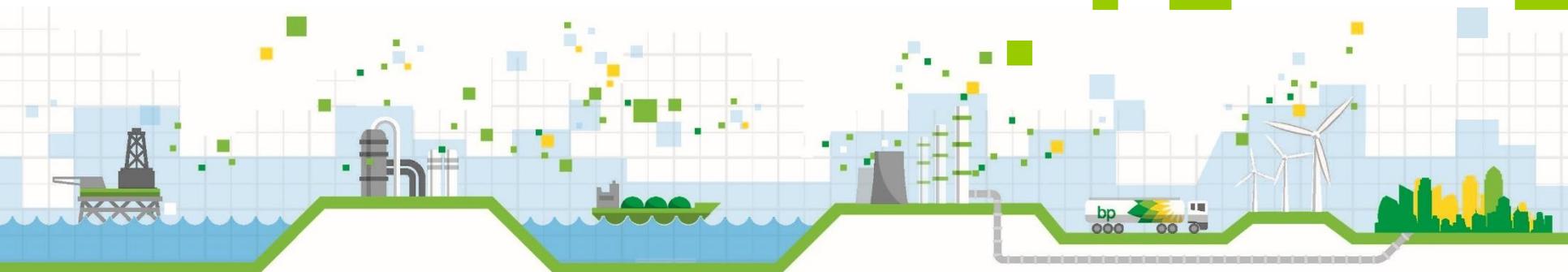




Flexible LNG market & spot trading

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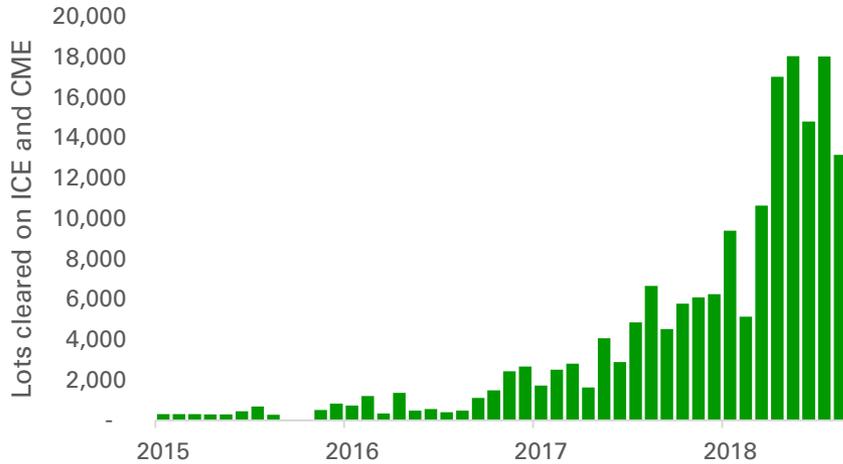
Participants should seek their own advice and guidance from appropriate legal, tax, financial and trading professionals when making decisions as to positions to take in the market.

Flexibility in LNG markets is increasing



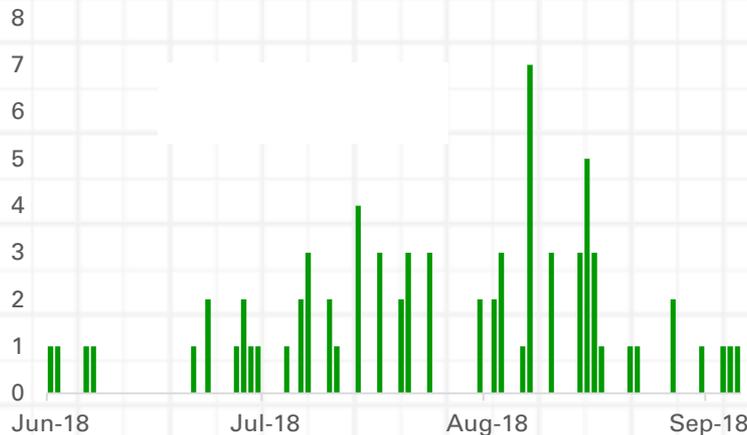
BP active in supporting and promoting increased flexibility

