

BP reports almost £7bn profit as energy prices soar

BP faced a backlash on Tuesday after the oil and gas giant reported near-£7 billion [profits](#) between April and June as it cashed in on soaring [energy costs](#).

During a year when consumer [fuel prices](#) reached record highs and households face “devastating” energy bill rises this winter, BP tripled its profits compared to 2021 – taking them to a 14-year high.

The company reported \$8.5 billion (£6.9 billion) of profits for the second quarter of 2022, up from \$2.8 billion (£2.3 billion) between April and June 2021 and significantly above analyst forecasts.

It comes as households across Britain were warned they could face an annual energy bill in excess of £3,600 this winter when the price cap is lifted.

Labour’s shadow chancellor Rachel Reeves said: “People are worried sick about energy prices rising again in the autumn, but yet again we see eye-watering profits for oil and gas producers. It’s clear people need greater protection from rising bills.”

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Liberal Democrat MP Sarah Olney added: “These profits are a slap in the face for everyone across the country. While so many dread the news about record high energy bills this winter, BP are raking in billions off the backs of millions of families who are struggling on a daily basis.

“We need to see urgent changes now to help people with their bills this winter.”

Investors will reap the rewards of the jump, with BP lifting its payout to shareholders by 10 per cent.

The results come as households are struggling to meet rocketing bills and anger mounts over massive profits from firms following bumper results from Shell and British Gas owner Centrica last week.

It also comes as the Bank of England is expected to raise interest rates on Thursday by 0.5 percentage points, which will add to the pain for homeowners.

BP chief executive Bernard Looney said: “Our people have continued to work hard throughout the quarter helping to solve the energy trilemma –secure, affordable and lower carbon energy. We do this by providing the oil and gas the world needs today while at the same time investing to accelerate the energy transition.”

In May, the Government announced an energy costs support package – worth £400 per household – in response to predictions that bills would rise to £2,800 for the average household in October. It is partly funded by a temporary windfall tax on the profits of oil and gas companies.

But energy consultant Cornwall Insight has now said bills are more likely to rise to £3,358 from October and £3,615 from January. Principal consultant Dr Craig Lowrey said there was “little sign” of prices falling before 2024 and average bills are likely to be well over £3,000 a year for the next 15 months, predominantly due to uncertainty over gas supplies.

He added: “Customers will be sadly used to these ever-increasing price cap forecasts.

“We have less than a month until the new price cap is announced and given the trends in the wholesale market and the concerns over Russian supply, unfortunately the only change to the prediction is likely to be up.

“However, while the rise in forecasts for October and January is a pressing concern, it is not only the level but the duration of the rises that makes these new forecasts so devastating.”

BP is planning to invest up to £18 billion into the UK energy system by 2030, including in offshore wind power and electric car charging networks.

It has also vowed to invest up to £50 million in an electric vehicle battery testing centre in Berkshire.

Brexit opportunities minister Jacob Rees-Mogg argued that a profitable oil sector was important to the economy as he voiced opposition to a fresh windfall tax on energy giants.

He told LBC: “I’m not in favour of windfall taxes. The energy industry is enormously cyclical. You need to have a profitable oil sector so it can invest in extracting energy.”