Oman 2018

Upstream Investor Day & Fieldtrip

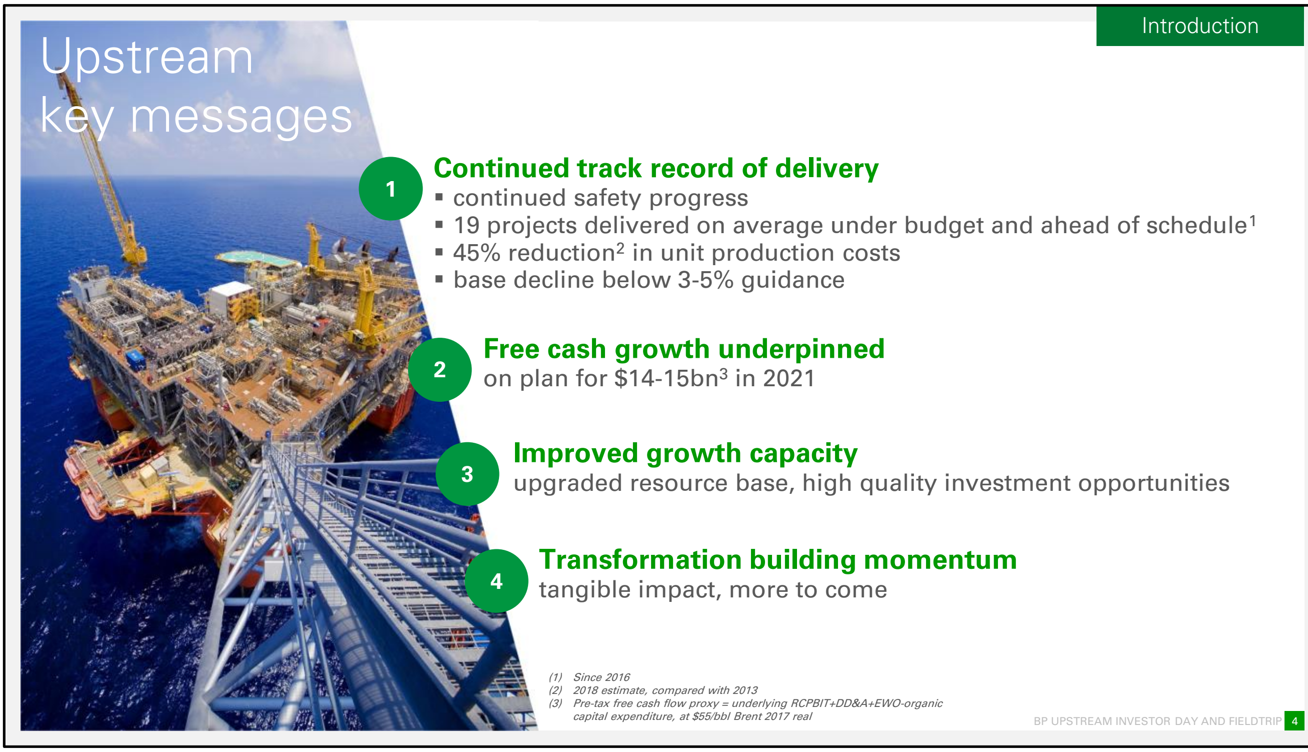
Cautionary statement

Welcome to Oman. And thank you all for coming. I think everyone has travelled so we especially appreciate that. Over the next two days we will share the progress we have made since we set out our plan in Baku in 2016.

In many ways it was an easy decision to host this event in Oman. Our business here at Khazzan exemplifies our strategy:

- early, bold access;
- strong execution leveraging technology, as well as learning from across BP, and
- material growth potential.

You will hear more from Michael Townshend tomorrow, and we are excited to show you the Khazzan field and facility. Thank you to Michael and the local team for hosting.



Let me start with four key messages that we will keep coming back to over the next two days.

First is our "continued strong track record of delivery". Doing what we said we would. And doing so competitively.

Starts of course with safety where we continue to make progress, and we always have more to do;

- 19 major projects delivered since 2016 – on average under budget and ahead of schedule;
- Improving drilling performance;
- Improving operating efficiency;
- 45% reduction in unit production costs;
- And base decline managed to below 3%;

In summary, we have grown production on average 7% per annum since 2016, grown margins and created the space to absorb the onshore Lower 48 BHP portfolio within our existing capital framework

Second, we are on plan to deliver the 2021 free cash flow growth target. We first laid it out two years ago in Baku. We have twice upgraded the target since then – once in 2017, and again just this year. We expect to deliver $14 to $15 billion of pre-tax free cash flow in 2021 at $55 per barrel real prices.

Third, we have improved both our capacity to grow, and the quality of that growth. We have high-graded our portfolio, including through our acquisition of BHP's Lower 48 assets. Our execution performance continues to improve the quality of the options. Overall, we have seen an improvement in the returns of post 2021 investment by close to 5% since we last spoke to you. This leads to a suite of high-quality investment opportunities, and more than enough capacity to continue to grow into the next decade. As a reference, between 2018 and 2021 we expect to sanction around 30 projects – including up to 10 this year.

Fourth and finally, underpinning all of this is our transformation agenda. We are delivering billions of dollars of value. Excitement and expectations are building. And we are far from done. We believe passionately in the potential of this agenda, as well as the need for it. Not just in the Upstream – but in our sector.

Before we move to the Upstream agenda, I would like to take a moment to remind you of the BP Group strategy.

It is based on four, clear strategic priorities, which together embrace the energy transition and shape how we continue to create shareholder value in this rapidly changing world.

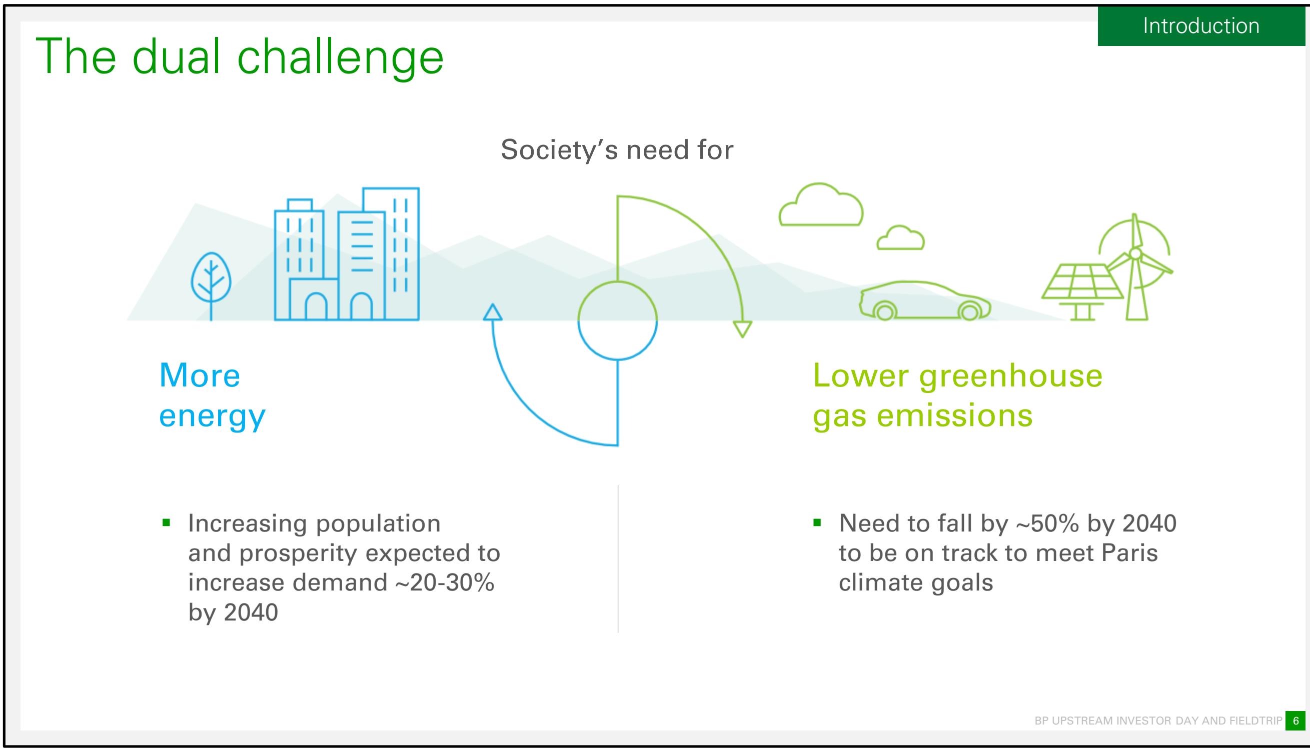
These priorities are:

- Growing advantaged oil and gas in the Upstream;
- Pursuing market-led growth in the Downstream;
- Investing in low-carbon technologies and businesses and reducing carbon emissions across all our businesses, and
- Modernising the whole of BP to make us safer, more efficient and more competitive.

Delivery of our strategy underpins our proposition to you, our investors. And central to this proposition is our goal of growing operating cash flow within a disciplined capital frame, leading to growing sustainable free cash flow and distributions to shareholders over the long-term.

Over the next 48 hours you will hear how we are supporting that through our Upstream strategy, namely:

- Quality execution;
- Growing advantaged oil and gas, and
- Returns led growth.



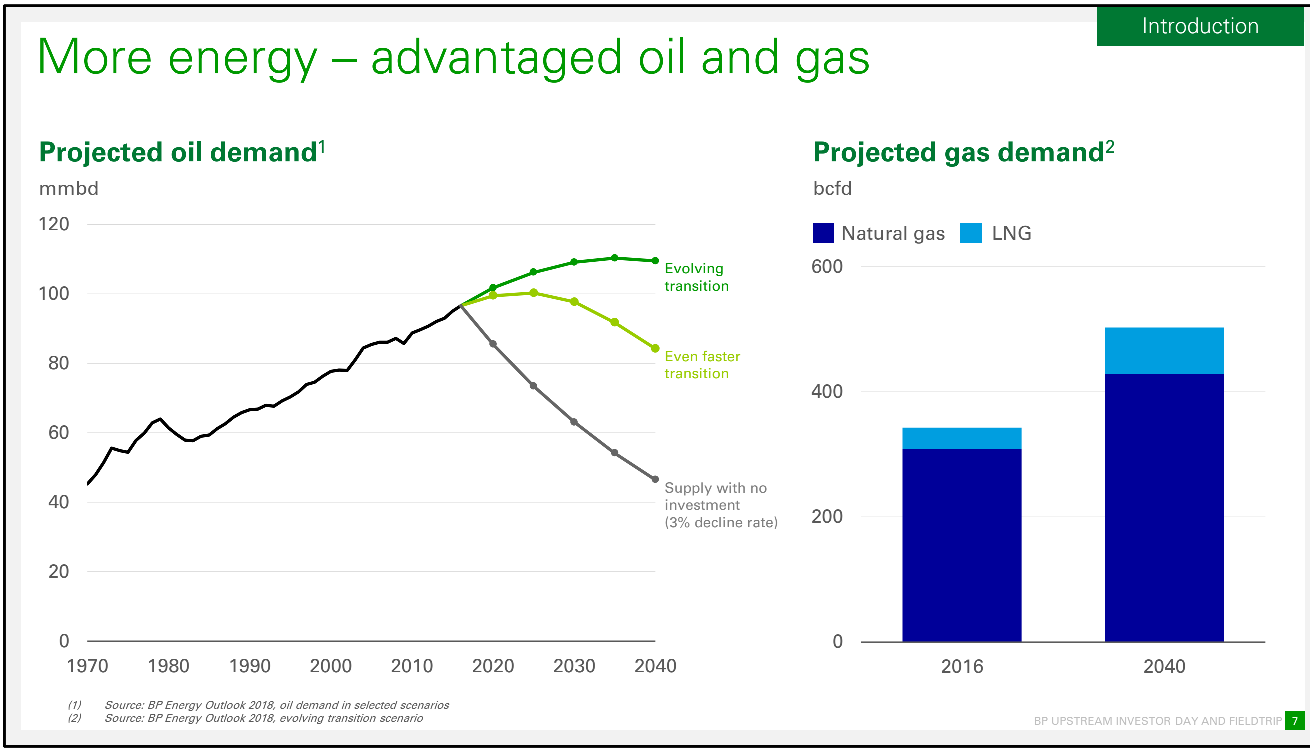
Before that – a few words on how we are approaching the energy transition, and the shift we are seeing to a low-carbon global economy. And in particular, how we think about it in the Upstream.

