

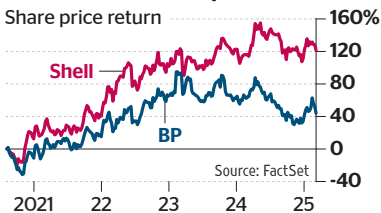
Murray Auchincloss

How BP's simpler strategy will increase value for shareholders

This week I will be joining fellow energy industry leaders in Houston for the world's biggest annual oil and gas conference. At Cera Week the organiser's theme is the complexity of the energy transition after five years that have seen a pandemic, war, recession and rising costs. Responding to complexity has also been the main subject as I have talked with shareholders and colleagues about BP's new, simpler direction.

Our optimism in 2020 for a fast energy transition was misplaced and we went too far, too fast in our plans. We have now fundamentally reset our strategy. We are reducing and reallocating spending to our highest-returning businesses to drive growth and we are relentlessly pursuing performance

Green ... with envy



improvements and cost efficiency. All in the service of growing long-term value for shareholders.

From the many conversations I have been having, our new direction is resonating with shareholders. A changed world needed a changed approach and I am completely focused on BP delivering growth and value safely and at speed. Most of the questions to me are about how quickly we can deliver. We are already in action.

The scale and pace of change over the past year has been remarkable as we have reshaped BP for growth and this momentum continues. Since I announced our reset two weeks ago we have already received a lot of interest in some world-class assets we no longer see as core to BP. Our plans are turning rapidly into action and the initial response to the reset from our people assures me that we can achieve our goals at an ambitious pace.

We are moving fast to grow oil and gas production from some of our most profitable assets in the most

important markets. In the US our onshore business is ahead of target and we are on schedule with a new high-margin oilfield in the Gulf of America (as we call it). We are also moving ahead in Iraq to boost production from one of the world's giant oilfields and announced two gas discoveries in Egypt recently.

Far less of our investment will now go into building new low-carbon energy assets. Instead, we will share ownership of big businesses in wind and solar in ways that are very light on capital for BP investors. By forming innovative partnerships off the BP balance sheet we are optimising shareholder value and our traders will continue to use their expertise to create value by supplying customers with the low-carbon power they demand.

We will create even more value in places where BP's distinctive capabilities are at their strongest, such as fast EV charging across the UK, which we are making part of an outstanding customer experience on the forecourt, alongside fuels. On Teesside, where we're leading big projects to help to decarbonise the UK while meeting our strict investment hurdles.

This is today's energy reality: countries, companies and customers asking for more energy of all kinds including lower-carbon products. Very few companies can deliver that at global scale. BP is one of them. As a truly integrated energy company we can supply oil and gas from one of the industry's best global portfolios. We can supply high-quality fuels for cars, lorries, ships and aircraft, as well as fast charging and great food and coffee. We are building businesses that can deliver lower-carbon energy just as competitively as our traditional businesses, otherwise we will not invest in them.

If one thing has got simpler in this complicated world over the past year, it is BP's strategy. We have reset to deliver consistent, sustainable, long-term value for our owners and we have reset to deliver from a position of strength and resilience, no matter how complex the challenges of delivering energy to the world, today and tomorrow.

Murray Auchincloss is chief executive of BP