CERAWeek 2018

Executive Briefing

March 5-9, 2018

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CERA WEEK 2018

BP EXECUTIVE SUMMARY

Location: Hilton Americas 1600 Lamar Street, Houston, Texas
Dates: March 5-9, 2018

Contact and Logistics Information

BP Private Suite:	**Room 328**
Executive Bilat Room 1:	**Room 12029**
Executive Bilat Room 2:	**Room 12023**
Executive Bilat Room 3:	**Room 12019**
Executive Working Room:	**Room 12021**
Staff Office w/ Printer:	**Room 12031**
Storage Room:	**Room 12025**

Attire: Business (Dark Suit)

Your credentials will be available for pick-up in the staff office (12031).

Staff POC: Alex Franceschi [redacted]

Background Information: IHS Energy CERAWeek is the industry's preeminent gathering of industry leaders and government officials, offering new ideas, insights and discussions on major strategic issues facing the global energy industry.

BP ETM Attending: Bob Dudley, Lamar McKay, Bernard Looney, Dev Sanyal, Brian Gilvary, Tufan Erginbilgic

BP Leadership Attending: Felipe Arbelaez, Gordon Birrell, Ray Dempsey, Susan Dio, James Dupree, Dominic Emery, Shanan Guinn, Ahmed Hashmi, Howard Leach, William Lin, John Mingé, Geoff Morrell, Emily Olson, Tom Pennington, Brandon Rumbelow, Mohit Singh, Doug Sparkman, Bob Stout, Mary Streett, Starlee Sykes, Mark Thomas, Morag Watson, Cindy Yeilding

CERAWeek BP Schedule of Events

Monday, March 5

0900-1130: Leadership Circles

Upstream Oil & Gas Summit ***John Mingé***
The Grove, 2nd Floor, Vista Room
Closed Press

Technology & Innovation Summit ***Ahmed Hashmi***
Hilton Americas, Level 4, Room J
Closed Press

CFO Summit ***Brandon Rumbelow***
Hilton Americas, Level 4, Room A
Closed Press

Downstream Summit ***Doug Sparkman***
Hilton Americas, Level 4, Room L
Closed Press

1410-1500: Agora Session: Energy and Robotics ***Morag Watson***
Hilton Americas, Level 4, Agora – 2
Open Press

1600-1650: Plenary Session: Tipping point: Pace and Scale of Energy Innovation ***Lamar McKay***
Hilton Americas, Level 4, Room C
Open Press

1615-1715: Agora Session: Blockchain Rising: What does it mean for upstream and trading? ***Morag Watson***
Hilton Americas, Level 4, Agora – 2
Open Press

1650-1740: Plenary Session: The Climate Agenda and the Energy Transition ***Dev Sanyal***
Hilton Americas, Level 4, Room D
Open Press

1830-1930: BP Private Reception Hosted by Bob Dudley
Hilton Americas, Level 3, Suite 328
Closed Press

1930-2100: Investment Strategies in the Low Carbon World ***Dominic Emery***
Hilton Americas, Level 4 Room D
Closed Press

Tuesday, March 6

0730-0840: Diversity and Inclusion: Building Competitive Advantage ***Ray Dempsey***
Hilton Americas, Level 4, Agora – 2
Open Press

0945-1025: Agora Session: The Long Game: What's Next in Upstream Tech? ***Ahmed Hashmi***
Hilton Americas, Level 4, Agora – 2
Open Press

1245-1355: Luncheon Speaker ***Bob Dudley, Dan Yergin***
Hilton Americas, Level 2 – Ballroom of the Americas
Open Press

1650-1740: Upstream Plenary: Upstream in a World in Transition ***Bernard Looney***
Hilton Americas, Level 4, Room EFHI
Open Press

1650-1740: Downstream Plenary: How Policy and Technology Are Transforming and Disrupting the Downstream ***Doug Sparkman***
Hilton Americas, Level 4, Room B
Open Press

Wednesday, March 7

0945-1030: Agora Session: AI and Energy: Revolution or Evolution? ***Morag Watson***
Hilton Americas, Level 4, Agora – 1
Open Press

1900-2100: Women in Energy Dinner ***Starlee Sykes***
Hilton Americas, Level 4, Room ABC
Closed Press