Within BP, we approach this transition in terms of the dual challenge facing the global energy system.

First, carbon emissions need to fall significantly over the next 20 years, of the order of 50% or so by 2040, to be on a path consistent with meeting the Paris climate goals. We all have a role to play in lowering emissions – governments, consumers as well as companies like BP. Yet on current trends, emissions are likely to continue to edge upwards for much of the next 20 years.

We are committed to playing our part, and have introduced our RIC framework. Reduce – our own emissions, Improve – our products so that our customers can reduce their emissions, and Create – new low carbon businesses. I will speak more about the Upstream actions in Reduce later.

Second - the other part of the dual challenge - the world needs more energy to continue to grow and prosper – we estimate an increase of somewhere between 20-30% by 2040. The majority of this additional demand comes from the emergence of a growing middle class in Asia, with around two and a half billion people set to be lifted from low to middle incomes over the next 20 years.



Renewables, like wind and solar, are expected to continue to be the fastest growing form of energy over this period and will play an important part of both meeting this rising demand while also helping bring down emissions.

After renewables, gas is the fastest growing fuel across a wide range of scenarios.

And – in almost every scenario - oil and gas together are forecast to represent greater than 40% of the energy mix in 2040.

So, what does this mean specifically for the Upstream? How do we think of this as we invest, and how are we ensuring we create and protect shareholder value?

The answer to this is possibly best explained using data.

Today, global oil demand totals around 100 million barrels per day.

Our Energy Outlook this year provides some scenarios that help us think about the future.

Based on current trends, our 'Evolving Transition' scenario – the dark green line - shows oil demand increasing to around 110 million barrels per day by 2040.

Under the 'Even Faster Transition'– the light green line - a scenario which sets a trajectory consistent with meeting the Paris climate goals, the world still consumes around 80 million barrels per day.

However, there are those who believe the answer is to stop investment and remove oil and gas from the energy equation. Such a scenario is 'supply with no investment' – the grey line. Zero investment in oil from today, and a very modest or conservative decline rate of 3% per year. In this case, the world would be able to supply only around 45 million barrels per day.

There is clearly a gap. Many have estimated what investment levels are required to close that gap – and it is significant – trillions of dollars. So, how do we ensure our Upstream investments are investments that help fill that wedge? Helping the world with the energy it needs – while at the same time meeting the Paris goals.

Some – including those of you in this room - have tried to calculate what oil price is needed to sustainably produce 80 million barrels per day. The truth is we don't know. There are above ground challenges, as well as simple cost of supply charts.

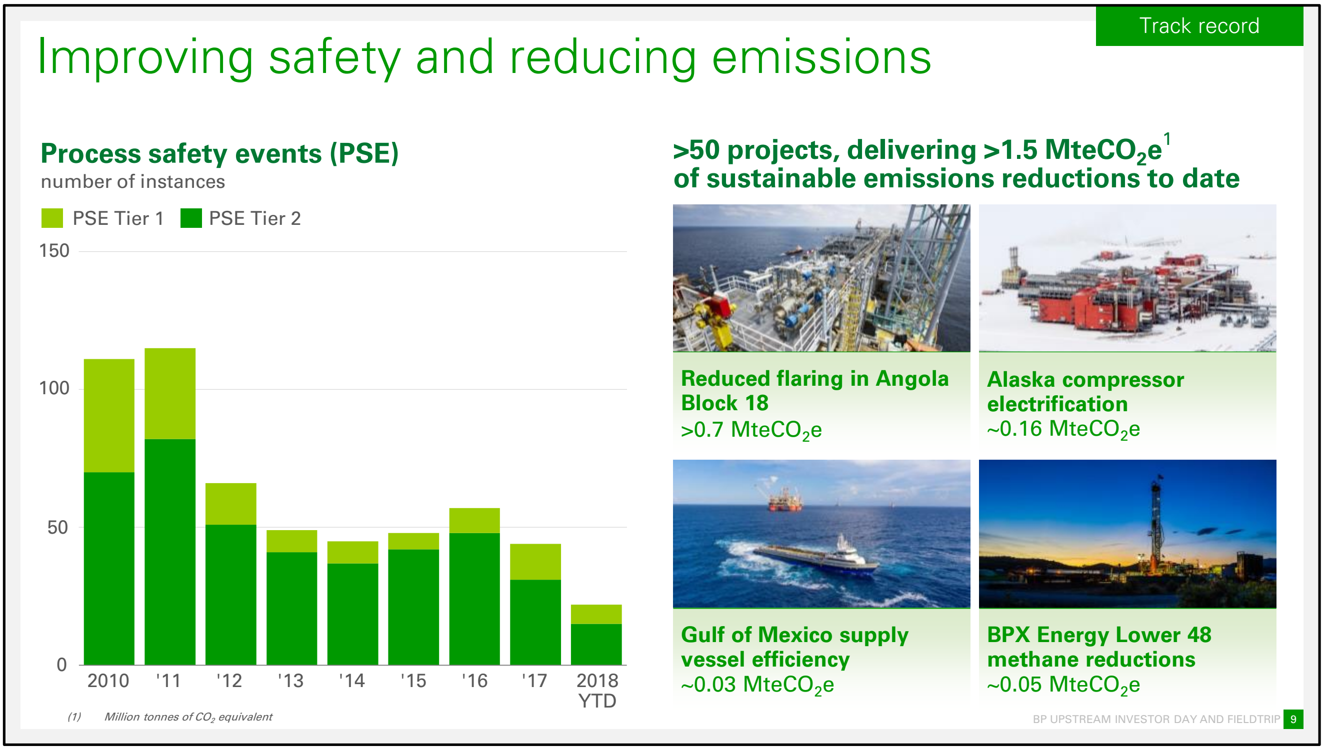
What we do know however is – even in a scenario consistent with meeting Paris goals:

- there will be demand for oil, and especially gas;
- there will be an industry;
- and the winners will be those who have the greatest resilience and flexibility.

In the Upstream – we believe we are well placed for this evolving world through our focus on the following:

- Advantaged resources - barrels that are low cost or high-margin, with low break-evens. And within this – we acknowledge that not all our resources are advantaged today, for example heavy oil or ultra-deep opportunities. We continue to screen all options over time while minimising holding costs;
- Capital discipline – rigorously sticking to our investment hurdle rates of mid-teens for greenfield, and greater than 20% for brownfield – at an oil price of $60 per barrel;
- Balance or diversification - exposure to different pricing regimes, contract structures, geographies, markets, short versus long-cycle capital commitments, and a mixture of oil and gas, and finally;
- Flexibility – the ability to ramp up and ramp down capital investment – which has been improved through the BHP transaction.


Track record
of delivery



Let me turn now to our first key message and that of our track record.

Starting with safety – our core value.

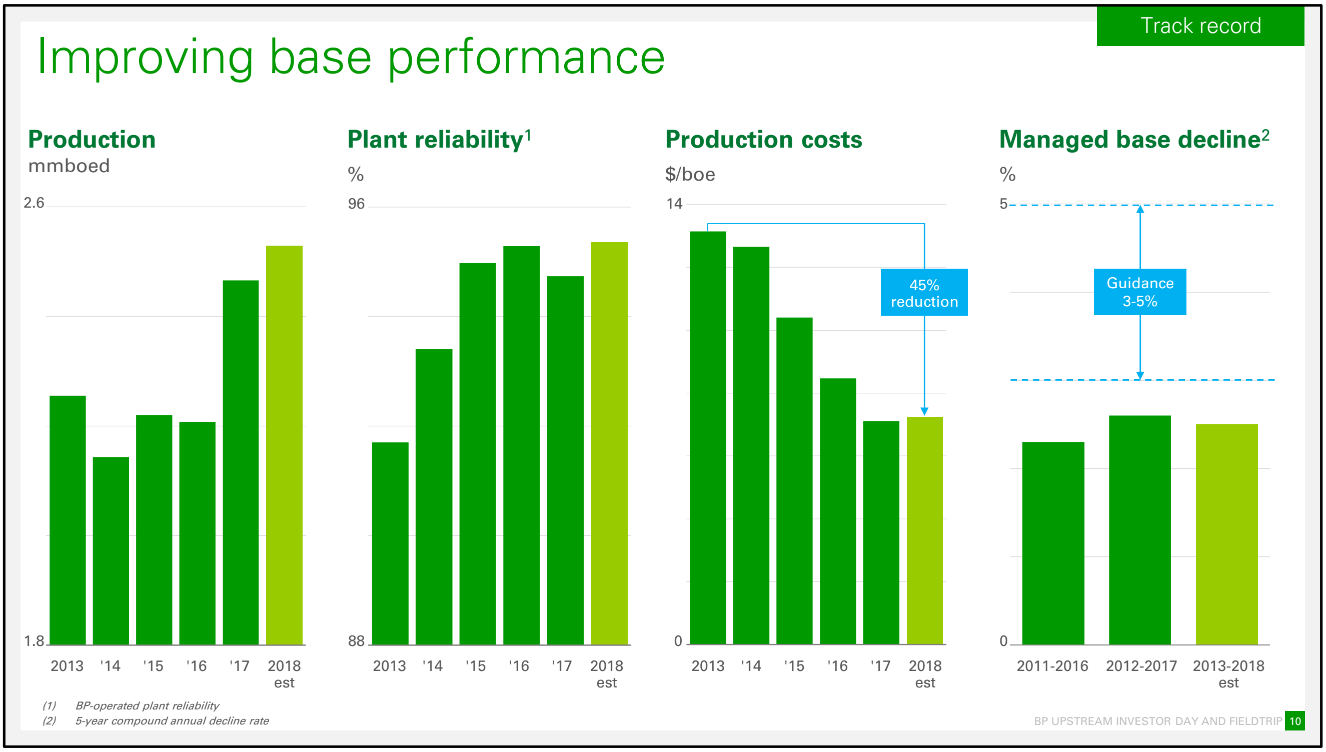
You can see the progress we have made in process safety – with reductions in our tier one and two events.

We have also continued to reduce the number of people hurt in our business.

The results are encouraging – but there is always more to do. We can never be complacent. This is about caring about our people and protecting our assets.

We are also making good progress on reducing our emissions – part of the RIC framework I mentioned earlier.

