BP PLC
Form 6-K
October 31, 2017
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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 30 September 2017

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 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. 333-208478 AND 333-208478-01) OF BP CAPITAL MARKETS p.l.c. AND BP p.l.c.; 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.

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BP p.l.c. and subsidiaries

Form 6-K for the period ended 30 September 2017(a)

(a) In this Form 6-K, references to the nine months 2017 and nine months 2016 refer to nine-month periods ended 30 September 2017 and 30 September 2016 respectively. References to the third quarter 2017 and third quarter 2016 refer to the three-month periods ended 30 September 2017 and 30 September 2016 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 2016.

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Group results third quarter and nine months 2017

Highlights

Share buybacks announced to offset scrip dilution
Reported third quarter group oil and gas production up 14%

- Profit for the third quarter was $1.8 billion, compared with $144 million in previous quarter. Underlying replacement cost (RC) profit* for the third quarter was $1.9 billion, compared with $684 million in previous quarter.
- Third-quarter operating cash flow* was $6.0 billion after post-tax Gulf of Mexico oil spill expenditure of $0.6 billion.
- Dividend unchanged at 10 cents per share.
- Recommencing share buyback programme in fourth quarter to offset ongoing dilutive effect of scrip dividends over time.
- Reported group oil and gas production in the third quarter averaged 3.6 million barrels of oil equivalent a day, 14% higher than in the third quarter of 2016.
- Three Upstream major projects* began production in the quarter.
- Downstream underlying quarterly earnings were the highest for five years, second-highest on a RC basis.
- Around $4.5 billion in disposal proceeds are expected for full year 2017, with $1.0 billion received in first nine months.
- Proceeds expected in the fourth quarter include those from the SECCO transaction ($1.4 billion) and the initial public offering of BP Midstream Partners LP s common units ($0.7 billion).

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Profit (loss) for the period(a)	**1,769**	1,620	**3,362**	(382)
Inventory holding (gains) losses*, before tax	**(557)**	60	**(37)**	(996)
Taxation charge (credit) on inventory holding gains and losses	**167**	(19)	**19**	307
RC profit (loss)*	**1,379**	1,661	**3,344**	(1,071)
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*, before tax	**667**	(663)	**1,171**	6,265
	(181)	(65)	**(456)**	(3,009)

Taxation charge (credit) on non-operating items and fair value accounting effects				
Underlying RC profit	**1,865**	933	**4,059**	2,185
Profit (loss) per ordinary share (cents)	**8.95**	8.61	**17.10**	(2.05)
Profit (loss) per ADS (dollars)	**0.54**	0.52	**1.03**	(0.12)
RC profit (loss) per ordinary share (cents)*	**6.98**	8.82	**17.01**	(5.74)
RC profit (loss) per ADS (dollars)	**0.42**	0.53	**1.02**	(0.34)
Underlying RC profit per ordinary share (cents)*	**9.44**	4.96	**20.65**	11.70
Underlying RC profit per ADS (dollars)	**0.57**	0.30	**1.24**	0.70

(a) Profit attributable to BP shareholders.

*** See definitions in the Glossary on page 32. RC profit (loss) and underlying RC profit are non-GAAP measures.**

The commentary above and following should be read in conjunction with the cautionary statement on page 36.

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Group results third quarter and nine months 2017

Group headlines

Earnings

BP s profit for the third quarter and nine months was $1,769 million and $3,362 million respectively, compared with a profit of $1,620 million and a loss of $382 million for the same periods in 2016.

The third-quarter replacement cost (RC) profit was $1,379 million, compared with $1,661 million for the same period in 2016. After adjusting for a net charge for non-operating items of $274 million and net adverse fair value accounting effects of $212 million (both on a post-tax basis), underlying RC profit for the third quarter was $1,865 million, compared with $933 million for the same period in 2016.

For the nine months, RC profit was $3,344 million, compared with a loss of $1,071 million a year ago. After adjusting for a net charge for non-operating items of $794 million and net favourable fair value accounting effects of $79 million (both on a post-tax basis), underlying RC profit for the nine months was $4,059 million, compared with $2,185 million for the same period in 2016.

See further information on page 5.

Non-operating items

Non-operating items amounted to a charge of $385 million pre-tax and $274 million post-tax for the quarter and a charge of $1,297 million pre-tax and $794 million post-tax for the nine months. See further information on page 27.

Effective tax rate

The effective tax rate (ETR) on the profit or loss for the third quarter and nine months was 41% and 43% respectively, compared with -19% and 87% for the same periods in 2016. The ETR on RC profit or loss* for the third quarter and nine months was 43% for both periods, compared with -16% and 73% for the same periods in 2016. Adjusting for non-operating items and fair value accounting effects and the impact of the reduction in the rate of the UK North Sea supplementary charge in the third quarter 2016, the adjusted ETR* for the third quarter and nine months was 40% and 42% respectively, compared with 37% and 25% for the same periods in 2016.

