bp 3Q 2024 Results: Webcast Q&A Transcript

Tuesday, 29th October 2024

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Q&A TRANSCRIPT

To briefly recap today's results:

Operations ran well this quarter. Year-to-date, upstream production was around 3% up, including liquids production up 5%. Plant reliability was more than 95%, and refining availability was more than 96% for the quarter. In our EV charging business, we've had 80% year on year growth and cumulatively, this year, we've hit 1 TWH of electrons sold to our customers around the globe. We now have 23kbd of biogas supply online, with 8 plants commissioning in 4Q.

Our performance supported underlying profit of $2.3 billion in the quarter. And on distributions, we announced another $1.75 billion share buyback and a dividend per ordinary share of 8 cents.

At the same time, we've made massive progress since we've laid out our six priorities at the start of the year. We've stopped or paused 24 projects as we high-grade our portfolio. We're divesting assets that won't compete for capital. We've made a lot of progress on Kaskida since FID in the summer and I expect Tiber to follow next year. We're accessing new resource opportunities including in Iraq, Azerbaijian and Abu Dhabi. We've completed the Bunge and Lightsource bp transactions. And we're in action to deliver over half a billion dollars of cash cost savings in 2025 - on the way to our target of at least $2bn by end 2026. And as Kate said in the 3Q24 results video, we are working options that are nearly twice this target.

We're firmly focused on growing cashflow through the decade, with significant optionality in our oil and gas resource base and, in transition we're staying disciplined, focused on ensuring we deliver returns and value for shareholders.

With that, over to Q&A, and Craig can get us started.

Craig Marshall: Thanks, Murray. As a usual reminder, we're aiming to finish the call at around 14.00 UK time. So please everyone, limit yourselves to two questions only so everybody gets a chance. And I think we'll take the first question from Josh Stone at UBS. Josh.

Joshua Stone (UBS): Yeah. Thanks. Afternoon. Thanks, Craig, and thanks for the video earlier. Two questions please. Firstly, starting on the strategy, and I appreciate we're going to need to wait till February, and you've given us a few teasers already. But I wanted to ask you, Murray, as you're gathering your thoughts and preparing your slide deck, what do you think really needs to change in the current strategy? And is this a change in the identity of bp, or rather a sort of tweak around the edges? A little bit of capex here, capex there, but overall direction the same. So any comments on that would be helpful.

And then secondly, looking at the quarter, if you could just talk about the liquids trading performance. It was particularly weak this quarter and blew a hole in the downstream earnings. And I know you don't like lifting the lid on all these businesses, but if you can just maybe talk a little bit about where that specific weakness is coming from, why it was weaker quarter-on-quarter. Is this all market related, or were there particular things that are bp specific and therefore can be addressed rather easily? Thank you.

Murray Auchincloss: Yep. Great. Thanks, Josh. On the strategy, look, as we've said for the past – since February, since I came in, the direction of travel towards an IEC remains unchanged. We're a corporation that has an upstream business, a big customers business and obviously a trading business. And to durably compete in the long term, we need to follow the patterns of our customers. So not only do we need to provide hydrocarbons, but we need to lighten the carbon footprint of those through time, bringing in electricity, biogas, biofuels, etc. So the direction of travel for our business remains same.

What's different is we will be very, very returns focused, making sure that the new businesses compete on a competitive level with the historic businesses for scarce capital. And I think if you look back over the communications over the past few months, we've given you a strong indication of how we're high-grading the business. We've talked about the renewables will be capital light. We've talked about focusing hydrogen down to 5 to 10 projects. We've talked about three biofuels plants, instead investing in the upstream and Bunge. We focused our EV and convenience down to four material countries with our scarce capital and continuing to focus on biogas. At the same time today, you'll have seen in the video we provided that based on the success we've had with our existing 18 billion barrels plus the FIDs we're making, plus the new access we're making, we now see the strong possibility to grow cash flow from the upstream through the decade.

And so what you should hear us focused on is you'll hear us focused on cash flow generation and growth through the decade from a balance of the portfolio, a continued commitment to transition, but with quality and returns top of mind as we do that, and capital light models where we're not sure that things can compete for capital.

So that's the direction of travel. We'll obviously update our financial targets. We'll obviously update our aims. And we call it an update on our plans on purpose. We call it an update on our mid-term plans on purpose. So I hope that helps with the first one, Josh.

And then on trading, look, overall trading for the year is on track for an average year. That's what I'd say. Sometimes profit occurs in the gas side, sometimes profit occurs in the oil side, and it can move around quite a bit based on the volatility we see inside the markets. But overall, trading is on track for an average year this year. In the oil business, which you're particularly talking about, it was a weak quarter. It's the second weak quarter in a row. And if you take a look at any of the external measures on VIX for what we've seen in the oil side, you'll see that VIX risk is way, way down to historically low levels right now. There's lots of movement in the prompt, but not much movement along the structure. So it's very difficult to find opportunities to trade. And that's why you've

seen some of the external publicly traded companies talk about their results in oil trading with pretty dramatic declines. I'll let you dig those out.

So there's nothing systemic with oil trading. There's nothing systemic with gas trading. We're having an average year for ourselves. And the risk just happens to sit in gas as opposed to oil right now. And let's see that can very quickly change in for 4Q, 1Q, 2Q. Thanks for the question, Josh.

Joshua Stone: Okay. Thanks for the comments.

Craig Marshall: Thank you, Josh. We'll take the next question from Giacomo Romeo at Jefferies. Giacomo.

Giacomo Romeo (Jefferies): Thank you. First question, if I may, is again related to some of the comments you have on the press release today about the update on February 2025. You talked about reviewing expectations related to the buyback. Just wanted to understand, in the past, you talked about having $1 billion per quarter, floor at $60 per barrel oil price. I understand that this was before you updated your distribution guidance and increased your distribution guidance in February this year. Is this floor in any way still valid or still something that we should think of in terms of minimum level of buyback at lower macro prices?

Second question I have is on divestments. You have increased your divestment guidance for the year. It sounds like you have quite a lot of divestments lined up for 2025 as well. Is it possible we're going to see a similar amount of divestments next year? And if I may add, on the M&A side, are you done in terms of larger M&A deals? You're just focusing on execution going into 2025?

Murray Auchincloss: Yep. Great, Giacomo. I'll answer the divestment question first, and then I'll pass on to Kate to talk about buybacks in 2025. Look, I think on divestments, we set out a target back in 2020 to do $25 billion across the five years. We're on track for that. I think the maths is we've done about $20 billion so far that's been announced, so we've got five quarters left to go to hit the $25 billion. That should give you a pretty strong indication of what the weighting is between the years.