We have clear targets for the company and our teams are energized, and in action. The examples on the slide – from Angola to Alaska – are sustainable reductions in our CO_2 emissions. Good for the environment and good for business.



Turning to our base business - we aspire to be the best operator in each basin that we operate.

Together with our shareholding in Rosneft, BP's production in 2018 is expected to be over 3.6 million barrels of oil equivalent per day. Production has grown on average 7% per annum since Baku in 2016 – well ahead of our 5% CAGR guidance.

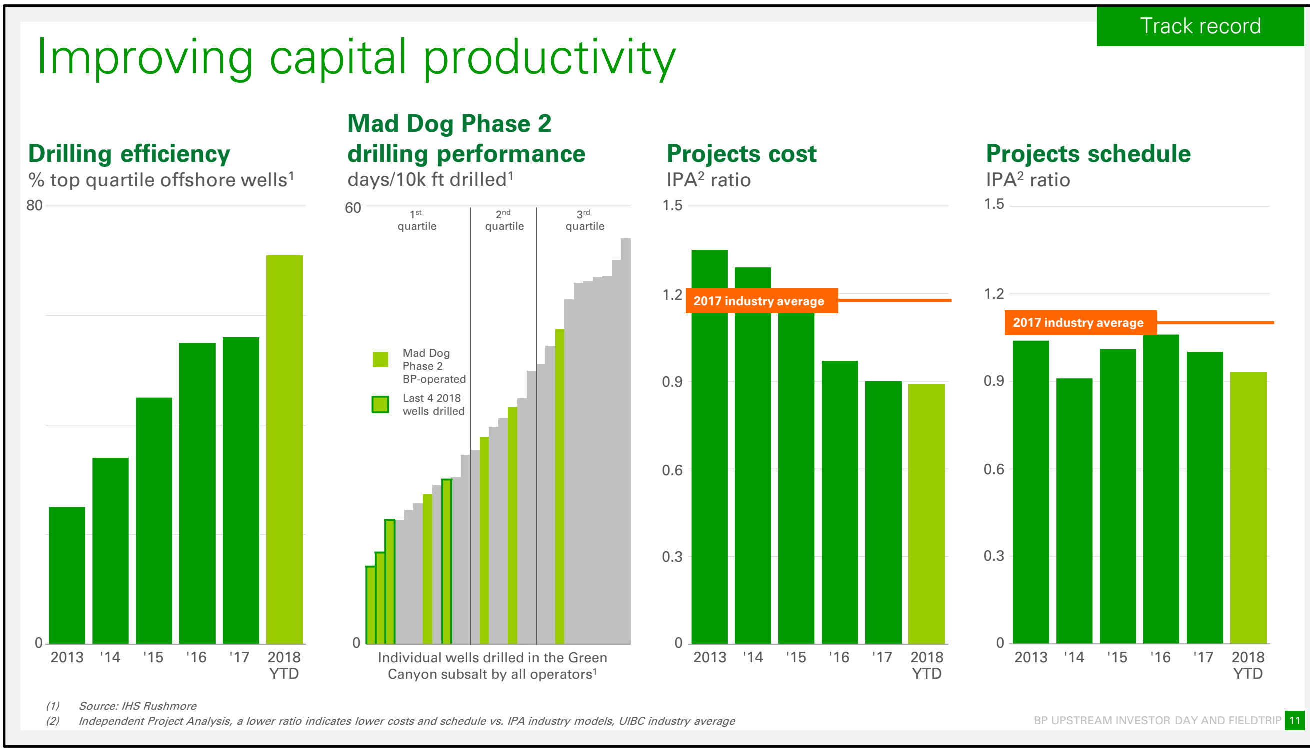
We continue to improve overall plant reliability – currently running at close to 96%. Reliability in the North Sea has improved more than 10% from 2013 to today.

We also focus on the overall operating efficiency of the production process – all the way from the well to the export route – not just the plant. This was 77% in 2013 and is now over 83% - a record level. We believe we can continue to improve.

We have driven our unit production costs down - 45% reduction since 2013.

And finally, we are continuing to manage our base decline to below 3%, helped enormously by our digital agenda.

You will hear more about all of this in the breakout with Gordon, Leigh Ann and Ian.



We also continue to improve the execution of our capital activity. Capital productivity remains "the" lever in our industry. Here, our functional model, specifically our global wells and global projects organisations, is delivering.

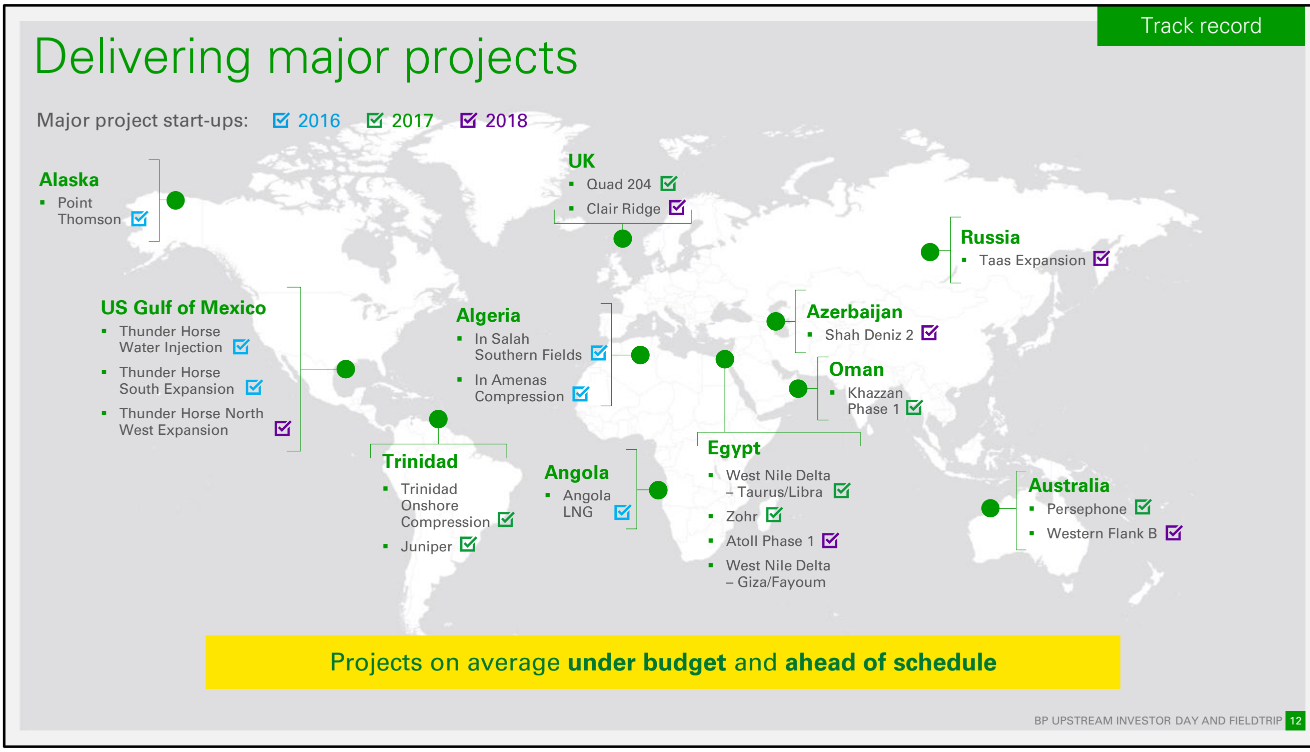
In drilling, over 70% of our offshore wells are now top quartile. From 25% just five years ago. And during the same period, our percentage of non-productive time for completions has reduced by around 30%.

Mad Dog 2 is a great example of our drilling performance. The chart shows how many days it has taken to drill ten thousand feet for wells drilled in Green Canyon by all operators. The green bars are BP. You can see three of our last four wells are the best ever drilled.

We are also continuing our strong track record of major project delivery.

The metrics on the chart from the Independent Project Analysis show we are sanctioning projects better than the industry average on cost and schedule. And we are continuing to improve year on year.

And it is not just sanctioning them – we are delivering these projects on average under budget and ahead of schedule.

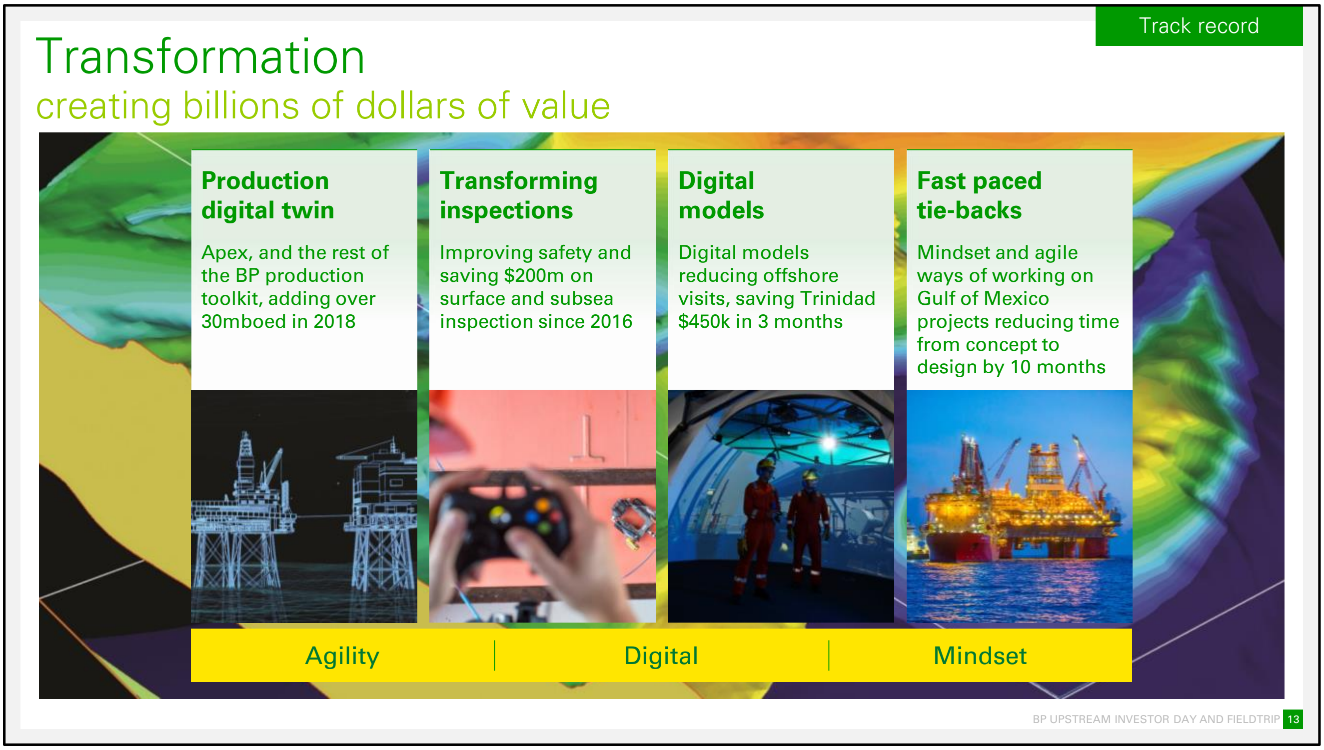


We have started up 19 Major Projects in the last three years.

The projects we have started up and are progressing range in size, scope, complexity and geography. From deepwater Gulf of Mexico to Shah Deniz 2 in Azerbaijan, with pipelines spanning six countries. From the desert here in Oman – one of the world's largest greenfield unconventional developments – to LNG off the West African Coast. From the jungle in Papua to the harsh environment of the West of Shetland.

We like having the capability to take on these challenges – and as the industry evolves – we believe it is increasingly distinctive.

But there is still room to improve. More to do. We can and must get better. Dave and Andy – our Head of Global Wells Organisation – are already working on the next steps to drive further improvement. You will hear from Dave and James later.



Our transformation agenda is starting to bite. We think of it through the lenses of Digital, Agility and Mindset.

We now have around 1,000 projects across the Upstream aimed at sustainably improving both performance and how it feels to work in the Upstream.

Some are still in the idea phase, but the majority are in action, with a growing number already executed.

We have spoken with you about APEX in the past, our production digital twin. APEX is no longer a Minimum Viable Product. It has been deployed across all of our major operated fields within two years. You will get a chance to see it in action in one of the breakouts. Apex is just one part of our production digital toolkit which collectively has added over 30 thousand barrels of oil equivalent per day this year alone.

In operations, we are putting fewer people in harms' way to complete inspection activity through deployment of technology such as drones, crawlers and ROVs. We have already reduced our surface and subsea inspection costs by $200 million since 2016.

In Trinidad we are using the latest digital modelling technology, think 3D visualisation of our offshore facilities. This allows us to complete detailed activity planning on our normally unmanned installations without having to go offshore. Improving safety through reduced visits, saving $450 thousand so far.

In the Gulf of Mexico, our project teams have been using our latest agile ways of working and challenging themselves to bring our new subsea tie-backs on line quicker, "Fast Paced Tie-backs" as they now call them. They are making good progress with seven tie-backs either in execute or operate with an average 10-month improvement in cycle time.

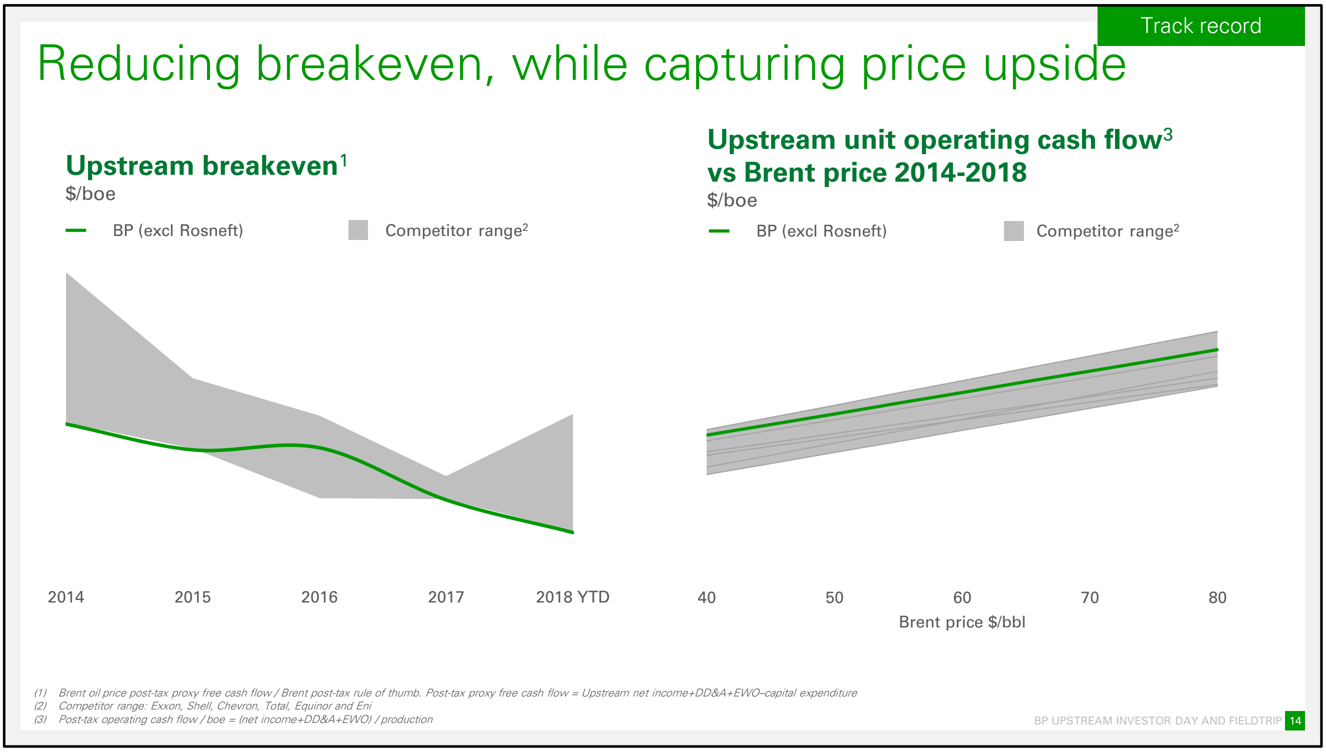
Overall, I am excited about what's possible through the agenda.

To accelerate Digital further – we are creating a new Digital Function which will stand alongside our Operating Functions. Digital is going to be as important a capability in our industry as knowing how to drill a well. We have made progress, but I am keen that we move faster. This new function, and hence increased focus, will help.

Agility is a potential game changer in organisational productivity and engagement and we are just getting started. It is about our ability to work across disciplines, with less hierarchy, tackling tangible business problems with structure, rigor and faster decision making. The intent is clear – we are going Agile.

And Mindset remains the holy grail – a must do. There are six specific things that we are dialling up in the way we think and approach issues. For example – honesty. We want more objective assessments of performance, less stories.

Ian will give you more on all of this in the breakout.



Our performance track record is showing up in the bottom line – as seen in these two charts.

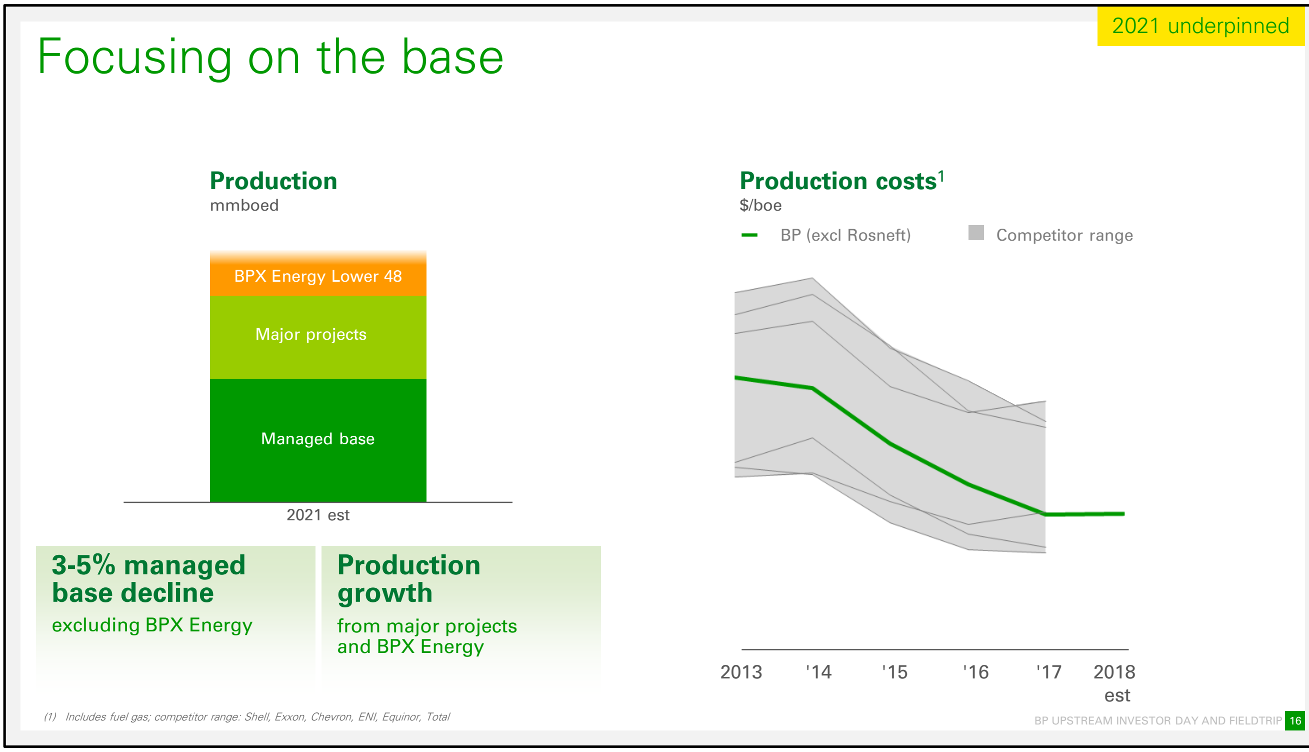
The chart on the left shows Upsteam's breakeven oil price compared to our competitors. All estimated based on external disclosure. We continue to bring down the breakeven of our business, and it is now the lowest of our peers.

The trend line on the right shows our delivery of unit operating cash, against different prices over the last few years.

It shows that we are capturing among the highest cash per barrel of our peers at low prices. And that we are competitive at higher prices – perhaps higher than you would have thought.

These charts, I hope, help demonstrate the resilience of our business, as well as the price exposure and leverage.


2021
guidance
underpinned



Let’s now move to the second key message. Our track record increases our confidence in the delivery of our plan to 2021.

I showed you our base decline track record earlier.

Because of the increased investment and growth in the Lower 48 through BPX Energy, we are removing this from our base decline guidance going forward.

This should in theory result in a deterioration in base decline guidance.

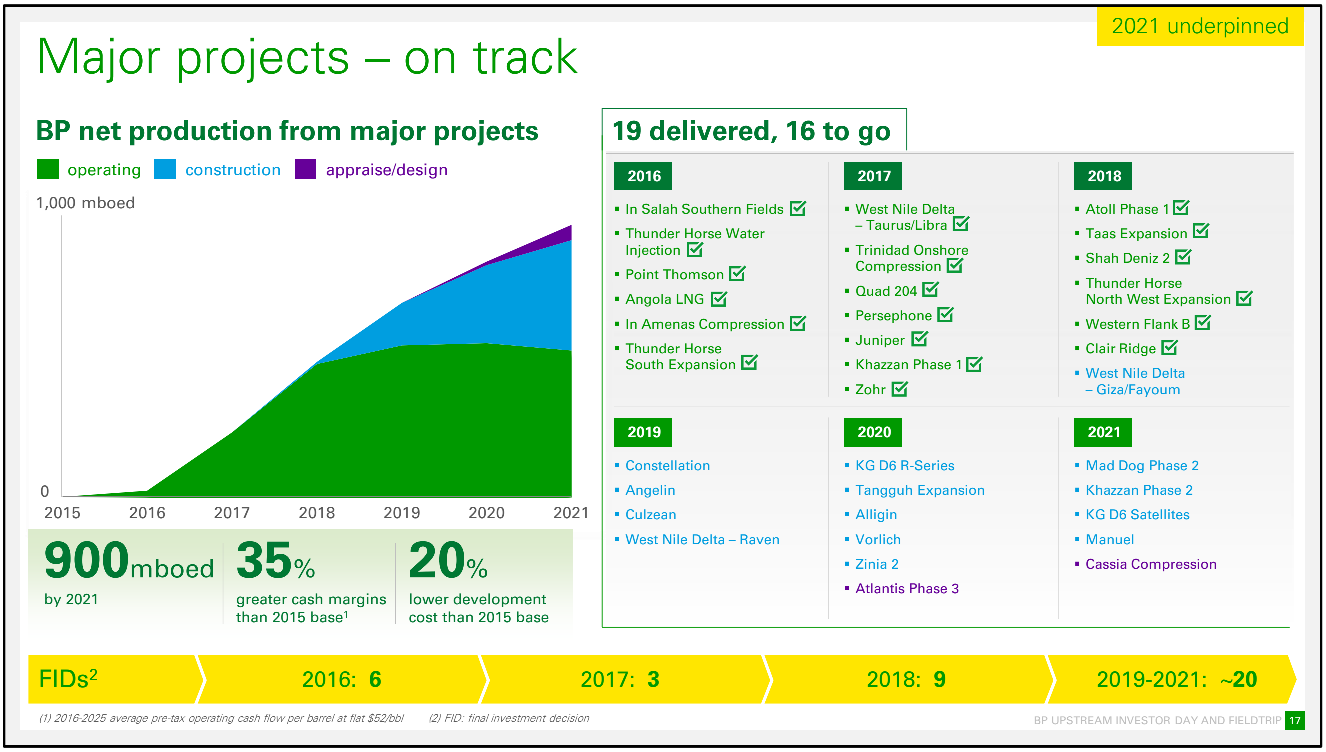
However, because of underlying performance, we are maintaining our guidance of 3-5%.

Growth, sitting on top of the 3-5% decline, will come from our major projects, and now BPX Energy.

We have made significant progress in the reduction of our unit production costs – down around 45% from 2013.

We expect costs to broadly flatten, adjusting for the addition of BHP’s assets. 2019 rates are difficult to accurately forecast as they will be impacted by divestment timing, the integration of BHP’s Lower 48 assets, and the pace of delivery of the synergies in BPX Energy.

Overall, our focus is on changing the way we work – through transformation. This will help offset any inflation and we will always aspire to continue to drive further unit cost reduction.



Moving to our projects, we remain on track for 900 thousand barrels of oil equivalent per day from our projects in 2021.

Only two projects have yet to have the final investment decision made – the rest are in construction or operation. And those that have started up are expected to produce around 550 thousand barrels of oil equivalent per day in 2021.

We expect to deliver this plan with around $15 billion less capital than we envisaged when we first set out our plans. That's around 25% less capital.

By 2021, these projects should contribute over one-third of segment operating cash flow.

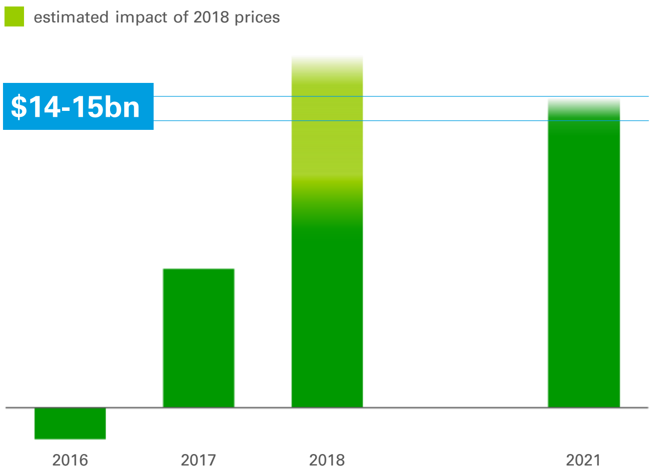
As well as 35% higher cash margins, these projects are expected to have at least 20% lower development cost than the base business had in 2015. This is advantaged oil and gas.

2021 free cash flow growth underpinned

2021 underpinned

Pre-tax free cash flow[1]

$bn



2021 guidance

Production	**>5%** CAGR[2]
Organic capital expenditure	**$13-14**bn
Major projects production	**900**mboed[3]
Unit production costs	Flattening 2018+
Base decline[4]	**3-5%** excluding BPX Energy
Pre-tax free cash flow[1]	**$14-15**bn

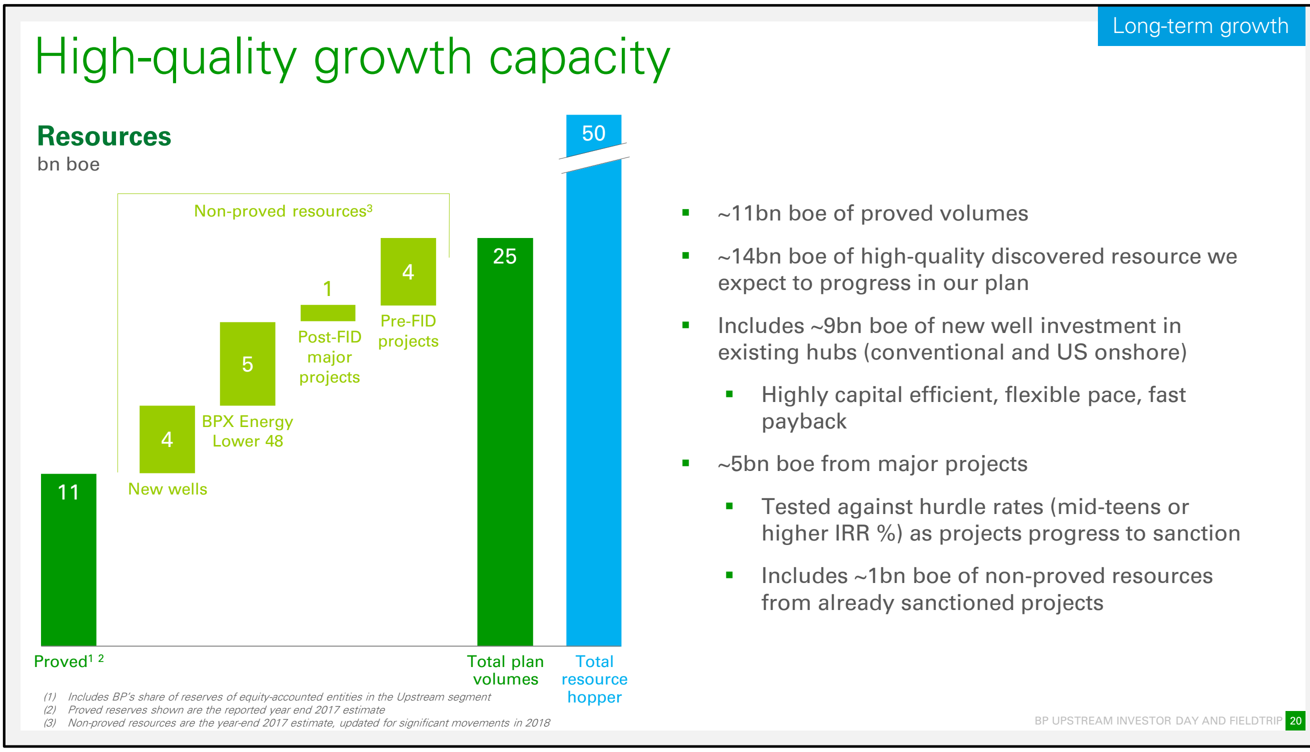
(1) Pre-tax free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure, at $55/bbl Brent 2017 real. 2016 and 2017 at actual prices
(2) 2016-2021 compound annual growth rate (3) Production from new major project start ups 2016-2021 (4) 5-year compound annual decline rate

I hope this demonstrates why we are confident in our guidance to 2021. Our plans are fully underpinned.

Proxy free cash flow of $14-15 billion at $55 per barrel real.

All while remaining within our $13-14 billion of capex guidance, including absorbing the impact of increased capital into BPX Energy. Evidence of our capital discipline and increased capital productivity.


High-quality
long-term
growth



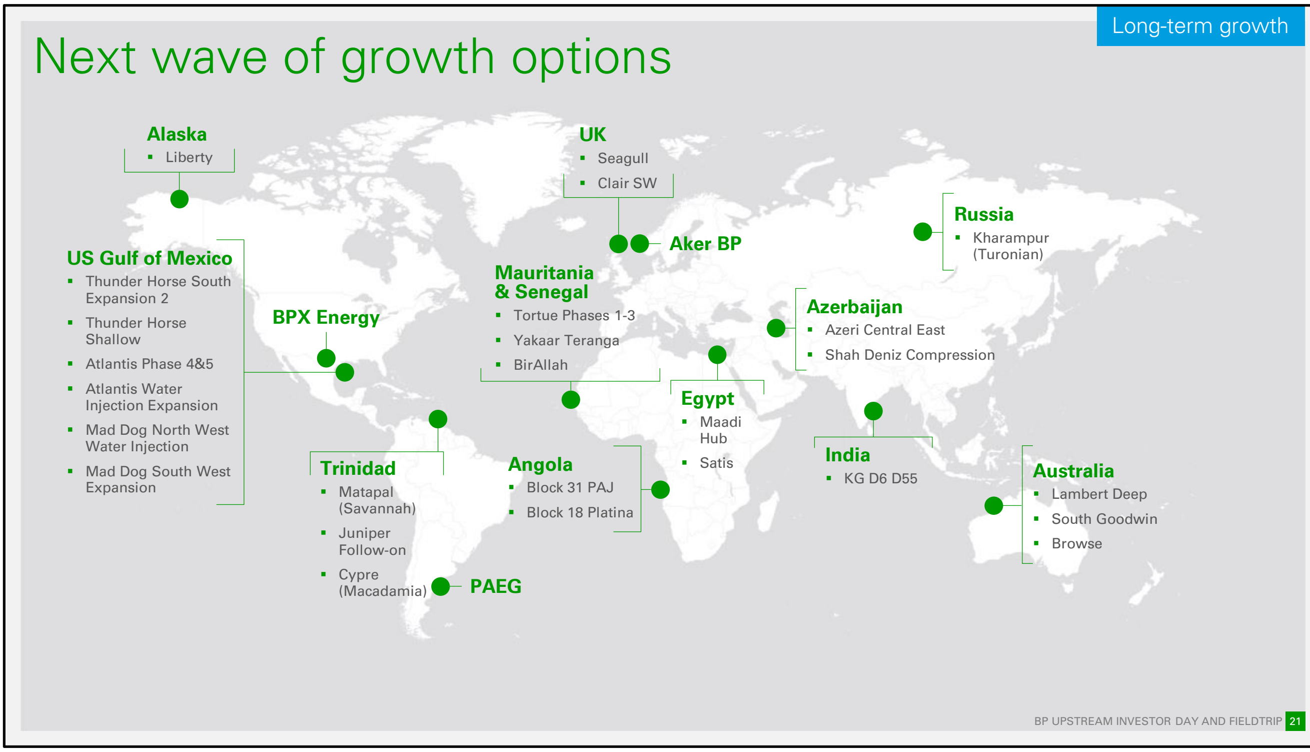
I now want to lengthen our stride and look to the middle of the next decade. Can we continue to grow while maintaining our focus on value and quality?

The foundation is a high-quality resource base. We include around 25 billion barrels of discovered resources, proved and non-proved, in our forward plan.

Out of that total resource, over 40% is already booked as proved. The 11 billion barrels on the chart.

