BP EXPLORATION (ANGOLA) LIMITED
(Registered No. 00615393)

ANNUAL REPORT AND ACCOUNTS 2013

Board of Directors: J S Blythe
A P Martin
M Morris

The directors present the strategic report, their report and the accounts for the year ended 31 December 2013.

STRATEGIC REPORT

Results

The profit for the year after taxation was $1,537,304,000 which, when added to the retained profit brought forward at 1 January 2013 of $3,288,909,000 together with total paid interim dividends to ordinary shareholders of $1,000,000,000 gives a total retained profit carried forward at 31 December 2013 of $3,826,213,000.

Principal activities and review of the business

The company is engaged in the exploration for and production and selling of hydrocarbons in Angola and the United Kingdom.

The company is the operator of Angola offshore block 31 with a participating interest of 26.67%. It also has a participating interest in Angola offshore blocks 15 (26.67%) and 17 (16.67%) which are operated by ExxonMobil and Total respectively.

The company also has an equity interest of 13.6% in the Angola liquefied natural gas project. The project involves the gas supply, gas sale and re-gasification of liquid natural gas. The LNG plant is located in the Zaire province of Angola.

The key financial and other performance indicators during the year were as follows:

	2013	2012	Variance
	$000	$000	%
Turnover	4,449,661	3,598,163	23.7
Operating profit	2,481,359	2,058,849	20.5
Profit after taxation	1,537,304	1,130,872	35.9
Shareholders' funds	10,194,848	6,157,544	65.6

	2013	2012	Variance
	%	%	
Quick ratio*	149	35	114

*Quick ratio is defined as current assets, excluding stock and debtors receivable after one year, as a percentage of current liabilities.

The increase in turnover was due to a higher production in 2013. The development areas of Clochas and Mavacola (block 15) which started production in May 2012 benefited from a whole year of production in 2013, as well as PSVM (block 31) which commenced production in December 2012.

Principal activities and review of the business (continued)

The increase in operating profit was mainly due to the increase in turnover of $851,948,000. This was offset by an increase in cost of sales of $475,926,000. The cost of sales increase of $475,926,000 was mainly driven by increases in depreciation, depletion and amortisation for $785,984,000, in field and non-field production expenditure for $134,987,000 which was offset by a swing from overlift in 2012 to underlift in 2013 of $410,734,000. The increase was mainly PSVM coming on-line.

The increase in profit after taxation was due to the net effect of the increase in operating profit described above, combined with a decrease in interest payable of $48,197,000.

The shareholders' funds increase of $4,037,304,000 was attributable to the capital injection of $3,500,000,000 plus the profit of $1,537,304,000 less interim dividend paid of $1,000,000,000.

The increase of the quick ratio was due to the capital injection of $3,500,000,000 which resulted in a decrease of creditors owing to BP group entities and an increase of cash at bank.

Principal risks and uncertainties

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management at a group level. Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level.

We urge you to consider carefully the risks described below. The potential impact of the occurrence or reoccurrence of any of the risks described below could have a material adverse effect on the company's business, financial position, results of operations, competitive position, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda.

Company level risks have been categorised against the following areas: strategic and commercial; compliance and control; safety and operational; and financial risk management. In addition, we have set out one separate risk for your attention – the risk resulting from the 2010 Gulf of Mexico oil spill.

Gulf of Mexico oil spill

The Gulf of Mexico oil spill (the Incident) has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on BP Exploration (Angola) Limited.

There is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to the Incident, the impact of the Incident on the reputation of the group and the resulting possible impact on the group's licence to operate including its ability to access new opportunities. The amount of claims, fines and penalties that become payable by the BP group (including as a result any potential determination of the BP group's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Incident, will also impact upon the ultimate cost for the BP group.

Principal risks and uncertainties (continued)

Gulf of Mexico oil spill (continued)

These uncertainties are likely to continue for a significant period, increase the risks to which the group is exposed and may cause BP group's costs to increase materially. Thus, the Incident has had, and could continue to have, a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The risks associated with the Incident could also heighten the impact of the other risks to which the group, and subsequently the company, is exposed as further described below. Further information on the Incident, is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2013.

Strategic and commercial risks

Access and renewal
Successful execution of the company's strategy depends on implementing activities to renew and reposition its portfolio. The challenges to renewal of the company's upstream portfolio are growing due to increasing competition for access to opportunities globally among both national and international oil companies, and heightened political and economic risks in certain countries where significant hydrocarbon bases are located. Lack of material positions in new markets could impact the company's future hydrocarbon production.

Moreover, the Incident has affected the BP group's reputation, which may have a long-term impact on the group's ability to access new opportunities, both in the US and elsewhere. Adverse public, political, regulatory and industry sentiment towards the BP group, and towards oil and gas drilling activities generally, could damage or impair the company's existing commercial relationships with counterparties, partners and host governments and could impair access to new investment opportunities, exploration properties, operatorships or other essential commercial arrangements with potential partners and host governments, particularly in the US. In addition, costs and liabilities relating to the Incident have placed, and will continue to place, a significant burden on BP group's cash flow, which could impede the BP group's ability to invest in new opportunities and deliver long-term growth, which in turn may impact the company.

