

bp starts production from Ghazeer gas field in Oman

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- Major new project safely delivered significantly ahead of schedule
- Reflects commitment to resilient and focused hydrocarbons – a core part of bp’s new strategy
- New wells tested and completed using flaring reduction techniques to drive down emissions

MUSCAT, Sultanate of Oman – bp, in partnership with OQ, PETRONAS and the Ministry of Energy & Minerals in Oman, today announced production has begun from its Block 61 Phase 2 Ghazeer gas field, 33 months after the development was approved.

Ghazeer was initially expected to come into production in 2021. The first phase of development of Block 61 – Khazzan – was brought online in September 2017.

His Excellency Dr. Mohammed Al Rumhy, Minister of Energy & Minerals of the Sultanate of Oman, stated: “I am delighted to see bp bringing the Ghazeer gas field online - it’s an important project for Oman and we are extremely proud of it. The gas from Ghazeer will contribute towards Oman’s 2040 vision in terms of providing additional energy to local industries as well as diversifying the economy.”

Bernard Looney, bp chief executive, said: “The start-up of Ghazeer is an important milestone in our strategic partnership with Oman, delivering critical national infrastructure for the Sultanate. We appreciate the collaborative support we have received from the government of Oman and our partners in delivering this significant start-up safely and ahead of schedule, particularly as Oman prepares to celebrate its 50th national day.

“When we introduced our plans to reinvent bp, we were clear that to deliver them we have to perform as we transform. There are few better examples of how we are doing just that than Ghazeer. This project has been delivered with capital discipline four months early, wells are being drilled in record times and, importantly, safety performance has been excellent. It exemplifies what a strong and resilient hydrocarbons business looks like – a core part of our strategy.”

Total production capacity from Block 61, comprising both Khazzan and Ghazeer, is expected to rise to 1.5 billion cubic feet of gas a day and more than 65,000 barrels a day of associated condensate. With an estimated 10.5 trillion cubic feet of recoverable gas resources, the block has the capacity to deliver approximately 35% of Oman's total gas demand.

Adopting experience from bp's onshore operations in the US, Ghazeer's wells were tested and completed using the 'green completions' concept. Historically, hydrocarbons produced during well testing for new completions would be flared. In green completions, the hydrocarbons are routed to the production facility instead, reducing greenhouse gas emissions. Since adopting this approach in 2019, 201,000 tonnes of CO₂e emissions were saved – equivalent to removing 44,000 cars from the road for a year.

bp prioritises in-country value throughout its projects and operations. During the development of Ghazeer, bp has worked closely with local vendors to develop their capabilities and help them be competitive both in Oman and globally, resulting in a number of contracts and technical scopes moving from international to local Omani contractors. Updated, industry-leading policies and procedures on workers' welfare and human rights have also been embedded throughout the project.

As this important first gas milestone is achieved, Omanisation in bp Oman reached over 80%. Omani-registered companies were also used for over 85% of all project spend.

Notes to editors

- bp has had an upstream presence in Oman since 2007.
- **Block 61 ownership:** bp 60%; Makarim Gas Development Limited (OQ) 30%; PC Oman Ventures Limited (PETRONAS) 10%.
- **Timeline:**
 - **2007:** production sharing agreement for Block 61 Khazzan field signed.
 - **2007-2013:** appraisal confirmed existence of significant tight gas resources.
 - **2013:** first phase of field development, Khazzan, sanctioned.
 - **2016:** bp signed an agreement with the Government of the Sultanate of Oman to amend the Block 61 Exploration and Production Sharing Agreement (EPSA). This added a further 1,150km² to the south and west of the original 2,800km² Block 61 development, allowing a second phase of development, Ghazeer.
 - **Sept 2017:** first gas from Block 61 Phase 1 Khazzan project delivered ahead of schedule.
 - **April 2018:** second phase of field development, Ghazeer, sanctioned.
 - **Jan 2019:** bp and ENI sign heads of agreement with the Government of the Sultanate of Oman to work jointly towards a significant exploration opportunity in Block 77. Six months later an EPSA was signed.

- **March 2020:** royal decree permits exploration activities in Block 77 to progress, including seismic data processing and the drilling of one exploration well within the next three years.
 - **Oct 2020:** first gas from Ghazeer delivered ahead of schedule.
- Block 61 is one of the Middle East's largest tight gas accumulations, in which gas lies at depths of up to five kilometres in narrow bands of hard, dense rock. bp is a pioneer in tight gas and has applied its technology and expertise to develop this resource.
 - **Development:** The development of Block 61 (Khazzan and Ghazeer) comprises a three-train central gas processing facility; a water treatment plant; 400km of gas and condensate export pipelines; a waste management area; an electricity substation; almost 500km of roads; and over 60km of water pipelines. 132 wells have been drilled, with more planned over the lifetime of the project.
 - **Distribution:** Gas from Block 61 is distributed for domestic consumption via Oman's national gas grid, while also boosting availability of feedstock supply for Oman LNG. bp Trading and Shipping purchases 1.1 million tonnes a year of LNG from Oman LNG under a seven-year deal that started in 2018.

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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.

Our most recent Annual Report and Form 20-F and other period filings are available on our website at www.bp.com or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov.