

BP MARINE LIMITED

(Registered No. 1214291)

ANNUAL REPORT AND ACCOUNTS 1999

Board of Directors: F Posada
A T H Considine

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 1999.

Principal activity and review of the business

The company is engaged in the contracting of international marine business on behalf of the BP Amoco group. It is the intention of the directors that the above business of the company will continue for the foreseeable future.

Results

The loss after taxation for the year of US\$ 222,252 when added to the retained deficit brought forward at 1 January 1999 of US\$ 13,040,811 gives a total retained deficit carried forward at 31 December 1999 of US\$ 13,263,063. The directors do not recommend a payment of a dividend.

Directors

The present directors are listed above.

Mr A T H Considine served as a director throughout the financial year. Changes since 1 January 1999 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
Mr D Coleman		1 March 1999
Mr F Posada	1 March 1999	

Directors' interests

The interests of the directors holding office at 31 December 1999, and their families, in the Ordinary Shares of BP Amoco p.l.c., were as set out below. Following shareholder approval at its 1 September 1999 Extraordinary General Meeting, BP Amoco p.l.c. subdivided each of its US\$ 0.50 nominal value shares into two US\$ 0.25 new ordinary shares with effect from 4 October 1999. As a result, the number of ordinary shares held at the close of business on 1 October 1999 doubled. All share holdings prior to the subdivision have been adjusted to reflect the share subdivision.

	<u>31 December 1999</u>	<u>1 January 1999 (or date of appointment)</u>
F Posada	6,868*	2,884*
A T H Considine	24,028	14,142



*these holdings include shares held in the form of American Depositary Shares

BP MARINE LIMITED

REPORT OF THE DIRECTORS

Directors' interests (continued)

No rights to subscribe for Ordinary Shares in BP Amoco p.l.c. were granted to, or exercised by, those directors between 1 January or date of appointment and 31 December 1999.

No director had any interest in the shares or debentures of the company or any of the subsidiary undertakings at 31 December 1999.

Policy and practice with respect to payment of suppliers

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

The number of days purchases represented by trade creditors at the year end was 29 days.

Auditors

In accordance with Section 386 of the Companies Act 1985 the company has elected to dispense with the obligation to appoint auditors annually and Ernst & Young continue in office.

By order of the Board



Secretary

Registered Office
Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

30 October 2000

BP MARINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate that the company will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

BP MARINE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF BP MARINE LIMITED

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

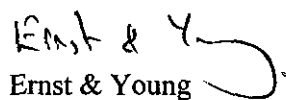
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
Luton

OCT 30 2000

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BP MARINE LIMITED

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention on a going concern basis as the directors have been advised by the immediate parent undertaking that adequate finance will be available to the company to meet its financial obligations as they fall due.

The accounts are prepared in accordance with applicable UK accounting standards.

The accounts are prepared in U.S. dollars which is the primary currency of operation.

As the ultimate parent undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these accounts.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in currencies other than US dollars are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Depreciation

The carrying value of tangible fixed assets are reviewed for impairment in periods, if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible assets, other than freehold land, are depreciated on the straight line method over their estimated useful lives, as follows:

	Freehold property	Plant & machinery	Computer equipment
Depreciation rates per annum	12.5%	10% - 33%	25%-50%

Deferred taxation

Where required deferred taxation is calculated, using the liability method, in respect of timing differences arising primarily from the different accounting and tax treatment of depreciation. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

BP MARINE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>Note</u>	<u>1999</u> \$	<u>1998</u> \$
Turnover	1	33,826,029	32,834,641
Administration expenses		34,076,847	32,447,952
Operating (loss)/profit	2	(250,818)	386,689
Other interest receivable	3	28,566	-
(loss)/profit on ordinary activities before taxation		(222,252)	386,689
Taxation	4	-	-
(loss)/retained profit for the financial year		(222,252)	386,689

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 1999

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of US\$ 222,252 for the year ended 31 December 1999 (1998 profit of US\$ 386,689).

