CERAWeek 2017

Executive Briefing

March 6-10, 2017

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CERA WEEK 2017

BP EXECUTIVE SUMMARY

Location: Hilton Americas[redacted]
Date: March 6-10, 2017

Contact and Logistics Information

Hospitality 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**
EA Office:	**Room 12025**

Attire: Business (Dark Suite)

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

Staff POCs: Tara Harrison 202 997 4328 or Alex Franceschi 281 978 1216

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

BP Leadership Attending: Ahmed Hashmi, Bob Stout, Brian Sullivan, David Skidmore, Elizabeth Sidoti, Emily Olson, Felipe Arbelaez, Geoff Morrell, German Molina, Haydn Pulwarty, Howard Leach, Jack Collins, James Dupree, John Mingé, Laura Folse, Mary Streett, Mohit Singh, Murray Auchincloss, Nick Wayth, Sarah Faivre-Ovion, Shanan Guinn, Spencer Dale, Tom Pennington, William Lin

CERAWeek BP Schedule of Events

<u>**Monday, March 6th**</u>

0900-1145: Leadership Circles

> **Upstream Oil & Gas Summit: John Mingé**
> The Grove, Vista Room
> Closed Press
>
> **Technology & Innovation Summit: Ahmed Hashmi**
> Level 4, Hilton Americas – Room G
> Closed Press
>
> **CFO Summit: Murray Auchincloss & Sarah Faivre-Ovion**
> Level 4, Hilton Americas – Room J
> Closed Press

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

<u>**Tuesday, March 7th**</u>

0925-0955: Opening Oil Dialogue with Bob Dudley, Dan Yergin
Hilton Americas, Level 2 – Ballroom of the Americas
Open Press

1030-1215: Leadership Circle Global Gas Summit: Justin Leonard
The Grove
Closed Press

1100-1210: Strategic Dialogue: Oil Price Cycles with Spencer Dale
Hilton Americas, Level 4 – Room C
Open Press

1655-1745: Future of Global E&P Concurrent Plenary with Bernard Looney
Hilton Americas, Level 4 – Room EFHI
Open Press

1730-1830: Agora Studio Today's Reality? The Digital Oil Field with Ahmed Hashmi
Hilton Americas, Lever 4 – Agora
Open Press

Wednesday, March 8th

0730-0840: Breakfast Strategic Dialogue, The Future of Exploration with Howard Leach
Hilton Americas, Level 4 – Room K
Open Press

1115-1245: Leadership Circle Global Power Summit: Laura Folse
The Grove
Closed Press

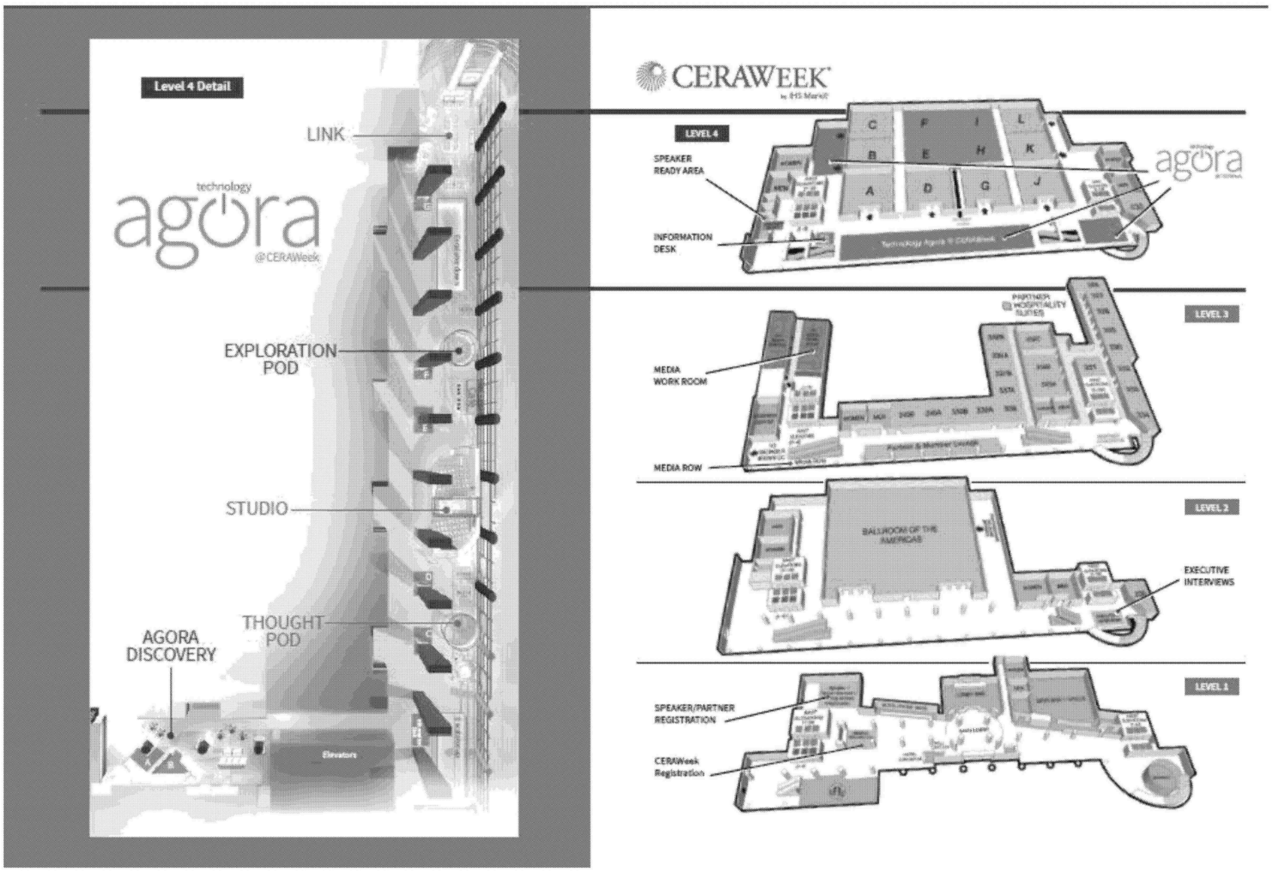
Thursday, March 9th

1125-1235: Strategic Dialogue, State of the Global Renewables Market with Laura Folse
Hilton Americas, Level 4, Room BC
Open Press

Friday, March 10th

No Events Currently Scheduled

Map of Hilton Americas



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Executive Summary Talking Points - CERAWeek 2017

SECTION 1: BP Group Issues / Positions

Oil Price & Energy Outlook

- Dated Brent last year averaged just under $44/bbl, the lowest in nominal terms since 2004. Adjusted for inflation, last year's price was more than 60 percent below the annual peak in 2011.
- In the near term, much of our focus will remain on the continuing adjustment of the oil market. Considerable progress has been made but there is still a long way to go.
- Oil inventories are at record-high levels and the impact of significant cutbacks in investment spending over the past two years has not yet been fully felt.
- For 2017, a key issue will be the degree of compliance with the recently-announced OPEC/non-OPEC agreement to cut production.
- Oil prices have risen by $10 since OPEC's deal and are now around $55; forward prices have risen by less. A flatter forward curve serves OPEC's interest, making future investment considerations (and producer hedging) relatively less attractive.
- The market has tightened a bit since July, with OECD commercial inventories falling faster than seasonal norms. Even so, stocks ended 2016 close to 3000 Mbbls – little changed from the very high end-2015 levels.
- If OPEC adhered to its target of 32.5 Mb/d, much of the stock overhang would be eroded by end-2017, supporting near-term prices. But if output turned out 1 Mb/d higher, stocks are likely to remain close to their current high levels throughout this year, posing downside risks to prices.
- Global energy demand to increase by around 30% to 2035, driven by increasing prosperity in developing countries, partially offset by rapid gains in energy efficiency
- Technological improvements and environmental concerns are changing the mix of primary energy demand but oil and gas, together with coal, remain the main source of energy to 2035
- Gas grows faster than either oil or coal; the rapid expansion of LNG is likely to lead to a globally integrated gas market, anchored by US gas prices
- Oil demand grows but at a slowing pace; and non-combusted uses replace transport as the main source of demand growth by 2030
- Global coal consumption peaks, while renewables remain by far the fastest-growing energy source, quadrupling over the next 20 years
- The power sector accounts for nearly two-thirds of the increase in primary energy
- Carbon emissions grow at less than a third of the rate of the past 20 years, reflecting both gains in energy efficiency and the changing fuel mix, but in the base case are still projected to increase, highlighting the need for further action

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 $15-17 billion a year, gearing 20-30%

- **Rising production from new Upstream major projects:**
  - 6 projects began production in 2016; 7 projects to come online in 2017; 9 projects now under construction expected onstream 2018-21
  - Upstream production expected to grow by average of 5% a year from 2016 to 2021

- **Cash balance point for BP expected to fall to around $35-40/barrel in 2021**

BP FY2016 and 4Q 2016 Results

- 4Q 2016 underlying replacement cost profit $400 million, full year 2016 $2.6 billion
- Full year underlying operating cash flow $17.8 billion
- Full year 2016 reported headline profit $115 million vs 2015 loss of $6.5 billion:
  - headline profit excluding Gulf of Mexico legacy charges $4.1 billion
- Continued discipline on cost and spending:
  - cash costs $7 billion lower than 2014, delivered a year ahead of schedule
  - organic capital spending $16 billion vs $17-19 billion initial guidance
- Major strategic portfolio additions agreed, providing disciplined expansion in gas, long-term low-cost oil and retail marketing
- 2017 guidance, including the impact of new portfolio additions:
  - balancing organic sources and uses of cash by year end at around $60/bbl
  - $16-17 billion capex
  - $4.5-5.5 billion divestments
- Dividend unchanged at 10c/share

Recent Announcements

BP is now steadily laying the foundations for the 2020s and 2030s and beyond. In the last two months of 2016 BP made announcements or signed agreements that will further shape its future:

- **Abu Dhabi:** reached agreement to take 10% interest in the ADCO concession to 2055. It will add about 165,000 barrels of oil per day for BP and Abu Dhabi will become a 2% shareholder of BP;
- **Mauritania/Senegal:** signed an agreement with Kosmos to develop very significant gas resources offshore West Africa;
- **Australia:** agreed to purchase more than 500 retail stations from supermarket company Woolworths and create a strategic partnership in retail and convenience stores;
- **Egypt:** purchased a 10% share in the giant Zohr offshore gas field in the Mediterranean;
- **Oman:** signed the final agreement to expand the giant Khazzan gas project by 50%;
- **Indonesia:** purchased a further 3% of the Tangguh LNG project in Indonesia;
- **US Gulf of Mexico:** BP sanctioned the $9bn Mad Dog 2 project for half the capital cost estimated in 2011;
- **Thailand:** signed a 20 year deal to supply 1 million tonnes a year of LNG to Thailand;
- **Mexico:** won interests in two exploration blocks in Mexico as the country opens its oil and gas industry to foreign participation;
- **Biojet:** announced a $30 million investment in biojet producer, Fulcrum.

Upstream

Over the past five years BP's Upstream segment has begun production from 24 major projects, including six in 2016. Seven projects are expected online during 2017 - making it one of the largest years for commissioning new projects in BP's history. These projects are on average ahead of schedule and below budget:

- Thunder Horse South Expansion (Gulf of Mexico) [note: delivered in Dec 2016]

- Quad 204 (North Sea)
- Trinidad Onshore Compression (Trinidad)
- Juniper (Trinidad)
- Persephone (Australia)
- Khazzan (Oman)
- West Nile (Egypt)
- A further nine projects that are expected to start up through 2018-2021 are already under construction.
- The projects coming on line in 2016 and 2017 are on track to deliver 500,000 barrels of oil equivalent a day (boe/d) new production capacity by the end of this year.
- The new Upstream projects remain on track to deliver 800,000 boe/d of new production by 2020, as previously guided. 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.
- More than 200,000 boe/d of production is expected by the end of the decade from the recent additions to BP's portfolio – primarily from the ADCO onshore concession.
- 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.
- With capital investment kept steady and increasingly efficient operations and modernisation driving costs lower, BP now estimates that this growth will enable the Upstream segment to generate $13-14 billion of pre-tax free cash flow by 2021, at oil prices around $55 a barrel.

<u>Downstream</u>

BP's Downstream strategy has three objectives:

- Significantly improved returns
- Material and growing cash flows
- Industry leading net income per barrel

This is being delivered through:

- Safe and reliable operations where we have made significant progress over many years.
- Advantaged manufacturing in both Refining and Petrochemicals, improving net cash margins and resilience to bottom of cycle environment, building top quartile refining and improved petrochemicals profit potential.
- Profitable marketing growth where we are investing in high returning businesses, growth market access, differentiated products and customer focus, and leading technology
- Portfolio quality focused on competitively advantaged assets.
- Simplification & efficiency where we are making material cost savings.
- Transition to lower carbon and digitally enabled future.

<u>Renewables & Alternatives</u>

- We have the largest operated renewable business of our peer group.
- We have 14 US wind farms (13 operated; financial stake in one additional farm) and 3 cane ethanol mills in Brazil.
- More than 3M tons of CO_2 were avoided through our wind and biofuels operations in 2016.
- We are evaluating other areas where we can grow our involvement in lower-carbon opportunities, particularly where they may play a role in complementing existing businesses such as natural gas. We are also testing and looking to commercialise a broad range of innovative low-carbon technologies through our venturing activity.

<u>Policy Positions</u>

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- **Unburnable carbon/stranded assets:** Company valuations are based on proved reserves, which are not 'stranded assets'. BP's proved reserves are produced, and historically replaced, over a 13-year timeframe on average. On this timescale we can adapt our investment strategy to changes in policy, market or technology conditions which we actively monitor and assess.
- **Water**: The oil and gas industry withdraws less than 1 percent of global freshwater resources. But at a local and regional level competition for water can be a significant risk to our industry. BP assesses water risks at both company and site level. Where necessary, we work to lower fresh water demands and improve the quality of waste water discharges.
- **Electrification of transport:** Electric vehicles are on the increase. They can bring positive air quality benefits and help the transition to a low carbon future, provided the electricity source is low emissions. The scale and pace of growth (now less than 1% of light vehicles) depends on a range of factors. We expect oil to still account for the lion's share of transportation fuels in 2035 due to growth in developing markets of lower cost conventional vehicles, higher energy density of oil, rapid refuelling benefits and scope for further efficiency improvements.
- **Renewables:** Non-hydro renewables are the fastest growing energy source, concentrated in the power sector, but this is from a small base - we estimate they will form 9- 15 percent of global primary energy supply by 2035. BP has the largest operated renewables portfolio among its peers. We are looking at ways to grow our existing biofuels and wind businesses, and explore new opportunities. BP Ventures is investing in emerging novel low carbon technologies.
- **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.

SECTION 2: U.S. Issues / Talking Points

U.S. Economic impact

- BP is headquartered in London, but we have been operating in the U.S. for 150 years through our heritage companies.
- We are America's No. 1 energy investor over the past decade, with $90 billion invested.
- We directly employ more than 14,000 people in the U.S., and our operations support an additional 130,000 American jobs.
- In 2015, we spent $4.4 billion on U.S. employees' salaries and benefits, including pension and other post-employment expenditures.
- We invest more here, and have more shareholders here, than we do in any other country.

- In addition, we reinvest all our U.S. profits back into our U.S. businesses.
- Since the November election, BP has announced a new $9 billion project in the deepwater Gulf of Mexico called Mad Dog 2.
- Our commitment to America has never wavered, despite the fact that we were forced to pay $63 billion in fines and claims stemming from the Deepwater Horizon accident.

Production

- BP's U.S. production is significant. In 2016, BP produced 676,000 barrels of oil equivalent (boe/d) every day in the U.S., compared with 643,000 in 2015.

Refining

- BP ranks as one of the top refiners in the U.S., with the net capacity to process 744,000 barrels of crude oil every day at its three U.S. refineries: Cherry Point, WA; Whiting, IN and Toledo, OH.

Retail

- There are more than 7,000 retail sites operating in the U.S. under a BP brand (BP, *ampm*, and ARCO), together representing nearly 40% of BP's global retail presence.
- BP markets more than 13 billion gallons of gasoline in the U.S., with 8.4 billion gallons sold to consumers at our branded retail sites every year.
- BP owns and operates Castrol, one of the world's most recognized lubricant brands, which has more than 75 million customers worldwide.

Simplification

- In recent years, we have taken a number of steps to simplify the organization in conjunction with a global divestment program and in response to the recent challenging macro-economic environment.
- While we are a more focused company, BP remains committed to the U.S.
- Indeed, the changes BP is implementing today will make our U.S. businesses more competitive and sustainable over the long term.

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GoM

- BP and its heritage companies have been at work in the Gulf of Mexico since the 1950s, and we have been exploring in the deepwater Gulf for more than a quarter century.
- We are the largest investor in the deepwater Gulf of Mexico over the past 10 years.
- BP is one of the largest leaseholders in the Gulf with acreage in about 300 lease blocks.
- BP continues to be a leading oil and gas producer in the region. Our daily production rate is currently over 300,000 boe/d. We produced 264,000 boe/d in 2016, up from189,000 boe/d in 2013. (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.
- BP has gained production momentum in the GOM, last year we added water injection at our Thunder Horse platform and sanctioned Mad Dog 2. Earlier this year we started-up Thunder Horse South Expansion under budget and 11 months ahead of schedule.

- 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.
- Our business activities help support nearly 30,000 jobs, including 5,700 BP employees, across all five Gulf Coast states.

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If asked on Mad Dog 2 overseas construction:

- Although elements of the platform are being constructed overseas, Mad Dog 2 is a long-life project that we expect to be in operation for over 30 years, with significant benefits to the U.S. economy and domestic energy security.
- The U.S. companies that bid on the project had partnerships with fabrication yards in the Far East, the global hub for this type of work.

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 two years on its own, the business delivered material improvements in competitiveness and performance.
- Activity is also being designed and executed with more innovation, and the benefits of deflation are being captured.
- 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.
- In 2016, production increased to 302,000 bpd, from 284,000 bpd in 2015.
- 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.

BP-Operated Prudhoe Bay

- Greater Prudhoe Bay (GPB) reached a significant milestone in 2016, with less than a 1 percent decline in production (280,700 boed in 2016 vs 281,800 boed 2015).
- This year Prudhoe Bay and the Trans-Alaska Pipeline will mark 40 years since production start-up. Since Prudhoe Bay start-up we've recovered more than 12.5 billion barrels from the main Ivishak and Sag reservoirs, an increase of 30% from the original expected ultimate recovery of 9.6 billion barrels and a planned field life of 30 years.

BP Non Operated

- BP's total net production in Alaska including Prudhoe Bay and the six non-operated fields totalled 107,900 BOPD in 2016 (vs 108,000 BOPD in 2015)
- The Point Thomson field started production in April 2016. BP holds a 32% working interest in the field, and ExxonMobil is the operator.
- The Trans-Alaska Pipeline throughput increased production in 2016 for the first time since 2002 throughput was 517,868 barrels a day – a ~2 percent increase.

