Hello everyone and welcome, we are here in London with many in the investor community, and we are joined by more than one thousand links from around the world including North and South America, Europe, the Middle East and Asia. A warm welcome to you all.
Before we begin I, of course, need to draw your attention to our cautionary statement. During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors that we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange Announcements and SEC filings for more details. These documents are available on our website.
Earlier this month we published our year-end results for 2016 – a year where we have come a long way forward from a year ago. That was mainly about looking back. Today, with this strategy update, we’re focusing squarely on the future - we’ll focus mostly on the immediate five years ahead but we’ll also be looking beyond that to what you can expect from BP longer term. Our aim is to provide you with an opportunity to understand what we are doing as a company and how that stands up as a strong, stable, balanced investment proposition that’s good for all seasons.

We will be giving more detail on our view of the next five years. We have a strong and disciplined financial framework already in place and clear plans in action for the near term. These plans are made even stronger by our recent portfolio additions and new long term agreements. What you will hear today is more about the measures we are taking to strengthen the path ahead and to ensure increasing value generation into the next decade.

The last few years have been a long and hard road for BP, and you have stuck with us on that. We appreciate your support. For those of you who are new to BP – welcome. We are in a very different shape today than five or six years ago. We are stronger and much more focused on the future.

We have used the past few years productively. First, in recovery mode from the tragic accident and oil spill in the Gulf of Mexico. Second, to build in resilience to the current low price environment by improving our safety and operational performance – getting simpler, more reliable and more efficient. And third, to create a strong suite of growth opportunities in our Upstream and Downstream businesses, and in due course in the area of Alternative Energy and other low carbon options.
So what you will be hearing is the coming together of these individual strands to create a business with the strength, resilience and discipline to compete. A business that is solid and sustainable year-after-year no matter where we are in the commodity cycle. And a business well aligned to changing consumer demands.

We’re a company that thinks long term. Right now our industry is changing very fast, but we are used to navigating change. We have spent time studying the changing demand patterns ahead and ways to adjust our strategy in line with our view of the future trends.

What we’re sharing today is evolution not revolution. But it’s evolution in the best traditions of BP, with a clear focus on ensuring the reliable delivery of significant value to investors for a long time to come.
In terms of the agenda, I’ll start with an overview of the BP group. You’ll then hear from Bernard and Tufan on near to medium term plans for their respective businesses. Then Lamar, who has been leading our long-term strategy work, will take a longer term view outlining the steps we are taking to position BP for a lower carbon future.

Brian will update you on our financial framework and then I’ll briefly summarise the key points before we take a short break. We’ll then return for Q&A, making sure we allow plenty of time for you to ask everything on your minds at this stage.
So let’s start with the environment.

You may have heard a lot from BP recently on this, so I’ll just briefly summarise how we see things.

We have seen stability returning to oil markets recently following the OPEC agreement. There is still a sizeable inventory overhang to work off. We remain optimistic about the market continuing to rebalance in 2017 but the road to a more balanced position still has uncertainties.

This environment requires discipline on costs and strong operating performance. It will reward businesses that can remain highly competitive at these prices. We believe that is a combination that suits BP.

Looking longer term, global energy demand will continue to grow – increasing by about 30% over the next two decades on the most likely path, with virtually all the demand growth coming from emerging economies around the world, particularly China and India.

Growth on this scale means the world will continue to require energy from all sources. We see oil and gas continuing to meet at least half of all demand for the next several decades as renewables grow much faster than any other fuel, but from a low base in comparison.

Oil will continue to meet the majority of transport demand, given its natural advantages.

We also see natural gas growing faster than both oil and coal to help fulfill a global need for cleaner energy and lower emissions.

One conclusion you can draw from this slide is oil and gas is a growing business out to 2035, as is renewables.

As we think about our own strategy over the very long term we recognise the need to
ensure we are able to continue to meet the energy needs of a changing world. We are a global energy company with enormous reach. Our energy outlook gives us the ability to think about the future in a much more informed way and to engage with this transition to low carbon at the right pace and in a very considered way. You will notice today the steps we are taking within each of our businesses to think about the world differently and Lamar is going to spend a little time talking about our activities in this area.
First though – let me back up a bit to where we stand today.

We’ve spent the last several years reshaping what BP looks like, focusing on what we do best and how we deliver.

In 2014 we recognised early on that oil prices would be lower for longer and we acted quickly with a plan to right-size our cost base and reset capital expenditure. In 2016 our capital spend was some 35% lower than peak levels in 2013. Last year we also reached our targeted $7 billion reduction in controllable cash costs compared with 2014 a year early. This agility has also given us the confidence to carefully select attractive growth opportunities throughout the investment cycle.