Prices and markets
Oil, gas and product prices and margins can be very volatile, and are subject to international supply and demand. Political developments (including conflict situations), increased supply from the development of new oil and gas sources, technological change, global economic conditions and the influence of OPEC can particularly affect world supply and oil prices. Previous oil price increases have resulted in increased fiscal take, cost inflation and more onerous terms for access to resources. As a result, increased oil prices may not improve margin performance. Decreases in oil, gas or product prices are likely to have an adverse effect on revenues, margins and profitability, and a material rapid change, or a sustained change, in oil, gas or product prices may mean investment or other decisions need to be reviewed, assets may be impaired, and the viability of projects may be affected.

Periods of global recession or prolonged instability in financial markets could negatively impact parties with whom the company does or may do business with, the demand for the company's products, the prices at which they can be sold and could affect the viability of the markets in which the company operates.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Climate change and carbon pricing
Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs, potential restrictions on the commercial viability of, or the company's ability to progress, upstream resources and reserves, and impacts on revenue generation and strategic growth opportunities.

Geopolitical
The diverse nature of the company's operations around the world exposes it to a wide range of political developments and consequent changes to the operating environment, regulatory environment and law.

The company has operations, in Angola where political, economic and social transition is taking place. Some countries have experienced or may experience in the future political instability, changes to the regulatory environment, changes in taxes, expropriation or nationalisation of property, civil strife, strikes, acts of terrorism, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate the company's operations, causing its development activities to be curtailed or terminated in these areas or its production to decline, could limit the company's ability to pursue new opportunities, could affect the recoverability of its assets and could cause it to incur additional costs. In particular, the company's investments in Angola could be adversely affected by heightened political and economic environment risks.

Competition
The company's strategy depends upon continuous innovation in a highly competitive market.

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on the terms of access to new opportunities, licence costs and product prices, affects oil products marketing and requires continuous management focus on improving efficiency, while ensuring safety and operational risk is not compromised. The implementation of the BP group strategy requires continued technological advances and innovation including advances in exploration, production, refining, petrochemicals manufacturing technology and advances in technology related to energy usage. The company's performance could be impeded if competitors developed or acquired intellectual property rights to technology that it required or by its failure to adequately protect the company's brands and trademarks. The company's competitive position in comparison to its peers could be adversely affected if it fails to control its operating costs or manage its margins, or if it fails to sustain, develop and operate efficiently a high quality portfolio of assets.

Joint ventures and other contractual arrangements
The company's major projects and operations are conducted through joint ventures and through contracting and sub-contracting arrangements. These arrangements often involve complex risk allocation, decision-making processes and indemnification arrangements, and the company has less control of such activities than it would have if it had full ownership and operational control.

Additionally, the company's joint venture partners or contractual counterparties are primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project, and in the event these are found to be lacking the company's joint venture partners may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Joint ventures and other contractual arrangements (continued)
Furthermore, should accidents or incidents occur in operations in which the company participates, whether as operator or otherwise, and where it is held that the company's sub-contractors or joint venture partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to fully indemnify the company against the costs it incurs on behalf of the joint venture or contractual arrangement. Should a key sub-contractor, such as a lessor of drilling rigs, be no longer able to make these assets available to the company, this could result in serious disruption to its operations. Where the company does not have operational control of a venture, the company may nonetheless still be pursued by regulators or claimants in the event of an incident.

Investment efficiency
The company's organic growth is dependent on creating a portfolio of quality options and investing in the best options. Ineffective strategy, investment selection and development could lead to loss of value and higher capital expenditure.

Reserves progression
Successful execution of the BP group strategy depends critically on sustaining long-term reserves replacement. If upstream resources are not progressed in a timely and efficient manner due to commercial, technical, regulatory or other reasons, the company will be unable to sustain long-term replacement of reserves.

Major project delivery
Successful execution of the company's plan depends critically on implementing the activities to deliver the major projects over the plan period. Poor delivery of, or operational challenges, at any major project that underpins production or production growth and/or a major programme designed to enhance shareholder value, including maintenance turnaround programmes, could adversely affect the company's financial performance and its operating cash flows.

Digital infrastructure
The reliability and security of the company's digital infrastructure are critical to maintaining the availability of its business applications, including the reliable operation of technology in its various business operations and the collection and processing of financial and operational data, as well as the confidentiality of certain third-party information. A breach of the company's digital security or failure of its digital infrastructure, due to intentional actions such as cyber-attacks, negligence or otherwise, could cause serious damage to business operations and, in some circumstances, could result in the loss of data or sensitive information, injury to people, loss of control or damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs.

