

Edgar Filing: BP PLC - Form 6-K

BP PLC
Form 6-K
October 07, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended 07 October, 2005

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F
----- -----

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No
----- -----

7 October, 2005

BP AGREES SALE OF PETROCHEMICALS BUSINESS TO INEOS FOR \$9 BILLION

BP today announced that it is to sell Innovene, its olefins, derivatives and refining group, to UK-based INEOS. The \$9 billion cash sale, subject to regulatory approvals, includes all Innovene's manufacturing sites, markets and technologies. The sale is expected to be concluded early in 2006 at which time payment will be received by BP.

"Innovene has proved to be a very attractive business to its peers in the chemicals sector," said Lord Browne, BP Group Chief Executive. "This deal is the very best of a number of good offers. I'm delighted with the outcome which is excellent for BP's shareholders and for Innovene's future."

Edgar Filing: BP PLC - Form 6-K

BP first announced the intention of separating its olefins and derivatives business from its petrochemicals portfolio in April 2004 with an initial public offering (IPO) as one, possible, disposal option. In the interim, it received a number of approaches from companies considering a trade sale leading to this decision instead of the IPO.

Browne said that the decision to sell Innovene in its entirety removed any uncertainty around market conditions at the time of an IPO, as well as would-be investors' concerns about BP's remaining stake and future intentions.

"Consistent with existing BP practice, we remain committed to returning excess free cash flow, including the net proceeds of this sale, to shareholders," he added.

"This is a transformational acquisition elevating INEOS to the world's fourth largest independent petrochemicals company," said Jim Ratcliffe, INEOS Chief Executive. "INEOS and Innovene share a BP heritage of high quality people, assets and technology and are highly complementary businesses."

Innovene is the 100 per cent BP-owned group created in April 2005. It has 8,000 staff, manufacturing facilities in seven countries in North America and Europe; \$18 billion revenues in 2004; \$13 billion of gross assets; \$9.9 billion of net assets; pre-tax profits (Jan-Jun 2005) of \$0.7 billion; 18 million tonnes of annual petrochemicals capacity and 412,000 barrels per day of crude oil refining capacity.

Innovene's chief executive is Ralph Alexander and its chief financial officer is Mark Tomkins. Innovene manufactures olefins and related products which are the raw materials for plastics, packaging and textiles industries; and operates two refineries in Europe.

BP was jointly advised by Goldman Sachs and Morgan Stanley on the IPO and sale.

Notes to editors:

BP announced the separation of its olefins and derivatives business in April 2004. It then added two refineries (Grangemouth, UK, and Lavera, France) to the business in November 2004, and created the 100% BP-owned Innovene subsidiary in April 2005.

BP is the world's second largest integrated oil and gas company, operating in more than 100 countries with over 100,000 staff and turnover of \$285 billion. INEOS is a leading global manufacturer of speciality petrochemicals and comprises 10 business units each with a major chemical company heritage. Its production network spans 46 manufacturing facilities in 14 countries.

Innovene assets included in sale agreement:

North America	Europe
Chocolate Bayou, Texas	Grangemouth (chems/refinery), UK
Texas City (chems), Texas	Lavera (chems/refinery), France
Hobbs Gas Fractionation Facility, Texas	Sarralbe, France

Edgar Filing: BP PLC - Form 6-K

Battleground (ex-Deer Park), Texas	Feluy, Belgium
Green Lake, Texas	Geel (polypropylene), Belgium
Carson (chems), California	Lillo, Belgium
Lima, Ohio	Koln, (excluding ethylene oxide), Germany
Whiting (chems), Indiana	Marl, Germany
Joffre, Canada	Rosignano, Italy
	The NOVA Innovene joint venture

Further media enquiries:

BP:	Press Office	+44 (0)207 496 4076 / 4827	www.bp.com
INEOS:	Press office	+44 (0)2380 28 7081 / 7025	www.ineos.com

- ENDS -

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 07 October, 2005

/s/ D. J. PEARL
.....
D. J. PEARL
Deputy Company Secretary