

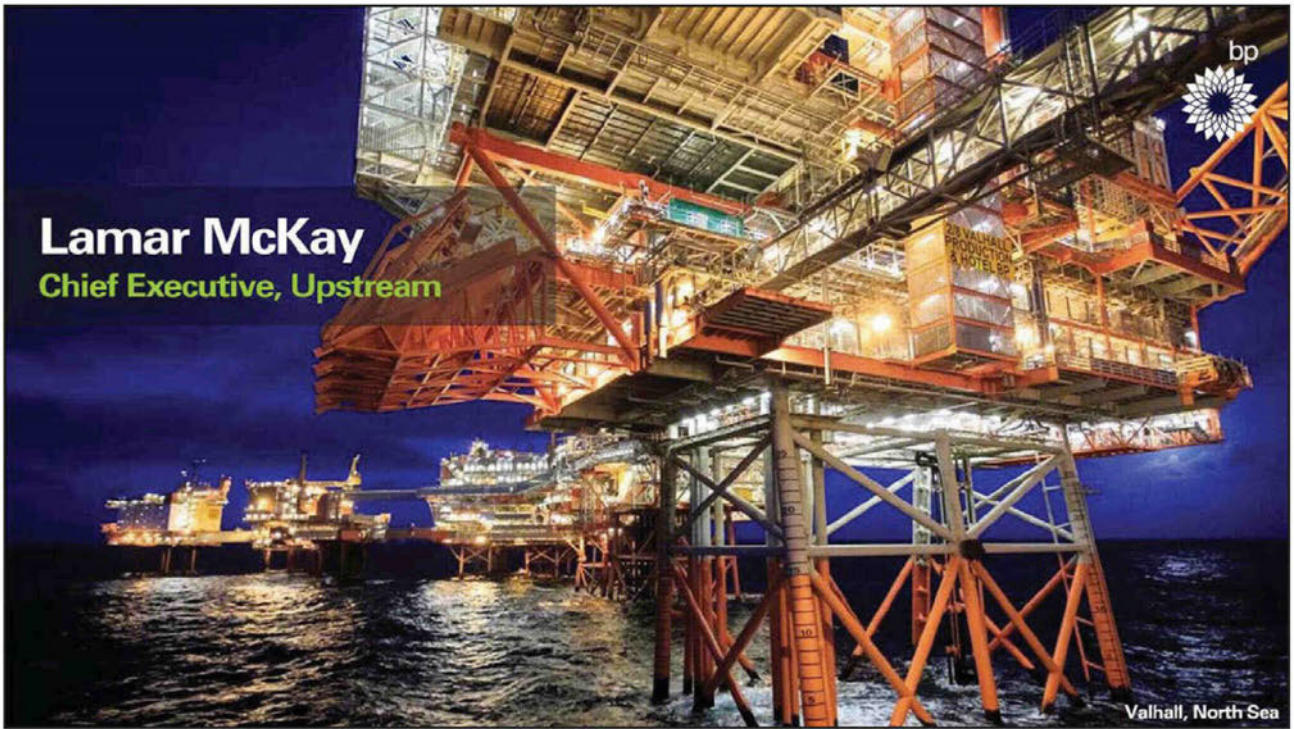


# Upstream Investor Day

December 2014



Khazzan, Oman



**Lamar McKay**  
Chief Executive, Upstream

Good morning and thank you for joining us today. Welcome to the 2014 BP Upstream investor day. We are pleased to have you here with us.

## Cautionary statement



### Forward-looking statements - cautionary statement

The presentations and the associated slides and discussion contain certain forecasts, projections and forward-looking statements – that is, statements related to future, not past events – with respect to the financial condition, results of operation and businesses of BP and certain of the plans and objectives of BP with respect to these items. In particular, among other statements, BP's plans and expectations regarding the impact of and its management of potential future price volatility or lasting low oil prices, including statements about the industry-wide effects of such volatility or low oil prices; statements regarding expectations relating to future trends in global energy prices, demand and supply sources; BP's plans and expectations regarding the 'BP Preposition' from 2014 to 2018, including plans to focus on value rather than volume, active portfolio management, the delivery of material growth in operating cash flow, strong capital discipline and growth in distributions to shareholders; the delivery of the 2011 10-point plan and of 2014 operating cash flow targets by year end 2014; BP's plans to deliver competitive operating cash growth through growth in underlying volumes, margin improvement and strong cost discipline; statements regarding the makeup of BP's 2020 upstream portfolio and the operating cash flow thereof; statements regarding future volume and future total production growth from base management and major project activities; statements regarding BP's capital discipline in upstream investments, including its flexibility, planned allocations and ability to leverage deflation; statements regarding the expected TARs efficiency in 2014; statements regarding BP's continued and future focus on safety; statements regarding future new well delivery and drilling programmes including the location, timing and the returns thereof; the prospects for, expected timing, locations and composition of future projects to 2020 and beyond including expected Final Investment Decisions, start up, completion, timing of production, level of production, margins, expected operating cash flow contributions and agreement and operation structure thereof; statements regarding future production growth to 2020 and beyond as a result of exploration and appraisal activities and access to unconventional; statements regarding current and future cost discipline initiatives; and the materiality of impacts thereof; statements regarding BP's future gas value chains out to 2030, including a potential future Alaska gas value chain; future investments and the contribution to BP's future portfolio, production and operating cash flow thereof; BP's expectations regarding the doubling of operating cash flow from gas value chains over the next ten years; BP's future plans and expectations regarding the US Lower 48 and the assets thereof; BP's plans and expectations regarding the estimated recovery rates and volumes, future reservoir developments and the timing and makeup of future technologies employed at it deepwater fields and the growth of production at such fields; statements regarding BP's exploration programme, including the positive short and long term impacts on the portfolio therefrom, the potential delivery of future brownfield options and future drilling goals and capital investment; BP's expectations regarding the number of operating rigs, drilled wells and completed wells and the delivery of an average IRR above 25% by New Well activities by year end 2014; BP's forecasts regarding full year 2014 BOP reliability; and statements regarding the addition of flexible destinations and 2018 significant volumes to LNG trading, are all forward looking in nature.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the timing of the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA effects; operational problems; economic and financial market conditions generally or in various countries and regions; political stability in relevant areas of the world; changes in laws and governmental regulations; changes in sanctions and other trade restrictions; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; the impact on our reputation following the Gulf of Mexico oil spill; the actions of the Claims Administrator appointed under the Economic and Property Damages Settlement; the actions of all parties to the Gulf of Mexico oil spill-related litigation at various phases of the litigation; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners, creditors, rating agencies and others; decisions by Rosneft's management and board of directors in respect of strategy, operations or otherwise; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism, cyberattacks or sabotage; and other factors discussed under "Principal risks and uncertainties" in BP's Stock Exchange Announcement for the period ended 30 June 2014 and under "Risk factors" in our Annual Report and Form 20-F 2013 as filed with the US Securities and Exchange Commission (SEC).

**Statement of Assumptions** - The operating cash flow projections in this presentation assume an oil price of \$100/bbl and a Henry Hub gas price of \$5/mmbtu; real. These projections have been adjusted to (i) remove TNK-BP dividends from 2011 operating cash flow; (ii) include BP's estimate of Rosneft dividends; and (iii) include the impact of payments in respect of the settlements reached of all criminal and securities claims with the U.S. government and the SEC. These projections do not reflect any other future potential cash flows relating to other liabilities, contingent liabilities, settlements or contingent assets arising from the Gulf of Mexico oil spill which may or may not arise during such periods. As disclosed in the Stock Exchange Announcement for the period ended 30 September 2014, we are currently not able to reliably estimate the amount or timing of a number of contingent liabilities.

**Cautionary note to US investors** - This presentation uses terms, such as "resource base", and contains references to non-proved resources and production outlooks based on non-proved resources that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at [www.bp.com](http://www.bp.com). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at [www.sec.gov](http://www.sec.gov).

Tables and projections in this presentation are BP projections unless otherwise stated.

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Before I begin I 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 Announcement and SEC filings for more details. These documents are available on our website.



## Agenda for the day



- Upstream overview
- *Break*
- Breakout session
- Breakout session
- *Lunch*
- Breakout session
- Breakout session
- *Break*
- Q&A and close

### Breakout sessions

Resource progression

Execution in the base

Projects

Gas

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You will find evacuation guidelines within the safety briefing materials which are included with the hand-outs on your seat. We're not planning to test the alarm system today, so if you hear it, please proceed as advised by these instructions.

Today will be focused on our Upstream business and therefore we will not cover our business in Russia or the Downstream in any detail.

I'll start with an overview of our portfolio and value drivers. This is followed by four breakouts to give you a deeper look at the execution progress we have made and the future opportunities that we have in front of us. The breakout sessions will focus on:

- Resource progression;
- Execution in the base assets;
- Our major projects; and
- Our gas strategy

We will come back together mid-afternoon for a wrap-up and final questions.

I would also like to add that outside in the catering areas we have some stands, accompanied by our subject matter experts, showcasing a few of our key upstream technologies. I hope you'll take the opportunity to view the displays and find out a little more about them from the team.

Now I'd like to introduce my Upstream leadership team who are here with me today.

Tony Brock, Head of Safety & Operational Risk;

Simon Drysdale, Head of Human Resources;

James Dupree, Chief Operating Officer, Reservoir Development & Technology;



Richard Herbert, COO, Exploration;

Andy Hopwood, COO, Strategy & Regions;

Bernard Looney, COO, Production;

Steve Riney, CFO for the Upstream;

Neil Shaw, COO, Projects; and

Dave Lawler, new CEO of our Lower 48 business.

## Upstream overview

### Agenda

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- Introduction and context
- Strategy and intent
- The Upstream portfolio
- Our value drivers
  - Execution in the base
  - Major project pipeline
  - Resource progression and exploration
  - Cost efficiency
- BP's gas strategy
- US Lower 48 update
- Summary

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So let me outline the agenda for this session.

First I will start with an overview of the macro environment which is on everyone's minds and I will try to put the recent developments in oil price into context for what we are going to cover today.

Second, I'll outline our Upstream strategy and the characteristics of our portfolio before focusing on the key drivers of our Upstream value proposition through four different lenses. Those lenses are:

- What we are doing to manage our base business – that's mainly about execution;
- Our project pipeline – where I will give you some more insight into the depth and quality of our project set;
- The resource base and exploration portfolio that underpin our long-term value proposition; and
- The cost efficiency efforts that are underway in the Upstream.

Third, I will highlight our gas strategy and show you the distinctive production and trading growth engine that we have created in BP.

And, finally, our new CEO of the US Lower 48 business, David Lawler, will describe for you the progress we have made in restructuring that business and his views on its future.

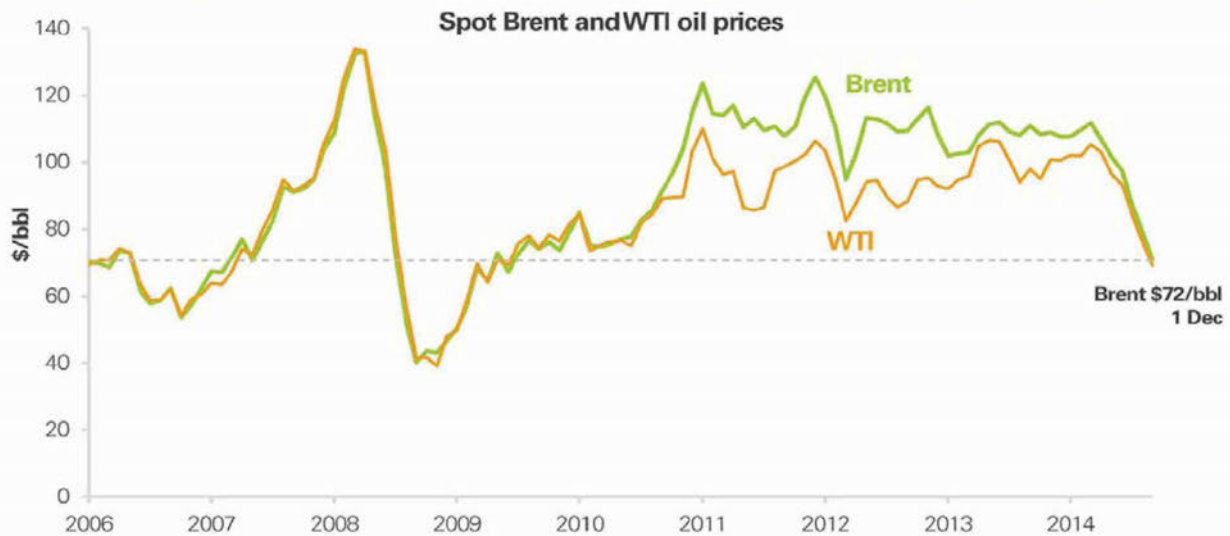
We have been listening closely to your feedback and have noted that, aside from the current market volatility, there are a number of questions on your mind. Some are sector related and some unique to BP. We will aim to address these throughout the day and we hope to bring you more clarity on some key questions such as:

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- What is our base decline rate?
- Does BP have the right balance of deepwater, gas and unconventional?
- Is our project pipeline strong enough beyond 2018?
- Can we deliver cost and capital efficiency improvements?
- Can we continue to progress and replace reserves?
- Can we continue to grow underlying production and operating cash flow?
- And, how does the current environment affect our business?



## Periodic volatility is inherent in our industry



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So starting with the environment. Since we last met in March, oil prices have fallen sharply while gas prices continue to reflect local supply and demand dynamics.

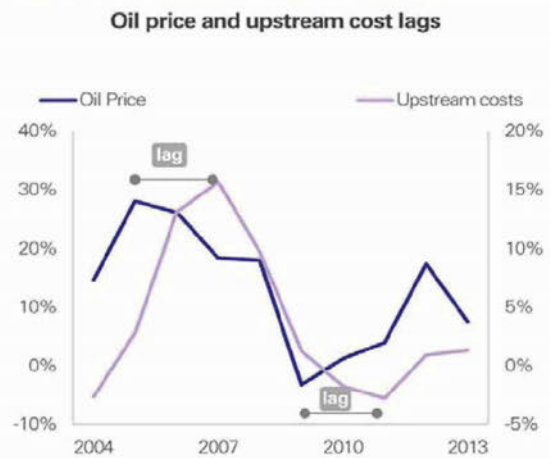
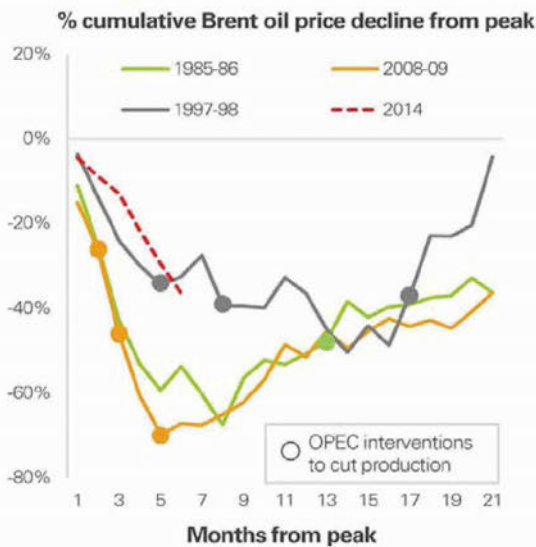
Brent has averaged around \$80 per barrel in the fourth quarter to date and currently sits below \$70 per barrel.

Market fundamentals are driving this trend.

- Global supply has increased, mainly due to a couple of factors: the return of shut-in production in a number of locations - such as Libya - and continued production growth in the United States, where inventory storage also remains relatively high;
- In conjunction with this increase in supply we continue to see weaker demand globally; and
- OPEC's recent decision not to cut production has also left the market more vulnerable to these natural forces of supply and demand.

However, price volatility is inherent in our industry, as is evident from the chart. In fact, the last four years has been a remarkably stable period by historical standards for oil prices.

## Upstream costs respond to price changes with a lag



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As the chart on the left shows, it has historically taken up to 2 years for prices to undergo a recovery following periods of steep price declines. In all the instances shown - with the exception of the period between 1985 and 1986 - the recovery was triggered by one or more OPEC production cuts.

At the same time, history also shows the strong alignment between industry costs and oil prices, with cost changes generally reacting to oil price movements with a lag of 1 to 2 years. You can see a recent cycle in the graph on the right. We believe that over the past 12 to 18 months, cost inflation had caught up with \$100+ oil prices and was already showing signs of slowing, even before the recent sharp fall in oil prices. With oil prices where they are today we expect this natural self-correction mechanism to become evident in supply chain deflation.

Obviously the current environment introduces some near-term uncertainty. Over time we see this as potentially healthy for the industry overall. It can drive greater efficiency right across the value chain and is one of the mechanisms that underpin long-range returns in our sector, albeit with some leads and lags along the way.

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## BP is positioned to manage a period of volatility



- Integrated oil and gas company
- Resilient and balanced Upstream portfolio
  - Projects sanctioned at \$80/bbl; stress-tested at \$60/bbl
  - Around 1/3<sup>rd</sup> production from Production Sharing Agreements<sup>(1)</sup>
  - Quality domestic gas projects
- Strong financial framework
  - Gearing at 15%
  - Strong cash balances
  - Capital discipline
- Focus on streamlining activity started 18 months ago

(1) Based upon BP planning price assumptions: \$100 Brent, \$5 Henry-Hub gas; real

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BP has a good track record of managing through these cycles and we believe we have enough flexibility to withstand a period of low oil prices. I would highlight a few things.

First, at the highest level, BP is an integrated business. Lower prices should benefit our Downstream business and provide some natural offsets.

In the Upstream, we sanction projects at \$80 per barrel at which level we expect a project to generate competitive returns. We also test each project at \$60 per barrel to understand the resilience of our portfolio at a range of prices. We have a portfolio with around one third of production coming from Production Sharing Agreements and we also have a number of high-quality domestic gas projects - these sort of investments are typically less sensitive to oil price movements.

We enter this period with a very strong balance sheet. Gearing is historically low at around 15% and cash balances are strong. This ensures we have the time and flexibility to make the right decisions for the group.

We will look very closely at every dollar of capital spend. This is relative to the group's organic capital frame of \$24-26 billion of capital expenditure per annum between 2015 and 2018 that we showed you in March – of which \$20-22 billion relates to the Upstream. We will look to pare back or re-phase spend where we can do so without compromising safety or the future growth of the group. In October we told you this could make a difference of \$1-2 billion in 2015 across the group. Of course, given the recent position taken by OPEC and with oil prices where they are today, we will continue to review this further and will update guidance for 2015 with our fourth quarter results in February as appropriate. A lot depends on the pace of deflation and the benefits of balancing timing investments and opportunities to leverage the deflationary curve.

In addition to industry price deflation, BP will also benefit from the greater focus on



streamlining activity that we began some 18 months ago in response to resizing the group. As you have seen from today's press announcement, as part of the group's ongoing programme to simplify across Upstream, Downstream and corporate functions, we expect the group to incur about \$1 billion of non-operating restructuring charges over the next five quarters, including the current quarter. In the Upstream we are in action to align today's cost base with our smaller footprint and reduced activity levels, as well as to drive further efficiencies into our processes. We will explain some specifics of our Upstream cost efficiency agenda throughout the day.

2014 TO 2018

**The BP Proposition**

**Value over volume**  
Active portfolio management

**Growing sustainable free cash flow**  
Material growth in operating cash flow  
Capital discipline

**Growing distributions**  
Progressive dividend  
Surplus cash biased to further distributions

bp

In March of this year we re-iterated our group proposition to you based on a \$100 per barrel real oil price assumption out to 2018. We clearly expect to see an impact from lower oil prices over this timeframe. And as just illustrated, if these levels are sustained, we also expect industry margin structures to reconfigure to the changing macro conditions.

So the numbers may turn out to be different but we nonetheless see the fundamental principles of our proposition as unchanged and designed to drive competitive returns well beyond 2018.