Crisis management, business continuity and disaster recovery
Crisis management and contingency plans are required to respond to, and to continue or recover operations, following a disruption or incident. If the company does not respond, or is perceived not to respond, in an appropriate manner to either an external or internal crisis, its business and operations could be severely disrupted. Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption and could severely affect business and operations.

Principal risks and uncertainties (continued)

Compliance and control risks

Regulatory

The oil industry in general is subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalisation, expropriation, cancellation or non-renewal of contract rights.

The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law.

The company remains exposed to changes in the regulatory environment, such as new laws and regulations (whether imposed by international treaty or by national or local governments in the jurisdiction in which it operates), changes in tax or royalty regimes, price controls, the imposition of trade or other sanctions, government actions to cancel or renegotiate contracts or other factors. Governments are facing great pressure on public finances, which may increase their motivation to intervene in the fiscal and regulatory frameworks of the oil and gas industry and we remain exposed to increases in amounts payable to governments or government agencies. Such factors could reduce the company's profitability from operations in certain jurisdictions, limit its opportunities for new access, require it to divest or write-down certain assets or curtail certain operations, or affect the adequacy of its provisions, tax, environmental and legal liabilities. Potential changes to pension or financial market regulation could also impact funding requirements of the company.

Ethical misconduct and non-compliance

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery, anti-corruption and other applicable laws could be damaging to the company's reputation and shareholder value. Multiple events of non-compliance could call into question the integrity of the company's operations.

Liabilities and provisions

The BP group's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Incident, together with the potential cost and burdens of implementing remedies sought in the various proceedings, have had, and are expected to continue to have, a material adverse impact on the group's business and consequently may also impact the company's business. Further information is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2013.

Reporting

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the company's reputation.

Principal risks and uncertainties (continued)

Safety and operational risks

Process safety, personal safety and environmental risks
The nature of the company's operations exposes it to a wide range of significant health, safety, security and environmental risks. The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of the company's activities. In addition, in many of the company's major projects and operations, risk allocation and management is shared with third parties, such as contractors, sub-contractors, and joint venture partners. See 'Joint ventures and other contractual arrangements'.

There are risks of technical integrity failure as well as risk of natural disasters and other adverse conditions in many of the areas in which the company operates, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents.

The company's operations are often conducted in hazardous, remote or environmentally sensitive locations, in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations. These operations are subject to various environmental and safety laws, regulations and permits and the consequences of failure to comply with these requirements can include remediation obligations, penalties, loss of operating permits and other sanctions. Accordingly, inherent in the company's operations is the risk that if it fails to abide by environmental and safety and protection standards, such failure could lead to damage to the environment and could result in regulatory action, legal liability, material costs and damage to the company's reputation or denial of licence to operate.

BP's group-wide operating management system (OMS) intends to address health, safety, security, environmental and operations risks, and aims to provide a consistent framework within which the group can analyse the performance of its activities and identify and remediate shortfalls. There can be no assurance that OMS will adequately identify all process safety, personal safety and environmental risks or provide the correct mitigations, or that all operations will be in conformance with OMS at all times.

Security
Security threats require continuous oversight and control. Acts of terrorism, piracy, sabotage, cyber-attacks and similar activities directed against the company's operations and offices, pipelines, transportation or computer systems could cause harm to people and could severely disrupt business and operations. The company's business activities could also be severely disrupted by, amongst other things, conflict, civil strife or political unrest in areas where the company operates.

Product quality
Supplying customers with on-specification products is critical to maintaining the company's licence to operate and its reputation in the marketplace. Failure to meet product quality standards throughout the value chain could lead to harm to people and the environment and loss of customers.

Drilling and production
Exploration and production require high levels of investment and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The company's exploration and production activities are often conducted in extremely challenging environments, which heighten the risks of technical integrity failure and natural disasters discussed above. The cost of drilling, completing or operating wells is often uncertain. The company may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

Principal risks and uncertainties (continued)

Safety and operational risks (continued)

Drilling and Production (continued)
In addition, exploration expenditure may not yield adequate returns, for example in the case of unproductive wells or discoveries that prove uneconomic to develop. The Gulf of Mexico oil spill illustrates the risks the company faces in its drilling and production activities.

Transportation
All modes of transportation of hydrocarbons involve inherent risks. An explosion or fire or loss of containment of hydrocarbons or other hazardous material could occur during transportation by road, rail, sea or pipeline. This is a significant risk due to the potential impact of a release on people and the environment and given the high volumes involved.

Financial risk management

The main financial risks faced by the company which arise from natural business exposures, as well as its use of financial instruments, are market risks relating to commodity prices, foreign currency exchange rates and credit risk. The management of these financial risks is performed at BP group level. The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss.