Our focus on reliability and efficiency is showing up in our operational metrics and is helping to strengthen BP’s underlying performance.

In Upstream we’ve brought 24 major projects online over the last five years and in 2017 we expect to see another seven start-ups. 2017 is one of the largest years for commissioning new major projects in our history. Bernard will update you on this and will tell you more about how we’re working to deliver these projects on time and on budget.

Over the last several years we have also reshaped the Downstream business, focusing on advantaged manufacturing assets, growth in our marketing businesses, and simplification and efficiency actions. Tufan will take you through how this has made the Downstream more resilient and delivered $3 billion in underlying performance improvement since 2014.

Of course there is more to do and the environment has uncertainties, as always, but we believe we are building a strong track record of operational performance and, with that, greater resilience.
Since 2015 we have made substantial progress in resolving the remaining outstanding claims arising from the Deepwater Horizon accident. It has been a tough period for us. The cash outflows have weighed on our financial framework but we expect the financial impact of this to reduce materially from next year.

We are also moving towards rebalancing our financial frame while growing our business in a disciplined manner. Since the oil price downturn we’ve made enormous progress in reducing costs and capital. We’ve embedded a culture of disciplined spending and we will maintain this discipline.

This progress has given us the confidence to make what we see as some great investments at the right point in the cycle. Many of you had expressed interest in our pipeline for growth post-2020. These new investments deepen our exposure to incumbent areas that we know well and we think of as strategic. We have also steadily moved ahead with some key projects towards development near the end of this decade and beyond. I believe we are striking a balance between the immediate short term and our ability to enhance long term value. We believe we are making the right choices for our shareholders, while also sustaining and strengthening our healthy dividend.

Going forward, we see considerable momentum in our businesses as we will show you today. Coupled with ongoing capital discipline and sticking strictly to a disciplined capital frame with a maximum $15-17 billion per annum spend for the group out to 2021, we expect this to drive our oil price balance point steadily lower as we bring on material growth in free cash flow. Brian will show you the detail later on.
So that brings me to what we want to focus most of today’s presentation on. What the future looks like for BP and what you can expect from us. This is our proposition to you as shareholders.

We are seeing patterns of demand changing. As we build that into how we think about our plans we see a future with different horizons – things we are doing near term to make the business more resilient, things we are doing that extend into the next decade to bring on growth, and things we are just starting to do to secure our future over the much longer term.

But no matter how one views the time horizon there are three very important drivers to our proposition:

First, always executing in a way that’s safe, reliable and efficient.

Second, continuing to build a portfolio that’s distinctive but also fit for the future. A portfolio that builds on our strong resource base and which positions us to be resilient and competitive in any environment. And a portfolio capable of delivering sustainable growth over the long term.

Third, staying firmly focused on delivering competitive returns. We believe this is about making the right choices, what we have often referred to as ‘value over volume’ – investing in the right projects and activities to drive growth, while maintaining discipline over our capital spend and ensuring sustainable cost efficiency in every part of our business. We expect to be able to deliver a return on capital employed greater than 10% by 2021.

Getting all this in place supports what remains our principal aim – that of growing sustainable free cash flow and distributions to shareholders over the long term.

Let me explain each of these drivers a little further.
The first piece of our investment proposition is safe, reliable and efficient execution. This is simply good business. Getting this right will underpin the delivery of our growth aims in the near and longer term. And this means reliable cash flow.

We are confident that we have the right operating model to continue to drive progress. We will never be satisfied so long as we are having any accidents, harm to people or damage to the environment.

We have come a long way in our safety performance since the beginning of the decade, and for the most part we held those gains in 2016, continuing to see improvements in some key measures. And you can see that the same is true for operating reliability – especially in the Upstream. Our operating management system reinforces this – promoting continuous improvement and systematic, rigorous ways of working.

I’ve often talked to you about our belief that having safety as our number one priority is not just the right thing to do, it is also good business. To pick just one example, at our Rotterdam refinery we have seen steady decline in process safety events, from 12 Tier 2 events in 2012 to just one in 2016. And alongside this, the refinery’s availability has increased, with 2016 its best year in over a decade.

We see examples like this right across our operations - good safety leads to reliable operation of our assets, greater efficiency and, ultimately, better and more reliable financial results.
The next essential driver of our proposition is building BP’s portfolio.

We are starting in a strong place having already reshaped the Group’s portfolio through around $75 billion of divestments since 2010, including our interest in TNK-BP. While this was initially in response to the Deepwater Horizon accident, it required an immediate prioritisation of our portfolio. It also put us on a road of shaping a portfolio with a much clearer purpose – that of delivering value. In today’s environment we also see the benefit of having completed these transactions at a much higher point in the price cycle of our industry.

As we stand today, in the Upstream we still have a deep resource base. Excluding Russia, we produced 2.2 million barrels per day in 2016. In all, including our 19.75% equity interest in Rosneft, we are a 3.3 million barrel per day company, with 17.8 billion barrels of oil equivalent reserves. This translates to 14.7 years of reserve life which is very competitive with our peer group.

This resource base has sufficient depth and quality to deliver growth right through the next decade as Bernard will show you in detail – and this without the need for major acquisitions. We expect to continue to deepen, as you have seen us do recently, through a combination of ongoing exploration and appraisal, new access and selective additions to the portfolio. We will only look to add to the portfolio inorganically where we see this as strategic and accretive in terms of earnings and cash flow within a short time frame. And where we do this we will optimise the Group’s overall capital frame to stay within the boundaries of our $15-17 billion organic capital expenditure range.
Looking next at the make-up of this portfolio.

Put simply, the core of our portfolio is a strong Upstream and a strong Downstream. Our Upstream has strong incumbent positions in many of the world’s top hydrocarbon basins and a strong pipeline of growth opportunities. Our Downstream also has a strong and focused footprint. It has advantaged manufacturing assets and considerable potential for growth in it’s marketing businesses.

The value we generate in these core business segments is enhanced by the global scale of our Integrated Supply and Trading business, or what we call IST. It does this by joining equity sources of production to markets in ways that create additional value. We link value chains between our businesses and with 3rd parties such as with LNG, and we create flexibility and optionality to bring more value from our assets. And IST does all this with very little requirement for capital. To illustrate this – we are the No. 1 marketer of natural gas in North America, selling enough to meet the combined daily needs of France, Germany, Spain and the UK. We continue to expand the reach of this business and see more value to be added through leveraging our scale, connectivity and relationships, with more innovations planned.

Next to all of this, in Russia we have our equity interest in Rosneft, and the extension of that relationship through participation in opportunities beyond our equity interest. This gives us a position in Russia we consider to be unique in the industry. Rosneft is a resilient business. We expect its earnings to grow as it integrates Bashneft, ramps up new projects in Russia, increases its domestic gas production and expands its interests outside of Russia. We continue to see our involvement in Russia as offering long-term value for BP shareholders.

And it doesn’t stop there. As we think more about the energy frontiers of the future, here again we are not starting from a zero base. Our Alternative Energy business has been up and running for 12 years. It incorporates a lot of learning from having already
made a significant investment in this space. Today we have the largest operated renewables portfolio among our peers and we’re busy incubating options for the future. Lamar is going to share some of this thinking with you today.

So that describes the shape of the BP Group. As I have said before it’s a portfolio we like. Across every dimension we see a strong platform for growth. And we see how the strong relationships and partnerships we have been building over decades has made this a platform that’s sustainable for the very long term.
At the same time we believe our portfolio is competitively positioned for today and for the future.

As an integrated business, the diversity of the portfolio balances exposure to commodity price and margin risk, as well as geopolitical exposure and potential changes in the make-up of energy demand over the longer term.

Our Upstream business, when viewed through a lens of production, as on this chart on the left, has a very balanced portfolio with exposure to different pricing models and fiscal terms. More significant is the focus into quality within each of these bricks. Within these positions are some of the most attractive established and new hydrocarbon basins in the world, with considerable potential for growth. To give a few examples, our advantaged domestic gas positions in Egypt and Oman bring competitive margins and long term growth potential to our portfolio. Many of our Deepwater positions are built around legacy hubs with considerable potential to add near-field high-return projects that leverage existing infrastructure. And an integrated mix of equity and trading expertise brings selective best-in-class LNG into the portfolio, such as the recent FID of the third train in Tangguh in Indonesia. It is one of, if not the lowest cost of supply additions of this kind in the world.

You can also see this focus into quality within our Downstream business. We have focused our footprint over more than a decade to create a set of advantaged manufacturing assets, a differentiated presence in marketing with growth market exposure and premium global brands. We are busy building a top quartile refining business and in 2016 our fuels marketing and lubricants businesses, including Castrol lubricants, together generated more than half of Downstream pre-tax earnings. These growing businesses enhance our resilience to volatility in the environment. Our Downstream is not all about refining margins.

So across both Upstream and Downstream there is a combination of balance and quality which, I believe, differentiates us amongst the competition.
Expanding a little more on our strategic relationship with Rosneft. Russia remains one of the largest and lowest-cost hydrocarbon resource bases in the world and their resources play an important role in long-term global energy supply.

