



[Home](#) [News](#) [Sport](#) [Business](#) [Innovation](#) [Culture](#) [Arts](#) [Travel](#) [Earth](#) [Audio](#) [Video](#) [Live](#)

# BP shuns renewables in return to oil and gas

50 minutes ago

**Simon Jack and Faarea Masud**

Business editor and business reporter, BBC News



Getty Images

BP has announced it will cut its renewable energy investments and instead focus on increasing oil and gas production.

The energy giant revealed the shift in strategy on Wednesday following pressure from some investors unhappy its profits and share price have been lower than its rivals.

BP said it would increase its investments in oil and gas by about 20% to \$10bn (£7.9bn) a year, while decreasing previously planned funding for renewables by more than \$5bn (£3.9bn).

The move comes as rivals Shell and Norwegian company Equinor have also scaled back plans to invest in green energy and US President Donald Trump's "drill baby drill" comments have encouraged investment in fossil fuels.

Murray Auchincloss, BP's chief executive, said the energy giant would be "very selective" in investing in businesses working on the energy transition to renewables going forward, with funding reduced to between \$1.5bn and \$2bn per year.

He said this was part of a strategy "reset" by the company to focus on boosting returns for shareholders.

Helge Lund, chair of BP, added that the new direction of the firm had "cash flow growth" at its heart.

Shares in the company climbed before Tuesday's announcement but fell shortly after.

BP is one of several firms in the energy industry to return focus on oil and gas production, which has seen an increase in profits as prices have increased following lows seen during the Covid pandemic.

The firm said it plans to increase its production to between 2.3 million and 2.5 million barrels of oil per day by 2030, with hopes of "major" oil and gas projects starting by the end of 2027.

---

**Simon Jack: BP's job is to make money, not set climate policy**  
**BP set to scale back green investments as profits drop sharply**  
**BP to cut 4,700 jobs to reduce costs**

---

Mr Auchincloss is under pressure to boost profits from some shareholders, including the influential activist group Elliot Management, which took a near £4bn stake in the £70bn company to push for more investment in oil and gas.

In 2024, BP's net income fell to \$8.9bn (£7.2bn), down from \$13.8bn the previous year.

However, some other shareholders, as well as environmental groups have voiced concerns over switching focus back to fossil fuel production.

Last week, a group of 48 investors called on the company to allow them a vote on any potential plans to move away from commitments to renewables.

The environmental group Greenpeace UK said the latest move was "proof that fossil fuel companies can't or won't be part of climate crisis solutions".

## 'Not just down to one company'

Challenged on the reduced commitment to investing in renewable energy, Louise Kingham, BP's senior vice president for Europe and the UK, said none of the changes

announced on Tuesday would alter the UK's green energy plans, which include three wind farms and carbon capture projects.

She said the shift to renewable energy sources had slowed but that BP's ambition had "not changed" to become a net-zero company.

According to the International Energy Agency, no new fossil fuel projects are compatible with limiting global warming to 1.5C compared to pre-industrial levels,

"We just have to do this transition more smartly and more efficiently and try to get those returns for our owners because they are helping us to do that. If we don't generate the returns, we can't invest and do more," Ms Kingham told a committee of MPs.

"It's going to take everybody to move in concert to make this happen. It's not just the decision of one company and what it chooses to do."

