



press release

TUESDAY 11 OCTOBER 2016

BP decides not to proceed with Great Australian Bight exploration

BP has taken the decision not to progress its exploration drilling programme in the Great Australian Bight (GAB), offshore South Australia.

The decision follows the review and refresh of BP's upstream strategy earlier this year, which included focusing exploration on opportunities likely to create value in the near to medium term, primarily building on BP's significant existing upstream positions.

BP has determined that the GAB project will not be able to compete for capital investment with other upstream opportunities in its global portfolio in the foreseeable future.

"We have looked long and hard at our exploration plans for the Great Australian Bight but, in the current external environment, we will only pursue frontier exploration opportunities if they are competitive and aligned to our strategic goals. After extensive and careful consideration, this has proven not to be the case for our project to explore in the Bight," said Claire Fitzpatrick, BP's Managing Director for Exploration and Production, Australia.

"This decision isn't a result of a change in our view of the prospectivity of the region, nor of the ongoing regulatory process run by the independent regulator NOPSEMA. It is an outcome of our strategy and the relative competitiveness of this project in our portfolio."

Fitzpatrick said BP has informed federal and state governments of its decision.

"This decision has been incredibly difficult and we acknowledge it will be felt across the South Australia region. We have made significant progress with preparations for drilling in the Bight with the support of communities and federal, state and local governments. We acknowledge our commitments and obligations and our priority now is to work with government and community stakeholders to identify alternative ways of honouring these."

BP has also consulted with its joint venture partner, Statoil, who fully understands BP's change in strategic direction and accepts BP's decision.

"BP is a long-term, significant investor in Australia, most visibly through our retail network and refinery and also as a participant in the North West Shelf and Browse ventures," added Fitzpatrick. "We expect to continue to consider further opportunities to invest and grow our business here."

Notes to editors:

BP was awarded exploration licences for four blocks in the Ceduna area of the GAB in January 2011. Seismic data was acquired in the area in late 2011-early 2012. Statoil acquired a 30% interest in the licences in 2013, BP remained operator with 70% interest.

BP has a contract with Diamond Offshore Drilling for the provision of a new Moss CS60E design semisubmersible drilling rig, which Diamond commissioned Hyundai Heavy Industries to build and is specially designed for use in deep water and harsh marine environments. BP's decision does not impact this rig contract.

About BP in Australia:

In Australia, BP is engaged in the exploration and production of oil, natural gas and liquefied natural gas and the refining and marketing of petroleum and lubricant products. BP is a founding participant in the North West Shelf and Browse LNG joint ventures. BP is one of the largest suppliers of fuel to Australia's industrial sector and also has a network of some 1,400 retail service stations. For more information about BP in Australia please visit www.bp.com.au.

Further information from:

BP Press Office – Australia
Casey Sattler
+61 (0)410 479 002
casey.sattler@bp.com

BP Press Office – Australia
Jo McDonald
+61 (0)407 258 044
joanne.mcdonald@bp.com

BP Press Office – United Kingdom
David Nicholas
+44 (0)20 7496 4076
bppress@bp.com