

BP's ETAP hub celebrates 20 years of production

18 July 2018

- Regarded as one of the most ambitious and complex developments in the North Sea
- “Poster child” for Oil and Gas Authority’s Maximising Economic Recovery strategy
- Expected to continue producing into the 2030s

The Eastern Trough Area Project (ETAP) North Sea development, labelled by the Oil & Gas Authority (OGA) as the “poster child” for its Maximising Economic Recovery (MER UK) strategy, celebrates 20 years of production today, with the key hub expected to operate into the mid-late 2030s.

ETAP, often regarded as one of the most ambitious and commercially complex developments in the North Sea, comprises multiple fields with varying ownership arrangements sharing a central processing facility (CPF).

At the time of development, the individual reservoirs were not deemed to be commercially viable on a stand-alone basis, so the ETAP alliance was formed to develop the fields as one joint development.

It came on stream in July 1998 with an estimated production life of 20 years. However, a \$1billion investment programme in 2015 breathed new life into the hub, securing its future well into the 2030s.

Initially seven fields, four operated by BP and three by Shell produced through the CPF. Two further BP-operated fields came online four years later in 2002, bringing the total number of fields producing through the CPF to nine. Two of the Shell fields have since ceased production. Day-to-day production operations of the remaining seven ETAP fields are controlled by BP from the CPF.

In its two decades of operations, more than 550 million barrels of oil equivalent (gross) has been produced from the BP-operated ETAP fields.

BP North Sea Regional President Ariel Flores said: “ETAP embodies the pioneering and innovative spirit the North Sea is renowned for around the world and shows what can be achieved when companies work together for the greater good of the region.

“When the project was sanctioned in the mid-1990s, BP and our ETAP joint venture partners were applauded for our unique collaboration and high level of innovation. Here we are 20 years later, continuing to push boundaries in maximising recovery and extending field-life. ETAP remains a key asset in BP’s refreshed North Sea portfolio and our enduring North Sea presence.”

Dr Andy Samuel, Chief Executive of the Oil and Gas Authority added: “ETAP stands out as one of the great MER UK stories - a ‘poster child’ for MER UK, even before the concept existed.

“Most impressive has been the great leadership and collaboration from the owners, investing significantly over decades to unlock substantial value in innovative partnership with service companies. The area still has an exciting future, with plenty to play for and the potential for further discoveries to be tied back.”

The collaborative spirit of the ETAP alliance received industry-wide recognition in 2016 when BP and partners won the inaugural OGA Maximising Economic Recovery (MER UK) Award at the annual Oil & Gas UK Awards.

The team, having recognised that the historic commercial agreements for ETAP were becoming a barrier to further investment and resource recovery, set about to realign ownership interests, decision-making and cost-sharing mechanisms to reflect the remaining value in the fields.

The changes created a sustainable framework that has helped stimulate investment and change joint venture owner behaviours.

Notes to editors

The remaining producing ETAP fields and ownership interests are:

- Machar (BP 100% operator)
- Madoes (BP 50% operator; ExxonMobil 25%; Shell 25%)
- Marnock (BP 100% operator)
- Mirren (BP 58% operator; ExxonMobil 21%; Shell 21%)
- Monan (BP 87.34% operator; Zennor Petroleum 12.65%)
- Mungo (BP 87.34% operator; Zennor Petroleum 12.65%)
- Heron (Shell 50% operator; ExxonMobil 50%)

ETAP fields that have ceased production are Skua and Egret.

The ETAP CPF sits over the Marnock field and comprises a production drilling riser platform linked by bridge to a quarters and utilities platform with capacity for 156 people.

A normally unmanned installation (NUI) over Mungo stands around 20km to the east of the CPF. Apart from Mungo, which has surface wellheads on the NUI, all other ETAP fields are connected to the CPF via subsea infrastructure. Liquids from the ETAP fields are exported to the Kinneil Terminal, Grangemouth, through the Forties Pipeline System (FPS) and gas is exported by the Central Area Transmission System (CATS) to Teesside.

To date more than 550 million barrels of oil equivalent (gross) has been produced from the BP-operated ETAP fields.

Further information

BP Press Office, London +44 (0)207 496 4076, bppress@bp.com

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA'), BP is providing the following cautionary statement. This press release contains certain forward-looking statements – that is, statements related to future, not past events and circumstances – which may relate to one or more of the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements are generally, but not always, identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. Actual results may differ from those expressed in such statements, depending on a variety of factors including the risk factors set forth in our most recent Annual Report and Form 20-F under "Risk factors" and in any of our more recent public reports.

This document contains references to non-proved resources and production outlooks based on non-proved resources that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262.