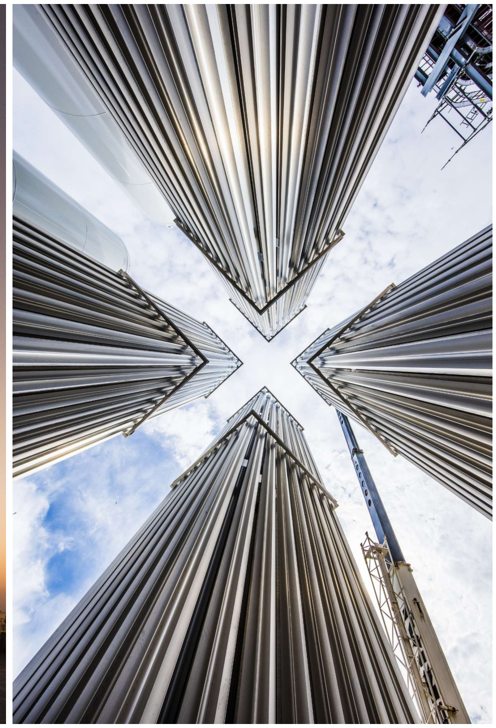
3Q 2017 Results

31 October 2017



Hello and welcome. This is BP’s third-quarter 2017 results webcast and conference call.

I’m Jess Mitchell, BP’s Head of Investor Relations and I’m here with our Chief Financial Officer, Brian Gilvary.

Before we start, I need to draw your attention to our cautionary statement.

Cautionary statement

Forward-looking statements - cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA'), BP is providing the following cautionary statement. This presentation and the associated slides and discussion contain forward-looking statements – that is, statements related to future, not past events – with respect to the financial condition, results of operations and business of BP and certain of the expectations, intentions, plans and objectives of BP with respect to these items, in particular statements regarding expectations related to future oil prices and supply and demand; expectations regarding future inventory levels; expectations regarding industry refining margins and turnaround activity in the fourth quarter of 2017; expectations regarding Upstream reported production in the fourth quarter of 2017; expectations regarding Upstream momentum through 2018 and beyond; expectations regarding BP's share of Rosneft's production and underlying net income in the third quarter of 2017; expectations regarding Rosneft interim dividends for 2017 and Rosneft operational and financial information for the third quarter of 2017; expectations regarding the timing and amount of future payments relating to the Gulf of Mexico oil spill; plans and expectations with respect to Upstream projects, investments and activities in Australia, Azerbaijan, Egypt, Oman and Trinidad; expectations regarding Aker BP ASA's agreement to acquire Hess Norge AS; expectations regarding BP's divestment of its shareholding in SECCO; expectations regarding the full year effective tax rate; expectations regarding organic capital expenditure and organic free cash flow through 2021; expectations regarding inorganic cash flow; expectations regarding the amount and timing of divestment proceeds, including expectations regarding divestment proceeds through 2021; plans and expectations to target gearing within a 20-30% band; plans and expectations to reduce the organic cash balance point to around $35-40 per barrel by 2021 and to sustain a balanced position in 2018; [and plans and expectations with respect to dividends]. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including: the specific factors identified in the discussions accompanying such forward-looking statements; the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; delays in the processes for resolving claims; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft's management and board of directors; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed under "Principal risks and uncertainties" in the results announcement for the period ended 30 June 2017 and "Risk factors" in BP Annual Report and Form 20-F 2016 as filed with the US Securities and Exchange Commission.

This document contains references to non-proved resources and production outlooks based on non-proved resources that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov

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

October 2017

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

Thank you, and now over to Brian.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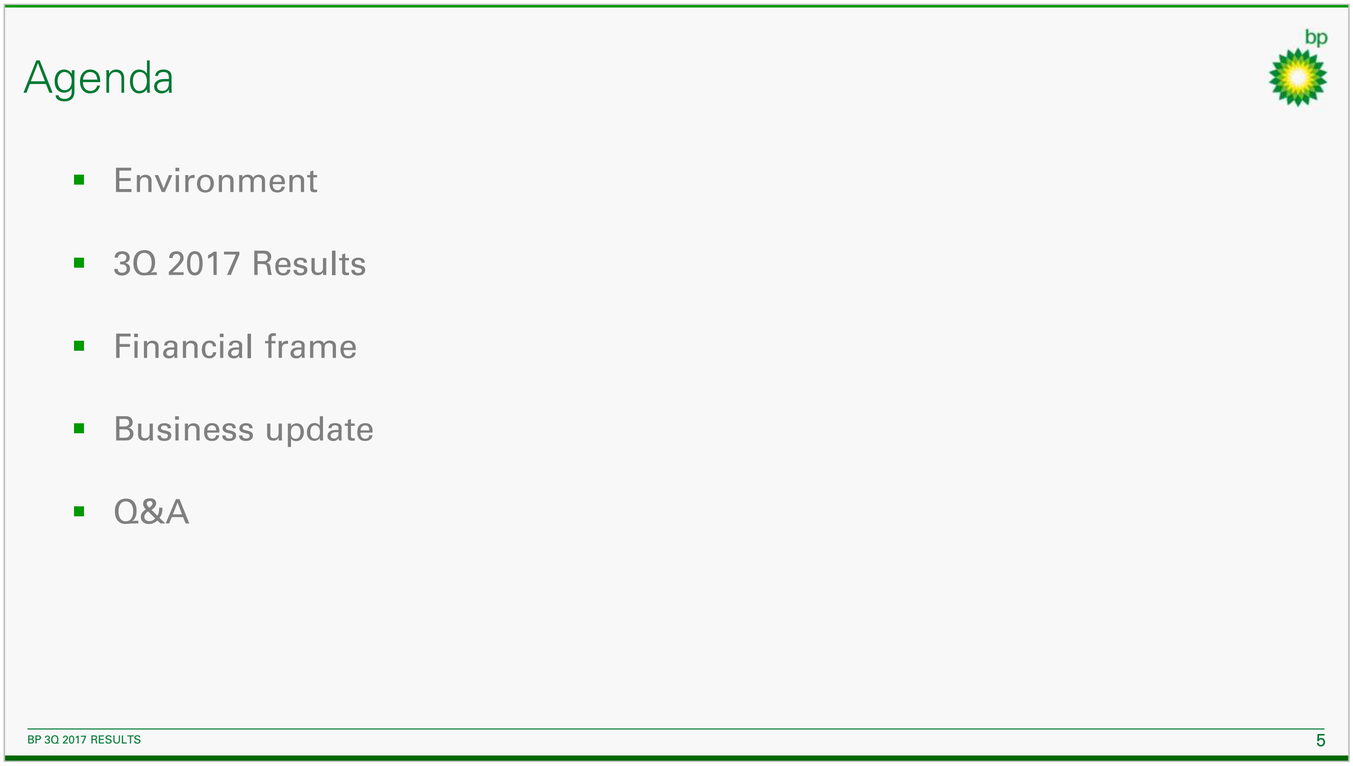
BP 3Q 2017 RESULTS
Brian Gilvary
Chief Financial Officer

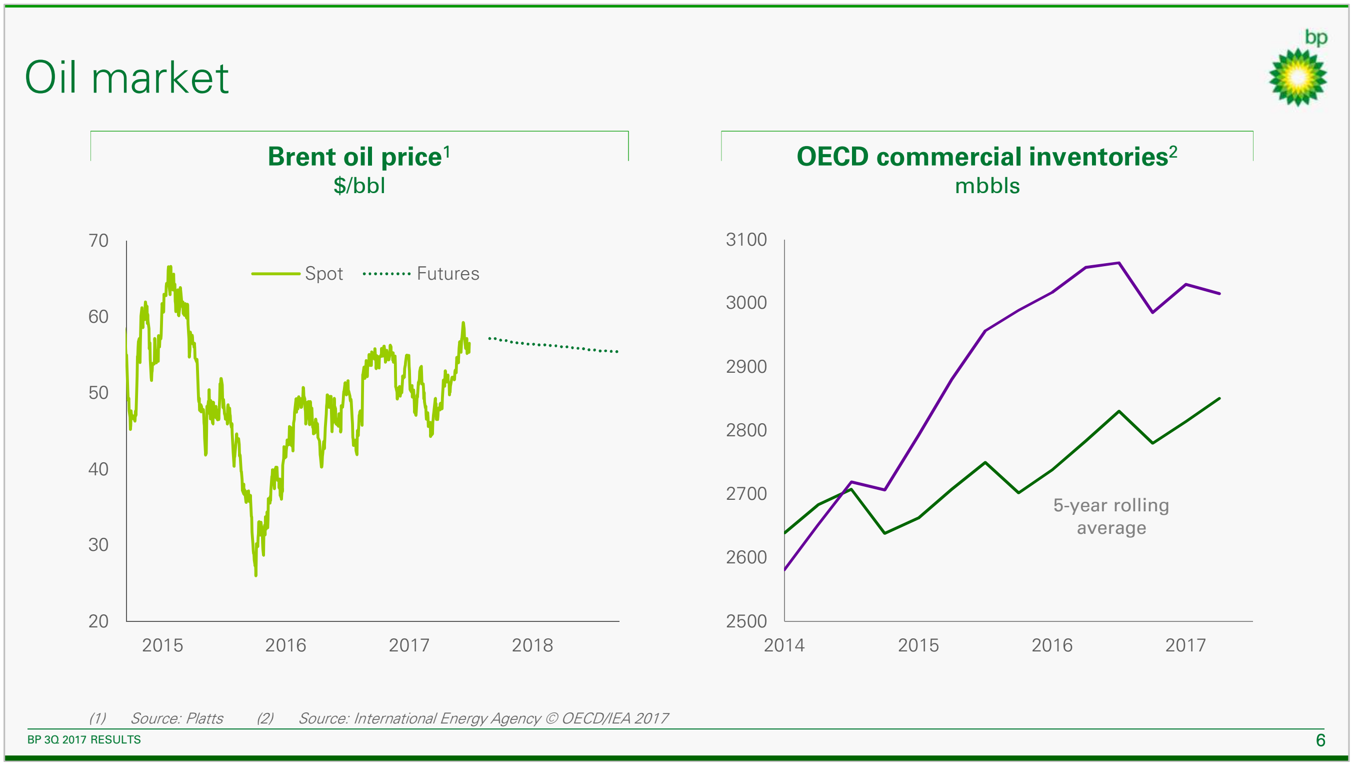
Thanks Jess.



Good morning everyone and thank you for joining us.

Our third-quarter results saw continued strong operational and financial performance. The Upstream and Downstream businesses are executing against the growth plan we laid out at the start of the year, and we have seen another quarter of robust underlying earnings and cash flow delivery. All of this provides us with momentum as we approach the end of the year and look forward into 2018.

I'll start by looking at the external environment in more detail, before taking you through the results and updating you on the financial frame, including the significant progress made in rebalancing sources and uses of cash. I'll then finish with an update on progress in each of the Segments before taking time to answer any questions.

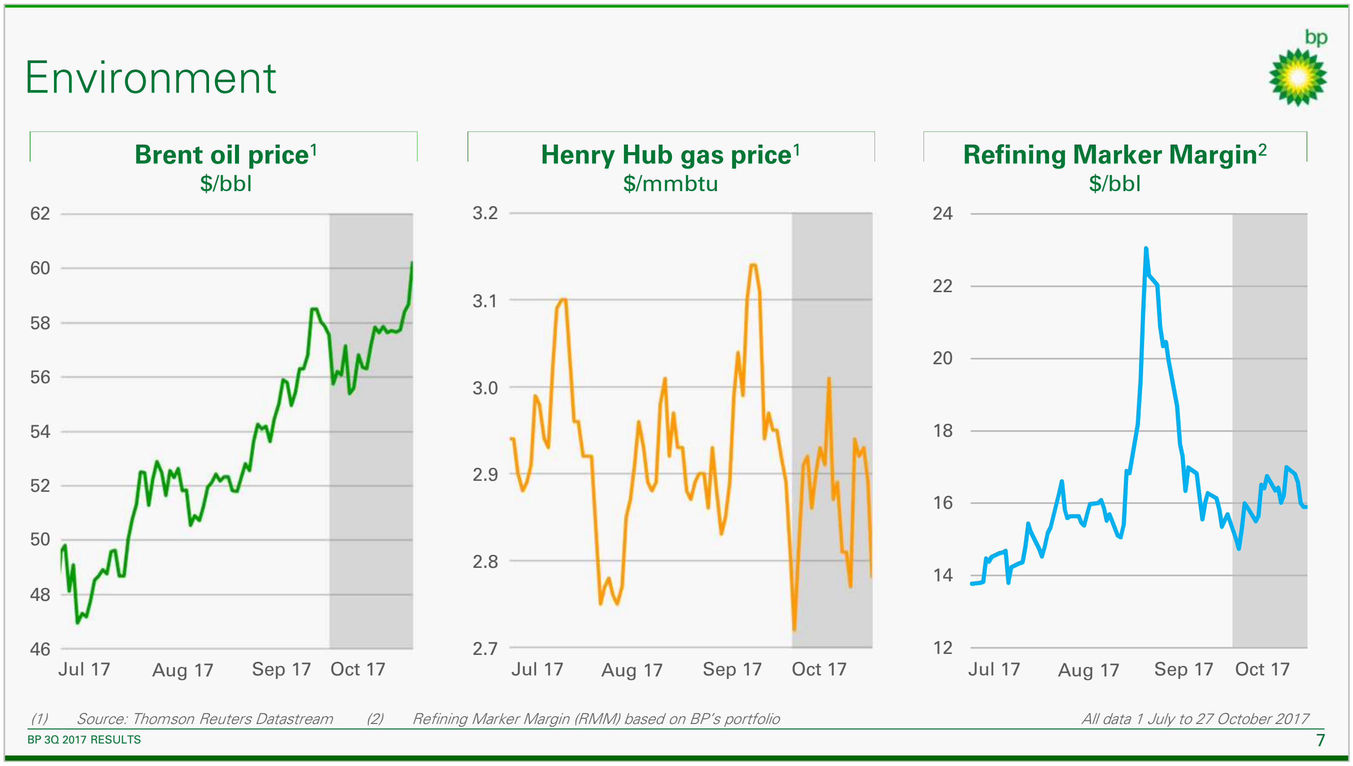


So starting with the oil market.