Through our 19.75% shareholding and our two Board seats, we are supporting and influencing the strategic direction of the company, and benefitting from a diversified portfolio of existing and potential projects within Rosneft. The company continues to produce strong growth and resilient performance both operationally and financially. Rosneft has also accessed international opportunities expanding its participation in countries such as India, Egypt, and Germany.

We have also built on this strategic relationship in signing separate standalone joint venture agreements, including in the Taas JV in the Russian Far East, the Yermak exploration JV in Western Siberia and the Volga-Urals exploration agreement. As well, we are working closely to continuously improve the performance across our respective assets and companies.

So building on 27 years of successful experience in Russia, our partnership with Rosneft adds still more balance and long-term optionality to our portfolio. It is an important part of our portfolio today and we expect it to remain so for the long-term.
Focusing now for a moment on growth - that is the growth we can see ahead in every part of the Group.

In the Upstream, we expect to add more than 1 million barrels per day of new oil equivalent production by 2021 from 2016. As we showed you last year in Baku we expect our major projects to add net to BP around 800 thousand barrels per day of new oil equivalent production by 2020 and continue to grow beyond that. This is over and above the natural decline we manage each year. These new projects should deliver on average around 35% better margins compared to the 2015 portfolio, contributing materially to growth in operating cash flow over the medium term. In addition, our recent portfolio additions are expected to add more than 200 thousand barrels per day of oil equivalent production by the end of the decade, driven by the renewal of the ADCO concession and our deepening in Zohr, in Egypt, which will start to ramp up in 2018. Our portfolio of opportunities for the next decade is taking even stronger shape and is set to drive growth over the much longer term.

At the same time, Downstream is growing all of its businesses, for example retail volumes through focused investment in key countries, expansion of differentiated fuels, and strategic convenience partnerships. This is complemented by growth and margin expansion in our Lubricants markets. We are selectively expanding in new geographies such as with our recent announcement of a strategic partnership with Woolworths in Australia and have our sights set on extending partnerships further. So you can also expect strong growth in operating cash flow from our Downstream.

When you add to all of this our share of the growth in earnings the market expects from Rosneft and the longer term possibilities of our Alternative and low carbon businesses you have a company that’s getting back to growth – growth today, growth over the medium term and growth in the very long term.
So disciplined growth is key but as we continue to actively manage our portfolio we are also thinking about how we want to shape that growth for the future.

I’ve already touched on some of the trends we highlighted as part of our Energy Outlook earlier this year. As noted, we expect global energy demand to continue to increase but we also know the demand for cleaner energy will certainly rise. We expect new technologies to enable more oil and gas to be produced more efficiently.

So while we still expect oil and gas to remain dominant sources of energy for decades to come, we know patterns of demand and supply will change. Similarly, we cannot expect price cycles to respond in the ways we have experienced in the past. To be successful we recognise we need to move with these new trends, be very considered about where we invest and find new ways to compete.

We don’t expect there to be a single answer but we do see some clear priorities.

To meet the demand for cleaner energy we are shifting towards gas by investing in new large-scale gas projects. By the middle of the next decade we expect around 60% of our production to be gas, compared with around 50% today.

Our aim over time is also to continue to renew the portfolio while shifting the portfolio structurally even lower down the cost of supply curve to ensure we remain competitive in any environment. So we are pursuing access to advantaged oil projects in core lower-cost basins and leveraging exploration around our incumbent positions to capture higher returns. In short, we want to be invested in the best projects in the best basins. This also means there are some higher-cost areas where you would expect us to do less in the future – less heavy oil for example and less focus on high-cost frontier exploration. You will have noticed our recent decision not to progress exploration of the Great Australian Bight.

In our Downstream, we are focusing on differentiated positions and growth markets to achieve marketing-led growth while building increasingly competitive manufacturing businesses.
On the low carbon front we invested early beyond traditional oil and gas activities and have learnt from that experience. We are now building on our existing interests and creating new business models to respond to policy and consumer trends. We will be very measured in our investments and learn as we go. But we will be informed and ready for the future.

Importantly, in everything we do we will continue to simplify and modernise to ensure we are fit to compete. We will seize new opportunities with our partners and think creatively about how we engage with this changing world.
This brings me to the third driver of our proposition, that of focusing on delivering competitive returns.

Though the macro environment has been volatile in recent years, we have remained very disciplined in the choices we have made. By focusing on returns, we ensure those choices are resilient over the long-term as we rebuild our portfolio.

