

## bp to sell 20% stake in Oman's Block 61 to PTTEP

1 February 2021

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- bp agrees to sell interest to PTT Exploration and Production Public Company Limited for \$2.6 billion
- bp will remain operator of Block 61, with 40% interest
- Agreement marks another significant step in bp's divestment programme

bp has agreed to sell a 20% participating interest in Oman's Block 61 to PTT Exploration and Production Public Company Limited (PTTEP) of Thailand for a total consideration of \$2.6 billion. Following completion of the sale, bp will remain operator of the block, holding a 40% interest.

Subject to approval from the Sultanate of Oman and partners, the deal is expected to complete during 2021. The agreed total consideration of \$2.590 billion comprises \$2.450 billion payable on completion (subject to final adjustments) and \$140 million payable contingent on pre-agreed future conditions.

Following completion, participating interests in Block 61 will be: bp, 40%; OQ, 30%; PTTEP, 20%; and PETRONAS, 10%.

PTTEP is Thailand's national petroleum exploration and production company, with interests in 15 countries, including Oman.

Block 61, covering around 3,950km<sup>2</sup> in central Oman, contains the largest tight gas development in the Middle East. The block has already had two phases of development – Khazzan, which began production in 2017, followed by Ghazeer in October 2020.

These two developments, targeted at developing a total of 10.5 trillion cubic feet of gas resources, have a combined daily production capacity of 1.5 billion cubic feet of gas and more than 65,000 barrels of condensate. Gas from Block 61 is exported for domestic consumption into Oman's national gas grid, while also boosting availability of feedstock supply for Oman LNG.

bp chief executive officer Bernard Looney said: "We are pleased to welcome PTTEP to the successful Block 61 partnership. Block 61 is a pioneering development that has applied leading techniques and technologies to maximise efficiency and minimise emissions.

"We are committed to bp's business in Oman – this agreement allows us to remain at the heart of this world-class development while also making important progress in our global divestment programme."

bp is targeting divestment proceeds of \$25 billion by 2025. Most recently, the \$5 billion sale of bp's petrochemicals business to INEOS completed at the end of 2020.

bp has had an upstream presence in Oman since 2007 when the original production sharing agreement (PSA) for Block 61 was signed. Beyond Block 61, bp and Eni signed a PSA for Block 77 in 2019. bp Trading & Shipping also purchases LNG from Oman LNG under a seven-year deal that started in 2018.

bp Oman vice president Yousuf Al Ojaili commented: "We look forward to working closely with PTTEP, our other partners, and the Government of Oman on the continued success of Khazzan and Ghazeer, and to explore further opportunities in Block 61.

"We remain very much committed to our strategic partnership with Oman. We will continue to support critical national energy infrastructure for the Sultanate through Block 61, invest significantly in local companies and Omani talent, and deliver an ambitious social investment programme."

In 2020, Omanisation in bp Oman reached around 85% and Block 61 spend with Omani-registered companies exceeded \$610 million.

## Notes to editors

### Block 61 timeline

- **2007:** PSA for Block 61 Khazzan field signed
- **2007-2013:** appraisal confirmed existence of significant tight gas resources
- **2013:** Khazzan, first phase of field development, sanctioned
- **2016:** bp signed an amendment to the Block 61 PSA agreement adding additional area to the south and west of original Block 61 development, allowing a second phase of development, the Ghazeer field
- **2017:** first gas from Block 61 Phase 1, Khazzan, delivered ahead of schedule
- **2018:** development of Block 61 Phase 2, Ghazeer, sanctioned
- **2018:** OQ sold 10% interest in Block 61 to Petronas
- **October 2020:** first gas from Ghazeer delivered ahead of schedule.

## 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 – that is, statements related to future, not past events and

circumstances – which may relate to one or more of the financial conditions, 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. In particular, among other statements, statements relating to BP's divestment programme and plans including expectations with respect to the completion of transactions and the timing of receipt of divestment proceeds. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of BP. 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.

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