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**From:** Ryan, Jason [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JASON.RYAN]  
**Sent:** 10/10/2018 19:17:44  
**To:** Ellis, Joe [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=Joe.Ellis]; Walker, Ryan [/o=MSXBP/ou=External (FYDIBOHF25SPDLT)/cn=Recipients/cn=689b7f64ffc44722a82b41444f290815]  
**CC:** Streett, Mary [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=Mary.Streett]; Sidoti, Elizabeth [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=Elizabeth.Sidoti]; Clanton, Brett [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=Brett.Clanton]; Magallanes, Downey [/o=MSXBP/ou=External (FYDIBOHF25SPDLT)/cn=Recipients/cn=d3e43c55616a442892021b153e317673]  
**Subject:** RE: ? from Politico on donations to Sen. Cruz

Thank you Joe. I see FEC.gov and OpenSecrets.org only has data up to June 30, 2018. Are we OK disclosing this since it is not on the public websites yet?

Best, Jason

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**From:** Ellis, Joe  
**Sent:** Wednesday, October 10, 2018 3:10 PM  
**To:** Walker, Ryan [REDACTED]; Ryan, Jason [REDACTED]  
**Cc:** Streett, Mary [REDACTED]; Sidoti, Elizabeth [REDACTED]; Clanton, Brett [REDACTED]; Magallanes, Downey [REDACTED]  
**Subject:** RE: ? from Politico on donations to Sen. Cruz

By "we," let's all please remember that the contribution was from the BP Employee PAC, not from BP.

Thank you.

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**From:** Walker, Ryan  
**Sent:** Wednesday, October 10, 2018 3:02 PM  
**To:** Ryan, Jason [REDACTED]  
**Cc:** Streett, Mary [REDACTED]; Ellis, Joe [REDACTED]; Sidoti, Elizabeth [REDACTED]; Clanton, Brett [REDACTED]; Magallanes, Downey [REDACTED]  
**Subject:** RE: ? from Politico on donations to Sen. Cruz

We have given him \$2500 this year. \$1500 of that should have already been reported and \$1000 will show up on the next FEC filing he does.

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Ryan P. Walker | Senior Director, U.S. Government Affairs | BP America, Inc.  
1101 New York Avenue NW, Suite 700 | Washington, DC 20005  
Direct: (202) [REDACTED] | Cell: (202) [REDACTED] | Email: [REDACTED]

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**From:** Ryan, Jason  
**Sent:** Wednesday, October 10, 2018 2:59 PM  
**To:** Walker, Ryan [REDACTED]  
**Cc:** Streett, Mary [REDACTED]; Ellis, Joe [REDACTED]; Sidoti, Elizabeth [REDACTED]; Clanton, Brett [REDACTED]; Magallanes, Downey [REDACTED]  
**Subject:** ? from Politico on donations to Sen. Cruz

Hello Ryan,

Please see below from [REDACTED] at Politico asking us about donations to Sen. Cruz. I'd prefer if he would just write up RWD's remarks from the Oil and Money conference in London that I was initially reaching out to the Morning Energy team about.

Appreciate your guidance.

Best, Jason

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**From:** [REDACTED] >  
**Sent:** Wednesday, October 10, 2018 2:39 PM  
**To:** Ryan, Jason <[REDACTED]>  
**Subject:** RE: BP CEO Oil & Money speech: Investment rather than divestment will help meet dual challenge

Hi Jason,

Thanks for this, will give it a listen. I actually had one question I was going to ask. And this can be on background – do you know whether BP has already or plans to contribute to Sen. Cruz's campaign? I was looking thorough his FEC filings and noticed that a bunch of companies, including BP, donated in 2012 but so far haven't given anything for this cycle. Obviously there's still a month to go, but was just wondering whether the company plans to donate.

Thank you,  
[REDACTED]

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**From:** Ryan, Jason <[REDACTED]>  
**Sent:** Wednesday, October 10, 2018 2:36 PM  
**To:** [REDACTED]; [REDACTED]; [REDACTED]  
[REDACTED] >  
**Subject:** FYI: BP CEO Oil & Money speech: Investment rather than divestment will help meet dual challenge,

[REDACTED], [REDACTED]

Hope you are well. I wanted to call your attention the Bob Dudley's keynote today at the Oil & Money conference in London. You may find his remarks interesting for Morning Energy especially on continued investment in the oil and gas industry being essential to meeting the dual challenge of providing billions of people with more energy while drastically lowering carbon emissions. Please let me know if you have any questions.

Best, Jason

**Jason Ryan**

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BP America Inc. | Director, U.S. Media Affairs

office: [REDACTED] | mobile: [REDACTED] | e-mail: [REDACTED]

Oil & Money 2018 – Petroleum Executive of the Year keynote speech

Speaker: **Bob Dudley**

Job title: **Group chief executive**

Date: **10 October 2018**

Venue: **Oil & Money 2018 conference, London**

[Download the speech\(PDF 105.9 KB\)](#)



Good morning everyone and thank you for that kind introduction.