It starts with value over volume, which means investing in high-quality activities which play to our strengths, divesting assets which are not core to our strategy and finding alternative ways to create long-term value through portfolio realignment. In the BP group, further to the \$38 billion of divestments completed recently we are progressing towards divesting an additional \$10 billion of assets by the end of 2015.

We aim to grow sustainable free cash flow over time. We plan to do this by delivering material growth in underlying operating cash flow from our business operations, while reinvesting, in a very disciplined way, into only the best opportunities within our defined capital limits.

We will look to support growth in distributions to shareholders through a progressive dividend policy and use surplus cash, beyond capital and dividend payments, primarily to enhance distributions through buybacks. As noted on our October call, our first priority within the financial framework will always be the dividend. During this period of volatility we will judge the use of cash for discretionary re-investment and other forms of distribution on an ongoing basis.

Today is all about looking at the Upstream and how we support these overall objectives for the group. We are going to show you the depth of our set of opportunities out to 2020 and

beyond. Our strategy is long range which we believe is the only way to manage this business.

Notwithstanding near term oil price impacts, the outlook we will show you is based on real \$100 per barrel oil and \$5 per million BTU Henry Hub prices. This allows the most effective like-for-like comparison of the underlying business and capital structure against a 2014 baseline. So we would ask you for today to look through the near-term, and we expect to be able to give you more short-term guidance in February.



## Upstream track record of delivery



### Upstream 10-point plan milestones:

- |                                                                                                      |   |
|------------------------------------------------------------------------------------------------------|---|
| • Improving safety and reliability of our operations                                                 | ✓ |
| • Doubled exploration drilling investment                                                            | ✓ |
| • Recovered Gulf of Mexico production                                                                | ✓ |
| • Delivery of 15 projects between 2012 and 2014                                                      | ✓ |
| • Operating cash margin of projects brought online 2012 - 2014 are more than double the 2011 average | ✓ |
| • Increased reinvestment rate                                                                        | ✓ |
| • Active portfolio management ~\$32bn of divestments                                                 | ✓ |



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Let's take a look at our recent scorecard. We are proud of the track record of delivery we are building. The group is on track to deliver the \$30-31 billion of operating cash flow planned for 2014. This will mark the delivery of our 10-point plan. Relative to 2013, it reflects enhanced performance in our base assets and a higher contribution from major projects in the Upstream, the progressive ramp-up of the Whiting refinery and some reversal of the working capital builds seen in 2012 and 2013.

Specifically for the Upstream we are on track to achieve the series of 10-point plan milestones we defined four years ago:

- We have improved the safety and reliability of our operations. For example we have around 50% fewer losses of primary containment compared to 2009 and we have delivered a number of key turnaround programmes;
- We have roughly doubled exploration drilling activity and are now drilling 15-20 exploration wells per annum – and this has been accompanied by some significant discoveries;
- Gulf of Mexico production continues to recover and - on an underlying basis – it is 54 thousand barrels of oil equivalent per day higher in 2014 than in 2013 net to BP;
- We expect to have delivered 15 major project start-ups between 2012 and the end of 2014;
- Operating cash margins of the projects brought online in this period are more than double the 2011 segment average;
- We are maintaining capital discipline with higher levels of re-investment; and
- We have completed around \$32 billion of divestments in the Upstream creating a simpler and more focused portfolio.

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## Upstream strategy



- Improving safety and reliability
- Value over volume
  - Simpler, more focused footprint
  - Base management
  - High-quality major project investments
  - Access, exploration and appraisal
- Disciplined capital investment balanced in our three growth engines
  - Deepwater, gas value chains, giant fields
- Focus on execution delivering competitive operating cash growth
  - Underlying volume growth
  - Margin expansion
  - Cost discipline

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Looking forward our Upstream strategy remains the same.

First and foremost improving safety and making operations more reliable, which in itself delivers value

We focus on value over volume - we have a more focused footprint and will continue our portfolio management activities. We aim to deliver value through the efficient execution of our base activities, a quality set of major projects and by leveraging our access and exploration expertise

At the same time we maintain a very disciplined investment approach into three distinctive engines for growth:

- First, deepwater;
- Second, gas value chains; and
- Thirdly, giant fields.

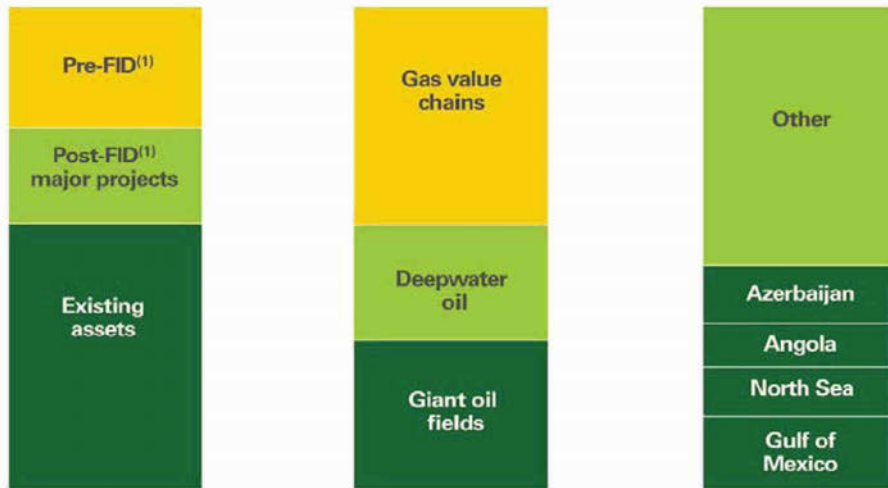
We maintain a balanced portfolio of opportunities;

And finally, we drive the efficient execution of our activities through our functional operating model. This model aims to deliver competitive operating cash growth through a combination of growth in underlying volumes, the improvement of margin quality and strong cost discipline.

## Playing to our strengths Balanced portfolio



### Contribution to 2020 operating cash flow



(1) Final investment decision

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Before we turn to our growth plans, I want to use a couple of slides to remind you about our existing portfolio. Our Upstream portfolio is well balanced and plays to our strengths.

A snapshot of our expected operating cash flow in 2020 reflects a balance in our investment biases of giant fields, deepwater and gas value chains.

45% of our cash flow is expected to be generated by gas value chains in 2020, an increase of 10% from today. Our gas portfolio is material, very competitive and appropriately balanced between LNG and domestic or pipeline gas. More on this later in the presentation

Our four key geographic regions of Angola, the Gulf of Mexico, Azerbaijan and the North Sea continue to play an important role throughout this period and are expected to generate around half of our operating cash in 2020.

Finally, over 75% of our production and operating cash in 2020 is expected to come from our existing fields or major projects to which we have already committed and which are progressing well.



## Strong portfolio of incumbent positions



Source: BP estimates  
(1) Post-tax

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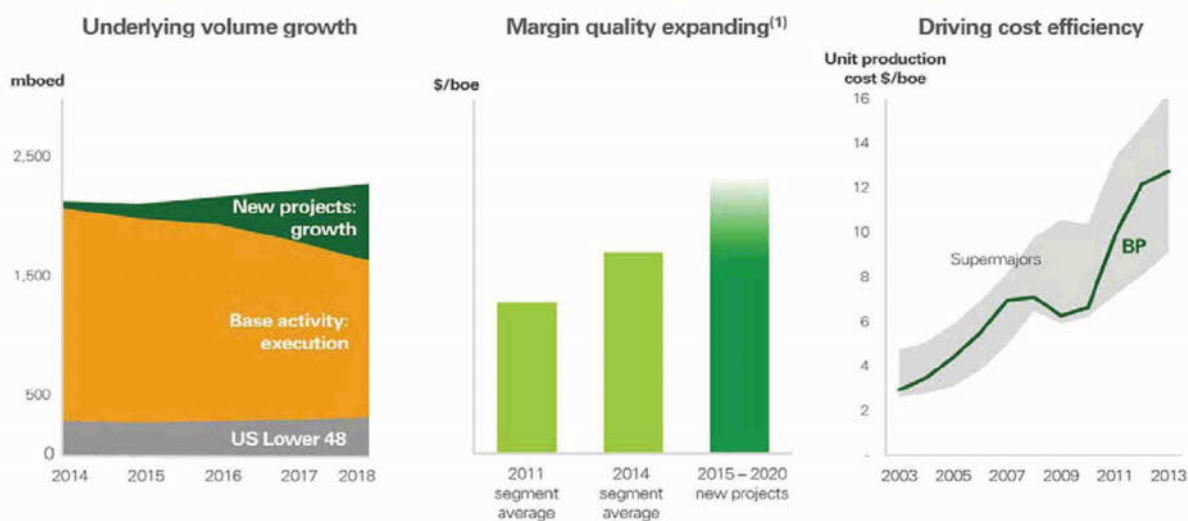
We also have a well diversified portfolio. As the map on the slide shows, we have a number of important incumbent positions, with production coming from 14 different provinces around the world.

This provides diversity of exposure to fiscal and political risk and opportunities. It also allows a balance between historic basins in which we have built up a skilled workforce and strong local relationships as well as new provinces with opportunities to connect untapped resources to major growth markets. We see opportunities to use knowledge from our existing incumbent positions to develop such new resources - examples include our investments in India and Oman.

Margins and cash flows are also balanced and not dependant on one or two regions, markets or fiscal regimes to deliver our plan.



## Underpinning value growth



Source: BP estimates

(1) Post-tax operating cash flow / boe. BP planning price assumptions: \$100 Brent, \$5 Henry-Hub gas; real

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Turning now to our growth story. Growth in operating cash flow has three primary drivers: volume growth, margin growth and cost efficiency.

First we see underlying volume growth through a combination of base management and project growth

- The base business is the ongoing operation of our existing assets where our focus is on mitigating base decline through reservoir management, improvements in operating efficiency and increasing by drilling activity. Through these management efforts we aim to maintain a base decline at a compound annual rate of 3-5% through to 2018
- At the same time we are transitioning into a phase of significant project growth through greenfield, tieback, expansion and optimisation opportunities.

Taken together on an underlying basis - and based on the projects in our pipeline that we can see today - we expect total production to continue to grow moderately into the early part of the next decade. Growth is then sustained over the longer term by the significant potential for resource progression and exploration we will show you later today.

The second driver is margin quality expansion. We are increasing the production in our high-margin areas through base management and new project additions which have a positive impact on the segment margin mix. The operating cash margin for the next wave of projects is over 35% higher than the 2014 segment average operating cash margin,

based on our planning assumptions.

The third driver is a focus on cost efficiency. We are in action to embed a series of interventions to align our cost base more closely with the extent of our current and future operations, and therefore to become more efficient and competitive.

## Strong capital discipline



### Expected capital spend



- Disciplined investment approach
- Capital allocation process aligned with strategy
- Competitive returns at \$80/bbl
  - Test at lower prices
- Opportunity to take advantage of deflation
- Uncommitted spend provides flexibility

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We have a very disciplined investment approach in the Upstream that aims to support growing free cash flow for the group.

Throughout this decade we will maintain a disciplined investment approach and a focus on value over volume. We currently have more opportunities than our capital frame enables us to progress, and more than are required to sustain growth in the longer-term. We will continue to apply our rigorous capital value process to progress projects into the next stage of development. This capital allocation process – augmented by our area development plans - ensures investment is aligned with our strategy and that we have the right capability in place to execute effectively.

Looking out to 2018, around 60% of our capital spend is allocated to major projects and exploration and around one third to our current base assets, for ongoing drilling and base management activities as previously described.

We also ensure that projects have a competitive return at a range of prices and they are sanctioned at \$80. In a low price environment we actually see opportunities to optimise project economics by leveraging the deflationary environment. We also have uncommitted spend and flexibility to manage pace of investment as needed.

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In the Upstream for the near-term:

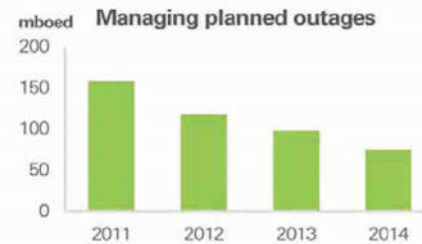
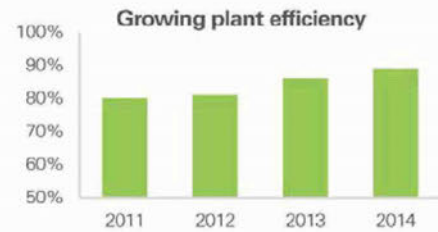
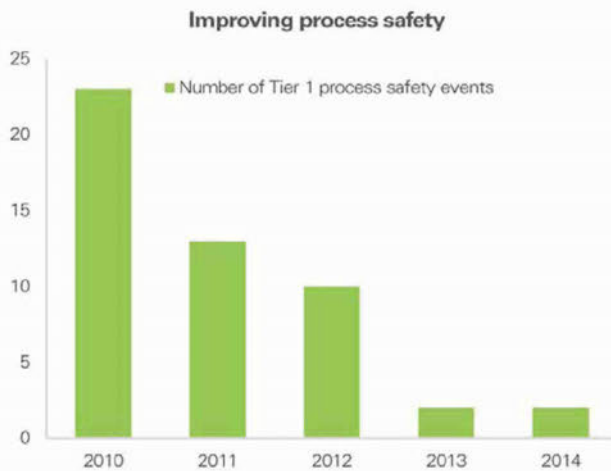
- We will continue to invest in our existing base and our projects under construction;
- We will tighten levels of exploration and other discretionary spend; and
- We will work deflationary momentum on projects and other activities that are yet to be contracted.

Over the medium-term we do expect the natural self-correction of the industry to be evident and therefore see no need at this point to significantly alter the activity set underpinning our long-term growth.

As I mentioned before, we will manage this within the capital frame of the group and keep you updated as we move forward and as market conditions evolve.



## Execution in the base Safer and more reliable operations



Data excludes Lower 48  
Source: BP internal data

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We are focused on driving the systematic delivery of safer and more reliable operations, and this focus is delivering results. Our underlying business is becoming safer and more reliable. Tier 1 Process Safety Events (PSEs) represent the most serious events in the operation of our wells and plants. As this slide shows, we have reduced the number of these events in our base operations from 23 in 2010 to only two in 2014 to date.

Safety and reliability are intrinsically linked. Our investments in the integrity of our assets have also delivered significant improvements in BP-operated plant efficiency. This has increased significantly - from around 81% in 2012 to 89% in 2014. This has been achieved through improvements in both planned and unplanned deferrals which cause production slippage through downtime. Unplanned deferrals, which also include breakdowns, have been reduced with the application of systematic 'root cause failure analysis', vulnerability mitigation, and improving integration across functions. Planned deferrals, which include turnarounds [or TAR's], have been improved with enhanced planning and execution.

Turnarounds have reduced by 50% since 2011. During this period, turnaround execution has improved markedly, and we expect to deliver 88% of our turnarounds on schedule in 2014.

Although we have made great progress improving the reliability of our assets, we are striving to continue year-on-year improvements with the potential for further significant gains

## Execution in the base Reservoir management and wells execution

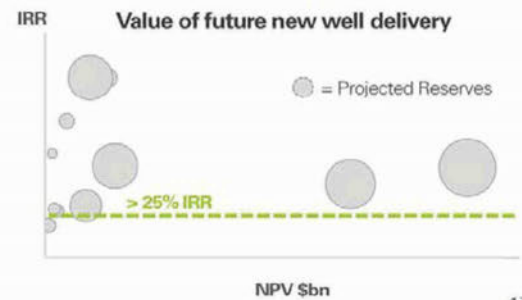
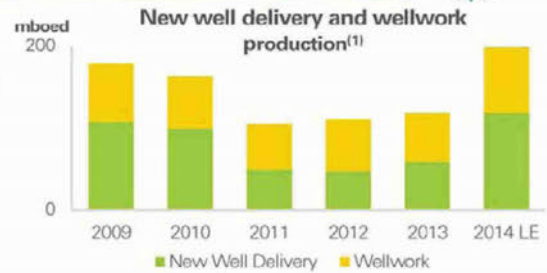


- **Reservoir management**

- Improve reservoir injection management and sweep
- Increase recovery factor

- **Effective well execution**

- New well delivery
- Improve resource drainage and optimise infill drilling
- Advanced seismic imaging
- Wellwork activities
- Well reactivation
- Well and system optimisation



Source: BP internal data; data excludes US Lower 48  
(1) Includes non-operated activity

In addition to ensuring safe, reliable and efficient operations, reservoir management and wells execution are two further lenses we use to manage our base assets.

Good reservoir management ensures optimisation of both recovery and value. Gas and water flooding are methods that we use to improve reservoir sweep and increase production, using a combination of advanced surveillance and completion technologies. This is a key focus for BP, as approximately 80% of our Upstream oil production is supported by water flood or gas injection. In our key regions, we have increased water injection since 2011, delivering around 25 million barrels of incremental production over that time period.

We are also using enhanced oil recovery (or EOR) technology to increase the recovery factors of our assets. We have developed industry-leading technologies such as LoSal® EOR – which is being deployed on Clair Ridge – and we operate one of the largest gas EOR schemes in the world at Prudhoe Bay in Alaska. These technologies alter the properties of the fluid we inject, allowing us to tailor it to maximise recovery, releasing oil trapped within the reservoir.

The ability to effectively identify, plan and drill new wells in our existing fields is equally important in delivery from the base and our world class seismic capability allows us to place wells in the right locations.

Managing existing wells is just as important. We maintain these through timely well interventions to either restore or enhance production. This reduces deferred production and increases our wells efficiency by ensuring wells remain online.

Our efforts in this area have increased production from new well delivery and well work and this figure is now the highest since 2009. Finally non-productive time is also trending down, helping to accelerate delivery of production.

Looking forward, we have a number of high-return new well delivery and wellwork opportunities in regions such as the Gulf of Mexico, Azerbaijan, the North Sea, Alaska and Trinidad. Typical sanctioned new well activity is expected to deliver returns of over 25% based on an oil price of \$80 per barrel.

## Execution in the base

### Key messages

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- Base activity becoming safer and more reliable
- Improving plant efficiency: 8% improvement since 2010
- Maximising recovery and value from our reservoirs
- Highest new well delivery since 2009
- Quality suite of new well options typically delivering over 25% IRR at \$80/boe
- Compound base decline in the range of 3 - 5% per annum

*Data excludes Lower 48*

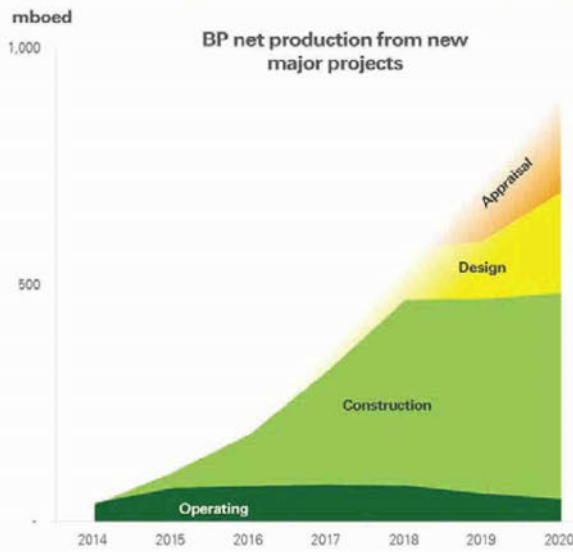
18

So to summarise the strategy for our base assets:

- Our base assets are becoming safer and more reliable
- We are improving plant efficiency of our major assets – an 8% improvement since 2010
- We focus on maximising recovery and value from our reservoirs
- In 2014, we achieved the highest production from new well delivery since 2009
- We have a quality suite of new well options - delivering over 25% rate of return at \$80 per barrel
- And through these management efforts we aim to maintain base production decline at a compound annual rate of 3-5% through to 2018



# New projects underpin growth 2014 - 2020



2014	2015
Chirag Oil Mars B Na Kika 3 Atlantis North Expansion 2 CLOV Kinnoull Sunrise 1	Kizomba Satellites 2 In Salah Southern Fields Western Flank A Greater Plutonio 3
2016	2017
Thunder Horse Water Injection ALNG Re-start In Amenas Compression Point Thomson Quad 204	Juniper Persephone Khazzan Thunder Horse South Expansion Clair Ridge West Nile Delta - Taurus/Libra West End Development
2018 - 2020	
Shah Deniz 2 Mad Dog 2 Ziria 2 Culzean West Nile Delta - Giza/Fayoum/Raven Western Flank B Pike 1 Sunrise 2 Tangguh Expansion KG D6 R-Series KG D6 Satellites Liberty	Atlantis W1 Expansion Kaskida Thunder Horse NW Exp. Dalia 1B Alligin Snadd East Nile Delta Angelin KG D6 D55 Itaipu Wahoo

So let me now turn your attention to major project delivery, obviously an important element of our future growth.