Market risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The primary commodity price risks that the company is exposed to include oil, natural gas and power prices that could adversely affect the value of the company's financial assets, liabilities or expected future cash flows. The company enters into derivatives in a well-established entrepreneurial trading operation. In addition, the BP group has developed a control framework aimed at managing the volatility inherent in certain of its natural business exposures. In accordance with this control framework the group enters into various transactions using derivatives for risk management purposes.

The major components of market risk are commodity price risk and foreign currency exchange risk, each of which is discussed below.

(i) Commodity price risk
The BP group's integrated supply and trading function uses conventional financial and commodity instruments and physical cargoes available in the related commodity markets. Oil and natural gas swaps, options and futures are used to mitigate price risk. Power trading is undertaken using a combination of over-the-counter forward contracts and other derivative contracts, including options and futures. This activity is on both a standalone basis and in conjunction with gas derivatives in relation to gas-generated power margin.

Principal risks and uncertainties (continued)

Financial risk management (continued)

Market risk (continued)
(ii) Foreign currency exchange risk
Fluctuations in foreign exchange rates can have significant effects on the company's reported results. The company's financial assets and liabilities give rise to transactional currency exposures. Such exposures arise from transactions in a currency other than the company's functional currency. The management of such risks is performed at BP group level. The main underlying economic currency of the BP group's cash flows is the US dollar. This is because the BP group's major product, oil, is priced internationally in US dollars. The BP group's foreign currency exchange management policy is to limit economic and material transactional exposures arising from currency movements against the US dollar. The BP group co-ordinates the handling of foreign exchange risks centrally, by netting off naturally occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks. For highly probable forecast capital expenditures the group locks in the US dollar cost of non US dollar supplies by using currency forwards and futures.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. Fluctuations in exchange rates can therefore give rise to foreign currency exchange exposures, with a consequent impact on underlying costs and revenues.

Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company and arises from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. The management of such risks is performed at BP group level. The BP group has a credit policy, approved by the CFO, which is designed to ensure that consistent processes are in place throughout the group to measure and control credit risk. Credit risk is considered as part of the risk-reward balance of doing business. On entering into any business contract the extent to which the arrangement exposes the group to credit risk is considered.

By Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

16 September 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP EXPLORATION (ANGOLA) LIMITED

DIRECTORS' REPORT

Directors

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 2013.

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third party indemnity provisions for the benefit of the company's directors remain in force at the date of this report.

Dividends

During the year the company has declared and paid dividends of $1,000,000,000 (2012: $nil). The directors do not propose the payment of a final dividend.

Financial instruments

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 1.6) of the Large and Medium Companies and Group Regulations 2008 in the strategic report under Financial risk management.

Post balance sheet event

In the first quarter of 2014 the Angola LNG plant produced and sold a number of LNG cargoes, along with its first LPG, pressurised butane and condensate cargoes. The plant experienced technical issues in April 2014 which have caused an unplanned interruption to production. It was decided to bring forward plant's planned shutdown to address both technical and plant capacity issues. It is expected that this work will continue into the next year, with expected plant restart in middle of 2015.

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

It is the intention of the directors that the business of the company will continue for the foreseeable future.

Auditor

In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year.

DIRECTORS' REPORT

Directors' statement as to the disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

By Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

16 September 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP EXPLORATION (ANGOLA) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

BP EXPLORATION (ANGOLA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP EXPLORATION (ANGOLA) LIMITED

We have audited the financial statements of BP Exploration (Angola) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the accounting policies and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Richard Addison (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
23 September 2014

BP EXPLORATION (ANGOLA) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		$000	$000
Turnover	2	4,449,661	3,598,163
Cost of sales		(1,956,417)	(1,480,491)
Gross profit		2,493,244	2,117,672
Exploration expenses		(9,794)	(41,920)
Administration expenses		(2,091)	(16,903)
Profit on ordinary activities before interest and taxation	3	2,481,359	2,058,849
Interest payable and similar charges	5	(21,072)	(69,269)
Interest receivable and similar income	6	702	753
Profit before taxation		2,460,989	1,990,333
Taxation	7	(923,685)	(859,461)
Profit for the year		1,537,304	1,130,872

The profit of $1,537,304,000 for the year ended 31 December 2013 was derived in its entirety from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

There are no recognised gains or losses attributable to the shareholders of the company other than the profit for the year.

