



ACCR

BP'S DISPOSAL LOSSES AND IMPAIRMENTS

Reinforcing the underperformance of BP's oil and gas business

9 February 2026

CATALYSING CHANGE
FOR A SECURE FUTURE

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EXECUTIVE SUMMARY

There has been some commentary that BP’s announced \$4-5 billion impairments “primarily related to transition businesses”¹ means the company’s foray into renewables has been a driver of sustained poor financial performance², justifying the company's strategic pivot back to oil and gas.

While a \$5 billion impairment is material, it represents <10% of BP’s disposal losses and impairments³ since 2020. Based on our analysis, **75% of disposal losses and impairments since 2020 are against oil and gas assets.**

This analysis is consistent with our previous research⁴ showing that value in the oil and gas sector has been materially eroded by its upstream investments:

- Most of the itemised impairments relate to projects exceeding cost and schedule estimates.
- Material impairments in multiple emerging markets (Russia, Mauritania and Senegal, and Trinidad) indicate difficulties in managing emerging markets risk.

From the perspective of disposal losses and impairments, the new transition ventures have not performed materially worse compared to the legacy business. They have been responsible for 7.5 - 12.4% of disposal losses and impairments and 7.2% of capex between 2020 and 2025.

Investors have good reason to question how the company plans to manage both capex and emerging market risks in the upstream business, as part of its 'fundamentally reset strategy' that will see it increasing upstream capex by 17%.

1. BP, [Fourth quarter 2024 trading statement](#). This analysis assumes all of this impairment is booked against transition businesses.

2. For example, Whittaker, Adam, [BP Flags \\$5 billion write-down of low-carbon business](#), WSJ, 14 Jan 2026.

3. In this research note, unless otherwise specified, 'disposal losses and impairments' includes impairments, impairment reversals, gains on sale of assets, and losses on sale or closure of assets, as per Note 4 of BP's 2022 and 2024 annual reports.

4. For example, ACCR, [Moving BP from rhetoric to action on capital discipline](#), 2024.

75% OF BP'S DISPOSAL LOSSES AND IMPAIRMENTS HAVE BEEN AGAINST OIL AND GAS ASSETS

BP has booked disposal losses and impairments of \$54 billion since 2020, which is more than half of the company's current market capitalisation.¹

This includes a recently announced \$4-5 billion impairment “primarily related to [BP's] transition businesses”.²