The Brent oil price has shown some recovery since September, reaching the highest level since July 2015. Inventory reductions and continued efforts from OPEC and non-OPEC countries to maintain cuts supported price gains in the third quarter.

Looking ahead there are a number of factors influencing the oil price. Oil demand over the remainder of the year is expected to remain robust. Non-OPEC supply is projected to increase, largely driven by stronger US tight oil production. At the same time overall compliance among the OPEC and non-OPEC countries participating in agreed production cuts remains high and the agreement is currently in force through March 2018.

Overall we expect inventory levels to continue to edge lower, although there still remains a lot of uncertainty around the pace of that adjustment and around the longer term outlook.



Turning to the environment in the quarter.

Brent crude averaged $52 per barrel in the third quarter, compared to $50 per barrel in the second quarter of 2017 and $46 per barrel a year ago.

Henry Hub gas prices averaged $3.00 per million British Thermal Units in the third quarter, compared to $3.20 in the second quarter and $2.80 a year ago.

BP's global refining marker margin increased above seasonal norms primarily due to Gulf Coast refining outages as a result of Hurricane Harvey. The third quarter averaged $16.30 per barrel, compared to $13.80 per barrel in the second quarter and $11.60 per barrel last year.

3Q 2017 Summary

$bn	3Q16	2Q17	3Q17	% Y-o-Y	% Q-o-Q
Upstream	(0.2)	0.7	1.6		
Downstream	1.4	1.4	2.3		
Other businesses & corporate	(0.3)	(0.4)	(0.4)		
Underlying business RCPBIT[1]	**0.9**	**1.8**	**3.5**	**270%**	**99%**
Rosneft[2]	0.1	0.3	0.1		
Consolidation adjustment - unrealised profit in inventory	0.0	0.1	(0.1)		
Underlying RCPBIT[1]	**1.1**	**2.2**	**3.5**	**224%**	**62%**
Finance costs[3]	(0.4)	(0.4)	(0.4)		
Tax	0.2	(1.1)	(1.2)		
Minority interest	0.0	(0.0)	0.0		
Underlying replacement cost profit	**0.9**	**0.7**	**1.9**	**100%**	**173%**
Underlying operating cash flow[4]	**4.8**	**6.9**	**6.6**	**36%**	**(5%)**
Underlying earnings per share (cents)	**5.0**	**3.5**	**9.4**	**90%**	**172%**
Dividend paid per share (cents)	**10**	**10**	**10**	**0%**	**0%**

(1) Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects
(2) BP estimate of Rosneft earnings after interest, tax and minority interest
(3) Finance costs and net finance income or expense relating to pensions and other post-retirement benefits
(4) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding pre-tax Gulf of Mexico oil spill payments

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Looking at the results for the Group.

BP's third-quarter underlying replacement cost profit was $1.9 billion, compared with $930 million a year ago, and $680 million in the second quarter of 2017.

Compared to a year ago, the result reflects:

- Higher liquids and gas realisations; coupled with
- Higher Upstream volumes from major project start-ups and the Abu Dhabi concession renewal; and
- Underlying Downstream growth and a stronger refining environment.

Partly offset by the absence of a one-off tax benefit related to the UK North Sea.

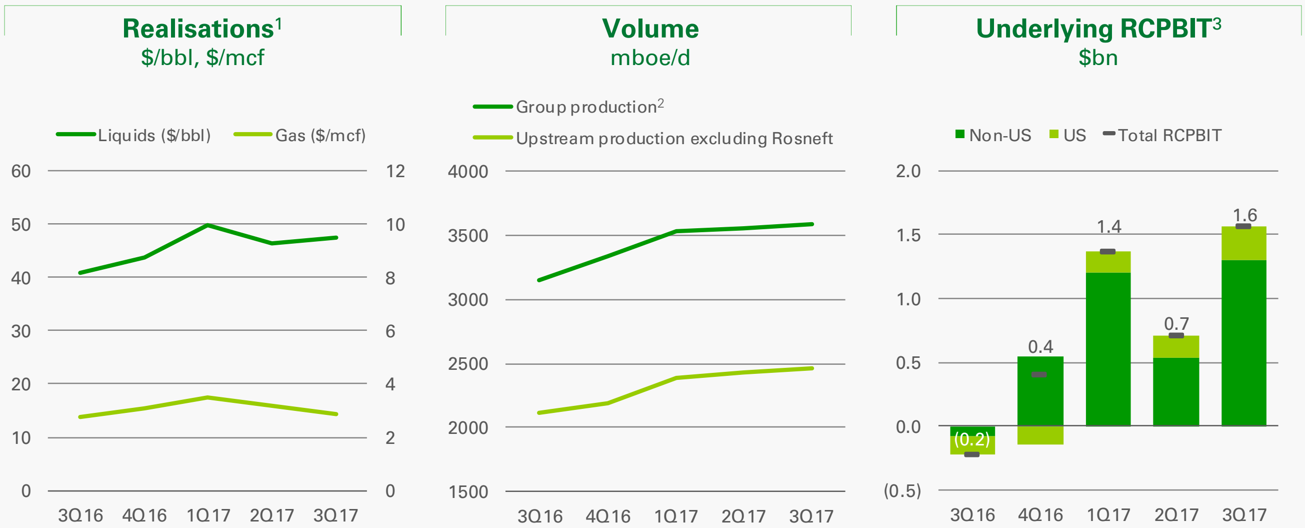
Compared to the previous quarter, the result reflects:

- Higher liquids realisations;
- Lower exploration write-offs; and
- A stronger refining environment along with an improved oil supply and trading result after a weak second quarter.

Third-quarter underlying operating cash flow, which excludes pre-tax Gulf of Mexico oil spill payments, was $6.6 billion.

The third-quarter dividend, payable in the fourth quarter of 2017, remains unchanged at 10 cents per ordinary share.

Upstream



(1) Realisations based on sales of consolidated subsidiaries only, excluding equity-accounted entities
(2) Group reported oil and gas production including Rosneft
(3) Replacement cost profit (loss) before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects

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In Upstream, the underlying third-quarter replacement cost profit before interest and tax of $1.6 billion compares with a loss of $220 million a year ago and a profit of $710 million in the second quarter of 2017.

Compared to the third quarter of 2016, the result reflects:

- Higher liquids and gas realisations; along with
- Higher production including the impact of the Abu Dhabi concession renewal and major project start-ups; and
- Lower exploration write-offs.

