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<http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/7804922/BP-chief-Tony-Hayward-sold-shares-weeks-before-oil-spill.html>

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<http://rawstory.com/rs/2010/0602/month-oil-spill-goldman-sachs-sold-250-million-bp-stock/>

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## **BP chief Tony Hayward sold shares weeks before oil spill**

The chief executive of BP sold £1.4 million of his shares in the fuel giant weeks before the Gulf of Mexico oil spill caused its value to collapse.

By Jon Swaine and Robert Winnett

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There is no suggestion that he acted improperly or had prior knowledge that the company was to face the biggest setback in its history.

His decision, however, means he avoided losing more than £423,000 when BP's share price plunged after the oil spill began six weeks ago.

Since he disposed of 223,288 shares on March 17, the company's share price has fallen by 30 per cent. About £40 billion has been wiped off its total value. The fall has caused pain not just for BP shareholders, but also for millions of company pension funds and small investors who have money held in tracker funds.

The spill, which has still not been stemmed, has caused a serious environmental crisis and is estimated to cost BP up to £40 billion to clean up.

There was growing confidence yesterday that a new cap placed over the well was stemming the oil flow. An estimated three million litres a day had been pouring into the sea off the coast of Louisiana since the April 20 explosion, damaging marine life.

The crisis has enraged US politicians, with President Obama yesterday forced to cancel a trip to Indonesia amid a row over the White House's response.

Mr Hayward, whose position is thought to be under threat, risked further fury by continuing plans to pay out a dividend to investors next month.

Tony Hayward cashed in about a third of his holding in the company one month before a well on the Deepwater Horizon rig burst, causing an environmental disaster.

Mr Hayward, whose pay package is £4 million a year, then paid off the mortgage on his family's mansion in Kent, which is estimated to be valued at more than £1.2 million

## [BP's Hayward: I'm a Brit. I can take it](#)



BP chief answers shareholders' questions about the oil company's Gulf of Mexico catastrophe.

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## **Goldman Sachs sold \$250 million of BP stock before spill**

**Firm's stock sale nearly twice as large as any other institution; Represented 44 percent of total BP investment**

The brokerage firm that's faced the most scrutiny from regulators in the past year over the shorting of mortgage related securities seems to have had good timing when it came to something else: the stock of British oil giant BP.

According to regulatory filings, RawStory.com has found that Goldman Sachs [sold 4,680,822 shares](#) of BP in the first quarter of 2010. Goldman's sales were the largest of any firm during that time. Goldman would have pocketed slightly more than \$266 million if their holdings were sold at the average price of BP's stock during the quarter.


If Goldman had sold these shares today, their investment would have lost 36 percent its value, or \$96 million. The share sales represented 44 percent of Goldman's holdings -- meaning that Goldman's remaining holdings have still lost tens of millions in value.

The sale and its size itself isn't unusual for a large asset management firm. Wall Street brokerages routinely buy and sell huge blocks of shares for themselves and their clients. In light of a [recent SEC lawsuit](#) arguing that Goldman kept information about a product they sold from their clients, however, the stock sale may raise fresh concern among Goldman's critics. Goldman is also a frequent target of liberals and journalists, including *Rolling Stone's* Matt Taibbi, who famously dubbed the firm a "[vampire squid](#)."

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Story continues below...

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 Two calls placed to Goldman Sachs' media office in New York Wednesday morning after US markets opened were not immediately returned, though Raw Story decided to publish the story quickly after the calls since the stock sale had been [already noted online](#).

### **Others also sold stock**

Other asset management firms also sold huge blocks of BP stock in the first quarter -- but their sales were a fraction of Goldman's. Wachovia, which is owned by Wells Fargo, sold 2,667,419 shares; UBS, the Swiss bank, sold 2,125,566 shares.

Wachovia and UBS also sold much larger percentages of their BP stock, at 98 percently and 97 percent respectively.

Wachova parent Wells Fargo, however, bought 2.3 million shares in the quarter, largely discounting Wachovia's sales.

Those [reported buying BP's stock](#) included Wellington Management, a large asset firm, and the Bill and Melinda Gates Foundation.

BP is struggling to cap a massive oil leak at one of its drill sites in the Gulf of Mexico. The firm's [myriad safety violations](#) over the years have come to light in lieu of the Gulf disaster.

BP traded on average at \$56.86 in the first quarter, [according to GuruFocus](#), a site that monitors the major trading moves of prominent investors. A list of major institutions' sales of BP stock [are available](#) at the market research website Morningstar.

It's certainly unknown as to why the firms sold their holdings. In its analysis of the company in mid-March, Morningstar, the market research site, gave the company an average rating of three out of a possible five stars.

"BP's valuation carries more uncertainty than ExxonMobil's or Shell's because the firm is less integrated, with more of its earnings coming from the [exploration and production] business than from potentially offsetting refining operations," the site's analyst wrote. "Like its peers, a sustained drop in oil and gas prices can hurt upstream earnings. Lower crude-oil feedstock costs could help refining margins, but refined product pricing lags could quickly swing refining profits to losses. BP's global business faces potential disruptions caused by political risks, particularly with its heavy exposure to Russia. Disruptions caused by environmental and operational constraints could further limit earnings potential."

The transnational oil company, like other energy giants, was hit with lower oil and gas prices in the past year after the price of oil surged in 2008.

"BP's fourth quarter marked another quarter of year-over-year production gains, with a 3% increase thanks to new field startups," Morningstar's analyst wrote in another note, after BP turned in better than expected fourth quarter results in February. "BP reported fourth-quarter replacement cost profit of \$3.4 billion, up 33% from year-ago earnings of \$2.6 billion, as upstream earnings growth was more than enough to offset downstream weakness. For the full year, BP's earnings of \$14 billion were 45% below year-ago earnings of \$26 billion, in part because of lower oil prices earlier in the year. We're encouraged by BP's sequential earnings gains as new projects and cost-cutting efforts drive upstream results."

The SEC [filed a civil lawsuit](#) against Goldman Sachs and one of its vice presidents in April, asserting that the firm had committed fraud by misrepresenting a mortgage-investment product inherently designed to fail. The company helped a hedge fund trader create a mortgage investment that gained value as mortgage borrowers defaulted en masse.

In response, Goldman [said the SEC's charges](#) were "completely unfounded in law and fact" and averred that it would "vigorously contest them and defend the firm and its reputation."

The firm has also faced criticism over giant bonuses paid to staff amidst the US financial crisis. Goldman reduced the sizes of its staff bonuses this year to \$16.9 billion, and said it would pay its chief executive [\\$9 million](#), far less than the previous year.

Goldman also announced it would create a \$500 million program to help small businesses. Critics noted that the figure represented just 3% of the bonus pool.

it seems that there is a plan to reduce the oil capacity - therefore they manipulated the oil-platform for this crash

These guys are without any responsibility - for anybody, the nature, the (wild)life - our future and of this planet ( exactly the same as our politicians ) as well as for our children

Why don't get together the world population and torture these few guys so nobody will try the same again ?  
to death

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