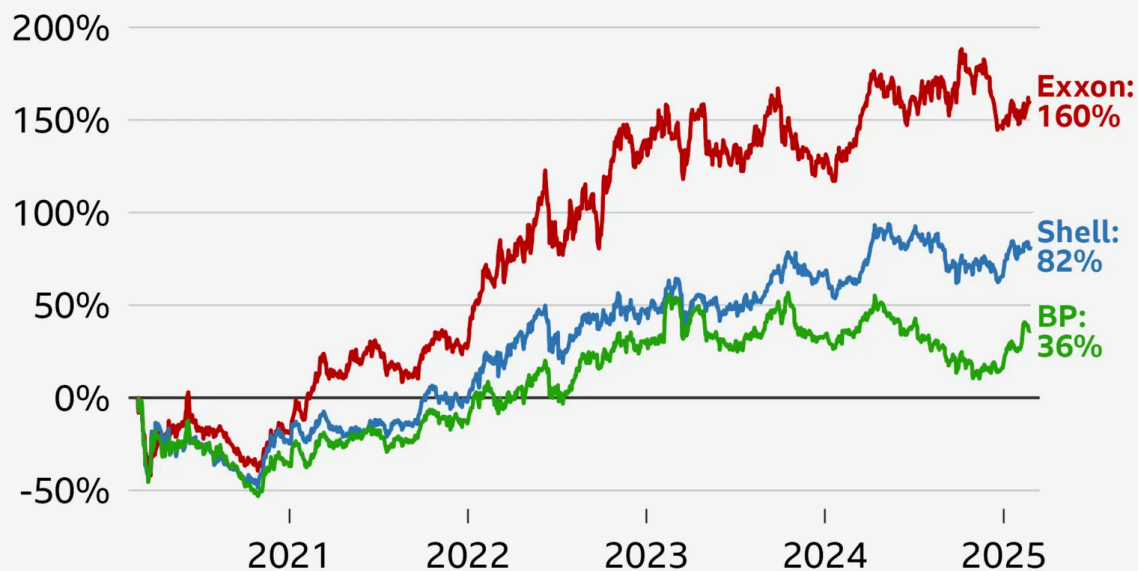
The decrease in renewables will cover biogas, biofuels and electric vehicle charging projects, while BP will look to "capital-light partnerships" in other green energy such as wind and solar.

BP has already placed its offshore wind business in a joint venture with Japanese company Jera and is looking to find a partner to do the same with its solar business.



## BP's stock has underperformed compared with some of its rivals

Cumulative total return on **ExxonMobil**, **Shell** and **BP** shares, 25 Feb 2020 to 25 Feb 2025



Source: Bloomberg



Five years ago, BP set some of the most ambitious targets among large oil companies to cut production of oil and gas by 40% by 2030, while significantly ramping up investment in renewables.

But in 2023, the company **lowered this oil and gas reduction target to 25%**.

In the five years since former chief executive Bernard Looney first unveiled his strategy, shareholders have received total returns including dividends of 36%.

In contrast, shareholders in rivals Shell and Exxon have seen returns of 82% and 160% respectively.

BP's under performance has prompted speculation that it may be a takeover target or may consider moving its main stock market listing to the US where oil and gas companies command higher valuations.

## 'Science hasn't changed'

Sir Ian Cheshire, who has held many executive roles at companies such as B&Q owner Kingfisher and Barclays bank, questioned whether BP's latest move would work.

"I do wonder whether this sort of decision will look right in 10 years," he told the BBC's Today programme, added that the "overall energy transition" to renewables was "still going to come".

"The climate change issue has not gone away, the science hasn't changed," he said.



**Sign up for our Future Earth newsletter** to get exclusive insight on the latest climate and environment news from the BBC's Climate Editor Justin Rowlett, delivered to your inbox every week. Outside the UK? **Sign up to our international newsletter here.**

Companies

Oil

BP

Oil & Gas industry

---

## Related

**Simon Jack: BP's job is to make money, not set climate policy**

55 mins ago | Business

**Apple commits to \$500bn US investment**

1 day ago | Business

**Scotch makers condemn English single malt whisky proposal**

5 days ago | Scotland Business

---

## More

1 day ago

### Can I fix my energy prices?

Gas and electricity bills will rise again on 1 April, when the latest energy price cap takes effect.

1 day ago | Business



2 days ago

### Greenpeace risks bankruptcy at US pipeline trial

The lawsuit stems from the Standing Rock protests against the Dakota Access Pipeline eight years ago.



2 days ago

12 Feb 2025

# Oil clean-up 'scam' warnings ignored by Shell, whistleblower tells BBC

The oil giant faces allegations it ignored warnings that a clean-up scheme was beset by corruption.



12 Feb 2025 | Africa

11 Feb 2025

# BP set to scale back green investments as profits drop sharply

The oil giant is widely expected to say it will scale back on renewables later this month.



11 Feb 2025 | Business

9 Feb 2025

# Dorset gas storage caverns: What you need to know

A company has settled on Dorset for the site of underground storage caverns for hydrogen gas.



9 Feb 2025 | Dorset



Home News Sport Business Innovation Culture Arts Travel Earth Audio Video Live Weather BBC Shop

BBC in other languages ▼

Follow BBC on:      

Terms of Use About the BBC Privacy Policy Cookies Accessibility Help Contact the BBC Advertise with us Do not share or sell my info

Contact technical support

Copyright 2025 BBC. All rights reserved. The BBC is not responsible for the content of external sites. **Read about our approach to external linking.**