



# press release

**01 July 2016**

## **BP Announces Final Investment Decision to Expand Indonesia's Tangguh LNG Facility**

*Project will create 10,000 new jobs and support economic growth  
in Papua Barat Province*

BP, on behalf of Tangguh Production Sharing Contract Partners, today announced that the Final Investment Decision (FID) has been approved for the development of the Tangguh Expansion Project in the Papua Barat Province of Indonesia. .

"The Tangguh Expansion Project demonstrates BP and its partners' continued confidence in Indonesia and our commitment to work closely with the government to meet the country's energy needs, while creating thousands of jobs," said Bob Dudley, BP Group Chief Executive.

The Tangguh Expansion Project will add a third LNG process train (Train 3) and 3.8 million tons per annum (mtpa) of production capacity to the existing facility, bringing total plant capacity to 11.4 mtpa. The project also includes two offshore platforms, 13 new production wells, an expanded LNG loading facility, and supporting infrastructure.

The Tangguh Expansion Project will play an important role in supporting Indonesia's growing energy demand, with 75% of the Train 3 annual LNG production sold to the Indonesian state electricity company PT. PLN (Persero). The remaining volumes are under contract to Kansai Electric Power Company in Japan, the other foundation buyer for Train 3.

The Tangguh Expansion Project will also bring a positive contribution to Indonesia and the Papua Barat Province starting in 2016, supporting economic growth and providing 10,000 valuable jobs spread over the project period.

Tangguh is currently making positive local social and economic impacts through its comprehensive community development programs and providing much needed electricity for the Teluk Bintuni Regency. Train 3 will enhance this with a portion of the gas committed for the electrification of Papua Barat, and further development of Tangguh's Papuan workforce to meet the 85% Papuan workforce commitment by 2029.

Commenting on the decision, Christina Verchere, BP Regional President Asia Pacific said, "This final investment decision marks the culmination of many years of hard work by BP, our partners, and the Indonesian Government. We are pleased to reach this major milestone and look forward to continued cooperation as we progress the largest upstream project in the eastern part of Indonesia."

This FID decision follows the Government of Indonesia's approval of the Plan of Development II in late 2012. Awards for the project's key engineering, procurement and construction (EPC) contracts are expected in the third quarter of 2016 with construction to begin thereafter. Operation is expected in 2020.

**Notes to editors:**

- The Tangguh LNG facility is located in Teluk Bintuni Regency, Papua Barat Province of Indonesia and consists of offshore gas production facilities supplying two 3.8mtpa liquefaction trains that have been in operation since 2009. It is operated by BP Berau Ltd on behalf of the other production sharing contract partners 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%).
- BP is one of the largest foreign investors in Indonesia. 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 Indonesia and BP Petrochemical Indonesia.

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 concerning the Tangguh Expansion Project in the Papua Barat Province of Indonesia, including plans and expectations regarding future production capacity, facilities and infrastructure and BP's commitment to work with the Government of Indonesia to meet its energy needs; plans and expectations regarding the Tangguh Expansion Project's role in supporting Indonesia's energy demand and sales to the state electricity company; and plans and expectations regarding future contract awards and the effect of the Tangguh Expansion Project on economic growth and employment in Indonesia and the Papua Barat Province and the timing thereof. Actual results may differ from those expressed in such statements, depending on a variety of factors including changes in public expectations and other changes to business conditions; the timing, quantum and nature of divestments; the receipt of relevant third-party and/or regulatory approvals; future levels of industry product supply; demand and pricing; OPEC quota restrictions; PSA effects; operational problems; regulatory or legal actions; economic and financial conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; the success or otherwise of partnering; the actions of competitors, trading partners and others; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism, cyber-attacks or sabotage; and other factors discussed under "Risk factors" in our Annual Report and Form 20-F 2015.*

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