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BP EXPLORATION (ANGOLA) LIMITED

(Registered No. 00615393)

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 $000	2012 $000
Fixed assets			
Intangible assets	**9**	620,230	592,010
Tangible assets	**10**	9,202,468	9,162,811
Investments	**11**	1,410,155	1,279,915
		11,232,853	11,034,736
Current assets			
Stocks	**12**	292,526	83,912
Debtors – amounts falling due:			
within one year	**13**	1,861,405	1,670,934
after one year	**13**	59,439	3,673
Cash at bank and in hand		42,578	16,549
		2,255,948	1,775,068
Creditors: amounts falling due within one year	**14**	(1,280,378)	(4,754,512)
Net current assets / (liabilities)		975,570	(2,979,444)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,208,423	8,055,292
Creditors: amounts falling due after more than one year	**14**	(20,812)	(25,622)
Provisions for liabilities and charges			
Deferred tax	**7**	(746,246)	(767,073)
Other provisions	**16**	(1,246,517)	(1,105,053)
NET ASSETS		10,194,848	6,157,544
Represented by			
Capital and reserves			
Called up share capital	**17**	6,368,635	2,868,635
Profit and loss account	**18**	3,826,213	3,288,909
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		10,194,848	6,157,544

The financial statements of BP Exploration (Angola) Limited were approved for issue by the Board of Directors on 9 September 2014 and were signed on its behalf by:

A P Martin

Director

16 September 2014

EY

BP EXPLORATION (ANGOLA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Accounting standards

These accounts are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards.

The principal accounting policies are set out below and have been applied consistently throughout the year.

In addition to the requirements of accounting standards, the accounting for exploration and production activities is governed by the Statement of Recommended Practice ('SORP') 'Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities' issued by the UK Oil Industry Accounting Committee on 7 June 2001.

These accounts have been prepared in accordance with the provisions of the SORP with the exception of the following:

(i) The SORP recommends that oil and gas reserve quantities be disclosed. The company is a wholly owned subsidiary of BP p.l.c. and, as such, the oil and gas reserve quantities of the company are included in the consolidated oil and gas reserve quantities disclosed in the Annual Report and Accounts of BP p.l.c. Consequently the directors have elected not to publish this information for the company; and

(ii) The SORP contains rules around the estimation of future oil and gas reserves. The company, as part of the BP group, estimates and calculates its reserves in accordance with the US Securities and Exchange Commission (SEC) rules. The main differences relate to the SEC requirement to use a twelve-month average price to assess future reserves, being the unweighted average of the price on the first day of the month for the past twelve months. This is the basis applied in the BP group reporting and is comparable with other oil majors. It is not possible for the company to quantify the impact of this departure as SORP estimates of reserves are no longer maintained.

Accounting convention

The accounts are prepared under the historical cost convention.

Cash flow statement and related party disclosures

The group accounts of the ultimate parent undertaking, which are publicly available, contain a consolidated cash flow statement. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements" (Revised 1996). The company is also exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly-owned members of the BP group. For details of other related party transactions see note 21.

1. **Accounting policies (continued)**

Revenue recognition

Revenues associated with the sale of oil, natural gas liquids, liquefied natural gas, petroleum and chemical products and all other items are recognised when title passes to the customer. Generally, revenues from the production of natural gas and oil properties in which the company has an interest with other producers are recognised on the basis of the company's working interests in those properties (the entitlement method). Differences between the production sold and the company's share of production (under / over lifts) are included as an adjustment to cost of sales.

Foreign currency transactions

Foreign currency transactions are initially recorded in dollars by applying the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are translated into dollars at the rate of exchange ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

Interest expense

Interest costs are not capitalised and are charged in the profit and loss account in the year in which it is incurred.

Interest income

Interest income is recognised on an accruals basis.

Dividends payable

Final dividends are recorded in the accounts in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.

Intangible assets

Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources, computer software, patents, licences, trademarks and product development costs. Product development costs are capitalised as intangible assets when a project has obtained sanction and the future recoverability of such costs can reasonably be regarded as assured.

Intangible assets are not depreciated. The indefinite life of intangible assets is reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is, the higher of net realisable value and value in use, the asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

1. Accounting policies (continued)

Oil and natural gas exploration and development expenditure

Oil and natural gas exploration and development expenditure is accounted for using the successful efforts method of accounting.

Licence and property acquisition costs

Exploration licence and property leasehold acquisition costs are initially capitalised within intangible fixed assets. Upon determination of economically recoverable reserves ('proved reserves' or 'commercial reserves'), the costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting approval within intangible assets. When development is sanctioned, the relevant expenditure is transferred to tangible production assets.

Each property is reviewed on an annual basis to confirm that drilling activity is planned and the property is not impaired. If no future activity is planned, the remaining balance of the licence and property acquisition costs is written off.

Exploration expenditure

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalised as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to regular technical, commercial and management review to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proved reserves of oil and natural gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets.

Development expenditure

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within tangible production assets.

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and capitalised borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within tangible fixed assets.

1. Accounting policies (continued)

Tangible fixed assets (continued)

Oil and natural gas properties are depreciated using a unit-of-production method. The cost of producing wells is depreciated over proved developed reserves. Licence acquisition, decommissioning and field development costs are depreciated over total proved reserves. The unit-of-production rate for the depreciation of field development costs takes into account expenditures incurred to date, together with future development expenditure required to access the total proved reserves.

Other tangible assets, with the exception of freehold land and assets under construction, are depreciated on the straight line method over their estimated useful lives.

