



BPX Energy

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BPX Energy core values, mission, and strategy



Core values

- Safety and the environment

Mission

- Build a premier independent onshore business focused on delivering free cash flow growth

Strategy

- Develop newly acquired and legacy shale plays through efficient capital investment and advanced technology



Mission delivery

Proven assets

Proven top-tier assets located in the core of the **Permian, Eagle Ford** and **Haynesville** shale plays



Proven track record

Proven track record of execution



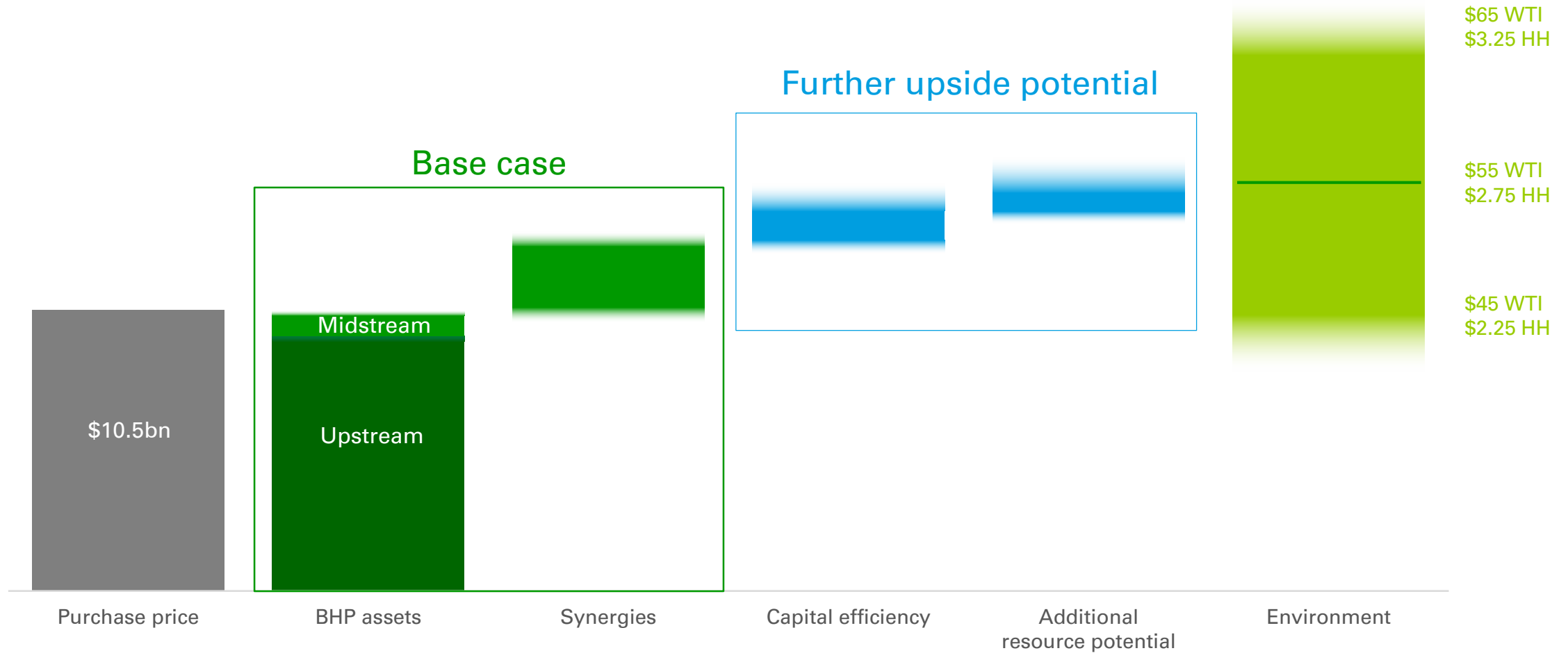
Material free cash flow growth

Material free cash flow growth achieved through **synergies, capital efficiency,** and **development of additional zones**



BHP acquisition – base case + upside¹

increasing confidence that value creation can exceed model



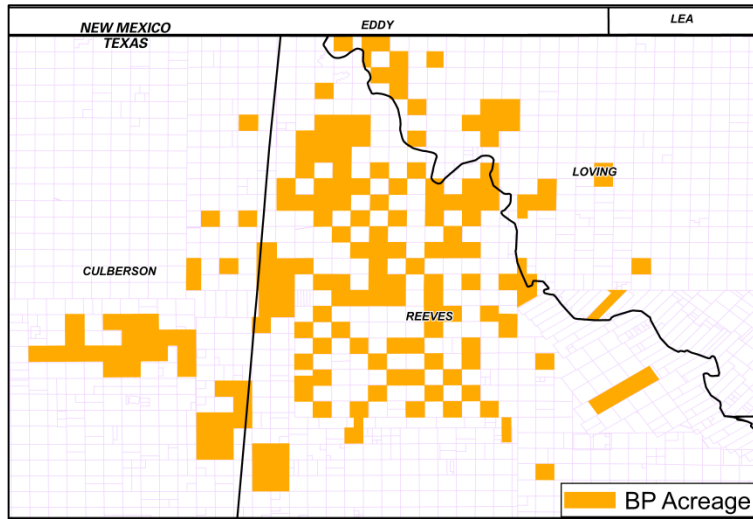
Third-party reserve report confirms >70% of acquisition value is proved reserves²

(1) NPV = net present value at 10% discount rate, \$55/bbl WTI, and Midland discount of \$7/bbl near term and around \$2/bbl longer term, \$2.75/mmBtu Henry Hub (2018 real). Indicative values only

(2) Preliminary 2018 SEC pricing - \$66/bbl oil, \$32/bbl NGLs and \$2.95/mmBtu Henry Hub

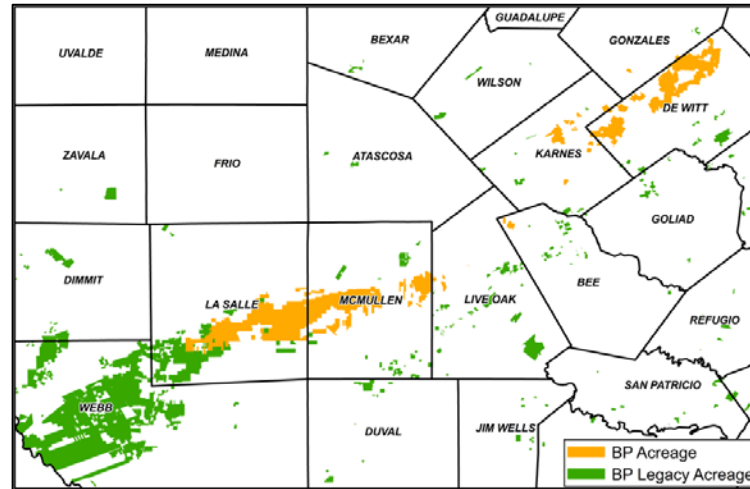
Proven Permian, Eagle Ford, and Haynesville acreage

Permian



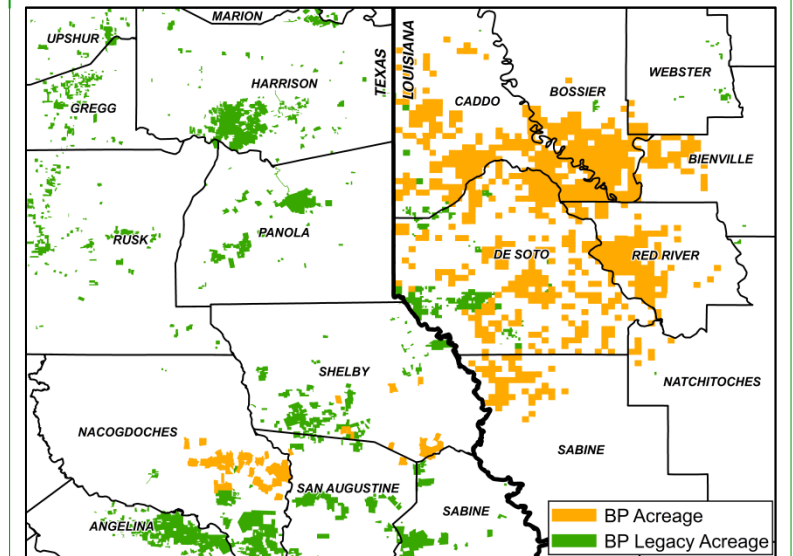
- 128 active rigs in Reeves, Culberson and Loving counties
- >1,800 wells since 2017, with average IP30 of 1.1mboed
- >25% of these wells with IP30s >1.5mboed

Eagle Ford



- 44 active rigs across 5 counties
- >1,800 wells in Eagle Ford since 2017, with average IP30 of 1.2mboed
- In under-developed Austin Chalk, 130 wells since 2017, with average IP30 of 1.7mboed

Haynesville



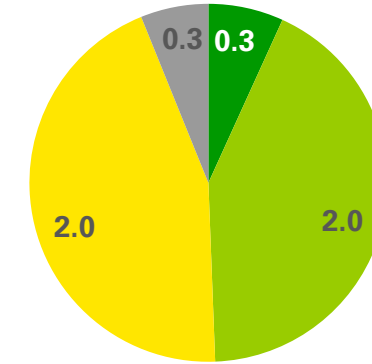
- 51 active rigs in Haynesville
- >275 wells since 2018, with average IP30 >1.7mboed
- Wells produce consistently over time, with low initial decline rate

Stellar economics across a range of prices

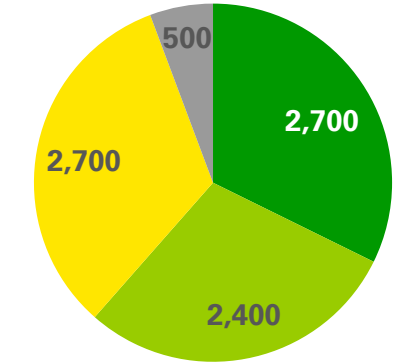
- 4.6bn boe resource base from BHP US onshore asset acquisition
- Highly economic across a variety of price ranges
- Short-cycle position, largely held by production
- Additional resource potential
 - Austin Chalk (Eagle Ford)
 - Avalon and Bone Springs (Permian)
 - Additional Wolfcamp zones (Permian)
 - Bossier shale (Haynesville)

Breakeven WTI¹

Resources
bn boe

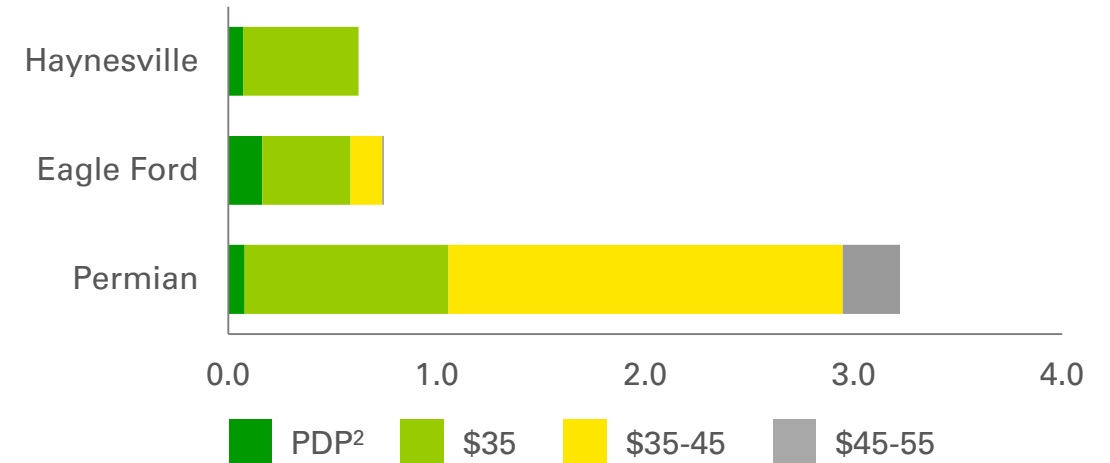


Locations



Resources by play

bn boe



(1) Breakeven calculated per well using post-tax PV10, \$3/mmBtu Henry Hub gas. Real 2018 prices

(2) Proved developed producing

Synergies – >\$350m annually from three categories

On track to deliver synergies ahead of plan

General & administrative **\$200-220m**

- Scaled engineering and development teams
- Reduced back-office headcount
- Simplified support processes



Production cost **\$100-120m**

- Intelligent Operations
- Supply chain optimisation



Financial **\$50-60m**

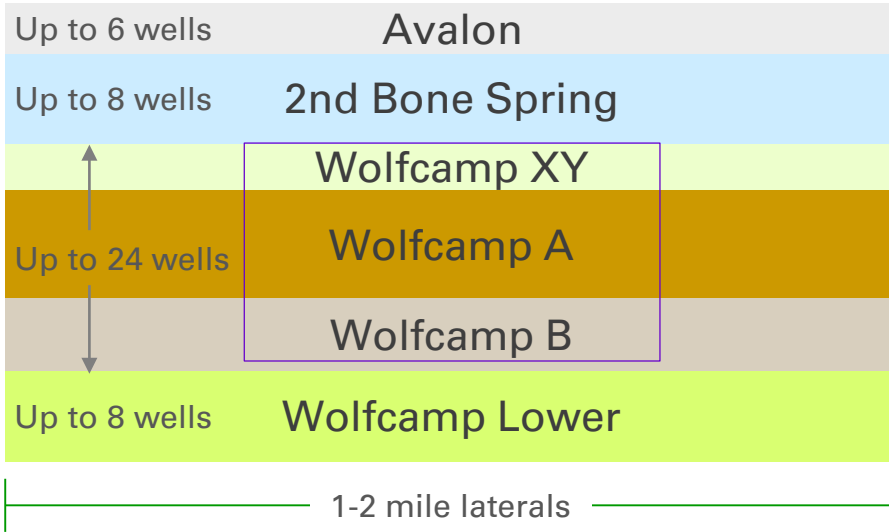
- Trading
- Fiscal



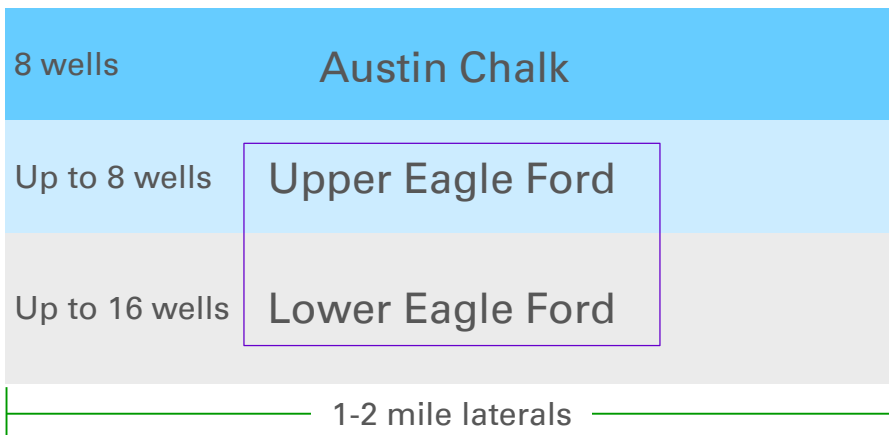
Capital efficiency – primary development

high-density, multi-zone, long-lateral development strategy

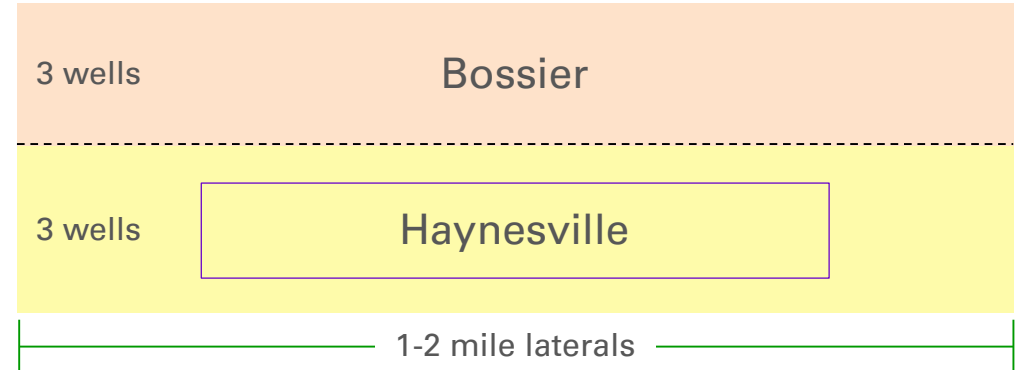
Permian subsurface



Eagle Ford subsurface



Haynesville subsurface (including legacy)

