

Fuels North America

(including IST/GOA and AirBP)

Fuels NA Strategic Objectives

A. Safe, Compliant and Reliable Operations

1. **Improve safety, risk management and environmental compliance**
 - a) Whiting safety improvement plan
 - b) Toledo safety improvement plan
 - c) USPL structured safety process
 - d) Human factors initiative
1. **Achieve operational excellence**
 - a) Operations excellence program
 - b) GRIP
 - c) Performance management
2. **Defend the base business**
 - a) Branded sales strategy
 - b) Planning, forecasting and budgeting
 - c) Refinery BIPs

B. Growing Profitably

1. **Invest in growth and diversification**
 - a) Midstream growth
 - b) Retail growth
2. **Create advantaged refining portfolio**
 - a) Expand margin capture and commercial optimization
 - b) Grow crude and feedstock advantage
 - c) Refinery BIPs
3. **Simplify and streamline the business**
 - a) Restructuring
 - b) Transformation & simplification
 - c) Fuels/IST interfaces

C. Engaged and Capable People

1. **Develop our people – talent, leadership and capability**
 - a) Capability plans
 - b) Performance management
 - c) D&I
2. **Create a winning culture – customer focus, excellent execution and efficiency**
 - a) Culture change plans

FNA Long Term Plan

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North America		2014 Actual	2015 Actual	2016 GFO	2017 ●----- Strategy Refresh -----▶	2018	2019	2020	2021
Environment & Indicators									
Refining Marker Margin	\$/bbl	17.2	20.6	15.0	16.3	16.6	17.0	17.3	17.4
Local Marker Margin	\$/bbl	19.3	19.1	11.3	12.1	12.1	12.1	12.2	12.2
Refining Throughput	kbd	642	657	686	701	670	713	739	693
Marketing Volumes	kbd	871	868	883	923	997	1,054	1,095	1,159
Retail Volumes	ml	31,660	31,868	33,431	34,935	39,256	42,531	45,121	48,623
Onstream Availability (BPOSA)									
Cherry Point	%	94.5%	93.5%	95.1%	93.6%	95.4%	95.7%	96.7%	94.5%
Toledo	%	94.8%	85.5%	96.0%	95.1%	94.1%	93.8%	95.7%	96.7%
Whiting	%	80.3%	82.6%	92.8%	93.2%	94.1%	95.1%	96.0%	96.0%
Financials									
Gross Margin	\$m	4,305	4,719	4,232	4,872	5,082	5,502	6,296	6,293
Relco Income	\$m	82	88	106	90	101	108	99	107
Total Cash Costs	\$m	(2,650)	(2,412)	(2,430)	(2,246)	(2,371)	(2,404)	(2,319)	(2,656)
Depreciation	\$m	(814)	(752)	(733)	(741)	(775)	(823)	(859)	(890)
RCOP	\$m	924	1,643	1,175	1,977	2,037	2,384	3,218	2,853
Underlying EBITDA	\$m	1,655	2,307	1,802	2,628	2,711	3,099	3,978	3,636
Relco Dividend	\$m	103	122	123	90	101	108	99	107
WC Change – Price	\$m	(349)	(451)	342	(112)	206	183	182	175
WC Change – ex Price	\$m	437	88	350	0	0	0	0	0
Provisions & interest paid	\$m	(175)	(137)	(96)	(63)	(65)	(67)	(63)	(58)
Operating Cash Flow	\$m	1,671	1,929	2,520	2,542	2,953	3,323	4,196	3,860
Capex	\$m	(826)	(550)	(720)	(892)	(1,241)	(1,128)	(1,017)	(998)
Divestment proceeds	\$m	109	1,111	667	213	6	0	0	0
Net Cash	\$m	913	2,454	2,550	1,863	1,719	2,196	3,179	2,863
Fixed Assets	\$m	16,149	15,779	15,247	15,277	15,761	16,094	16,271	16,376
Goodwill	\$m	0	0	0	0	0	0	0	0
Working Capital	\$m	1,476	345	297	13	66	161	279	408
Capital Employed	\$m	17,437	15,961	15,414	15,129	15,695	16,119	16,408	16,637
Winning Criteria									
TCC/GM	ratio	0.62	0.51	0.57	0.46	0.47	0.44	0.37	0.42
Returns (pre-tax)	%	5%	10%	7%	13%	13%	15%	20%	17%

Source: 2Q16 Plan Submission – Organic \$50 Real

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6. Litigation
 - a. Scharfstein
 - b. MTBE litigation (RI and others)
7. Permitting
 - a. Support of Eagle and Mojo – risk of divorce legislation (e.g., NY, NJ) or other local action
 - b. Refinery permits (Coker heater – CP; Hydrotreater – Whiting; NPDES - Whiting '16, Toledo '17)
8. Relationship Development
 - a. Community engagement/involvement in all core communities (Chicagoland, refineries) to maximize benefits to FNA and advance its priorities
 - b. Long-term relationship development (e.g. “next” mayor of Chicago)

