Registered No 841421

Directors' Report and Financial Statements

Statoil UK Properties Limited

31 December 2012

Registered No 841421

DIRECTORS
Kjetil Johnsen
Pippa Evans

SECRETARY
A J Saul

AUDITOR
KPMG LLP
15 Canada Square
London
E14 5GL

BANKERS
JP Morgan Chase
125 London Wall
London
EC2Y 5AJ

REGISTERED OFFICE
1 Kingdom Street
London
W2 6BD

DIRECTORS' REPORT

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES
The principal activities of the company were to act as an investment holding company and provide management services to other group undertakings However, at the end of 2007, the company ceased to provide these services and during 2008 all remaining investments were disposed The directors plan to wind up the company

REVIEW OF THE BUSINESS
The results for the year are in line with directors expectations

The financial statements have been prepared on a break-up basis reflecting the planned winding-up of the company in 2013

The company has claimed an exemption under section 417, Part 15 of the Companies Act 2006 from preparing an enhanced business review (EBR)

RESULTS AND DIVIDENDS
The profit for the year after taxation was £600,000 (2011 £1,265,000) Dividends of £55,000,000 were distributed in respect of the year ended 31 December 2012 (2011 none)

FUTURE DEVELOPMENTS
The company is expected to cease activities and will be wound up in 2013

DIRECTORS AND THEIR INTERESTS
The directors who served the company during the year are listed on page 1

The Directors held the following interests in the ultimate parent company, Statoil ASA as at 31 December 2012

	Class	2012	2011
Pippa Evans	Statoil ASA-Ordinary	1,559	1,371
Kjetil Johnsen	Statoil ASA-Ordinary	3,842	2,578

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

DIRECTORS' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

There are few risks that face the company given that the company is expected to cease activities in 2013 However, there is a risk associated with the intercompany receivable balance but this is by managed by the company's Norwegian parent on a group wide basis

CREDITORS PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

DIRECTORS' REPORT

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

AUDITORS

Ernst & Young LLP resigned as auditors of the Company on 25th October 2012 pursuant to section 516 of the Companies Act 2006

On 18th June 2013 the Directors appointed KPMG LLP as auditor of the Company to fill the casual vacancy in accordance with section 485(3) of the Companies Act 2006 KPMG LLP is expected to be reappointed as auditor of the Company for the financial year ending 31 December 2013 at the end of the next period for appointing the auditor

On behalf of the board

Pippa Evans

Director

Date 6 September 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 period Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 of the profit or loss for that period In preparing these financial statements, 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 UK 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 As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STATOIL UK PROPERTIES LIMITED

We have audited the financial statements of Statoil UK Properties Limited for the year ended 31 December 2012 set out on pages 8 to 14 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/auditscopeukprivate

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 2012 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 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

EMPHASIS OF MATTER – NON-GOING CONCERN BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note

J. Lowes

Juliette Lowes (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Registered Auditor
15 Canada Square
London
E14 5GL
6 September 2013

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Notes	*2012* *£000*	*2011* *£000*
Administrative expenses		-	(60)
Other income			97
OPERATING PROFIT/(LOSS)		-	37
		-	37
Interest receivable and similar income	3	845	1,191
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		845	1,228
Tax (charge) / credit on profit on ordinary activities	4	(245)	37
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	8	600	1,265
Dividends		55,000	-
RETAINED EARNINGS FOR THE FINANCIAL YEAR		(54,400)	1,265

All amounts relate to discontinued activities

Movements on reserves are set out in note 8

There are no other recognised gains or losses other than the profit for the period

Notes 1-10 form part of these financial statements

BALANCE SHEET
at 31 December 2012

	Notes	*2012* *£000*	*2011* *£000*
CURRENT ASSETS			
Debtors amounts falling due within one year	5	177,021	231,415
		177,021	231,415
CREDITORS: amounts falling due within one year	6	(3,738)	(3,732)
NET CURRENT ASSETS		173,283	227,683
TOTAL ASSETS LESS CURRENT LIABILITIES		173,283	227,683
		173,283	227,683
CAPITAL AND RESERVES			
Called up share capital	7	172,667	172,667
Profit and loss account	8	616	55,016
EQUITY SHAREHOLDER'S FUNDS		173,283	227,683

Notes 1 to 10 form part of these financial statements

Approved by the Board of Directors on 6 September 2013

Pippa Evans – Director

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been applied consistently throughout the year

Basis of preparation
The directors intend to wind up the company in the near future Consequently, the financial statements have been prepared on the break-up basis rather than on the going concern basis The break-up basis results in assets held by the company at the year end being recorded at their estimated realisable values and liabilities due at the year end being recorded at amounts at which they will ultimately settled This did not cause any adjustment from the book amounts Adjustments have been made to reclassify long-term liabilities as current liabilities

Under FRS1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Accounting standards and convention
These accounts are prepared in accordance with applicable UK accounting standards

The financial statements are prepared under the historical cost convention

Cash flow statement
Under the provisions of Financial Reporting Standard No 1 (Revised 1997), the company has not prepared a cash flow statement because its parent undertaking, Statoil ASA, has prepared group financial statements which include the results of the company for the period and which contain a cash flow statement

Taxation
Deferred tax is recognised in respect of all 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 or to receive more tax in the future Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is more likely than not

Current tax is provided at amounts to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date Where losses are surrendered from fellow group undertakings they are paid in full

Provisions for liabilities and charges
Provisions are charged against profits where the liability has been incurred, but the expected value of the liability is not known with certainty, and must be estimated The effect of the time value of money is not material and therefore the provisions are not discounted

Debtors
Provision is made against all debts where there is doubt as to their recoverability

Related party disclosures
Under the provision of FRS 8 the company is exempt from disclosing related party transactions with other group companies

2. OPERATING PROFIT /(LOSS)

Auditors' remuneration for 2012 and 2011 is borne by Statoil UK Limited, a fellow subsidiary of Statoil ASA Remuneration paid to the external auditors for the year was £5,000 (2011 £7,500)

There were no staff employed by the company during the year (2011 nil)

None of the directors received any fees or remuneration for services as a director of the company during the year

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	*2011*
	£000	***£000***
External interest receivable		91
Interest receivable from group undertakings	845	1,100
	845	1,191

	2012	*2011*
	£000	***£000***

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Tax on profit on ordinary activities

	2012 £000	2011 £000
Current tax		
Corporation tax on income for the period at 24 5% (2011 – 26 5%)	207	316
Corporation tax under / (over) provided in previous years (2011 – 26 5%)	38	(353)
Total current tax (note 4 b)	245	(37)
Deferred tax		
Deferred corporation tax – current year movement	-	-
Total deferred taxes	-	-
Tax on profit on ordinary activities	245	(37)

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2012

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%) The differences are reconciled below

Profit on ordinary activities before tax	845	1,228
Profit on ordinary activities multiplied by standard rate of corporation Tax in the UK of 24 5% (2011 – 26 5%)	207	325
Permanent differences	-	(10)
Adjustment to tax charge in respect of prior periods	38	(352)
Total current tax (note 4a)	245	(37)

The main rate of UK corporation tax reduced from 26% to 24% from 1 April 2012 The 2012 Budget included the announcement of a further series of phased reductions such that from 1 April 2014 the main rate of UK corporation tax will be 22% (the further reductions are expected to be enacted into legislation in future Finance Acts)

5. DEBTORS: amounts falling due within one year

	2012	*2011*
	£000	*£000*
Amount due from group undertakings	176,966	231,370
VAT	55	45
	177,021	231,415

6. CREDITORS: amounts falling due within one year

	2012	*2011*
	£000	*£000*
Amount due to group undertakings	3,738	3,731
Corporation tax creditor	-	1
	3,738	3,732

7. SHARE CAPITAL

	Allotted, called up and fully paid	
	2012	***2011***
	£000	***£000***
Ordinary shares of £1 each	49,334	49,334
Redeemable shares of £1 each	123,333	123,333
	172,667	172,667

The rights on redeemable shares and ordinary shares rank pari passu in all material respects except as to redemption The company has the right to redeem all or any of the redeemable shares at any time at par value There is no premium payable on redemption The redeemable shares will be redeemed when the company is dissolved

8. RESERVES

	Profit & loss account	***Share Capital***	***Total Shareholders' funds***
	£000	***£000***	***£000***
At 1 January 2012	55,016	172,667	227,683
Profit for the year	600	-	600
Dividends	(55,000)		(55,000)
At 31 December 2012	616	172,667	173,283

9. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of the company is Statoil ASA, incorporated in Norway Copies of its group financial statements, which include the company, are available from Statoil ASA, 4035, Stavanger, Norway It is also the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared The consolidated financial statements of Statoil ASA are available to the public and may be obtained from www statoil com

The ultimate controlling party is the Norwegian government

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	*2011*
	£000	***£000***
Profit for the financial year	600	1,265
Opening shareholder's funds	227,683	226,418
Dividend	(55,000)	-
Closing shareholder's funds	173,283	227,683
Equity interests	173,283	227,683