If the price environment softens, divestments is a tool that we can use to bridge cash flow, as is capex. So that's how we think about it from a divestment perspective. And we continue to have lots of infrastructure positions that people are willing to pay very strong multiples for. We've got tail assets in the upstream, like in Egypt and Trinidad, that other people would like to invest in as well. So we continue to have a strong hopper of opportunities that we're working through, and we felt comfortable to bump the guidance in 4Q, given the transactions that we signed and our anticipation of when they complete. So we feel good on that side.

As far as acquisitions go on the transition growth engines, we're good now. It's time to now bed these transactions in. So we've done quite a few from EDF to GETEC to Bunge to Lightsource to Archaea to TravelCenters of America. It's now time to standardise them, drive the synergies into these businesses and start to grow them in line with what we talked about to the market as we did the transactions. So that's where we'll be focused on for the next 12 to 18 months as we really, really drive that through.

On the upstream side, we are continuing to look at acquisitions. Generally they're organic, so farm-ins and that type of stuff. So we'll continue to actively pursue those things. There's not as much competition internationally as in the past, and so there are tremendous opportunities to do these things. And we're looking forward to developing things like the Garabagh field in Azerbaijan that we recently agreed with SOCAR and of course, the other opportunities. But that'll be lower key for now. They won't be big numbers. They'll be more inside the organic space.

So, I hope that helps on the divestment and acquisition side. And over to Kate on buybacks.

Kate Thomson: Yeah. Thanks, Murray. And hi, Giacomo. So look, we today have announced the buyback for 3Q of $1.75 billion and reconfirmed the fourth quarter share buyback of $1.75 billion. So that's us following through on our commitments. When we finished executing that, that will be $7 billion of the total for 2024.

With regard to where we stand today, balance sheet is strong. We are rated A+ by Fitch and A+ by Moody's, and we're firmly within all our ratings. And as Murray has already said, the business is operating well. We've got operational growth through 2025. With regard to guidance for 2025, back in February this year, when we guided on $14 billion, we said that was around market conditions as they were at February. And we also said that it's at least 80% of surplus. So if you wish, you can rule of thumb that. And you know we have flexibility in our capital frame if prices fall and beyond that, we'll update you in February, as we always would, alongside a medium-term plans update. So we'll come back to you in February.

Murray Auchincloss: Thanks, Giacomo.

Craig Marshall: Super. Thanks, Giacomo. We will go next to Irene Himona. Irene at Bernstein.

Irene Himona (Bernstein): Thank you very much. Good afternoon. Murray, you reiterate in the press release that in oil and gas, you see the potential to grow through the decade with a focus on value over volume. I understand that volume is the result of value-driven decisions. My question is, looking at your upstream project pipeline, would you say it is feasible that you may be able to grow volume alongside value?

And then my second question to Kate, I guess, for the balance sheet, what would be the maximum level of net debt which you and the credit agencies see as compatible with maintaining that A-grade credit range, please? Thank you.

Murray Auchincloss: Great. Thanks, Irene. I'll do the value versus volume one, and I'll hand over to Kate on the net debt. So, look, we've got 18 billion barrels in the hopper that we talked about last year in Denver with you. And we've started to do some new access and the new FIDs, as we've talked about. I am completely focused on cash flow and returns inside this, completely focused on that. And we need to continue to turn our portfolio and focus our capital on the very best things we get. And so I am hesitant to give you a volume number because we continue to think about high-grading the portfolio. Do we have the capacity to grow volume? Yes, we have the capacity to grow volume, but I really don't want to focus on that. As an example, we've announced divestments in

Egypt and Trinidad. That's around 70kbd of production that, upon completion, will disappear. And we continue to work other programmes as well to think about divesting with interesting partnerships, etc.

So we do have the capacity, if that's what you're asking, but I'm much, much more focused on value and driving cash flow growth and returns out of the upstream. That's the focus, Irene. Kate, over to you.

Kate Thomson: Yeah, thanks. And hello, Irene. So I understand why you ask about a maximum level of net debt target, but I'm going to keep going back to the way I think about financial resilience for our company. And it's more than just about net debt. It's about the ratio of your earnings to your level of debt. And I do think that's important. It's how we run the company with discipline. And I think it also makes sure that we take the right investment decisions. So if I look at Bunge, for example, which we've announced the completion of, that brings a level of debt with it, but it also brings earnings and it's actually accretive to my metrics, which is why it's such a great deal. So I continue to monitor this closely as you would expect me to do. And at the moment we have plenty of headroom. We continue to engage regularly with all of our rating agencies so that they have the opportunity for full and open conversations, both with regard to how we're thinking about our financial frame and with regard to the strategy. But I'm not going to give you a maximum net debt number because it's too simplistic a way for me to think about resilience. So I hope that helps, Irene.

Craig Marshall: Thanks, Irene.

Irene Himona: Thanks very much.

Craig Marshall: Thank you. We're going to take the next question from Biraj Borkhataria, RBC. Biraj.

Biraj Borkhataria (RBC): Hi. Thanks for taking my questions. I had two on the Lightsource deal. So one of the comments that caught my eye around that was it looks like either all or part of the operating assets were carved out as part of the deal into a new JV. I didn't see this in the original press release or the closing one. So could you just help me understand what's happening there? I assume part of the rationale for this deal is a call on interest rates. So if you're looking to flip those assets at some point, why didn't you buy them all? Because you are taking on that that debt. And there's not much in terms of earnings contribution.

And then the second question, just on the financial framework, you gave two net debt numbers around Lightsource as part of the release, which suggests that the entity added something like £600 million of net debt in a year. It seems quite aggressive. And obviously you were a guarantor of that debt for a small business. So could you just help me understand how the financing costs of that business changes now you're taking full control? So any numbers around that would be helpful as well. Thank you.

