mechanism through which to achieve emissions reductions at scale. Carbon pricing would make energy efficiency more attractive and lower-emissions energy sources such as natural gas and renewables, more cost competitive.

The role of technology and research is a very important one. This includes our research support at universities as well as our scanning of and investment in emerging and disruptive technology companies. These efforts are very active in the areas I previously discussed in the five new business models.

Last, is our involvement in partnerships and initiatives such as the World Bank Flaring initiative, the Carbon Pricing Leadership Coalition, and OGCI, which Bob now chairs.

One practical outcome of this collaboration is the new OGCI investment partnership, which is a $1 billion commitment to support the development of innovative technologies that have the potential to reduce greenhouse gas emissions significantly.

To summarise, we are engaged and active in the lower carbon transition, focused on continuing to grow knowledge, relationships and options.

So with that, I'll pass you over to Brian to take you through our financial frame.