Another circa 35%, around nine billion barrels, is from base management, new wells in our conventional reservoirs, and our BPX Energy acreage. These opportunities leverage existing infrastructure, are very capital efficient, are flexible and have quick paybacks.

The final circa 20% is from major projects. Those that have been sanctioned, or have yet to be sanctioned and have or are expected to meet our hurdle rates.

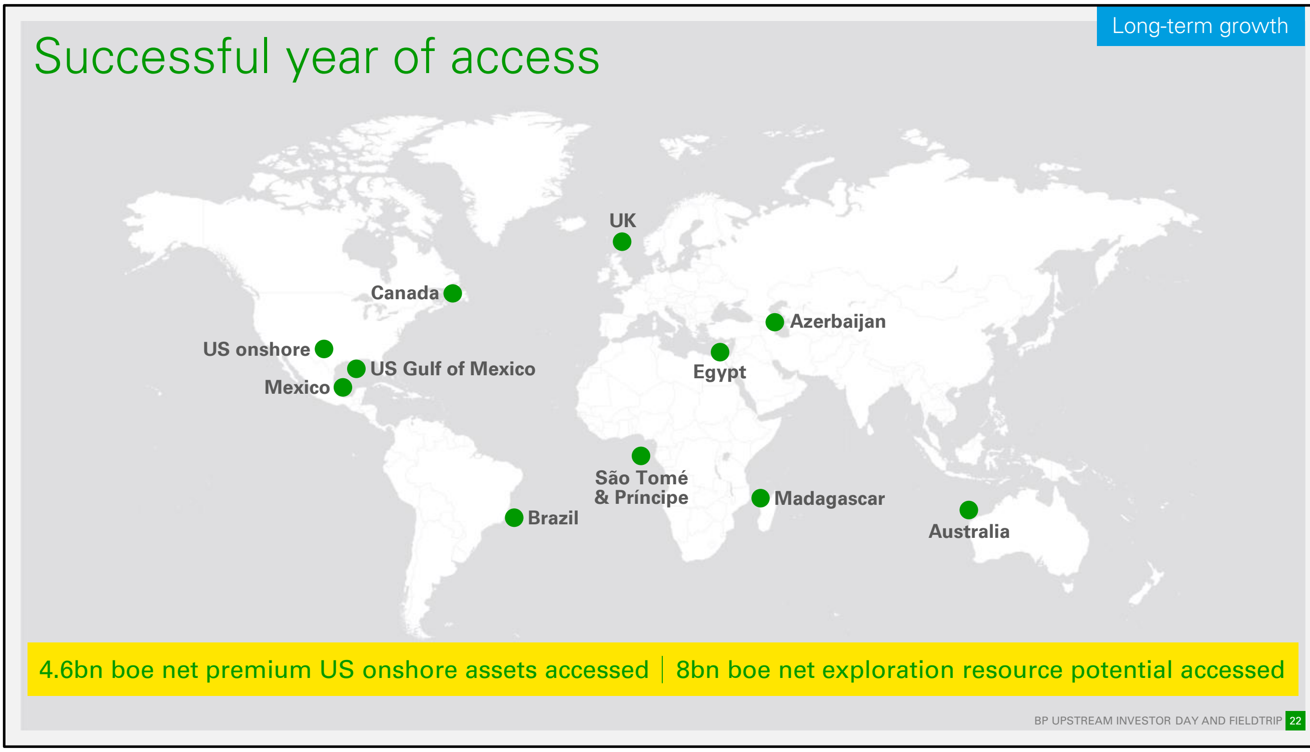


The map describes the next wave of potential major projects.

These include several opportunities around our existing hubs which highlight the continued strength of our existing basins. For example – you will notice 6 new major projects in the Gulf of Mexico – all of which take advantage of existing infrastructure and have strong returns. More on that later. We see similar opportunities in high margin oil regions of the North Sea, Angola and Azerbaijan.

In Trinidad and Australia – we are focused on keeping the existing LNG infrastructure full. In Mauritania and Senegal – we have the potential to create a major new LNG hub. There are potentially 50 – 100 trillion cubic feet of resources in this new basin where we have established a large acreage position with high equity.

Finally - we continue to grow our position in Russia. BP continues to benefit from our strategic shareholding in Rosneft, where we see the benefit of improving performance and growing dividends. In the Upstream we continue to progress our joint ventures with Rosneft to access some of the huge resource potential the country has to offer.



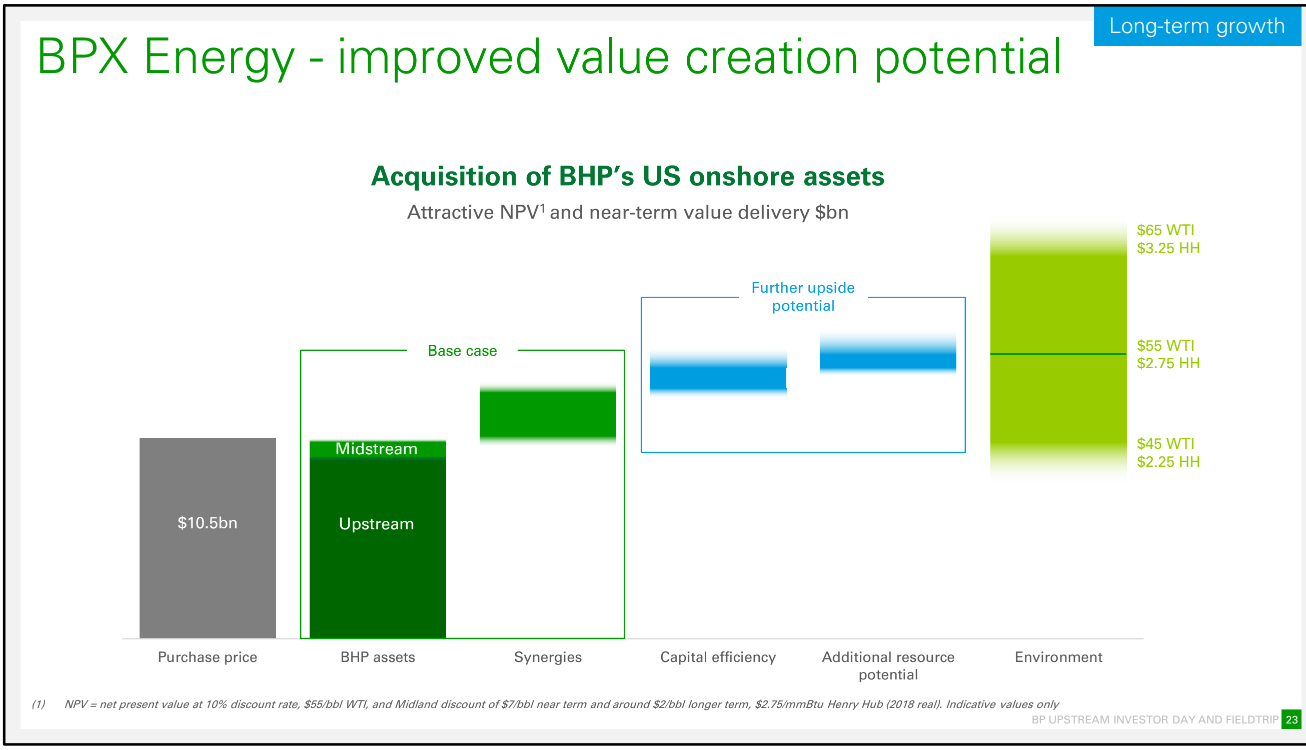
When we were in Baku in 2016, many of you highlighted two potential gaps in our portfolio – notably Lower 48 liquids, and Brazil.

Since then – we have completed the BHP transaction – 4.6 billion barrels – setting up the potential to create a new 150-200 thousand barrels per day oil hub. And in Brazil – we are now the second largest exploration acreage holder in the PSC Santos Basin.

We focus on low cost access with minimal financial commitments – Sao Tome and Principe and Cote d'Ivoire being two examples.

We also – where possible – leverage our incumbent relationships and knowledge in places like Azerbaijan and the Gulf of Mexico.

We have accessed around eight billion of exploration potential in the past year.

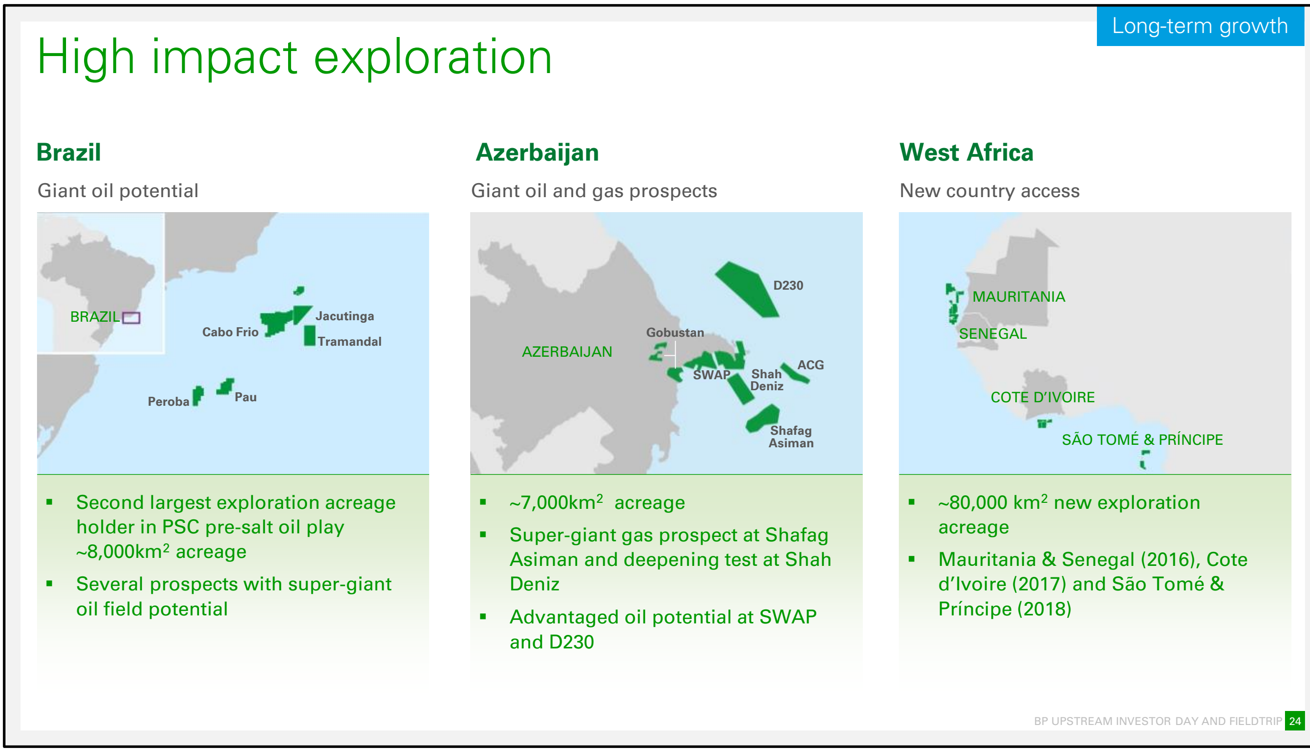


Next, to the BHP transaction. We laid out the value potential you see here in July. The valuation looks just as good today as it did then. And likely better.

As Dave and his team spend more time with these assets, we are confident of delivering the synergies.

