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BP explores sale of Alabama petrochemical facility

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Company continues to refocus global petrochemical business for long-term growth

HOUSTON - BP has decided to market for sale its Decatur, Ala., petrochemicals complex as part of a broader reorganization of the company's global petrochemicals business.

BP's refocused petrochemicals strategy is pursuing a competitively advantaged portfolio through world-scale, low-cost facilities that utilize BP proprietary technology including the production of purified terephthalic acid, or PTA, a key raw material in the production of polyester.

"BP's world-leading technologies and global positions allow us to compete in today's highly competitive marketplace," said Tufan Erginbilgic, chief executive of BP's global downstream business. "Our strategy is to significantly improve the cash breakeven performance of the business, enhancing earnings potential and making it more resilient to bottom-of-cycle

conditions. We look to have a portfolio with BP's world-leading technology resulting in highly efficient production of PTA in key markets around the world."

BP is spending \$200 million to upgrade its Cooper River, S.C., plant and its sister facility in Geel, Belgium – the largest PTA-producing sites in the Americas and Europe, respectively. The investment will enable the two facilities to lower operating costs, improve reliability and reduce emissions. Earlier this year, BP also started up its new Zhuhai 3 unit in Guangdong Province, China. Using BP's latest technology and capable of producing up to 1.25 million tons of PTA per year, Zhuhai 3 is the world's largest single-train PTA production unit as well as being one of the largest and most efficient PTA production units in the world.

While BP's Decatur complex no longer fits with this strategy, the facility has been a major contributor to BP's U.S. petrochemicals business for many years. It makes chemicals essential for the production of thousands of items, from plastic water bottles to flat-screen televisions.

Located on 1,000 acres in Northern Alabama, the complex can produce one million tons per year of PTA, as well as paraxylene (PX), a raw material for PTA production. The site also is the only commercial manufacturer of naphthalene dicarboxylate (NDC), a specialty chemical used in new-generation polyesters and resins used to make LCD flat-panel displays, ultra-thin data storage tape and other products. Of the five operating units on the Decatur site, three produce PTA, one makes PX and the other makes NDC.

"The decision to explore a sale of this facility was not taken lightly. It has been a significant part of our company and of the Decatur community for a very long time," said Rita Griffin, chief operating officer of BP Global Petrochemicals. "We believe the site – and its more than 400 employees – would be a very attractive addition to the portfolio of another operator. We're determined to find a buyer who will recognize its value and keep it a viable and vibrant part of the region for years to come."

BP expects to complete a sale of all or part of the facility provided a buyer can be found and an acceptable deal can be reached.

About BP:

Over the past 10 years, BP has invested more than \$90 billion in the U.S. – more than any other energy company. BP is a leading producer of oil and gas and produces enough energy annually to light nearly the entire country for a year.

Employing about 17,000 people across the country, BP supports more than 170,000 additional jobs through all of its business activities.

Notes to editors:

- BP acquired the Decatur complex in the 1998 merger with Amoco. The facility celebrated its 50th anniversary this year.
- Since 2005, BP Decatur has been designated an OSHA Voluntary Protection Program (VPP) Star site, which recognizes the site's outstanding efforts to achieve exemplary occupational safety and health performance. The site was last certified in 2014, with the designation lasting for three years.
- BP is one of the largest producers of PTA globally, with annual production capacity of 6.5 million tons (net to BP) annually from six locations.
- BP Cooper River is the largest PTA-producing site in the Americas and BP Geel is the largest in Europe.
- Cooper River's PTA1 unit, one of two units at the facility, will complete an upgrade by end of 2016. The project will create more than 200 construction jobs at its peak and indirectly support many more jobs in the region.
- In the U.S., BP also produces paraxylene and metaxylene at its Texas City Chemicals site southeast of Houston.

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Cautionary Statement:

This press release contains certain forward-looking statements concerning BP's decision to market for sale its Decatur, Alabama petrochemicals complex, including expectations regarding BP's search for a buyer of the complex, BP's refocused petrochemicals strategy and expected benefits thereof, upgrades to BP's petrochemical plants in Belgium and expected benefits thereof; and plans and expectations regarding an upgrade at Cooper River's PTA1 unit and the project's impact on the creation of jobs. 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 "Principal risks and uncertainties" in our Stock Exchange Announcement for the period ended 30 June 2015 and under "Risk factors" in our Annual Report and Form 20-F 2014.

This press release contains references to non-proved resources and production outlooks based on non-proved resources that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at www.bp.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or by logging on to their website at www.sec.gov.

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