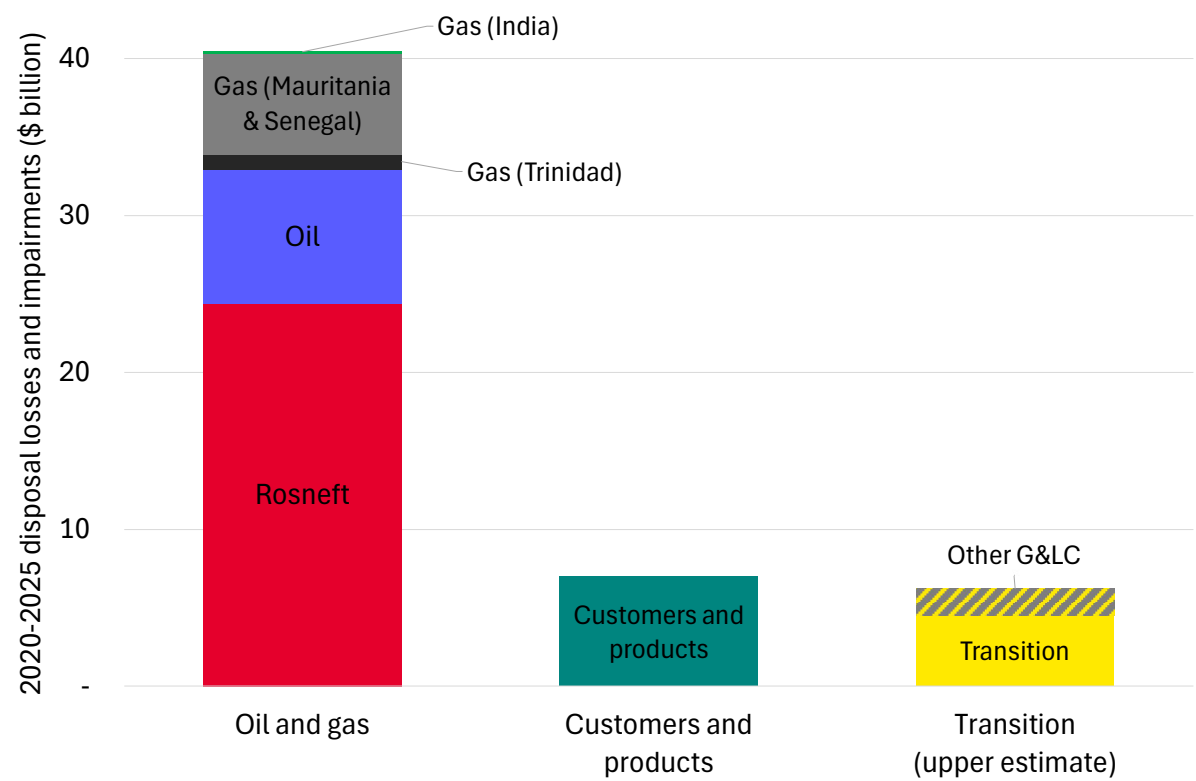
While a \$4-5 billion impairment is material, it is below BP's average annual disposal losses and impairments booked this decade.

The Gas and Low Carbon segment has been responsible for 26% of the company's (\$14 billion) disposal losses and impairments since 2020, with transition businesses contributing 7.5% – 12.4% (\$4 – 6.8 billion).

Where BP has itemised Gas and Low Carbon impairments, these:

- all relate to gas assets³
- are all in developing countries
- mostly relate to increases in costs, project delays or reductions in price assumptions.

75% of BP's disposal losses and impairments this decade are against oil and gas assets



Source: ACCR analysis of BP's financial statements^{3, 4}

1. BP's market capitalisation is \$99 billion as of 29 January 2026

2. BP, [Fourth quarter 2024 trading statement](#)

3. Mauritania & Senegal, India and Trinidad are the three cash generating units that have itemised impairments disclosed in BP's financial statements. We assume these impairments are allocated to gas assets because, with exception of a 60MW solar farm in India, we cannot identify any of BP's transition assets in these countries.

4. The transition values in the graph present an upper estimate because it allocates all non-itemised Gas and Low Carbon disposal losses and impairments to transition assets. Rosneft includes minor impairments categorised by BP as 'other'.

THE MAURITANIA AND SENEGAL CGU HAS BEEN IMPAIRED BY \$6.4 BILLION FROM 2020 TO 2024

BP's explanation of its impairments is consistent with our previous research, which found that upstream project execution is a material source of value erosion for the sector.