Murray Auchincloss: Great, thanks, Biraj. I'll start off with a little bit of marketing on Lightsource bp and talk about the carve-out. And then I'll pass it on to Kate for the financial frame question for Lightsource. So look, Lightsource is one of the top solar developers and battery deployers globally. Globally they've brought almost 10 GW so far

to market. They have a mature pipeline of 40-50GW. You'll see advertising at 60GW, but the mature pipelines are in the 40 to 50 GW range, and they have 3 GW of battery pipeline as well. They've set up their first battery farm in Australia and another one coming in the UK. They have the capacity with the 1,200 member team across 19 countries to develop 3-5GW for develop and flip. And the returns on that, looking back in history, have been mid-teens, and we would not expect that to change moving forward. Moving forward, it will be a develop and flip model with some retained equity. And at some moment in time, we'll bring a partner in, as I said last quarter, probably within the next 12 to 18 months. We have an awful lot of inbound attention coming in, Biraj, to the entity itself. It's probably one of the more prized assets that we find across pension funds and strategic asset managers. So as we prepare ourselves for that, I think we'll do just fine on it.

As far as Lightsource bp itself goes and the carve-out, we decided with our existing co-owners to carve out the ~2.5GW in the US. That was a purposeful decision as we went through this process. With interest rates so high, it was hard to agree a bid-ask difference between us, Biraj. They were saying, 'You need to pay us for a real decline.' We were saying, no, that doesn't make any sense. So we just went ahead and decided that we'd carve it out. And as interest rates come down in the US – as you say, they're very sensitive to interest rates. As those interest rates come down in the US, then we can flip it down the road and that 50% of that money will come back to us through Lightsource bp, and 50% will go to the other co-owners.

So that was the decision making. That was the reason that we went into the entity. We now see it as a tremendous vehicle for us to provide us with green electrons into Carol's business, EVP Trading & Shipping, as well as our own portfolio as well as our marketing businesses. So we see it as a tremendous asset that we can repackage and help us an awful lot in the future. And the carve-out just made sense in the commercial negotiation that that's where we ended up with it. Kate, over to you on balance sheet.

Kate Thomson: Yes. And hello, Biraj. Nice to talk to you. So in terms of the debt, yeah, there was an increase over the last few quarters as Lightsource really funded the development of some new projects which we'll monetise through the next couple of years as Lightsource recycles its capital and sells down at FID. In terms of the financing for Lightsource post control, what we did in the third quarter was build up a level of cash inside bp to make sure that we were in a position to refinance their external debt. It's a much more cost effective way of financing going forward. And once we have Lightsource completely within our control, it will largely be self-financing going forward through its develop and flip model. I expect we will use project finance at the AssetCo level, and there'll be a base level of working capital that goes in at the start. But beyond that, it's largely self-financing.

And maybe one other point to make while I'm talking about Lightsource and the acquired debt of circa $3 billion at the date of completion, the way we think about this is that it is largely transitory. As I think Murray just said, there's plenty of inbound interest in this space, and I think we're going to have a lot of choice around timing and selection of partner in due course as we choose to bring in a strategic partner for value. And at that point in time, a significant proportion of that $3 billion will be removed as a consequence of that transaction. So that's how to think about it.

Craig Marshall: Great. Thank you, Biraj. We'll go to Doug Leggate at Wolfe. Doug, good morning.

Doug Leggate (Wolfe Research): Good morning everyone. Thanks for taking my questions. Murray, Kate, I wonder if I could beat up on a topic that you've heard a couple of times on this call already, which is the balance sheet, but I want to ask the question slightly differently. You're going to take in $3.7 billion of consolidated debt. And although the credit agencies don't care about it, the equity market does. You have an additional $13+ billion of hybrid bonds. So when you look at your capital structure of $50 billion of pro forma net debt equivalents and $83 billion of equity value, I want to understand why, when you think about the capital allocation going forward and your strategic review, where does capital structure fit in the priority for use of free cash? Because buybacks clearly haven't helped.

My follow up is a quick one on hybrid bond cost. So as interest rates come down for the cash that you have in the balance sheet, $34 billion, what is the actual cost of your hybrid bonds? And why would you maintain those as part of your capital structure given the elevated cost of that equivalent interest charge?

Murray Auchincloss: Great. Thanks, Doug. I'll pass these questions on to Kate to give you some thoughts.

Kate Thomson: Yeah. So look, I appreciate the feedback and it probably doesn't come as a surprise, given the previous conversations we've had. And yeah, I have heard your point, and Murray and I have spoken to an awful lot of our shareholders over the last few months. I think we've talked to the vast majority of our long only's, and the perspective that we get back from our shareholders is that they're supportive of the way we are balancing the financial frame at the moment. So I hear your push on the balance sheet, but I think that the balance that we have struck at the moment feels right. With regard to the hybrid, I do view it as a permanent part of our capital structure. I'm very well aware of the limits that S&P put on potential refinancing versus roll-offs, year-on-year and cumulative. And what I would say is we will step towards each maturity thoughtfully and with regard to the hybrid market and what refinancing looks like. I'm not intending to breach the 10% per annum or the cumulative 25% limits of retiring of hybrid debt because of the change that that will create in terms of the way they're accounted for, both on the balance sheet and from the rating agencies perspective.

And then just finally, one point I would make on cost is around $5 billion of our hybrid debt is currently fixed, and most of that is fixed at a very competitive rate. So in terms of current financing, the numbers actually stack up for me. We will step towards each maturity, as you would expect us to, with thought and care with regard to how we might finance any maturities, whether that we refinance them externally or whether we choose to use cash to refinance those. So I understand your points. They are listened to, and we are stepping through each of them carefully and thoughtfully, as you would fully expect us to.

Murray Auchincloss: Thanks, Kate.

Craig Marshall: Thanks, Doug. We'll take the next question from Lydia Rainforth at Barclays. Lydia.

Lydia Rainforth (Barclays): Thanks and good afternoon. Two questions, if I could. The first, If I could just come back to the products business, because I think, Murray, you're talking about the trading side actually having – it might not be much of a profit, but you talked about oil trading profit in that. But the loss was still close to $0.5 billion. And I'm just confused as to why it's quite so big. And is that representative of underlying what refining will deliver in this sort of environment? So if you just help me clear that one up.

And then the second one, as much as I'd love to ask about cost, I do want to come back to the cash flow side. If I look at the cash flow for the quarter was $5.4 billion excluding working capital and then capex, even adjusting for the offshore wind payments are probably about $4 billion. It's covering the dividend, but it's then not covering the buyback. So I get I can't annualise one quarter cash flow and one quarter capex. But I think that's where – when I think about 2025, I can understand where the assets can do more, is the business delivering the cash flow that you think it should be at this point? And that probably does link to costs a little bit, thank you.

Murray Auchincloss: Yep. Thanks, Lydia. Let me try to answer these, and then Kate can clean up anything that I miss. I think overall cash flow for the business, we're quite happy with it for the vast majority. So the upstream is performing very well. The cash conversion inside the upstream is strong. We're obviously highly levered to oil price. So there's nothing inside the upstream that I'm particularly concerned about.

On the product side, as you say, it was a tough quarter in Europe for refining. It was a tough quarter, and refining was in a loss. And it was, especially in Europe, very, very difficult market as product got flooded in from multiple geographies into Europe. So that's what's unusual on the margin side relative to the RMM, it is very depressed margins inside the continent, especially in Germany. The refineries were all operating well, but we also had two pretty sizable TARs in that time period as well. So it's not really an enduring level of cash flow that you can think about given the TARs that were ongoing. We started a TAR in Whiting as an example in the quarter. So I don't think I'd view 3Q as enduring. I think as we look forward to 2025, on the product side, you would expect refining to turn back to a profit as we expect it to be a lower TAR season. You would expect it back to a profit as we hopefully don't have any outages like we had in the first quarter. We continue to work our business improvement plans to drive cost out of the business safely. We are reconfiguring Gelsenkirchen that we've announced previously to the market, which will improve cost over time. And excitingly, we're starting to make some headway on digital now with Palantir and Infosys. That will help the refining system over time. They've done their ontology, and Palantir and Infosys can get into action quite quickly.

So I think you'll see the products business improve as we move through to next year, but it was a particularly hard time on refining margins in continental Europe and especially in Germany in the quarter.

As far as enduring cash flow as you look from 2024 to 2025, I think I go back to my opening points. We're performing relatively well in the year. As we look forward, we have strong growth coming. We have five new major projects in the upstream to come online. We have more LNG contracts coming online. We have the refineries getting back to more normal conditions and a lighter TAR season. We have the start of the cost

programme starting to come through, and you heard the confidence from Kate on that. And of course, as we look at cash flow, we will of course be thinking about what's an appropriate capital level and what's an appropriate proceeds level to ensure that we durably deliver cash flow through the years.

So that's how we're thinking about 2025 strong underlying growth, well in line with the 3-4% we're talking about. And we will flex capital and we will flex proceeds as we need to ensure that we've got enduring cash flow for shareholders, Lydia. Thank you.

Craig Marshall: Okay. Thank you, Lydia. We'll take the next question from Peter Low at Redburn. Peter.

Peter Low (Redburn): Thanks. The first was just clarification on the capex guidance for this year. You've left it at around $16 billion. But I think you've done about $12.5 billion year-to-date, and then you have a couple of acquisitions completing in the fourth quarter, which I think have combined consideration of about $1.3 billion. Given the organic run rate, it feels like you're perhaps going to be above the $16 billion. Is there anything I'm missing there in that analysis?

And then secondly, at 2Q, you suggested that a mark to market at current commodity forward curves would have around $4 billion negative impact on your 2025 EBITDA guidance. And given how commodity prices have developed since then, would that now be a bigger number or can you give any update on that? Thanks.

Murray Auchincloss: Yeah, Peter, I'm not going to confuse the market by putting another set of numbers out on your second question. You've got our $46-$49 billion 2025 EBITDA target and the price conditions prevailing in 2023. You've got what we said last quarter, and you've got our rules of thumb. So I'll just allow you guys to use our rules of thumb, which work pretty well to determine the cash flows next year. And then I think, Kate, on capex for 2024, please.

Kate Thomson: Hi, Peter. As you would expect, we test it quite hard at the end of the third quarter to check we're comfortable with our full year guidance. We are going to be around about $16 billion. There's a level of deferred consideration associated with some of the transactions that are completing. That might be the missing piece in your jigsaw. But yeah, we will be around about $16 billion for the full year.

Craig Marshall: Okay. Thanks, Peter. We will take the next question back to the US from Roger Read at Wells Fargo. Roger.

Roger Read (Wells Fargo): Yeah, thanks. Good morning. Recognising the 2025 outlook is coming, but just as a way to think about some of the questions here, I think a lot of people are focused on the balance sheet, your comments about value over volume, and ultimately, it's about cash flow generation. If we look at bp's, call it, ongoing capex level versus either a look back on cash from operations or earnings power, and we compare that to some of the peers, bp looks a little more capital intensive. So my question to you, Murray, is there a cost issue that you think is inherent in bp? Is it that, as you laid out, 12 to 18 months focusing on some of these energy transition and renewables areas, integrating them and getting them to work right, generating more cash? Like, how do you look at that particular item within the company and relative to peers?

Murray Auchincloss: Yeah. Great, Roger. I always find it hard to compare to the American peers. They've done $50 billion and $60 billion acquisitions using stock. And if you normalise that, we're way below them on capital investment. So, I find it very difficult to compare that metric across companies, given sometimes people use stock to do things. Instead, then I just look at ourselves, and I think about our portfolio and how we drive growth.

I think what I'd say is in the transition space, starting to put more leverage off balance sheet make sense to drive these things forward, which starts to address part of your question. That's something that we're thinking about. As we particularly think about the renewables and the hydrogen and CCS space, it might make sense to use other people's money to drive that, to allow us to then get the offtake, etc. So that's a constant consideration in our mind on a relative basis.

And then the only other thing is the nature of the portfolio we have in the upstream business. We have an awful lot of great deep water positions, especially in the Gulf of Mexico. They might be a little bit higher development costs than some of the competitors, but boy, do they throw off margin. And I think if you attenuate for that, you get back to a similar position on the upstream businesses.

So, I understand the question. We are a bit heavier than some, maybe the Europeans who haven't done the big stock transactions. It's a little bit of portfolio mix, and it's a little bit about how we structure in the renewable space as well. And we'll be updating you on that in February. Thanks for the question.

Craig Marshall: Thanks, Roger. We'll go next to Lucas Hermann, Exane. Lucas.

Lucas Hermann (Exane): Yeah. Thanks very much, Craig, and thanks for the opportunity this afternoon. Just a couple, if I might. I just wondered if you could talk around the transition growth engines more broadly in terms of momentum, how things are progressing. I mean, the build out in Archaea seems relatively modest or certainly lower than the expectations you initially set, Murray. Similarly, I hear the comment about a terawatt hour of sales in EV charging. But again, that seems relatively – or this doesn't suggest the utilisation rates are moving dramatically and obviously weren't conscious of the lower rate of build in EV more broadly. So just some comments there.