Changes in unit-of-production factors

Changes in factors which affect unit-of-production calculations are dealt with prospectively, not by immediate adjustment of prior years' amounts.

Maintenance expenditure

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the company, the expenditure is capitalised. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other maintenance costs are expensed as incurred.

Impairment of intangible and tangible fixed assets

The company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the company makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its net realisable value and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1. Accounting policies (continued)

Investments

Fixed asset investments in joint ventures are held at cost. The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Accounting for a joint agreement that is not an entity ('JANE')

The company holds an interest in a JANE. As a result, it accounts for its proportionate share of the costs, revenues, assets and liabilities in the JANE.

Stock valuation

Stocks are valued at cost to the company, using the first-in first-out method or net realisable value, whichever is the lower. Supplies are valued at cost to the company mainly using the average method or net realisable value, whichever is the lower.

Trade and other debtors

Trade and other debtors are carried at the original invoice amount, less allowances made for doubtful receivables. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Trade and other creditors

Trade and other creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, trade and other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

1. **Accounting policies (continued)**

Decommissioning

Provision for decommissioning costs is recognised when the company has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. Where an obligation exists for a new facility, such as oil and natural gas production or transportation facilities, this will be on construction or installation. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the present value of the estimated future expenditure determined in accordance with the local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also recognised. This is subsequently depreciated as part of the capital costs of the production and transportation facilities.

Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

Environmental liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required. Where the time value of money is material, the amount recognised is the present value of the estimated future expenditure.

1. **Accounting policies (continued)**

Deferred tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax in the future. In particular:

- Provision is made for tax on gains arising on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the replacement assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Discounting

The unwinding of the discount on provisions is included within interest expense. Any change in the amount recognised for environmental and other provisions arising through changes in discount rates is included within interest expense, apart from decommissioning provisions where the change is adjusted against the decommissioning asset.

Leases

Assets held under leases which transfer to the company substantially all risks and rewards incidental to ownership of the leased item are classified as finance leases, and are capitalised at inception of the lease at the fair value of the leased property or, if significantly lower, at the estimated present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability. The total finance charge is charged over the lease term so as to achieve a constant rate of interest on the remaining balance of the liability.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

All other lease arrangements are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

1. Accounting policies (continued)

Use of estimates

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

2. Turnover

Turnover, which is stated net of value added tax, customs duties and sales taxes represents amounts invoiced to third parties.

An analysis of turnover by geographical market is given below:

	2013	2012
	$000	$000
By geographical area:		
Rest of Europe	499,949	203,239
USA	717,882	883,050
Rest of World	3,231,830	2,511,874
Total	4,449,661	3,598,163

Turnover is attributable to one continuing activity, the production and selling of petroleum products.

3. Profit on ordinary activities before interest and taxation

This is stated after charging / (crediting):

	2013	2012
	$000	$000
Hire charges under operating leases:		
Plant & machinery	272,266	244,378
Land & buildings	13,375	12,836
Tanker charters	131,461	80,625
Currency exchange (gains) and losses	(650)	99
Depreciation of owned fixed assets	1,775,969	902,782
Depreciation of assets held under finance leases	8,343	66,706
Impairment	28,840	25,070

4. Auditor's remuneration

	2013	2012
	$000	$000
Fees for the audit of the company	42	41

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP Exploration (Angola) Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

EY

5. Interest payable and similar charges

	2013	2012
	$000	$000
Interest expense on:		
Bank loans and overdrafts	-	16,758
Loans from group undertakings	14,432	16,044
Finance leases	1,314	1,683
Other	78	30,197
Unwinding of discount on provisions – See note 16	5,248	4,587
	21,072	69,269

6. Interest receivable and similar income

	2013	2012
	$000	$000
Interest income from group undertakings	547	571
Other interest	155	182
	702	753

7. Taxation

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. No UK corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent that it is required and to provide for any current or deferred UK tax that arises without charge.

The tax charge is made up as follows:

	2013	2012
Current tax	$000	$000
Overseas tax on income for the year	944,512	823,471
Total current tax charged	944,512	823,471
Deferred tax		
Origination and reversal of timing differences	(20,827)	35,990
Total deferred tax (credited)	(20,827)	35,990
Tax charged on profit on ordinary activities	923,685	859,461

7. **Taxation (continued)**

(a) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23% for the year ended 31 December 2013 (2012 – 24%). The differences are reconciled below:

	2013	2012
	UK	UK
	$000	$000
Profit on ordinary activities before tax	2,460,989	1,990,333
Current taxation	944,512	823,471
Effective current tax rate	38%	41%

	2013	2012
	UK	UK
	%	%
UK corporation tax rate:	23	24
Overseas corporation tax rate:	-	-
Increase resulting from:		
Fixed asset timing differences	17	12
Double tax relief	(40)	(36)
Current overseas tax	38	41
Effective current tax rate	38	41

