BP receives OGA approval to develop Alligin field in North Sea

22 October 2018

- New North Sea development targeting 20 million barrels of oil equivalent
- Part of BP's programme to develop satellite fields through existing hubs
- £230 million capital investment, to produce 12,000 barrels of oil equivalent a day

BP today confirmed it has received approval from the Oil and Gas Authority (OGA) to proceed with the Alligin development west of Shetland, which will target 20 million barrels of oil equivalent, and is expected to produce 12,000 barrels gross of oil equivalent a day at peak.

Alligin is located 140 kilometres west of Shetland in a water depth of 475 metres. It forms part of the Greater Schiehallion Area.

The Alligin development will consist of two wells, which will be tied-back into the existing Schiehallion and Loyal subsea infrastructure, utilising the processing and export facilities of the Glen Lyon floating, production storage, offload (FPSO) vessel.

It is expected to come on stream in 2020.

The development will include new subsea infrastructure, consisting of gas lift and water injection pipeline systems, and a new controls umbilical. The wells will be drilled by the Deepsea Aberdeen rig.

Alligin (BP 50% operator; Shell 50%) is part of a series of infrastructure-led subsea tie-back developments in the North Sea, accessing new production from fields located near to established producing infrastructure.

BP North Sea regional president Ariel Flores said: "We announced our intention to develop Alligin in April and six months later we have achieved regulatory approval. Always maintaining our focus on safety, we are modernising and transforming how we work in the North Sea to fully realise the potential of our portfolio.

"Alligin is part of our advantaged oil story, rescuing stranded reserves and tying them back into existing infrastructure. Developments like this have shorter project cycles, allowing us to bring on new production quicker. These subsea tiebacks complement our major start-ups and underpin BP's commitment to the North Sea."

Brenda Wyllie, West of Shetland and Northern North Sea area manager at the Oil and Gas Authority (OGA), said: "The Oil and Gas Authority is pleased to consent to the development of the Alligin field.

This fast-tracked project will maximise economic recovery through utilising capacity in the Glen Lyon FPSO and is a good example of the competitive advantage available to operators from the extensive infrastructure installed in the UKCS."

This is BP's second North Sea development approval in the past two months. Vorlich, which targets 30 million barrels of oil equivalent, received regulatory approval in September.

BP's Clair Ridge development is expected to start-up later this year. It is expected to target 640 million barrels of resources and have a peak production of 120,000 barrels of oil a day.

BP also has 32% stake in the North Sea Culzean development, which is expected to supply around 5% of UK gas requirements. First gas is anticipated in 2019.

Earlier this year, BP was awarded seven licences, five as operator and two as partner, in the North Sea's 30th Offshore Licensing Round.

And in January, BP announced two new discoveries in the North Sea at Capercaillie in the Central North Sea and Achmelvich west of Shetland.

Further information

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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 concerning BP North Sea fields, including plans and expectations regarding startup timing; plans and expectations regarding the Alligin field, including tying to the Glen Lyon floating production storage offload (FPSO) facility and production levels. Actual results may differ from those expressed in such statements, depending on a variety of factors including changes in public expectations and other changes to business conditions; the timing, quantum and nature of divestments; the receipt of relevant third-party and/or regulatory approvals; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; regulatory or legal actions; economic and financial conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners and others; natural disasters and adverse weather conditions; wars and acts of terrorism, cyber-attacks or sabotage; and other factors discussed under "Risk factors" in our Annual Report and Form 20-F 2017.

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. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov.