



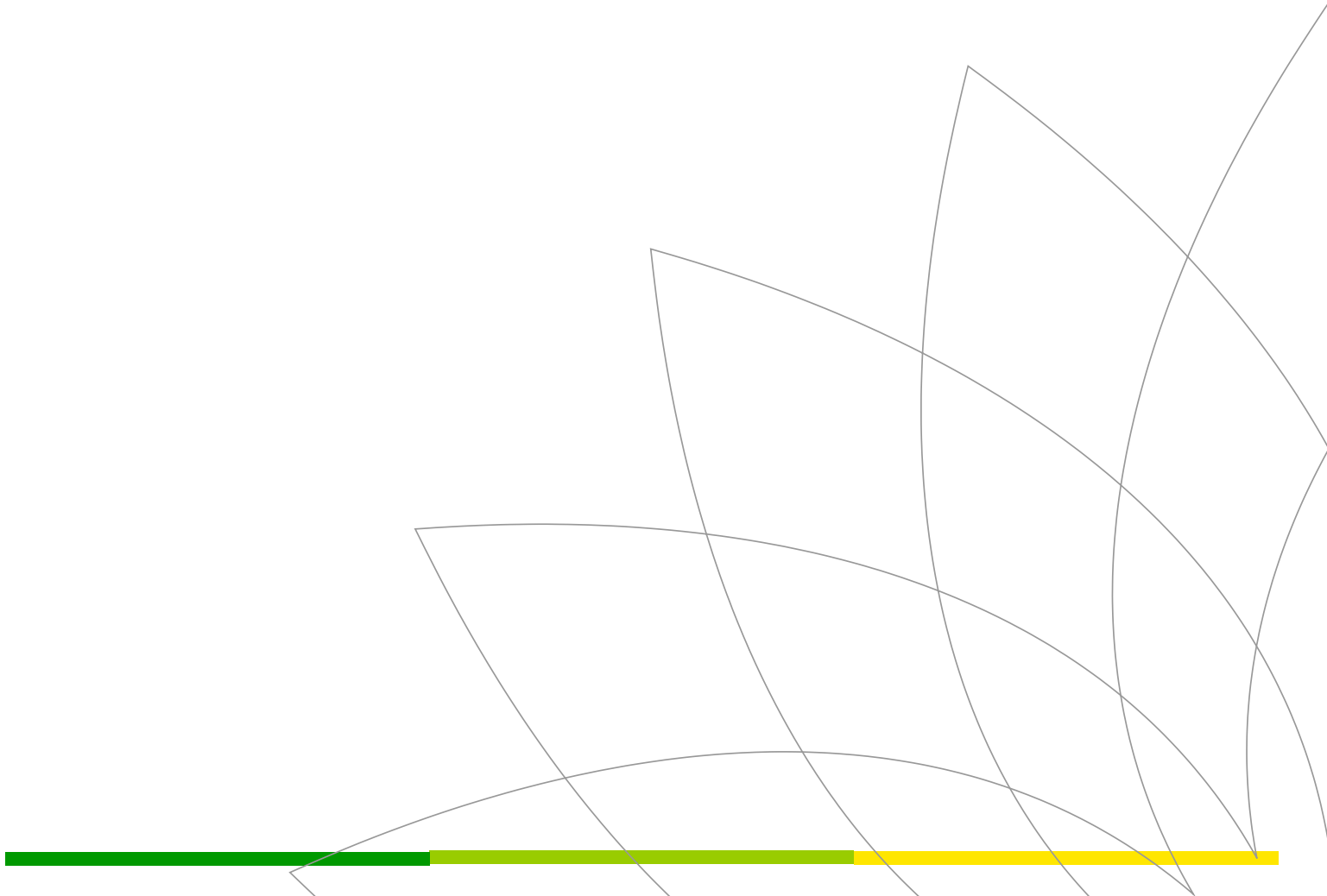
# Performing today, transforming for tomorrow

Bob Dudley

Group chief executive

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## Introduction

Good morning everyone and thank you Helge.

It's great to have you with us for your first AGM.

As you mentioned, it's the first time we've held it here in Aberdeen.

This city feels like home to me.

It's where I lived, worked as a young engineer, and started a family in the 1980s...

It was my first overseas assignment...

A time when I learned all about what were the incredible engineering feats of mankind in the North Sea, with some of the ground-breaking innovations for offshore engineering.

That pioneering spirit of innovation is alive and well in Scotland today.

We saw that with the technological breakthroughs that helped deliver a major new source of oil at Clair Ridge 6 months ago.



And again with the start-up of production at the Culzean Field any day now, which is set to provide up to 5% of the UK's total gas demand.

These projects form part of the five-year strategy that we set out in 2017, which is now entering its third year.

Looking back at last year's performance we can see that it's a good plan and it's working.



## 2018 highlights

You will have seen some of that in the 2018 highlights video you just saw.

We're performing well across the company.

