BP PLC
Form 6-K
April 30, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended 31 March 2019
Commission File Number 1-06262

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE PROSPECTUS INCLUDED IN THE REGISTRATION STATEMENT ON FORM F-3 (FILE NOS. 333-226485, 333-226485-01 AND 333-226485-02) OF BP p.l.c., BP CAPITAL MARKETS p.l.c. AND BP CAPITAL MARKETS AMERICA INC.; THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-67206) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-79399) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-103924) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-123482) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO.

333-123483) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-131583) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-131584) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-132619) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146868) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146870) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-146873) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-173136) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-177423) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-179406) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-186462) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-186463) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-199015) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-200794) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-200795) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-207188) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-207189) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-210316) OF BP p.l.c., THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-210318) OF BP p.l.c., AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

Table of contents

BP p.l.c. and subsidiaries
Form 6-K for the period ended 31 March 2019[(a)]

(a) In this Form 6-K, references to the first quarter 2019 and first quarter 2018 refer to the three-month periods ended 31 March 2019 and 31 March 2018 respectively.

(b) This discussion should be read in conjunction with the consolidated financial statements and related notes provided elsewhere in this Form 6-K and with the information, including the consolidated financial statements and related notes, in BP's Annual Report on Form 20-F for the year ended 31 December 2018.

Table of contents

Group results first quarter 2019

Highlights Resilient earnings and cash flow, continued strategic progress

- Earnings and cash flow

- Profit for the first quarter was $2.9 billion, compared with $2.5 billion for the same period in 2018. Underlying replacement cost profit for the quarter was $2.4 billion, compared to $2.6 billion a year earlier. The result reflected the weaker price and margin environment at the start of the quarter, partially offset by strong supply and trading results.
- Operating cash flow for the quarter was $5.3 billion including the impact of Gulf of Mexico oil spill payments(a). Gulf of Mexico oil spill payments in the quarter were $0.6 billion.
- Dividend of 10.25 cents a share announced for the quarter, 2.5% higher than a year earlier.

- New projects and marketing growth

- Reported oil and gas production for the quarter averaged 3.8 million barrels a day of oil equivalent. Upstream production, which excludes Rosneft, was 2% higher than a year earlier. BP-operated Upstream plant reliability was 96.2%.
- Integration of US onshore assets acquired from BHP continues, with BP taking operational control in March.
- Three Upstream major projects – in Trinidad, Egypt and the Gulf of Mexico – have started production in 2019 and BP has taken final investment decisions for three more Upstream major projects.
- Downstream continued growth in fuels marketing reflected increased numbers of convenience partnership sites and expansion in new markets.

- Advancing low carbon

- Strong progress is being made towards BP’s published targets for operational greenhouse gas (GHG) emissions, with reduced operational GHG emissions in 2018, good delivery of sustainable GHG emissions reductions, and methane intensity remaining on target.
- A $100-million fund to support new emissions-reducing projects in the Upstream was announced, as well as an agreement with Environmental Defense Fund to advance technologies and practices to reduce oil and gas industry methane emissions.

(a) Operating cash flow excluding Gulf of Mexico oil spill payments is a measure used by management and BP believes it is useful as it allows for meaningful comparisons between reporting periods. It is not however disclosed in this SEC filing because SEC regulations do not permit the inclusion of this non-GAAP metric.

Financial summary	First quarter	First quarter
$ million	2019	2018
Profit for the period attributable to BP shareholders	2,934	2,469
Inventory holding (gains) losses, before tax	(1,088)	(92)
Taxation charge (credit) on inventory holding gains and losses	249	12
RC profit	2,095	2,389
Net (favourable) adverse impact of non-operating items and fair value accounting effects, before tax	349	395
Taxation charge (credit) on non-operating items and fair value accounting effects	(86)	(198)
Underlying RC profit	2,358	2,586
Profit per ordinary share (cents)	14.54	12.40
Profit per ADS (dollars)	0.87	0.74
RC profit per ordinary share (cents)	10.38	11.99
RC profit per ADS (dollars)	0.62	0.72
Underlying RC profit per ordinary share (cents)	11.69	12.98
Underlying RC profit per ADS (dollars)	0.70	0.78

RC profit (loss) and underlying RC profit are non-GAAP measures. These measures and Upstream plant reliability, major projects, inventory holding gains and losses, non-operating items and fair value accounting effects are defined in the Glossary on page 34.

The commentary above and following should be read in conjunction with the cautionary statement on page 37.

Table of contents

Effects on key financial metrics of the adoption of IFRS 16 'Leases'
A new IFRS standard on leases came into effect on 1 January 2019. The impact on key financial metrics for the first quarter is shown below.

Balance sheet
As a result of the adoption of IFRS 16, $9.6 billion of right-of-use assets and $10.3 billion of lease liabilities have been included in the group balance sheet as at 31 March 2019. The majority of these were previously reported as operating leases and so were not previously recognized on the balance sheet. The total lease liability also includes leases that were previously classified as finance leases under IAS 17, which totalled $0.7 billion at 31 December 2018. Lease liabilities are now presented separately on the group balance sheet, do not form part of finance debt and are not included in net debt and gearing in the financial framework.

Income statement
The increase in depreciation from recognizing right-of-use assets and interest on the lease liability is largely offset by the absence of operating lease expenses, resulting in no material overall effect on group profit measures.

Cash flow
In prior years, operating lease payments were presented as operating cash flows* or capital expenditure*. Lease payments are now split into payments of principal that are presented as financing cash flows, and payments of interest that are presented as operating cash flows. There were $0.6 billion of lease payments of principal included within financing cash flows for the first quarter of 2019. BP estimates that $0.5 billion of these would have been reported as operating cash outflow and $0.1 billion would have been reported as capital expenditure without the adoption of IFRS 16.

$ billion	Impact of IFRS 16	
Balance sheet at 31 March 2019		
Fixed assets	9.6	
Lease liabilities	10.3	
Income statement for the first quarter 2019		
Operating lease expenses(a)	~0.6	–
Depreciation, depletion and amortization	0.5	+
Interest charge	0.1	+
Replacement cost profit*	Negligible	
Cash flow for the first quarter 2019		
Operating cash flow	~0.5	+
Capital expenditure	~0.1	+
Lease payments	0.6	–
Free cash flow*	Nil	

(a) Included in production and manufacturing expenses and distribution and administration expenses under IAS 17.

See pages 20-22, 25 and 27 for more information.

Table of contents

Group headlines

Results

BP's profit for the first quarter was $2,934 million, compared with $2,469 million for the same period in 2018.
For the first quarter, replacement cost (RC) profit* was $2,095 million, compared with $2,389 million in 2018.
Underlying RC profit* was $2,358 million, compared with $2,586 million in 2018. Underlying RC profit is after adjusting RC profit for a net charge for non-operating items* of $252 million and net adverse fair value accounting effects* of $11 million (both on a post-tax basis).
See further information on pages 6, 29 and 30.

Depreciation, depletion and amortization

The charge for depreciation, depletion and amortization was $4.5 billion in the quarter. In the same period in 2018 it was $3.9 billion (prior to the adoption of IFRS 16). In 2019, we expect the full-year charge to be around $2.5 billion higher than 2018 reflecting the depreciation of the right of use assets recognized under IFRS 16 (expected to be offset in the income statement as operating lease expenses will no longer appear in the income statement).

Non-operating items

Non-operating items amounted to a post-tax charge of $252 million for the quarter. See further information on page 29.

Effective tax rate

The effective tax rate (ETR) on the profit for the first quarter was 37%, compared with 35% for the same period in 2018.
The ETR on RC profit or loss* for the first quarter was 42%, compared with 36% for the same period in 2018.
Adjusting for non-operating items and fair value accounting effects, the underlying ETR* for the first quarter was 40%, compared with 37% for the same period a year ago. The higher underlying ETR for the first quarter reflects charges for adjustments in respect of prior years. In the current environment the underlying ETR in 2019 is expected to be around 40%. ETR on RC profit or loss and underlying ETR are non-GAAP measures.

Dividend

BP today announced a quarterly dividend of 10.25 cents per ordinary share ($0.615 per ADS), which is expected to be paid on 21 June 2019. The corresponding amount in sterling will be announced on 10 June 2019. See page 25 for further information.

Share buybacks

BP repurchased 6 million ordinary shares at a cost of $50 million, including fees and stamp duty, during the first quarter of 2019. Our share buyback programme is expected to be weighted to the second half of 2019 and to fully offset the impact of scrip dilution since the third quarter 2017 by the end of 2019.

Operating cash flow*

Operating cash flow was $5.3 billion in the first quarter including the impact of Gulf of Mexico oil spill payments of $0.6 billion. For the same period in 2018 we reported $3.6 billion (prior to the implementation of IFRS 16).

Capital expenditure*

Total capital expenditure for the first quarter was $5.6 billion. We reported $4.0 billion for the same period in 2018 (prior to the implementation of IFRS 16).
Organic capital expenditure* for the first quarter was $3.6 billion. We reported $3.5 billion for the same period in 2018 (prior to the implementation of IFRS 16).
Inorganic capital expenditure* for the first quarter was $2.0 billion, including $1.7 billion relating to the BHP acquisition, compared with $0.4 billion for the same period in 2018.
Organic capital expenditure and inorganic capital expenditure are non-GAAP measures. See page 28 for further information.

Divestment and other proceeds

Divestment proceeds* were $0.6 billion for the first quarter, compared with $0.2 billion for the same period in 2018.

Debt

Finance debt at 31 March 2019 was $66.0 billion, compared with $61.5 billion a year ago. Finance debt ratio* at 31 March 2019 was 39.0%, compared with 37.6% a year ago. Net debt* at 31 March 2019 was $45.1 billion, compared with $39.3 billion a year ago. Gearing* at 31 March 2019 was 30.4%, compared with 30.0% at the end of 2018 and 27.8% a year ago.

Net debt and gearing are non-GAAP measures. See page 25 for more information.

* For items marked with an asterisk throughout this document, definitions are provided in the Glossary on page 34.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 37.

Table of contents

Analysis of underlying RC profit* before interest and tax

$ million	First quarter 2019	First quarter 2018
Underlying RC profit before interest and tax		
Upstream	2,928	3,157
Downstream	1,733	1,826
Rosneft	567	247
Other businesses and corporate	(418)	(392)
Consolidation adjustment – UPII*	(13)	(160)
Underlying RC profit before interest and tax	4,797	4,678
Finance costs and net finance expense relating to pensions and other post-retirement benefits	(754)	(464)
Taxation on an underlying RC basis	(1,620)	(1,566)
Non-controlling interests	(65)	(62)
Underlying RC profit attributable to BP shareholders	2,358	2,586

Reconciliations of underlying RC profit or loss to the nearest equivalent IFRS measure are provided on page 3 for the group and on pages 9-14 for the segments.

Analysis of RC profit (loss)* before interest and tax and reconciliation to profit for the period

$ million	First quarter 2019	First quarter 2018
RC profit before interest and tax		
Upstream	2,884	3,174
Downstream	1,765	1,713
Rosneft	486	247
Other businesses and corporate	(546)	(571)
Consolidation adjustment – UPII	(13)	(160)
RC profit before interest and tax	4,576	4,403
Finance costs and net finance expense relating to pensions and other post-retirement benefits	(882)	(584)
Taxation on a RC basis	(1,534)	(1,368)
Non-controlling interests	(65)	(62)
RC profit attributable to BP shareholders	2,095	2,389
Inventory holding gains (losses)*	1,088	92
Taxation (charge) credit on inventory holding gains and losses	(249)	(12)
Profit for the period attributable to BP shareholders	2,934	2,469

Table of contents

Strategic progress

Upstream

Upstream production, excluding Rosneft, for the quarter was 2,656mboe/d, 2% higher than a year earlier due to acquisition of the BHP assets and growth of major projects*. Upstream plant reliability* was 96.2%. Upstream unit production costs* were $7.39/boe.

Constellation in the Gulf of Mexico was the first Upstream major project to come onstream in 2019, followed by the second stage of the West Nile Delta development, the Giza and Fayoum fields, in Egypt and the Angelin development offshore Trinidad. These are the first of five Upstream major projects expected to begin production in 2019. BP has now safely brought 22 new upstream major projects into production since 2016, remaining on track to deliver 900,000boe/d from new projects by 2021.

Since the start of the year, BP has taken final investment decisions on the Atlantis Phase 3 development in the Gulf of Mexico, Azeri Central East in Azerbaijan and Seagull in the UK North Sea.

On 1 March, BPX Energy assumed full control of the BHP acquired US field operations.

In March, BP confirmed a gas discovery, operated by Eni, in the Nour North Sinai offshore prospect in the Egyptian Eastern Mediterranean.

Downstream

Increased year-on-year fuels marketing earnings reflected higher premium fuels volumes and the continued roll-out of convenience partnership sites. Expansion in new markets continued, including new sites opening in Mexico, Indonesia and China.

In the quarter BP opened its first BP-branded retail site in Shandong Province, China.

BP and Lotte agreed an expansion of capacity at their joint venture acetyls petrochemicals site in South Korea, helping to meet growing regional demand.

BP also signed an agreement with Virent and Johnson Matthey to advance the development of bio-paraxylene, a raw material for the production of renewable polyester.

Advancing the energy transition

BP announced progress against its near-term targets for operational GHG emissions: 2018 operational emissions were 1.7 million tonnes CO_2 equivalent ($MteCO_2e$) lower than 2017; 2.5$MteCO_2e$ sustainable GHG emissions reductions have been generated throughout BP's operations since the beginning of 2016; and methane intensity was maintained at 0.2% in 2018.

At the end of the quarter BP announced the establishment of a new initiative under which up to $100-million will be made available over
the next three years to support projects across the Upstream to deliver new emissions reductions. BP has also entered into an agreement with Environmental Defense Fund to collaborate in development of technologies and practices to accelerate reduction of methane emissions across the oil and gas industry.

BP opened two dedicated electric vehicle charging stations in the quarter, the first in China, in partnership with 66i Fuel, and the second in the UK.

Financial framework

Following the introduction of IFRS 16, the positive impacts on Operating cash flow* and Organic capital expenditure* are fully offset in the cash flow statement by a new line, Lease liability payments. Lease payments are now included in the definition of free cash flow* as a use of cash, which means the net impact on this measure is zero following the adoption of IFRS 16.

Operating cash flow* was $5.3 billion for the first quarter of 2019, including Gulf of Mexico oil spill payments of $0.6 billion. For the first quarter of 2018, we reported $3.6 billion (prior to the implementation of IFRS 16).

Organic capital expenditure for the first quarter of 2019 was $3.6 billion. BP expects 2019 organic capital expenditure to be in the range of $15-17 billion.

Lease liability payments of principal for the first quarter of 2019 were $0.6 billion.

Divestments and other proceeds were $0.6 billion for the quarter.

Gulf of Mexico oil spill payments on a post-tax basis totalled $0.6 billion in the quarter. Payments for the full year are expected to be around $2 billion on a post-tax basis.

Gearing* at the end of the quarter was 30.4%. Assuming recent average oil prices, and in line with expected growth in free cash flow supported by divestment proceeds, we expect gearing to move towards the middle of our targeted range of 20-30% in 2020. See page 25 for more information.

Safety

BP has introduced a new safety operating metric including tier 2 as well as tier 1 process safety events, giving a wider view of process safety within BP's operations. The increase compared to the first quarter 2018 was mainly due to a higher number of tier 2 events.

Operating metrics	First quarter 2019 (vs. First quarter 2018)	Financial metrics	First quarter 2019 (vs. First quarter 2018)
Tier 1 and tier 2 process safety events*	28 (+15)	Underlying RC profit*[i]	$2.4bn (-$0.2bn)
Reported recordable injury frequency*	0.16 (-22%)	Operating cash flow excluding Gulf of Mexico oil spill payments (post-tax)	(c)
Group production	3,822mboe/d (+2.4%)	Organic capital expenditure[ii]	$3.6bn (+$0.1bn)
Upstream production (excludes Rosneft segment)	2,656mboe/d (+2.0%)	Gulf of Mexico oil spill payments (post-tax)	$0.6bn (-$1.1bn)
Upstream unit production costs(a)	$7.39/boe (-3.9%)	Divestment proceeds*	$0.6bn (+$0.4bn)
BP-operated Upstream plant reliability	96.2% (+0.3)	Gearing[iii]	30.4% (+2.6)
BP-operated refining availability*(b)	94.3% (-0.5)	Dividend per ordinary share(d)	10.25 cents (+2.5%)

(a) Broadly flat with the same period in 2018 after excluding the impacts of IFRS 16 on production costs.

(b) From the first quarter 2019 refining availability has changed to BP-operated refining availability to more closely align to the BP-operated upstream plant reliability measure.

(c) SEC regulations do not permit inclusion of this non-GAAP metric in this SEC filing. Operating cash flow excluding Gulf of Mexico oil spill payments is calculated by excluding post-tax payments relating to the Gulf of Mexico oil spill from net cash provided by operating activities,

7

Table of contents

as reported in the condensed group cash flow statement. For the first quarter, net cash provided by operating activities was $5.3 billion and post-tax Gulf of Mexico oil spill payments were $0.6 billion.

(d) Represents dividend announced in the quarter (vs. prior year quarter).

Nearest GAAP equivalent measures

i	Profit for the period:	$2.9bn
ii	Capital expenditure*:	$5.6bn
iii	Finance debt ratio*:	39.0%

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 37.

Table of contents

Upstream

$ million	First quarter 2019	First quarter 2018
Profit before interest and tax	2,886	3,175
Inventory holding (gains) losses*	(2)	(1)
RC profit before interest and tax	2,884	3,174
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	44	(17)
Underlying RC profit before interest and tax*(a)	2,928	3,157

(a) See page 10 for a reconciliation to segment RC profit before interest and tax by region.

Financial results

The replacement cost profit before interest and tax for the first quarter was $2,884 million, compared with $3,174 million for the same period in 2018. The first quarter included a net non-operating charge of $4 million, compared with a net charge of $104 million for the same period in 2018. Fair value accounting effects in the first quarter had an adverse impact of $40 million, compared with a favourable impact of $121 million in the same period of 2018.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the first quarter was $2,928 million, compared with $3,157 million for the same period in 2018. The result for the first quarter mainly reflected lower liquids realizations and the impact of turnaround activities in the US Gulf of Mexico, partly offset by strong gas marketing and trading.

Production

Production for the quarter was 2,656mboe/d, 2.0% higher than the first quarter of 2018. Underlying production* for the quarter decreased by 1.9%, mainly due to turnaround and maintenance activities in the US Gulf of Mexico and severe weather impacts in BPX Energy.

Key events

On 6 February, the Constellation development in the US Gulf of Mexico, a tieback to the Constitution spar, commenced production (Anadarko operator 33.33% and BP 66.67%).

On 11 February, BP confirmed it started gas production from the second stage of Egypt’s West Nile Delta development, in the Giza and Fayoum fields (BP operator 82.75% and DEA Deutsche Erdoel AG 17.25%).

On 26 February, BP announced first gas from the Angelin project in Trinidad.

On 1 March, BPX Energy assumed control of all Petrohawk Energy Corporation operations from BHP.

On 13 March, BP and Environmental Defense Fund announced a three-year strategic commitment to advance technologies and practices to reduce methane emissions from the global oil and gas supply chain.

On 14 March, BP confirmed a gas discovery in the Nour exploration prospect located in the Nour North Sinai Concession, located in the Eastern Egyptian Mediterranean (Eni operator 40%, BP 25%, Mubadala Petroleum 20% and Tharwa Petroleum 15%). The well is currently under evaluation.

On 26 March, BP announced that it has established a fund of up to $100-million to be made available over the next three years for projects that will deliver new greenhouse gas (GHG) emissions reductions in its Upstream oil and gas operations. The new Upstream carbon fund will provide further support to BP’s work in sustainably reducing GHG emissions in its operations.

In March, a final investment decision was made on Seagull, a development tieback in the Central UK North Sea (Neptune Energy operator 35%, BP 50% and Japan Petroleum Exploration Co. LTD. 15%).

In April, a final investment decision was made on the Azeri Central East (ACE) project, the next stage of the Azeri-Chirag-Deepwater Gunashli (ACG) field.

Outlook

Looking ahead, we expect second-quarter 2019 reported production to be broadly flat with the first quarter reflecting ramp up of major projects* offset by ongoing seasonal turnaround and maintenance activities in high margin regions.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 37.

Table of contents

Upstream (continued)

$ million	First quarter 2019	First quarter 2018
Underlying RC profit before interest and tax		
US	612	526
Non-US	2,316	2,631
	2,928	3,157
Non-operating items		
US	(30)	(145)
Non-US	26	41
	(4)	(104)
Fair value accounting effects		
US	(93)	(9)
Non-US	53	130
	(40)	121
RC profit before interest and tax		
US	489	372
Non-US	2,395	2,802
	2,884	3,174
Exploration expense		
US	25	309
Non-US	342	205
	367	514
Of which: Exploration expenditure written off	284	426
Production (net of royalties)(a)		
Liquids* (mb/d)		
US	455	448
Europe	159	139
Rest of World	685	731
	1,299	1,319
Of which equity-accounted entities	137	175
Natural gas (mmcf/d)		
US	2,310	1,790
Europe	145	217
Rest of World	5,417	5,456
	7,872	7,463
Of which equity-accounted entities	459	478
Total hydrocarbons* (mboe/d)		
US	853	757
Europe	184	177
Rest of World	1,619	1,672
	2,656	2,605
Of which equity-accounted entities	216	258
Average realizations*(b)		
Total liquids(c) ($/bbl)	56.47	61.40
Natural gas ($/mcf)	4.02	3.78
Total hydrocarbons ($/boe)	39.37	41.39

(a) Includes BP’s share of production of equity-accounted entities in the Upstream segment.