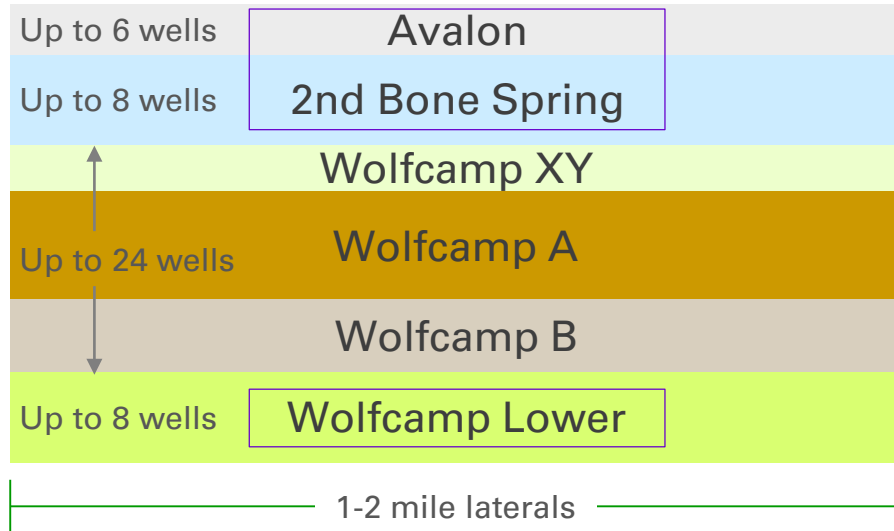


- High-density, long-lateral, multi-zone, sectional development leads to significant improvements in capital efficiency
- Optimised full life cycle artificial lift to increase production and reduce cost
- Multi-lateral well planning underway in all plays

Additional resource potential

under-developed zones prevalent across three plays

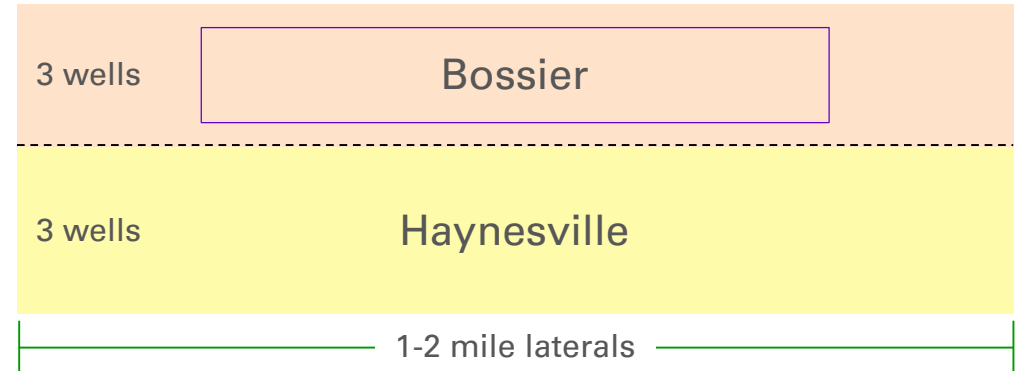
Permian subsurface



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Haynesville subsurface (including legacy)

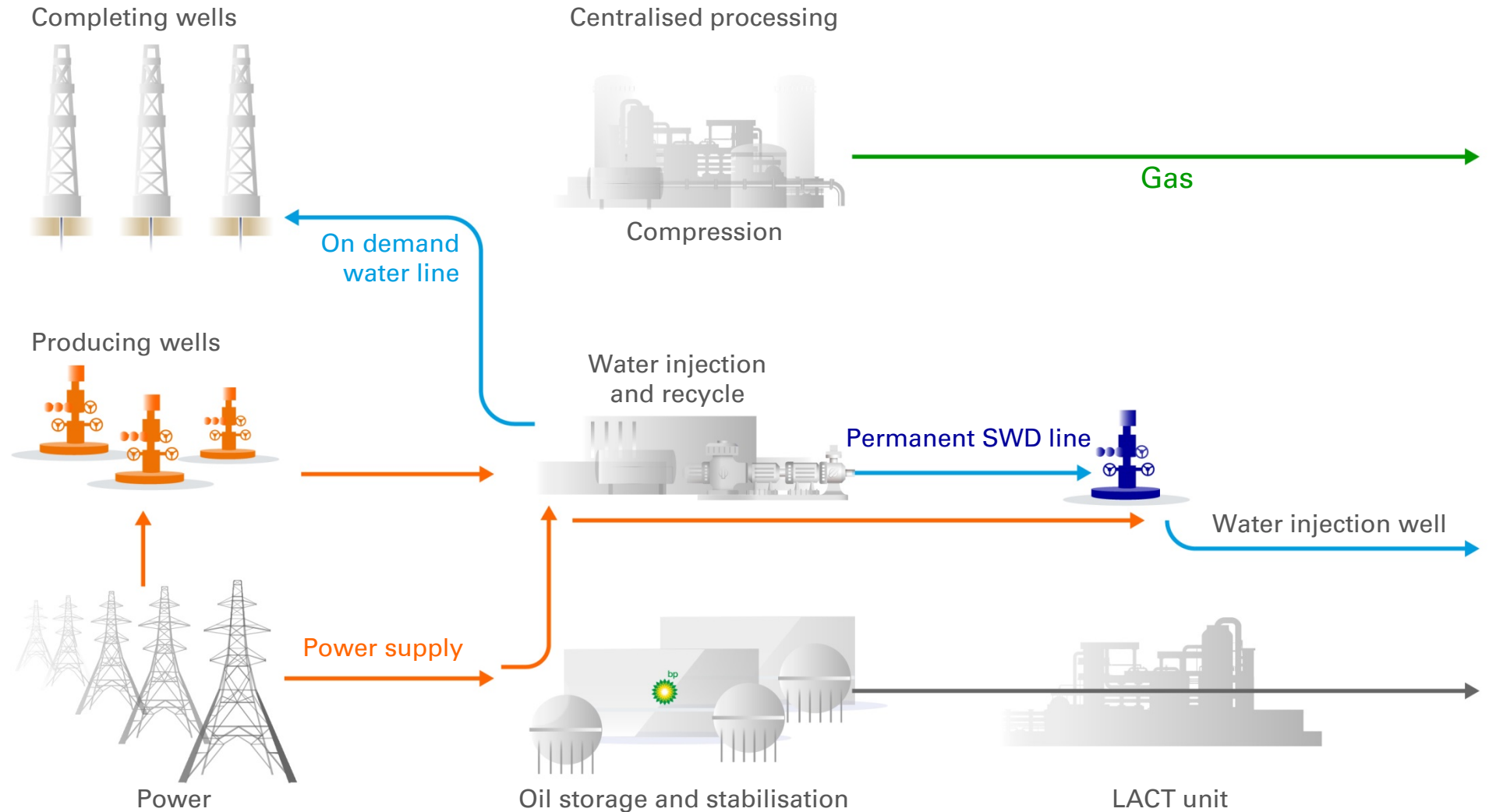


- Multiple benches comprise over 4,000ft of premium gross interval in Permian
- Over 600ft of gross interval in Eagle Ford and the prolific Austin Chalk, with industry-leading returns
- 500ft of combined Haynesville and Bossier targets in both Texas and Louisiana

Permian integrated development plan

installation of midstream assets to improve capital efficiency and decrease operating costs

- Controlling midstream assets aligns the entire value chain for more efficient development
- Oil handling significantly improves price realizations through reduced trucking
- Electrical infrastructure enables optimum life-cycle artificial lift applications