The adjusted ETR for the third quarter and nine months is higher than a year ago mainly due to changes in the mix of profits, notably the impact of the renewal of our interest in the Abu Dhabi onshore oil concession. We continue to expect the full year adjusted ETR to be above 40%. ETR on RC profit or loss and adjusted ETR are non-GAAP measures. See further information on page 32.

Dividend

BP today announced a quarterly dividend of 10.00 cents per ordinary share ($0.600 per ADS), which is expected to be paid on 21 December 2017. The corresponding amount in sterling will be announced on 11 December 2017. See page 24 for further information.

Share buybacks

BP will recommence a share buyback programme in the fourth quarter, intended to offset the ongoing dilutive effect of scrip dividends over time. The programme will not necessarily match the dilution on a quarterly basis but will reflect the ongoing judgement of various factors including changes in the price environment, the underlying performance of the business, the outlook for the group s financial framework and other market factors which may vary from quarter to quarter.

Operating cash flow*

Operating cash flow for the third quarter and nine months was $6.0 billion and $13.0 billion respectively, after post-tax expenditure relating to the Gulf of Mexico oil spill of $0.6 billion and $4.9 billion. For the same periods in 2016 the equivalent amounts were $2.5 billion and $8.3 billion, after post-tax Gulf of Mexico oil spill expenditure of $2.3 billion and $4.8 billion.

Capital expenditure*

Total capital expenditure for the third quarter and nine months was $4.5 billion and $13.0 billion respectively, compared with $3.6 billion and $12.5 billion for the same periods in 2016.

Organic capital expenditure* for the third quarter and nine months was $4.0 billion and $11.9 billion respectively, compared with $3.5 billion and $12.2 billion for the same periods in 2016.

Inorganic capital expenditure* for the third quarter and nine months was $0.5 billion and $1.1 billion respectively, compared with $0.05 billion, and $0.3 billion for the same periods in 2016.

Organic and inorganic capital expenditure are non-GAAP measures. See page 26 for further information.

Divestment proceeds*

Divestment proceeds were $0.2 billion for the third quarter and $1.0 billion for the nine months, compared with $0.6 billion and $2.2 billion for the same periods in 2016.

Debt

Gross debt at 30 September 2017 was $65.8 billion compared with $59.0 billion a year ago. The ratio of gross debt to gross debt plus equity at 30 September 2017 was 39.6%, compared with 38.9% a year ago.

Net debt* at 30 September 2017 was $39.8 billion, compared with $32.4 billion a year ago. The net debt ratio* at 30 September 2017 was 28.4%, compared with 25.9% a year ago. Net debt and the net debt ratio are non-GAAP measures. See page 25 for more information.

The commentary above should be read in conjunction with the cautionary statement on page 36.

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Group results third quarter and nine months 2017

Analysis of underlying RC profit before interest and tax

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Underlying RC profit before interest and tax*				
Upstream	**1,562**	(224)	**3,642**	(942)
Downstream	**2,338**	1,431	**5,493**	4,757
Rosneft	**137**	120	**515**	432
Other businesses and corporate	**(398)**	(260)	**(1,204)**	(814)
Consolidation adjustment UPII*	**(130)**	17	**(63)**	(64)
Underlying RC profit before interest and tax	**3,509**	1,084	**8,383**	3,369
Finance costs and net finance expense relating to pensions and other post-retirement benefits	**(444)**	(358)	**(1,251)**	(1,012)
Taxation on an underlying RC basis	**(1,212)**	164	**(3,030)**	(161)
Non-controlling interests	**12**	43	**(43)**	(11)
Underlying RC profit attributable to BP shareholders	**1,865**	933	**4,059**	2,185

Reconciliations of underlying RC profit or loss to the nearest equivalent IFRS measure are provided on page 3 for the group and on pages 8-13 for the segments.

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

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
RC profit (loss) before interest and tax*				
Upstream	**1,242**	1,196	**3,293**	(118)
Downstream	**2,175**	978	**5,448**	4,263
Rosneft	**137**	120	**515**	432
Other businesses and corporate(a)	**(460)**	(441)	**(1,612)**	(7,040)
Consolidation adjustment UPII	**(130)**	17	**(63)**	(64)
RC profit (loss) before interest and tax	**2,964**	1,870	**7,581**	(2,527)
Finance costs and net finance expense relating to pensions and other post-retirement benefits	**(566)**	(481)	**(1,620)**	(1,381)
Taxation on a RC basis	**(1,031)**	229	**(2,574)**	2,848
Non-controlling interests	**12**	43	**(43)**	(11)
RC profit (loss) attributable to BP shareholders	**1,379**	1,661	**3,344**	(1,071)

Inventory holding gains (losses)	**557**	(60)	**37**	996
Taxation (charge) credit on inventory holding gains and losses	**(167)**	19	**(19)**	(307)
Profit (loss) for the period attributable to BP shareholders	**1,769**	1,620	**3,362**	(382)

(a) Includes costs related to the Gulf of Mexico oil spill. See page 13 and also Note 2 from page 19 for further information on the accounting for the Gulf of Mexico oil spill.

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Group results third quarter and nine months 2017

Strategic progress

Upstream

Three Upstream major projects, the Persephone project in Australia, the Juniper project in Trinidad, and the first phase of the Khazzan tight gas development in Oman, all started production in the third quarter. Six of the seven major projects BP expects to start production in 2017 are now online. The seventh, Zohr in Egypt, is on track to start up before the end of the year.

The delivery of the major projects continues to underpin Upstream production growth. Over the first nine months of 2017, Upstream production - which excludes Rosneft - was 10% higher than in the same period in 2016. Upstream unit production costs* are also 16% lower than the prior year, benefiting from production growth and continued focus on cost discipline.

In September, BP, together with our partners, extended the production-sharing agreement* (PSA) for the Azeri, Chirag and Deep Water Gunashli fields (ACG) in Azerbaijan by 25 years to the end of 2049.

Downstream

BP delivered double digit earnings growth from fuels marketing in the first nine months - premium fuel sales volumes have continued to grow and BP s convenience partnership model has been rolled out to more than 170 retail sites worldwide so far this year. In lubricants, BP renewed its global partnership and supply agreement with Volvo Car Group.

In manufacturing, both refining and petrochemicals have grown earnings, with our US refineries processing record levels of advantaged crude.

Financial framework

Operating cash flow* in the third quarter, after post-tax expenditure relating to the Gulf of Mexico oil spill of $0.6 billion, was $6.0 billion, with $13.0 billion for the first nine months of 2017, after post-tax expenditure relating to the Gulf of Mexico oil spill of $4.9 billion. This compares with $8.3 billion for the first nine months of 2016, after post-tax Gulf of Mexico oil spill expenditure of $4.8 billion.

Organic capital expenditure* of $4.0 billion in the third quarter brought the total for the first nine months to $11.9 billion. BP now expects total organic capital expenditure for 2017 will be around $16 billion, within the $15-17 billion range previously indicated.

Divestment proceeds*, as per the cash flow statement, for the first nine months of 2017 were $1.0 billion.

Significant proceeds are expected to be received in the fourth quarter, including those from the sale of BP s interest in the SECCO joint venture in China ($1.4 billion) and from the initial public offering of BP Midstream Partners LP s common units ($0.7 billion). Total proceeds in 2017 are expected to be around $4.5 billion.

Gulf of Mexico oil spill payments were $0.6 billion in the third quarter, significantly lower than in the first two quarters of the year. Payments over the first nine months of 2017 were $4.9 billion; for the full year payments are now expected to be around $5.5 billion.

BP continues to target a **gearing*** range of 20-30%. At the end of the third quarter, gearing was 28.4%.

Operating metrics	**Nine months 2017** (vs. Nine months 2016)	**Financial metrics**	**Nine months 2017** (vs. Nine months 2016)
Safety **Tier 1 process safety events***	**12** (-1)	**Underlying RC profit**[i]	**$4.1bn** (+$1.9bn)
Safety **Reported recordable injury frequency***	**0.21** (-4%)	**Operating cash flow excluding Gulf of Mexico oil spill payments**	(b)
Group production	**3,557mboe/d** (+10%)	**Organic capital expenditure**[ii]	**$11.9bn** (-$0.3bn)
Upstream production (excludes Rosneft segment)	**2,427mboe/d** (+10%)	**Gulf of Mexico oil spill payments**	**$4.9bn** (+$0.03bn)
Upstream unit production costs*	**$7.17/boe** (-16%)	**Divestment proceeds**	**$1.0bn** (-$1.2bn)
BP-operated Upstream operating efficiency*[(a)]	**80.4%**	**Net debt ratio (gearing)**[iii]	**28.4%** (+2.5)
Refining availability*	**95.0%** (-0.4)	**Dividend per ordinary Share**[(c)]	**10.00 cents** (-)

(a) Reported on a one-quarter lagged basis and represents first half 2017 actuals only.
(b) 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 expenditure relating to the Gulf of Mexico oil spill from net cash provided by operating activities, as reported in the condensed group cash flow statement. For the nine months, net cash provided by operating activities was $6.0 billion and post-tax Gulf of Mexico oil spill expenditure was $0.6 billion.
(c) Represents dividend announced in the quarter (vs. prior year quarter).

Nearest GAAP equivalent measures		
i Profit for the period	:	**$3.4bn**
ii Capital expenditure*	:	**$13.0bn**
iii Gross debt ratio	:	**39.6%**

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

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Group results third quarter and nine months 2017

Upstream

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Profit (loss) before interest and tax	**1,255**	1,183	**3,301**	(77)
Inventory holding (gains) losses*	**(13)**	13	**(8)**	(41)
RC profit (loss) before interest and tax	**1,242**	1,196	**3,293**	(118)
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	**320**	(1,420)	**349**	(824)
Underlying RC profit (loss) before interest and tax*(a)	**1,562**	(224)	**3,642**	(942)

(a) See page 9 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 third quarter and nine months was $1,242 million and $3,293 million respectively, compared with a profit of $1,196 million and a loss of $118 million for the same periods in 2016. The third quarter and nine months included a net non-operating charge of $146 million and $527 million respectively, compared with a net non-operating gain of $1,465 million and $1,117 million for the same periods in 2016. Fair value accounting effects in the third quarter and nine months had an adverse impact of $174 million and a favourable impact of $178 million respectively, compared with an adverse impact of $45 million and $293 million in the same periods of 2016.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the third quarter and nine months was $1,562 million and $3,642 million respectively, compared with a loss of $224 million and a loss of $942 million for the same periods in 2016. The result for the third quarter mainly reflected higher liquids and gas realizations, higher production including the impact of the Abu Dhabi concession renewal and major project start-ups, and lower exploration write-offs, partly offset by higher depreciation, depletion and amortization. The result for the nine months reflected higher liquids and gas realizations, and higher production including the impact of the Abu Dhabi concession renewal and major project start-ups, partly offset by higher depreciation, depletion and amortization, and higher exploration write-offs.

Production

Production for the quarter was 2,462mboe/d, 16.3% higher than the third quarter of 2016. Underlying production* for the quarter increased by 10.9%, due to the ramp-up of major projects. For the nine months, production was 2,427mboe/d, 9.6% higher than in the same period of 2016. Nine months underlying production was 6.7% higher than the same period of 2016 due to major project start-ups.

Key events

On 7 August, BP announced that it has brought online a natural gas well (BP 100%) in the Mancos Shale, New Mexico in the US Lower 48, highlighting the potential of the field to be a significant new source of US natural gas supply.

On 14 August, BP Trinidad and Tobago announced first gas from the Juniper development in Trinidad. On the same day, BP confirmed that production has started from the Persephone project off the coast of Western Australia (Woodside operator, BP 16.67%).

On 11 September, BP announced an agreement with Bridas Corporation to form a new integrated energy company in Argentina, Pan American Energy Group (PAEG), by combining their interests in the oil and gas producer Pan American Energy with the refining and marketing company Axion Energy in a cash-free transaction. PAEG will be owned equally by BP and Bridas Corporation.

On 14 September, the joint development and production-sharing agreement* (PSA) for the Azeri, Chirag fields and the Deep Water Portion of the Gunashli field in the Azerbaijan sector of the Caspian Sea (ACG PSA) was extended by signing an amended and restated PSA between the State Oil Company of the Republic of Azerbaijan (SOCAR) and the contractor parties. The renewed PSA, expected to be ratified by the Azerbaijani parliament before year end, extends the PSA s term by 25 years to 2049 and includes an improved contractor parties profit share at a fixed rate of 25%. Under the terms of the agreement, BP s interest changes from 35.78% to 30.37% from the agreement s effective date following ratification, with a bonus of $1.46 billion (BP net), payable to the government of Azerbaijan in equal instalments over 8 years.

On 25 September, BP, together with the Ministry of Oil & Gas of the Sultanate of Oman, announced that first gas had been achieved from the Khazzan gas field (BP operator 60%, Oman Oil Company 40%).

On 24 October, Aker BP ASA (Aker BP), in which BP holds a 30% ownership interest, announced an agreement to acquire Hess Norge AS. Upon completion of the transaction, Aker BP will become the sole owner of the Valhall and Hod fields. This transaction is subject to regulatory approvals.

On 27 October, BP won two licences in the third Pre-Salt Bid Round in Brazil, the Alto De Cabo Frio Central block (Petrobras operator 50%, BP 50%), and the Peroba block (Petrobras operator 40%, BP 40%, and China National Petroleum Corporation 20%).

Outlook

Looking ahead, we expect fourth-quarter reported production to be higher than the third quarter reflecting the continued ramp-up of major projects and recovery from seasonal turnaround and maintenance activities.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

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Group results third quarter and nine months 2017

Upstream (continued)

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Underlying RC profit (loss) before interest and tax				
US	**264**	(151)	**609**	(1,123)
Non-US	**1,298**	(73)	**3,033**	181
	1,562	(224)	**3,642**	(942)
Non-operating items(a)				
US(b)	**(97)**	326	(143)	106
Non-US(c)(d)	**(49)**	1,139	(384)	1,011
	(146)	1,465	**(527)**	1,117
Fair value accounting effects				
US	**(100)**	(15)	**184**	(105)
Non-US	**(74)**	(30)	**(6)**	(188)
	(174)	(45)	**178**	(293)
RC profit (loss) before interest and tax				
US	**67**	160	**650**	(1,122)
Non-US	**1,175**	1,036	**2,643**	1,004
	1,242	1,196	**3,293**	(118)
Exploration expense				
US(b)	**190**	22	**255**	182
Non-US(d)(e)	**107**	781	**1,304**	1,225
	297	803	**1,559**	1,407
Of which: Exploration expenditure written off(b)(d)(e)	**217**	687	**1,231**	1,108
Production (net of royalties)(f)				
Liquids*(g) (mb/d)				
US	**408**	353	**425**	386
Europe	**123**	112	**120**	119
Rest of World(g)	**809**	669	**816**	714
	1,341	1,134	**1,360**	1,219
Of which equity-accounted entities	**205**	177	**207**	175
Natural gas (mmcf/d)				
US	**1,703**	1,679	**1,625**	1,649
Europe	**217**	262	**251**	263
Rest of World	**4,581**	3,753	**4,311**	3,867
	6,502	5,695	**6,187**	5,779
Of which equity-accounted entities	**562**	495	**552**	486
Total hydrocarbons*(g) (mboe/d)				

US	**702**	643	**705**	670
Europe	**161**	157	**163**	164
Rest of World(g)	**1,599**	1,316	**1,559**	1,381
	2,462	2,116	**2,427**	2,215
Of which equity-accounted entities	**302**	262	**302**	258
Average realizations*(h)				
Total liquids(g)(i) ($/bbl)	**47.45**	40.99	**47.87**	36.50
Natural gas ($/mcf)	**2.89**	2.77	**3.18**	2.76
Total hydrocarbons(g) ($/boe)	**33.23**	29.37	**34.63**	27.20

(a) Third quarter and nine months 2016 principally relate to impairment reversals in Angola and the North Sea.
(b) Third quarter and nine months 2017 include the write-off of $145 million in relation to the value ascribed to certain licences in the deepwater Gulf of Mexico as part of the accounting for the acquisition of upstream assets from Devon Energy in 2011. This has been classified within the other category of non-operating items.
(c) Nine months 2017 includes an impairment charge arising following the announcement on 3 April 2017 of the agreement to sell the Forties Pipeline System business to INEOS.
(d) Third quarter and nine months 2016 include $601 million of exploration write-offs relating to a licence in Brazil, of which $334 million relates to the value ascribed to the licence when acquired from Devon Energy in 2011, and has been classified within the other category of non-operating items.
(e) Nine months 2017 includes the write-off of exploration well and lease costs in Angola and the write-off of exploration well costs in Egypt.
(f) Includes BP s share of production of equity-accounted entities in the Upstream segment.
(g) A minor adjustment has been made to comparative periods in 2016. See page 31 for more information.
(h) Realizations are based on sales by consolidated subsidiaries only this excludes equity-accounted entities.
(i) Includes condensate, natural gas liquids and bitumen.

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

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Group results third quarter and nine months 2017

Downstream

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Profit (loss) before interest and tax	**2,695**	943	**5,487**	5,189
Inventory holding (gains) losses*	**(520)**	35	**(39)**	(926)
RC profit before interest and tax	**2,175**	978	**5,448**	4,263
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	**163**	453	**45**	494
Underlying RC profit before interest and tax*[(a)]	**2,338**	1,431	**5,493**	4,757

(a) See page 11 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 third quarter and nine months was $2,175 million and $5,448 million respectively, compared with $978 million and $4,263 million for the same periods in 2016.

The third quarter and nine months include a net non-operating charge of $55 million and a net non-operating gain of $7 million respectively, compared with a net non-operating charge of $196 million and a net non-operating gain of $53 million for the same periods in 2016. Fair value accounting effects had an adverse impact of $108 million in the third quarter and $52 million for the nine months, compared with an adverse impact of $257 million and $547 million for the same periods in 2016.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the third quarter and nine months was $2,338 million and $5,493 million respectively, compared with $1,431 million and $4,757 million for the same periods in 2016.

