



Speech to CBI annual conference

Speaker: Bob Dudley

Title: group chief executive

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Venue: CBI annual conference

Thank you for the opportunity to make this short statement to the Committee before answering your questions.

There is much still to learn about the Deepwater Horizon accident and many investigations are ongoing. Throughout this crisis, BP has received the support of the UK government, for which we are very grateful. We will answer all the questions we can, recognising that there are limitations to what we can say because of the large number of legal proceedings that are under way.

To help provide the fullest answers possible, I have brought along Mark Bly, who led our internal investigation into the accident, and Bernard Looney, who is in charge of BP's operations in the North Sea.

Let me begin by saying how much everyone at BP has been devastated by this terrible accident which so tragically cost the lives of 11 people and injured many others. I deeply regret what happened and its effect on the families of those involved, as well as its impact on the communities and environment of the Gulf coast states.

From the very beginning BP accepted that, as the operator of the lease, we were a responsible party and had the obligation to stop the spill, clean up the damage and compensate affected parties. I committed from the beginning that we would do the right thing and that we would stay the course. That has not changed.

We also believe it is right to make public all that we have learned from this tragedy by sharing our internal investigation report and the lessons we have gathered from the spill response itself. I hope these reports can assist the industry as a whole both to improve its safety and its ability to respond.

The results of our investigation demonstrate that this was a very complex accident. It arose from an interlinked series of mechanical failures, human judgments, engineering design, operational implementation and team interfaces. No single factor caused the accident and multiple parties, including BP, Halliburton and Transocean, were involved.

The report makes 26 specific recommendations. BP has accepted the recommendations, and we have begun a programme to implement them across our worldwide drilling operations. I believe a good number of the recommendations are relevant to the oil industry more generally and would expect some of them to be widely adopted.

It has been easy for some parties to suggest that this is a problem with BP. I emphatically do not believe that that is the case. The need to further mitigate risks associated with offshore drilling is an industry issue and one that I believe we all need to address.

It is also tempting to call for universal drilling bans. I do not think that is wise given the world's demand for oil and gas. It is worth recalling that prior to this accident the industry has drilled for more than 20 years in deep water without a major accident.

Instead, we should take a calm and rational approach to this, learning from what has happened and ensuring that the lessons are fully implemented across the world.

In the offshore UK, there are four strategic actions the committee could consider:



Confirm that what we have is working as intended

Build on lessons learned from the Gulf of Mexico, ensuring they are applied across the industry

Enhance testing protocols on blowout preventers, including back up system

Enhance relief well planning

Ladies and gentlemen, thank you. I am now very happy to take your questions.