



Gulf of Mexico

Environmental and Economic Progress



\$61 billion+

Provisioned for costs related to the spill, including response, cleanup, economic claims, government payments, settlements and restoration

Gulf of Mexico recovery

Six years ago, BP made a commitment to help the people of the Gulf Coast recover from the Deepwater Horizon accident. Today, it is abundantly clear – based on data from BP – government agencies and numerous credible third-party sources, that BP has kept that commitment.

BP spent more than \$29 billion in claims payments and response, clean-up and restoration costs through July 2015, when the historic \$18.7 billion settlement was announced resolving all litigation with the federal government and the five gulf states over their economic and environmental claims related to the Deepwater Horizon spill. This settlement was approved by a federal court in New Orleans in April 2016.

BP has now provisioned more than \$61 billion related to the spill, including response, cleanup, economic claims, government payments, settlements and restoration. No company has done more to respond to an industrial accident than BP.

BP's presence in the gulf

Nearly three decades after BP began exploring the deepwater Gulf of Mexico, the company remains one of the region's leading oil and gas producers. In fact, BP has been the largest energy investor in the deepwater gulf over the past decade. BP's business activities help support more than 28,000 jobs, including 5,700 BP employees, across all five Gulf Coast states.

Economic restoration

Following the Deepwater Horizon accident, BP committed to restoring the gulf region's economy. BP's Gulf Coast economic-recovery effort has focused on paying claims and supporting two of the region's most important industries: tourism and seafood.

In addition, the settlement approved in April 2016 includes a total of \$4.9 billion to be paid over 18 years to settle economic and other claims made by the five Gulf Coast states, and up to \$1 billion to resolve claims made by more than 400 local government entities. BP has accepted releases received from the vast majority of local government entities, and payments required under those releases were made during the third quarter of 2015.

Claims

BP began compensating Gulf Coast residents, business owners and others with damage claims within weeks of the accident.

- Through July 2015, BP paid more than \$14 billion in claims, advances and settlements as part of its commitment to Gulf Coast communities.
- BP has made significant progress in resolving remaining economic loss and property damage claims from individuals and businesses under the 2012 settlement with the Plaintiffs Steering Committee (PSC).
- Additionally, the vast majority of opt-out and excluded economic loss claims have also been settled or dismissed.

Tourism

The gulf tourism industry quickly rebounded after the spill. Numerous visitor, revenue and occupancy records were broken repeatedly between 2011 and 2014.

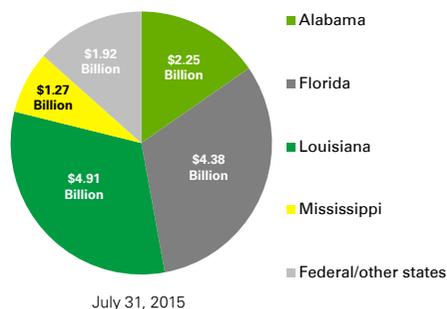
BP has supported Gulf Coast tourism by providing \$179 million for state-led tourism campaigns, while allocating another \$57 million for Gulf Coast nonprofit groups and government entities to promote the tourism and seafood industries. BP complemented these efforts with an advertising campaign that promoted tourism across the entire Gulf Coast in 2011 and 2012.

Seafood industry recovery

Data from the National Oceanic and Atmospheric Administration show that post-spill fish populations in the gulf are robust, and that commercial seafood landings have recovered and are generally consistent with pre-spill trends. Recreational fishing harvests generally have been above pre-spill levels. In addition, abundant amounts of government data since the spill show that gulf seafood is safe to consume.

BP has supported the seafood industry by providing \$74 million for state-led marketing and testing programs, including \$48.5 million to Alabama, Florida, Louisiana and Mississippi to develop programs that promote gulf seafood and \$25.5 million for seafood-testing programs.

Claims/Payments



Environmental restoration

Following the Deepwater Horizon accident, BP worked with the people of the gulf to minimize the effects of the spill and deliver on its commitments to help restore the gulf's environment.

