



# press release

17 August 2021

## Fahud Oil Services and Energy carries out its first successful well test in Block 61

- *Well test contract previously held by international supplier, awarded to local Omani company.*
- *bp developed FOS Energy to test wells using zero flaring 'green completions' concept.*
- *FOS Energy actively supporting bp's journey towards becoming a net zero company.*
- *Successful in-country value (ICV) initiative.*

**Muscat, Oman.** Following a major contract award in August 2020, Fahud Oil Services and Energy (FOS Energy) has successfully completed its first well test at Block 61 with zero flaring.

The contract was previously held by a large, international service provider. Its award to FOS Energy underlines bp's commitment to generating in-country value across the Sultanate.

Mohamed Najwani, bp VP wells commented: *"Khazzan was the first field in Oman to introduce 'green completions' – a zero flaring concept. In 2020, we safely reduced over 148,000 tonnes of CO<sub>2</sub>e. By developing and upskilling FOS Energy in well testing and the green completions concept, sharing knowledge and expertise, we hope to support them in becoming globally competitive players in this field."*

FOS Energy will support the provision of well testing and clean out services at Block 61 for the next five years, testing around 50 wells over the duration of the contract.

Before work began, equipment suitability and crew competency was tested by modelling different well flow situations. Adopting new equipment design, bp and FOS Energy worked together to decrease the time taken to test a well from 25 days to 20.

Once complete, wells are typically tested by flowing hydrocarbons which is then flared. In green completions, the hydrocarbons are re-routed to the production facility and flaring is eliminated.

Tariq Al Kasbi, CEO of Fahud Oil Services and Energy commented: "Throughout the duration of this contract we have developed and upskilled our team to test wells using the green completions concept – this actively helps us support bp's journey towards becoming a net zero company by 2050 or sooner".

"Working with bp helped us improve our systems, processes and standards which will enable us to grow and expand our services in a competitive international space."

bp is committed to supporting the sustainable development of Oman's economy and society through encouraging the development of Omani skills and capabilities; and generating employment and training opportunities.

In 2020, bp spent \$610 million with Omani registered companies – 90% of its total spend – \$28.6m with small and medium enterprises either through direct contract awards or through third party contracted services. For more details, take a look at bp's [2020 socioeconomic review](#).

### Notes to editors

- bp has had an upstream presence in Oman since 2007.
- **Block 61 ownership:** bp 40%; Makarim Gas Development Limited (OQ) 30%; PTTEP 20%; PC Oman Ventures Limited (PETRONAS) 10%.
- 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.**
- **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 1,150km<sup>2</sup> to the south and west of the original 2,800km<sup>2</sup> 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.
  - **Feb 2021:** bp agrees to sell 20% stake in Block 61 to Thailand's PTTEP.
- bp's new purpose is to **reimagine energy for people and the planet**. The purpose is underpinned by an industry-leading ambition – for bp to become a **net zero company by 2050** or sooner, and to help the world get to net zero – and the ambition is supported by 20 aims. Click [here](#) to read more on the aims and ambitions set by bp.
- bp launched its first [socioeconomic review in Oman](#), highlighting bp's achievements in 2020. The review looks at some of the other impacts which arise when a business is deeply embedded in the social fabric of a country, in areas such as people, society and the environment.

### Images



**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.

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).

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