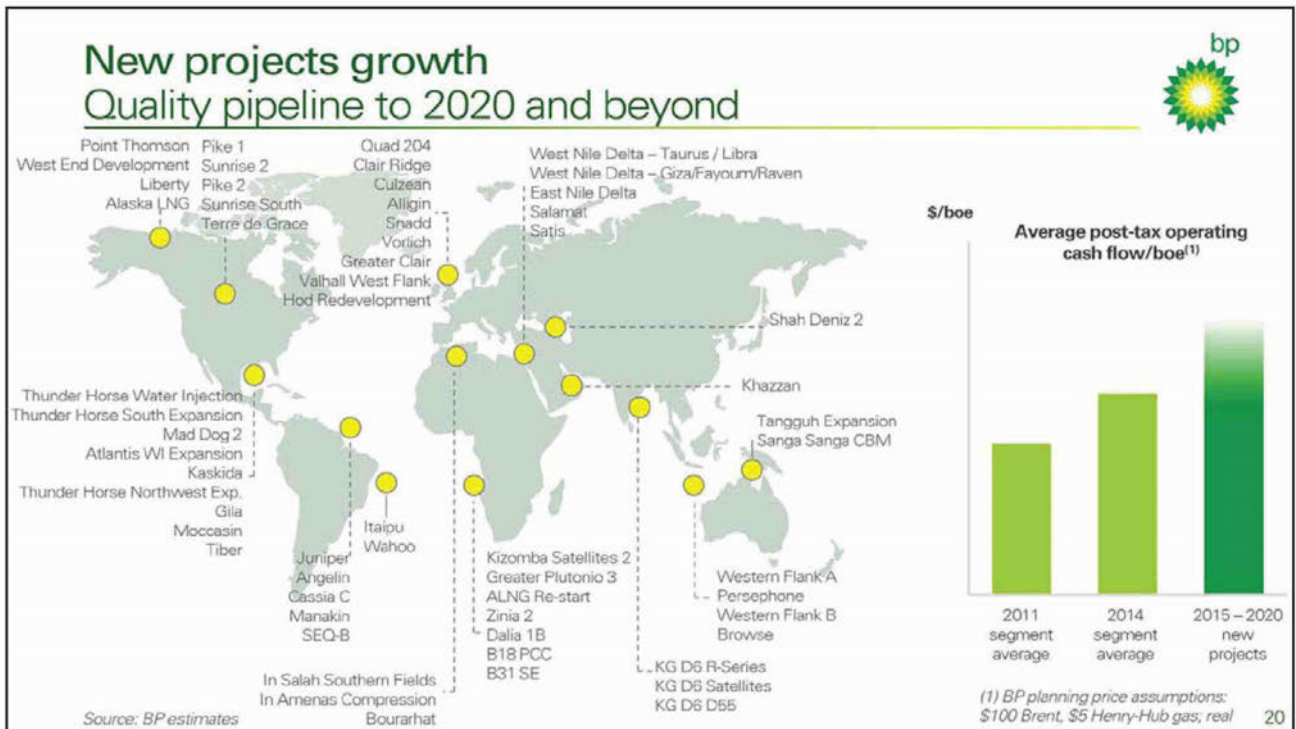
By 2020, we anticipate that our current suite of major projects has the potential to bring online over 900 thousand barrels of oil equivalent per day of incremental new production net to BP. Half of this production is associated with projects which have passed through the final investment decision and are in construction. We are in the design or appraisal stage on projects to underpin the remaining 50% and we expect these to move to the construction phase by 2017 or earlier.

Through 2017 we continue to see start-ups from our key regions, such as Quad 204 and Clair Ridge in the North Sea, Thunder Horse Water Injection in the Gulf of Mexico and Greater Plutonio Phase 3 in Angola. We will also see start-up of a number of gas projects which sustain production in Trinidad, Australia, Egypt and Algeria.

We have a robust internal process for ensuring projects only proceed from appraisal to design to construction when they are the best that they can be. This means having line of sight to a deep and diverse set of opportunities from which to progress projects.

Our next wave of appraisal projects shown on the lower right of the table represents the current suite of options that we are currently working, from which we may select a subset to progress into the production wedge on the left. As we continue to explore, appraise and high-grade our appraisal portfolio, this list may change as we selectively progress only

those projects that best fit our portfolio. Those that are not progressed in this timeframe may continue to be optimised for later development or may be monetised through divestment if they provide a better fit for someone else's portfolio. Around half of the combined expected production in 2020 from the start-ups shown on the slide will be under Production Sharing Agreements which are - by their nature - less sensitive to price downside.



So, that's the next few years but our opportunity set extends well beyond 2020. To highlight the diversity of projects we have in the pipeline, you will see 60 projects on this slide, including those where we have line of sight to start-up into the next decade.

Around 30% of our projects lie in deepwater oil provinces of the Gulf of Mexico, Angola and Brazil. These represent a mix of greenfield assets, such as Mad Dog 2 and tie-backs and infill around our core hubs such as Greater Plutonio and Thunder Horse. For example, in the Gulf of Mexico, less than 10% of the original oil in place around our existing four hubs has been produced to date, offering rich opportunities for the progression of additional barrels.

Over 40% of our projects are linked into incumbent and new gas value chains spanning LNG - with significant new opportunities such as Browse and Alaska LNG - domestic non-OECD growth markets, such as the Nile Delta and Oman and pipeline linkages such as Shah Deniz Phase 2, tied directly to premium European markets. We will tell you more about these in the gas break-out.

The remaining opportunities represent onshore and shallow water oil in Alaska and the North Sea, such as our new discovery in Vorlich and our unconventional positions in Canada.

BP expects to operate around half of this portfolio of projects, allowing focus on certain regions and resource types.

We believe these represent a quality set of opportunities and we expect this quality to materialise in operating cash flow improvements for the segment. The 2012 to 2014 start-ups have already contributed towards enhancing segment operating cash flow. As we highlighted in March, the 2014 start-ups are particularly notable offering double last year's segment average operating cash margin.

Looking further forward, we expect our 2015 to 2020 project start-ups to continue to contribute to enhanced segment operating cash margins. This project set, which includes our next suite of large gas projects is anticipated to return average margins over 35% higher than the current segment average, using our planning assumptions.



## New projects Key messages



- 2014 - 2020 new projects delivering
  - Over 2mmboed of gross production by 2020
  - Over 900mboed of incremental net BP production
  - Higher average operating cash margins<sup>(1)</sup>
- 50% of 2020 new project production is already under construction
- Opportunity set capable of extending growth beyond 2020
- Balanced portfolio of opportunities

Source: BP estimates

(1) BP planning price assumptions: \$100 Brent, \$5 Henry-Hub gas; real

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So to summarise our major projects story:

New projects out to 2020 expected to deliver:

- Over 2 million barrels of oil equivalent per day of new gross production;
- That's over 900 thousand barrels per day of BP net production; at
- Higher average operating cash margins.

50% of 2020 new project production is already under construction; and

Balanced portfolio of opportunities capable of extending growth beyond 2020.

## Growth platform beyond 2020 Foundations for resource progression



### Exploration momentum restored

- Reloaded the exploration pipeline
- Continued success in 2014

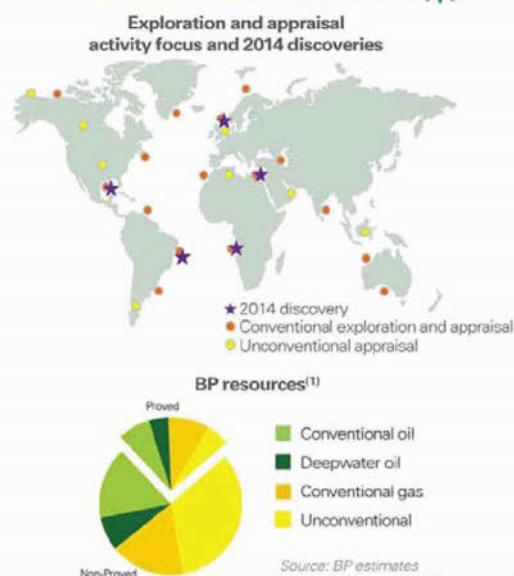
### Continued resource progression

- US Lower 48 unconventional gas
- Oman and Trinidad gas
- Canadian oil sands

### Giant fields extended

- Continued growth in giant reservoirs
- Technology has unlocked further resources

Source: BP estimates



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The growth profile established by new major projects can be further sustained in the long-term through exploration, continued progression of resources in BP's portfolio and growth in giant field reserves.