Accessing the best markets and assets allows us to build a diverse pipeline of projects. We also build on established deep incumbency to create value as a committed, long-term partner.

We look to find mutually beneficial terms that incentivise not only our investment, but offer a diversified exposure to price risk, and the sharing of value over the life-cycle of the project. In this way we leverage price upside, such as in our established regions in the North Sea and the Gulf of Mexico. And build resilience to the downside, such as with our long-term projects in Azerbaijan and recently announced renewal of the Abu Dhabi concession.

Having established this foundation, we protect those returns through disciplined capital and cash cost management, and we will come back to talk to this in more detail shortly.

At the same time we actively manage the portfolio over the long-term, to optimise returns. We have used innovative ways of realising value through our portfolio, including recognising where some of our assets are better placed in the hands of others. Through the continued screening of our portfolio we aim to realise value for shareholders. This includes divestments, such as those made recently in Alaska and the UK and the approach we are taking in Norway. As well it includes careful acquisitions, such as our recent portfolio additions.
As mentioned, capital investment is one of the key measures we actively control, and we are very disciplined about this.

Over the past four years we have reduced our organic capital expenditure budget by more than $8 billion. This comes in part from capturing deflation, but importantly also through consciously constraining capital relative to our opportunity set. In this way we ensure that the highest quality projects are selected, or are only progressed when they are ‘as good as they can be’.

This is underpinned by a rigorous capital allocation process, where we ultimately look to optimise full-cycle returns of each project as it progresses through FID, to development and ultimately start-up.

We work to strict criteria so that returns are accretive to the current Group position. For example, for FIDs within the Upstream we expect all Greenfield projects to achieve mid-teens IRR at $60 per barrel, and all Brownfield projects to be greater than 20%. And, within the Downstream, we similarly expect our portfolio of investments to achieve IRRs in the mid teens.

And we are also being selective in what we invest in, and when we invest, as evidenced by the decision we took to recycle the Mad Dog Phase 2 project, which we have subsequently just sanctioned for less than half the original cost.
We approach our expenditure on cash costs, and the efficiency of that spend, with equal rigor.

Since 2014, we have reduced our Group cash costs by $7 billion, a year ahead of plan, which is testament to the focus that has been brought to working smarter, simpler and in a more standardised way. We started the process early, initially streamlining our organisation and processes to reduce complexity after the 2010 oil spill. The sharp drop in oil prices then brought greater urgency to this activity.

So we have reached our target but it doesn’t stop there. We are now focused on driving continuous improvement across every part of the BP Group.

An example of this can be seen within our Global Business Services organisation, where we are looking at where and how a number of business activities are delivered. This function now delivers a broad and growing range of services, from a small number of global service centres of significant scale, including centres in Hungary and Malaysia. This is expected to continue to drive material value growth for BP, through economies of scale and efficiency, and a sharp focus on standardising, automating and transforming processes at a global level.

We expect to continue to transform and modernise our organisation and to ensure the changes we have made are embedded and will endure into the future. Bernard and Tufan will talk shortly in more detail about some specific examples of what we are doing in both the Upstream and Downstream to make this cost efficiency and capital discipline ‘stick’.
So our focus on returns is about making the right choices, about remaining very disciplined, and about making sure we drive continuous improvement in everything we do.

But spending discipline in our industry has been notoriously poor, resulting in periods of low return for shareholders. So you may well ask why it should be different this time.

At BP I do believe we have adopted a different approach through this down-cycle and that we have made changes that are largely structural and sustainable. It is rooted in a belief that to compete in today’s world we need a business model for the Group that is not driven by price cycles.

As I go around the world meeting people in our businesses I can see the evolving organisational culture. We are transforming the way we operate and work internally – it is being led from our operating locations. And we are putting in place new controls to ensure changes are embedded for the future.

We have become simpler, more efficient and more streamlined, cutting out unnecessary bureaucracy. We are driving standardisation and changing how we interface with third parties. This includes learning from others, working closely with suppliers to learn about how we make the value chain more efficient. We know we have more to do to simplify our company.

And we are modernising, making use of technology across multiple fronts to open up new frontiers of thinking across our businesses.

We are also looking outside of ourselves and our industry. We are benchmarking not only against our peers, but also other extractive or capital intensive industries. This is an area where I know we have a lot still to learn, including how to be more efficient in running our operations, in managing our investments, as well as benchmarking ourselves against ‘best-in-class’, and not only energy businesses.
As you’ll see today we are in action to transform our businesses in ways that are different to the past, and I am confident the outcomes will be enduring.

Let me now hand over to Bernard who will take you through the plans for the Upstream.