bp completes Castrol transaction

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London: bp has completed the sale of a 65% stake in Castrol to Stonepeak.

bp is using the $6 billion in after-tax proceeds to further reduce financial obligations, in line with its first priority of strengthening the balance sheet.

Meg O'Neill, bp CEO, said: "We are building a simpler, stronger, more valuable bp. This deal brings meaningful cash proceeds to bp today while retaining a valuable stake in Castrol's future growth. Castrol's deep expertise and innovation span everything from advanced mobility solutions to data centre cooling. It will now have greater independence to accelerate its next phase of delivery."

Michelle Jou, Castrol CEO added: "Castrol begins the next part of its journey from a position of real strength, with trusted brands, strong customer relationships, talented colleagues and a clear strategy for growth. I am proud of what we have achieved as part of bp. I am also excited to work with Stonepeak and our newly formed board to build on that momentum, unlock Castrol's full potential and deliver greater value for our stakeholders."

Castrol will now operate as a standalone company with its own management, governance and strategic priorities, and bp will retain a 35% stake.

Notes to editors

- The transaction includes minority interests in Castrol, principally in India (49% interest), Vietnam (35%), Saudi Arabia (50%), Thailand (40%) and other jurisdictions.
- Following a two-year lock-up period, bp has optionality to sell its 35% stake in Castrol.
- Total proceeds to bp are $6 billion after-tax, including around $0.8 billion relating to the pre-payment of future dividend income over the short to medium term on bp's retained 35% stake, together with other customary transaction adjustments.
- bp will treat its retained stake in Castrol as an equity accounted investment and does not expect to recognize earnings or receive a dividend in the short to medium term. Stonepeak has a preference on distributions.
- Castrol non-controlling interests share of net income averaged around $100 million per annum over 2019 to 2025.
- Castrol's non-controlling interests on the bp balance sheet, measured at historic cost, are recognised at around $0.45 billion as at 30 September 2026

- Castrol's debt-like obligations on bp's balance sheet are recognised at around $0.3 billion as at 30 September 2026.

Further information

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