

SPEECH BY CARL-HENRIC SVANBERG, CHAIRMAN, BP, AT BP'S ANNUAL GENERAL MEETING, 11 APRIL 2013

Good morning ladies and gentlemen.

I am Carl-Henric Svanberg and I welcome you to BP's 2013 Annual General Meeting.

Thank you for joining us today.

This is my fourth AGM as Chairman and I am delighted to see a number of familiar faces in the hall.

I hope you enjoyed the films that just played. They reflect our contribution and progress as a company...

- in the countries and communities in which we operate, including of course the UK
- with technology that is enabling safety and effectiveness

The last film we played is an example of our upcoming communication programme we are planning to use where our employees, like Ann Davies, share their own stories in their own words.

If you didn't get a chance on your way in, I would encourage you to visit the business display area.

You can meet Ann and some of our other employees and hear their stories first hand.

Let me formally propose the Resolutions set out in the Notice of Meeting.

We will discuss the Resolutions later and we will vote on them through a poll at the end of the meeting.

I would like to first say a few words about the year that has passed; about your board; and about the future of your company.

At last year's meeting Bob Dudley, our CEO, said that 2012 would be a year of milestones.

How very right he was.

I want to highlight three critical areas of progress that mean BP can move forward with greater confidence.

In the US, we reached settlements with the government, the Securities and Exchange Commission and others.

These were important steps in terms of reducing uncertainty, however the major trial in New Orleans is still ongoing.

In Russia our TNK-BP joint venture came to an end and in March the sale to Rosneft of our stake in TNK-BP completed.

Our relationship with our partners sometimes created troublesome headlines, but this is one of the most successful investments in the history of our industry.

We have chosen to invest part of our payment as shares in Rosneft.

We will own almost 20% of what has now become the biggest publicly traded oil company in the world.

This means we will continue to have a major presence in one of the world's largest oil and gas producing regions.

Following the closing of the transaction, we announced our intention to buyback shares of \$8 billion – in fact the same value as our initial investment in TNK-BP.

We have therefore begun to reduce the number of outstanding shares to reflect the smaller size of the company today and to protect your earnings per share.

While moving forward in Russia and the US, we have also continued to take action across the company to strengthen our position today and to create opportunities for tomorrow.

In 2010 after Deepwater Horizon, we set a target to sell \$38 billion of assets, in order to safeguard our financial strength and we met this target in 2012, one year early.

It means we have attractive, high value assets that should generate returns for you, our shareholders.

And it means we have a company that is simpler to run.

We started up a number of important projects and gained new and promising access, which will give us large areas of land and sea to explore for years to come.

Our progress gave the board confidence to raise the dividend twice - first in January last year and again in October, a quarter head of last year's decision.

These increases in the dividend were important milestones and today our shares yield around 4%.

Of course, there is plenty more to do.

As a board, we are determined to grow value for you.

And we are determined that BP will be one of the world's most admired and trusted companies.

Before I go on to talk about our view of the future...

I want to step back for a moment and reflect on how your board has worked through an intense period.

We have faced some challenging situations.

And we have taken some difficult decisions.

We have met together as a board - formally and informally - probably more times than we care to count.

We've developed a very strong relationship with management and Bob continues to excel as Chief Executive and has formed a strong team around him.

As directors we have travelled to BP sites around the world - so we can see the company's operations with our own eyes.

I have made my own visits to different places including Azerbaijan, Angola, the Gulf of Mexico and the North Sea. There I've met people from across the company, at all levels.

From these meetings I've seen the quality of our leaders and our employees, and the real challenges facing the business.

You get a different perspective on drilling when you're on a humid production platform in Angola, than in an air conditioned office in St James's.

The trips we have made have helped me and my board colleagues to challenge and support management as they've developed our strategy.

And BP has a clear path forward.

As I said at last year's meeting, we have made considerable changes to the board over the past few years, so it was helpful to have a settled team in place during 2012.

It's a team with an excellent balance of skills and experience.

After 9 years' service, Antony Burgmans would normally be expected to stand down at this AGM.

But we have asked him to contribute his experience and understanding of the company for a further 3 years.

I am pleased to say that he has agreed to stand again.

Byron Grote is retiring after 33 years with BP, including more than 12 years on the board.

We thank him for the exceptional contribution he has made to this company.

I would also like to take this opportunity to thank all of the directors for their efforts this year.

I also thank management for their contribution.

And I want to pay tribute to our employees.

They continued to show their qualities again this year, not least in the way they responded to the violent events at the In Amenas joint venture gas facility in Algeria, in January.

This tragic episode has underlined both the tough nature of the work our people do and the great spirit within this company.

And today, we remember the colleagues and co-workers who died in this attack.

So what does the future hold for BP?

BP's main role in the 21st century is to find and extract oil and gas to meet the world's growing need for energy.

We will focus on oil, because oil promises great returns.

We will also invest to grow our options in gas.

We will continue to invest in the downstream, but more selectively.

We will keep applying our technology in distinctive ways.

And our degree of success in creating value will be determined by our quality and capability rather than by simply relying on scale.

So, we end the year in good shape.

We have reorganized and restructured.

We are resolving the uncertainties facing the company.

We have a clear strategy.

And more than everything we have great people.

We go into a new year with momentum and with confidence.

Throughout its long history BP has never been afraid to change.

We're now changing again.

We're a bit smaller but we are more focused; stronger and safer.

We're a company ready and able to create value for you.

Let me close by thanking you for the support you continue to give us through a demanding time.