And then secondly, if I could just a reminder, the company offered its employees very kindly, a large – or I think it was £25,000 worth of equity per each of the 60,000 or so employees back in 2020, 2021, which was going to vest, or much of it was going to vest in 2025. Where are we in terms of that process? Obviously, it hasn't vested as yet, but if you think about the equity that's associated with that, where would it stand? Those were the two. Thanks.

Murray Auchincloss: Great, Lucas. I'll let Kate talk about the ESOP. On transition growth engines and progress we're making, I'll talk to the two that you asked about. EV, despite many news articles you hear about EV adoption slowing, they're still growing 20% across the core markets that we operate in. So it may not be 30% that people were seeing in previous years, but we still see across all of those basins, 20% year-on-year increase in EV adoption, so it's very strong. In the four core markets that we're operating in, the one terawatt hour, remember we've gone from 12 countries down to four with

real concentration for our capex through high grading, Lucas. So that's an awful lot of energy sales, 80% growth year-on-year. And our charging time as a function of power, so the amount in residence, is way higher than we thought. We're at 10% now. We did not think we'd be at that level until 2026/27 on a weighted basis. So we're seeing lots of cars, and we're seeing lots of adoption, and we're seeing very high charge levels. And it's because of the great product that the team have put together. It's because of the great partnerships that they've established. The latest one to look at was Amazon Prime in the United States. What a fantastic thing to do to bring Amazon Prime customers to the fast charging. That I'm sure will continue to improve.

So I feel pretty good for EV and that we're on track for our targets that we set out for 2025. And on Archaea, we talked about 15 plants this year. Seven are up and online and operating, eight are flowing natural gas through them and working out pipeline spec with the midstream providers that they flow into. So, they're up and they're operating. We just need to adapt the separation to make sure the separation is working effectively, to get the molecules to flow. We'll probably hit the 15. And the stunning bit about this, Lucas, is the largest number of plants that anybody else in the sector has brought online is two or three. So we're a standout inside the sector at this 15 that I think creates the case for an awful lot more business moving forward.

So I feel quite good actually about Archaea as well. I think on the biofuel side, margins remain suppressed in Europe. I don't think that's a surprise to anyone. They are good in Brazil, very good in Brazil. They're okay in the US but suppressed in Europe, would be the other thing that I'd call out right now. So I think pretty decent progress, Lucas, to be honest.

Kate Thomson: Okay, onto ESOPs, Lucas. So you're right, there was a mixture of options and shares granted a number of years ago[1], and they vest in the middle of March next year. And the cost of it's going to vary depending on share price really plus employee behaviour. So history would tell us that around about 15% of employees would exercise options as they vest in the first couple of weeks or so. But it's very much going to depend, I imagine, on the environment and that behaviour pattern in terms of what the impact is on us. We're still a couple of quarters away from seeing it actualise, so I suggest we will give you greater clarity in due course. We'll offset dilution associated with that over time, as we have said a number of times before.

And the last comment I would make is that the accounting is pretty unusual with regard to these options in shares. So if you're super interested, we can take you through that offline at some point in the early part of 2025.

Craig Marshall: Thanks, Lucas. We'll take the next question from Chris Kuplent at Bank of America. Chris.

Chris Kuplent (Bank of America): Yeah, thanks very much, Craig. Two quick questions for me, please. We're hearing TotalEnergies talk about having a taskforce to look at a way to be listed in the US and be included in indices. I was just going to ask again whether you have such a taskforce in house. Seems like your asset footprint seems a more natural candidate for such a taskforce to at least look into.

And the second question goes back to a question that's been asked a number of times. And Kate, apologies, but you've based your $7 billion buyback in February on, I get it, macro conditions at the time, but also on an 80% pay-out ratio. We've now got nine months into the year. My numbers suggest that surplus cash flow that it's based on is below $2 billion, nine months in. Can you confirm that number roughly at least, given that you're not disclosing it? And why continue with $1.75 billion in the fourth quarter when it doesn't look very likely, even with a slight pickup in disposal proceeds, that you're going to get closer to $9 billion, which I guess is, on an annual basis, what you would require for that 80% pay-out to be to be held? Thank you.

Murray Auchincloss: Great. Thanks, Chris.

On US listing, no, we're not focused on the US listing. That is not on our agenda. Thanks for the question, Chris. And Kate, over to you on the surplus calculation.

Kate Thomson: Yes. So, I don't really want to start guiding forward on what our surplus is at the end of 2024. We've said 80% of surplus over time. We've also said that in our view, the balance sheet is strong enough to tolerate quarter-on-quarter movements, which is why we very deliberately moved away from a quarter calculation at a time on surplus numbers in that quarter. It was creating an awful lot of volatility. With regard to why continue with the $7 billion, in our view, the $3.5 billion that we said we were committed to announcing back in July is exactly that. It's a commitment, and we're confident that the balance sheet can tolerate those payments. And as a consequence, we did not want to do anything about that commitment. We're following through on it, and that's how we think about it.

Murray Auchincloss: Thank you Kate.

Craig Marshall: Yeah, thanks, Chris. We'll take the next question back in the US from Ryan Todd at Piper. Ryan.

Ryan Todd (Piper Sandler): Thanks. Maybe the first one on natural gas, I guess specifically US natural gas prices. I think after some earlier excitement in the earlier part of this year, natural gas prices in the US remained pretty weak, both at the headline Henry Hub, but particularly in most basins. So specific to, I guess, a couple – how do you think about US gas prices, and specific to a couple of your operations here in the US, how do you think about where the Haynesville fits from an activity level point of view? And is there anything you can do in places like the Permian to specifically improve what feels like perpetually weak dynamics there on a pricing point of view?

And then the second question is, on the exploration front, can you maybe talk about, are you still spending the right amount of money in the exploration programme right now? And is there anything that excites you on the horizon as you look at future opportunities?

Murray Auchincloss: Great. Ryan, I'll take both of those. On exploration, we're drilling about 30 wells a year right now. Should it be vastly different than that? Probably not. Lease bonuses are very small these days as opposed to past history. Drilling efficiencies much, much better than it has been. So I think we're in the realm of stuff that's fine from an activity level perspective.

What's interesting coming up on exploration, with an explorer as a father, I can't decide if I go optimistic or if I do my pessimistic thing. But what my father would want me to say on optimism for exploration. We've got some interesting stuff, obviously, going down in the Rhino block in Namibia that'll start up soon. I think Claudio has talked about that with Eni as well, our partner in Azule who's drilling with us. That looks interesting. We think it's on the right trend, but let's see.