Replacement cost profit before interest and tax for fuels, lubricants and petrochemicals is set out on page 11.

Fuels business

The fuels business reported an underlying replacement cost profit before interest and tax of $1,788 million for the third quarter and $3,896 million for the nine months, compared with $983 million and $3,310 million for the same periods in 2016 driven by higher refining and fuels marketing results. The result for the quarter also reflects an improved contribution from supply and trading. The contribution was however lower for the nine months compared to last year.

The refining result for the quarter and nine months reflects continued strong operational performance, capturing higher industry refining margins which were partially offset by narrower North American heavy crude oil differentials. The result also benefited from increased commercial optimization and higher levels of advantaged feedstock processed in the US. The nine-months result also reflects the impact of a higher level of planned turnaround activity.

The fuels marketing result for both the quarter and nine months reflects continued profit growth supported by higher premium volume and the continued rollout of our convenience partnership sites.

On 30 October, we completed the initial public offering of common units in our subsidiary, BP Midstream Partners LP. As a result of the initial public offering, we received net proceeds of around $0.7 billion.

Lubricants business

The lubricants business reported an underlying replacement cost profit before interest and tax of $356 million for the third quarter and $1,104 million for the nine months, compared with $370 million and $1,166 million for the same periods in 2016. The result for the quarter and nine months reflects continued premium brand growth, more than offset by the impact of higher base oil prices due to temporary supply constraints and increasing crude oil prices.

Petrochemicals business

The petrochemicals business reported an underlying replacement cost profit before interest and tax of $194 million for the third quarter and $493 million for the nine months, compared with $78 million and $281 million for the same periods in 2016. The result for the quarter and nine months reflects an improved margin environment, stronger margin optimization and lower costs reflecting the continued benefits from our simplification and efficiency programmes.

In April, we announced our intention to divest our 50% shareholding in our Shanghai SECCO Petrochemical Company Limited joint venture in China. The transaction is expected to complete in the fourth quarter. As a result, the asset relating to our shareholding has been classified as held for sale in the group balance sheet at 30 September 2017.

Outlook

While industry refining margins have remained robust coming into the fourth quarter, we would expect a normal seasonal decline compared with the third quarter. In the fourth quarter, we also expect a higher level of turnaround activity.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

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Group results third quarter and nine months 2017

Downstream (continued)

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Underlying RC profit before interest and tax - by region				
US	**640**	298	**1,477**	1,224
Non-US	**1,698**	1,133	**4,016**	3,533
	2,338	1,431	**5,493**	4,757
Non-operating items				
US	**(39)**	(56)	**(23)**	74
Non-US	**(16)**	(140)	**30**	(21)
	(55)	(196)	**7**	53
Fair value accounting effects				
US	**20**	(178)	**(32)**	(343)
Non-US	**(128)**	(79)	**(20)**	(204)
	(108)	(257)	**(52)**	(547)
RC profit before interest and tax				
US	**621**	64	**1,422**	955
Non-US	**1,554**	914	**4,026**	3,308
	2,175	978	**5,448**	4,263
Underlying RC profit before interest and tax - by business(a)(b)				
Fuels	**1,788**	983	**3,896**	3,310
Lubricants	**356**	370	**1,104**	1,166
Petrochemicals	**194**	78	**493**	281
	2,338	1,431	**5,493**	4,757
Non-operating items and fair value accounting effects(c)				
Fuels	**(154)**	(455)	**9**	(493)
Lubricants	**(3)**	1	**(8)**	(3)
Petrochemicals	**(6)**	1	**(46)**	2
	(163)	(453)	**(45)**	(494)
RC profit before interest and tax(a)(b)				
Fuels	**1,634**	528	**3,905**	2,817
Lubricants	**353**	371	**1,096**	1,163
Petrochemicals	**188**	79	**447**	283
	2,175	978	**5,448**	4,263
BP average refining marker margin (RMM)* ($/bbl)	**16.3**	11.6	**14.0**	12.0
Refinery throughputs (mb/d)				

US	**737**	613	**713**	660
Europe	**768**	795	**784**	802
Rest of World	**240**	242	**207**	237
	1,745	1,650	**1,704**	1,699
Refining availability* (%)	**95.3**	95.4	**95.0**	95.4
Marketing sales of refined products (mb/d)				
US	**1,186**	1,205	**1,160**	1,130
Europe	**1,204**	1,236	**1,143**	1,184
Rest of World	**480**	503	**496**	502
	2,870	2,944	**2,799**	2,816
Trading/supply sales of refined products	**3,088**	2,581	**3,015**	2,755
Total sales volumes of refined products	**5,958**	5,525	**5,814**	5,571
Petrochemicals production (kte)				
US	**617**	564	**1,787**	2,018
Europe	**1,285**	898	**3,903**	2,799
Rest of World	**2,025**	1,987	**6,099**	5,863
	3,927	3,449	**11,789**	10,680

(a) Segment-level overhead expenses are included in the fuels business result.