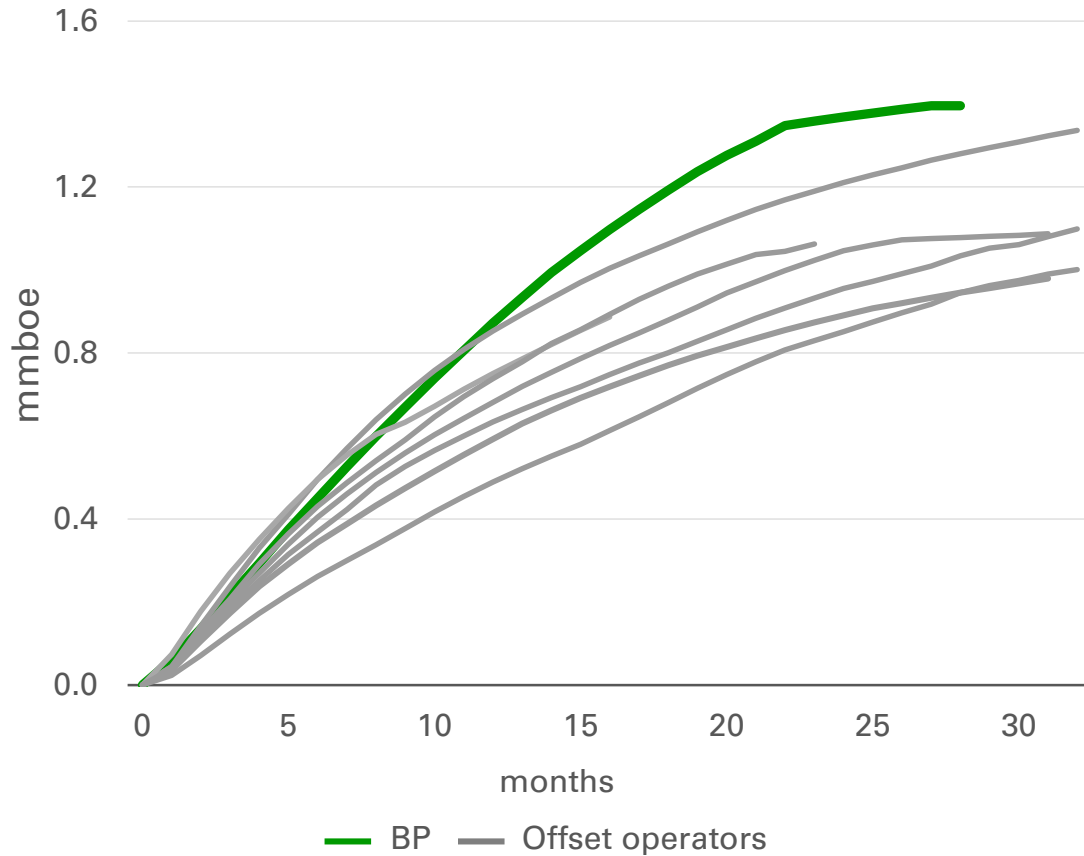


Proven track record

established top tier performance in legacy Southern Haynesville play

Average single well cumulative production

cumulative gross gas volume, mmoeb



BPX gross production in Haynesville

gross production, mboed, number of wells



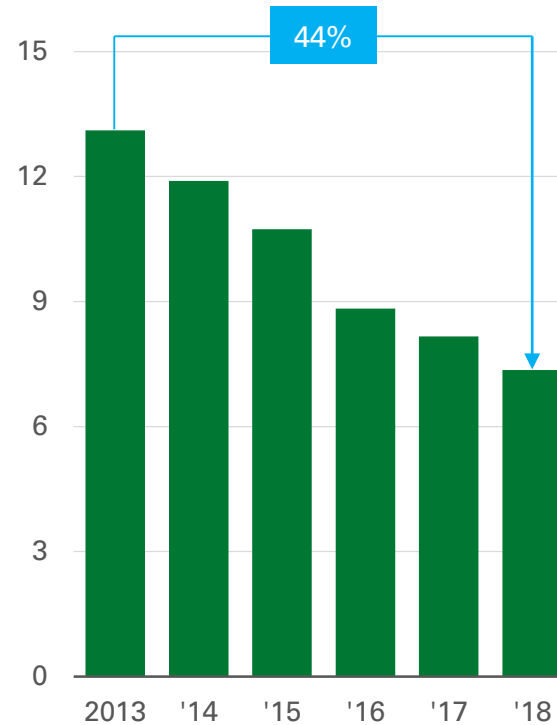
Proven track record

material cost reduction achieved through proprietary intelligent operations model

- **Traditional operating model:** disparate systems and data silo information require labor intensive processes to manage outcomes
- **Intelligent operations model**
 - Real time data aggregation
 - Analytics backed data visualisation
 - Advanced algorithms
 - Advanced technology (augmented reality, drones, smart glasses, etc)