Thursday, March 8

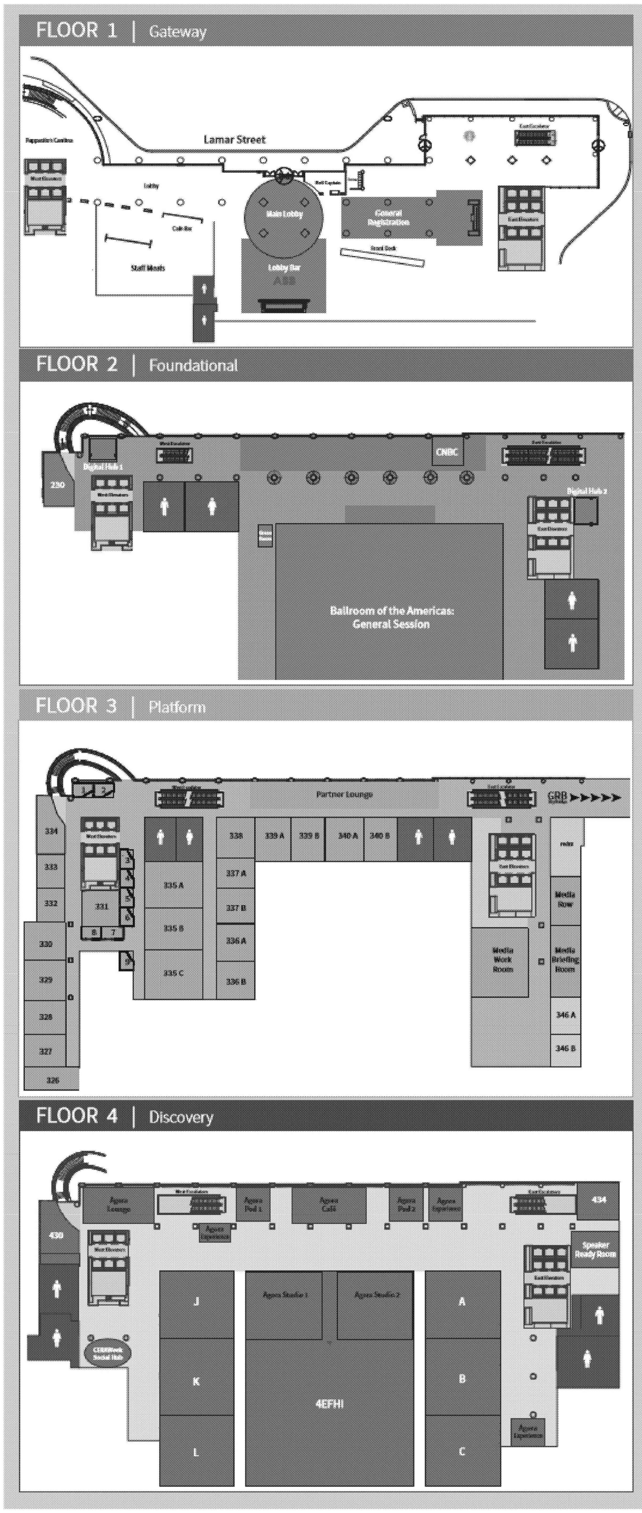
No Events Currently Scheduled

Friday, March 9

No Events Currently Scheduled

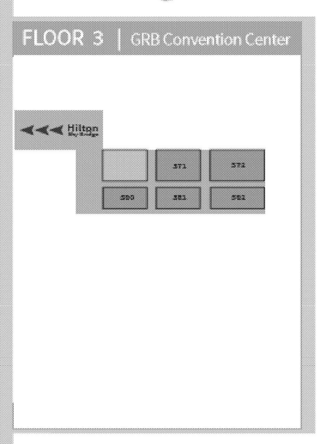
Map of Hilton Americas

Hilton Americas **Floor Diagrams**



For more information or further directions, please see any IHS Markit representative for support.

George R. Brown Convention Center **Floor Diagram**



BP Private Reception RSVP List

(As of March 2, 2018)

