

BP resets: focuses on growth, slashes green ventures

ENERGY company bp Trinidad and Tobago's says its business strategy is aligned with British parent BP's focus on growing upstream business.

This after BP confirmed in London yesterday that it will slash spending on green ventures and increase its oil and gas production.

It is a change in direction BP hopes will bolster its flagging share price but which was met with incredulity from climate action campaigners, the Associated Press reported.

In a statement titled 'Reset BP', the company said it will reduce its spending on net zero transition businesses by US\$5 billion a year to up to US\$2 billion.

By contrast, it said it would increase its investments in oil and gas production by about 20% to US\$10 billion, the AP reported.

Chief executive Murray Auchincloss said that the company is focusing its spending on BP's 'highest-returning businesses to drive growth' and that it will be 'very selective' in its investments in renewables.

'This is a reset BP, with an unwavering focus on growing long-term shareholder value,' he said in the AP story.

Contacted for comment, bpTT said in a statement from its Port of Spain office that its business strategy was aligned with BP's focus on 'growing the upstream' as outlined in its strategy reset yesterday.

'In the short term we will continue to work towards delivering our strategy by bringing our Cypre project online in 2025 as well as Mento with our joint venture partner EOG,' bpTT stated.

It said it would provide updates on longer term activities at a later date and regarding the Lara solar project, 'we continue to work with our partners towards start up in 2025.'

'Good news for T& T'

Former energy minister Kevin Ramnarine believes the shift in direction will allow BP to further expand its gas operations here, resulting in an uptick for the local economy.

'This is actually good news for T& T. Sitting from my perspective, it is good news for T& T because BP's main focus for T& T is oil and gas. My understanding is that this is potentially good news for us because it funds more capital for BP's business in T& T, which is drilling for more gas. That may result in BP moving from the current drilling programme, which is one rig, to potentially two rigs, which is very good for T& T because we need the gas,' he said in a phone interview with *Express* yesterday.

Ramnarine said while BP has stated its plans to refocus on oil and gas, an element of cost cutting is expected over the next couple of years, until 2027.

'That is something that we need to keep an eye on here in T& T because, as you know, the company divested one of its gas-producing hubs last year to Perenco. So does that mean cost cutting in T& T? We will have to wait and see, but certainly, today marks a fundamental change in strategy and a U-turn,' he said.

He added that the market response was also something that had to be monitored, given that the response so far has resulted in a share price decrease.

-additional reporting by Vishanna Phagoo