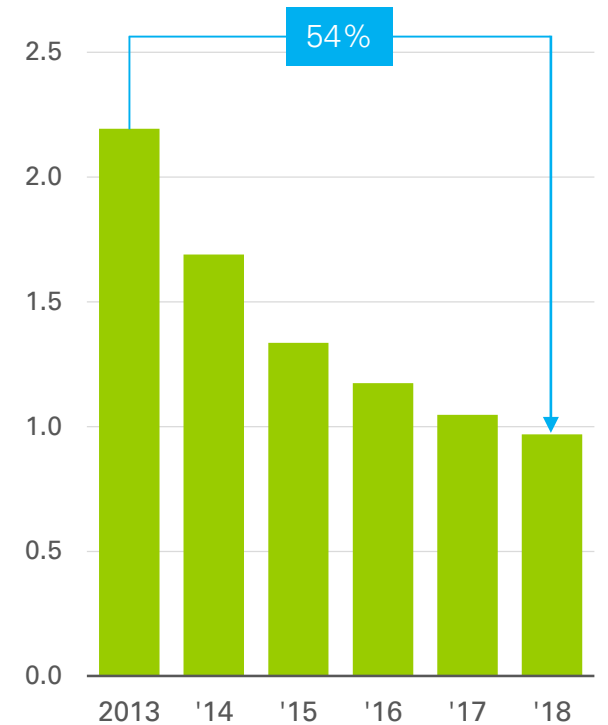
Company operated unit production costs

\$/bbl



Headcount

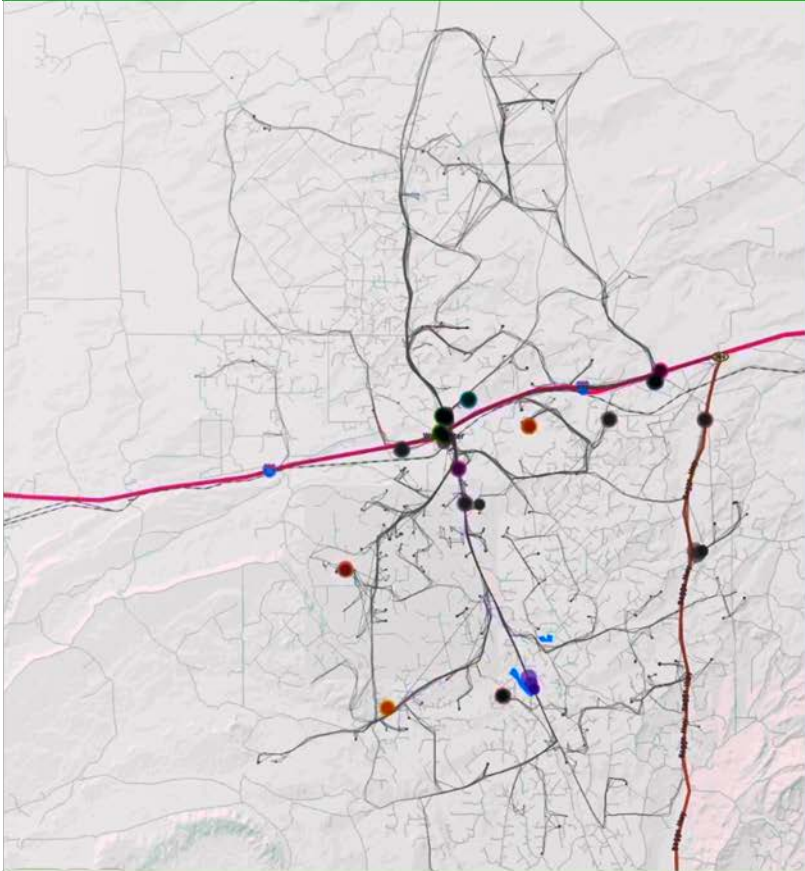
'000s



Intelligent operations example

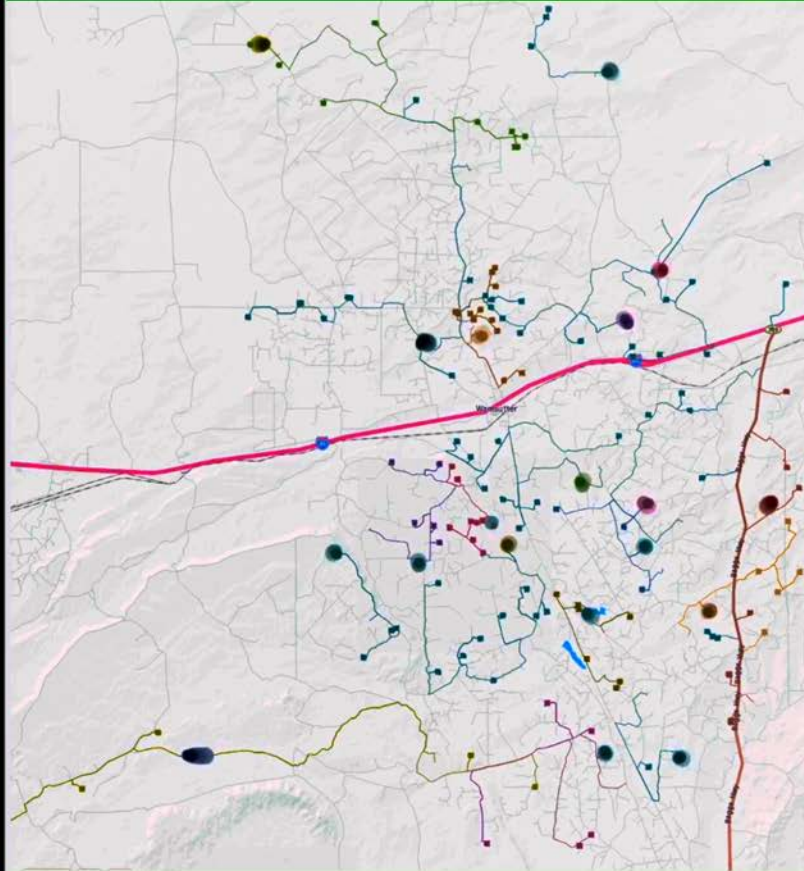
algorithm based work management system

Traditional operating model



▪ 40 workers performing 183 jobs

Algorithm-based BPX Arrow



▪ 23 workers performing 202 jobs

Proprietary system more efficiently manages workforce & activity

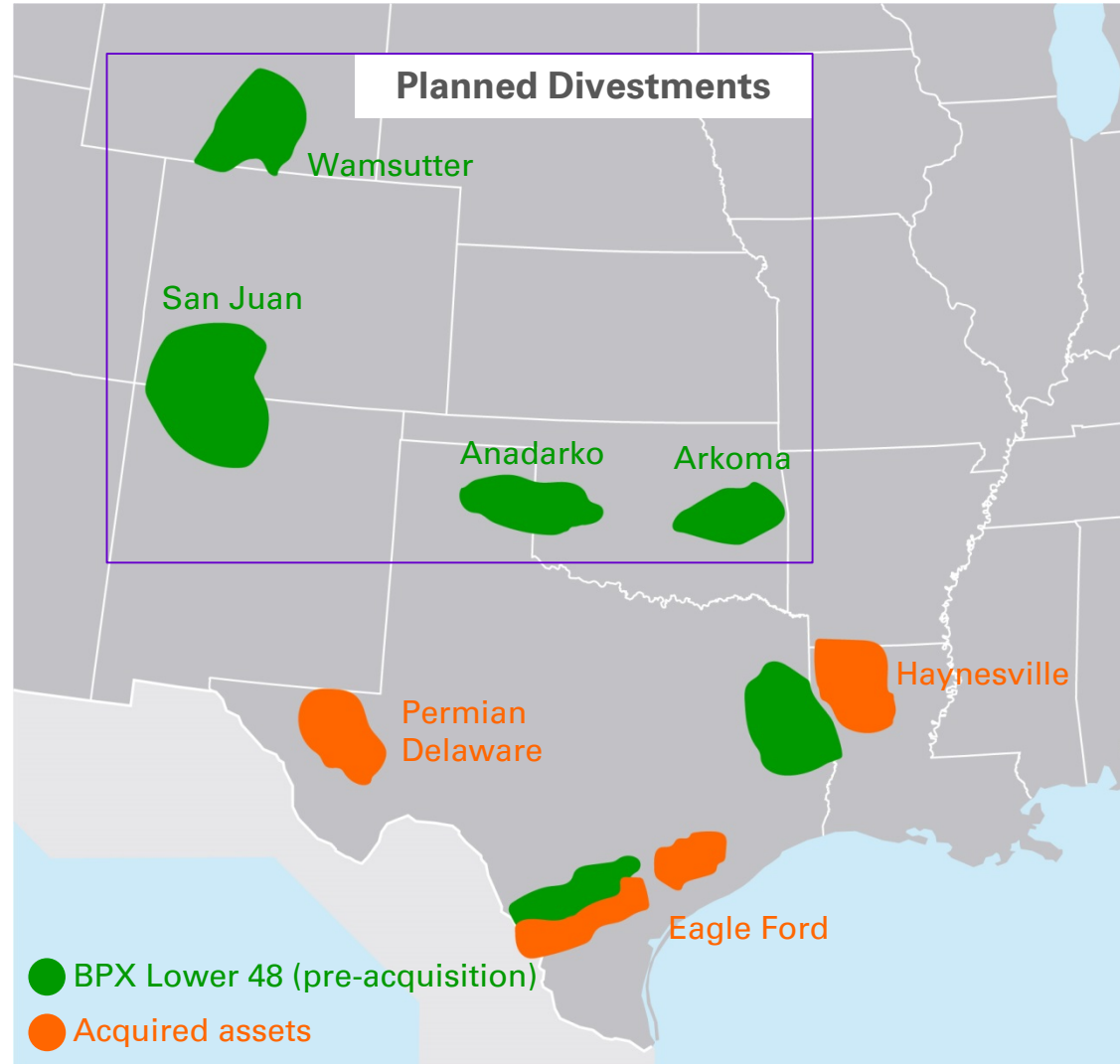
43% fewer workers doing 10% more work, with higher value

