

Gambia says BP has agreed to pay \$29,3m no-drill fee

The Gambian government said BP has agreed to settle a \$29,3m outstanding commitment to drill an exploration oil well in the West African country's offshore A1 block, which the company was awarded two years ago.



A BP logo is seen at a petrol station in London, Britain 15 January 2015. Reuters/Luke MacGregor/File Photo

BP broke its obligations by failing to drill a well before the initial exploration period expired on 29 July, government spokesperson Ebrima Sankareh said in a statement.

BP did not immediately respond to an emailed request for comment, and could not be reached by phone.

"(In) early 2020, the Covid-19 pandemic struck, causing a drastic change in the global oil and gas industry and leading BP to suspend plans to drill as earlier planned," Sankareh said.

In July 2020, BP told the government "it would not be able to drill a well in the A1 Block due to a change in its corporate strategy towards low carbon energy," he said, adding that would be placed on the market for licensing.

BP's deal in Gambia followed a \$1bn entry into gas fields in offshore Senegal and Mauritania in 2016, that included plans to build a liquefied natural gas (LNG) plant to export West African gas worldwide.

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