- Safety is a core value and we saw improvements in nearly all metrics through 2018. It remains our number one priority.
- It was a strong year for operational performance with record plant reliability in the Upstream and refining throughput in the Downstream.
- We started up six more major projects last year, and we have another three already so far this year.
- That's 22 overall since the start of 2016 – and on average our delivery has been on time and under budget.
- We made our biggest deal since 1999 with the acquisition of world-class oil shale assets from BHP onshore in the US. This high-grades our portfolio by giving us a prime position in one of the world's most prolific basins.
- Our global retail network continues to grow, including our first BP-branded fuels site in Shandong Province in China.



- This marks the start of our plan to add a further 1,000 new sites to our existing network in the country. And our convenience partnerships, like the ones we have in the UK with Marks & Spencer, have increased by 25% to 1,400 worldwide.
- Staying in the UK, this summer we'll start rolling out ultra-fast electric vehicle chargers across 50 UK forecourts through our BP Chargemaster network, which is already the UK's largest electric vehicle recharging company.
- And our solar business, which I told you about at last year's AGM, goes from strength to strength - as Lightsource BP increased its presence from five countries to 10.

## Strength in numbers

I think you'll agree, it was quite a year.

And all this helped lay the groundwork for an impressive set of results in 2018.



We more than doubled our underlying profit to \$12.7 billion...

We nearly doubled our return on average capital employed to 11.2%...

And we also increased our operating cash flow to \$26.1 billion.

This strength in our financial frame gave us the confidence to make the BHP deal, and raise the dividend for first time in 4 years.

We carried that momentum into the first quarter of this year, with a strong set of results despite weak market conditions through a highly volatile period.

The success of the global economy and that of the energy industry have always gone hand-in-hand.

What affects one will always impact the other.

And we see that more than ever just now, with so much change going on in many areas all at once.

There are tensions in trade and global disputes.

Growing concerns around climate change.

Huge advances in digital, and with that comes increased threats in cyber security.

And this all takes place as we navigate the energy transition that is already well underway.

## Advancing the Energy Transition

As a global energy business with scale, expertise and strong relationships around the world, BP is well positioned for this changing world.

And we have a strategy designed to help us perform strongly today, while preparing us for tomorrow.

It's resilient for the tough environment we operate in.

But flexible and agile, so we can move fast and adapt to change.

The big driver for change is the dual challenge, as Helge talked about.



On one hand, global demand for energy seems set to go up by around a third over the next couple of decades, on current trends.

To bring it to life, that is slightly less than another United States and another China entering the energy demand markets.

But, on the other, emissions need to come down dramatically – on some scenarios, by around a half over the same period.

I'm sure all of us in this room share the concerns about emissions and climate change.

But equally, there are billions of people on the planet – and more to come – who need access to energy to help improve their living standards.

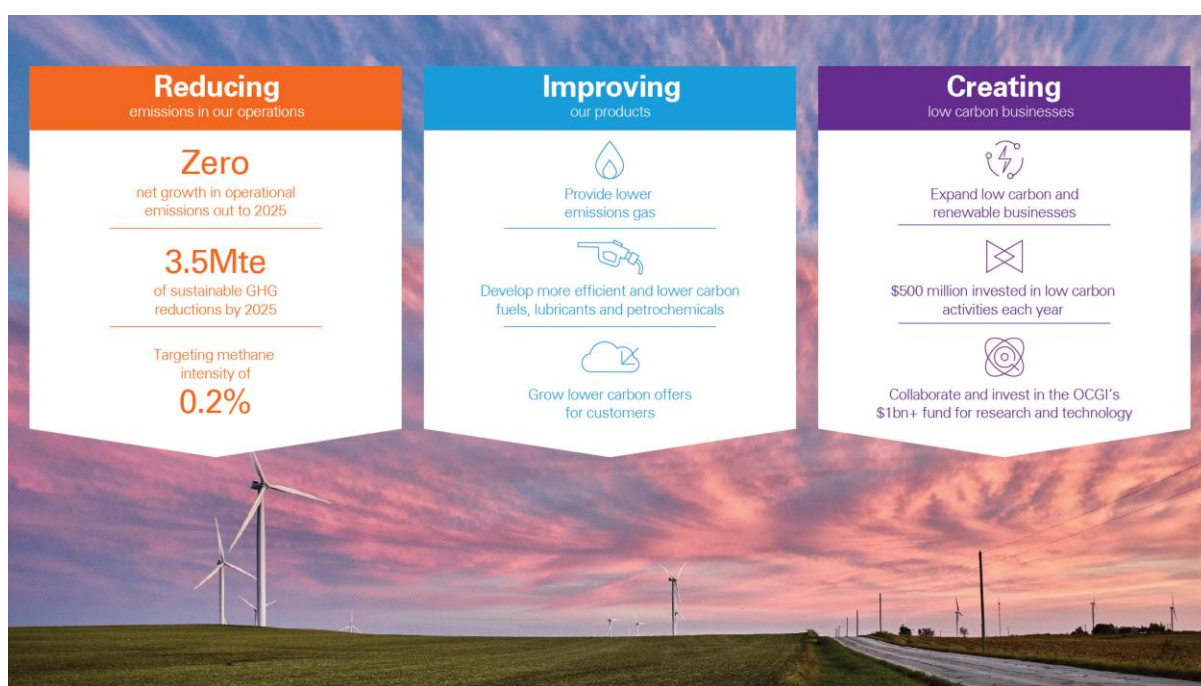
So, we have to respond to both sides of this challenge.

