bp 3Q 2020 results webcast: Q&A Transcript

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Q&A TRANSCRIPT

Craig Marshall: Okay. Thank you again to everybody for listening. We're going to turn to the Q&A session. Again, the usual reminder you'll have from me, please limit your questions to no more than two per person, so everybody gets a chance to ask. And on that note, I think we'll take the first question from Lydia Rainforth at Barclays. Lydia, good morning.

Lydia Rainforth (Barclays): Thanks. And good morning, Craig. And good morning team. Two questions, if I could. The first one, Bernard, just picking up on the question about delivery and you gave lots of examples there. Can you just point us to what things over the next six months that we should really be thinking about in terms of what you see as the key delivery points? Because obviously there's been a lot of things changing, so just those key deliverables for the next six months.

And then secondly, on the Downstream side and the customer product side, obviously quite an impressive performance there. One of the things I was reflecting on from the strategy presentation was that when I'm looking at that EBITDA number and how you see it doubling, it doesn't seem that the starting point stays where it is, and that's despite some fairly aggressive assumptions of volumes coming down and oil demand coming down. So, can you just talk about how comfortable you are that that starting point can stay where it is and that provides a base to build on? Thanks.

Bernard Looney: Hi, Lydia. Good morning. Good to hear your voice and thanks for joining us. On the first question, maybe I'll take that one and Murray, if you could take the question around the customers and products part of the business. Lydia, I think it’s just worth the emphasis on delivery. It's probably just worth doing a quick recap of what we've been up to this year and how things have been moving along. We're doing exactly what I think we laid out in February of this year. And we started off by saying that bp was, I felt, out of step with parts of society, out of step with parts of our employees and out of step with many shareholders – shareholders begging us to give a reason why they could advise their clients to invest in the company.

And I think it's very hard to be a long-term successful company when you're out of step, and we said that back then. And we spent eight months working on that part of the story, involved a lot of outreach, engagement, messaging, dialogue, media, listening, talking to the UNFCCC, to Greenpeace, to Christiana Figueres, Nigel Topping, whoever, all sorts of different people. And I think we've made some great progress actually, and it feels much better. And we're able to get so much more out of being part of the solution and being inside the tent. Tony Hayward used to tell me it's really important to be inside that tent. And of course, that's led to deals with Microsoft who have their own net zero ambition; Uber who've got their net zero ambition; Aberdeen and Houston around net zero. So being part of the solution has, I think, taken some work over the last eight months and brought some real dividend.

Secondly, of course, we've had to develop a new strategy. That's involved a lot of hard work. And thirdly, we've been reinventing the company. 2,800 people gone; 10,000, the majority of which to go by the end of the year. And you heard me talk about the delayering, 50% the organisation now within five layers of my role versus 20% before.

But with much of that work out of the way, you'll hear me speak increasingly about something else we said in February, which is we need to perform while transform. And we haven't been talking as much about that because we've been talking about these other things, but the reality is the entire organisation has been focused on that performance and we've been doing it quietly. And I hope you've seen that in the delivery of the business this quarter.

So, going forward to your question, what is important, what is important for us going forward is, is two main things. Number one, we must deliver operationally. And number two, we must deliver strategically. That is what we are about. Operational delivery is about three more projects to come online by the end of the year. Operational delivery is about taking more cost out of the system, down 11% year to date, but we've got $2.5 billion by the end of next year and importantly, $3-4 billion out by 2023. That's what operational delivery is. It is about running those plants reliably. It's about running the refineries well. It's about the basics of running a good business.

Strategic delivery is about making sure that we progress on our milestones. A small example is the signing of the charging point deal with Police Scotland. A larger example is the Equinor deal in offshore wind, but we have to make sure that we're doing organic and some smaller inorganic moves that demonstrate that there is value – that the value proposition that we laid out right across the growth piece, not just in low carbon, but also in consumer and mobility, that that's there. And we have to prove that to the market. And that's what we're very focused on.

So, the next six months, and, indeed, the next six years are about operational delivery, number one. And importantly, safety being absolutely core in that, making sure we don't have an accident. And number two, it's about strategic delivery. I hope that helps.

Murray on the Downstream or on the customer and products, I should remind myself.

Murray Auchincloss: Yes. Thanks Bernard. Hi, Lydia. Nice to talk to you. If you think about what we said on 4th August and then September, the starting point for all of our targets on EBITDA was the last two quarters of 2019 and the first two quarters of 2020. That was the starting point to try to give a blend of pre and post COVID. Are we back to that already? Well, we might be doing better actually. When you take a look at our results in detail this quarter, two things I'd highlight. First of all, Castrol. Castrol's profits for the quarter, as we've disclosed, are back to pre-COVID levels. And that's coming out of the strength of China, where some outside people are saying China's back to 4.9% growth in GDP. We're seeing that come through the results. So Castrol's back to historic performance. So I think that's very good.

And probably the one that's even surprising us with its strength is on the Fuels side, both convenience and fuels. We had the best quarter in seven quarters in 3Q, despite the fact that volumes are down by 15% globally. And that's out of the strength of our convenience business, same-store sales up 3-4%; just magnificent performance from the teams.

So I think, Lydia, that baseline we used, you can think of pretty confidently now. And we look forward to an awful lot of growth in the future.

Bernard Looney: And I think if I could just add, I think hopefully it reinforces the emphasis that we've placed on customers and products in the presentation and in our strategy - a key plank of the strategy. And I think there can be no greater proof point that in the third quarter of 2020, when the world is still suffering from an incredible pandemic, that we had our best quarter in seven quarters in that part of the business.

So I think, if people want proof points and evidence, I think that's probably as good a proof point as we can get. So hopefully that helps, Lydia.

Lydia Rainforth: Thank you very much.

Craig Marshall: Okay. Thank you, Lydia. We'll take the next question from Christyan Malek at JP Morgan. Christyan.

Christyan Malek (JP Morgan): Hi guys. Thanks for taking my questions. And what has been a very resilient quarter and what is a horrific macro backdrop. Two questions. I know we've addressed this at different points at the CMD, but first on buybacks. With net debt now at around $40 billion and expect a further fall in Q4 with disposal proceeds, et cetera, and hopefully the operational environment improves, how committed are you to returning the surplus cash to shareholders once you get to sub $35 billion net debt target is reached. And I say that within the context of potentially other competing demands such as higher capex or investments in low carbon.