Jack	Gerard	API	President & CEO
Bob	Stout	BP	VP & Head of Regulatory Affairs
Felipe	Arbelaez	BP	Regional President Latin America
Cynthia	Conner	British Embassy	Senior Energy Advisor
Vasken	Khabayan	Consulate General of Canada	Acting Consul General
James	Slutz	National Petroleum Council	Senior Study Coordinator
Frank A.	Verrastro	Center for Strategic and National Studies (CSIS)	Senior Vice President and Trustee Fellow, Energy and National Security Program
John	Guy	National Petroleum Council	Deputy Executive Director
Luis	Travesedo	CEPSA	Senior Vice President E&P
HECTOR	PEREA SAAVEDRA	CEPSA	Strategy Director
Jason	Bordoff	Center on Global Energy Policy Columbia University	Professor of Professional Practice and Founding DirectorProfessor of Profes
Susan	Dio	BP	Head of Workplace Modernisation
Allison	Crane	BP	Liability Business Manager
Meghan L.	O'Sullivan	Harvard University Kennedy School	Jeane Kirkpatrick Professor of the Practice of International Affairs and Director of the Geopolitics
Shannon K.	O'Neil	Council on Foreign Relations	Vice President, Deputy Director of Studies, and Nelson and David Rockefeller Senior Fellow for Latin
Dev	Sanyal	BP plc	Chief Executive, Alternative Energy and Executive Vice President, Regions
Brad	Ritts	Stanford Natural Gas Initiative	Managing Director
Gordon	Birrell	BP	Chief Operating Officer - Production, Transformation and Carbon
Althea E.	Sherman	National Oil Company of Liberia (NOCAL)	Interim President/CEO
Angela	Stent	Georgetown University	Director of the Center for Eurasian, Russian and East European StudiesWalsh School of Foreign Servic
Michael	Smith	FreeportLNG	Chairman/CEO
Elizabeth	Reicherts	Siemens	Head of Government Affairs
Michael	Porter	BP	Director, Gulf Coast/Mid-Continent Producer Services
Richard G.	Newell	Resources for the Future (RFF)	President and CEO
Chris	Smith	Cheniere	Senior Vice President, Policy, Government & Public Affairs
Andrew N.	Liveris	The Dow Chemical Company	Chairman and CEO, The Dow Chemical CompanyExecutive Chairman, DowDuPont
Pawel	Konzal	Chevron	Senior Adviser
PEDRO GABRIEL	GOMEZ PENSADO	World Economic Forum	Head of Oil and Gas
jan	mares	Resources for the Future	Senior Advisor
Kegan	Rodrigues	BP	Kegan.Rodrigues@bp.com
Mark	Thomas	BP	Head of the Group Chief Executive's Office
Catherine	Vo	BP	Project Controls Lead
Jim	Ellis	Alberta Energy Regulator	President and CEO
Mary	Streett	BP	Senior Vice President, U.S. Communications & External Affairs

Executive Summary Talking Points - CERAWeek 2018

SECTION 1: BP Group Issues / Positions

Energy Outlook

The BP Energy Outlook 2018, published on 20 February, considers the energy transition from three different viewpoints (sectors, regions and fuels) and by exploring a number of different scenarios

In the Evolving Transition scenario, world GDP more than doubles to 2040, driven by increasing prosperity in fast-growing emerging economies, as more than 2.5 billion people are lifted low incomes.

By 2040, oil, gas, coal and non-fossil fuels each account for around a quarter of the world's energy. More than 40% of the overall increase in energy demand is met by renewable energy.

This rising prosperity drives an increase in energy demand, although the extent: energy demand increases by only one third over the next 25 years.

Oil demand grows over much of the Outlook, although it plateaus in the later years. All the demand growth comes from emerging economies. The growth in supply is driven by US tight oil in the early part of the Outlook, with OPEC taking over from the late 2020s as Middle East producers adopt a strategy of growing market share.

Natural gas grows strongly over the period, supported by increasing levels of industrialization and power demand in fast-growing emerging economies, continued coal-to-gas switching, and the increasing availability of low-cost supplies in North America and the Middle East. By 2040, the US accounts for almost one quarter of global gas production, and global LNG supplies will more than double. The sustained growth in LNG supplies greatly increases the availability of gas around the world, with LNG volumes overtaking inter-regional pipeline shipments in the early 2020s.

Coal consumption flatlines over the Outlook period, with falls in China and the OECD offset by increasing demand in India and other emerging Asian economies. China remains the largest market for coal, accounting for 40% of global coal demand to 2040.

Power accounts for nearly 70% of the increase in primary energy demand. The mix of fuels used in power generation is set to shift materially, with renewable energy gaining share more quickly than any energy source in history, increasing from 7% today to around a quarter by 2040. Even so, coal remains the largest source of energy in power generation by 2040.

Transport energy demand grows by only 25% despite total demand for transportation more than doubling, reflecting accelerating gains in vehicle efficiency. The transport sector continues to be dominated by oil (around 85% in 2040), despite increasing penetration of alternative fuels – particularly natural gas and electricity.

Carbon emissions rise by 10% by 2040. While this is far slower than the rates seen in the past 25 years, it remains higher than the sharp decline thought to be necessary to achieve the Paris commitments.