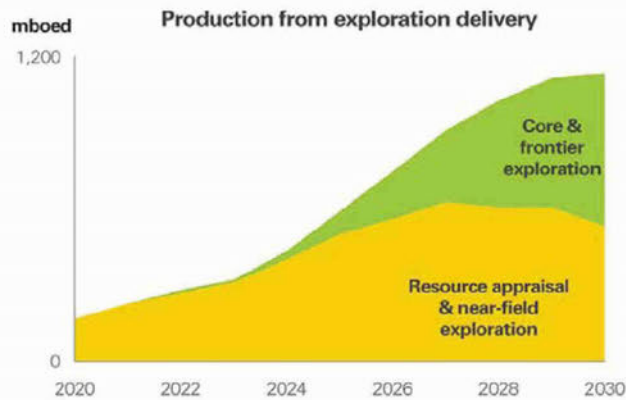
We have reloaded our exploration pipeline over recent years through significant access to new opportunities. This is now yielding results - BP was one of the top IOC explorers in 2013, and that success has continued into 2014 with further discoveries in Angola, Brazil, Egypt, the North Sea and the Gulf of Mexico. By the end of this month, we expect to have drilled 18 exploration wells. We plan to test 15 to 20 new plays between 2014 and 2018, while continuing to optimise our drilling programme to focus on the highest value prospects.

Total resources at the end of 2013 were over 44 billion barrels of oil equivalent with a proved reserves-to-production ratio of over 13 years. This represents growth of around 4% in our resources over the last four years, despite impacts from the divestment programmes.

A significant proportion of this growth has been delivered by unconvensionals, which now represent 38% of our total resource base. For example, in the US Lower 48, we have restructured and de-risked our portfolio by divesting mature assets and processing plants. In Oman, we sanctioned our Khazzan project last year – the first phase in the development of one of the region's largest unconventional gas accumulations. We have considerable upside potential in the Khazzan area, which we are appraising to identify potential future expansions of the project. In Canada, we have built a significant and competitive oil sands position, with the potential for long, stable cash flows that are leveraged to oil price and technology.

A key element of our giant field strategy is to use our subsurface expertise and technology to extend the life of our largest assets, and we continue to deliver further stages of development at large fields such as Atlantis and Na Kika in the Gulf of Mexico and PSVM in Angola.

## Growth beyond 2020 Robust pipeline for the long-term



- Exploration delivering long-term growth
  - Near-field, high-value exploration
  - Core exploration and appraisal in producing regions
  - Build new long-term producing regions
  - Access international unconventional
- Balanced exploration portfolio provides optionality for the future

Source: BP estimates

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So what does this mean for the future?

Our exploration and appraisal programmes today give us line of sight to long-term production growth. Our investment will reflect a balance between near-field, high value exploration around our existing assets, further exploration and appraisal in regions that we know well, and the establishment of new producing regions.

Deepwater oil will continue to be important to BP as we seek to extend the life of our existing assets in Angola and the Gulf of Mexico, while exploring new plays in Brazil and other basins recently accessed. With success in some of our key play tests in Brazil, Canada and Australia, exploration has the potential to sustain deepwater production for many years to come.

In conventional onshore and shallow water oil, our focus is on making the most of our high-value portfolio in producing regions such as the North Sea – where we made a good discovery this year - and we retain optionality through our position in giant fields in Iraq and our longer term Arctic options.

Conventional gas offers a number of opportunities for exploration around our existing assets in regions such as Trinidad and Azerbaijan, as well as new opportunities in regions such as Egypt and Australia.

And we see a significant growth opportunity in unconventional, where we can leverage our US Lower 48 experience and track record of managing big projects on developments such as Oman Khazzan. In addition, we are looking to pursue further access opportunities in international unconventional as we continue to optimise the balance of our portfolio.



## Resources and exploration

### Key messages

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- Reloaded exploration pipeline
- Successful 2013 and 2014 exploration programmes
- 4% growth in our resource base despite divestments
- Existing portfolio underpins long-term underlying production growth
- Balanced portfolio of opportunities

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So these are our key messages on resources and exploration:

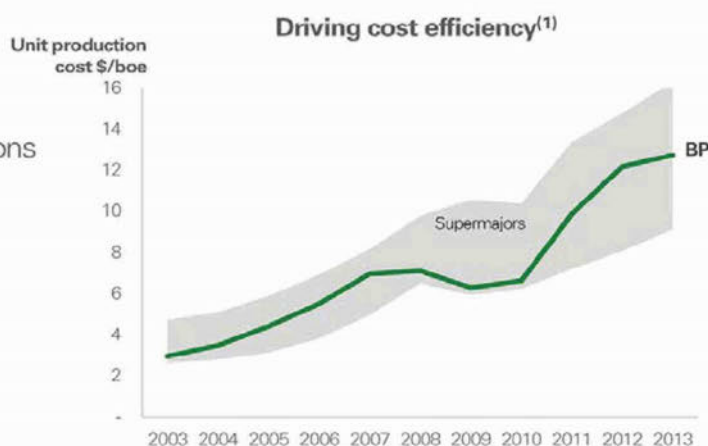
- We have reloaded our exploration pipeline;
- We have had a successful 2013 and 2014 exploration programme ;
- We have grown our resource base by 4% despite divestments between 2011 and 2014;
- Our existing portfolio underpins long-term underlying production growth; and
- We have a balanced portfolio of opportunities.



## Driving cost discipline



- No compromise on safety
- Significant efforts across all regions and functions
- Material impact in 2015
- Sustainable over the long term



(1) Data based on company disclosures

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Let me now address the actions we are taking in the area of cost discipline.

Following the transition to our functional model we started - over 18 months ago - to look closely at inefficiencies that were developing in our Upstream organisation. We also sought to counter the cost inflation that was developing alongside rising oil prices. Some of the impacts of this effort are already becoming embedded into our performance as you will see today in the break-outs. That said, as we stand today, our net production is lower than it was four years ago as a result of divestments yet our operating costs have risen over the same period. So we still see material opportunities to improve by streamlining the activity and processes that are driving our cost base, and we believe we can do this without compromising safety or reliability.

We will concentrate our efforts in four key areas:

- First we will continue to focus our activity set on delivering the right activity at the right time, where we have distinctive capability;
- Second, we will actively manage our supply chain;
- Third, we will align our business support costs with reduced size of our operations;
- And finally, we will make choices in our portfolio. Recent examples include the Lower 48 restructuring and Alaska divestments.

Of course this is not unique to BP. We see our peer group as having significant

opportunities to reduce costs, which we believe could well be amplified within a deflationary environment. A number of our competitors have given you indications of this. We expect to at least maintain the competitive position you see reflected on this chart without necessarily seeking to be the lowest cost producer. We expect to see a material impact in 2015 and believe the benefits are sustainable over the long-term.

## Gas strategy

### Investing where we have distinctive capabilities



- Potential to double operating cash flow over next 10 years
- Key aspects of our gas strategy
  - Access to lower-cost resources
  - Commercial and technical capability with trading knowledge of key markets
  - Balanced exposure to resource type, prices and geography
  - A critical scale of LNG business with aspiration to grow
- Competitive returns

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Next, I'd like to give you a high level overview of our gas position and strategy. This is an area in which we have a number of exciting growth opportunities. But let me first tell you why I believe gas to be an area where we want to grow. First, gas is the cleanest fossil fuel. Second, the demand growth predicted for gas is twice that of oil. Third, we have significant gas positions in our portfolio. And finally, BP's approach to gas is consistent with that of oil - we participate in investments where the barriers are high for others, and where we have distinctive capabilities which allow for competitive growth and advantaged netbacks and returns. Key aspects of our approach are:

- We create value from gas when access and exploration or incumbency provides advantaged access to the lowest cost resources in the basin. For example incumbent positions in Trinidad, Azerbaijan, Egypt and Indonesia position us well to leverage skilled local staff, resources and existing infrastructure into which we can explore and develop back-fill and incremental volumes.
- We apply commercial, financial and technical capability to participate selectively along the full value chain. For example, our position in Oman allow us to apply and transfer our technological capabilities from the US Lower 48.
- We have a deliberate, balanced exposure to resource type, pricing exposure, and geography. We have a competitively distinctive position that accesses growing domestic markets, global LNG, and large markets such as Europe that are seeking diversified energy sources.
- We are building a critical scale of LNG capacity to add materially to the margins of both our upstream and merchant businesses as well as to provide offtake assurance through a flexible portfolio approach.

We intentionally balance our portfolio, focusing on the cost of supply as much as on our ultimate gas sale price. Price alone is not equal to margin. This, combined with our

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commercial, financial and technical capability, allows us to deliver competitive returns.

Today gas contributes to around half of resources and production in our portfolio and this is expected to grow over the next decade. The long plateau of most of these investments is altering the shape of Upstream cash flow generation by bringing more long-term layers of operating cash in our portfolio, to balance the flows from our known, and equally strong, deepwater positions.



## Our gas value chains Doubling operating cash flow by 2024



Operating cash flow growth 2014 – 2024<sup>(1,2)</sup>



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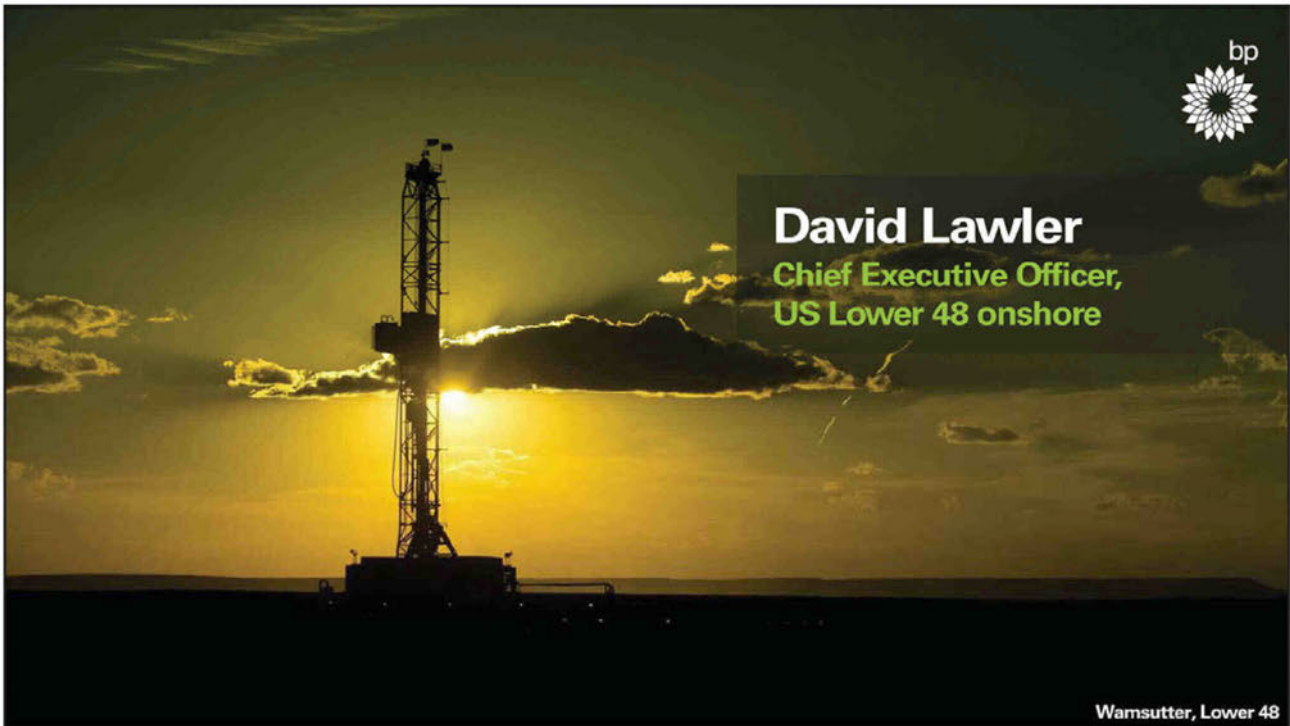
So how does this strategy show up in the bottom line? Our gas portfolio has the potential to double operating cash and improve returns over the next decade through volume and margin growth.

As you can see from this slide, we have eight material gas value chains in production or development with the potential emergence of a ninth in Alaska. The slide shows how each of these is anticipated to grow in operating cash flow, from 2014 to 2024. Our existing gas businesses deliver consistently, while we see the emergence of new hubs in India, Oman, Alaska and Azerbaijan. Our diverse positions offer exposure to a range of prices – currently around a third of our production is priced off oil. In a number of countries we are actively negotiating gas prices with state entities for mutual benefit.

Our Global LNG business is capable of growing from 12.5 million tonnes per annum to over 20 million. This reflects the growth in our positions, underpinned by the addition of physical equity LNG assets and an increase in our merchant LNG trading business. As well as our Upstream assets, the ability to grow this position is founded on our significant trading positions in the US, Europe and Asia, our LNG shipping fleet and access to re-gasification capacity in key demand regions.

We believe this balanced portfolio and margin growth to be distinctive compared to our peers and to reflect the competitive portfolio we have built. Through the break-out session, we hope to help you understand the elements of our gas strategy further.

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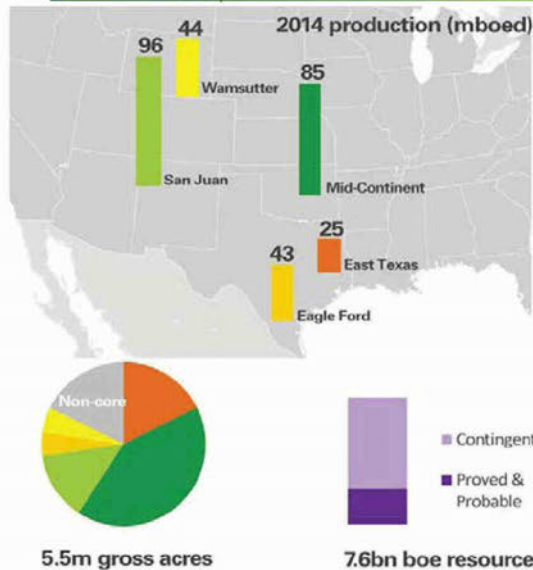


Now turning to a part of our portfolio we are getting increasingly excited about. In March, we announced our plan to separate our US Lower 48 oil and gas business into a separate unit reporting to me. The rationale was that a new operating model was needed to improve performance in this business. We expect faster decision making, more innovation and shorter cycle times through the value chain – and we expect that significant capital and cost efficiencies will follow.

We named David Lawler as the new CEO of this business with effect from 15th September. Dave’s insights have already had an impact. I’m delighted to introduce Dave and also to have him share with you his vision and impressions of the business.



## US Lower 48 onshore A robust platform



- Separation to improve performance, speed, effectiveness, operating efficiency
- David Lawler announced as CEO
- New governance structure and financial framework
- Moved office to separate location
- Cost and headcount down
- Reward leveraged to safety and performance
- Moving to appropriate API<sup>(1)</sup> onshore standards
- 2015 capex: \$1.0-1.4bn
- Positioned to compete with independents whilst benefiting from BP's balance sheet

(1) American Petroleum Institute

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Thank you Lamar. It's a pleasure to be here today and share with you my excitement at joining BP and the opportunity to lead a great piece of the business.

Three key factors supported my decision to join BP. First and foremost, Bob and Lamar's commitment to build the Lower 48 into an exceptional business was compelling. They had a clear vision of where they wanted to take the organisation. Becoming a premier onshore operator on every metric, with safety at the top, is our goal. Second, the technical expertise of the Lower 48 team is impressive. The operating and subsurface teams are some of the most talented professionals I've worked with in my career. Third, the asset base is significant, and the project inventory can generate some of the strongest returns in the industry, even during periods of lower oil and gas prices.

The Lower 48 has a massive footprint of 5.5 million gross acres and daily production of around 300,000 barrels of oil equivalent. The total resource base is around 7.6 billion barrels of oil equivalent, with around 2 billion barrels either proved or probable. Of these reserves, more than a fifth are liquids. This resource mix allows for optimisation under a broad range of oil and gas prices.

The separation of the business was well underway by the time I joined in September. One of the more important changes is a new financial framework that will allow us to retain and invest our operating cash in order to establish a consistent development program and sustainable growth model. Investment decisions, capital allocation and portfolio strategies will be directed by the Lower 48 management team, subject to the approval of our soon to be formed board of directors, led by Lamar.

We have made progress on several other fronts. We completed our move to a new location within a mile of BP's main campus in Houston. Not only are there cost efficiencies with this move, but it is also symbolic of the nimbleness we expect to attain in the coming months. Our direct headcount at end 2012 was 2,648. At end of 2014, we expect this to be around 1,700. Over the same period we expect operating cash costs will have come down

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some 25%.

We have also linked compensation to improved safety and financial performance, exclusive to the Lower 48 business.

To improve efficiency, we're moving to work standards appropriate for the onshore operating environment, and more aligned with those used by our competitors. Let me be clear, this does not mean lowering our safety standards. Safe operations will remain our first priority.

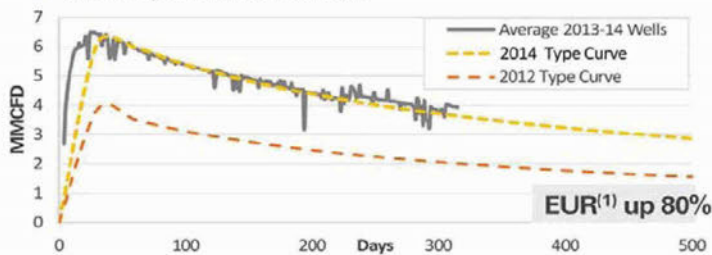
In summary, I believe we have the commitment, expertise and asset base needed to become a premier onshore operator.



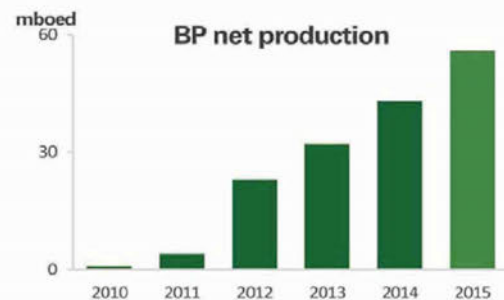
## Eagle Ford Material, long-term, high-return growth model



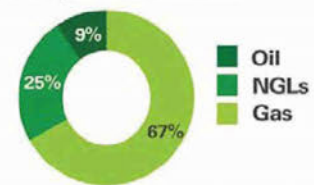
- 460,000 gross acres; 190,000 BP net
- 41% working interest
- 1.7bn boe high quality stacked-pay resource
- BP's subsurface expertise with Lewis' integrated operations
- 150-200 wells in 2015
- 4,000+ potential locations



(1) Estimated ultimate recovery



2014 production mix



Source: BP estimates 30

Now I'd like to highlight just three of our assets to give you a sense of the material opportunity we have.

One of these is our Eagle Ford position located in South Texas. Not many in the industry have a sense for just how sizable, or how robust the economics really are in this position.

We have 1.7 billion barrels of oil equivalent of resource potential within this rich source rock. It is a brittle shale, which responds well to fracture stimulation, and our results to date are consistent and improving. We have a successful partnership with Lewis Energy group. Lewis – the operator - own a vertically integrated service company, and this helps us deliver some of the lowest development costs in the region. As I mentioned earlier, with our exceptional subsurface expertise, BP adds considerable value through well placement and subsurface modeling. Over the five years of our partnership, production has ramped up to 43 thousand barrels of oil equivalent per day through 2014 and we expect this to grow in 2015, through a projected 150 to 200 well program.

Recent rate improvements have come through better well completion techniques. For example, in 2012 our type curve for lean gas at Eagle Ford had an estimated ultimate recovery (or EUR) of 5.5 billion cubic feet. The average EUR of similar wells from 2013 through 2014 is 10 billion cubic feet, an 80% increase.

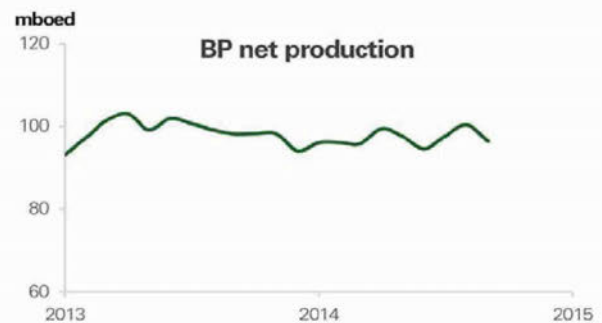
We are working on optimal well spacing along with further completion optimisation and see the potential for another 4,000 locations over many, many years.