Alaska LNG Project

- BP Alaska LNG LLC (BPAL) and the Alaska Gasline Development Corporation (AGDC; State entity) executed a Cooperation Agreement in January 2017 detailing BPAL's commitment to collaborate in the development of the financial and tolling structure intended to advance the Alaska gasline and LNG project.
- The State of Alaska will progress the FERC permitting work, identify commercial structure alternatives that deliver a competitive cost of supply, and define a financing plan for future stages of the project.
- In early 2016, all co-venturers (BP, ConocoPhillips, ExxonMobil and the State of Alaska) agreed that the current project cost of supply is not competitive in the market. A study prepared by WoodMackenzie in August 2016 confirmed this and identified commercial levers that could enable the project to compete. In December 2016 producer parties agreed to terminate the existing governance agreement and transition the project to be led by the Alaska Gasline Development Corporation (AGDC; the State entity).

<u>Alternative Energy</u>

BP Wind Energy – "repower" program (reported by Bloomberg on 2-16-17)

- BP is weighing plans to update as many as 200 of its U.S. wind turbines with newer, higher-capacity equipment.
- If the company green lights the project – a decision that could be reached by mid-year – it would represent about 400 MW of capacity.
- Laura Folse, chief executive of BP Wind Energy, said the move would allow the U.K. energy giant to capitalize on production tax credits while optimizing operations at farms in Texas and Kansas. The company put an initial investment down in December in order to qualify for the full tax credit, which started scaling down this year.
- The updates involve swapping out aging equipment such as gearboxes, drive trains and blades, while keeping existing towers and foundations. BP expects the upgraded technology to improve efficiency and reliability while increasing overall energy output.

BP and Clean Energy partner to expand U.S. renewable natural gas (joint press release, 3-1-17)

- BP and Clean Energy Fuels Corp. announced that BP will acquire the upstream portion of Clean Energy's renewable natural gas business and sign a long-term supply contract with Clean Energy to support the firm's continuing downstream renewable natural gas business. The deal enables both companies to accelerate the growth in renewable natural gas supply and meet the growing demand for natural gas vehicle fuel.

- Renewable natural gas fuel, or biomethane, is produced entirely from organic waste. As a fuel for natural gas vehicle fleets, including heavy-duty trucks, it is estimated to result in up to 70 percent lower greenhouse gas emissions than from equivalent gasoline or diesel-fueled vehicles.
- Under terms of the agreement, BP will pay $155 million for Clean Energy's existing biomethane production facilities, its share of two new facilities under construction, and its existing third-party supply contracts for renewable natural gas. Closing the transaction is subject to regulatory approval. Clean Energy will continue to have access to a secure and expanding supply to sell to the growing customer base of its Redeem™-branded renewable natural gas fuel through a long-term supply contract with BP.

SECTION 3: Regional Issues / Talking Points

UK in Europe

- The UK is very important to BP, as is Europe. On average, on most measures, the whole of Europe represents well over a third of our Downstream business and (including AGT) just under a third of our Upstream. It is also where we have our HQ.
- A competitive EU, in energy and other markets, is vitally important to all European businesses.
- Regardless of BREXIT, we are committed to a continuation of our business on both sides of the Channel.
- BP benefits from thriving EU-UK business relations and we will support governments in making this happen.
- We made it clear before the vote that BP saw more benefits for the UK remaining in the EU, for reasons of investor confidence, the UK's ability to influence necessary EU reform, HMG's standing in the world and the integrity of the United Kingdom. We also made it clear that in the short term BREXIT was unlikely to have any major primary consequences for the firm. Oil and gas moves around largely tariff free around the world.
- We don't see ourselves as partisan in the BREXIT negotiations. We, and the energy industry in general, have raised our issues with HMG. We believe that the role of London as a financial centre, investor confidence, sensible trading and regulatory relationships, and practical business-friendly immigration policy should all be prioritised.

Russia

- Russia is a very significant resource holder and will continue to play an important part in long term energy supply to the global economy.
- BP holds a unique position in Russia through its 19.75% share in Rosneft, the world's largest publicly traded oil company in terms of production. Through our investment in Rosneft we aim to bring significant long-term value to BP's shareholders
- In October 2016 we completed a transaction with Rosneft to create a joint venture (Yermak) with a 49% BP/51% Rosneft equity share to jointly explore areas of mutual interest onshore in one of the world's most prolific basins in West Siberia. In early September 2016, Rosneft, BP and Schlumberger announced agreements for collaboration on seismic research and development. These opportunities fit with BP's Russia strategy, built around our partnership with Rosneft. They demonstrate that BP's involvement in Russia is delivering value beyond our longer term equity holding.
- We remain committed to our investment in Rosneft and have no plans to reconsider our shareholding.
- We comply with all applicable sanctions and will review each investment opportunity on a case by case basis.
- BP owns a 20% equity share in Rosneft's Taas-Yuryakh Neftegazodobycha subsidiary in Eastern Siberia. Another 29.9% was sold in 2016 to the consortium of Indian oil companies (Oil India, Indian Oil and Bharat Petroresources). Rosneft currently holds 50.1% of shares in the company. Taas holds 2 licenses with an estimated gross 1bnboe and 2tcf gas in place and is currently producing ca. 23 kboe/d.

Azerbaijan

- Over the course of nearly 25 years, BP has delivered world-scale projects in the region. This would have been impossible without the leadership and continued support of the Government of Azerbaijan and SOCAR. We look forward to continuing this strong and sustainable relationship in the future
- BP is very pleased that we were able to sign the Principles of Agreement on the extension of the ACG PSA, which extends our partnership and secures development of the great ACG oil field to 2050.
- BP remains fully committed to the Southern Gas Corridor and we highly value our partnership with SOCAR and the government of Azerbaijan.

Georgia

- BP appreciates the strong support and partnership we have had with the government of Georgia over the last 20 years and world class assets we have in place across the country.
- BP maintains three pipelines in Georgia BTC, WREP, and SCP and the ongoing expansion; it would not be possible to realize these mega projects without the leadership and commitment of the Georgian government.

Turkey

- BP is a committed, long term investor in Turkey and the region, and regards Turkey as a strategic partner. BP has been operating in Turkey for over 100 years, and is one of the most important investors in the region on oil and gas supply and transmission as well as Fuels, Lubricants' distribution and marketing.
- TANAP is a fundamental part of the Southern Gas Corridor; the support from the Turkish government and our partners is incredibly valued and remains essential in realizing this project.

TAP

- TAP is an 875km pipeline across Greece, Albania and Italy. TAP will connect with TANAP creating the final leg of the Southern Gas Corridor.
- Currently, construction is underway across all three countries and all major contracts have been awarded.
- Challenges remain, specifically, in Italy where BP is very concerned about the delay in permitting in the Puglia region. Without an additional 14 permits by end of February 2017, TAP could see a potential delay.

Argentina

- BP remains committed to Argentina through its investment in Pan American Energy (PAE) and its long term partnership with Bridas.
- PAE is the largest private producer of oil and gas in the country.
- BP welcomes a number of the policy changes implemented by the Macri administration, reducing subsidies in the energy sector and seeking to achieve self-sufficiency in oil and gas, whilst providing greater flexibility to attract investors.

Mexico

- PEMEX and BP have extensive relationships dating back over 24 years, in trading and E&P technology collaboration.
- In 2016, PEMEX and BP attempted to become partners in deep water oil discoveries; at Hopkins in the USA, and then Trion in Mexico. BP continues to have long term desire to become involved in large scale co-investment with PEMEX, leveraging both companies' skills.