We've got a couple more wells going down in Brazil that are in pretty hot basins. Let's see. It's in the right postcode. We had a very good discovery on Cabo Frio a while ago that we'll be appraising. That'll be interesting. And let's see how Potiguar goes, which is the next big well in Brazil as well.

And then the Paleogene is really interesting, too, guys. We will appraise the West bump. And then there are some really, really big bright spots. We've got our new seismic that we've done, cutting edge seismic below salt that we've done that look really, really big. So let's let the drill bit do that. That's a little bit further out. That's 2026 when we'll get after those ones.

So I think Namibia, Brazil and GoM look pretty interesting, but I'm happy with the overall level of activity, Ryan.

On US natural gas, yeah, I think if I start at a high level, I'm pretty optimistic on natural gas prices through the decade. The nation's producing about 100 bcf a day right now. Obviously 15bcf a day of capacity needs to come on to fill the liquefaction plants, and then the hyperscalers are driving crazy demand into natural gas right now. We could see something like another 10bcf a day of demand by the end of the decade. Hard to predict right now, but crazy, crazy demand coming out for baseload. So we see very high demand for natural gas as we move through the decade, which makes us incredibly optimistic about our 22tcf of natural gas that just sits there waiting for a price response.

For now, we have low levels of activity in the Haynesville and the Eagle Ford on the dry gas side as we wait for a pop in price. If that price pop comes, we'll structure something and start to drill into those basins, but for now, that hasn't happened. We think price response will come as the LNG becomes more real.

And then on basis differentials, Haynesville and Eagle Ford were okay, were direct to market there, our trading organisation makes sure that we have lots of capacity in that space, so that's okay. Obviously, the Permian is a challenge for everybody. We've got the new pipeline that's online. Matterhorn I think, that will put 2.5bcfd capacity. We think that helps for a while, but it probably fills up after a while. So I think we feel okay about the Eagle Ford and Haynesville and Hawkville where we've got 22tcf, which is great. The Permian will remain a challenge, which I think was your point, Ryan. Hope that helps.

Craig Marshall: Okay. Thanks, Ryan. We'll turn next to Alastair Syme at Citi. Alastair.

Alastair Syme (Citi): Thanks, Craig. Two quick ones. On cash taxes for Kate. We're running quite a bit ahead of P&L tax this year. Can you maybe just explain what's going on and how you would seek to guide us going forward?

And then Murray, one of the arguments of the IEC model was you could have these sort of strong corporate level relationships and transactions. And you just mentioned the hyperscalers there. I mean, we've seen some pretty high prices that people are willing to pay for nuclear and other capacity. I mean, are you seeing the same disconnect and the sort of deals you're able to put together with customers?

Murray Auchincloss: Yeah, I'll let Kate hit the cash tax first, and then I'll come to the hyperscaler question.

Kate Thomson: Yeah. Hi, Alastair. I think the main reason you're seeing cash taxes run a little bit ahead of where you might have expected is the ETR is on prices which are lower this year than they were last year. You're always going to get a level of movement in geographical mix, and things move around with regard to deferred tax asset recognition quarter-on-quarter as well. So that's basically it in terms of moving parts. There's nothing anything more to call out there.

Craig Marshall: And the third quarter as well was instalment payments. So it's typically higher – And we flagged that.

Murray Auchincloss: To the hyperscaler conversation. Look, we're in conversations with all of them. They are obviously looking for energy. They would like it to be as decarbonised as possible. We're working with that. We're working with them on that. The lead place in the world right now is the United States, where they're moving fast. Other places aren't moving as fast. I think that's a 'yet' observation. So I think we'll start to see the hyperscalers really start to move in the UK and Europe and other parts of the world a little bit later than the United States. If you want to remain competitive in AI, you'll have to do that. And I think everyone wants to maintain competition in the AI space.

So I think if you're an integrated energy company, this is the right time for you. If you've got the ability to bundle natural gas with solar, with wind, if you're able to create hedging shapes for them, etc., you're an ideal shop. So there will be some companies that they will go to that can't provide the lower carbon stuff because they can't do it. There'll be many companies that can't do global reach. So that's why I am quite excited about the future for the business and why I'm committed to continuing to transition it, because our customers – and clearly hyperscalers are going to be one of the bigger customers moving forward for energy – need baseload, reliable energy that will decarbonise over time. That's how it seems like it's arising. And I think there are only two or three companies in the world that will actually be able to provide that at scale across multiple countries.

So we've done some deals that are quiet, and over time we may publicise some of these, but it's a very, very interesting space, Alastair. So thanks for asking about it.

Craig Marshall: Okay. Thanks, Alastair. Next question from Kim Fustier at HSBC. Kim.

Kim Fustier (HSBC): Hi. Good afternoon. Thanks for taking my questions. Firstly, I wanted to ask about capex. I know you guide on 2025 capex in February, but I think you mentioned earlier that capex is a tool that you can flex. I was wondering, in a $70 per barrel oil price environment, could you say whether anything changes in your capital

programme relative to, let's say, an $80 per barrel Brent price environment? And if so, where that flexibility would come from? Would you lean more on short cycle and reduce that, or are there any other projects that wouldn't make the cut?

Secondly, on divestments, if I may, it seems to me the majority of the assets sold or up for sale are in midstream and renewables. So the TAP pipeline, farming down Lightsource bp, wind assets. Is it fair to say that there's more focus on midstream and renewables asset sales rather than in upstream? And if so, where does that leave your target of 200,000 barrels a day of upstream divestments?

Murray Auchincloss: Yep. Great. Kim, thanks very much for the questions. I don't think you'd flex anything between $70 and $80 per barrel on the upstream. We don't run our hurdle rates at $80 per barrel. That's just upside for us. I think as you think about 2025 then and capital flexibility, if you need capital flexibility, you've obviously got the option to do things lighter capital by bringing in partners. That's an option that you always have. We'll continue to push the pipelines for decapitalisation. That's something that was quite hard in 2021, 2022, 2023. Companies just weren't willing to do that. They're back at it now, infrastructure funds are back at it and looking for those types of assets. So that gives us an opportunity to decapitalise an awful lot of pipelines that we have inside the business. Some of them are quite aggressive. They're saying, 'Can we decapitalise your compressors for you? Can we decapitalise your wells for you?' That's not something we'll do, but it shows you a sign of the scale of capital that's available to decapitalise a portfolio. So it's something that gives you confidence that if you need to and you want to and you see the right multiples, you can start to flex that asset base as well.