BP Strategy Update – Highlights

- **Cash flow growing materially**:
  - Upstream $13-14 billion pre-tax free cash flow in 2021
  - Downstream $9-10 billion pre-tax free cash flow in 2021

- **Continuing discipline in capital and costs**:
  - Financial frame maintained to 2021, organic capital spending $15-16 billion in 2018, and $15-17 billion a year in 2019-21, gearing 20-30%

- **Rising production from new Upstream major projects**:
  - 2017 delivery of 7 start ups on schedule and under budget. 900 mboed major project production in 2021, from 2015 base.
  - Upstream production expected to grow by average of 5% (CAGR) a year from 2016 to 2021

- **Organic cash breakeven expected to fall to around $35-40/barrel in 2021**

In BP, we have been committed to the low carbon transition for a long time – and we've gained a lot of experience along the way that we are putting to good use:

- We're reducing our own emissions through operational emission reduction activities;

- We’re improving our products to enable our customers to lower their emissions; and
- We’re creating low-carbon businesses to complement our existing portfolio.

BP FY2017 Full year highlights

Strong delivery and growth across BP
– Underlying profit up 139%
– Organic cash flows back in balance
– Downstream underlying profit up 24%
– Upstream production up 12%
– Reserves replacement ratio 143% for BP group
– Share buybacks, offsetting scrip dilution, restarted

Underlying replacement cost profit was $6.2 billion for full year 2017 and $2.1 billion for the fourth quarter, compared with $2.6 billion and $400 million for full year and fourth quarter 2016 respectively.
• **Operating cash flow** for 2017, excluding Gulf of Mexico oil spill payments, was $24.1 billion, compared with $17.6 billion in 2016. Gulf of Mexico oil spill payments in 2017 were $5.2 billion, compared with $6.9 billion in 2016.
• **Downstream earnings** were very strong with underlying replacement cost profit of $7.0 billion, 24% higher than 2016.
• **Operational reliability** was high, with refining availability and Upstream BP-operated plant reliability both 95%.
• **Seven new major projects delivered,** boosting oil and gas production. Upstream production, excluding BP’s share of Rosneft production, was 12% higher than 2016, the highest since 2010. Including Rosneft, production was 3.6 million barrels of oil equivalent a day, 10% higher than 2016. Oil and gas realizations were 25% higher.
• **Exploration** delivered the most successful year for BP since 2004, with around 1 billion boe resources discovered.
• **Dividend** unchanged at 10 cents per share.
• **BP began share buybacks** in the fourth quarter, spending $343 million, fully offsetting the dilution from scrip dividends issued in the third quarter.
• **Non-operating items** in the fourth quarter, which are excluded from underlying profit, included a $0.9 billion charge for US tax changes and a $1.7 billion post-tax charge relating to a further provision for claims associated with the oil spill.

Recent Announcements

- **Exploration**: 2017 was BP's most successful year for exploration since 2004, with discovered resources of over 1bn boe. This included discoveries in Senegal (Yakaar - the industry's largest discovery in 2017), North Sea (Capercaillie, Achmelvich), Trinidad (Savannah, Macadamia) and Egypt (Qattameya).
- **FIDs**: we announced final investment decisions in 2017 for new projects in India (R-series fields on KG D6), Trinidad (Angelin) and the Gulf of Mexico (Mad Dog II)
- **Upstream major projects**: start of production from Zohr in Egypt completed BP's programme of seven Upstream major project start-ups in 2017. Six major projects are expected online in 2018; the first, the Atoll phase one project in Egypt, came online over turn of year.
- **New access**: in late 2017 we accessed new exploration acreage including in Brazil (two blocks in the prolific Santos basin) and, in Africa, Sao Tome & Principe, Cote D'Ivoire, and Madagascar.
- **Argentina**: formation completed of Pan American Energy Group, the largest privately-owned integrated energy company operating in Argentina. BP has a 50% interest in the company, which combines the Upstream business of Pan American Energy and downstream Axion Energy.
- **North Sea**: focusing its portfolio BP announced sale to Serica of Bruce, Keith & Rhum assets. Earlier announced sales of BP interests in Forties Pipeline System and Sullom Voe/Magnus completed.
- **US**: BP completed the initial public offering of a 40% interest in BP Midstream Partners LP
- **China**: BP entered into a partnership with Dongming Petrochemical to develop a network of 500 retail sites across three fast-growing provinces in north and east China over the next decade, part of BP's strategy to increase retail presence in China from 700 to 2,500 sites.
- **Mexico**: after BP's first retail site in Mexico opened in March, more than 120 were operating by the end of the year with 1,500 expected open by 2021.
- **Electric vehicles**: BP invested $5mn into mobile electric vehicle fast-charging company Freewire and plans to trial its technology at retail sites in Europe.
- **Solar**: BP bought a 43% interest in Lightsource, Europe's largest developer and operator on large-scale solar installations – BP returning to solar but with a very different business model to our past business. The partnership will power international growth of the business, which has been renamed Lightsource BP.