With money from BP, government agencies are restoring injured natural resources through dozens of early restoration projects. In addition, as part of the settlement approved in April 2016, BP Exploration and Production (BPXP) is providing \$7.1 billion to the United States and the five gulf states over 15 years for natural resource damages.

Extensive scientific data collected and analyzed over the past six years show the gulf recovering more quickly than anticipated.

Response and shoreline cleanup

BP spent \$14 billion and roughly 100,000 workers devoted more than 70 million personnel hours responding to the spill and cleaning the shoreline.

The Coast Guard ended the last remaining active cleanup operations in April 2014 and transitioned these areas to the National Response Center reporting process. The operational phase of the response ended in February 2015.

NRDA studies

Through the largest Natural Resource Damage Assessment (NRDA) ever conducted, BP and state and federal trustees investigated the potential injury to wildlife, habitat and the recreational use of these resources.

- By the end of July 2015, BP had spent around \$1.3 billion to fund the assessment process, including more than 240 studies.
- In addition, the settlement approved in April 2016 includes \$7.1 billion payable by BPXP to the United States and the five gulf states over 15 years for natural resource damages. BPXP also has set aside an additional amount of \$232 million to cover any further natural resource damages that were unknown at the time of the agreement.

Supporting long-term research

In addition to the \$1.3 billion that BP spent to support the NRDA process, the company has committed to pay \$500 million over 10 years to support independent research through the Gulf of Mexico Research Initiative (GoMRI). At the end of 2015, GoMRI had awarded approximately \$391 million in grants. The goal of the GoMRI research is to improve society's ability to understand, respond to and mitigate the potential impacts of oil spills to marine and coastal ecosystems.

Approved early restoration projects

As part of BP's landmark agreement with state and federal trustees, a total of 64 early restoration projects totaling \$832 million are

underway across the Gulf Coast, from marsh creation and beach restoration to fishery enhancements and state park improvements. The projects are part of BP's commitment to provide up to \$1 billion in early restoration funding to expedite recovery of natural resources injured as a result of the Deepwater Horizon accident. The remainder of the \$1 billion that has not been spent on or obligated to projects will be paid to the Trustees as part of the settlement approved in April 2016.

Scientific studies of residual oil

Studies conducted by multi-agency Operational Science Advisory Teams (OSAT) played a critical role in guiding cleanup operations by providing a scientific understanding of the oil's fate and the potential effect on people and the environment.

- OSAT-1 (December 2010): Concluded that no recoverable Macondo oil remained in the water column or offshore sediments.
- OSAT-2 (February 2011): Found that residual oil in nearshore and sandy-shoreline areas was highly weathered, and that concentrations of constituents of concern were well below EPA acceptable risk levels to human health.
- OSAT-3 (Florida, Alabama, Mississippi – January 2014; Louisiana – May 2014): Found that only isolated and identifiable areas of submerged or buried oil may remain, and if further residual oil remobilizes along some shoreline in the Area of Response, the prevailing conditions (and the locations of these re-oiling occurrences) are generally known.

Environmental conditions in the gulf

Four key factors mitigated the accident's environmental impact.

- The gulf environment's natural resilience. History shows that gulf species and their populations can adapt and rebound from environmental disturbances. Also, because of the gulf's many natural oil seeps, microbes have adapted over time to consume oil. Several studies have shown that these microbes consumed a significant amount of oil after the spill.
- The distance and depth of the accident. The accident occurred more than 40 miles from the closest shore, nearly a mile below the surface and in a temperate climate. This allowed a substantial quantity of oil to dissolve, evaporate, deteriorate, photo-oxidize or be physically removed before it could reach the shoreline.
- The type of oil released. The oil spilled was a "light" crude, which degrades, dissolves and evaporates faster than most other crude oils, such as the heavier oil from the Exxon Valdez spill.
- BP's unprecedented response. Under the U.S. Coast Guard's direction and in coordination with other government agencies, BP's massive, sustained response effort was highly effective at minimizing the spill's impact on wildlife, their habitats and the shoreline.

