



NEWS RELEASE

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BHP to acquire an additional 28 per cent working interest in Shenzi from Hess

BHP today announced that it has signed a Membership Interest Purchase and Sale Agreement with Hess Corporation (Hess) to acquire an additional 28 per cent working interest in Shenzi, a six-lease development in the deepwater Gulf of Mexico. Shenzi is structured as a joint ownership: BHP (Operator, 44 per cent interest); Hess (28 per cent interest) and Repsol S.A. (28 per cent interest).

BHP and Hess have agreed to a purchase price of US\$505 million, subject to customary pre and post-closing adjustments.

The acquisition would bring BHP's working interest to 72 per cent and immediately add approximately 11,000 barrels of oil equivalent per day of production (90 per cent oil).

This transaction is consistent with our strategy of targeting counter-cyclical acquisitions in high-quality producing or near producing assets. While our strict Capital Allocation Framework tests ensure all investments are resilient to low points in the commodity cycle, we also recognise the potential for price upside over the medium term given the global slowdown in development activity, and we are well positioned to participate in that upside. We continue to believe that the fundamentals for oil and advantaged gas will be attractive for the next decade and likely beyond.

BHP President Petroleum Operations, Geraldine Slattery said: "This transaction aligns with our plans to enhance our petroleum portfolio by targeted acquisitions in high quality producing deepwater assets and the continued de-risking of our growth options. We are purchasing the stake in Shenzi at an attractive price, it's a tier one asset with optionality, and key to BHP's Gulf of Mexico heartland. As the operator, we have more opportunity to grow Shenzi high-margin barrels and value with an increased working interest."

The effective date of the transaction is 1 July 2020 with an expected close by December 2020, subject to the satisfaction or waiver of customary and transaction-specific conditions.

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

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