



Driving synergies, unlocking value and enabling smart growth across the value chain

Bernard Looney, chief executive, Upstream





Thank you Dan and Yasser, and good morning everyone.

I am delighted to be with you all in Abu Dhabi. BP has a long history here - 78 years in fact, and, through our recent agreement with ADNOC Onshore we have committed for at least 37 more years out to 2054.

I am sure you will all agree that we are meeting at a very interesting time. A time when so many forces affecting our industry are coming together at once.

Energy resources are abundant, hydrocarbons face growing competition from renewables and the world is seeking to address the challenge that is climate. Yet at the same time, new technology and new approaches offer us the opportunity to meet these challenges head on and transform.

As our industry goes through this major inflection, BP is responding. Today I want to share with you just a few examples about what we are doing to drive synergies, unlock value through big projects and how we are enabling smart growth across the value chain.

First, synergies. A simple example of synergy is moving from customising things, which adds cost, to standardizing them, which reduces lifecycle cost. A great pilot project has been undertaken in the International Association of Oil and Gas Producers to standardise specifications for Christmas trees and other equipment. That is just the start of a journey that can save us billions.

Second, unlocking value through big projects. The important factor is not so much how we reduce capital, but how well we use the capital that we still spend. In BP we are still investing between 15 and 17 billion dollars a year, with great focus on capital discipline. This year we are bringing onstream seven new projects and we plan to add 800 thousand barrels a day of production by 2020. At the same time, we have reduced our costs by around 9 billion dollars. So we can do more with less.

Finally, digitization. This is a real game-changer, as we have seen in seismic processing. We recently unlocked a 200-million-barrel field in two weeks using a new proprietary algorithm - a task we estimate would have taken over 1,000 years in 1999. Where seismic has led, everything else will follow. We are using intelligent systems to monitor operations, automate drilling, to optimise production and analyse our portfolio.



All these changes are easier to make if you enjoy strong, long-term relationships of trust such as those we have with ADNOC and the Government of Abu Dhabi. Collectively, we are steering our industry through challenging waters. But if we continue to invest wisely, pursue synergies and unleash the power of digitization then I believe the future is bright. And in many ways, brighter than it has been for decades.

Ladies and gentlemen. Thank you.