The permanent and timing differences shown in the current tax rate reconciliation above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

(b) Provision for deferred tax

The deferred tax included in the balance sheet is as follows:

	2013	2012
	$000	$000
Accelerated capital allowances	1,255,322	1,387,061
Decommissioning and other provisions	(589,745)	(520,159)
Other timing differences	110,905	(85,833)
Losses carried forward	(30,236)	(13,996)
Provision for deferred tax	746,246	767,073

	2013
	$000
At 1 January 2013	767,073
Deferred tax (credited) in the profit and loss account	(20,827)
At 31 December 2013	746,246

EY

8. Directors and employees

(a) Remuneration of directors

The total remuneration for all serving directors for their period of directorship to the company amounted to $644,000 (2012: $454,000). A number of directors are senior executives of the BP Plc Group and received no remuneration for services to this company or its subsidiary undertakings.

One director was a member of the defined benefit section of the BP Pension Fund at 31 December 2013 (2012: One).

The highest paid director received $644,000 (2012: $454,000). The accrued pension of the highest paid director at 31 December 2013 was $86,000 (2012: $51,000). The highest paid director exercised share options over BP p.l.c. shares during the year.

One of the directors exercised share options over BP p.l.c. shares during the year (2012: None).

(b) Employee costs

The company had no employees during the year (2012: Nil).

9. Intangible assets

	Exploration Expenditure
Cost	$000
At 1 January 2013	687,943
Additions	34,687
At 31 December 2013	722,630
Amortisation	
At 1 January 2013	(95,933)
Impairment	(6,467)
At 31 December 2013	(102,400)
Net book value	
At 31 December 2013	620,230
At 31 December 2012	592,010

EY

10. Tangible assets

	Land & buildings	Fixtures & fittings	Oil & gas properties	Plant & machinery	Total	Of which AUC*
Cost	$000	$000	$000	$000	$000	$000
At 1 January 2013	175,486	20,512	15,009,472	1,412	15,206,882	2,260,045
Additions	44,666	219	1,777,390	1,694	1,823,969	899,102
Transfers	-	-	-	-	-	(1,568,073)
At 31 December 2013	220,152	20,731	16,786,862	3,106	17,030,851	1,591,074
Depreciation and impairment						
At 1 January 2013	(13,688)	(20,100)	(6,009,462)	(821)	(6,044,071)	-
Charge for the year	(6,375)	(729)	(1,748,067)	(301)	(1,755,472)	-
Impairment	-	-	(28,840)	-	(28,840)	-
At 31 December 2013	(20,063)	(20,829)	(7,786,369)	(1,122)	(7,828,383)	-
Net book value						
At 31 December 2013	200,089	(98)	9,000,493	1,984	9,202,468	1,591,074
At 31 December 2012	161,798	412	9,000,010	591	9,162,811	2,260,045
Principal rates of depreciation	3%-5%	12%-25%	Unit of Production	25%-33%		

*AUC = assets under construction. Assets under construction are not depreciated.

The net book value of land and buildings comprises:

	2013	2012
	$000	$000
Long leasehold	17,473	18,323
	17,473	18,323

10. Tangible assets (continued)

Assets held under finance leases and capitalised interest included above, are:

	Cost	Depreciation	Net book value
Leased assets	$000	$000	$000
At 31 December 2013	182,609	(120,529)	62,080
At 31 December 2012	182,609	(112,186)	70,423

11. Investments

	Joint venture shares
Cost	$000
At 1 January 2013	1,279,915
Additions	130,240
At 31 December 2013	1,410,155
Net book amount	
At 31 December 2013	1,410,155
At 31 December 2012	1,279,915

The joint venture of the company at 31 December 2013 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

Joint ventures	Class of share held	%	Principal place of business	Principal activity
Angola LNG Limited	Ordinary	13.6	Angola	Construction and operation of a liquefied natural gas plant
Angola LNG Marketing Limited	Ordinary	8.8	Angola	Marketing and supporting services

12. Stocks

	2013	2012
	$000	$000
Raw materials and consumables	47,715	43,599
Trading stocks	244,811	40,313
	292,526	83,912

The difference between the carrying value of stocks and their replacement cost is not material.