- Directly translates to acquired assets
- Creates value through cost savings and revenue maximisation

Near term development – Permian, Eagle Ford & Haynesville

2019 Plan

| | |
|--------------------------|------------------|
| 2019 capital | ~\$2bn |
| Rig count | 16 operated rigs |
| 2019 wells to be drilled | >250 |



2019-2021 Plan

| | |
|--------------|--|
| Capital p.a. | ~\$2-2.5bn |
| Rig count | 15-25 operated rigs |
| | <ul style="list-style-type: none"> ▪ 5-10 in Permian ▪ 5-6 in Eagle Ford ▪ 4-6 in Haynesville |

Transforming the portfolio

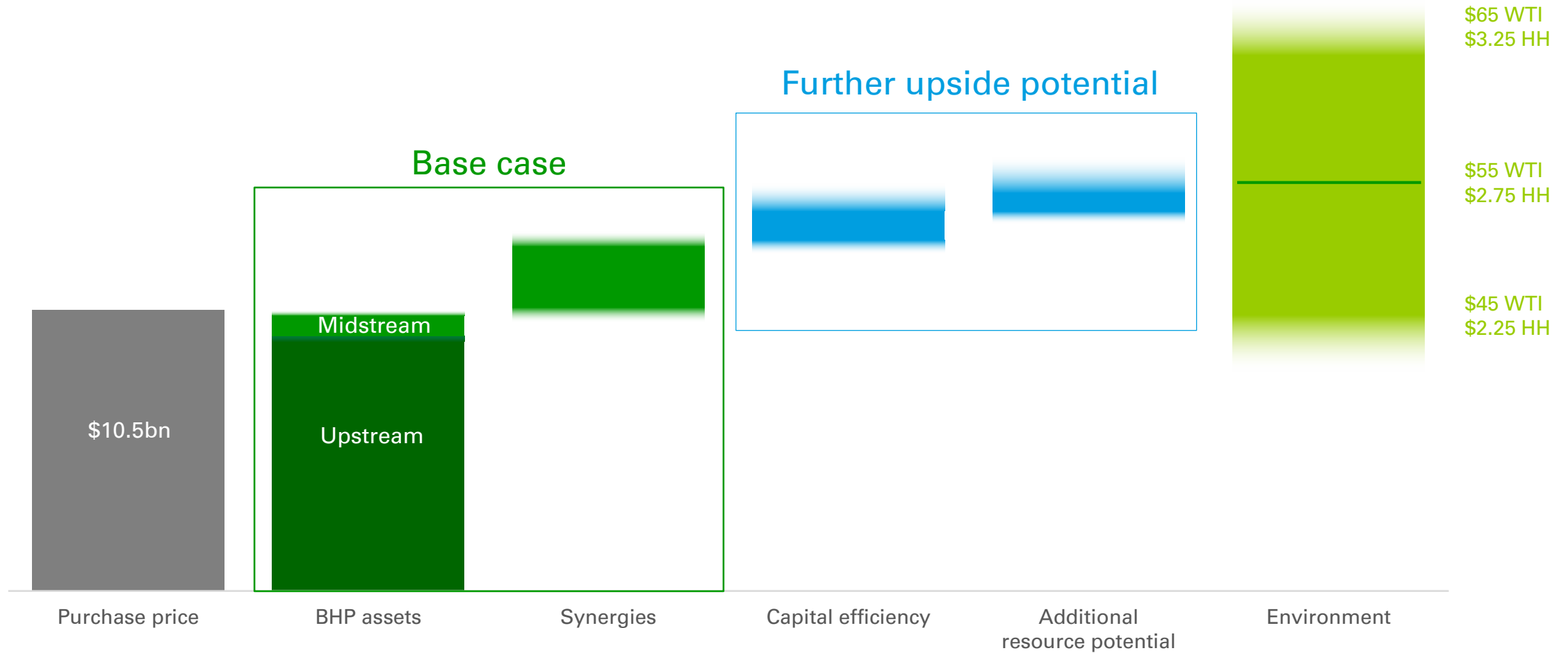
simplifying the business and increasing liquids production

| | BP Lower 48 before acquisition (2018) | BPX Energy post-integration (2021) |
|-------------------------|--|---------------------------------------|
| Operated wells | 9,400 | 3,500 |
| Basins | 6 | 3 |
| Capital budget | ~\$950m | ~\$2-2.5bn |
| Production ¹ | 315mboed | ~500mboed |
| Oil % of production mix | ~5% | ~25% |

(1) Net of legacy asset divestitures in 2019 and 2020

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