

NEWS RELEASE

Release Time IMMEDIATE¹
Date 5 August 2021
Release Number 11/21

BHP approves Shenzi North project and moves Trion project into the FEED phase

The BHP Board has today approved US\$544 million in capital expenditure to execute the Shenzi North oil project in the US Gulf of Mexico. The capital expenditure approved represents a 100 per cent share interest. The project offers very attractive returns at a nominal IRR of over 35 per cent, a breakeven of approximately US\$25/bbl and a payback of less than 2 years². BHP is operator and holds a 72 per cent share in Shenzi North. Repsol holds the remaining 28 per cent working interest and is expected to make a Final Investment Decision later this calendar year.

Shenzi North represents the first development phase of Greater Wildling, following exploration success in 2017, with the resource and development plan further refined through Ocean Bottom Node seismic data and analysis. The project will take advantage of existing infrastructure and production capacity in the nearby Shenzi production facility, with value further enhanced through the recent acquisition of an additional 28 per cent working interest taking BHP's interest in the Shenzi field from 44 per cent to 72 per cent. The project adds two wells and subsea equipment to establish a new drill centre north of Shenzi with the capacity to produce up to approximately 30 mboe per day. Production is expected to begin in the 2024 financial year.

In addition, the BHP Board has also approved US\$258 million in capital expenditure to move the Trion oil project in Mexico into the Front End Engineering Design (**FEED**) phase. The focus of these studies will be on completion of the engineering, commercial arrangements and execution planning required to progress to a Final Investment Decision from mid-calendar year 2022. BHP holds a 60 per cent participating interest in and operatorship of blocks AE-0092 and AE-0093 containing the Trion discovery located in the deep-water Gulf of Mexico offshore Mexico. PEMEX Exploration & Production Mexico holds a 40 per cent interest in the blocks.

Geraldine Slattery, BHP President Operations Petroleum, said "Both Shenzi North and Trion are strong growth assets for our business, providing attractive returns from relatively low carbon intensity resources.

"Shenzi North is aligned with the petroleum strategy to unlock and deliver further growth options in this key Gulf of Mexico heartland. This Board decision also marks an important milestone in advancing the Trion development as we continue to work with our partner PEMEX towards a Final Investment Decision in calendar year 2022."

¹ This release was made outside the hours of operation of the ASX market announcements office.

² At consensus pricing, 10% nominal discount rate.

Further information on BHP can be found at: **bhp.com**

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