



press release

22 October, 2014

BP Announces Onshore Front End Engineering and Design Contracts for Tangguh Expansion Project

On behalf of the Tangguh Partners, BP is pleased to announce the following two consortia have been awarded the onshore Front End Engineering and Design (FEED) for the \$12 billion Tangguh Expansion Project (Train 3):

1. PT. Tripatra Engineers and Constructors, PT. Tripatra Engineering, PT. Chiyoda International Indonesia, PT. Saipem Indonesia, PT. Suluh Ardhi Engineering and Chiyoda Corporation Consortium.
2. PT. Rekayasa Industri, JGC Corporation, PT. KBR Indonesia and PT. JGC Indonesia Consortium.

Train 3 will build on the safe and reliable operations of the two existing liquefaction trains at the Tangguh site, which is located in Teluk Bintuni Regency in Papua Barat province of Indonesia. The Project will add 3.8 million tonnes per annum (mtpa) liquefaction capacity to Tangguh, bringing total capacity to 11.4 mtpa.

In addition to the award of the onshore FEED, BP and the Tangguh Partners signed a sales and purchase agreement with Indonesia's state owned electricity company PT. PLN (Persero) to supply up to 1.5 million tons of liquefied natural gas (LNG) each year from 2015 to 2033. Supply will initially be provided from Tangguh's existing two LNG trains. The agreement commits 40% of annual production from Train 3 to the domestic market.

"The awarding of the onshore FEED contracts and signing of the sales and purchase agreement with PLN are major accomplishments, which demonstrate progress for the Tangguh Expansion Project. The Train 3 Project will deliver significant value, including much needed energy to Indonesia," said Bob Dudley, BP Group Chief Executive.

The onshore FEED is planned for 12 months, with scope covering the new LNG Train, LNG jetty and associated infrastructure.

Christina Verchere, BP Regional President Asia Pacific, said, "We thank the Indonesian Government for its support and close collaboration to reach these milestones for the Tangguh Expansion Project. We look forward to continued cooperation as we advance towards the final investment decision."

Further regulatory and partner approvals are required before the final investment decision.

Notes to editors:

- Tangguh is operated by BP Berau Ltd on behalf of the other production sharing contract parties, as contractor to SKK Migas. BP Berau Ltd and its affiliates in Indonesia hold a 37.16% interest in the project. Other Tangguh production sharing contract partners are MI Berau B.V. (16.30%), CNOOC Muturi Ltd. (13.90%), Nippon Oil Exploration (Berau), Ltd.

(12.23%), KG Berau Petroleum Ltd and KG Wiriagar Petroleum Ltd (10.00%), Indonesia Natural Gas Resources Muturi Inc. (7.35%), and Talisman Wiriagar Overseas Ltd. (3.06%).

- Tangguh Expansion Project will bring benefits to Indonesia, including 40% allocation of LNG production for the domestic market which is estimated to save \$10 billion fuel costs by switching from high speed diesel, \$9.3 billion estimated revenue generation, and support of long-term prosperity and economic development in Papua Barat through the sale of gas for power generation.
- BP is one of the largest foreign investors in the country. Activities include exploration and production, particularly Tangguh LNG which began operations in mid-2009 and the VICO Joint Venture. BP also has a downstream and petrochemical presence with Castrol and BP Petrochemical Indonesia.

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