And the second question is around low carbon business build-out and I know we've, again, address this. But this organic versus M&A approach, you've talked about the strategic partnership with Equinor as a point of progress during the quarter, and looking forward, how dependent are you on M&A in creating the pipeline to support the 50 gigawatt target? And are there specific sub-markets within low carbon that may benefit most from M&A in terms of achieving critical mass more rapidly? Because I think that last point on speed and scale feels to me as the area that potentially we get push-back on in materiality, within the context of their overall portfolio. Thank you.

Bernard Looney: Very good, Christyan. Thank you. Good to hear your voice. I will try and tackle the low carbon question with some help from Murray just to lead on the buybacks and Murray will give some detail.

I think the answer to your question around commitment is we are absolutely committed. And I think we put a lot of work, as you would expect of us, into our financial framework. And we have very deliberately ordered the priorities in that financial framework and those uses of funds in the way that we have, one through to five, starting with the dividend, and of course ending with when there is surplus cash – and we have phase one and phase two, when there is surplus cash, a commitment to buyback. So, I would just encourage people to go back to that financial framework. The ordering is important, it's there for a reason and we intend to follow it.

Murray, anything you'd like to say beyond that?

Murray Auchincloss: No, inside the company, guys, we literally follow one, two, three, four, five. So, whatever the surplus cash is, it first gets dedicated towards paying our resilient dividend. Next, we use it to reduce net debt, a very strong step in the quarter despite brutal conditions. Third, transition capex, as we've talked about. Fourth, spend and resilient hydrocarbons. And then, as Bernard said, at least 60% of any surplus will be dedicated towards share buybacks once we've hit that $35 billion and that's a firm commitment.

Bernard Looney: Very good, great. Christyan, on your question on low carbon build-out. Again, just remind people, we have in gross terms, and you can effectively divide by two for net, so we have a gross pipeline of about 20 gigawatts. We have a further series of options of 21 gigawatts. We're confident in our ability to hit the target of 20 gigawatt net by 2025.

In answer to your question around M&A, organic versus inorganic, what I can tell you is that the first thing I would say is that partnerships will be a factor, a key factor in this build-out, quite frankly, just like it is in the traditional oil and gas business. We partner all around the world today in oil and gas and partnerships will be no different as we look to build out our low carbon position.

The second thing that I would say is that it will be a mix of organic and inorganic. Organic might look like bidding on a license round. If there's an offshore wind license round, what you will see over the coming six months probably, you'll see us bid. We'll do that in partnerships. We'd consider that as sort of an organic build-out and we'll always look at inorganics as well. But I can tell you right now that there is nothing on a material level that is front and focus on our mind today.

And thirdly, and I think most importantly in all of this, is that whatever we do, we will be focused on that key value metric of that 8-10%. And quite frankly, if we can't get it, we won't do it. But clearly we've done some homework and are confident in our ability to deliver that 8-10%. We wouldn't have said it otherwise, but investors should be very clear that if it's not achievable, it's a deal that won't get done.

And I think some of you will have heard Nick Boyle from Lightsource bp recently, last week I think, or this week, speak about the fact that we've already achieved 8-10% and more on 17 – I think he might've even said 18 or 20 projects in Lightsource bp. And I think over time, our intention is to give you more visibility and transparency into that so that you can start to have the confidence that we have that these returns are not dream-like, that they're actually returns that we achieve.

So, our job is to provide more transparency on that and we will as we head into next year. But it'll be a mix, in answer to your question. Murray, anything to add?

Murray Auchincloss: Just the mix of organic and inorganics are both included inside our capital frame as well, Christyan. We talked about a capital frame of $13-15 billion until we hit net debt of $35 billion. And then we talked about expanding to $14-16 billion, including both organics and inorganics. So, I just wanted to be clear on that.

Craig Marshall: Thanks. We'll take the next question from Jon Rigby at UBS, Jon.

Jon Rigby (UBS): Yeah. Hi guys. Thanks. Two questions. The first is I think for Murray, can you just walk me through and unpick the tax commentary a little bit? I do have an accounting background, but I found it very difficult to work it out. So, I'm particularly interested in the higher tax rate, given the higher contribution from the Downstream. And if you can then maybe talk about how we should be relating tax charge to cash tax as well. I think there's some commentary around deferred tax changes or going back and looking at some of the deferred taxes, if you could help me with that.

The second is just to revisit the restructuring. I'm struck by a relatively low charge to date. I think it's about $200 million for restructuring, and I think you talked about quite a big number of people leaving payroll by end of year. So, should we expect an additional restructuring charge and cash-out in 4Q when we think about P&L and cash flow. Thanks.

Bernard Looney: Very good, Jon, thank you. Good to hear your voice. Murray is very glad that he started out his career in tax, so I hope that he's going to be able to explain that one relatively easily to you. I didn't, by the way. On the restructuring, I think the charge in the third quarter was $450 million. And we guided to a charge in total of $1.4 billion for the entire restructuring. I think you'll find that's a bit more in line with the numbers that we've given around people in the organisation. Not all the 10,000 we'll leave by the end of the year. We said the majority will leave by the end of the year. And that's what we're working on right now. So, that's all I would say on that.

I think the process is going well. It's obviously a difficult time for our people as they find out in the next several weeks, whether they have a job or not. But our intention – and this is very important now, as we head into next year, our intention is to turn a real leaf in the book, so to speak, over the Christmas period and move out of a period of restructuring and into a period where people know they have a job, we know what our priorities are, and we continue to execute as we have.

So there are the numbers that I have, that I hope make a bit more sense. Murray, on tax.

Murray Auchincloss: Yeah. If I could just add on the restructuring. So $500 million accrued today, Jon, the majority of the cash flow will be in 4Q and 1Q. And you'll see a larger accrual towards the $1.4 billion in 4Q once we're clear on the plans.

On tax, thanks, Jon, for the question, that puts a smile on my face. I'm going to try to dumb this one down, if you don't mind. It's how I try to think about tax. We have a base load of tax that you have to accrue and pay in some nations around the world in the historic Upstream that no matter what the price is, you get a charge. And that's what you see happening in places like Abu Dhabi and Egypt, et cetera.

So, you've got this fixed amount of tax that's paid through the system, no matter what. While that's happening, the rest of the profitability of the business can move up and down quite substantially, as you see, as we've gone through the second quarter and the third quarter. So trying to provide guidance when you've got a relatively fixed amount coming in some nations, and then you have the rest of the business gyrating around with various different tax rates around the world, it's almost impossible to predict what the effective tax rate will be. So, I think as we're in this low price world right now, I'd expect a relatively fixed amount of payment in these nations. And as the macro environment is difficult, that can start to lead to higher effective tax rates, which is really what you're seeing in the quarter. I wouldn't want to try to get into much more detail than that because then I start needing to talk about differences between segments and differences between different countries.

