

## RWD Media in NYC

### U.S. Talking Points and Q&A - Sept. 24-25, 2018

#### BP 2018 U.S. Economic Impact Report (published Sept. 18)

- BP invested more than \$100 billion in the U.S. between 2005 and 2017.
- The company supports more than 125,000 U.S. jobs, including about 14,000 BP employees.
- In 2017:
  - BP's U.S. business activities contributed \$85 billion to the American economy.
  - BP spent more than \$14 billion with about 9,000 vendors across the U.S.
  - BP produced 712,000 barrels of oil equivalent a day in the U.S.
- Between 2013 and 2017, BP donated more than \$125 million to U.S. community programs.

#### Business highlights (also from new EIR)

- In July 2018, BP made its largest global acquisition since 1999, signing a \$10.5 billion deal with BHP to purchase world-class unconventional oil and gas assets in Texas and Louisiana.
- BP has been the largest energy investor in the deepwater Gulf of Mexico since 2005, and its average daily production in the region increased by more than 20 percent between 2014 and 2017.
- Between 2015 and 2017, BP's Alaska team held Prudhoe Bay production levels consistent for three straight years, something that's virtually unheard of in a 40-year-old oil field.
- BP's Whiting Refinery produces around 10 million gallons of gasoline, 3.5 million gallons of diesel and 1.7 million gallons of jet fuel each day.
- BP's Cherry Point Refinery is the largest supplier of jet fuel to Seattle, Portland and Vancouver (B.C.) international airports.
- The BP-Husky Toledo Refinery can produce enough gasoline each day for an average car to drive back and forth from Toledo to Miami more than 30,000 times.
- In 2017, BP delivered 13.6 billion gallons of fuel to its U.S. customers.
- The combined network of pipelines owned or managed by BP's U.S. Pipelines and Logistics business is long enough to stretch from Chicago to London.
- BP's *Castrol* business is America's No. 1 motor oil brand for consumers who change their own oil, accounting for 23 out of every 100 gallons of consumer motor oil purchased in U.S. stores.
- BP's Cooper River Chemicals plant can produce enough purified terephthalic acid each year to make more than a billion children's backpacks, and its Texas City Chemicals plant can produce enough paraxylene each year to make seat belts for 1.1 billion cars.
- BP is North America's No. 1 marketer of natural gas and one of the largest suppliers of renewable natural gas to the U.S. transportation sector.
- In 2017, BP Shipping moved more than 47 million metric tons of cargo to or from U.S. ports.

#### U.S. Examples of how BP is addressing the "dual challenge"

- BP's U.S. wind farms can produce enough electricity to power all the homes in a city the size of Philadelphia.
- BP is the largest supplier of renewable natural gas to the U.S. transportation sector.

- It is the largest marketer of traditional natural gas in North America.
- At its Cooper River chemicals plant in South Carolina, BP recently completed a \$200 million modernization project that will enable the site to reduce electricity use by 40 percent and cut up to 110,000 tons of carbon emissions per year while also boosting overall production by 10 percent.
- Since 2006, BP Ventures has invested more than \$290 million in 35 U.S. companies, including eight alternative energy companies.
- Many of the products made by Castrol – BP’s world-class lubricants business, which is America’s No. 1 motor oil brand for consumers who change their own oil – can boost engine efficiency and help drivers reduce their carbon intensity.

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### Tariff Exclusion Requests - UPDATE

- Context: BP applied for 18 tariff exclusion requests from the Department of Commerce.
- On Sept. 18, we learned the decisions for nine additional steel tariff exemption applications, out of the 18 already in process -- three were granted and six denied.
- To date, of the 18 BP submissions, five have been granted (two for L48, three for GOM) and 6 denied (GOM).
  - 3 APPROVALS - Two of the most recent approvals were for Mad Dog 2 carbon steel seamless line pipe. The third approval was for GoM, but not related to Mad Dog 2. It was for seamless oil country tubular goods (OCTG).
  - 6 DENIALS - The other 6 denials on Sept. 18 were the remaining Mad Dog 2 submissions, though little information is currently available about why they were denied. We are requesting additional information on the denials and may reapply depending on the basis for denial.
  - 2 L48 approvals for chrome tubing previously approved on August 2.

### *Additional background*

- During the World Gas Conference in June, RWD was asked by Upstream newspaper about the global impacts to BP as a result of the tariffs. RWD stated that the impact to our projects could add \$100 million in project costs globally.
- Excerpt from article: “Dudley said the exclusions are under review and could not comment on what the result might be. ‘We do look at our costs. We think that probably adds about \$100 million of costs for what we’re doing going forward,’ he told Upstream on the sidelines of the World Gas Conference (WGC). ‘But it’s also not going to change our investment plans. We’re deeply committed.’”

### 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, both globally and in the U.S.:
  - We are targeting a methane intensity of 0.2%, and holding it below 0.3%.
  - We are testing out new technologies for methane detection.
  - We are partnering with our peers, environmental non-governmental organizations (e-NGO's) and academic institutions to advance how the industry can detect, quantify and reduce emissions.
- BP has also joined external methane-related initiatives, such as:
  - Environmental Partnership in the U.S.
  - Oil & Gas Climate Initiative (OGCI)
  - Climate and Clean Air Coalition (CCAC) Oil & Gas Methane Partnership (OGMP)
  - World Bank Zero Routine Flaring by 2030 Initiative.
- And we follow the Methane Guiding Principles drawn up by a coalition of producers and international gas bodies, NGOs and academics.

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## What is BP's position about litigation that attempts to hold BP and others in industry responsible for the alleged impacts of climate change?

- BP remains committed to working constructively with policymakers and the industry on the global challenge. Lawsuits that seek to blame energy companies for the planet's industrial and energy choices of the past century are not a part of any productive effort.
- BP has long recognized the importance of the climate challenge, justifying global action from governments, industries, and individuals. BP is dedicated to doing its part to provide reliable energy to the world's growing population while also transitioning to a lower-carbon future.

## Lower 48 Divestments

- Following the closing of BP's recently announced acquisition of BHP's U.S. unconventional oil and gas portfolio, BP Lower 48 may sell a portion of its legacy operating assets in U.S. onshore.
- This is part of a previously announced plan to divest \$5-6 billion of predominately upstream assets, with proceeds from the divestments intended to fund a share buyback program of up to \$5-6 billion over time.
- It's also consistent with BP's approach of actively managing and high-grading its advantaged oil and gas portfolio, focusing on higher-return assets with significant development potential.
- The divestments are still being evaluated and are contingent on a number of factors.