We continue to see material upside potential through capital efficiency, and over time we will exploit additional resource potential from zones that were not in our base case.

You will hear much more from Dave and Brian over lunch.



Over the next two years we have an extensive exploration drilling program that spans 13 countries, testing over six billion barrels. It is balanced between oil and gas.

There are three opportunities I want to highlight.

First, Brazil.

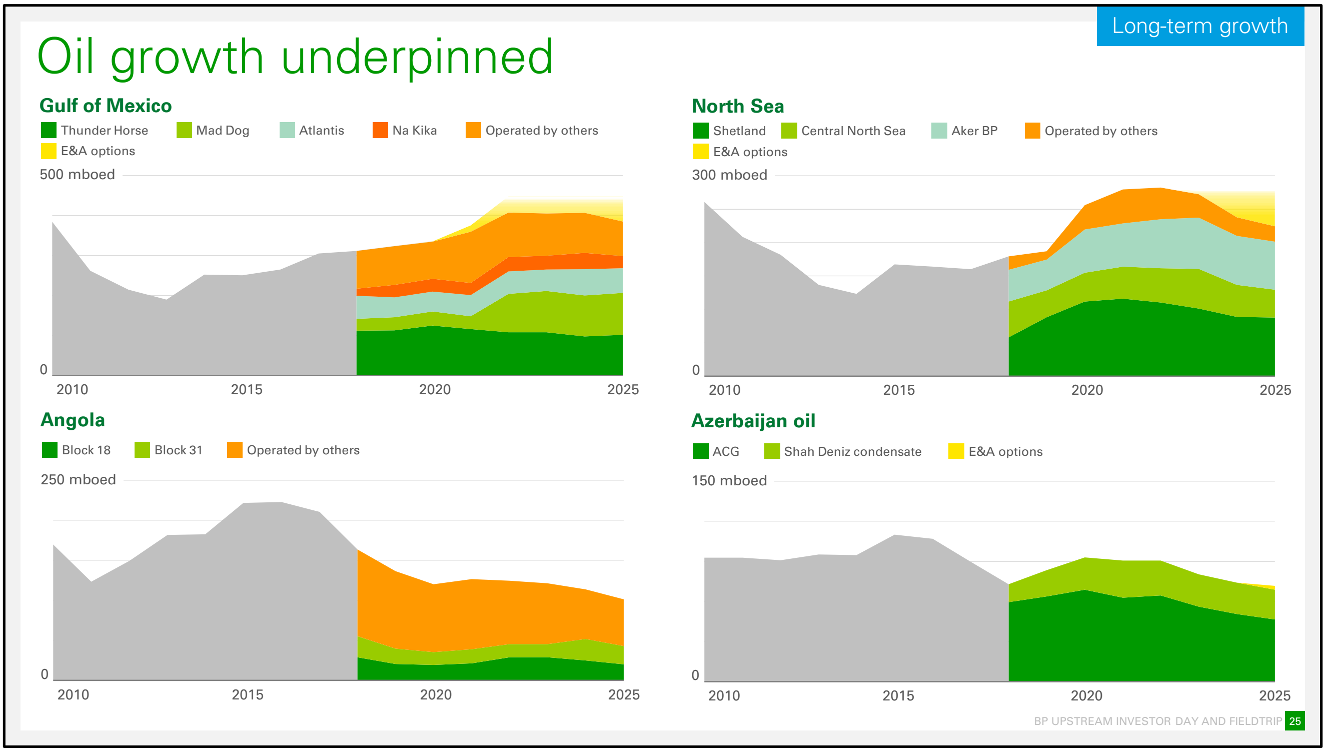
BP and its partners intend on drilling four wells over the next three years testing a potential one to two billion barrel net resource. The first of these wells Peroba spudded in October and is being drilled by our partner Petrobras.

Second, Azerbaijan.

It is a core production region for BP and sits within the prolific South Caspian basin.

During the next few years, we have some big play tests in Azerbaijan in Shafag Asiman, D230, SD3 and SWAP. Shafag Asiman is a giant gas condensate prospect with similar geological setup and scale to Shah Deniz. If successful Shafag Asiman would utilize the Southern Gas Corridor ullage after Shah Deniz declines in the late 2020s.

Finally, in the last few years we have been very active in west Africa, accessing around 80,000 square kilometres acreage with resource potential of eight billions barrels of oil equivalent.



Now let me try to bring this together and look through the regional lens. First our key oil regions, then our gas regions.

This slide is similar to what we showed in Baku in 2016.

Price leveraged, high margin oil businesses.

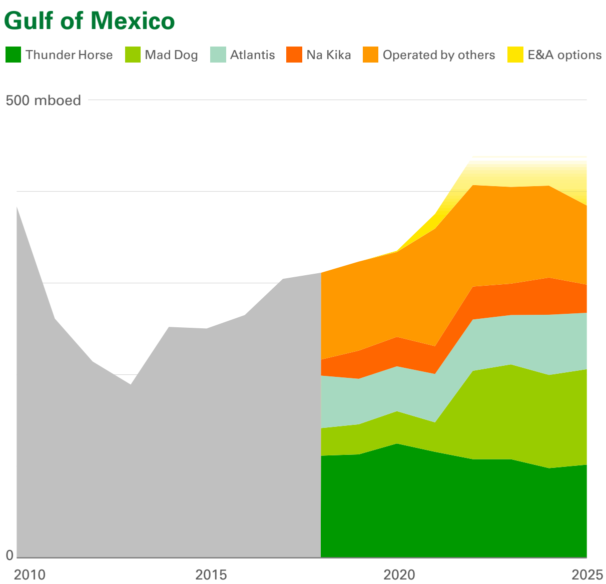
They are expected to generate over 40% of underlying pre-tax free cash flow in 2018. And are expected to increase by around 50% by 2025.

Material growth in the North Sea – potential for close to 50% higher production in 2025 than we have today.

ACG in Azerbaijan is producing under current licenses to 2049.

And we are managing the decline in Angola, while working with the government to progress opportunities.

Growth in the Gulf of Mexico



(1) Ocean bottom nodes (2) Hydrocarbons initially in place (3) Infrastructure led exploration

- Top producer in the Gulf
- Young reservoirs – 12% of 11bn boe of net hydrocarbon in place recovered
- New ways of working and technologies like 4D OBN[1] and Wolfspar™ have unlocked 1bn boe HCIIP[2] in Thunder Horse, and further infill and ILX[3] opportunities across all hubs
- Production growth to >400mboed underpinned by high quality infill opportunities, field expansions and additional capacity through Mad Dog Phase 2

Our plans for the Gulf of Mexico have improved materially since Baku. Up around 100 thousand barrels of oil equivalent per day in 2025.

Today we are the number one producer.

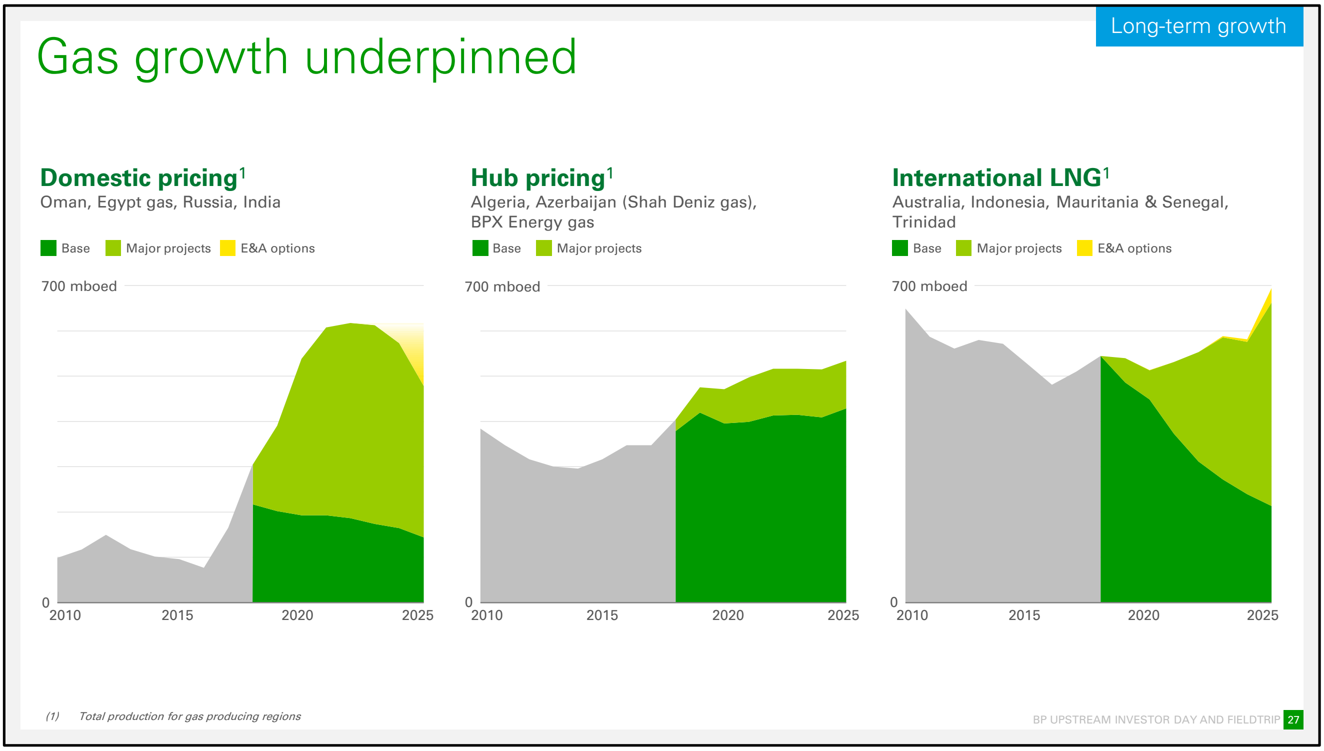
It remains a young resource base, with only 12% of net hydrocarbons in place produced.

Through technology, productivity and exploration success – we have upgraded our resources at Mad Dog, Nakika and Atlantis. And most impactfully, and most recently at Thunder Horse – where the application of seismic techniques like Ocean Bottom Nodes, Full Waveform Inversion, and new ways of working, has unlocked an additional one billion barrels of oil in place, gross. That's Transformation in action – creating billions of dollars in value.

In summary we now see the potential for the GoM to run at around 400 thousand barrels of oil equivalent per day through the middle of the next decade.

And exploration offers further upside.

Murray and Starlee will tell you more about our oil plans later.



Turning to our gas business. Let's start with how we think of it.

First, we believe in the gas. We believe in its environmental promise. We believe in the long-term demand potential. And therefore, we believe that making long life investments in gas makes sense.

Second, there is plenty of gas in the world. In order to compete, you have to be in the lowest cost, highest margin gas – what we call advantaged gas.

Third, we believe in a diversified gas portfolio. This is because gas pricing tends to be cyclical. And so – not betting on any one type of gas offers optionality and resilience. We think through the lenses of domestic, hub and international LNG, where we are reasonably balanced.

Fourth, we increasingly believe value moves up and down the chain over time. Having capability and positions across that chain - not only producing equity gas, but establishing positions in pipelines, regas, and importantly supply and demand sinks for LNG - can create a lot of value and optionality. Alan will discuss this more in the breakout.

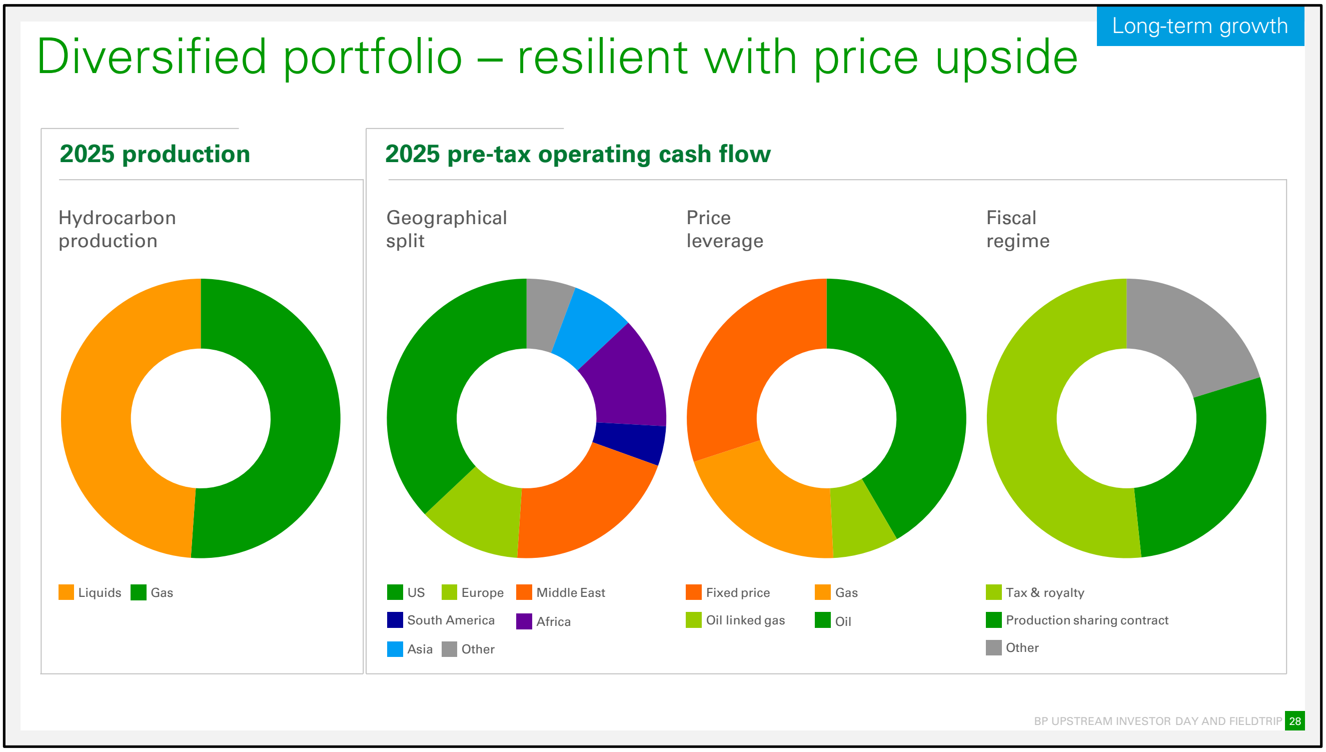
In terms of portfolio – we feel quite good about what we have built. A long-life, high quality, growing portfolio in gas.

Strong domestic growth over the next few years in Egypt, Oman and Russia – all with competitive terms. We have doubled production in Egypt. Atoll is performing better than expected. The Taurus Libra project delivery was strong, although the reservoir is less than anticipated. The Giza, Fayoum and Raven projects remain on track.

Gradual growth in the hubs as Shah Deniz 2 fills up the pipeline across Europe.

And stable LNG out to 2025 through continued exploration success in Trinidad, build out of Tangguh, and by the middle of the next decade strong growth from a highly competitive Mauritania and Senegal.

William will share more with you later.



These businesses help create our balanced and diversified portfolio.

Balanced in oil vs gas.

Balanced in fixed price revenues versus access to price upside.

The long life, steady cash flow pieces of the portfolio create real resilience and go a long way to funding the dividend – even in a low price world.

And it's a diversified portfolio – in terms of geography but also in terms of fiscal take.

As the past few weeks have reminded us - the future is uncertain. We like not having exposure to any one particular area or theme.

The strength of our portfolio, the quality growth options, and our execution track record, provide us increased confidence in the capability to grow beyond 2021. Grow returns and grow free cash flow.

Over the coming years, we have a number of choices to make that will determine our exact shape in 2025. Choices that will be made within the BP Group – where our goal is to maximise long term shareholder value.

To help put some numbers to the quality of the portfolio and the potential - let me give you one scenario.

With our current resource base, and within our current capital frame - we have the capability to increase pre-tax free cash flow by a further 40 to 50% between 2021 and 2025. At $55 per barrel real. All while improving returns.

Any exploration success or new access gives us the option to further high grade. And the potential to extend growth beyond 2025.

For clarity – this is not a promise – this is not a target. It is simply a scenario which demonstrates – we hope – the depth, quality and capability of our portfolio.

Upstream key messages

1 Continued track record of delivery
- continued safety progress
- 19 projects delivered on average under budget and ahead of schedule[1]
- 45% reduction[2] in unit production costs
- base decline below 3-5% guidance

2 Free cash growth underpinned
on plan for $14-15bn[3] in 2021

3 Improved growth capacity
- upgraded resource base, high quality investment opportunities
- capability to grow 2025 pre-tax free cash flow[3] by 40-50% vs 2021

4 Transformation building momentum
tangible impact, more to come

(1) Since 2016
(2) 2018 estimate, compared with 2013
(3) Pre-tax free cash flow proxy = underlying RCPBIT+DD&A+EWO-organic capital expenditure, at $55/bbl Brent 2017 real

So, let me wrap up with where I started. The key messages for the next two days.

First - our "continued strong track record of delivery". Doing what we said we would. And doing so competitively;

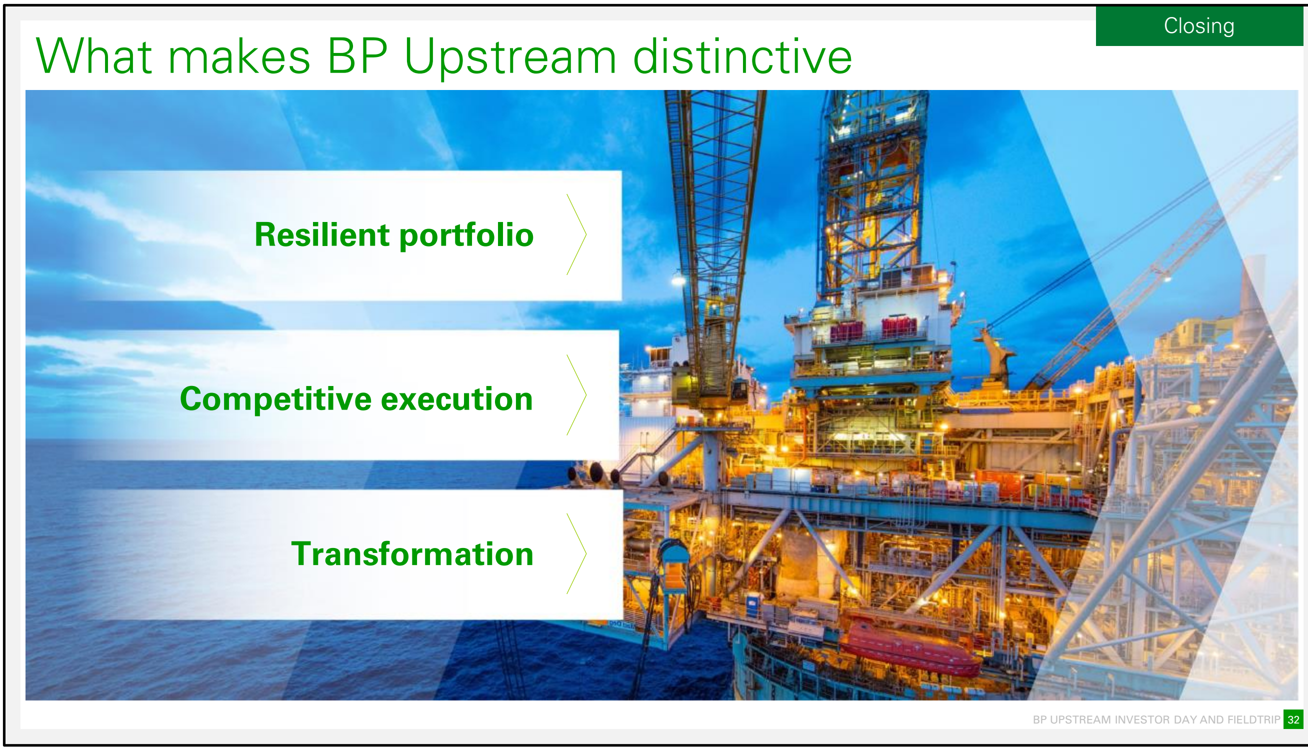
Second - we are on plan to deliver the 2021 free cash flow growth target. We have a high degree of confidence;

Third – we have improved both our capacity to grow, and the quality of that growth. We have the capability, from our current resource base, to increase free cash by 40 to 50% from 2021 to 2025 - under the current capital frame. This cash flow growth will come with increasing returns;

Fourth and finally - we are transforming our business. Our teams want it. The next generation will demand it. Our shareholders deserve it. And it is now hitting the bottom line. We have momentum and see enormous opportunity.

Thank you. Let me turn it over to you for some questions.


bp
Oman 2018
Upstream Investor Day & Fieldtrip
Q&A



What makes BP's Upstream distinctive?

Before we move to the Q&A I'd like to address a question that has been asked of us – 'what makes BP Upstream distinctive'.

We believe that there are three things that are distinctive about BP's upstream business

The first is what we see as a resilient portfolio.

There's no question there is a major energy transition underway. The pace of change is unprecedented and brings about significant uncertainty for our sector in particular.

Instead of retreating from that uncertainty - we actually see opportunity and are embracing it.

In that context we like that fact that we have balance and diversification in our portfolio. We are not reliant on single big bets, such as LNG or the Permian. We believe that our advantaged oil and gas focus means we are robust in the downcycle yet at the same time still retain leverage to capture upside.

The second is competitive execution.

This has not always been our strong suit. I don't think people would have said a decade or more ago that we could be relied on to execute well. They might have said we were commercially innovative, or a great explorer – but I am not sure they would have said we were a strong operator.

You could argue that we have improved, and are where we are today, due to a hard lesson learned nearly a decade ago. That learning will stay with us; it is in our DNA.

From there, we built our functional model. We are organised in a way that is about being the best at what we do, wherever we work.

And I think we now have the capability to take on almost any oil and gas challenge.
And there is evidence that our competitive execution is being delivered and it is feeding through to the bottom line of the company.

Third and finally, is transformation - our deeply held belief that we must transform.

The people inside our company want it. The next generation will demand it. And you, our shareholders, deserve it.

We believe there is still enormous inefficiency – and hence opportunity - in the sector. It has never been truly competitive.

We are transforming through -
- Agility in our organisation; how we work can be so much lighter, faster, and far more engaging;
- Harnessing the world's digital and technological progress; and,
- Changing our Mindset' so we act and behave like a truly competitive, margin focused industry.

Our agenda is delivering – I described the value this morning. And we see enormous opportunity remaining.

Who transforms first will be a real source of distinction……we're on it !