(b) Realizations are based on sales by consolidated subsidiaries only - this excludes equity-accounted entities.
(c) Includes condensate, natural gas liquids and bitumen.

Because of rounding, some totals may not agree exactly with the sum of their component parts.

Table of contents

Downstream

$ million	First quarter 2019	First quarter 2018
Profit (loss) before interest and tax	2,811	1,782
Inventory holding (gains) losses*	(1,046)	(69)
RC profit before interest and tax	1,765	1,713
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	(32)	113
Underlying RC profit before interest and tax*(a)	1,733	1,826

(a) See page 12 for a reconciliation to segment RC profit before interest and tax by region and by business.

Financial results

The replacement cost profit before interest and tax for the first quarter was $1,765 million, compared with $1,713 million for the same period in 2018.

The first quarter includes a net non-operating charge of $4 million, compared with a charge of $53 million for the same period in 2018. Fair value accounting effects had a favourable impact of $36 million in the first quarter, compared with an adverse impact of $60 million for the same period in 2018.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the first quarter was $1,733 million, compared with $1,826 million for the same period in 2018.

Replacement cost profit before interest and tax for the fuels, lubricants and petrochemicals businesses is set out on page 12.

Fuels

The fuels business reported an underlying replacement cost profit before interest and tax of $1,292 million for the first quarter, compared with $1,398 million for the same period in 2018. The year-on-year movement was driven by lower refining margins, partially offset by a strong contribution from supply and trading and higher fuels marketing earnings.

The refining result for the quarter reflects the impact of lower industry refining margins and narrower North American heavy crude oil discounts.

The fuels marketing result for the quarter primarily reflects year-on-year retail earnings growth, benefiting from higher premium volumes, the continued roll out of our convenience partnership model and further expansion in new markets, most notably Mexico.

In the quarter we opened our first BP-branded retail station in Shandong Province, through our joint venture with Dongming. This marks the start of our plan to add 1,000 new sites over the next five years to our existing network in China of more than 740 sites.

Lubricants

The lubricants business reported an underlying replacement cost profit before interest and tax of $272 million for the first quarter, compared with $331 million for the same period in 2018. The result for the quarter reflects continued adverse foreign exchange rate movements and one-off impacts related to the completion of a systems implementation.

Petrochemicals

The petrochemicals business reported an underlying replacement cost profit before interest and tax of $169 million for the first quarter, compared with $97 million for the same period in 2018. The result for the quarter reflects increased margin optimization and a lower level of turnaround activity.

In the quarter we agreed an expansion of capacity at our joint venture petrochemicals facility in South Korea which will help us to meet the region’s growing acetyls demand. We also continued to make progress in our commitment to a low carbon future, signing an agreement with Virent and Johnson Matthey to further advance the development of bio-paraxylene, a key raw material for the production of renewable polyester.

Outlook

Looking to the second quarter of 2019, we expect higher industry refining margins, a similar level of North American heavy crude oil discounts and a significantly higher level of turnaround activity.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 37.

Downstream (continued)

$ million	First quarter 2019	First quarter 2018
Underlying RC profit before interest and tax - by region		
US	531	589
Non-US	1,202	1,237
	1,733	1,826
Non-operating items		
US	1	(17)
Non-US	(5)	(36)
	(4)	(53)
Fair value accounting effects(a)		
US	61	(121)
Non-US	(25)	61
	36	(60)
RC profit before interest and tax		
US	593	451
Non-US	1,172	1,262
	1,765	1,713
Underlying RC profit before interest and tax - by business(b)(c)		
Fuels	1,292	1,398
Lubricants	272	331
Petrochemicals	169	97
	1,733	1,826
Non-operating items and fair value accounting effects(a)		
Fuels	37	(110)
Lubricants	(4)	(3)
Petrochemicals	(1)	—
	32	(113)
RC profit before interest and tax(b)(c)		
Fuels	1,329	1,288
Lubricants	268	328
Petrochemicals	168	97
	1,765	1,713
BP average refining marker margin (RMM)* ($/bbl)	10.2	11.7
Refinery throughputs (mb/d)		
US	735	715
Europe	767	797
Rest of World	237	249
	1,739	1,761
BP-operated refining availability* (%)	94.3	94.8
Marketing sales of refined products (mb/d)		
US	1,077	1,096
Europe	993	1,045
Rest of World	520	481

2,590