

# Bluebell Capital Partners urges BP to properly disclose any change to the 2023-2030 Capital Plan

*Bluebell urgently requests that BP transparently communicates any potential shifts in its capital allocation policy to the market following media reports*

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BP should publicly recognize its need to revise its current strategy, and deliver greater returns to shareholders / address the needs of society, both of which are seemingly neglected by the Board”

*Giuseppe Bivona, Bluebell Capital Partners Co-CIO*

("Bluebell") requests that BP transparently communicates any potential shifts in its capital allocation policy to the market.

According to a [Reuters article published on June 27, 2024](#), BP's CEO Murray Auchincloss has decided to slow down investment in offshore wind and prioritize investing in oil and gas assets, notably hiring several new staff for its exploration team. If correct, this indicates BP's ongoing shift in its capital allocation choices. Bluebell urges BP to communicate in a proper way with investors and society on such an important topic as opposed to drip-feeding information to the press ([as demonstrated in the Reuters](#)

[article](#)).

Bluebell understand BP's Board desire to save face and avoid a public U-turn on the ongoing value-destructive strategy announced in 2020 and already revised once, in 2023. However, Bluebell also view:

1. This approach is no longer possible without compromising BP's shareholder interests and further weakening the company.
2. Any capital deployment in areas where BP lacks the necessary skills and competitive advantage to succeed (starting with wind and solar) or where returns are below BP's cost of capital as value destructive. See our website <https://www.bluebellcp.com> which provides our detailed objective analysis on this point.
3. Any decision to reduce investment in power generation as encouraging and continue to believe that capital should be returned to shareholders who can better invest in this sector elsewhere.

Bluebell also expresses concern and disbelief that the newly appointed Senior Independent Director Amanda Blanc (also CEO of Aviva plc), refused to meet with a dissenting shareholder, in clear breach of BP's stated responsibilities of the Senior Independent Director role. This sends a concerning message about Amanda Blanc's (potential lack of) independence and the Board's failure to exercise proper oversight.

In 2023, a judge quashed the Planning Permission for Lightsource BP to build a solar power station at Burnhope (a small ex-mining village west of Durham, United Kingdom) because it was deemed unlawful. However, it is Bluebell's understanding that this does not appear to have discouraged BP from applying similar questionable practices to build larger solar farms than permitted elsewhere in the UK, as BP seemingly tries to boost investment returns via projects which are value-destructive for BP's shareholders. Bluebell are still awaiting BP's answer to [their questions on Burnhope](#), which they believe leaves a stain on BP's reputation following BP's Board of Directors refusal to answer their questions at BP's 2023 AGM.

Bluebell urges BP to revise what they believe is an ideologically driven and ill-conceived strategic plan for 2023-2030, which - as expected - has put the company at risk as it fails to deliver meaningful returns to shareholders and close the massive discount on BP's share price valuation to its peers.

In response, BP should formally announce to the market the following actions:

- (i) Remove its medium-term Scope 3 targets and qualify its 2050 target (Net-Zero) as a target to be reached 'in line with Society'.
- (ii) Realign supply to demand, revising upward BP's oil and gas production target, to ~2.5 mmoed by 2030 (versus current target of 2.0 mmoed).
- (iii) Increase investment in oil and gas by ~\$1.5 bn p.a. (2023-2030) and reduce cumulative investment in Bioenergy, Hydrogen and Renewables & Power by ~60% (2023-2030), the majority of which will be financed by halting investment in Renewables & Power.
- (iv) Increase cash to be returned to shareholders by a cumulative ~\$16bn (~\$2.0bn p.a., 2023-2030) to be sure it is better deployed elsewhere, also in support of the energy transition.
- (v) Enhance disclosure on businesses outside core oil and gas (Convenience and EV Charging, Hydrogen) and more broadly on investment hurdles.
- (vi) Initiate the removal of both Chair Helge Lund and Senior Independent Director Amanda Blanc from the Board.

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