By coincidence, I started working in oil and gas the same year as the first Oil and Money conference. That was 1979 – nearly 40 years ago – so we’ve both been at it quite a while now.

It’s great to come here each year and see a lot of familiar faces – including many previous recipients of this award.

I’m very honoured to join them.

Thank you Energy Intelligence for this humbling recognition.

Looking back to 1979, we’ve certainly come a long way.

The fear used to be peak oil supply – when would we run out? How would the world cope when that happened?

People are now more concerned about peak oil demand, the pace of the energy transition and the pressing need to bring carbon emissions down.

That’s going to require dramatic changes for society and our industry, as was made even clearer this week in the latest report from Intergovernmental Panel on Climate Change.

They’re now calling for emissions to be nearly halved by 2030 – around a decade earlier than the IEA’s Sustainable Development Scenario. By whatever timeline, we recognise the need for urgency on emissions. At the same time we also recognise global energy demand could rise by a third.

That’s the dual challenge: providing much more energy, while dramatically reducing emissions.

Fork in the road

As we confront that challenge, I think we are standing at a fork in the road, and we need to decide which way to go.

That’s what I want to talk with you about today.

We could go the way of people who want to drive a wedge between the energy industry and investors – between oil and money, if you like.

They push for potentially confusing disclosures, raise the spectre of a systemic risk to the financial system from stranded assets and campaign for divestment. All in an effort to squeeze oil and gas out of the fuel mix. They are driven by good intentions, but my concern is that their suggested recommendations could lead to bad outcomes, particularly for some of the most vulnerable people in the world.

Or we could take a different, more innovative and collaborative path. One that recognises many fuels must play a part in meeting the dual challenge – albeit made much cleaner, better and kinder to the planet.

As I said on this stage last year, a race to renewables is not enough to meet the Paris goals on its own. Instead we must be in a race to lower emissions by all means possible.

Faced with that stark choice, you can probably guess which path I think we should take.

We must pursue the second one – where energy providers, investors, governments, NGOs and everyday citizens are all working together to advance a low carbon future.

But let me start by examining what I see as the consequences of the divestment path.

#### Debunking divestment

The first problem is it ignores the continuing contribution needed from oil and gas in this low carbon energy transition.

Renewables are growing at a remarkable rate – faster than any fuel in history – with optimistic projections, including our own, suggesting they could supply around a third of the energy mix by around 2040.

But we still need to meet the remaining two-thirds of demand – and oil and gas have a crucial role to play. They can do that and be consistent with the Paris goals – so long as carbon capture usage and storage is deployed widely, especially in the power sector.

Our BP Energy Outlook suggests a projection of 40% oil and gas in 2040.

A similar International Energy Agency scenario puts the figure at almost 50%.

In the models for a scenario meeting the Paris goals, growth in renewables will meet rising demand for energy.

But BP economists estimate that many trillions of dollars of investment in oil and gas will still be required to counter the substantial decline rates of existing fields.

Critics speculate that the assets of the International Oil Companies would have to be written off at scale – if the energy transition happens faster, or differently than those models anticipate – harming individual investors and the wider economy.

I think those concerns are overstated and to explain why, I think it's worth considering our recent history.

Around \$2 trillion of value was wiped off the oil and gas industry's books in the first six months after oil prices collapsed in 2014.



This caused significant pain and difficulties for many parts of our industry.

Here in the UK, 60,000 jobs were lost in 2016 alone. Those are real people suffering real consequences.

But in terms of the global economy and financial stability, the oil price collapse had a limited impact.

Yes, oil and gas sector valuations dipped and some individual companies took a real hit.

But as a broader industry, we emerged leaner, more disciplined and ultimately stronger. In fact, we're now even better positioned to weather a future downturn than we were previously.

As far as the risks from investment decisions go, I believe the more serious systemic risk comes from underinvestment in oil and gas exploration and production – not overinvestment.

Suppose \$2 trillion less were invested than actually required to meet demand. The impact of such underinvestment on financial stability could be much more far-reaching.

Oil and gas supply would be constrained and prices would likely rise, slowing global economic growth, with knock-on effects across other sectors. This could have serious consequences for both financial stability and economic prosperity more generally.

I would also contend that there'll always be someone willing to produce that energy. If not us, then perhaps others less focussed on the energy transition.

Now having said we need to continue investing in oil and gas – it is important to note that we certainly don't plan to develop it all.

The world currently sits on top of at least 5 trillion boe of technically recoverable oil and gas resources.

That's more than the world will likely ever need – and without CCUS, it's far more than would be consistent with the Paris goals.