So I hope that helps Jon on effective rate. Cash tax rate. Over the long-term, you know cash tax rate equals effective tax rate. As you would expect, as we build up losses, the cash tax rate on an underlying basis will be lower because you have losses coming through. And the only exception to that one is where you have big transactions where you divest and you get a tax bill on divestment for cash tax.

So I hope being a former accountant, that helps you a little bit. And of course, we're moving to post tax reporting next year. So hopefully we all get a few less grey hairs trying to understand that then.

Bernard Looney: Thanks Murray. Thanks, Jon. Unfortunately, when he said dumbing it down, he looked immediately at me, but we'll move on from that. Craig.

Craig Marshall: Thanks, Jon. We'll take the next question from Roger Read at Wells Fargo. Bright and early, Roger, over to you.

Roger Read (Wells Fargo): Yes, not very bright over here, but been definitely very early. Thank you. Good morning. Or afternoon, as maybe I should say, I'm not even certain at this point. I just would like to come back on the balance sheet and the net debt question. I understand $35 billion net debt. And then you would look to buy back shares. I'm guessing as you think about it, you've got to have a couple of things. One, a longer-term total debt number you'd like to get down to so that you're not always bouncing around the $35 billion; but secondarily, how much extra cash do you have? Do we think about it as $35 billion net debt after you've dedicated some capital towards share repurchases? Or maybe help us a little bit with the trigger because we're going to be getting close here over the next couple of quarters. And I think that would really be the point that that would help us with clients, understanding some of the commitment here to return capital to shareholders.

And then my second question was just going to be on the global gas outlook. We've seen some real improvement in the spot market, but there's a lot of capacity offline, just how you're thinking about that into the winter time.

Bernard Looney: Good Roger. Thank you. Murray will help me with specifics on the balance sheet. I mean, I think just reminding ourselves of the framework and the framework has a two-step process in it. The first is that we get to that $35 billion, that is step number one. And we're very clear that once we are in a positive cash situation, positive free cash, having achieved a net debt position of $35 billion, we then move into that buyback commitment. Beyond that, of course it isn't about $35 billion specifically. It's about maintaining an investment credit grade and that becomes our medium to longer term objective.

Murray, anything you wish to comment on in terms of timing to help Roger?

Murray Auchincloss: Yeah, on timing. I mean, right now, I would say the business is performing really well. Costs are coming down, capex efficiency is good, new projects are coming online. And as Lydia said, or Lydia asked about earlier, we have some material, new projects that are fixed price that are coming online soon with Ghazeer ramping up and then Raven in Egypt coming online. So, those are very material projects that will increase the cash flow into the business.

So, operationally, I feel we're going in a very good direction to drive towards that $35 billion of net debt. Of course, then we have the divestments, the Petchem divestment. We remain confident that we'll complete that by year end. And there'll be more divestments we might announce over time. We'll see; if we get some value, then, then we'll pursue those.

What the glide path is to net debt then depends on the environment and the environment is super hard to call. I'm sure all of you feel that way yourselves. I would expect we'll move into buyback territory somewhere around 4Q 2021, 1Q 2022, somewhere in there, based on a $45-50 environment. It's hard to call what that environment is but remember RMM and gas all play into it. So I think that's what I'd add to that one.

Do you want to answer the gas question, Bernard?

Bernard Looney: I think we'll answer it together. I think we've always thought that the US is an anchor point for global gas prices. Gas supply in the United States is down materially. I think Roger will know that better than any of us; used to be around 95 BCF, is down at 86 BCF. It's levelling off probably a little bit right now. But you are beginning to see exports on the rise. LNG and pipeline gas rigs are very low. I think 87 rigs, the last count I saw. So, you are seeing one of the bright spots in the environment and one that we are pretty well-positioned, Murray, to take advantage of is gas prices, heading to over $3 per mmbtu next year. And that's causing prices to rise in Europe and in Asia. And I think up to $5 or $6 and $7 and $8 from memory.

And we've got a fantastic position in the Haynesville in the United States, probably one of, I think, the premium gas resources in the United States; proximity to market, high pressure wells. And you'll see us increasing activity there, taking advantage of the situation. The Southern Gas Corridor is 100% mechanically complete; an extraordinary project that the company, with its partners, has completed over the last several years. And that should begin production before the end of the year, with gas from the Caspian into Europe. And nice to see that entering a bit of a strengthening market. And obviously we've got a strong position in Trinidad and with our business in Tangguh in Asia.

So, gas is a bright spot in the environment right now. And I think it's one that we're pretty well positioned to take advantage of.

Murray, anything to add?

Murray Auchincloss: Perfect. Nothing to add.

Bernard Looney: Roger thanks for being up so early too, and it's morning here still. Well, it's almost 10.00 am now, so time for another cup of coffee for both of us. Thanks, Roger.

Roger Read: Thank you.

Craig Marshall: We'll take the next question from Irene Himona at Societe Generale.

Irene Himona (Societe Generale): Thank you. Good morning. I had a couple of questions. First of all, if you can talk, Murray, about two Q3 numbers. One is the OB&C $130 million charge was materially below your guidance for $350 million. And the other one is the deepening losses in Q3 at Rosneft.

And my second question, working capital. Can you talk about what you anticipate will happen in Q4, please, following the release in Q3? Thank you.

Bernard Looney: Irene, thanks very much. It's lovely to hear your voice too, hope you're well. Of course I'll have Murray address both working capital. Of course, we saw a big build in the beginning of the year, and we're seeing a bit of that unwind now. So Murray, OB&C and Rosneft and working capital. Thanks.

Murray Auchincloss: Thanks boss. So let's start with OB&C. We had some gains on some of the ventures entities that we hold inside OB&C that offset the normal $350 million a quarter run rate, so those are some gains inside that portfolio. That gets effectively marked-to-market each quarter. I'll let you guess which one that was.

On Rosneft, the results are highly influenced by foreign exchange losses on debt. Rosneft will report more about that on their quarterly reports. I'm not sure Craig, when those are coming out, but you should you'll hear more from Rosneft when that occurs. I think the underlying business is running as expected and they just had some FX losses on debt. We'll see what happens in the future on that.

