# BP upgrades second-quarter production outlook amid peers’ mixed results and economic headwinds



The London-based oil major BP has revised its outlook for upstream production in the second quarter of 2023, now expecting it to be higher than in the first quarter. This marks an upgrade from the previous forecast, which anticipated production to remain broadly flat. This adjustment comes amid a complex backdrop of production trends within the company and its industry peers.

BP’s second-quarter results showed a slight decline in reported production compared to the same period in 2022, with a 2.2% decrease reported and underlying production down 2.9%. This drop was largely attributed to lower base performance but was partially offset by new project deliveries, including the commencement of production from the MJ field in India's KG D6 block, which is expected to supply about 15% of India’s gas demand. Additionally, BP's renewables pipeline remained robust, standing at 39.6GW at the end of the quarter, incorporating 16.6GW from its Lightsource bp initiative.

Looking ahead, BP plans further increases in upstream output through 2024, building on a 3% rise in production in 2023 driven by US shale and major project developments. The BPX shale unit's production surpassed 400,000 barrels of oil equivalent per day (boe/d) as of November, a more than 25% increase compared to the previous year. New developments such as the North Sea Seagull project and expansions approved in the US Gulf of Mexico are expected to underpin these growth targets, with ambitions to boost US upstream production to 1 million boe/d by the end of the decade.

BP’s positive production forecast contrasts with recent results reported by other leading oil companies. ExxonMobil saw a decrease in net production of crude oil, natural gas liquids, bitumen, and synthetic oil in the second quarter when compared to the previous quarter, with declines in both US and global natural gas output. Likewise, Chevron recorded a modest increase in net oil-equivalent production compared to the previous year, mainly due to the Permian Basin, but experienced lower international upstream earnings partly caused by reduced price realizations and foreign currency effects.

These production updates come amid wider economic concerns, including a softening of the UK economy. Recent figures show the UK's GDP contracted by 0.1% in May, following a 0.3% decline in April. This sluggish growth, combined with the potential imposition of US tariffs on Canada and the European Union, has impacted market sentiment and contributed to a slight decline in the FTSE 100. Analysts from Goldman Sachs have moderated their UK GDP growth forecasts for 2025 in light of these developments, while major European and US stock indices reflect ongoing economic uncertainties.

Taken together, these developments highlight the mixed dynamics shaping both the energy sector and broader economic environment. BP's upward revision in production forecasts signals confidence in its growth projects and shale operations, contrasting with some peers' production declines. Meanwhile, global economic pressures persist, influencing market performance and industry outlooks.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html), [[4]](https://www.eqs-news.com/news/adhoc/bp-p-l-c-2q23-sea-part-1-of-1/1870137)
* Paragraph 2 – [[4]](https://www.eqs-news.com/news/adhoc/bp-p-l-c-2q23-sea-part-1-of-1/1870137), [[7]](https://www.bp.com/en/global/corporate/news-and-insights/press-releases/second-quarter-2023-results.html)
* Paragraph 3 – [[3]](https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/020624-bp-flags-further-upstream-output-rises-after-3-increase-in-2023)
* Paragraph 4 – [[6]](https://corporate.exxonmobil.com/news/news-releases/2023/0728_exxonmobil-announces-second-quarter-2023-results?os=avefgi&ref=app), [[5]](https://www.businesswire.com/news/home/20230728977202/en/Chevron-Reports-Second-Quarter-2023-Results)
* Paragraph 5 – [[2]](https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html)
* Paragraph 6 – [[1]](https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html), [[3]](https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/020624-bp-flags-further-upstream-output-rises-after-3-increase-in-2023), [[2]](https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html)

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## Bibliography

1. <https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html> - Please view link - unable to able to access data
2. <https://www.standard.co.uk/business/business-news/gdp-donald-trump-goldman-sachs-canada-office-for-national-statistics-b1237746.html> - The article discusses the FTSE 100's performance, noting a slight decline due to soft economic growth figures and potential US tariffs on Canada. It highlights a 0.1% month-on-month contraction in the UK's GDP for May, following a 0.3% decline in April. The article also mentions Goldman Sachs' forecast for the UK's GDP growth in 2025 and the impact of potential US tariffs on Canada and the EU. Additionally, it covers currency fluctuations and the performance of major European and US stock indices.
3. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/020624-bp-flags-further-upstream-output-rises-after-3-increase-in-2023> - BP forecasts further increases in upstream production in the first quarter and throughout 2024, following a 3% rise in 2023. The growth is driven by US shale and major projects, with BPX shale unit's production surpassing 400,000 boe/d in November, up over 25% from Q4 2022. The company also highlights contributions from the North Sea Seagull project and approvals for expansions in the US Gulf of Mexico, aiming to increase US upstream output to 1 million boe/d by the end of the decade.
4. <https://www.eqs-news.com/news/adhoc/bp-p-l-c-2q23-sea-part-1-of-1/1870137> - BP's second-quarter 2023 results show a 2.2% decrease in reported production compared to the same period in 2022, with underlying production down 2.9%. The decline is mainly due to lower base performance, partially offset by new project deliveries. The renewables pipeline at the end of the quarter was 39.6GW, including 16.6GW from Lightsource bp's pipeline. The company also highlights the commencement of production from the MJ field in India's KG D6 block, expected to meet approximately 15% of India's gas demand.
5. <https://www.businesswire.com/news/home/20230728977202/en/Chevron-Reports-Second-Quarter-2023-Results> - Chevron's second-quarter 2023 results indicate a 16,000 barrels per day increase in net oil-equivalent production compared to the previous year, primarily due to growth in the Permian Basin. However, international upstream earnings were lower than a year ago, mainly due to lower realizations and foreign currency effects, partially offset by favorable tax items and higher sales volumes. The company also reports a decrease in U.S. upstream earnings, primarily due to lower realizations, partially offset by lower operating expenses and higher sales volumes.
6. <https://corporate.exxonmobil.com/news/news-releases/2023/0728_exxonmobil-announces-second-quarter-2023-results?os=avefgi&ref=app> - ExxonMobil's second-quarter 2023 results show a decrease in net production of crude oil, natural gas liquids, bitumen, and synthetic oil compared to the previous quarter. The company reports a decline in net natural gas production available for sale in the United States and worldwide. The report provides detailed figures for net production across various regions, including the United States, Canada, Europe, Africa, Asia, and Australia/Oceania, highlighting changes compared to the first quarter and the same quarter in the previous year.
7. <https://www.bp.com/en/global/corporate/news-and-insights/press-releases/second-quarter-2023-results.html> - BP's second-quarter 2023 results announcement includes cautionary statements regarding forward-looking statements related to future events and circumstances. The company provides a detailed cautionary statement outlining various factors that could cause actual results to differ materially from those expressed in such statements, including market conditions, regulatory changes, and operational challenges. The announcement also includes contact information for BP's press office in London and a note on the nature of the announcement containing inside information.