Press Release

30 August 2021

SKK Migas approved Plan of Development for Ubadari Field and Vorwata CCUS

JAKARTA - bp and its Tangguh partners can confirm that Indonesian oil and gas regulator (SKK Migas) has approved the Plan of Development (POD) for the next stage of development at the Tangguh LNG project in Papua Barat, Indonesia: the Ubadari Field and Vorwata Carbon Capture Utilization and Storage (CCUS) project.

This new development is estimated to enable a potential additional recovery of 1.3 trillion cubic feet (Tcf) of gas, from both the Ubadari and Vorwata CCUS.

The Ubadari field development is being fast-tracked as a result of a successful appraisal programme and is planned to be produced via normally unmanned installations connected by offshore pipeline to the Tangguh LNG facilities.

The Vorwata CCUS development will see an approximately 25 million tonnes of CO₂ injected back into the Vorwata reservoir to reduce venting of the great majority of produced CO₂ and provide incremental gas production through enhanced gas recovery (EGR). The CO₂ injection will remove up to 90% of the reservoir-associated CO₂ which is currently vented and represents nearly half of the Tangguh LNG emissions. This would make Tangguh one of the lowest greenhouse gas (GHG) intensity LNG plants in the world.

“These developments demonstrate how Tangguh continues to be a strategic fit in bp’s portfolio. Ubadari is a clear example of a value-focused gas development. And the Vorwata CCUS-EGR project will be a significant milestone for bp, with the potential to make a material contribution to our aims to reduce operational emissions. To have reached this stage, from just a concept few years ago, is amazing. It is a concrete result from a truly great partnership between bp, its partners, and the Government of Indonesia”, said Dev Sanyal, bp executive vice president for gas & low carbon energy.

The Front-End Engineering and Design (FEED) for the Ubadari field development and Vorwata CCUS will start in mid-2022 subject to Tangguh partners’ and further SKK Migas approval, with a potential estimated project start up in 2026 subsequent to a final investment decision.

“The approval of this plan of development is a vote of confidence in the Tangguh project and also shows bp’s continued commitment to invest in Indonesia. We are proud to be able to play a major part in meeting the country’s gas production
aspirations while also significantly reducing emissions. This is in line with both bp’s aims and the Indonesian government’s effort to meet its Nationally Determined Contribution (NDC) commitment under the Paris Agreement. We thank the Ministry of Energy and Mineral Resources, SKK Migas and Directorate of Oil and Gas, as well as all our Tangguh partners, for the continuous support and collaboration which allowed the timely approval of this plan of development”, said Nader Zaki, bp group senior vice president for Asia Pacific.

bp, as the operator of Tangguh LNG, is a company under production sharing contract whose operations are supervised by SKK Migas, as the representative of the government. Tangguh is currently the largest gas producing field in the country with 1.4 billion cubic feet (Bcf) per day of gas production through two LNG trains and will reach 2.1 Bcf per day once Train 3, currently under construction, is online. Tangguh expansion project including the construction of Train 3 has been declared as a National Strategic Project by the Government of Indonesia.

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Notes to editor:

Tangguh LNG is located in Teluk Bintuni Regency, Papua Barat Province of Indonesia and consists of offshore gas production facilities supplying two 3.8 mtpa liquefaction trains that have been in operation since 2009. Construction for the third LNG Train is currently underway. 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 40.22% interest in the project. Other partners are MI Berau B.V. (16.30%), CNOOC Muturi Ltd. (13.90%), Nippon Oil Exploration (Berau) Ltd. (12.23%), KG Berau Petroleum Ltd. (8.56%), KG Wiriagar Overseas Ltd. (1.44%) and Indonesia Natural Gas Resources Muturi Inc. (7.35%).

Getting to NetZero. In February 2020 we set out our ambition to be a net zero company by 2050 or sooner and to help the world get to net zero. We’re aiming to dramatically reduce carbon in our operations and our products while growing new low carbon businesses, products and services. This will mean tackling around 415 million tonnes of emissions – around 55 million from our operations and 360 million tonnes from the carbon content of our upstream oil and gas production. Importantly, these are absolute reductions to net zero, which we believe is what the world needs most of all. We are also aiming to cut the carbon intensity of the products we sell by 50% by 2050 or sooner.