And then our working capital, we did have the big build in 1Q. We've had a release in 2Q, we've had a release in 3Q. What happens in 4Q, there might be a slight release. An awful lot of the working capital that remains tied up, sits in refineries. And the refineries are not running at full capacity. You guys know about all the products that's stored around the world. So, I would expect a gradual unwind in that as opposed to a fast unwind in that, unless we see a big demand response post-COVID in different geographies. So I think it will be a slow release from here.

We of course have German MOT to think about in 4Q as well, that will be on your mind. And we of course have payments for severance coming out of the reorganisation that you'll have to keep in your mind as well, as you look at it. I hope that helped.

Irene Himona: Thank you.

Craig Marshall: Thank you. We'll take the next question from Lucas Herrmann at Exane. Lucas.

Lucas Herrmann (Exane): Yeah, thanks very much Craig. And morning Bernard, morning, Murray. I just wanted to move to the US for a moment and a couple of questions. One related to the election and just whether you had any observations you'd care to make around drilling, federal land, potential impact given a change in president.

And the second, clearly a lot of consolidation activity at the present time. And to the extent that some of your peers, I guess, gain competitive strength or certainly buying power through this position, to what extent – well, I guess two questions come from it actually. Firstly, how do you think about your own position in the context of opportunity to add acreage, opportunity to move? And secondly, to the extent that your relative position I guess, is undermined as others become larger, how do you think, how do you offset, how do you react? That was it, gents, thanks.

Bernard Looney: Lucas. Good morning. Thanks for the question. Murray, I'll get your comments on the consolidation question. On the US election Lucas, we avoid politics, as you would imagine. All around the world, we work with different governments over different periods of time. You look in Egypt, we've been in Egypt for 55, 56 years, and we've been through all sorts of changes in that country over that period of time. And what we do is we stay out of politics and we focus on what is good for the country and good for the people of that country. And in Egypt, for example, that has been the provision of energy. The United States is no different to that. We're not politicians, we work with whatever government is in power. It's a week away, and we'll see when we have a result and we'll be working for the next 10, 20, 30 years, I have no doubt, in the United States with whoever is in power. So, I don't think it's helpful to add any more than that.

Lucas Herrmann: Yeah, it wasn't for you to express a view on president. It was more if there will be constraints on drilling on federal land. I have little idea, forgive me, of the proportion of your business that may be exposed to changes if we were to see such. So, it was really a comment there, I don't expect you to give me a political view.

Bernard Looney: I know you don't. No, I think we would be very little impacted by a change in that. That would not impact bp materially at all were that change to be enacted. Murray?

Murray Auchincloss: No federal acreage inside BPX[1]. On consolidation, yeah, very active. The market's very active there, Lucas, as you can see, we're quite happy with the position we have. BPX continues to do a great job, costs continue to come down. The reservoirs continue to look better. We had some great wells recently drilled in the Permian that were coming in three times expectations so that's super. I think most interestingly, there's been an awful lot of deflation in the sector, especially on the capital side, as activity levels have dropped so much. And I would expect from consolidation that you'll have less activity in the future than we were thinking about when we invested on that.

So for our part, we have very material positions in the Haynesville and Eagle Ford basins on the gas side. And of course, in the Permian and the different bit of the Eagle Ford on the oil side. And as the environment bounces back, we'll invest more into that. It's really untouched acreage in many spots. It's probably the last untouched acreage across all those basins. And so it's a tremendous opportunity for us to go into reservoirs that haven't been touched before and start to develop them.

So really pleased with our position and we're just looking forward to exploiting it over time.

Bernard Looney: And as you say, Murray, there's a real possibility that consolidation will drive further costs down in the sector. So we'll take advantage of that, Lucas. Thank you for your question. Good to hear your voice, as ever. Craig?

Craig Marshall: Yes. We'll take the next question from Thomas Adolff at Credit Suisse. Thomas?

Thomas Adolff (Credit Suisse): Good morning guys. Two questions from me as well. The first one on acquisitions and disposals, and the question should be quite straightforward.

(1) BPX Energy net federal acreage is ~5%, almost all of which is land in Wamsutter and none in the Permian

The $1.1 billion offshore deal does that fall into the 2021 budget of around $13 billion and not for this year?

And then Murray, as it relates to disposals, you talked about a deep hopper. Can you just remind us of the un-risked upside and when it comes to asset sales, today versus say three months ago, is it easier to talk to potential buyers?

And the second question is related to slide 16. You have a nice chart showing your forecast for net debt for 2021 and 2022. And you assume a $50 Brent, 2020 real. I'm not sure whether 2021 hits the $35 billion level, and I'm not sure what you assume. Do you assume incremental asset sales or is it only on the basis of what you've already announced so far? Thank you.

Bernard Looney: Very good, thank you. I think there's definitely more than two there, but we're generous. So no problems at all. Murray will answer the question on the $1.1 billion, exactly where it falls.

Is it easier to talk to people now than some time ago? Look, I think we all recognise that it's an uncertain market right now. And that's where we're very, very clear that we will be disposing only when we can find value and only when there's a real strategic rationale to do so. We're not in a rush. We've got four and a half, five years to do what we have to do on our production guidance. Our balance sheet, I hope you can see, is in a much better place. We've achieved over roughly half of the $25 billion divestment target. So we're very comfortable here sitting back, so to speak, and being driven by one thing and one thing only, and making sure that in the words of one commentator that we're not selling low and we're not selling at the bottom of the market. We're very conscious of that.

So any deals, particularly in the Upstream that you do see us do, will have a strong strategic rationale for them, and will be only ones that we think can pass the value red-face test, so to speak, where we feel that we're getting real value for it. And we continue to make progress on deals in the background. Some will come to fruition, some will not. There are different parties to what you might've been talking to three or four years ago, but there’s still an active marketplace. And as I say, I go back to we'll only do so when we feel that we've got a real strategic rationale and where we're able to demonstrate that we've got good value for our shareholders, for the asset. And we'll take each one in turn. Murray, the other two questions.

Murray Auchincloss: Yep, sure. The Equinor deal, Thomas, it just depends on when all the approvals are done. It's somewhere around year end right now. It's hard to call if there's going to be cash flow in 2020 or 2021 just because it's right around year end so it's really hard to call that right now. So I'll let you make your own judgment on that one, if you want to be conservative or aggressive, but it's going out sometime around year end, is my sense.

As far as net debt, we've given you a slide 16, it's got 2021 and 2022. You can see that net debt is getting to $35 billion sometime in there. The particular graph we put up has footnote number one that says that's the conditions we forecast at capital markets time, which was around $50.

