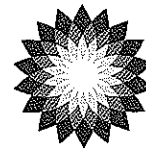


bp

Dr. Phil C. Home

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12 February 2009

Mr. Phillip Weickhardt
Commissioner
Upstream Petroleum Regulation Study
Productivity Commission
Locked Bag 2
Collins Street East
Melbourne
VIC 3000

Dear Commissioner Weickhardt,

I am pleased to respond to the Productivity Commission's draft research report "Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector" on behalf of BP Developments Australia Pty Ltd (BP), which holds BP's upstream interests in Australia.

Primarily, BP's response has been given through APPEA, whose submission (dated 9 February 2009) we endorse entirely, and we join with APPEA in commending the Productivity Commission for the draft report. We largely agree with many of the recommendations, and APPEA has drawn attention to the few points of difference and areas where additional clarification may be required.

In particular, pursuant to the specific points in my initial submission of 10th September 2008, I am pleased to endorse Draft Findings 8.4 and 8.5 with respect to the value lost by delays in the regulatory process. I also endorse Draft Finding 5.5 on the impact of domestic gas reservation policies, and APPEA's associated request that the Commission reflects this finding with an appropriate recommendation in the final Report.

BP looks forward to continuing to engage with the Productivity Commission and other stakeholders in the completion of the Commission's review.

Yours sincerely
for BP Developments Australia Pty. Ltd.

Phil Home