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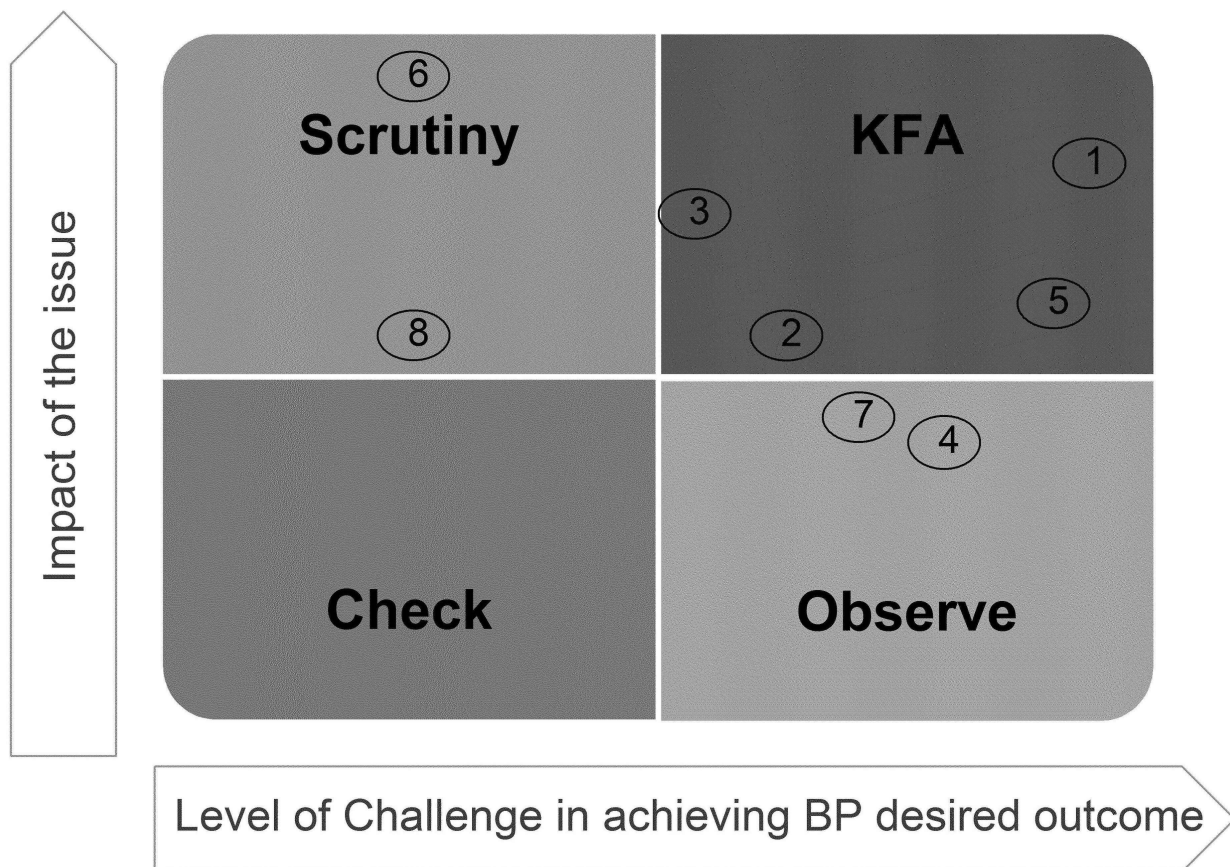
Note: Estimates are P50 values

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Key Focus Areas

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KFA	
1	Climate Change Policy
2	Low Carbon/Renewable Fuels Standards)
3	State budget gaps
5	Protect or improve the current business climate
Other Focus Areas	
4	Anti-fossil fuel activism
7	Fuels specifications and blending
6	Litigation
8	Relationship development

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Advocacy Plan – Priority 3

Priority:

Identify cross-business issues requiring BP America business leadership alignment and establish a process and timelines for resolution

Desired Outcomes

- An integrated BP America strategy on D&I with deliverables, metrics and ongoing reporting to increase D&I recruiting, workforce participation and M/WBE supplier participation.
- An integrated BP America policy on carbon issues that provides alignment and greater clarity on policy positions

Target Audience

BP America businesses, leadership, employees

Key Message

- Aligned, granular policy positions on key issues like D&I and carbon will ensure clarity across all businesses and that all business considerations are adequately evaluated.

BP Interface

BP America Board, BP America Chairman, HR/USUR, C&EA, PSCM,

External advocacy resources

Will depend based upon the outcomes decided

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Advocacy Plan – Priority 6

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Priority:

Educate and engage Fuels North America employees to deliver FNA business objectives and to embrace a culture of winning.

Desired Outcomes

A business-endorsed employee engagement plan that links business objectives with internal communications, community investment, CAP, PAC, external engagements and increased visibility to C&EA activities

Target Audience

FNA employees and contractors

Key Message

- Fuels North America's future success is powered by its people.

BP Interface

FNA leadership, C&EA

External advocacy resources

n/a

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DRAFT

Activity

Organization

Budget

SPA

IST/GOA 2016 Strategic Objectives

Strong Reputation & Compliance

1. A leader in progressing the safety culture across our operations (e.g., rail, water)
2. Proactively address new regulations & risks in existing work streams as well as those beyond our core business and geographies
3. Continue to engage our regulators, exchanges and peers in the industry to promote and uphold market integrity

Operationally Excellent

1. Compete more nimbly, reduce complexity to enable our high value activities
2. Focus the operational excellence model to help us better grow in complex growth areas
3. Innovation and rigor in our use of key resources to support growth (e.g., Capex, Credit, Working Capital)

The Most Commercial Partner

1. Partner with Fuels NA to deliver new sources of value with a focus on the Midwest
2. Build on the success of our cross-commodity efforts and explore new opportunities
3. Continue to push geographic growth into Latin America and develop strategies to be early movers in developing markets
4. Support trading bench innovation by being relentless in finding new sources of growth and taking risks

A Great Team

1. Enhance how we energize, empower and recognize our talent
2. Build nimble teams by setting clear expectations and priorities and empowering employees to make decisions
3. Deepen the impact and participation in support of the D&I agenda.

NB – IST/GOA will not complete its 2017 planning until later in 4Q.