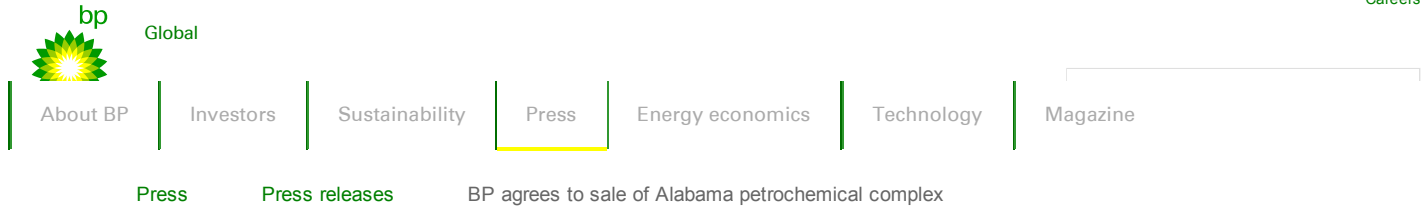


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BP: GBp 328.7 (-9.0) USD 28.91 (-0.52) \*

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# BP agrees to sale of Alabama petrochemical complex

Date: 6 January 2016

Expected to close in early 2016, deal marks a key step in restructuring of BP's global petrochemicals business

HOUSTON – BP has agreed to sell its petrochemical complex in Decatur, Alabama, to Indorama Ventures Public Company Limited, as part of a previously announced effort to refocus its global petrochemicals business for improved profitability and long-term growth.

The divestment is in line with BP's global petrochemicals strategy of 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.

"This agreement allows us to focus investment on our world-class PTA production facility in Cooper River, South Carolina, and a key PTA feedstock producer in Texas City, Texas, as well as to maintain a strong position in the important U.S. petrochemicals industry," said Rita Griffin, chief operating officer of BP Global Petrochemicals.

Under the terms of the agreement, Indorama Ventures will purchase the Decatur complex including working capital and related infrastructure and assume certain contracts with suppliers and customers. The parties anticipate the deal closing to occur in early 2016 when employees will transfer to the new owner.

"We are grateful to our employees who have made the Decatur facility a safe, reliable and valuable contributor to BP's business for so many years," said Luis Sierra, head of BP's global aromatics business unit. "We believe this agreement — with an established global industry leader such as Indorama Ventures — provides a compelling future for those employees, the site and the community of Decatur."

The Decatur complex 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 world's 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.

Elsewhere, 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.

BP has substantially completed its \$10 billion divestment program for the 2014 and 2015 period. The company expects \$3-5 billion of divestments in 2016 and ongoing divestments averaging around \$2-3 billion a year thereafter.

## 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.

## Note 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 re-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.

## Further information

Office: BP press office, Houston

Phone: +1 281 366 4463

Email: [uspress@bp.com](mailto:uspress@bp.com)

## Cautionary statement

This press release contains certain forward-looking statements concerning BP's agreement to sell its Decatur, Alabama petrochemicals complex, including expectations regarding the price and terms of the final agreement and the timing of closing; expectations regarding the future of the plant under new ownership; expectations regarding upgrades to plants in Belgium and Cooper River, South Carolina, and expected benefits thereof; and plans and expectations regarding BP's divestments in 2016 and beyond. 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](http://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](http://www.sec.gov).