- **Biofuels**: BP formed a joint venture to co-own and operate a major ethanol storage and distribution terminal in Brazil, adding flexibility and strengthening our Brazilian biofuels business.

Upstream

- Over the past five years BP's Upstream segment has begun production from approximately 30 major projects, including seven in 2017. Six projects are expected online during 2018 – building on last year's strong delivery.
- On average, these projects are ahead of schedule and under budget:
    - Atoll Phase 1 (Egypt) [onstream]
    - Clair Ridge (North Sea)
    - Shah Deniz 2 (AGT)
    - Constellation (GoM)
    - West Nile Delta – Giza / Fayoum (Egypt)
    - Taas Expansion (Russia)
- In 2016 we identified a growth target of 900,000 barrels of oil equivalent per day of production from new projects by 2021 and we remain on track to deliver that.
- By the end of 2017 we delivered 500,000 barrels of oil equivalent a day (boe/d) new production capacity from our major projects.
- 2017 was a big year delivering seven major projects under budget and ahead of schedule
- On average, the new projects are also expected to have operating cash margins 35% higher than the average of BP's Upstream portfolio in 2015.
- This strong pipeline means that BP is now confident that Upstream production will grow from 2016 by an average of 5% a year out to 2021. BP Group production, including BP's share of production from Rosneft, is expected to be around 4 million boe/d by 2021.
- Through growing production, continuing to drive unit costs lower and disciplined capital investment, BP estimates the Upstream segment will generate $13-14 billion of proxy pre-tax free cash flow by 2021, at oil prices of $55 a barrel real. [note this means it is around $60 by 2021]

Downstream

BP's Downstream strategy is to:

- Deliver underlying performance improvement and growth to expand earnings potential, improve resilience, and
- Further build competitively advantaged businesses across Downstream

Our downstream strategy has five key priorities:

- Safety is our first priority and core to our value
- Our fuels marketing and lubricants businesses are differentiated and high returning. Our strategy is to grow these businesses in important markets. We have plans in place to grow underlying earnings by more than $2 billion by 2021 compared to 2016
- Advantaged manufacturing; we have an advantaged refining portfolio that delivers strong operational performance. In petrochemicals we are improving cash breakeven performance of the business. Our plans grow underlying earnings across manufacturing by more than $1 billion by 2021
- Efficiency and simplification programmes. These remain central to what we do and will continue to deliver efficiencies and rigorously manage costs
- We are developing new products, offers and pursuing new business models that support the transition to lower carbon and digitally enabled future over the long-term

Renewables & Alternatives

- Alternative Energy has a significant portfolio across three platforms: Renewable Fuels, Renewable Power and Renewable Products.
- In Renewable Fuels, we operate three world-scale sugarcane ethanol plants in Brazil producing some 750 million litres of ethanol per year.
- Our Bio-power business, which sits within our Renewable Power platform, exploits adjacencies with Renewable Fuels operations, generating enough electricity from the waste sugarcane to power our three ethanol plants while exporting the remaining 70% to the local electricity grid.
- In the U.S, our Wind Energy business has 2.2 gigawatt gross capacity across 14 sites.
- Lightsource BP is a global leader in the development, acquisition and long-term management of large-scale solar projects and smart energy solutions.
- Renewable Products is the third and emerging platform within the AE portfolio.

- Through our Butamax JV with DuPont we are working to commercialise technology that converts sugars into an energy rich biofuel known as bio-isobutanol – this can be used as an advanced biofuel or a high value building-block for a wider range of products.
- Operating performance across our Alternative Energy businesses has been strong and they increasingly provide platforms to grow our integrated value chain offers.