We have had divestments that we've announced recently. So we've got Egypt and Trinidad, and those take around 70mboed out of that 200mboed. And we continue to work a couple more options that I'd like to high-grade out in time as well. They're either entities that don't earn much money for the production, or they're not an efficient use of capital for us. So we'll continue to think about doing that. So, the 200mboed is kind of okay for now, around 75mboed done, maybe even a little bit more if I think about some other ones that we've done in the past.

So I feel on track for that. So lots of flexibility in capex depending on what happens with the environment. Flexibility in the upstream is very, very high. We're at a period where we're finishing off major projects. We're only starting up new ones. So the vast majority of capital is going into drilling. And we have all kinds of flexibilities in those contracts if we needed to use them. So I hope, Kim, that helps with that range of questions.

Craig Marshall: Thanks, Kim. We'll go next to Martijn Rats at Morgan Stanley. **Martijn** ~~Martin~~.

Martijn Rats: Yeah. Hi. Hello. I also have two, if I may. First of all, I wanted to ask if you could elaborate a bit about the project you mentioned in Kirkuk, as in, Iraqi projects have a long history of being famously low margin. But look, at the same time, that is from some time ago. And I was wondering where you see the level of profitability in the project that you recently mentioned, where that could get; is that sort of a different level of margin.

And then the other one I wanted to ask goes back to the balance sheet financial framework and also looking forward to what might be the buyback in 2025, as it remains a key issue for all of us, of course. And that is this, if we add back the debt that you will be consolidating from bp Bunge Bioenergia and Lightsource bp, and then a look at the level of gearing that that implies, that takes the gearing back to the level of, say, early 2021. And in early 2021, the guidance for the buybacks was 60% of surplus cash flow, which, at the time, at least I interpreted as being in recognition that the other 40% was needed for balance sheet de-gearing. And so I was kind of wondering if 80% of surplus cash flow is indeed the sort of indication that we should assume for the buybacks in next year, or, given where the balance sheet is once the additional debt is consolidated, whether we may actually need to start thinking about a pay-out out of surplus cash flow that is a bit more reminiscent from a few years ago.

Murray Auchincloss: Great, Martijn, I'll let Kate answer that one on fin frame, which of course remains consistent since 2020 and will remain so[2]. In the meantime, I'll talk about Kirkuk. Very exciting opportunity for us. Five domes full of oil, 20 billion barrels yet to produce. That's not in place, that's yet to produce, 20 billion plus saturated rock nearby that offers a tremendous opportunity for oil and natural gas. The Iraqi terms have changed magnificently since 17/18 years ago, that you might be remembering, Martijn. I think you can go on WoodMac and see the latest rounds. It's called round eight, and you can see what those terms look like. And they are competitive with most of the other countries in which we operate now in PSA structure. So we're happy to move forward with that, and we see it as a tremendous opportunity to grow short cycle oil in the Middle East in some of the lowest cost supply in the world.

Over to you, Kate, on balance sheet.

Kate Thomson: Thanks, Murray. And hi, Martijn. Yes. So, look, if I go back to February of this year when we updated our guidance to 80% of surplus – and to be clear, our guidance is unchanged currently. We went there because of the degree of progress we'd made in reducing our level of debt in the balance sheet through 2022 and 2023. And if you just bear with me just for a minute, I'm just going to step you through exactly why I'm comfortable with the balance sheet today. So as at the end of the third quarter, we've done got about net debt of, let's say, $24.5 billion. We've said around $1 billion of divestment proceeds were delayed by four days. So I take that off. And if you look at our cumulative working capital build on our balance sheet since 2019, it's around about $13 billion. $9 billion of that is Deepwater Horizon. $2 billion of that is decommissioning. And that leaves me with around about $2 billion of build that is left to reverse over time.

So when I take all of that into consideration and I think about my net debt at the end of 2Q, it's probably permanently around about the $21.5 billion level. And yes, we will be consolidating debt from Lightsource bp, but as we've already said, the majority of that is transitory. As we bring in that strategic partner at the right time and for the right value, that will be removed. So I just wanted to step you through how I'm thinking about the balance sheet and why I feel comfortable saying that it's strong and we're comfortable with where it sits right now, so I hope that's helpful.

Craig Marshall: Thanks, Martijn. We're getting close to time here. We've got three remaining questioners. So the first one, Matt Lofting at JP Morgan.

Matt Lofting (JP Morgan): Yeah. Thanks for squeezing in the questions. Two quick ones, please. Firstly, if we just come back to the earlier comments around cash flow generation. Obviously CFFO can be phased and lumpy quarter-by-quarter. I just wonder if you take a step back and look at nine month delivery compared to bp's internal expectations at the beginning of this year, how you see underlying cash generation, year-to-date, and how you'd sort of grade it versus the start of the year.

And then second, Murray, I think you talked earlier about trading year-to-date being on track, to be average, assuming that that corresponds broadly, therefore, to the 4% return contribution that you've talked about in the past. Can you share a sense of how that compares to the contribution that business was making in 2022/2023, and how confident you are you can sustain this year's levels, 2025 plus under forward strip conditions? Thanks.

Murray Auchincloss: Yep. Thank you, Matt. I think on trading, yes, we've had an average of 4% over time since 2020. This year, we're on track for the 4%. I feel very comfortable with that. We were up around 6% in the heights, so we're 2% below that, but 4% is where we're delivering now. And you may be wondering, is 4% durable, especially if the world were to turn to lower volatility? And my answer to that is absolutely. And the reason that I say absolutely is we're building a series of businesses around our historic trading business, which give us much more optionality and flow. And trading businesses make money from equity optionality, merchant optionality and flow. That's where they make their money. So building out power businesses through the EDF and GETEC acquisition, building out biogas from Archaea, building out a biofuels position in Bunge that will allow us to arbitrage bioethanol to the west coast of the US and Europe. These steps we're taking to build out these peripheral businesses where customers want lower carbon energy, allow us to durably make this 4%. And if Carol is listening, I'd probably say grow over time as well, even without volatility.

So maybe a way to think about it is that extreme volatility that you saw in the past couple of years gave us 200 basis points, but we feel very confident in the 4% durability of trading moving forward, given that we're building out the businesses.

As far as the grading goes for my leadership team on performance this year, I'd say the upstream is performing exactly as we'd hoped. Production is about on plan. Costs are coming in on plan. Projects are coming in on plan. So I feel very good about that. Refinery is operating very, very well, except for the first quarter where we had a problem in Whiting. And that's not entirely their fault given external circumstances, but the Whiting outage in 1Q24 would probably be the one point for the year that scores us down. The rest of the year we've been doing just fine. And we're on track for the 3 to 4% underlying growth we talked about and look forward to beating that as we move into 2025. Hope that helps, Matt.

Craig Marshall: Okay. Thanks, Matt. We'll take the next question from Paul Cheng at Scotia. Paul.

Paul Cheng (Scotiabank): Thank you. Two quick questions. First, Murray, can you give an update about GTA phase one, the LNG project? Are we still on schedule for end of the year or early first quarter [2025] start-up on the first gas?

And secondly, I think it's for Kate, on the $2 billion cost reduction by the end of 2026, can you give us an idea how that breaks down between the organic cost reduction and the cost reduction related to asset sales? Thank you.

Murray Auchincloss: Great, Paul. Fantastic. On GTA, we continue to make good progress. All the equipment's in the field now. During the quarter we brought in an LNG vessel to unload LNG into the actual LNG facility itself, and that's allowed us to pre-commission the LNG. That's gone very well. So congratulations to the team for delivering on that. Not a straightforward operation. The next milestone, we continue through punch lists, etc., but the next big milestone will be introducing natural gas from the wellheads into the floating FPSO offshore, and then into the pipelines that go to the LNG plant.

I'm happy with progress. I don't want to put any pressure on the teams. What they need to focus on is safely starting this up. That will be what is remembered in time as a safe start-up. But I feel like we're making good progress, Paul, and we'll update you next time we talk to you.

Kate, over to the cost savings and how much is organic versus inorganic.

Kate Thomson: Yeah. Thanks, Murray. When we first set out the cost efficiency back in February, we talked about four areas, four levers where we would be driving cost efficiency through. One of those was our portfolio. So, as a rule of thumb, that's probably not a bad guide to the 25%. But we'll give you a better idea of delivery as we get to the fourth quarter. And my expectation in February will be to explain, business by business, how we're doing and what we're actually delivering.

So the other thing I would like to say today is that hopefully you've seen that we've got line of sight now to in excess of $500 million in 2025. If you remember what I've said on previous calls, is that I firstly want them underpinned. Then I want to do what we can to accelerate and exceed. And then thirdly, how do we sustain this. And that continues to be the lens through which we're driving this whole area of work. And the teams are making tremendous progress. As you can see, we're working a lot of options. Track record at every other company that tries to do this would say you need a hopper of options that are significantly in excess of your delivery. So right now we feel very comfortable about our $2 billion in 2026.

Craig Marshall: Okay. Thanks very much, Paul. I'm afraid due to time, we're going to take our final question. And that's from Bertrand Hodee at Kepler. And for anybody remaining on the call with questions, we will follow up with you. Thank you. Bertrand.

Bertrand Hodee (Kepler): Yes. Thanks, Craig. Two questions, if I may. The first one is on your Palaeogene opportunities, you've sanctioned Kaskida this year, you want to sanction Tiber next year. And I've seen a third project popping up called Guadalupe. I remember it was a discovery announced a few years back. How should we think about Guadalupe? It's a potential new hub, or is it a tieback opportunity to Kaskida or Tiber?

And the second question is on the corporate division. It was a bit of an awkward number in 3Q24 with a positive contribution from OB&C. Can you just explain it?

Murray Auchincloss: Yep. Great. Bertrand, I'll let Kate describe that one. On the Paleogene, thank you for your memory. That's fantastic you remember Guadalupe. You might remember Gila as well, if you were really stretching back in time. We have the Guadalupe discovery. It's there. We have not made a decision yet on it, to be honest, if it's a tieback to Tiber or if it's a standalone. We have a couple wells going down across 2025 and 2026 that will help us decide what we do. First, we have the appraisal well on the west bump on Kaskida. So when we say we're sanctioning Kaskida, we mean the east bump of Kaskida with six wells. And then the west bump will drill an appraisal well, and that will determine what we do with that one. In our minds right now, it's a tieback. But it depends on how that goes. Certainly it will be a tieback. I don't think it'll be standalone, but let's see how the appraisal well goes.

We then have the big exploration prospect that I talk about that is to the west of that. That will be drilled, and that will really determine what we do with the region. If that comes in with a similar size to Tiber, to Kaskida, you'll have to think about a standalone there. If it's dry, which is possible, then we'll have to make this decision on Guadalupe as well. So I think the roundabout answer to that is we're clear on Kaskida. And we're underway getting to construction now. It looks like we'll sanction Tiber, I feel very confident about that. Guadalupe is an expected FID. Appraisal is an option. And the next exploration well is an option. We've also shot seismic and we're seeing other bright spots, but there's just a lot of resource there. We're on the verge of making two infrastructure decisions with two vessels. I hope there's a third one there, but it's a bit too early to say. We need to do more appraisal and some exploration drilling. I hope that helps, Bertrand. And over to you, Kate.

Kate Thomson: Yeah. Thanks, Murray. Let me just quickly clear up on other business and corporate. It's an area of the results that can move around quite a lot quarter-on-quarter. In terms of 3Q, you may remember earlier in the call, I talked about us deliberately building cash through the third quarter, getting ready to repay the financing for Lightsource bp so that we could finance it internally. It's a lot more efficient way of doing it. So we had a greater level of interest income in the third quarter as a consequence of that. And then the other big component was favourable foreign exchange movement on a weaker dollar. That's really all that's going on. But it does move around a bit. I know it's tricky.

Murray Auchincloss: Yep. Great. Thanks, Kate. I think Craig, with that, we'll call it to an end, and I'll just make a few closing statements.

Thank you for all of your questions and for listening. Another quarter of resilient operations, and I hope you'll agree, significant progress in driving focus and efficiencies into the business. The actions we are taking create real change in bp, and we're staying focused on what we control, growing the underlying performance of the business. We have great assets, a great team and great opportunities to grow returns and value. I firmly believe we are only one of a few companies that can deliver unique, integrated energy solutions for countries, companies and customers alike, and I have deep conviction that the actions we're taking will grow the value of bp. We're very much looking forward to providing an update on our medium-term plans when we broadcast from New York in February. Thanks, everyone, for your questions and for joining the call.

[END OF TRANSCRIPT]

Notes

1. *Reinvent bp share awards were introduced in February 2021.*
2. *As part of the update to our medium term plans in February 2025, we intend to review elements of our financial guidance, including our expectations for our 2025 share buybacks*