So I think, as I stated a little bit earlier, sometime around 4Q 2021 to 1Q or 2Q 2022, sometime in there is our sense we will hit the $35 billion net debt target, and it's highly dependent on the environment. We've made transparent what our environmental assumptions are on that graph, that I'm sure you have a little machine that can calculate all the numbers. And you have our rules of thumb on oil, gas and RMM. And so I'd use the calculation and flex it back and forth, whichever direction you want and you'll decide it.

We are planning on a few more divestments next year. There's an awful lot of money out there chasing yield. And so this quarter you saw us divest the land underneath our UK retail sites. Somebody bought those who has a much lower cost of capital than us, so we love those kinds of transactions and we're busy pursuing other transactions like that, that we anticipate we'll do in 2021. And who knows on the Upstream side? It could be 2021. It could be 2022. It could be 2023. We'll just see when those things occur. Hopefully that helps Thomas.

Craig Marshall: Thanks, Thomas. So we'll take the next question from Oz Clint at Bernstein. Good morning.

Oswald Clint (Bernstein): Good morning. Thank you, everyone. Balance points, $42 in 3Q, and we obviously have the target of $40 over the next five years or so, but in the context of your discussion here, cost reduction momentum in opex and capex since 2014, I wanted to ask you, as you peer or look around the corner into 2021, how far away would you have been from the old $35 balance point for 2021? Obviously the dividend has changed, but is there any way you could talk about that particular target?

And then secondly, just over in Oman with Ghazeer up and running, it looks like maybe there's a lot of gas in the country at this point. The LNG plant is now up and running at over 100%. So I'm just wondering, are you putting some of this Ghazeer gas into the LNG plant? Is there enough demand in the country for all of this gas? You're also an off-taker from the LNG plant. Is there some way you might be taking more of that out of the country over time? And just because Bernard mentioned it, could you say what's the richer condensate percentage mix is relative to your expectation? Thank you.

Bernard Looney: Oswald, thank you. I think on Oman, it's best just to say that we'll honour the contractual commitments that we have in Oman around the gas sales agreements that we have in the country. We're doing our best to help Oman at the moment maximise its revenues, and doing everything that we can to help them. And there will be all sorts of options being discussed, which will be, how do you maximise that. But I think I wouldn't say any more, Oswald, if it's okay at the moment on that other than to say that we have commitments in country around those gas sales, they'll be honoured. And we're doing what we can to help the country deliver for the country in terms of maximising revenues. And we'll continue to work, as you said quite rightly, and well-informed, across all aspects of the value chain to see what we can do to help them best.

So we're very proud of the project, I'll have to say I think, four months early. I think some of the other performance characteristics are absolutely fantastic on that project. Great help from our contractor Petrofac, who I want to just acknowledge for their work on this, which was excellent and of course, great support in the country. But turning out to be a really, really good, hopefully, for the country and for ourselves.

Murray, on the Oswald's point around the old $35 and the new balance points and whether you can do bridges?

Murray Auchincloss: Thanks. Thanks for that question. If he can ask about deferred taxes that would be good too! I think the difficulty in all this stuff is that what we're trying to convey to the market is balance point is more than just Brent, it's Brent plus RMM plus Henry hub gas. Remember 50% of our revenue, so to speak, comes from the Brent linkage, 25% from RMM, etcetera, 25% from natural gas. So when you think back to what we talked about at the Capital Markets Day, we said that we'd have a balance point around $40 with a $10-12 RMM and around a $3 Henry hub. And what's super cool about the third quarter is we were at that $42 Brent level, but RMM was $6, not $12, and Henry hub was $2, not $3. So that is a tremendous, tremendous, balance point and proves the resilience of bp.

A few people have forgotten that bp's portfolio is one of the best portfolios in the sector in a low price environment. And that is before we have ramped up fixed price contracts in Oman and fixed price contracts in Egypt, with Raven. So just a bit of a pump there for how good our portfolio is in a low price environment.

As far as would we have met the $35 breakeven, from previous conversations, you get the flavour of that, Oz. It depends on what the gas price assumption was. It depends on what RMM was. In that particular promise, if I go back five years in time, my memory is not bad, I think we were $3.25 gas, $14 RMM and $35 Brent. And so we'd be well below that, on that particular measure, would be my sense, and that would come from a combination of a lower dividend, much lower capex, much lower cost and production that's not too far away.

So Oz, I don't know if that helps you, but that's how my linkage is. I think what I'd say is we have a super resilient business and we have the flexibility to modulate capex up or down to what we think are sensible planning prices moving forward. As we described in August and September, at that moment in time, we're thinking that the balance point would be $40, $10-12 and $3, and as we progress through year end, we'll give you guidance next year on where we're choosing to balance that. And what I'd ask you to think about is we have a tremendously resilient business and it's okay to ramp up capex because it's very resilient in a low-price environment.

Bernard Looney: Very good. And when you see some of the dividend yields that are out there, I think we really need to remind people of this portfolio that in many ways performs much better, and has done for some time, in a lower price world than in a higher price world. And I think we had corporate costs that were stagnant for a few years. We're tackling those, we're driving them down as you well know, Murray and I, and the team, are big believers in digital and agile. We talked in the CMD about getting really after the procurement side of things, with Leanne and the team. So there's so much to do. There's just a lot of potential here in the business and we're focused on it because yes, there is a bit of an uncertain outlook here. And we know all too well what our priorities are on that framework, starting with the dividend and we know all too well that the best way to preserve all of that is to drive that balance point down. And that's what we're all over.

Craig Marshall: Okay Oz. Thanks very much. We'll take the next question Michele Della Vigna at Goldman Sachs. Michele.

Michele Della Vigna (Goldman Sachs): Thank you. And congratulations on a strong result in a very challenging quarter. Two questions, if I may. The first one is related to your disposals. I was wondering if you could give us some guidance on the scale of proceeds that you expect by year end and through 2021.

And then secondly, on your production guidance for Q4, it's quite unusual to have more maintenance in Q4 than in Q3, but then this is a very unusual year. I was wondering if you could perhaps unpick what are the key areas of maintenance that would affect the Q4 production. Thank you.

Bernard Looney: Michele, thank you. And thanks for the congratulations. Right now we'll take it. So - thank you for that. I'll let Murray talk to the disposals. On the Q4, it is a good question and well spotted. And the answer is the one that you have given which is that we have pushed some turnarounds to the right this year, i.e. delayed them later into the year. So I talked to Gordon about this specific point during the week. We'd normally expect the peak really to be in 2Q and 3Q. It is different this year because we have pushed things to the right so that we can get work done. Of course we were probably pushing them to the right, thinking that virus would go away and we'd be back to normal.

You then reached a point where the maintenance does have to get done and we're executing on those in the fourth quarter. There's a big one, for example, in Trinidad that I know about, Cassia I think. And what I would tell you is that while production may be guided down a little bit, I think that you should see a better mix, I hope, in the fourth quarter and a better margin mix. So I think you'll find it down in some of the lower margin areas and doing better on some of the higher margin areas. But having said that, we are just in the middle of another storm in the Gulf of Mexico. So we'll see how that all turns out. So a good question, and hopefully that helps; your instincts are correct.

Murray, disposals?

Murray Auchincloss: On 4Q, as we stated, we're expecting the completion of the Petchem transaction. So I would expect somewhere between $3-4 billion in the fourth quarter on a pre-tax basis, would be what you'd expect. As far as 2021, we haven't given guidance on that yet. We'll wait until next set of results to give guidance on them.

Craig Marshall: Thank you, Michele. We'll take the next question from Alastair Syme at Citi.

Alastair Syme (Citi): Thanks, Craig. I just want to ask about hydrogen. I'm guessing you might've got a lot of investor questions on hydrogen in your recent roadshow, and I think at bp week, the summary that – I can't remember, it was either you or Giulia gave, was that renewables is non-technology, whereas hydrogen still has some distance to travel.

So I'm wondering if you think investors are running ahead of themselves and the questions you're getting, or if you have any fresh perspectives on this topic, on how bp might tackle the market opportunity, if indeed there is one. Thank you.

Bernard Looney: Thanks Alastair. I had the privilege of being in Germany a couple of weeks ago before we were put on their quarantine list and spent a couple of days there with Daimler and with people in government and so on. And hydrogen is a huge focus in the

German economy. They're certainly really going for it in terms of a way to – they've talked about they've imported oil for many decades and they can see themselves being a hydrogen-importing country. They're setting up agreements with the Middle East, with country to country, with Australia. So that was just an interesting perspective on hydrogen.

I think more broadly, I think hydrogen is a core part of what we believe in for the future. Hydrogen is a business that will materialise for bp, probably in the 2030-plus timeframe, not in the here and now timeframe, but we will look to build that business out over the coming decade. And I think the potential to become material in the period after 2030, and we'll be looking at it on two main dimensions: on the heavy industry and power side. It will be a mix of green and blue hydrogen. We've laid out our stall on that. We believe the world needs both. We believe the world needs a hydrogen economy to get going and the best way to do that is to give it the best possible start. And green and blue hydrogen are ways to do that. And you'll see us doing that. We're looking at a project in Lingen in Germany at the moment, which will be a green project and hydrogen supply to one of our refineries there.

And then on mobility, we are believers in hydrogen being a fuel of choice and maybe the fuel of choice for heavy duty transport over the medium term. We're in the midst of exploring that more, partnerships that we might have around the world. And that's work that's ongoing at the moment.

So we believe in hydrogen. It's not going to be a material part of bp in the next three or four years, but it could easily be a material part, and I expect it will be in the period 2030 plus. It will be a mixture of heavy industry and power, as well as heavy duty transport. And you should expect to see a bit more from us in the coming months, and certainly as we head into 2021.

So hopefully that gives you a perspective, but it's a pretty exciting place. And we want to be part of it.

Craig Marshall: Thank you, Alistair. We'll take the next question from Jason Gabelman at Cowen. Up bright and early again, Jason.

Jason Gabelman (Cowen): Yeah. Hey morning. Thanks for taking the questions. I first wanted to ask you about divestments. You cited that you're halfway through the divestment programme, but I think cash in the door is running below that pace. So can you just talk about where cash divestments are right now, relative to that 50% completion mark that you're discussing and the trajectory of cash divestments catching up to the headline number over time?

And then my second question, same question asked on hydrogen, just on carbon capture. You announced a venture yesterday, I believe. And I'm just wondering what the timeline of that becoming a material solution to decarbonise energy is, within bp and your thoughts on it on a global landscape. Thanks.

Bernard Looney: Jason, thanks. I'll let Murray take the divestments question. On hydrogen, the specific project you're talking about is here in Teesside in the United Kingdom, in the Northeast of England. I think it's a very exciting project that we will lead on, but in partnership with others. The vision there is that we create a gas-fired power plant that is decarbonised, with the carbon being captured, taken off-shore and stored. And that's the venture that I think you saw announced yesterday, which was a transportation end of that. We also see the potential to create hydrogen there, again blue hydrogen in this case, and capturing the carbon from that and sending it offshore.

And we also see the potential to decarbonise the steel and fertiliser businesses that are there on the ground, it is a very industrial part of the UK, and create a leading decarbonised, green industrial cluster, maybe the first of its kind in the world. And I think it would be an incredible example of the revitalisation of an area that has been around for decades, but could actually have a very, very new future. We're working on that, we're working right now with government – strong support from the UK government to put in place – it's more the fiscal certainty. It's not about necessarily incentives, but it's around the regulations and the fiscal certainty that we need to be able to make those investments. And I would expect to see us reaching some milestones on that project early next year. And you could see it up and running towards the middle to the second half of the decade.

So it's an exciting project and hydrogen will be central to it, as will CCUS and I think if we can get some more certainty by the end of the year, I think you'll see us moving into the next stage on that probably by the middle of next year.

Murray, cash proceeds versus announced.

Murray Auchincloss: Hi, Jason. So, we've we announced a $25 billion programme of proceeds through 2025. About half of those have been announced now, including the additional $0.5 billion that we announced this quarter. Proceeds, a big one is the Petchem transaction. We obviously announced that sale with Ineos a while back. We expect to close in 4Q where we'll get somewhere between $3-4 billion, and then we expect the residual amount of that to be paid out in the first half of next year.

On Alaska, which is the other one, if you scour back through our press releases, you'll see that the payments from that, some payments have already come, future payments come in the form of a bond. And then effectively a revenue sharing mechanism. It's really a question of oil price. As oil price improves, we'll start to get a lot of that headed our way. If oil price stays low, it'll be delayed for a while. And then it's just a choice for the counterparty about when they cash that debt out. It has a nice interest rate so I'm happy to take it as interest as opposed to principle right now. So that's how that will flow.

And then of course, future announcements of the next 12 will just depend on when we announced them and what the cash flow looks like. Hope that helps, Jason.

Craig Marshall: Thanks very much, Jason. Thanks for being up early. Okay. We'll take the next question from Peter Low at Redburn. Peter.

Peter Low (Redburn): Hi, thanks for taking my questions. The first is, you mentioned you had the flexibility to reduce capex below the bottom end of the $13-15 billion range next year should you need to. What would be the catalyst to do that? I.e. oil prices and refining margins remained around current levels, so below your planning assumptions, should we assume you're within the guided range or you'd seek to lower that?

And the second one was to follow up on the Reliance retail JV in India. Has that contributed positively to marketing earnings from day one? I.e. in the quarter, or should we view it more as an investment in a future earnings growth? Thanks.

Bernard Looney: On the second one, there is some contribution, Peter, but I think it is about the future and it's about the future growth. And that's where you'll see – I think we've added some sites already. But the plan is to build out those over the next several years. So look at it as a source of growth. And there'll be some contribution today, but not in a material sense. The materiality comes through the growth. And your question around guidance around capital, Murray?

Murray Auchincloss: So, the way we've guided so far around capital is while we're above the $35 billion of net debt, we'll be in a $13-15 billion range. And as Bernard said earlier today, we'll be at the lower end of that range next year. How we decide what to do will very much depend on what oil price is, what gas price is and what RMM is; that 50%, 25%, 25% rule that I've helped you with. Gas price is pretty high; it's well above the $2 that we encountered in the third quarter. Forwards are sitting around $3, so we have a decision to make about where to pitch that. And then tricky decisions on oil versus RMM.

I think all I'd say is we haven't made that decision yet, Peter, but we have incredible flexibility and you only need to look at the run rate this quarter on organic capex to see that we're at 2.5 billion on organic cash capex. It's very easy to stay at that level or lower if we need to. So we're remaining flexible, we'll decide and give you guidance as we move into next year. It's too early to give guidance in that space.

Bernard Looney: Very good. And, again, Peter, I remind people, I think that that financial framework and those numbers one, two, three, four, and five is a really important thing for us all to anchor on, because the reason we gave that is so that the market could understand the priorities of uses of cash for our company. And we intend to stick fully by it. So, that's also a useful guide and we'll land the planning prices when they come, but there's potential as ever for upside next year. And Murray's 4Q for buybacks could be earlier.

But we're not going to plan. We're not going to hope, in a planning sense. We're going to prudently plan our business and continue to do what we need to do to drive that balance point down. And the environment will be what it is and we'll respond accordingly. And we have that flexibility. So thanks for the questions, Peter.

Craig Marshall: Thank you Peter. We'll take the next question from Chris Kuplent at Bank of America Merrill Lynch.

Chris Kuplent (Bank of America Merrill Lynch): Thank you. And I think I've only got one more question left. And I think Murray, maybe I didn't quite get the answer. I think it was asked before. Back to the topic of capex, when you say you'll be at the lower $13 billion end, including inorganics, just wanted to double check whether you can actually tell us how you deal with that Equinor deal. Is that already in that number, when you talk about 2021, or are you having to take a guess as well, and you're risking it in that $13 billion guidance? Just wanted to get a better handle on where we could go in terms of 2020-2021 organic capex rather than including inorganics, if that makes sense. Thank you.

Murray Auchincloss: Yeah. Chris, you can see why I'm not really answering the question. I don't know when that thing is going to close, it's somewhere around year end, so it could slide one way or the other. And we'll give you guidance next quarter, as we come clear on it. You can plan on whichever direction you want inside your modelling.

Bernard Looney: And I think the feedback has been - the reason that we're collapsing it all [both organic and inorganic capex], is at the end of the day, it's all capital and it's definitely all cash. The timing is, as Murray says, is the timing, but we want to increasingly look at it as one unit and not be letting somehow people off the hook with a distinction between inorganics and organic. It is all capital. It is all cash, and it's all about the balance sheet, net debt and the investment plan. So Chris, we'll let you make the assumption that you make. Thanks for keeping it to one.

Craig Marshall: We'll take the next question from Colin Smith at Panmure Gordon.

Colin Smith (Panmure Gordon): Yep. Thanks for taking my question. It was back to gas. One of the projects, Bernard, you didn't mention was where things stand on Tortue and perhaps more broadly, if you could comment about how further developments in Mauritania and Senegal play into the 25 million tons per annum and 30 million tons per annum 2025 and 2030 LNG targets. And in particular, what triggers them into becoming proper, full-blown, FID projects. Thank you.

Bernard Looney: Thanks, Colin. I think on Tortue, it has been impacted by COVID. There's no question about that. So that project has slipped to the right. It is the first phase in a multi-phase development there. The reality is, is that the resources are there, they are giant resources. They're high quality. We've got supportive governments in two countries. I think we're positive on the medium to longer-term outlook for gas, we're believers in gas. And the trigger for the subsequent phases, quite frankly, is always going to be that very, very simple thing of, can we meet the return thresholds that we've laid out. And we've been very clear on what they need to be for a new gas greenfield project. So we'll be working to meet those and no surprise that that will involve things such as what the cost structure is, what the market that we can secure is, and ultimately as well, what the fiscal structure is in the country.

So working on all fronts, but if you're a believer, as we are, in big, large scale, high quality resources, good quality always finds a way to market. And I think we're optimistic about the subsequent phases and the team is working very, very hard and very well actually on Tortue Phase 1 but there has been delay because of COVID, no question. I think we're unable to get the breakwater in this year because of that. But there's nothing fundamentally wrong there, it's simply the impact of pandemic. So hopefully that helps you.

Murray, on the targets of 25 and 30 million tons per annum.

Murray Auchincloss: Thanks, Colin. So, the targets that we put out there - for 2025, it's pretty much secure. So, that growth in million tonnes per annum that we talked about is pretty much all contracted now. Whether that's through deals like Coral for example, or deals like Venture Global in the US, that growth to 25 million tonnes per annum is pretty much secure now. And it's just a matter of those projects being constructed and off-take being gathered, and then honouring those contracts. So that should give you guys a lot of confidence that profitability from LNG is pretty much locked into 2025.

When you move beyond that and you look at our conservative target of 30 million tonnes per annum beyond that, we have both merchant and equity opportunities. And if the equity opportunities hit the hurdles we have, great, we'll get it through equity off-take. If it doesn't, then, we continue to pursue lots of merchant deals. We love the LNG business. It's a great place to use our scale and to divert cargoes across geographies to create profit and it aligns well to low carbon strategy moving forward. So very excited about it, 2025 target underpinned and equity or merchant could make up the 2030 target and hopefully in time we beat it.