Policy Positions

Low carbon and the energy transition – key messages

- We recognise the urgency of the climate challenge. We have long accepted the scientific consensus and called for action for more than 20 years. As a global energy business, we want to contribute to the dual challenge of meeting society's need for more energy, while at the same time reducing carbon emissions. Our industry is changing faster than at any time in our lifetime.
- BP's Advancing lower carbon agenda involves (RIC)
    - Reducing our operational emissions (flaring, methane)
    - Improving our products (PTAir, ACTIVE, Biojet)
    - Creating new low carbon businesses, 5 focus areas: Advanced mobility, Bio & low carbon products, carbon management, digital transformation, & power / storage.
    - $500 million per annum investments
    - Active in OCGI collaboration, $1B investment fund
- We are working with governments and other partners to advocate for a carbon price as the most effective policy to limit greenhouse gas emissions. We support a carbon tax or cap and trade, provided it's flexible and well-designed.
    - BP welcomes the direction provided by the Paris Agreement, for countries to determine their contributions to holding temperature rise well below 2°C. We are pleased the Agreement creates the possibility for carbon pricing to help deliver global goals and national contributions.

BP's strategic approach

- Our strategy anticipates a range of scenarios to give us flexibility in our approach, rather than pursuing a single view of the future. We believe having a balanced portfolio and a dynamic investment strategy give us the resilience to meet the challenge. About one tenth of the capital we spend each year is for investment in new opportunities. And we typically produce and replace our proved reserves every 12 or 13 years on average. These two facts together mean we can reshape our portfolio in response to changing circumstances.

Electric Vehicles (EVs)

- Batteries for vehicles and electricity-grid applications, such as energy storage technologies, are likely to influence future fossil-fuel demand in the transport sector and enable greater penetration of intermittent renewable energy. We expect the impact from EVs on oil demand over next 20 years to be modest, while acknowledging that the scale and pace of growth is difficult to predict and is dependent on several factors (e.g. customer preference, future policy and regulation).
- A faster mobility revolution could affect oil demand in a number of ways - higher penetration of electric cars, autonomous vehicles, car sharing or ride pooling. If they occurred in combination they could lower oil demand significantly, but these new technologies could also lower the cost of car travel and enable greater access to cars - providing an offsetting boost to oil demand.

Energy mix/renewables

- The energy mix is shifting towards lower carbon sources, driven by technological advances and growing environmental concerns. Oil, gas, coal and non-fossil fuels are each projected to account for around a quarter of the world's energy by 2040. Renewables are predicted to be the fastest-growing fuel source - and, in the Energy Outlook's evolving transition scenario, increasing five-fold, providing around 14% of primary energy by 2040. We are developing our renewable energy business alongside a dynamic venturing arm.

Methane

- BP recognizes the role that methane plays in global warming. Based on most of the recent methane emissions studies, power generation from gas has lower GHG emissions than coal and helps to mitigate climate change. We continue to take actions to deepen our understanding of our methane emissions and to prevent or reduce them.

- To underpin our efforts to reduce our own emissions we plan to set operational emissions targets, including for methane - more on this in the coming months.

If asked - Task force for climate-related financial disclosures (TCFD)

- We are supportive of transparency and the disclosure of material risk, and are taking the TCFD's recommendations into account as we consider how best to provide helpful information to stakeholders.

Carbon capture use and storage (CCUS)

- CCUS is a critical tool for meeting the Paris Climate Agreement goals at lowest cost. CCUS technologies are proven, reliable, and ready – but scale-up needs to be accelerated. Purer sources of CO2 in industry can be low hanging fruit. CCUS scale-up requires targeted policy support, like other low carbon energy technologies, to achieve further cost reductions, through transitional demonstration and early deployment, common CO2 transport and storage networks and sustained and effective carbon pricing. The Oil and Gas Climate Initiative (OGCI) has earmarked around $500 million for potential investments related to CCUS technology and BP is exploring near term CCUS deployment opportunities in our own operations, projects and products

SECTION 2: U.S. TALKING POINTS

U.S. Economic Impact

- BP has been operating in the U.S. for more than 150 years through our heritage companies.
- BP has a larger economic footprint in the U.S. than in any other nation, and it has invested more than $100 billion here since 2005.
- We support over 120,000 jobs across the country — including our 14,000 U.S. employees — and we reinvest every dollar we earn here right back into the U.S. economy.
- In 2016, BP operations contributed $67 billion to the American economy through our business activities.
- We invest more here, and have more shareholders here, than we do in any other country.

Production

- BP's U.S. production is significant. In 2017, BP produced 712,000 barrels of oil equivalent per day (boe/d) in the United States (up from 676,000 boe/d in 2016).

Refining

- BP is a major refiner in the U.S., with the net capacity to process 746,000 barrels of crude oil every day at its three U.S. refineries: Cherry Point, Washington; Whiting, Indiana; and Toledo, Ohio.