That's what our strategy is designed to do, while delivering value to you, our shareholders.

It's why we're focussed on advantaged oil – the most competitive barrels that can be produced at low cost or high margin.

It's why we're growing our gas production - a vital fuel for the future that's affordable, abundant and cleaner-burning than coal in power generation.

And it's why we're advancing low carbon in a range of ways, by expanding our work in venturing and renewables, as well as creating low carbon businesses.



We're also making bold changes right across our entire business, to:

- reduce greenhouse gas emissions in our operations,
- improve products to help customers reduce their own emissions,
- and to create new low carbon businesses.

This is our 'reduce, improve, create' way of working, which we first described to you last year.

We've backed this up with tough, near-term targets for emissions reductions, and we're making real progress against them.



## Strong progress made towards emissions-reduction targets in 2018

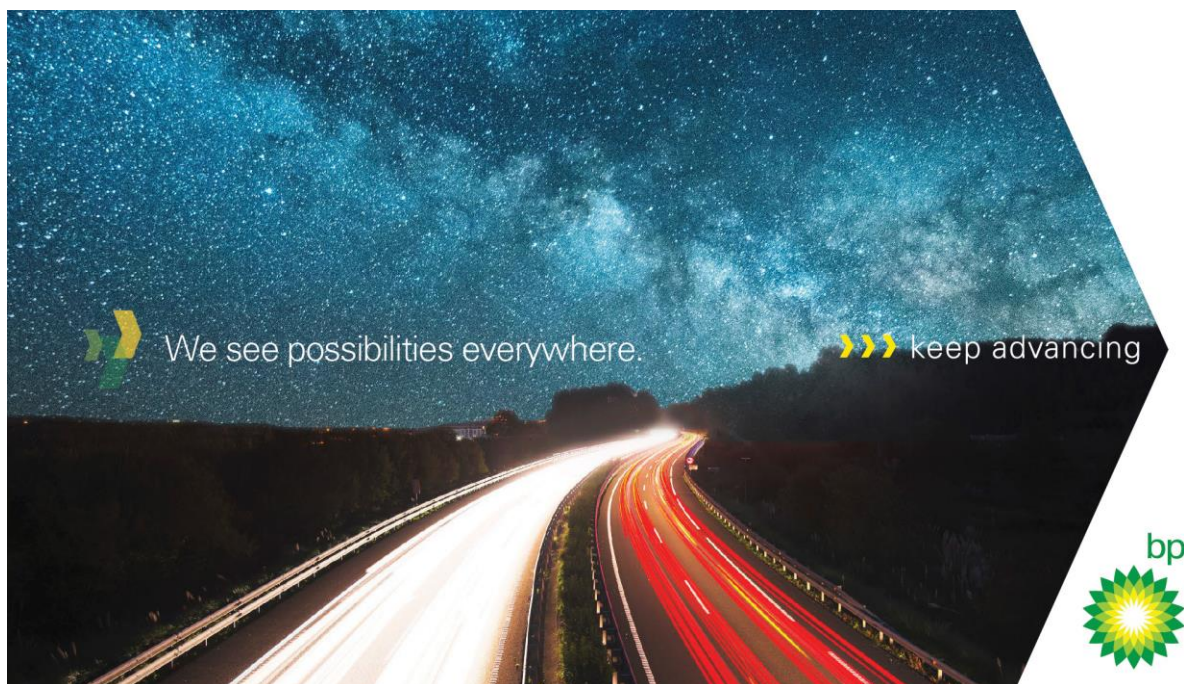


- We've made 2.5 million tonnes of sustainable emissions reductions since the start of 2016, towards our target of 3.5 million tonnes by 2025.
- We're meeting our 0.2% target for methane intensity - essential for maximising the lower carbon case for gas.
- And we've brought our operational emissions down in 2018, while increasing our oil and gas production by 3%.

This is really encouraging progress, but there's still much more to do.

To help this momentum we're linking the reward of 36,000 BP employees to further progress on our sustainable emissions reductions target.

In the Upstream, we've also introduced a \$100 million fund to implement projects that can deliver further emissions reductions.



## Possibilities Everywhere

I'm pleased with the progress we're making.

We're running our business in an increasingly efficient, effective and confident way.

As we perform well, we're also busy transforming for tomorrow.

We're modernizing everything we do, by harnessing the power of digital.

We're taking a progressive and pragmatic approach to the energy transition, as Helge talked about.

And we're increasingly open and transparent about our ambitions, plans and progress.

This is essential to maintain trust among stakeholders and you our shareholders.

Your trust is vital if BP is to remain an attractive long-term investment.

And only by remaining a world-class investment can we play an effective role in the energy transition...

And in turn fulfil our purpose of advancing energy to improve peoples' lives.

We have the people, the plan, and the purpose to make this happen.

That's why I'm optimistic and excited for the future of BP.

And why I'd like to thank you, our shareholders, for your continued support for our work.

So with that, let me hand back to Helge.

Thank you very much.