13. Debtors

	2013 Within 1 year $000	2013 After 1 year $000	2012 Within 1 year $000	2012 After 1 year $000
Trade debtors	212,130	-	48,183	-
Amounts owed by group undertakings	946,577	-	466,592	-
Other debtors	532,003	3,667	931,258	3,673
Prepayments and accrued income	114,923	-	120,043	-
Taxation	55,772	55,772	104,858	-
	1,861,405	59,439	1,670,934	3,673

14. Creditors

	2013 Within 1 year $000	2013 After 1 year $000	2012 Within 1 year $000	2012 After 1 year $000
Trade creditors	87,877	-	324,910	-
Amounts owed to group undertakings	64,386	-	2,964,923	-
Other creditors	534,293	-	809,459	-
Taxation	102,953	-	128,531	-
Accruals and deferred income	485,709	5,000	520,840	6,333
Obligations under leases (see note 15)	5,160	15,812	5,849	19,289
	1,280,378	20,812	4,754,512	25,622

15. Obligations under leases

Amounts due under finance leases are as follows:

	2013 $000	2012 $000
Amounts payable:		
Within 1 year	4,931	5,481
Between 2 to 5 years	14,023	16,962
Thereafter	6,186	8,177
	25,140	30,620
Less finance charges	(4,167)	(5,482)
Net obligations	20,973	25,138

EY

15. Obligations under leases (continued)

Annual commitments under non-cancellable operating leases are set out below:

	2013	2012
	Other $000	Other $000
Operating leases which expire:		
Within 1 year	450,982	-
Between 2 to 5 years	208,740	230,514
Thereafter	-	359,116

16. Other provisions

	Decom-missioning $000	Other $000	Total $000
At 1 January 2013	1,040,319	64,734	1,105,053
New or increased provisions	183,622	5,108	188,730
Write-back of unused provisions	-	(2,816)	(2,816)
Unwinding of discount	5,248	-	5,248
Change in decommissioning asset	(12,800)	-	(12,800)
Change in discount rate	(36,898)	-	(36,898)
At 31 December 2013	1,179,491	67,026	1,246,517

The company makes full provision for the future cost of decommissioning oil and natural gas production facilities and related pipelines on a discounted basis on the installation of those facilities. At 31 December 2013, the provision for the costs of decommissioning these production facilities and pipelines at the end of their economic lives was $1,179,491,000 (2012: $1,040,319,000). The provision has been estimated using existing technology, at current prices and discounted using a real discount rate of 0.5% (2012: 0.5%). These costs are expected to be incurred over the next 20 years. While the provision is based on the best estimate of future costs and the economic lives of the facilities and pipelines, there is uncertainty regarding both the amount and timing of incurring these costs.

The other provision of $67,026,000 relates to Angolan withholding tax and training levy. It is expected to become due within four years.

17. Called up share capital

	2013 $000	2012 $000
Allotted, called up and fully paid:		
3,904,462,078 Ordinary shares of £1 each for a total nominal value of £3,904,462,078	6,368,635	2,868,635

On 1 November 2013, 2,198,906,828 ordinary shares of £1 each for a total nominal value of $3,500,000,000, were allotted to the immediate parent company at par value.

18. Capital and reserves

	Called up share capital	Profit and loss account	Total
	$000	$000	$000
At 1 January 2013	2,868,635	3,288,909	6,157,544
Issue of ordinary share capital	3,500,000	-	3,500,000
Profit for the year	-	1,537,304	1,537,304
Dividends – current year interim paid	-	(1,000,000)	(1,000,000)
At 31 December 2013	6,368,635	3,826,213	10,194,848

In 2013 the company paid interim ordinary dividends of $1,000,000,000 (2012: $nil). The dividend per share was $0.26 (2012 dividend per share: $nil).

19. Reconciliation of movements in shareholders' funds

	2013	2012
	$000	$000
Profit for the year	1,537,304	1,130,872
Dividends – current year interim paid	(1,000,000)	-
Issue of ordinary share capital	3,500,000	-
Net increase in shareholders' funds	4,037,304	1,130,872
Shareholders' funds at 1 January	6,157,544	5,026,672
Shareholders' funds at 31 December	10,194,848	6,157,544

20. Capital commitments

Authorised and contracted future capital expenditure by the company for which contracts had been placed but not provided in the accounts at 31 December 2013 is estimated at $3,129,884,000 (2012: $3,300,000,000).

21. Related party transactions

The company has taken advantage of the exemption contained within FRS 8 "Related Party Disclosures", and has not disclosed transactions entered into with wholly-owned group companies. There were no other related party transactions in the year.

22. Off-balance sheet arrangements

The company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The hire charges for the year are disclosed in note 3 and the annual commitments under these arrangements are disclosed in note 15. There are no other material off-balance sheet arrangements.

23. Post balance sheet event

In the first quarter of 2014 the Angola LNG plant produced and sold a number of LNG cargoes, along with its first LPG, pressurised butane and condensate cargoes. The plant experienced technical issues in April 2014 which have caused an unplanned interruption to production. It was decided to bring forward plant's planned shutdown to address both technical and plant capacity issues. It is expected that this work will continue into the next year, with expected plant restart in middle of 2015.

24. Pensions

The company does not directly employ any staff and therefore does not directly bear any pension charge.

25. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Exploration Operating Company Limited, a company registered in England and Wales. The ultimate controlling parent undertaking is BP p.l.c., a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of BP p.l.c. can be obtained from 1 St James's Square, London, SW1Y 4PD.