Retail

- There are more than 7,000 retail sites operating in the U.S. under a BP brand (BP, *ampm* and Amoco), together representing nearly half of BP's global retail presence.
- BP markets more than 11 billion gallons of gasoline and diesel in the U.S., with about 7 billion gallons sold to consumers at our branded retail sites annually.

Climate Change

- BP has long believed that the threat of climate change is an important long-term challenge justifying global action. Meeting the challenge will require a commitment from governments, industries and individuals alike. We're determined to play our part.
- Our approach — 'Reduce – Improve – Create' — consists of three distinct elements:
    - **Reduce** our own operational emissions.
    - **Improve** the efficiency and emissions of the equipment and processes in our existing operations as well as those of the products we make.
    - **Create** new low-carbon businesses and grow our established renewable portfolio.
- It's also why we have the largest operated renewables business of any major oil and gas company.
- Experience has shown that energy development and environmental protection are not mutually exclusive. If governments strike the correct balance in their policies, the world can achieve greater prosperity while also moving toward a lower carbon emissions future.

U.S. Tax Reform

- BP is pleased by U.S. tax reform and the opportunity it presents for further investment in America.
- These changes will make the economics of U.S. projects more attractive, helping them compete better for capital within our global portfolio.

- We will continue to closely review our U.S. plans for new investment opportunities as part of our ongoing commitment to America.

Future U.S. Investment/Growth:

- Since President Trump took office, BP has sanctioned the $9 billion Mad Dog 2 oil production platform in the U.S. deepwater Gulf of Mexico — a major investment decision made prior to recent changes to the U.S. tax code.
- Even before the reforms, BP was planning for additional significant investment in the U.S. Gulf of Mexico, Lower 48 onshore region and Alaska, as well as in other parts of our U.S. business. With them, the U.S. business and investment climate has been improved, and we will evaluate additional potential projects and investment.
- Our hopper of U.S. major projects will provide growth through to 2025.

Other U.S. Legislative/Regulatory Developments

What is BP's position on Interior Secretary Ryan Zinke's proposed new offshore drilling plan?

- Continued oil and gas production is essential to meeting the world's future energy needs.
- There are clear benefits from continuing and expanding production in the U.S., which has advanced technologies and among the most robust safety and environmental requirements in the world.
- While BP has no specific plans to explore in any of the new areas that have been proposed in the latest five-year plan, we generally support expanded access to new hydrocarbon basins.

What is BP's position on the administration's plans to roll back certain offshore drilling safety regulations that were put in place post-DWH?

- Many of the regulatory changes post-DWH reflected practices BP was taking following the accident. We continue to lead the industry in offshore drilling practices.
- BP will review expected changes to the Well Control Rule once a draft rule is published in the federal register.
- We will comply with any new measures that are adopted.

U.S. Trade Policy/NAFTA

- We believe NAFTA is working in its current form. We have long supported free trade, doing business in more than 70 countries around the world and depending on the free movement of goods and services in the global supply chain.

- We also have concerns that certain policies under consideration, such as tariffs, could lead to trade wars that could disrupt the global network and discourage U.S. investment.
- We also believe that NAFTA must retain strong investment protections, including the Investor-State Dispute Settlement (ISDS) mechanism. For oil and natural gas companies like BP, ISDS is especially important because it provides the right to companies, as investors, to go to international arbitration to pursue compensation for expropriation or when there is a denial of justice in local courts.

Renewable Fuel Standard (RFS)

Context: *When the RFS program was amended in 2007 (after originally being enacted in 2005), Congress envisioned a strong biofuels industry that would provide energy security, support agricultural jobs, and enable new environmentally friendly fuels. Much has changed and much has been learned since this vision was put in place, and the U.S. Environmental Protection Agency is struggling to keep statutory volumes within the program on track, as leading stakeholders from all sides call for reform of the program with varying degrees of severity.*

- BP believes there should be common sense RFS reform.
- Such reform should include a sustainable solution that recognizes the practical limitation of the 10 percent blend wall while accommodating demand for ethanol-free gasoline (E0).
- Reform should also include continued support of advanced biofuels within the blend wall. Volumes should be set based on realistic production growth forecasts.

What is BP's position on the opening of ANWR for drilling under the new tax law?

- BP supports increased access to U.S. federal lands for responsible exploration and development of oil and gas resources.
- BP believes that oil and gas exploration and development activities can be conducted in the 1002 area of the ANWR Coastal Plain in a safe and responsible manner, and supports the Department of Interior and State of Alaska's efforts to enact an oil and gas program in the 1002 area in accordance with the new law.
- BP and Chevron jointly hold the only exploration leases within the ANWR 1002 Area and ASRC-owned lands. Questions regarding activity on the leases should be directed to Chevron, the operator.