Craig Marshall: Thanks Colin. And we'll take the next question from Martjin Rats at Morgan Stanley. Martijn.

Martjin Rats (Morgan Stanley): Yeah. Hey, good morning. I just had one, I wanted to follow up quickly on Lucas's question on the US but I was hoping you could quantify a few things. You talked very positively about further cost reductions in the Upstream, but I was wondering how that translates particularly to your Permian position. I think on the previous call, I think Murray said that the average breakeven in the Permian has now dropped to something like $35 a barrel or so. But I was wondering if that number had come down even further.

And related to that, if you look at the oil rig count, we've now added, I think, 32 rigs in the last five weeks. I was wondering if you have actually active plans also to add rigs.

Bernard Looney: Thanks, Martjin. Murray will comment on the on the breakeven. What I can tell you is that the business does continue to do what we wanted it to. We had planned $350 million of synergies by 2021. We delivered them a year early. We've upgraded that number to $400 million per annum. So that's helping us enormously.

We were running 13 rigs in January, and I think we're running one rig today. And you will see that rig count start to creep back up as we head into next year. You'll see some activity in the Permian, but you've also heard us talk about the very strong activity in the Haynesville. And with gas over $3 per mmBtu next year, I think you'll see that being a real focus all of the activities.

So Murray, anything to add on breakevens?

Murray Auchincloss: Yeah, I think ask me that question again next quarter, we've got our business reviews happening over the next month, Martjin, where the team's busy looking at the bids that are coming in and deciding where we pitch this stuff. So ask me the question again. I don't think I'd say there's a material change yet, but we've got the detailed reviews. We'll decide where the investment goes, as Bernard said, with the leadership team. And then ask me again and we can give you some help.

Craig Marshall: Okay. Thank you, Martjin. And we'll take the final question from Biraj Borkhataria at RBC.

Biraj Borkhataria (RBC): Hey, thanks for taking my question. I have a couple, please. The first one is on slide, I think, 14 and 15 on the costs, it just looks like a huge amount of cost obviously being taken out. You've got a bit more runway there. As we get into a commodity recovery scenario, I would have thought your leverage to commodity prices could increase quite substantially if you're able to keep a lid on costs. So that margin expansion could look quite significant. So could you say anything about – I don't know whether it's rule of thumb or any of the metrics to quantify how you'll sensitivity to those commodity prices will change from 2018 or 2019 to 2023 over time. I'm just trying to get a sense of how much that increase could be.

And then the second question is on disclosures, just to clarify. As you move to the new split in 2021, are you looking to break out the convenience retail business from refining? The outlook for those two businesses is obviously quite different. So that would be also quite useful as well. Thank you.

Bernard Looney: Very good. Murray will take the disclosure question, maybe some numbers around margin, I'm not sure. What I will tell you is that from a leadership perspective, we will keep a lid on costs. Murray and I don't expect the 2023 number here to be the end of the story either. We will expect quite frankly when you're spending the amount of money that we spend on cash costs up towards $20 billion a year, we're going to continue to drive costs out of the system right throughout this decade. And that's why we're doubling our investment into digital. And that's why we're introducing what I think is the first agile structured oil and gas organisation in our sector, that Gordon is leading on. That's why we're doing zero-based budgeting with supply chain. That's why the whole agenda around restructuring the company and putting 50% of the layers within five layers of me, rather than 20%, halving the number of executives from 240 to 120.

So these are all things that are designed to permanently change, but I don't want you to think that they will stop because we will continue. Part of the business of business that we talk about is driving cost out of the system and it's got to be relentless and it'll be relentless for us. And if prices recover, which there's no reason why you can't imagine a positive outlook for the environment. Investment levels, I think, are back at 2003 levels. So, I have some sympathy with people who can see a strong price environment coming here over the next few years, who knows, but it's certainly possible. Then we expect to fully capitalise on that, and not let increasing costs erode that commodity price increase.

Murray anything you'd add?

Murray Auchincloss: The rule of thumb part of your question Biraj, we publish our rules of thumb about once a year, you've got the current ones. As we grow out the future projects, that's how you'd think about it. We're bringing on very, very, very high margin, flexible barrels in Tangguh and Mad Dog Phase 2. So I'm sure that that will impact the rule of thumb when we give you a new rule of thumb in the future. And you can guess what direction that will be.

And then on disclosures, so we'll show you guys after year-end results. We'll do a dry run through with you, I suppose, is a nice way to say it. And introducing what the disclosures looks like ahead of 1Q results. Craig and the team will be setting up a date for that. As you say, we will be reorganising how we present it. And of course, one of the things we're most excited about showcasing is what you talked about, in convenience and mobility. Actually pulling that apart and sharing with you the strength of that $5 billion of EBITDA and how it's going to grow over time. So, absolutely we're doing that and you'll see that come in due course, guys.

Bernard Looney: Very good. Okay. Thanks, Biraj, appreciate the questions.

Craig Marshall: Thank you. And that ends the questions this morning. Let me then hand over to Bernard, as usual, for a couple of closing comments.

Bernard Looney: Great. Thanks, Craig. And thanks, Murray. And thanks to all of you. Thanks for listening. It's certainly been a busy year here at bp. We think we've achieved a lot, I hope you do too, but it's also been a busy year for you all. It's been a challenging year for everyone. And most of all, it's been a challenging year for society as a whole.

We set out our stall on transforming the company and we're very committed and we're very confident, I guess, if you can say it that way, that the distinctiveness of the approach that we've laid out will provide a tremendous value over the longer term. We've had a lot of support for this. And obviously, and understandably, we've also had a lot of questions. It's a big transformation. And we understand that there are people with different views, but for us we believe the strategy is right for us. And we believe strongly that it's right for our shareholders. And having spent a lot of time or the last several months talking about strategy and talking about ambition, it's nice to be able to spend a bit more time now talking about the business of business, talking about our oil and gas business, which is going to be the engine of this transition here over the coming years. And our focus is now on disciplined delivery of this strategy quarter in, quarter out and a strong focus on creating shareholder value.

And I hope that today gave you a little glimpse into what the company is capable of. Our teams have to deliver that sort of performance in this type of world. My heart goes out to them. As I said on my email to them today, they've been astounding.

And with that, I hope you and your loved ones stay safe and well over the coming months. We look forward to your feedback, your questions, your challenge as ever, and we'll be in touch. And I'm hoping that 2021 is going to be a brighter year for the world. And that's what we're all working towards. So thank you for your time. Thank you for your interest and we'll leave you all to it. Thanks everybody.

[END OF TRANSCRIPT]