But even in a scenario consistent with Paris, where the percentage of oil and gas in the fuel mix is lower than today, the world will still need substantial amounts of oil and gas in absolute terms: perhaps around 10% fewer barrels of oil in 2040 than today and the same levels or a little higher of natural gas.

In that competitive environment, the winning barrels will be the most economic to produce, the least risky to bring to market, and the cleanest from an emissions standpoint – what we call 'advantaged oil and gas' in BP.

So we need to continue investing – not to find and produce as much as we can – but to access the most advantaged new barrels that will be needed to make up for declines.

Stranded assets

If we progress a little further down the divestment path, there's another stumbling block – the so-called 'stranded assets' argument.

But this misunderstands the way our industry operates.

The supermajors' balance sheets together have around one trillion dollars of capital employed right now, and in any one year we invest about 10% of that, or around \$100bn.

So, very roughly speaking, there's enough flexibility in our portfolios to reshape our businesses and balance sheets in around a decade, providing flexibility and resilience for the future.

Even though we expect and hope the pace of the transition will pick up, and it certainly needs to it's likely that it will be measured in decades rather than years.

That leaves time for us to anticipate changing trends and adjust our portfolios accordingly, including with many new forms of energy – just as we are doing right now.

### Scenario-planning

There's another argument along the divestment road that doesn't hold, and it relates to calls for increasingly unhelpful scenario-planning and disclosure.

We believe in smart scenario planning and reasonable disclosures. After all, our license to operate depends on the trust of society, governments and investors.

And trust is built on a high degree of transparency.

That's why our strategy already considers – and we disclose – a range of plausible scenarios, including a pathway consistent with 2 degrees, about how the energy landscape might change and how markets could react, with different assumptions about policy, technology and consumer behaviour.

But what concerns me is the expectation that we should undertake a different kind of scenario analysis that tries to predict and disclose precise potential financial impacts on our business.

To my mind, that sort of analysis needs to assume a particular future portfolio, or energy prices decades from now – which none of us is in a position to do.

So you have to ask, is this kind of scenario testing even feasible?

Could we disclose the results without releasing commercially confidential information?

And, crucially, is it even useful for investors?

I think the answer to each of these questions is no. While you may get precise results, they will almost certainly be inaccurate – just plain wrong – and actually confuse investors about the future. Not to mention, impair our ability to adjust to it.

### A better way

So the case for that first divestment path doesn't withstand scrutiny. And more significantly, it focuses only on the emissions half of the dual challenge and not on how we provide billions of people with more energy of all kinds.

Let's consider what happens if we take the other path of innovation and collaboration.

And let me be clear, this is not a call for business as usual.

It requires significant and rapid disruption to our industry.

We all recognise that the energy mix has to evolve quickly – and we're investing accordingly.

All of us know we have to help renewables push coal out of the power sector.

That's why we're all investing in all kinds of renewable energy: solar, wind, bioenergy, battery technology, and enabling electrification of vehicles.

It's also why we're investing in natural gas – it emits half the carbon emissions of coal in power and is the perfect partner for intermittent renewables.

And we're collaborating in ways that were unthinkable when I joined the industry.

Take the Oil and Gas Climate Initiative, a partnership of 13 companies representing 30% of the world's oil and gas production. Through the OGCI we're working to develop CCUS so that oil and gas can play their full part in the energy transition.

And OGCI members recently set a 0.2% methane intensity ambition – an industry first – to help gas reach its potential.

As an industry, we're also working together to expand carbon pricing – which when well-designed is something that helps incentivize everyone, energy producers and consumers alike, to play their part in reducing emissions. Through the Climate Leadership Council, for example, we are supporting efforts to introduce a carbon tax in the US.

And collaboration is key when it comes to improving energy efficiency – something the International Energy Agency says could make the biggest contribution to meeting the Paris goals. As well as improving the efficiency of our own operations and products, we are increasingly working across industries.

For instance, by collaborating with automobile manufacturers, we are improving engine-design and manufacturing advanced fuels and lubricants: all of which could help make cars in the EU become 70% more efficient than they are today – driving further on less fuel with fewer emissions.

So the second path sees us embracing change and coming together to meet the dual challenge.

And we can do this even faster and more efficiently with clearer, smarter policy signals from governments.

Conclusion

Looking ahead, we know there will be challenges.

Some we can anticipate. Others we can't.

But none is insurmountable.

Like many of you here today, I'm an engineer by training.

We are, by nature, problem-solvers.

So, when I consider the enormity of the dual challenge – I'm not daunted.

I'm confident our industry can continue to help power the world, lift people out of poverty, keep society advancing – while at the same time contribute to dramatically reducing emissions to meet the Paris goals.

So long as we choose the path of collaboration and innovation over the path of division and exclusion, both our industry and the world have a great future ahead.