What is BP's reaction to the Trump administration's decision in January to impose tariffs on solar equipment made outside the U.S.?

- Solar energy is one of the fastest growing sectors on the energy industry, creating thousands of jobs while reducing the cost of power for consumers across the U.S.
- In December, BP invested $200 million in Lightsource (over three years for a 43 percent stake in the business), Europe's largest solar development company. We see significant opportunity to offer affordable reliable low-carbon power solutions by integrating solar alongside our existing alternative energy and gas business.
- While BP is disappointed by the imposition of tariffs on imported solar panels, we are pleased that the tariff will phase out quickly over four years. In spite of the potential for the tariffs to increase costs and slow project development in the short run, we continue to see significant opportunity in the U.S. for LightsourceBP to develop industrial-scale solar projects that offer affordable, reliable, low-carbon power solutions and generate jobs and economic opportunities.

What is BP doing to reduce methane emissions?

- BP has already made material progress toward reducing emissions from the top sources of methane.
- Between 1999-2016, BP L48 in the U.S. has achieved significant methane reductions through a number of voluntary actions, including replacing around 98 percent of high-bleed pneumatic controllers (more than 10,000) with low-bleed or intermittent controllers, implementing green completions before it was a regulatory requirement, and reducing venting during liquids unloading.
- BP L48 is piloting various leak-detection technologies to help find leaks quicker in a more cost-effective and efficient manner.
- Globally, some of our new upstream facilities are among the best in the world at limiting methane emissions. For example, our massive new Khazzan project in Oman is designed with centralized equipment that reduces the need for processing equipment at each well site.

Can you be more specific about the methane reductions you have achieved in L48 and across upstream?

L48 efforts include:

- Replacing over 10,000 (around 98 percent) high-bleed pneumatic controllers with continuous low-bleed and intermittent pneumatic controllers (between1999-2002).
- Reducing venting during liquids unloading by implementing enhanced automation, plunger lift and optimized shut-in cycles through BP's "Smart Automation" project in the San Juan Basin.
- Implementing green completions before it was a regulatory requirement. (Green completion technology recovers natural gas for sale and minimizes the amount of gas that is flared or vented during the completion of wells.)
- Replacing chemical injection pumps with solar pumps.

Gulf of Mexico

- BP is one of the largest leaseholders in the Gulf, with acreage in about 230 lease blocks.
- BP continues to be a leading oil and gas producer in the region. We produced 304,000 boe/d in 2017, up from 264,000 boe/d in 2016. (Production was 252,000 boe/d in 2014.)
- The deepwater Gulf of Mexico is one of BP's core areas globally, and BP believes it has significant opportunities for future growth based around four major producing hubs, four non-operated hubs and a highly prospective acreage position.
- By executing projects through existing infrastructure at our major hubs, we are leveraging our portfolio of high-value, longer-life assets to provide BP with operational momentum for years to come.

Lower 48

- In 2015, our U.S. Lower 48 onshore business began operating as a separate business, with its own governance, processes and systems.
- The goal of this change was to promote nimble decision making and innovation so that BP could be more competitive in the U.S. onshore market while ensuring safe, reliable and compliant operations.
- In its first three years on its own, the business delivered material improvements in competitiveness and performance.
- Significant opportunity remains within the existing portfolio. The business has a material resource base, with 8.6 billion barrels (YE 2016) across 6 million net acres.
- During 4Q 2017, average daily production was 317,000 boe/d (annual production boe/d 2015: 284,000; 2016: 302,000).
- The team is focused on optimizing this portfolio both through re-energizing the development of previously underworked acreage and also by selectively screening opportunities for inorganic activity that may complement existing assets.

Alaska

- BP is committed to maintaining a safe, compliant and sustainable Alaska business. With this in mind, we are evaluating activity and adjusting expenditures in response to the lower oil price environment.
- For the past three years, BP Alaska has successfully combatted production decline at Prudhoe Bay through rate adding well-work and improved operating field efficiencies with near zero decline the result. For 2017, daily Greater Prudhoe Bay production averaged 280,000 boe/d.

Alaska LNG project:

- BP supports the current Alaska LNG project led by the State of Alaska through the Alaska Gas Line Development Corporation (AGDC).
- BP is providing technical staff support through a cooperation agreement to AGDC. We look forward to better understanding the terms of the AGDC and China joint development agreement and the role envisioned for gas resource owners, like BP.