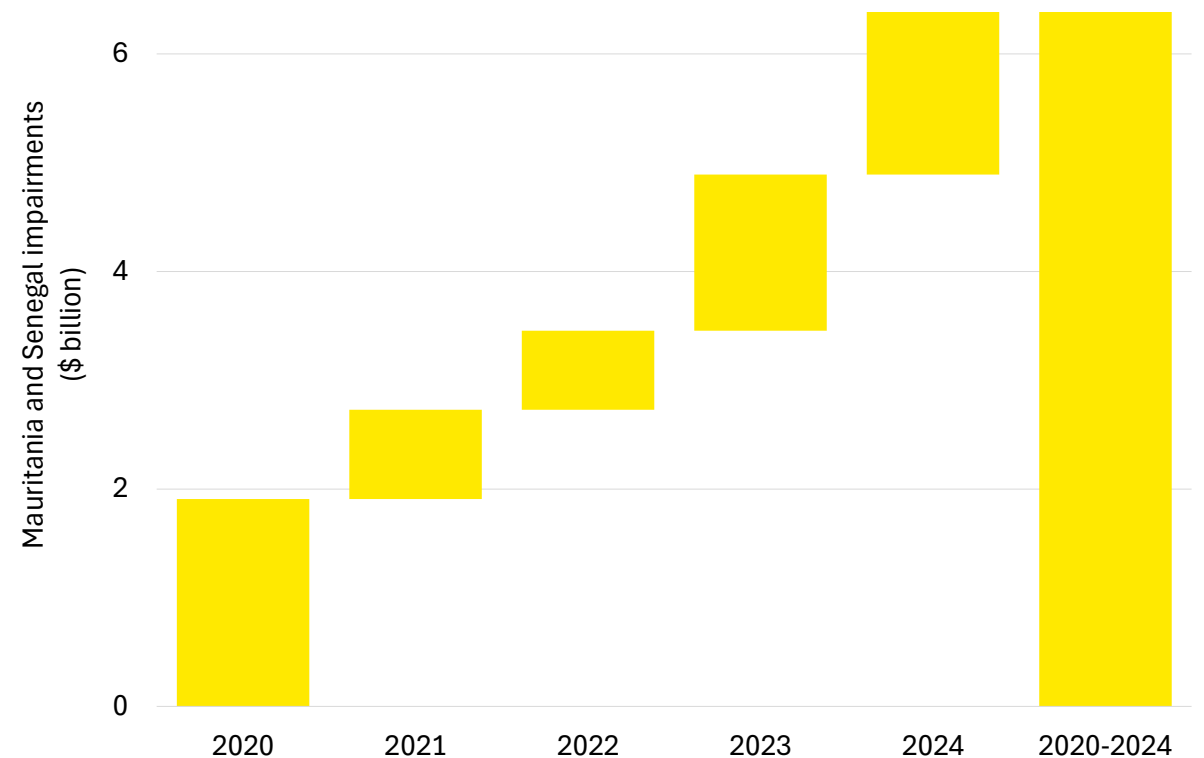
The Mauritania and Senegal cash generating unit (CGU) has been impaired every year from 2020 to 2024.¹ BP's financial statements provided these reasons for each year's impairments:²

- 2020: “a reduction in bp’s future oil and gas price assumptions and, to a lesser extent, certain technical reserves revisions”.
- 2021-2024: “increased forecast future expenditure”.

A net impairment of \$1 billion was booked against the Trinidad CGU across 2020-2023 due to:²

- 2020: “a reduction in bp’s future oil and gas price assumptions and, to a lesser extent, certain technical reserves revisions”. 80% of this impairment was reversed in 2021 and 2022.
- 2023: “changes to the group's oil and gas price and discount rate assumptions and activity phasing”.

The Mauritania and Senegal CGU has been impaired by \$6.4 billion since 2020



Source: BP's financial statements

1. We cannot determine CGU level impairments for 2025 at the time of publication, because the disclosures to date do not include this information.
2. All quotes on this slide are from Note 4 of BP's 2022 (pp. 207-208) and 2024 (pp. 191 – 192) Annual Reports.

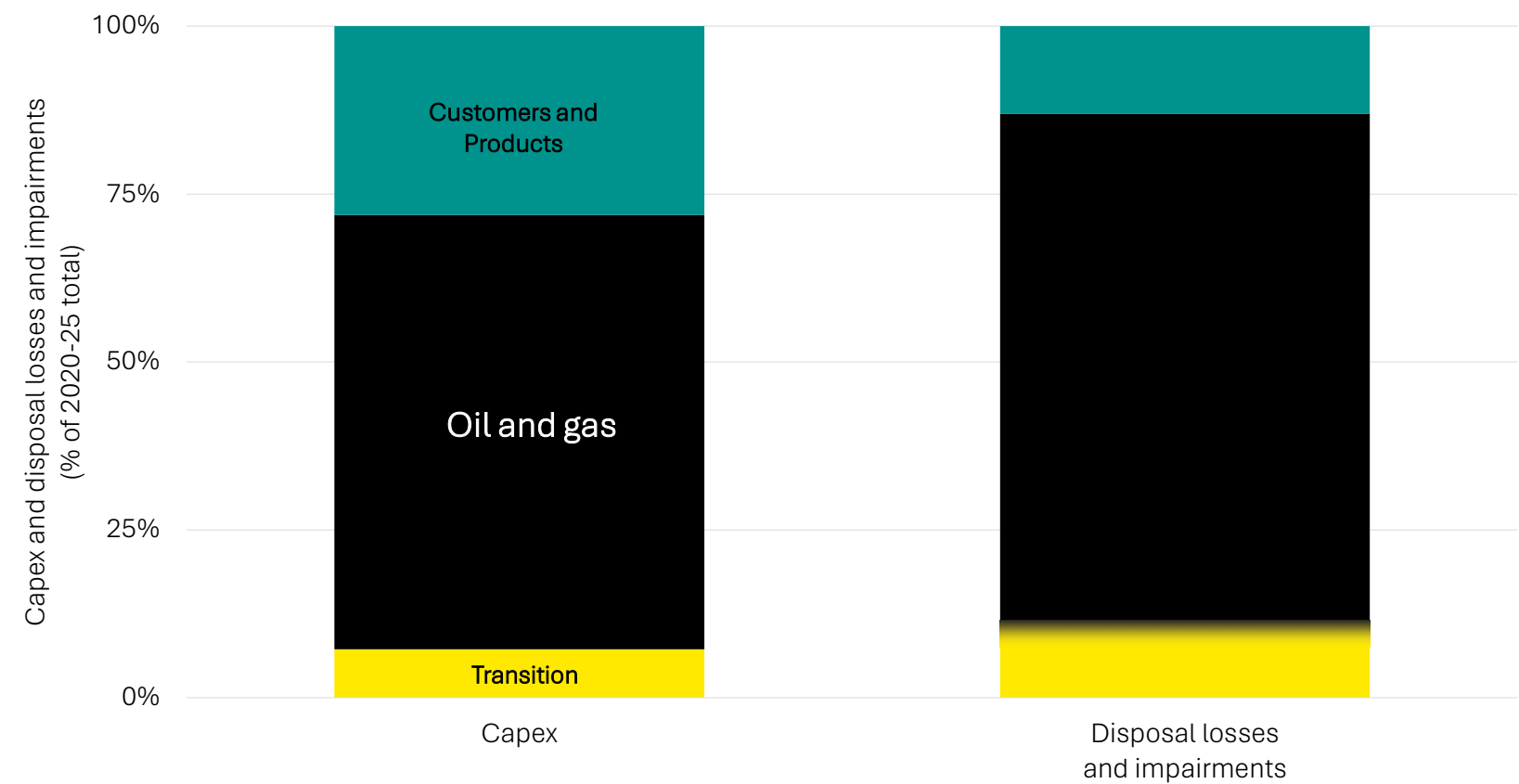
BP'S TRANSITION BUSINESS IS A SMALL PORTION OF THE COMPANY

BP is predominantly an oil and gas company. If BP is to 'fundamentally reset' its strategy, it needs to address its upstream oil and gas business.

Transition assets have contributed 7.5%-12.4% to BP's disposal losses and impairments and consumed 7.2% of the company's capex this decade.

The oil and gas businesses represent 75% of BP's disposal losses and impairments and 65% of its capex since 2020.

BP's transition business has not been a significant consumer of capex, or source of disposal losses and impairments



Source: ACCR analysis of BP disclosures (impairments) and Bloomberg data (capex)

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