(b) BP s share of income from petrochemicals at our Gelsenkirchen and Mülheim sites in Germany is reported in the fuels business.

(c) For Downstream, fair value accounting effects arise solely in the fuels business.

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Group results third quarter and nine months 2017

Rosneft

$ million	Third quarter 2017(a)	Third quarter 2016	Nine months 2017(a)	Nine months 2016
Profit before interest and tax(b)	**161**	108	**505**	461
Inventory holding (gains) losses*	**(24)**	12	**10**	(29)
RC profit before interest and tax	**137**	120	**515**	432
Net charge (credit) for non-operating items*	**-**	-	**-**	-
Underlying RC profit before interest and tax*	**137**	120	**515**	432

Financial results

Replacement cost profit before interest and tax and underlying replacement cost profit before interest and tax for the third quarter and nine months was $137 million and $515 million respectively, compared with $120 million and $432 million for the same periods in 2016. There were no non-operating items in the third quarter and nine months of either year.

Compared with the same period in 2016, the result for the third quarter was primarily affected by higher oil prices and favourable duty lag effects partially offset by adverse foreign exchange effects. For the nine months, the result was primarily affected by higher oil prices partially offset by adverse foreign exchange effects.

In June 2017 Rosneft s annual general meeting adopted a resolution to pay dividends of 5.98 Russian roubles per ordinary share. In July BP received a dividend in relation to the 2016 annual results of $190 million, after the deduction of withholding tax.

BP s two nominees, Bob Dudley and Guillermo Quintero, were re-elected to Rosneft s board by the extraordinary general meeting (EGM) on 29 September. The EGM also adopted a resolution to pay interim dividends for the first half of 2017 of 3.83 Russian roubles per ordinary share. On 31 October BP received a dividend of approximately $120 million after the deduction of withholding tax.

Key events

In August, Rosneft completed the acquisition of a 49.13% stake in Essar Oil Limited (EOL), an Indian downstream business, from the Essar group.

In October Rosneft completed the deal to acquire a 30% stake in a concession agreement to develop the Zohr field in Egypt from the Italian company Eni S.p.A.

	Third quarter 2017(a)	Third quarter 2016	Nine months 2017(a)	Nine months 2016
Production (net of royalties) (BP share)				
Liquids* (mb/d)	**903**	820	**906**	813
Natural gas (mmcf/d)	**1,263**	1,221	**1,300**	1,256
Total hydrocarbons* (mboe/d)	**1,120**	1,030	**1,130**	1,030

(a) The operational and financial information of the Rosneft segment for the third quarter and nine months of the year is based on preliminary operational and financial results of Rosneft for the nine months ended 30 September 2017. Actual results may differ from these amounts.

(b) The Rosneft segment result includes equity-accounted earnings arising from BP s 19.75% shareholding in Rosneft as adjusted for the accounting required under IFRS relating to BP s purchase of its interest in Rosneft and the amortization of the deferred gain relating to the divestment of BP s interest in TNK-BP. These adjustments have increased the reported profit before interest and tax for the third quarter and nine months 2017, as shown in the table above, compared with the equivalent amount in Russian roubles that we expect Rosneft to report in its own financial statements under IFRS. BP s share of Rosneft s profit before interest and tax for each year-to-date period is calculated by translating the amounts reported in Russian roubles into US dollars using the average exchange rate for the year to date. BP s share of Rosneft s earnings after finance costs, taxation and non-controlling interests, as adjusted, is included in the BP group income statement within profit before interest and taxation.

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Group results third quarter and nine months 2017

Other businesses and corporate

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Profit (loss) before interest and tax				
Gulf of Mexico oil spill	**(84)**	(66)	**(466)**	(5,966)
Other	**(376)**	(375)	**(1,146)**	(1,074)
Profit (loss) before interest and tax	**(460)**	(441)	**(1,612)**	(7,040)
Inventory holding (gains) losses*	**-**	-	**-**	-
RC profit (loss) before interest and tax	**(460)**	(441)	**(1,612)**	(7,040)
Net charge (credit) for non-operating items*				
Gulf of Mexico oil spill	**84**	66	**466**	5,966
Other	**(22)**	115	**(58)**	260
Net charge (credit) for non-operating items	**62**	181	**408**	6,226
Underlying RC profit (loss) before interest and tax*	**(398)**	(260)	**(1,204)**	(814)
Underlying RC profit (loss) before interest and tax				
US	**(145)**	(107)	**(446)**	(326)
Non-US	**(253)**	(153)	**(758)**	(488)
	(398)	(260)	**(1,204)**	(814)
Non-operating items				
US	**(92)**	(168)	**(480)**	(6,152)
Non-US	**30**	(13)	**72**	(74)
	(62)	(181)	**(408)**	(6,226)
RC profit (loss) before interest and tax				
US	**(237)**	(275)	**(926)**	(6,478)
Non-US	**(223)**	(166)	**(686)**	(562)
	(460)	(441)	**(1,612)**	(7,040)

Other businesses and corporate comprises our alternative energy business, shipping, treasury, corporate activities including centralized functions, and the costs of the Gulf of Mexico oil spill.

Financial results

The replacement cost loss before interest and tax for the third quarter and nine months was $460 million and $1,612 million respectively, compared with $441 million and $7,040 million for the same periods in 2016.

The results included a net non-operating charge of $62 million for the third quarter and $408 million for the nine months, compared with a net non-operating charge of $181 million and $6,226 million for the same periods in 2016.

After adjusting for non-operating items, the underlying replacement cost loss before interest and tax for the third quarter and nine months was $398 million and $1,204 million respectively, compared with $260 million and $814 million for the same periods in 2016. The underlying charge for the nine months was impacted by weaker business results, and adverse foreign exchange effects which had a favourable effect in the same period in 2016.

Alternative energy - biofuels, wind

The net ethanol-equivalent production (which includes ethanol and sugar) for the third quarter and nine months was 362 million litres and 588 million litres respectively, compared with 352 million litres and 635 million litres for the same periods in 2016.

Net wind generation capacity*(a) was 1,432MW at 30 September 2017 compared with 1,474MW at 30 September 2016. BP s net share of wind generation for the third quarter and nine months was 644GWh and 2,856GWh respectively, compared with 828GWh and 3,235GWh for the same periods in 2016.

(a) Capacity figures for 2016 include 23MW in the Netherlands managed by our Downstream segment.

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Group results third quarter and nine months 2017

Financial statements

Group income statement

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Sales and other operating revenues (Note 5)	**60,018**	47,047	**172,392**	132,001
Earnings from joint ventures - after interest and tax	**231**	174	**596**	477
Earnings from associates - after interest and tax	**282**	209	**804**	731
Interest and other income	**185**	146	**434**	392
Gains on sale of businesses and fixed assets	**92**	467	**334**	884
Total revenues and other income	**60,808**	48,043	**174,560**	134,485
Purchases	**44,612**	34,981	**128,462**	94,336
Production and manufacturing expenses(a)	**5,454**	5,517	**16,470**	22,482
Production and similar taxes (Note 6)	**278**	212	**773**	484
Depreciation, depletion and amortization (Note 5)	**3,904**	3,496	**11,539**	10,863
Impairment and losses on sale of businesses and fixed assets	**108**	(1,424)	**612**	(1,359)
Exploration expense	**297**	803	**1,559**	1,407
Distribution and administration expenses	**2,634**	2,648	**7,527**	7,803
Profit (loss) before interest and taxation	**3,521**	1,810	**7,618**	(1,531)
Finance costs(a)	**511**	433	**1,458**	1,241
Net finance expense relating to pensions and other post-retirement benefits	**55**	48	**162**	140
Profit (loss) before taxation	**2,955**	1,329	**5,998**	(2,912)
Taxation(a)	**1,198**	(248)	**2,593**	(2,541)
Profit (loss) for the period	**1,757**	1,577	**3,405**	(371)
Attributable to				
BP shareholders	**1,769**	1,620	**3,362**	(382)
Non-controlling interests	**(12)**	(43)	**43**	11
	1,757	1,577	**3,405**	(371)
Earnings per share (Note 7)				
Profit (loss) for the period attributable to BP shareholders				
Per ordinary share (cents)				
Basic	**8.95**	8.61	**17.10**	(2.05)

Diluted	**8.90**	8.56	**17.00**	(2.05)
Per ADS (dollars)				
Basic	**0.54**	0.52	**1.03**	(0.12)
Diluted	**0.53**	0.51	**1.02**	(0.12)

(a) See Note 2 for information on the impact of the Gulf of Mexico oil spill on these income statement line items.

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Group results third quarter and nine months 2017

Group statement of comprehensive income

$ million	Third quarter 2017	Third quarter 2016	Nine months 2017	Nine months 2016
Profit (loss) for the period	**1,757**	1,577	**3,405**	(371)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	**611**	192	**1,722**	1,031
Exchange gains (losses) on translation of foreign operations reclassified to gain or loss on sale of businesses and fixed				