## San Juan

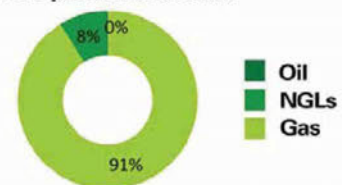
### World class CBM<sup>(1)</sup> reservoir with substantial upside



- 800,000 gross acres; 540,000 BP net
- 68% working interest
- 1.5bn boe high quality resource
- Relatively flat production with minimal capital investments over the previous 2 years
- Interest in > 8,000 active wells
- Adding 2 rigs in 2015
- Potential for >1,000 new well locations
- A high return basin with breakeven ~ \$2.75/mcf
- Potential upside with Mancos/Gallup development



2014 production mix



(1) Coal Bed Methane

Source: BP estimates 31

The second asset I'd like to highlight is the San Juan basin. Approximately 75% of our production comes from what is considered to be the best coal bed methane reservoir in the world. San Juan's coal rank – a measure of coal thermal maturity - is ideal for both the generation and storage of methane. In addition it has a high cleat density which, in turn, means high productivity. Cleats are the small fractures that run throughout coal seams and it is that fracture network which contributes to the overall permeability of the system. The remainder of the production comes from stacked conventional reservoirs in an area that is being appraised for future development.

Despite not drilling new wells in this basin for several years, we've been able to minimise decline through active management of the existing well set. We're now planning to grow production by adding 2 drilling rigs in 2015 - one will continue to develop the coal bed methane reservoir, and one will appraise the potential of the Mancos/Gallup condensate intervals. Horizontal drilling and the latest completion technology will be utilised in both programs.

We currently have over 1,000 locations identified, with a significant number of wells which are economic at prices around \$2.75 per thousand cubic feet. In summary, this is a material asset, with years of economic development ahead.



## Mid continent – Anadarko, Arkoma, Fayetteville

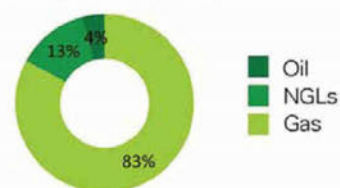
### Oil rich region with years of high return wells



- 2.8 million gross acres; 1.2 million BP net
- 43% working interest
- 1.4bn boe resource in prolific, liquid-rich basin
- Numerous stacked-pay opportunities
- Interest in 9,100 active wells
- Plan to ramp-up to 4-6 BP-operated rigs in 2015 with potential for a further 10
- Shifting to liquids portion of the play
- Applying latest drilling and completion optimisations



2014 production mix



Source: BP estimates 32

The third asset we wanted to share with you today is our position in the mid-continent area, which includes the Anadarko, Arkoma and Fayetteville project areas.

We have a massive 1.2 million net acre position - which was acquired early on - with a high net interest that is currently producing 85 thousand barrels of oil per day equivalent. This prolific, liquid-rich area makes for a high-return well program for many years to come.

Our position has stacked-pay opportunities and zones conducive to multi-lateral development from just a single vertical well bore. This of course translates into significant value upside.

Given the considerable opportunity set, we're planning a ramp-up to six rigs by the end of 2015. The pace of ramp-up will depend on how quickly we're able to expand our team in the region. We will initially focus on the Cleveland and Granite Wash portions of the play which have a liquids content over 40%. We also plan to apply the most advanced drilling, completion and artificial lift techniques to maximise our returns.

In closing, I hope by sharing a more detailed view of our Lower 48 assets and the changes to our business model, I was able to convey the excitement I feel about the growth potential of this business. We will be providing increased transparency on operational and financial metrics in the future so the value proposition becomes more visible to our shareholders.

With that, I'll turn the presentation back to Lamar. Thank you.

## Summary

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- Resilient to oil price fluctuations
  - Strong balance sheet
  - Capital flexibility
  - Cost discipline
- Re-established track record of delivery
  - Base operations safer and more reliable
  - Maximising recovery and new well execution
- Underlying production and operating cash flow growth through to the end of the decade
  - Over 900 mboed of net production from new projects
- Growing and distinctive gas portfolio complimenting established oil positions
- Opportunity set to extend growth post-2020

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*David Lawler hands back to Lamar:*

Thank you Dave.

To sum up the key points we would like you to take with you into the break-outs:

First, the current environment is challenging but we believe we are well positioned to respond whilst also managing our business for the long-term. Our balance sheet is strong and we will make the right capital decisions for the group, taking advantage of the opportunities that deflation brings. In addition, we expect to be increasingly seeing the effects of streamlining activity in our results going forward. We started this process some 18 months ago in response to resizing the group. We will do this without compromising our safety objectives.

Second, we have re-established a strong track record of delivery, which we plan to continue.

It starts with deep focus on execution within our base as we maximise recovery in our reservoirs and as we boost production through new well delivery. With this also comes a strong focus on safety and operating reliability. This all works together to mitigate decline in the existing portfolio. We are also bringing on a strong suite of new projects that we estimate to be capable of adding over 900 thousand barrels a day of incremental net production to BP's portfolio by 2020. This growth comes from building out our established and new conventional and deepwater oil positions, as well as from a material portfolio of



quality gas options which are rapidly becoming a greater source of distinction in our portfolio.

And the growth possibilities don't end there. We have a quality pipeline of opportunities capable of extending underlying growth well beyond 2020.

So I am excited about this business. I believe we have a fantastic portfolio which we will continue to actively manage. We are firmly focused on execution efficiency, on operating safely and with greater plant reliability. And we have our sights set on growth. We know what we need to do and in our break-outs we hope to show you that we are busy doing it.

# Investor Update

## Breakout sessions

### Resource progression

James Dupree and Richard Herbert

### Execution in the Base

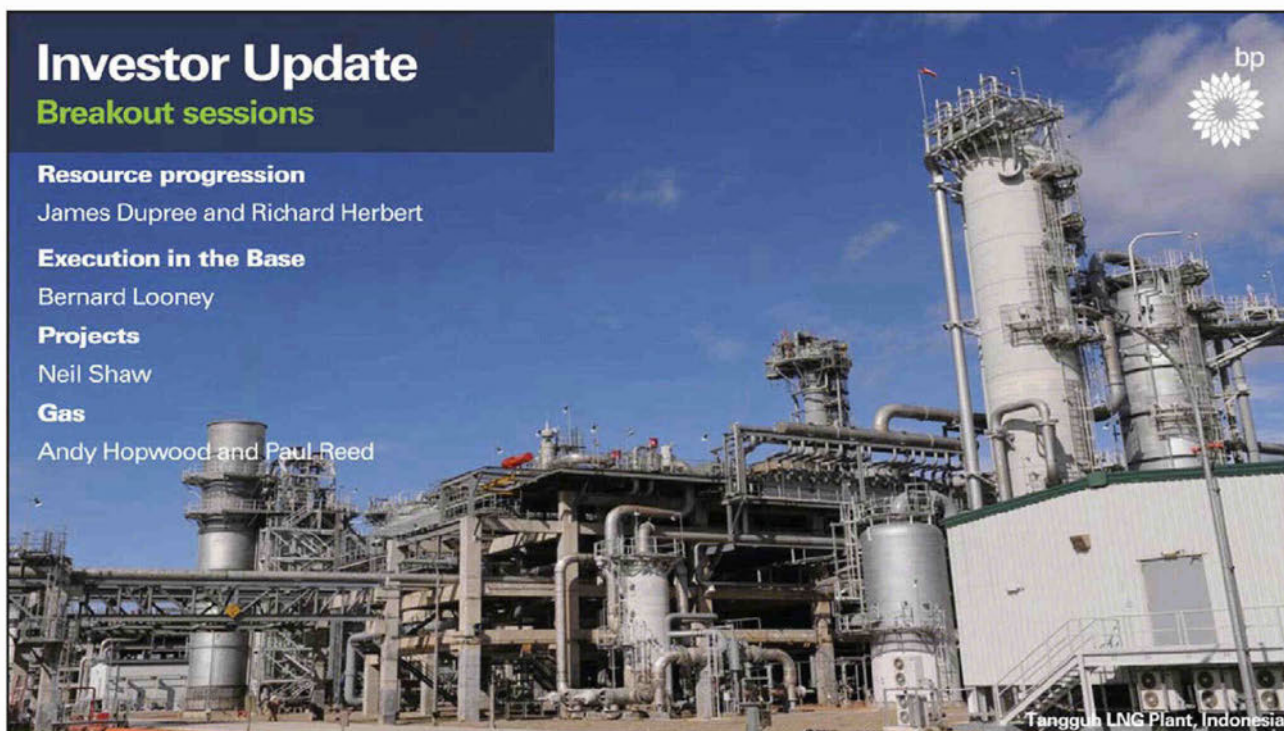
Bernard Looney

### Projects

Neil Shaw

### Gas

Andy Hopwood and Paul Reed



We'll now move to a series of breakout presentations, led by members of the upstream functional leadership teams.

We have four break-out sessions today, which you will attend in rotation either side of the lunch break. We then reconvene mid-afternoon for a wrap up and Q&A session.

On the front of your pass you'll see a letter (A,B,C or D) listed. This allocates you to your breakout group. You will also find a personalised itinerary listing the rooms that you will visit, in order, for each of these sessions. I would ask that you stay with your allocated group throughout the day. A member of our Investor Relations team will accompany each group, and will ensure you're in the right place for each breakout.

The breakouts will be held in the meeting rooms just downstairs, and the intention is that these are informal – providing an opportunity for you to hear some more detail and context from the people that run the different parts of our upstream business. I'd encourage you to ask questions and to treat it as a conversation, rather than a set piece presentation.

Also, please take the opportunity to visit the technology stands.

So, we'll now take a short 20 minute break, during which you can move downstairs to the breakout areas, where there are facilities and refreshments. And members of the BP IR team are available to guide you in the right direction.

Thank you, enjoy the break-outs and we will see you all back here later this afternoon for our Q&A session.

