

BP 'resilient' amid boost to pre-tax profits



Energy giant BP boosted its pre-tax earnings in the first three months of 2019, which it said showed “resilience” in a “volatile period”.

Pre-tax profits were £3.6bn, more than double that of the previous quarter at £1.7bn and higher the same period last year at £3bn.

However, the firm said its underlying replacement cost profits were £1.7bn, down from £1.9bn from the same period last year reflecting weaker oil prices and margin environment at the start of the quarter.

Capital expenditure was significantly lower compared to Q4 last year, which included £1.3bn as part of an asset swap agreement for ConocoPhillips’ 16.5% stake in the Clair field in the West of Shetland in December.

Upstream production was two percent higher than the previous year at 2.6 billion barrels of oil equivalent per day, thanks to the acquisition of BHP Billiton's assets.

Revenues were £52.1bn, down slightly from £53.4bn in Q1 2018.

BP said it was hit by the weaker oil price at the start of the quarter which has since recovered to around \$70 a barrel.

The firm also made £463m in payments for the 2010 oil spill in the Gulf of Mexico this quarter.

One of the key events for the firm in the period was the final investment decision being taken on the Seagull development in the Central North Sea, as well as Atlantis Phase 3 in the Gulf of Mexico and Azeri Central East in Azerbaijan.

Chief executive Bob Dudley said: "BP's performance this quarter demonstrates the strength of our strategy.

"With solid Upstream and Downstream delivery and strong trading results, we produced resilient earnings and cash flow through a volatile period that began with weak market conditions and included significant turnarounds.

"Moving through the year, we will keep our focus on disciplined growth, with efficient project execution and safe and reliable operations."