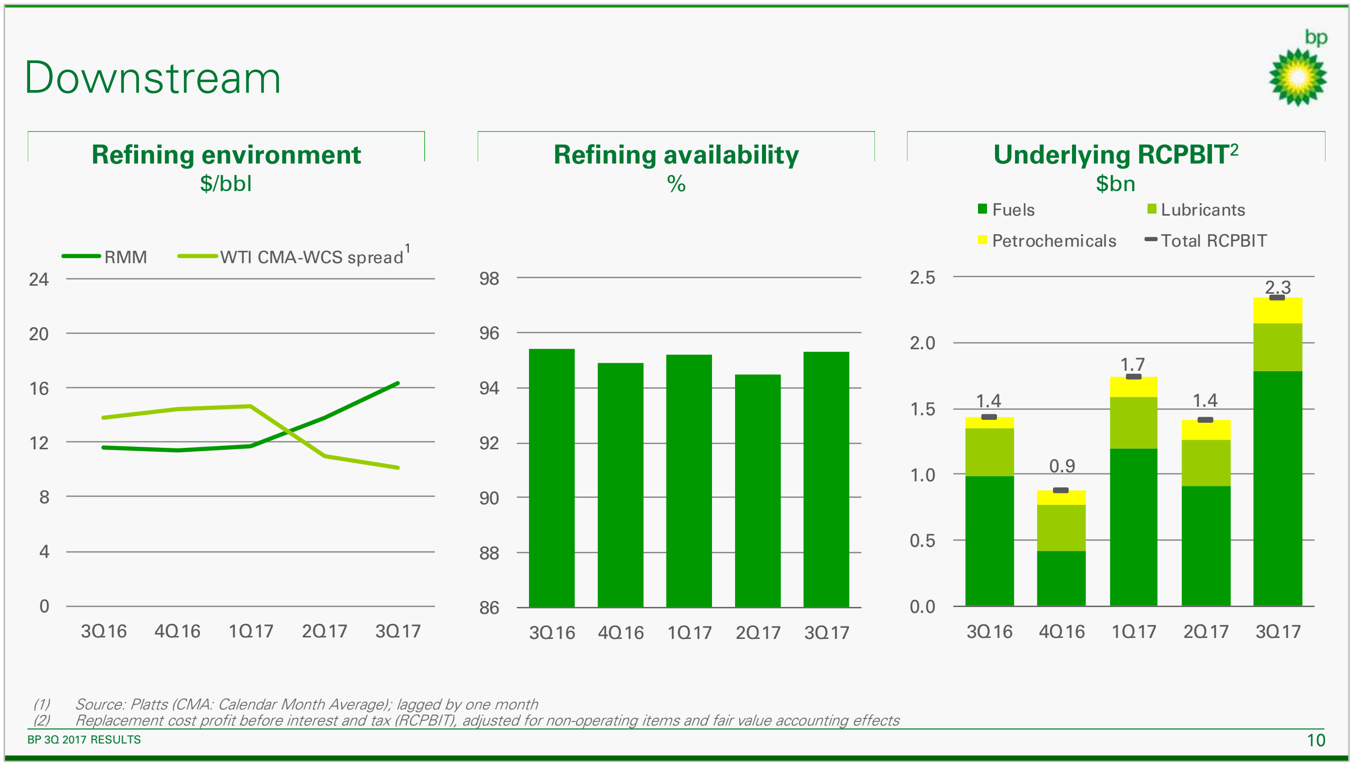
Partly offset by higher DD&A.

Total production for the Group was 3.6 million barrels of oil equivalent per day for the quarter. Excluding Rosneft, third quarter reported production was 2.5 million barrels per day, 16% higher than a year ago. After adjusting for entitlement and portfolio impacts, underlying production increased by 11% due to the ramp-up of major projects.

Compared to the second quarter, the result reflects:

- Lower exploration write-offs; and
- Higher liquids realisations.

Looking ahead, we expect fourth-quarter reported production to be higher than the third quarter reflecting the continued growth from major projects and recovery from seasonal turnaround and maintenance activities.



Turning to Downstream, the third-quarter underlying replacement cost profit before interest and tax was $2.3 billion compared with $1.4 billion a year ago and $1.4 billion in the second quarter.

The Fuels business reported an underlying replacement cost profit before interest and tax of $1.8 billion in the third quarter, compared with $980 million a year ago and $910 million in the second quarter.

Compared to a year ago the result reflects:

- Strong refining operational performance, capturing improved industry refining margins partly offset by narrower North American heavy crude oil differentials;
- Continued earnings growth in fuels marketing; and
- An improved supply and trading contribution.

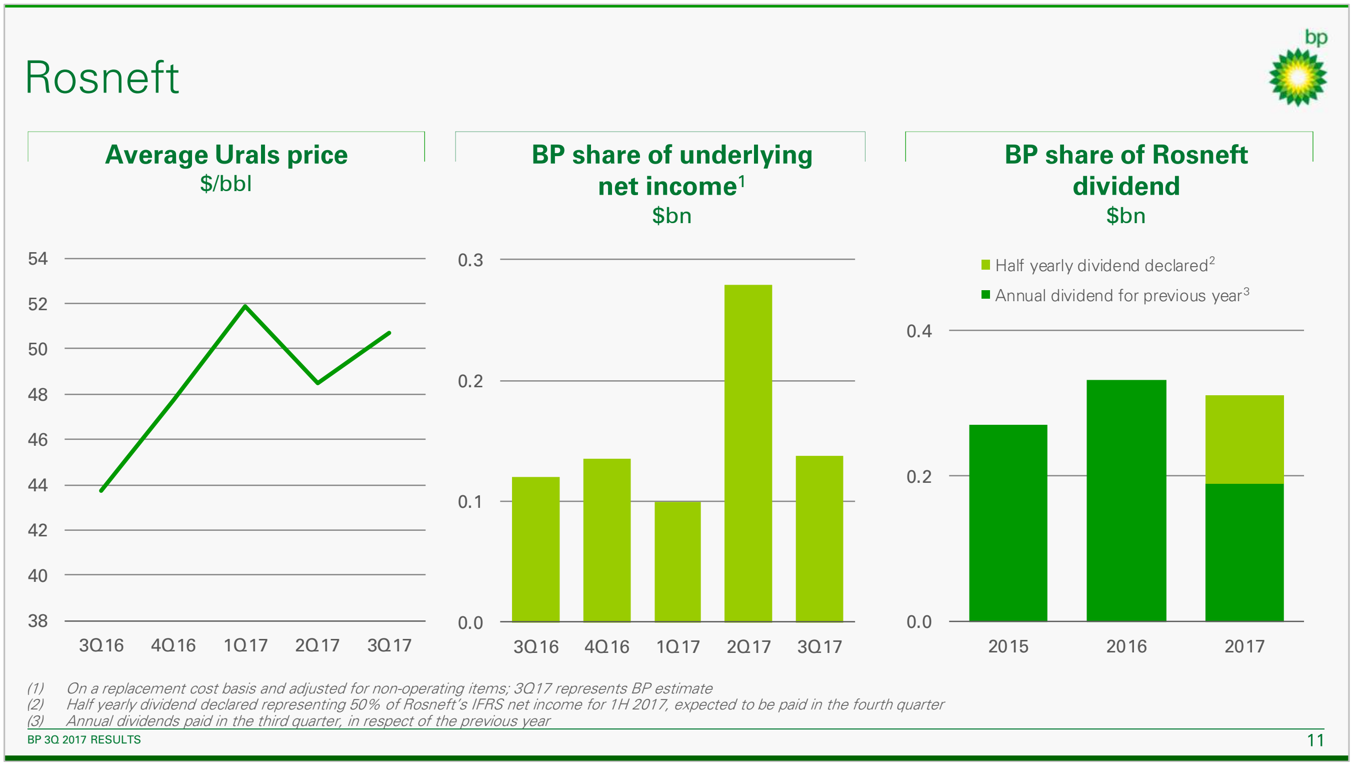
Compared to the second quarter, the result reflects:

- Increased refining performance from stronger operations, higher industry refining margins and a lower level of turnaround activity;
- A stronger supply and trading contribution after a weak second quarter; and
- Continued earnings growth in fuels marketing.

The Lubricants business reported an underlying replacement cost profit of $360 million in the third quarter reflecting continued premium brand growth, offset by the impact of higher base oil prices due to temporary supply constraints.

And the Petrochemicals business reported an underlying replacement cost profit of $190 million in the third quarter reflecting an improved margin environment, improved margin optimisation and lower costs from our simplification and efficiency programmes.

While industry refining margins have remained robust coming into the fourth quarter we would expect a normal seasonal decline compared with the third quarter. And we expect a higher level of turnaround activity in the fourth quarter.



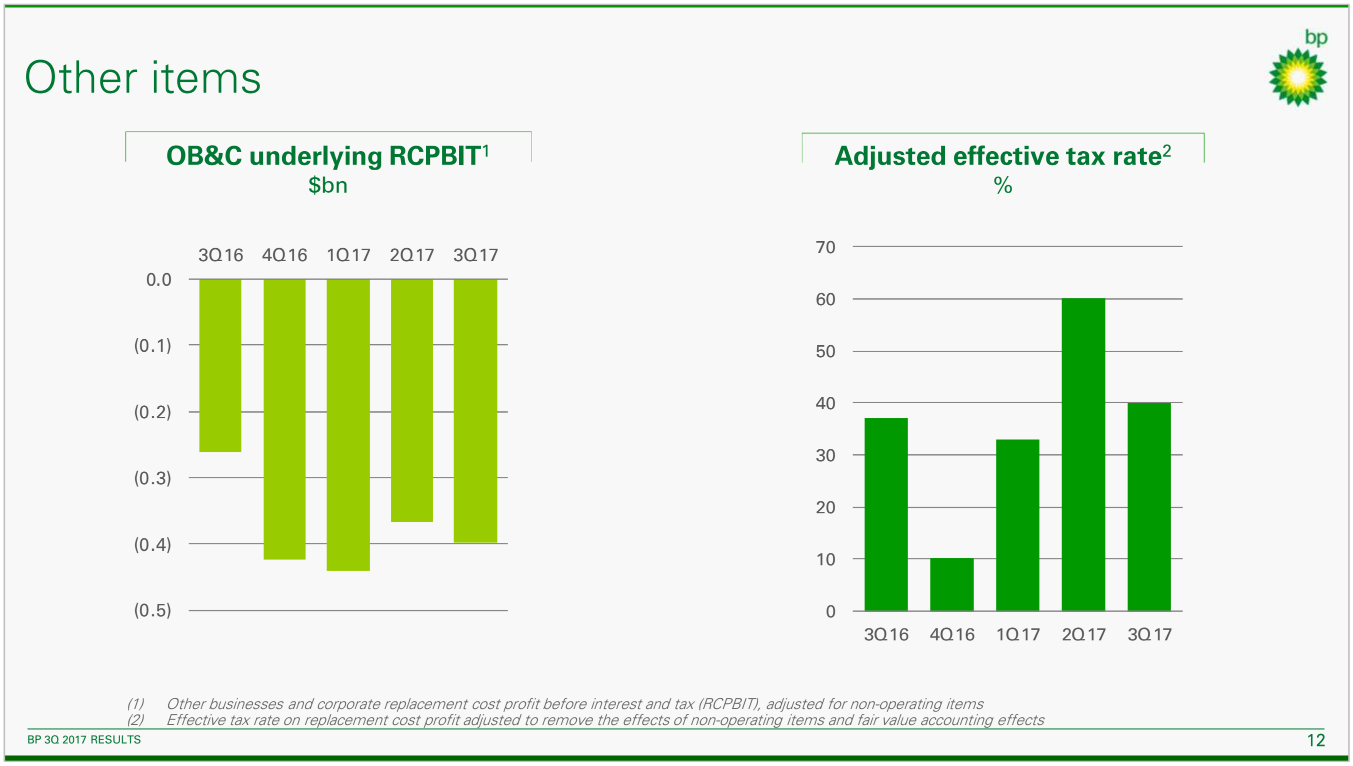
Turning to Rosneft.

Based on preliminary estimates, we have recognised $140 million as BP's share of Rosneft's underlying net income for the third quarter compared to $120 million a year ago and $280 million in the second quarter of 2017. The estimate reflects a higher Urals price and duty lag benefit but was impacted by adverse foreign exchange movements.

Our estimate of BP's share of Rosneft's production for the third quarter is 1.1 million barrels of oil equivalent per day, an increase of 9% compared with a year ago and broadly flat compared with the previous quarter. The increase compared with last year reflects the completion of recent acquisitions and new fields coming online.

In line with the new dividend policy that includes payments to shareholders twice a year, Rosneft announced an interim dividend for the first half of 2017 representing 50% of IFRS net income. At current exchange rates, BP's share of the dividend is around $120 million after tax and is expected to be received in the fourth quarter. This is in addition to the $190 million received in the third quarter for the 2016 annual dividend.

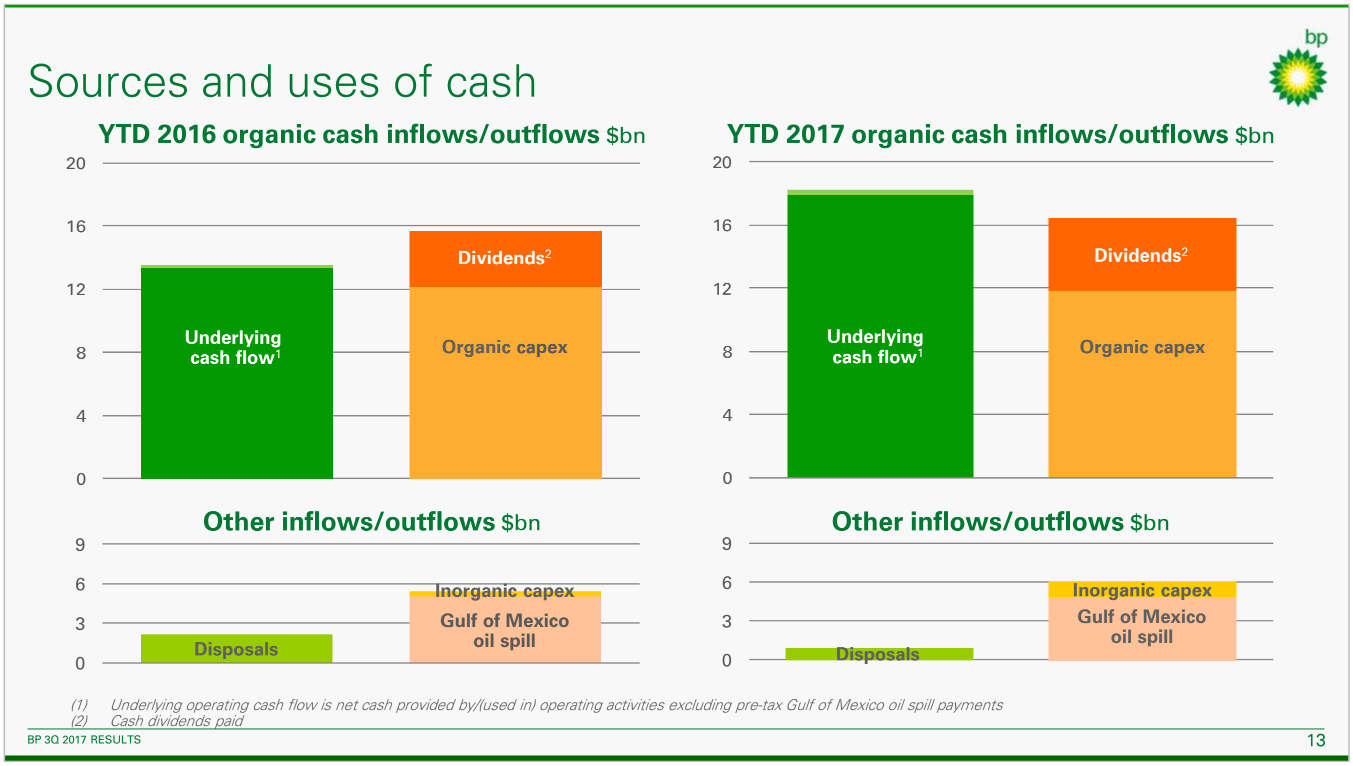
Further details will be available when Rosneft report their third-quarter results.



In Other Businesses and Corporate, we reported a pre-tax underlying replacement cost charge of $400 million for the third quarter. The average quarterly charge for the first nine months of the year is $400 million.

The adjusted effective tax rate for the third quarter was 40% compared to 37% a year ago. This reflects the impact of the Abu Dhabi concession renewal and other changes in the mix of profits.

We expect the full-year underlying effective tax rate to be above 40%.



Moving to cash flows, this slide compares our sources and uses of cash in the first nine months of 2016 and 2017.

Excluding pre-tax oil spill related outgoings, underlying operating cash flow was $17.9 billion for the first nine months, of which $6.6 billion was generated in the third quarter. This includes a working capital release of $1.5 billion in the first nine months with $1.4 billion in the third quarter.

Organic capital expenditure was $11.9 billion in the first nine months and $4.0 billion in the third quarter.

Divestment proceeds year-to-date totalled $1.0 billion.

Pre-tax Gulf of Mexico oil spill payments were significantly lower in the third quarter at $560 million, bringing payments for the first nine months to $4.9 billion.

Net debt at the end of the quarter was flat compared with last quarter at $39.8 billion. Gearing reduced to 28.4%, within our 20-30% band.

Financial framework

Recommencing share buyback programme to offset the impact of scrip dilution over time

- Rebalancing organic sources and uses of cash – year-to-date surplus $1.8bn[1]
- Momentum in operating performance across our businesses
- Continuous efficiency improvement and transformation

	2017	2018 to 2021
Organic capital expenditure	~$16bn	$15-17bn p.a. with flexibility to go lower
Divestments	~$4.5bn	Typically $2-3bn p.a.
Deepwater Horizon cash payments	~$5.5bn	Just over $2bn in 2018 Stepping down thereafter

(1) Surplus: operating cash flow excluding Gulf of Mexico oil spill payments, plus proceeds from loan repayments, less organic capital expenditure and the cash dividend

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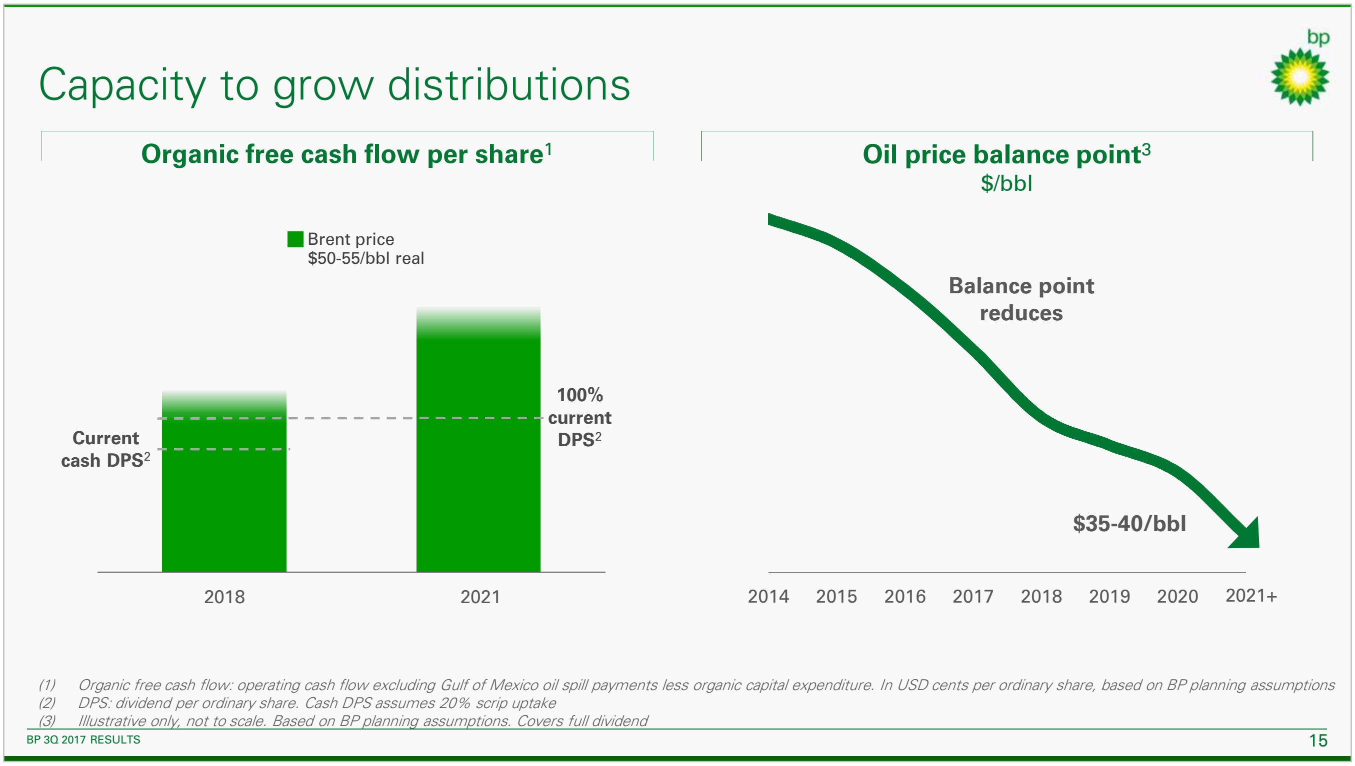
Turning to the financial frame. We have made strong progress in rebalancing organic sources and uses of cash. Underlying operating cash flow more than covered organic capital expenditure and the full dividend in a quarter where Brent averaged $52 per barrel. We remain confident in sustaining a balanced position in 2018 and beyond, which will allow us to begin offsetting the dilution from our optional scrip dividend – I will come back to the detail of this shortly.

Our operating businesses continue to execute against the plan we laid out at the start of this year. Upstream have now started-up six of the seven major projects planned for the year. And Downstream continues to deliver resilient underlying performance across the businesses. Across the Group, we remain focused on delivering continuous efficiency improvements, as we progress our modernisation and transformation agenda*.*

Our capital expenditure plans remain very disciplined. Looking out to 2021 we expect to maintain organic capital expenditure within a range of $15-17 billion without exceeding $17 billion in any year. We expect organic capital expenditure this year to be around $16 billion. For 2018, at oil prices of around $50 per barrel, we would expect to be at the lower end of the range. However, as we said previously, this is not a floor. If oil prices moved structurally lower we would continue to drive towards an even lower investment frame for the Group.

Turning to inorganic cash flow. In line with our previous guidance, we expect the full year Gulf of Mexico oil spill payments to be around $5.5 billion. From 2018 we expect payments to be materially lower, at just over $2 billion, weighted towards the first half of the year consistent with the Civil and Criminal settlement schedule. Payments then step down to a little over $1 billion per annum from 2019 onwards.

Divestment proceeds expected to be received in the fourth quarter include $1.4 billion from the SECCO transaction announced in the second quarter and net proceeds of over $700 million from the initial public offering of BP Midstream Partners. Total proceeds in 2017 are expected to be around $4.5 billion. Longer term, we expect divestments to reduce to a more typical $2-3 billion per annum, while remaining a lever for high-grading our portfolio and creating flexibility within the financial frame.



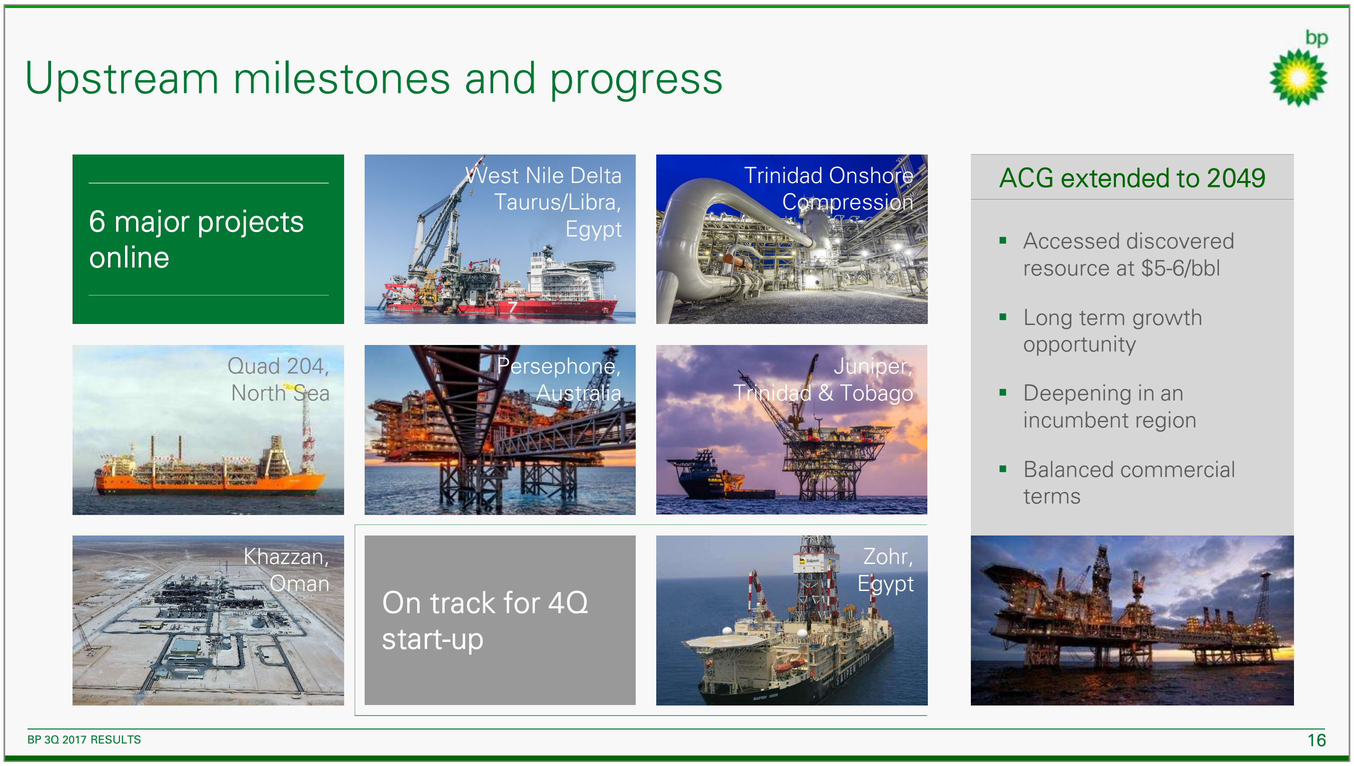
Now coming back to the oil price balance point.

As already noted, we delivered surplus organic free cash flow of $1.8 billion in the first nine months. The Brent oil price cash balance point for the Group was $42 per barrel, or the equivalent of $49 per barrel on a full dividend basis. Our balance sheet remains robust, with gearing at 28.4% at the end of the third quarter, down 0.4% from the end of last quarter and within our target 20-30% band.

With that background, let me remind you of our position on the scrip dividend option that we provide to our shareholders. This program was put in place in 2010 as an undiscounted alternative to the cash dividend. On average, since inception, the election uptake has been around 20%. This has provided some financial flexibility during the transition to lower oil prices. We have also been clear that once we return to generating free cash flow, our intent would be to address the dilution from the scrip dividend as a first priority.

Given the strong progress we have made towards rebalancing so far this year, and our confidence in our ability to grow organic free cash flow in 2018 and beyond, we will be recommencing a share buyback programme this quarter to offset the impact of the second quarter scrip dividend issued in September. Looking ahead, our intent would be to offset any ongoing scrip dilution through further buybacks over time. The shape of the programme will not necessarily match the dilution on a quarterly basis, but will reflect the ongoing judgement of factors including changes in the environment, the underlying performance of the business, the outlook for the Group financial framework, and other market factors which may vary from quarter to quarter.

Looking further out to 2021, and in a constant price environment, we expect organic free cash flow to grow, driven by the growth in our Upstream and Downstream businesses, with the organic cash balance point for the Group reducing steadily to around $35-40 per barrel, covering the full dividend including scrip. With free cash flow growing, we would then aim to ensure the right balance between disciplined investment and distributions growth, depending on the context and outlook at the time.



Now turning to milestones and progress across our businesses.

In the Upstream, our track record of delivery of new major projects continued in the third quarter. We now have six out of our seven 2017 major projects online.

Along with our first half start-ups in Egypt, Trinidad and the UK North Sea, we have brought online three more projects. Each of which started up on or ahead of schedule and under budget.

- In July, Persephone in Western Australia started-up successfully, and is expected to produce around 50 thousand barrels of oil equivalent per day gross from two wells tied back to the existing North Rankin complex.
- In August, Juniper, BP's first subsea field development in Trinidad came online. It is the largest new project to start-up in Trinidad for several years and is expected to produce around 95 thousand barrels of oil equivalent per day.
- In September, we began production from the giant Khazzan gas field in Oman, BP's largest 2017 start-up. We expect the first phase of the project, made up of 200 wells feeding into a two-train central processing facility, to deliver 1 billion cubic feet per day gross. Production will gradually ramp-up through a single 500 million cubic feet per day train, with a second identical train expected to come online in the next few months. Production is expected to rise to 1.5 billion cubic feet per day with further expansion of the project which is on track for 2020. The two phases together will develop an estimated 10.5 trillion cubic feet of recoverable gas resources.