BP MARINE LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	<u>Note</u>	<u>1999</u> \$	<u>1998</u> \$
Fixed assets			
Tangible assets	6	810,286	954,709
Current assets			
Debtors	7	153,947,507	65,445,925
Creditors - amounts falling due within one year	8	(168,020,669)	(79,441,258)
Net current liabilities		(14,073,162)	(13,995,333)
EXCESS OF LIABILITIES OVER ASSETS		(13,262,876)	(13,040,624)
Represented by			
Capital and reserves			
Called up share capital	9	187	187
Profit and loss account	10	(13,263,063)	(13,040,811)
SHARHOLDERS' FUNDS - EQUITY			
INTERESTS - DEFICIT	10	(13,262,876)	(13,040,624)

Director

Hubert Lindsay

30 October 2000

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover represents reimbursed costs and service fees from BP Amoco group companies. All turnover arose as a result of reimbursement for services provided and costs incurred in the U.K. Turnover is attributable to one continuing activity, the contracting of International Marine business on behalf of the BP Amoco Group.

2. Operating (loss)/ profit

This is stated after charging/ crediting:

	<u>1999</u>	<u>1998</u>
	\$	\$
Depreciation of owned fixed assets	209,543	240,130
Auditors' remuneration		
Audit fees - current year	55,827	48,396
Non-audit fees - current year	19,500	21,000
Exchange gain / (loss)	428,246	(251,001)
	<u> </u>	<u> </u>

3. Other interest receivable

	<u>1999</u>	<u>1998</u>
	\$	\$
Interest received from trade debtors	28,566	-
	<u> </u>	<u> </u>

4. Taxation

The company is a member of a group for the purposes of relief under Section 402 of the Income and Corporation Taxes Act 1988. No corporation tax liability arises.

Provision for deferred taxation is not required.

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

5. Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year (1998 \$Nil).

6. Tangible assets

	<u>Freehold property</u> \$	<u>Plant & machinery</u> \$	<u>Computer equipment</u> \$	<u>Total</u> \$
Cost				
At 1 January 1999	132,602	1,621,188	1,380,751	3,134,541
Additions	-	65,120	-	65,120
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	132,602	1,686,308	1,380,751	3,199,661
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1999	91,538	711,617	1,376,677	2,179,832
Charge for the year	16,575	188,894	4,074	209,543
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	108,113	900,511	1,380,751	2,389,375
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 December 1999	24,489	785,797	0	810,286
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 1999	41,064	909,571	4,074	954,709
	<hr/>	<hr/>	<hr/>	<hr/>

7. Debtors

	<u>1999</u> \$	<u>1998</u> \$
Trade debtors	143,830,223	57,247,866
Amounts due from fellow subsidiary undertakings	8,997,516	8,113,429
Prepayments and accrued income	1,119,768	84,630
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	153,947,507	65,445,925
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Trade debtors includes debts collected on the behalf of other companies within the BP Amoco Group

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

8. Creditors - amounts falling due within one year

	<u>1999</u> \$	<u>1998</u> \$
Bank Overdraft	-	272,653
Trade creditors	1,921,524	1,322,623
Amounts owed to fellow subsidiary undertakings	163,385,487	72,594,909
Accruals	2,713,658	5,251,073
	<hr/>	<hr/>
	168,020,669	79,441,258
	<hr/> <hr/>	<hr/> <hr/>

9. Called up share capital

	<u>1999</u> \$	<u>1998</u> \$
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each translated at the 31 December 1991 exchange rate of US\$1.87 = £1.	187	187
	<hr/> <hr/>	<hr/> <hr/>

10. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share</u> <u>capital</u> \$	<u>Profit and loss</u> <u>account</u> \$	<u>Total</u> \$
At 1 January 1998	187	(13,427,500)	(13,427,313)
Profit for the year	-	386,689	386,689
	<hr/>	<hr/>	<hr/>
At 1 January 1999	187	(13,040,811)	(13,040,624)
Loss for the year	-	(222,252)	(222,252)
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At 31 December 1999	187	(13,263,063)	(13,262,876)
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11. Pensions

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

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

12. Related party transactions

The company has taken advantage of the exemption contained within FRS 8 and has not disclosed transactions with group companies. There were no other related party transactions in the year.

13. Ultimate parent undertaking

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the company is a member, is BP Amoco p.l.c. a company registered in England and Wales. Copies of BP Amoco p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA.