
30 October 2018
bp
BP 3Q 2018
RESULTS

Welcome to BP's third-quarter 2018 results presentation.

I'm Craig Marshall, BP's head of investor relations, and I am here today with our chief financial officer, Brian Gilvary.

Before we begin, I would like 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 and circumstances – with respect to the financial condition, results of operations and business of BP and certain of the expectations, intentions, plans and objectives of BP with respect to these items, in particular statements regarding expectations related to the world economy, the oil market, infrastructure constraints in the United States, pipeline and rail constraints in Canada, future oil and gas prices and global oil supply and demand; plans and expectations regarding BP's acquisition of onshore-US oil and gas assets from BHP, including expectations that the transaction will be accretive to earnings and cash flow per share, expectations regarding purchase price, timing of closing, financing of the transaction, resource access and longer term value creation; plans and expectations regarding underlying free cash flow and underlying return on capital; estimates regarding Rosneft's earnings; plans and expectations regarding share buybacks, including to offset the impact of dilution from the scrip program; expectations regarding industry refining margins and turnaround activity, particularly at the Whiting refinery, in the fourth quarter of 2018; expectations regarding Upstream reported production in the fourth quarter of 2018; expectations regarding the start up of major projects in the fourth quarter of 2018, including the Clair Ridge project and the West Nile Delta Giza/Fayoum project; expectations regarding continuing growth; expectations regarding the optionality to high-grade BP's portfolio; expectations regarding the timing and amount of future payments relating to the Gulf of Mexico oil spill including 2018 payments; plans and expectations with respect to Upstream projects; expectations regarding BP's strategic plan and financial frame including organic capital expenditure, organic free cash flow ,operating cash flow, the DD&A charge, cost and capital discipline, the Other Businesses and Corporate average underlying quarterly charge, the oil price breakeven point, ROACE and the 2018 underlying effective tax rate; plans and expectations regarding sustainable free cash flow and growing distributions to shareholders; expectations regarding the amount and timing of divestment proceeds and the use of divestment proceeds to repay debt; plans and expectations with respect to gearing; and plans and expectations with respect to dividends, including the dividend expected to be paid by Rosneft. 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; amounts ultimately payable and timing of payments relating to the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft's management and board of directors; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed under "Principal risks and uncertainties" in our results announcement for the period ended June 30, 2018 and under "Risk factors" in BP Annual Report and Form 20-F 2017 as filed with the US Securities and Exchange Commission.

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

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

October 2018

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

Now, over to Brian.

Thanks Craig.

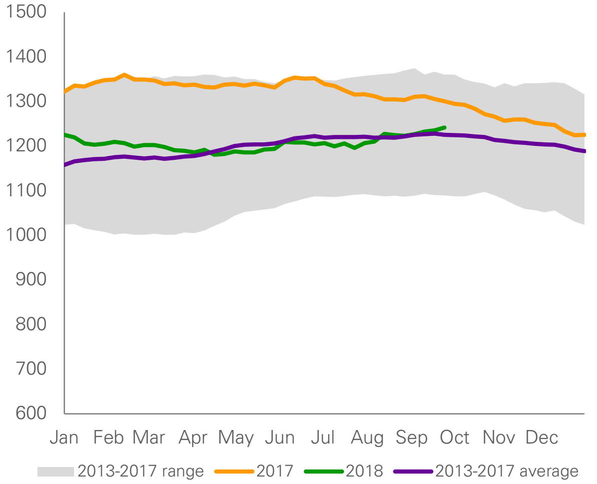
It has been another quarter of steady progress against the targets we laid out last year. The focus on safe and reliable operations and strategic delivery, alongside an improving price environment, has driven strong underlying earnings and operating cash flow.

We'll start today with some comments on the macro environment, before moving to highlights from the quarter and then covering our financial results in more detail. We'll then provide an update on our operational progress, including the status of our BHP transaction, before finishing with a reminder of our financial frame and guidance for next quarter and the full year.

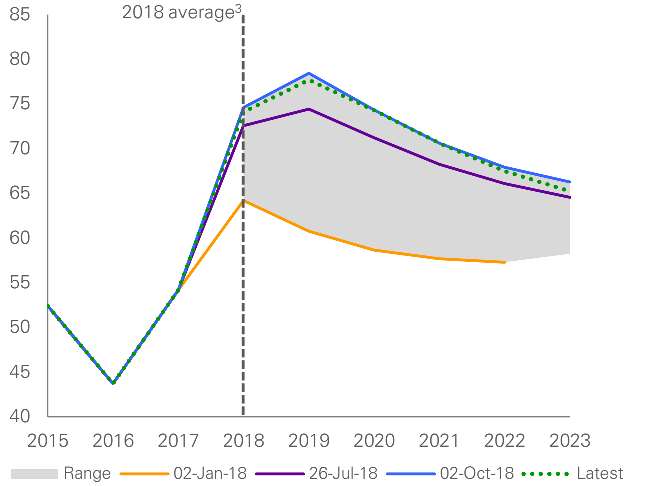
We'll then take time to answer your questions.

Macro environment

US oil inventories[1]
Mbbls



Brent forward strip[2]
$/bbl



(1) *Source: Energy Information Administration – weekly petroleum status report*
(2) *Source: Intercontinental exchange*
(3) *Full year 2018 average price as forecast at the date in the legend*

Looking at the macro environment.

With the oil market in a more balanced position, OECD commercial stocks have declined to below the five year rolling average. US crude and product stocks, which account for around 40% of total OECD inventory, have reduced significantly over the last year to the middle of the range.

With lower stock levels, the oil price remains volatile to any uncertainties, particularly around supply and geopolitics. Recent factors include the impact of US sanctions on Iranian exports, supply disruption from Venezuela, together with production uncertainty from Libya, and levels of spare capacity within OPEC.

In the US, infrastructure constraints, particularly in the Permian, have slowed tight oil growth. These uncertainties could persist well into the first half of next year, supporting wider Midland crude differentials. Similarly, pipeline and rail constraints affecting the movement of Canadian heavy crude between Alberta and the US, are driving wider WTI-WCS differentials, which are expected to be sustained over the coming months. In gas markets, low levels of storage capacity in the US have driven Henry Hub prices close to $3.30 per million British Thermal Units for the first time in more than six months.

In summary, the oil price outlook has strengthened. We expect the oil market to remain volatile in the near-term, characterised by lower stock levels and ongoing geopolitical factors. Looking further out, we expect current supply concerns to ease and continued robust demand growth to be matched by growth in US tight oil production and additional supply from non-OPEC countries.

3Q 2018 highlights

Turning now to highlights from the quarter.

Underlying replacement cost profit for the third quarter was $3.8 billion, more than double that of a year earlier, and 35% higher than last quarter in a very similar price environment. This also drove strong underlying operating cash flow of $6.6 billion in the quarter, including a working capital build of $700 million.

In the Upstream, our continuing focus on safe and reliable operations saw underlying production increase 7% relative to the same quarter a year ago, driven by the ongoing ramp-up of our major projects. Building operational momentum coupled with a stronger oil price, delivered Upstream underlying pre-tax earnings of $4.0 billion in the quarter. We also expect another strong quarterly contribution through our shareholding in Rosneft, with underlying post-tax profit estimated at $900 million.

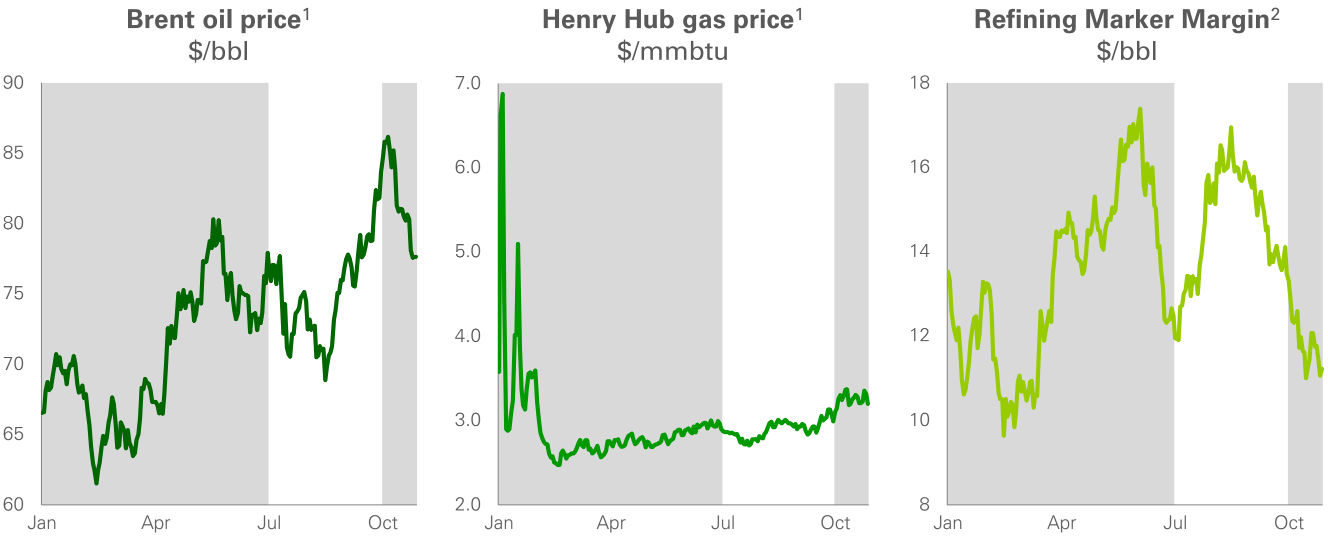
The Downstream reported underlying pre-tax earnings of $2.1 billion in the quarter. This reflected a stronger supply and trading result than last quarter, and was further supported by high refining and petrochemical availability and retail performance.

Looking further out, we remain focused on delivering our strategic plan and maintaining a strong and disciplined financial frame. In the Upstream, we saw the recent start up of two further major projects – in the Gulf of Mexico with the BP-operated Thunder Horse North West Expansion, and on the Australian North West Shelf with the start up of Western Flank B, both ahead of schedule and under budget. In the Downstream, we continue with the growth of our retail convenience partnership model, and have now rolled it out to around 1,300 sites across our network.

And as I'll discuss in a bit more detail shortly, we have made good progress towards completing the acquisition of BHP's Permian, Eagleford and Haynesville unconventional assets and expect to close the transaction tomorrow.

As we approach the end of 2018, we have strong momentum across the business, and are building a tangible track record of operational performance and strong financial results that underpin the delivery of our strategy.

Environment



(1) Source: Platts
(2) Refining Marker Margin (RMM) based on BP's portfolio

All data 1 January 2018 to 26 October 2018

Now, looking to prices during the third quarter.

Brent crude averaged $75 per barrel, similar to the second quarter average of $74 per barrel. Prices rose sharply through September reflecting a reduction in Iranian exports and concern over the level of OPEC spare capacity.

US Henry Hub gas prices averaged $2.90 per million British Thermal Units versus $2.80 in the second quarter and BP's global refining marker margin averaged $14.70 per barrel, slightly below the average for the second quarter of $14.90 per barrel.

3Q 2018 results summary

$bn	3Q17	2Q18	3Q18
Underlying replacement cost profit	**1.9**	**2.8**	**3.8**
Underlying operating cash flow[1]	**6.6**	**7.0**	**6.6**
Underlying RCPBIT[2]			
Upstream	1.6	3.5	4.0
Downstream	2.3	1.5	2.1
Rosneft[3]	0.1	0.8	0.9
Other businesses and corporate	(0.4)	(0.5)	(0.3)
Underlying earnings per share (cents)	**9.4**	**14.1**	**19.2**
Dividend paid per share (cents)	**10.00**	**10.00**	**10.25**
Dividend declared per share (cents)	**10.00**	**10.25**	**10.25**

3Q 2018 vs 2Q 2018

- **Higher Upstream realisations**
- **Stronger supply and trading contribution**
- **Strong operational performance in refining and petrochemicals**

(1) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding post-tax Gulf of Mexico oil spill payments
(2) Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects
(3) BP estimate of Rosneft earnings after interest, tax and minority interest

Moving to our results.

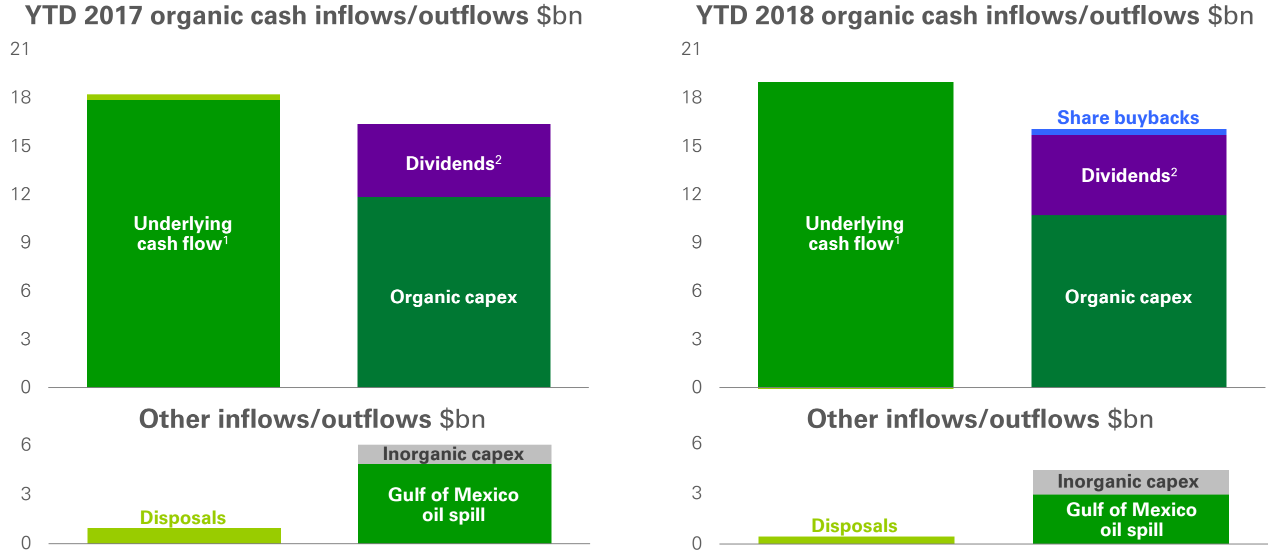
BP's third quarter underlying replacement cost profit increased to $3.8 billion, compared to $1.9 billion a year ago and $2.8 billion in the second quarter of this year.

Compared to a year ago the result benefits from significantly higher Upstream liquids and gas realisations, higher production from major project ramp ups and an increased contribution from Rosneft. In the Downstream, the benefits of higher crude differentials were more than offset by lower industry refining margins and higher turnaround activity.

Compared to the second quarter, the result benefits from higher Upstream liquids and gas realisations, a stronger supply and trading result and an increased contribution from Rosneft. It also benefits from strong operational performance in refining and petrochemicals, higher fuels marketing performance and a lower effective tax rate.

The third quarter dividend, payable in the fourth quarter, remains unchanged at 10.25 cents per ordinary share.

Sources and uses of cash



(1) Underlying operating cash flow is net cash provided by/(used in) operating activities excluding post-tax Gulf of Mexico oil spill payments
(2) Cash dividends paid

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

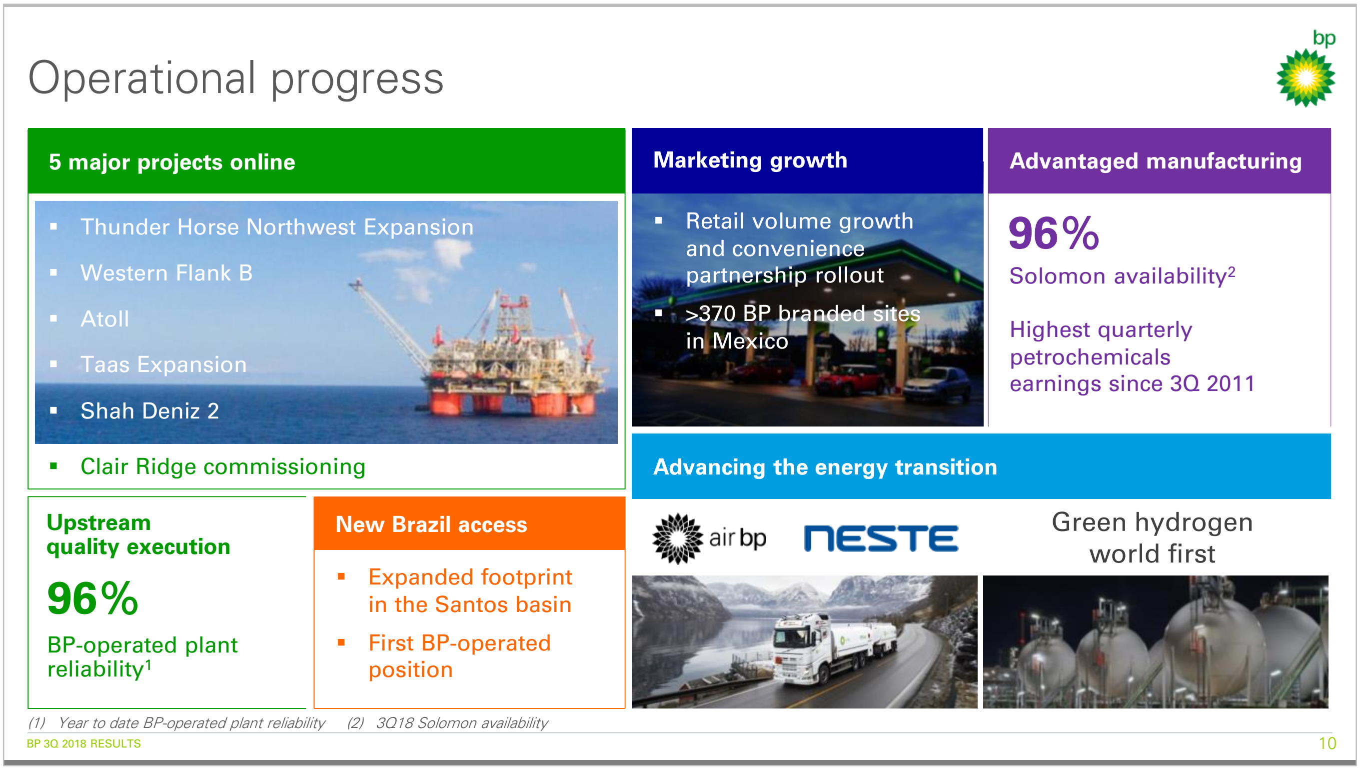
Excluding oil spill related outgoings, underlying operating cash flow was $19.0 billion for the first nine months, of which $6.6 billion was generated in the third quarter. This included a working capital build of $1.1 billion for the first nine months, of which $700 million was in the third quarter.

Organic capital expenditure was $3.7 billion in the third quarter and $10.7 billion for the first nine months of 2018. Our organic free cash flow surplus was $3.0 billion in the first nine months of 2018.

Turning to inorganic cash flows. In the first nine months of 2018 divestment and other proceeds totalled $400 million, we made post-tax Gulf of Mexico payments of $2.9 billion and inorganic capital expenditure was $1.5 billion, including an initial deposit paid to BHP of $525 million.

And gearing at the end of the third quarter was down to 27.5%.

We have also remained active in our share buyback programme, and bought back 48 million ordinary shares in the first nine months of 2018, at a cost of $340 million.



Now to operational delivery, where we continue to make good progress.

In the Upstream, our focus on quality execution is delivering strong operating performance, with operated plant reliability at 96% so far this year.

We continue with the delivery of major projects, successfully starting up the two most recent projects ahead of plan.

The Thunder Horse Northwest Expansion project in the Gulf of Mexico came online four months ahead of schedule and 15% under budget. The project, which achieved first oil 16 months after sanction, comprises a new subsea manifold and two wells tied back to the existing Thunder Horse platform. This has brought forward valuable barrels and demonstrates our strategy in action of growing advantaged oil.

The Western Flank B project in Australia came online under budget and well ahead of its scheduled 2019 start up. The project consists of an eight well subsea tie back to the existing Goodwyn A platform.

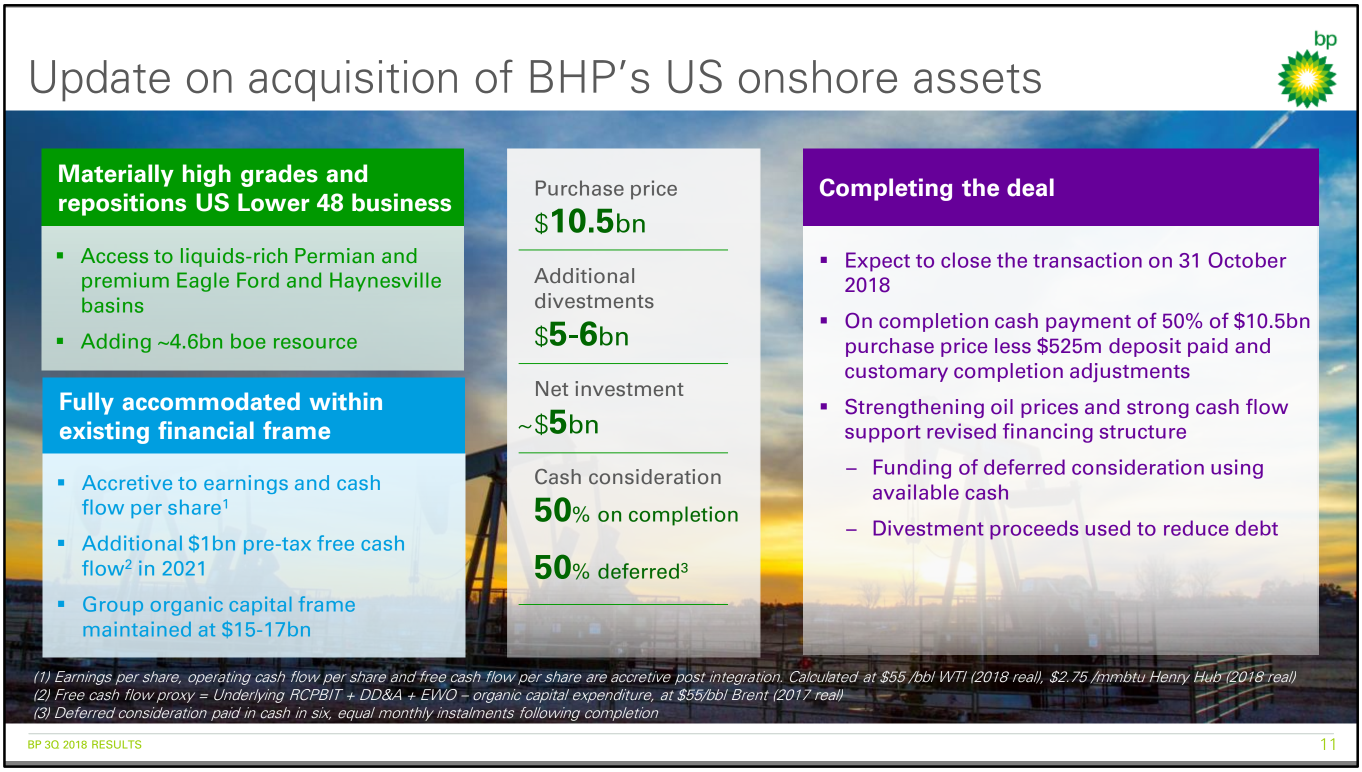
So far this year we have delivered five major projects. Our remaining operated projects, Clair Ridge in the North Sea, which is in the final stages of commissioning and the next phase of West Nile Delta in Egypt, remain on track for start up in the fourth quarter.

In September, BP accessed new acreage in the prolific Santos basin, offshore Brazil, by winning the license for the Pau Brasil block. This represents BP's first operated position in the Santos basin.

In the Downstream, we continue to make good strategic progress. In manufacturing, Solomon refining availability for the quarter stood at more than 96%, the highest in 15 years. And Petrochemicals earnings were the highest since the third quarter 2011.

In fuels marketing we continue to grow retail volumes and roll out our convenience partnership model which is now in around 1,300 sites across the network. In Mexico we now have more than 370 BP branded sites.

And, we continue to look for ways to provide lower carbon products to our customers and reduce emissions in our operations. The Air BP business recently entered into an innovative collaboration with Neste, a leading renewable products producer, to secure and promote the supply of sustainable aviation fuel. And our Lingen refinery in Germany recorded a world first, piloting the use of green hydrogen in the production of fuel.



Before I turn to our guidance and outlook, let me take a few minutes to update you on the status of the BHP transaction announced on the 26 July.

The acquisition of BHP's assets in the liquids-rich Permian-Delaware basin, and the two premium positions in the Eagleford and Haynesville basin, transforms our position as a Lower 48 producer.

The transaction is expected to create significant value, through the combination of a world-class portfolio of oil and gas assets with BP's competitive Lower 48 operating model. Through the sources of value identified, this deal will be accretive to earnings and cash flow per share post-integration. It is also leveraged to price upside, which we are benefitting from at the moment, above the $55 per barrel WTI price assumption that underpinned the purchase price.

Over the past couple of months, the team has been working closely with BHP, and we expect to close the transaction tomorrow. On completion we will make a cash payment of 50% of the $10.5 billion consideration, less the deposit of $525 million paid in July and less customary completion adjustments.

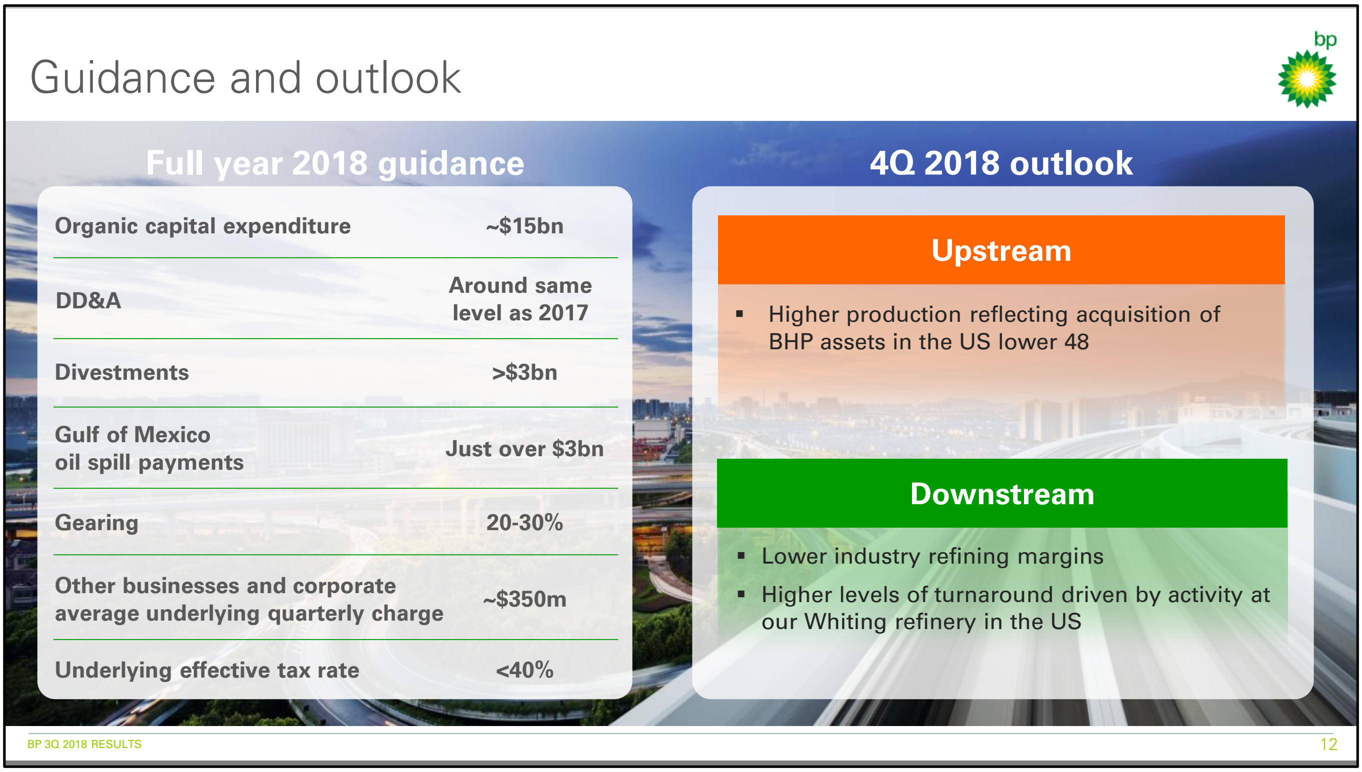
When the transaction was first announced, our intent was to fund the total consideration through a combination of cash and equity. The 50% cash payment was due on completion, with the remainder deferred and payable over six, equal monthly instalments, funded through the issuance of equity over the same period. An additional $5-6 billion of divestments were expected to fund up to an equivalent level of share buybacks to offset the equity issuance.

Since we announced the deal in July, oil prices have strengthened, and our businesses have continued to deliver strong underlying cash flow within a disciplined capital frame. Our cash cover ratios also remain strong. Taken together, and assuming oil prices stay firm around today's levels, we would now expect to finance the remaining deferred instalments using available cash. This simplifies the transaction, removing the equity issuance and the related dilution and friction costs that would have arisen. In this case, proceeds from the additional $5-6 billion divestment programme would be used to reduce debt, given we would no longer be issuing equity.

Our commitment to fully accommodate this transaction within our existing financial framework, remains unchanged. A full cash transaction may move gearing to the top end of, and potentially temporarily above, our 20-30% band in early 2019. We would then expect gearing to move back down towards the middle of the band by the end of 2019, in line with the generation of free cash flow and receipt of disposal proceeds.

We will continue to focus our existing share buyback programme on offsetting dilution from the scrip dividend over time. As stated when we restarted this programme at the end of 2017, the pace and shape of these buybacks will reflect the ongoing judgement around several factors, and may not necessarily match the dilution on a quarterly basis. However, assuming the BHP transaction is funded using cash, we would now expect to fully offset the impact of scrip dilution since the third quarter of 2017 by the end of next year.

We continue to expect to accommodate the acquisition within our medium-term organic capital frame of $15-17 billion, and our guidance on returns remain unchanged.



Before I summarise, and as we look ahead, let me remind you of our guidance for the full year, and the fourth quarter.

For the full year:

- We expect organic capital expenditure to be around $15 billion;

- Divestment and other proceeds in 2018 are expected to be over $3 billion. As noted in the second quarter, this excludes proceeds from the divestment package we announced with the BHP transaction;

- The total DD&A charge is now expected to be around the same level as 2017;

- Gulf of Mexico oil spill payments are expected to be just over $3 billion for the year; and

- Our balance sheet remains strong and we expect gearing to remain within the 20-30% band in 2018;

- In Other Businesses and Corporate the underlying quarterly charge is expected to average around $350 million; and finally

- In the current environment, the underlying effective tax rate is now expected to be lower than 40% reflecting an increase in equity-accounted income from Rosneft and other portfolio mix effects.

Looking specifically at the fourth quarter, we expect Upstream reported production to be higher than the third quarter, with the addition of BHP assets in the US Lower 48. In the Downstream, we expect lower industry refining margins and we also expect higher levels of turnaround driven by activity at our Whiting refinery in the United States.

Growing free cash flow and returns

Cost and capital discipline

Organic capital expenditure $15-17 billion

Growing distributions

Progressive dividend / share buybacks

Competitive returns

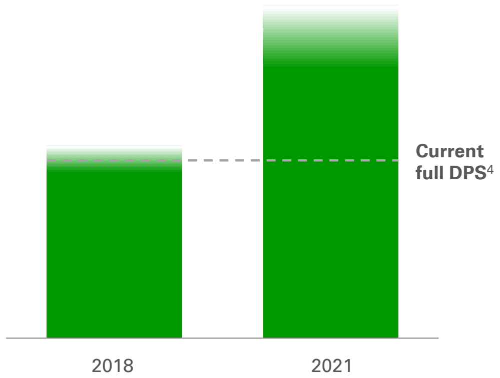
ROACE >10% by 2021 at $55/bbl[1]

Reducing oil price breakeven

~$50/bbl in 2018[2] and $35-40/bbl by 2021

Organic free cash flow per share[3]

Brent price $50-55/bbl real



(1) Brent oil prices 2017 real
(2) Operating cash flow excluding post-tax Gulf of Mexico oil spill payments less organic capital expenditure and the full dividend
(3) Organic free cash flow: operating cash flow excluding Gulf of Mexico oil spill payments less organic capital expenditure. In USD cents per ordinary share, based on BP planning assumptions
(4) DPS: dividend per ordinary share at current dividend rate of 10.25 cents per share per quarter

Let me summarise.

With the delivery of another set of strong operational and financial results, we approach the end of the year as we started it – with momentum and a clear focus on the disciplined execution of the strategy we laid out almost two years ago.

Across the businesses, we remain focused on safe and reliable operations, with high levels of availability and reliability enabling us to capture the benefits of an improving price environment this year. We are also making tangible progress across the Upstream and Downstream in delivering our strategic milestones – we are near completion of the BHP transaction, have recently started up two major projects in the Gulf of Mexico and Australia and continue to grow our fuel retail network, notably in Mexico.

This is all feeding through to strong underlying growth in earnings and operating cash flow. We continue to expect the organic cash breakeven for the Group to average around $50 per barrel on a full dividend basis in 2018. As we laid out last year, operating cash flow is expected to continue to grow at an oil price of $55 per barrel real and, together with the continuing focus on capital discipline, to drive growing free cash flow.

Taken together, all of this supports our commitment to growing distributions over the long-term, as evidenced by the dividend increase we announced in the second quarter, as well as our ongoing share buyback programme. It also creates optionality for us to high-grade our portfolio, as seen with our recent BHP transaction, enabling us to drive competitive and improving returns across the business.

We are looking forward to seeing many of you at our Upstream investor event in Oman, where we will go into a lot more detail on strategic progress and the future opportunities in the Upstream. Thank you for listening, and with that we'll now handover to questions.

Q&A

Brian Gilvary

Chief Financial Officer

Craig Marshall

Head of Investor Relations

BP 3Q 2018 RESULTS

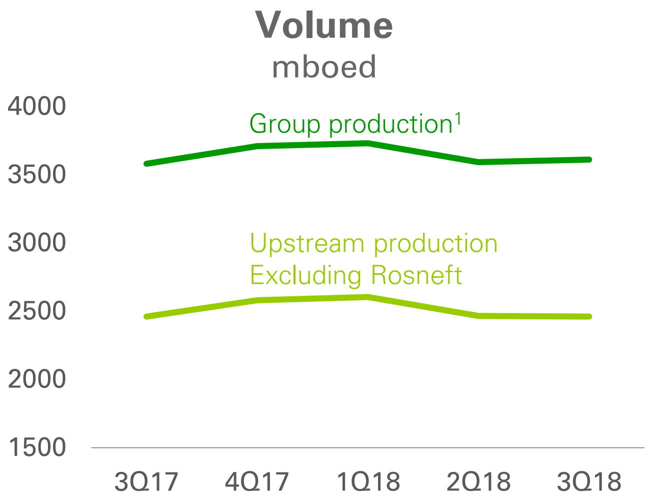
Appendix

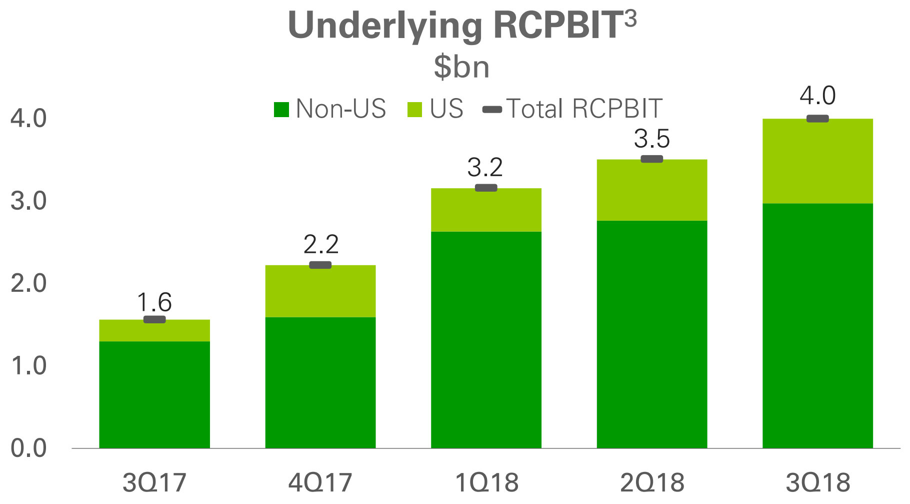
3Q 2018 summary

$bn	3Q17	2Q18	3Q18	% Y-o-Y	% Q-o-Q
Upstream	1.6	3.5	4.0		
Downstream	2.3	1.5	2.1		
Other businesses & corporate	(0.4)	(0.5)	(0.3)		
Underlying business RCPBIT[1]	**3.5**	**4.5**	**5.8**	**65%**	**29%**
Rosneft[2]	0.1	0.8	0.9		
Consolidation adjustment - unrealised profit in inventory	(0.1)	0.2	0.1		
Underlying RCPBIT[1]	**3.5**	**5.4**	**6.7**	**91%**	**24%**
Finance costs[3]	(0.4)	(0.4)	(0.6)		
Tax	(1.2)	(2.1)	(2.2)		
Minority interest	0.0	(0.1)	(0.1)		
Underlying replacement cost profit	**1.9**	**2.8**	**3.8**	**106%**	**36%**
Adjusted effective tax rate[4]	40%	42%	36%		
Underlying operating cash flow[5]	**6.6**	**7.0**	**6.6**	**0%**	**(6%)**
Underlying earnings per share (cents)	**9.4**	**14.1**	**19.2**	**103%**	**36%**
Dividend paid per share (cents)	**10**	**10**	**10.25**	**3%**	**3%**
Dividend declared per share (cents)	**10**	**10.25**	**10.25**	**3%**	**0%**

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

Upstream





Realisations[2]	3Q17	2Q18	3Q18
Liquids ($/bbl)	47	67	70
Gas ($/mcf)	2.9	3.7	3.9

3Q 2018 versus 2Q 2018

- Higher liquids and gas realizations

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

Downstream

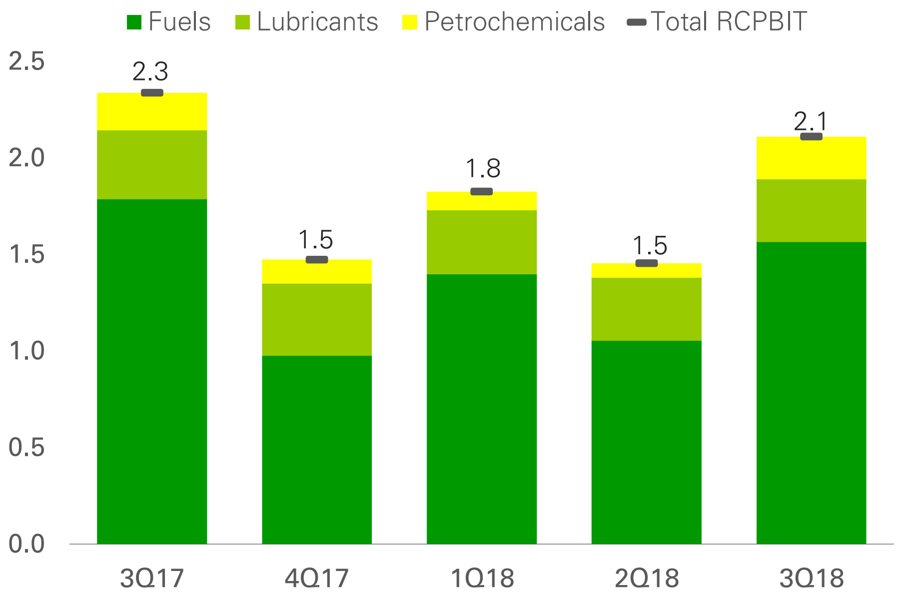
96%
Refining availability
2Q18: 93%

Refining environment	3Q17	2Q18	3Q18
RMM ($/bbl)	16.3	14.9	14.7

3Q 2018 versus 2Q 2018

- A strong supply and trading performance following a small loss in the second quarter
- Strong operations in refining and petrochemicals
- Wider WTI-WCS spread, net of pipeline apportionment
- Higher fuels marketing performance

Underlying RCPBIT[1]
$bn

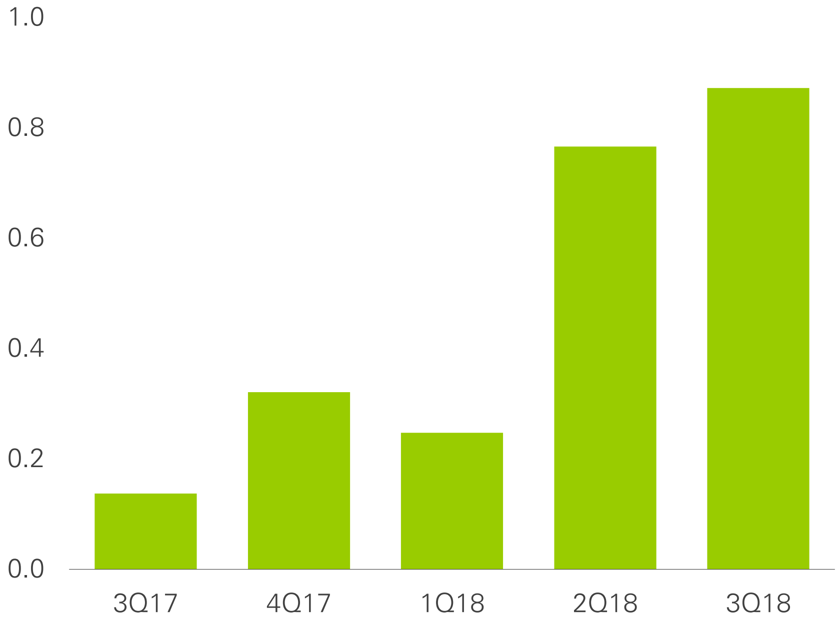


(1) *Replacement cost profit before interest and tax (RCPBIT), adjusted for non-operating items and fair value accounting effects*

Rosneft

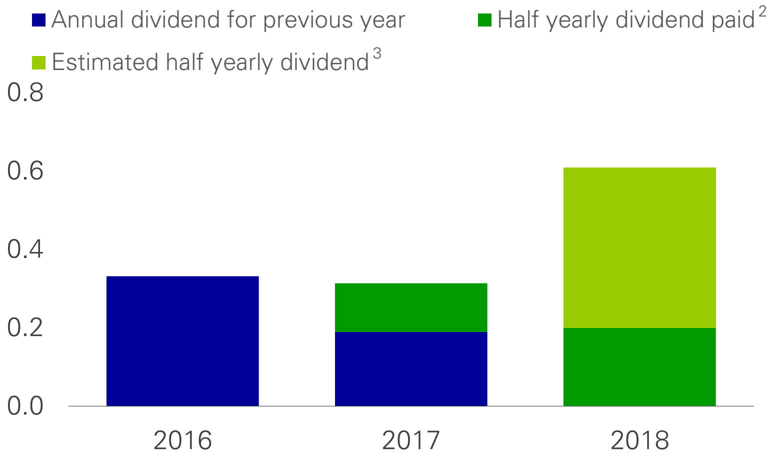
BP share of underlying net income[1]

$bn



BP share of Rosneft dividend

$bn



1.2mmboed

BP share of Rosneft production

(1) *On a replacement cost basis and adjusted for non-operating items; 3Q18 represents BP estimate*
(2) *Half yearly dividend representing BP's share of 50% of Rosneft's IFRS net income*
(3) *Estimate of half yearly dividend related to 1H18 representing BP's share of 50% of Rosneft's IFRS net income expected to be paid in the fourth quarter*

The BP proposition

Safer — Safe, reliable and efficient execution →

Fit for the future — A distinctive portfolio fit for a changing world →

Focused on returns — Value based, disciplined investment and cost focus →

Growing sustainable free cash flow and distributions to shareholders over the long-term