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## BUSINESS

# Tech spooks who found bin Laden help BP find oil

Secretive data outfit Palantir is helping squeeze more from the North Sea, reports *Danny Fortson*

A fall in the oil price was the last thing Bob Dudley needed. It was 2014, BP was still clawing its way out of a \$60bn financial hole created by the Deepwater Horizon disaster, and crude was set to plunge from \$100 (£78) a barrel to the mid-\$30s.

The chief executive knew his company needed to become leaner, more efficient and more profitable. He turned to an unusual ally: Alex Karp, the billionaire co-founder of Palantir, the secretive CIA-funded data analytics business.

The Silicon Valley outfit, chaired by co-founder Peter Thiel, had made its name working with three-letter government agencies – including the MoD. Its software combed through

mountains of data to provide intelligence for planning attacks, co-ordinating disaster relief and finding “bad guys”.

The most famous case of the latter was the 2011 assassination of Osama bin Laden. The CIA used Palantir to help zero in on the terrorist’s location.

Palantir often sent engineers to the front lines of war zones. After Dudley’s call, it sent a crack team to Aberdeen. So began an unlikely alliance. BP invested in Palantir not long after they began working together five years ago – a fact that has not been revealed until now.

The partnership catalysed a “digital transformation” that Bernard Looney, who will replace Dudley next year, claimed was the most advanced in the oil industry.

In a private speech in Paris last month, he said: “I believe we’ve travelled further than any other energy business.” Palantir, he added, was “right at the heart of that work”.

The tie-up started small: BP put Palantir together with a single reservoir engineer in

Aberdeen. At the time, Palantir’s only product was Gotham, a software platform that specialised in collating online and offline data into a usable form. It was adept at finding needles in haystacks, such as the locations of mines on dirt roads in Iraq.

It had not built an equivalent for corporate customers, which more often need to draw out trends from data to make business decisions. Palantir would eventually launch that product, Foundry, in 2016. When it started working with BP, it was doing one-off deals with corporates.

The goal was simple. Lamar McKay, BP’s deputy group chief executive, said the company had a “garbage dump” of data that had built up over a half-century of operations in the North Sea. Could Palantir make sense of it, and turn it into something that might squeeze more juice from the company’s oldest, costliest fields?

Rank-and-file workers were sceptical. A source close to the company said: “It was kind of sold to people like,



BP estimates that Palantir, led by Alex Karp, has helped to increase its North Sea oil production by 10%

‘Hey, these are the guys who found bin Laden’.”

The early results were promising, McKay said: “If something grass-roots happens in Aberdeen, it’s probably pretty good because, you know, they [in Aberdeen] don’t like to be told what to do, let’s say.”

BP soon invested in the private company, whose biggest shareholder was Thiel, known today as perhaps the tech industry’s most prominent supporter of Donald Trump.

What began as an experiment turned into a 10-year, \$1.2bn contract. McKay reckons that in the North Sea, BP produces an extra 20,000 barrels – a 10% improvement – thanks to the “digital twin” that Palantir has built. The facsimile allows it to test and make minute, constant changes to flows, extraction rates, compression and countless other variables across thousands of miles of pipes and risers and wells.

BP and Palantir kept their partnership private until very recently. For BP, it is not hard to understand why. Palantir,

which is worth an estimated \$40bn and rumoured to be eyeing a stock market float next year, is, perhaps, the most controversial tech company in Silicon Valley after Facebook.

Karp, 52, is an unabashed supporter of American and western governments. The company’s contracts with the CIA and Immigration and Customs Enforcement (ICE) have led to protests at its Palo Alto headquarters. Several organisations this year have dropped Palantir as a sponsor of conferences.

Karp has bashed Big Tech rivals such as Google for pulling out of defence contracts in response to public outcry. He has called Silicon Valley “an island that seems to be devoid of any of the cultural norms that the rest of us tend to share”. ICE this summer renewed a contract with Palantir for software that is used to track immigrants at the border.

Palantir has burrowed deep inside BP. Having started in the production arm, it has been rolled out across most of BP’s



**We’ve come further than any other energy business and Palantir is at the heart of it**

operations, including trading and refining. BP will soon bring in its wind energy division as well, which is in dire need of data help: the company’s 10 wind farms produce more data than the rest of its operations combined. Looney said: “We collect the data – and immediately delete it. We have neither capacity nor systems to analyse it.”