

# Summary of Actual and Projected Discretionary Cash Flows

Description	Source: BP Form 20-F Filings with the SEC					Source: BP Investor Update 3/4/2014		
	Actual					Projected		
	2009	2010	2011	2012	2013	2014	2015	2016
Cash Flow from Operations	\$ 27,716	\$ 13,616	\$ 22,218	\$ 20,479	\$ 21,100	[1] \$ 30,500	\$ 31,000	\$ 31,940
Asset Sales	2,681	16,954	2,841	11,598	21,999	[2] 5,000	5,000	2,500
Other	577	501	203	245	178	[3] 209	209	209
<b>Total Cash Flow</b>	<b>30,974</b>	<b>31,071</b>	<b>25,262</b>	<b>32,322</b>	<b>43,277</b>	<b>35,709</b>	<b>36,209</b>	<b>34,649</b>
Capital Expenditures	(20,650)	(18,421)	(17,978)	(23,222)	(24,520)	[4] (24,500)	(25,000)	(25,000)
Discretionary Cash Flow before Dividends	10,324	12,650	7,284	9,100	18,757	[5] 11,209	11,209	9,649
Dividends	(10,899)	(2,942)	(4,317)	(5,376)	(5,910)			
<b>Cash Flow after Dividends</b>	<b>\$ (575)</b>	<b>\$ 9,708</b>	<b>\$ 2,967</b>	<b>\$ 3,724</b>	<b>\$ 12,847</b>	<b>\$ 11,209</b>	<b>\$ 11,209</b>	<b>\$ 9,649</b>

[1] BP forecast that its 2014 operating cash flow would be between \$30bn and \$31bn assuming an oil price of \$100/barrel representing a 50% increase from that in 2011 (See BP Investor Update, p. 28). Further, BP management projects that 2015 operating cash flow will be broadly similar to 2014 with steady growth out to 2018. (BP Investor Update, p. 29). GR has interpreted the growth to be at least 3% for periods beyond 2015 based on management's comments and the actual growth between 2012 and 2013.

[2] BP announced it plans to make a further \$10bn of divestments by the end of 2015 and for planning purposes management typically expects between \$2bn and \$3bn of divestments per annum beyond 2015 (BP Investor Update pp. 20 and 30).

[3] The BP Investor Update is silent on the projected amount of cash from the "other" category. Accordingly, I have assumed that these cash flows would be the average of those for the most recent 3-year period 2011 through 2013.

[4] Management projects that full-year capital expenditures to be in the range of \$24bn to \$25bn in 2014 and between \$25bn and \$26bn over the period 2015 to 2018 (BP Investor Update pp. 28 - 29).

[5] Management assesses discretionary cash flow in making decisions regarding debt repayment, dividend distributions, treasury stock purchases, and other considerations.