JKM Swaps cleared



*Jan-Aug 2018 volumes nearly quadrupling year-on-year

Firm bids and offers on LNG MOC



Progress

Growth in traded volume

Platts MOC launch increasing transparency

JKM Swaps volumes quadruple* increasing liquidity

BP promoting standard MSAs

Expiring heritage contracts – increasing flexible volumes

Barriers to increased flexibility are coming down but risks remain

Demand growth and security of supply – long term contract or spot?

Limited storage capacity

Source: Platts data, ICE, CME

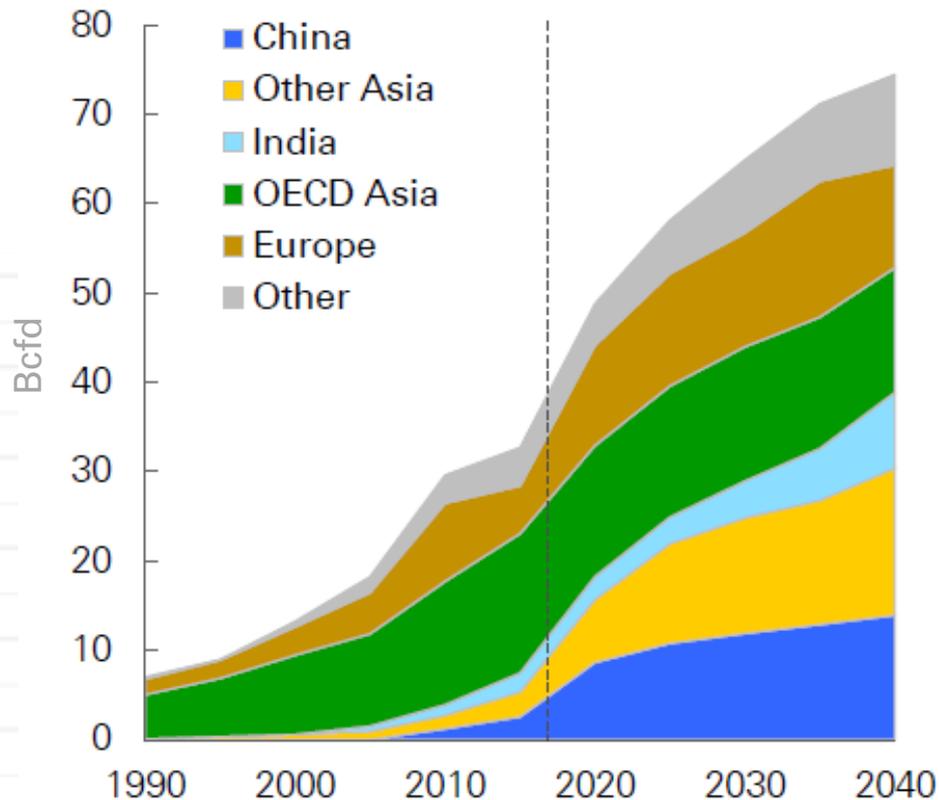
New markets important for growth

Rapid expansion creating opportunities and challenges



2018 BP Energy Outlook – LNG Imports

China makes up 27% of the global LNG demand growth from 2015 to 2040



Impact of increased demand in developing countries

Greater number of counterparties with varied experiences

Focus on cost competitiveness and LNG affordability

Financial and credit management

Innovative supply solutions

Opening up new markets can require downstream investments

Developing new markets

BP investing in flexible LNG-to-power solution in Brazil



Several BP LNG sources can supply the Port of Açú



- 3GW gas-fired power plant and FSRU LNG receiving terminal
- Partnership with Prumo Logistica and Siemens
- BP is the LNG supplier to the project
- Largest and newly-built port in South America adjacent to prolific offshore basins and economic heart of Brazil; licensed to scale up to 6.4 GW