Zohr in Egypt remains on track to come online this year, to complete the seven major project start-ups we planned for the year.

Aided by these major projects brought online in 2017, year-to-date underlying production was around 7% higher than a year ago.

In September, BP, together with our partners, extended the production sharing agreement for the Azeri, Chirag and Deep Water Gunashli Fields in Azerbaijan to the end of 2049.

This renewal, which extends the PSA by 25 years, includes changes to the partner equity shares alongside improved profit share terms. Through the extension we have also accessed more than 200 million barrels of proved and probable reserves at $5-6 per barrel.

We see enormous potential to optimise around this giant field and the renewed agreement allows us to progress into the next stage of development of a new platform project.

And also last week, Aker BP, in which we hold a 30% stake, entered into an agreement to acquire Hess Norge. Through this transaction Aker BP becomes the sole owner of the Valhall and Hod fields in Norway. We see great future value here through increased oil recovery and flank developments. This demonstrates the ambition of Aker BP to continue to grow and we expect to see the benefits from late 2017 through increased dividends.

And as part of the recent 3rd Pre-salt Bid Round in Brazil we have secured two licenses in partnership with Petrobras and CNPC. These exploration blocks present us with the opportunity to test some of the largest oil structures in the prolific Santos pre-salt basin.

Our strong performance year-to-date in the Upstream underlines our progress and we see this momentum continuing as we look to 2018 and beyond.

Downstream continued underlying earnings growth

Profitable marketing growth

- Double-digit fuels marketing earnings growth
- >170 additional convenience partnership sites year-to-date
- Strategic partnership in lubricants
- US Midstream IPO

Advantaged manufacturing

- Underlying earnings growth in refining and petrochemicals
- Higher commercial optimisation and advantaged feedstock
- SECCO divestment

In Downstream, we continue to make good strategic progress delivering underlying earnings growth in both our marketing and manufacturing businesses, delivering the highest quarter for underlying earnings in 5 years.

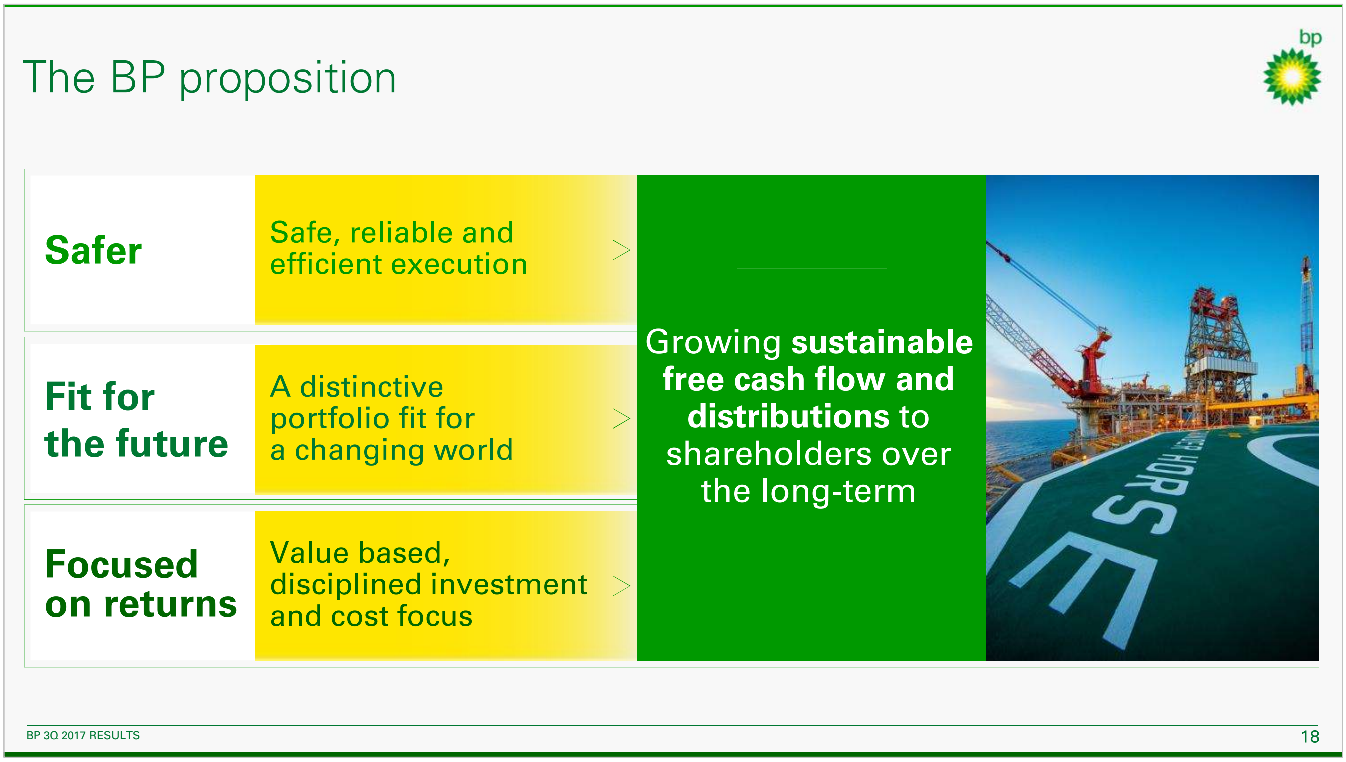
In fuels marketing year-to-date, we have delivered double-digit earnings growth and grown premium fuel volumes by 7%. We continued the rollout of our convenience partnership model to more than 170 retail sites. This brings our total number of convenience partnership sites to over one thousand globally.

In addition, we have continued to build our strategic partnerships which are underpinned by the strength of our brands. For example, in Lubricants we announced the renewal of our global partnership and supply agreement with Volvo.

As previously mentioned, the initial public offering of BP Midstream Partners in the US delivers net proceeds of over $700 million.

In refining, we continued to grow the value from commercial optimisation across the portfolio. In the US, Solomon availability for the quarter was the highest in more than 10 years and we processed record levels of advantaged feedstock.

And in Petrochemicals we expect to complete the sale of our share in the SECCO joint venture in China in the fourth quarter.



So in summary.

We have made solid progress year-to-date in delivering against the key milestones we set for ourselves, and have established strong momentum in the longer-term investment proposition that we laid out earlier in the year. We are building a track record of organic growth across both our key businesses. The tangible progress we continue to see in sustainably rebalancing organic sources and uses of cash will allow us to recommence a share buyback programme to offset the dilution impact of the scrip dividend later this quarter.

- In the Upstream we have started-up six of the seven major projects planned for the year, in many cases ahead of schedule and under budget.
- In the Downstream, we have added more than 170 new convenience partnership sites, underpinning the growth proposition across our marketing businesses.
- We continue to optimise our portfolio and seek out opportunities to support renewal and growth in the future.
- We remain committed to capital discipline and continue to focus on driving costs lower in a safe and sustainable way.

Taken together, these support our principal aim of growing sustainable free cash flow and distributions to shareholders in both the near and long term.

So on that note, thank you for listening, and we'll now open to questions.

Q&A

Brian Gilvary

Chief Financial Officer

Jess Mitchell

Group Head of Investor Relations