Brazil

- BP is encouraged by recent developments (proposed changes to local content rules and allowing IOC's to operate assets in the Pre-salt province) and see these as a demonstration of the government's commitment to improve Brazil's competitiveness.
- BP remains committed to Brazil and is exploring further opportunities to establish a larger presence in the country.

Colombia

- BP welcomes the intensified effort by Colombia to renew its hydrocarbon reserves. Although BP has no active exploration projects in Colombia, we continue to monitor and evaluate opportunities as they become available in both the Caribbean offshore as well as unconventional exploration in the Magdalena basin.
- BP-IST has a new agreement with Ecopetrol for the optimization and supply of crude into a recently upgraded refinery – Refineria de Cartagena (Reficar). IST would appreciate the opportunity to explore further initiatives with the full Colombian refinery portfolio.

China

- With its growing economy and growing energy requirements (estimated at 25% of global demand in 2035), China continues to be an important part of BP's business,
- Since entering China in the early 1970's, BP has made considerable investment, building a portfolio across downstream, IST and exploration.
- In addition to our business activity, BP has built technology and academic relationships with Tsinghua University (CCWE, Clean Energy Centre, and Schwarzman Scholars) and the China Academy of Science.
- We are keen to continue contributing to China's energy agenda and enhance UK-China bilateral relations.

- To re-energize Chinese economic growth and attract foreign investment, it is paramount to keep pushing forward market-oriented reforms. BP is keen to share our experience to inform China's reform and low carbon agenda.

India
- As India's economy grows (7-8%), energy will play a major role to fuel this growth.
- India imports around 80% of its oil & 45% of its gas requirements. To meet its growing energy demand and reduce import dependence, India needs to focus on enhancing domestic oil & gas production.
- The Government is seeking to increase the share of gas in the energy mix to 15% (from 6.5%) by implementing a gas roadmap with clearly defined objectives and actions.
- BP is progressing development of its existing gas discoveries to contribute increased gas production which will help reduce import dependence and fuel economic growth.

Iran
- BP has a long history in Iran, stretching back 100+ years.
- BP wishes to resume business relationships in Iran within the frame of the existing sanctions regime.
- BP is reviewing various business opportunities and has opened a representative office.
- BP will assess any Iranian project (upstream, downstream and trading) against other opportunities in the world and therefore commercial terms need to be competitive.

Saudi Arabia
- The scope and scale of Vision 2030 is impressive but challenging. Its implementation, if successful, would have a profound impact on the future prosperity and influence of the Kingdom. We will review to see if there are areas where we can contribute.
- BP would be delighted to work alongside Saudi Aramco as an active partner in the future development of oil and gas projects in the Kingdom.

Angola
- Angola continues to be material and important to BP, representing around 10% of our global oil and gas production.
- Operating efficiency from our operating assets in Angola has been strong (averaged 94% in 2016). We reported net average daily production of 223,000 barrels of oil in 2016, which was above plan.
- We completed the Greater Plutonio phase 3 project last year, six months ahead of schedule and 27% under budget.
- We are committed to the future of our business in Angola and are working closely with Sonangol and partners to develop viable projects (options in blocks 18, 31 and beyond).

Angola Organizational Review
- Safety, reliability and competitiveness are a core part of our culture at BP. We are continuously looking at meaningful ways to safely improve our efficiency and effectiveness in order to reduce our operating costs. Such efforts are even more important in today's market conditions.
- In Angola, BP has a strong track record of safety and performance, and commitment to the country. We continue to focus on increasing our competitiveness, developing our workforce, and building a platform for a robust future in Angola.
- Organization design is just one component of our drive for continuous improvement and we routinely review our organization size and structure. Such reviews may involve reduction or realignment of job roles – and we do not publish data on specific job reductions. We remain

committed to creating the best opportunities for our people with an emphasis on Angolanization and continuing to develop Angolan leaders in our business.

- Having said that, BP Angola will continue to selectively bring new talent into our organization to build our workforce with the right talent and experience to fill roles that move the business forward.