

BP INVESTMENTS EASTERN EUROPE LIMITED
(Formerly BP INVESTMENTS CHINA LIMITED)
(Registered No.3604324)

ANNUAL REPORT AND ACCOUNTS 2007

Board of Directors: F W M Starkie
 R C Fearnley

REPORT OF THE DIRECTORS

On 19 February 2007 the company changed its accounting reference date from 25 December to 31 December.

The directors present their report and accounts for the year ended 31 December 2007.

Principal activity

The company is a holding company for BP Group investments in subsidiary undertakings

It is the intention of the directors that the above business of the company will continue for the foreseeable future, in order to hold future BP Group investments

Review of activities and future developments

The company has had a satisfactory year and the directors believe that the trend will continue

The company is in a good position to take advantage of any opportunities which may arise in the future.

Results

The profit for the year after taxation was £22,161,000 which, when added to the retained profit brought forward at 1 January 2007 of £21,656,000, less dividends taken directly from reserves of £20,000,000, gives a total retained profit carried forward at 31 December 2007 of £23,817,000. The directors do not propose the payment of a final dividend.

Directors

The present directors are listed above.

Mr F W M Starkie served as a director throughout the financial year. Changes since 1 January 2007 are as follows.

	<u>Appointed</u>	<u>Resigned</u>
A C Little		1 June 2007
R C Fearnley	1 June 2007	

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 309 of the Companies Act, 1985 (effective for the period up to 30 September 2007) and section 232 of the Companies Act, 2006 (effective for the period from 01 October 2007)



BP INVESTMENTS EASTERN EUROPE LIMITED

REPORT OF THE DIRECTORS

Risks

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.

There are no significant company level risks that have been identified

Key performance indicators

The Companies Act 1985 requires directors to disclose the company's Key Performance Indicators (KPIs). BP manages its KPIs at a segment and geographical level. As a result the directors have taken the decision not to disclose KPIs in individual subsidiary accounts. The BP Group KPIs are included within the accounts of the ultimate parent undertaking BP p.l.c.

Auditors

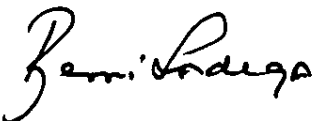
Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985

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



Secretary

5 June 2008

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP

BP INVESTMENTS EASTERN EUROPE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice.

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company. In preparing these accounts, the directors are required:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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 INVESTMENTS EASTERN EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BP INVESTMENTS EASTERN EUROPE LIMITED

We have audited the company's accounts for the year ended 31 December 2007 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 12. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the accounts.

Ernst & Young LLP
Ernst & Young LLP

Registered auditor

London

S. June 2008

BP INVESTMENTS EASTERN EUROPE LIMITED

ACCOUNTING POLICIES

Accounting standards

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

Accounting convention

The accounts are prepared under the historical cost convention

Statement of cash flows

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the Financial Reporting Standard No. 1 (Revised), whereby it is not required to publish its own cash flow statement.

Interest Income

Interest income is recognised as it accrues, using the effective interest method

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

BP INVESTMENTS EASTERN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	<u>2007</u> £000	<u>2006</u> £000
Administration expenses	1	(4)	(5)
Other income	2	22,165	20,995
Profit on ordinary activities before interest and tax		<u>22,161</u>	<u>20,990</u>
Taxation	3	-	-
Profit for the year		<u>22,161</u>	<u>20,990</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007


There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £22,161,000 for the year ended 31 December 2007 (2006 profit of £20,990,000).

BP INVESTMENTS EASTERN EUROPE LIMITED

BALANCE SHEET AT 31 DECEMBER 2007

	Note	<u>2007</u> £000	<u>2006</u> £000
Current assets			
Debtors	5	386,342	384,183
Creditors: amounts falling due within one year	6	(3)	(5)
NET ASSETS		<u>386,339</u>	<u>384,178</u>
Represented by			
Capital and reserves			
Called up share capital	7	362,522	362,522
Profit and loss account	8	23,817	21,656
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>386,339</u>	<u>384,178</u>

On behalf of the Board



Director

5 June 2008

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

1. Auditor's remuneration

	<u>2007</u>	<u>2006</u>
	£000	£000
Fees for the audit of the company	<u>3</u>	<u>5</u>

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 Investments Eastern Europe Limited's ultimate parent, BP p l.c , are required to disclose non-audit fees on a consolidated basis

2. Other income

	<u>2007</u>	<u>2006</u>
	£000	£000
Interest income from fellow subsidiary undertakings	<u>22,165</u>	<u>20,995</u>

3. Taxation

The Company is a member of a group for the purposes of relief under Section 402 of the Income & Corporation Taxes Act 1988. No 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 it is required and to provide for any current or deferred tax that arises without charge.

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation.

	<u>2007</u>	<u>2006</u>
	£000	£000
Profit before taxation	22,161	20,990
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2007</u>	<u>2006</u>
	%	%
UK statutory corporation tax rate	30	30
Decrease resulting from:		
Group relief	(30)	(30)
Effective current tax rate	<u>0</u>	<u>0</u>

4. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2006 £Nil).

The company had no employees during the year (2006 Nil)

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

5. Debtors

	<u>2007</u>	<u>2006</u>
	Within	Within
	1 year	1 year
	£000	£000
Parent and fellow subsidiary undertakings	<u>386,342</u>	<u>384,183</u>

6. Creditors

	<u>2007</u>	<u>2006</u>
	Within	Within
	1 year	1 year
	£000	£000
Parent and fellow subsidiary undertakings	<u>(3)</u>	<u>(5)</u>

7. Called up share capital

	<u>2007</u>	<u>2006</u>
	£000	£000
Authorised share capital:		
1,000,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid:		
362,521,967 Ordinary shares of £1 each	<u>362,522</u>	<u>362,522</u>

8. Capital and reserves

	<u>Equity share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£000	£000	£000
At 1 January 2007	362,522	21,656	384,178
Profit for the year	-	22,161	22,161
Dividends – interim paid	-	(20,000)	(20,000)
At 31 December 2007	<u>362,522</u>	<u>23,817</u>	<u>386,339</u>

9. Reconciliation of movements in shareholders' funds

	<u>2007</u>	<u>2006</u>
	£000	£000
Profit for the year	22,161	20,990
Dividends – interim paid	<u>(20,000)</u>	<u>(82,000)</u>
Net increase / (decrease) in shareholders' interests	2,161	(61,010)
Shareholders' interest at 1 January	21,656	82,666
Shareholders' interest at 31 December	<u>23,817</u>	<u>21,656</u>

10. Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions with group companies. There were no other related party transactions in the period.

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

11. Pensions

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

12. Immediate and ultimate parent undertaking

The immediate parent undertaking of this company is BP Global Investments Limited, a company registered in England and Wales. 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 p.l.c., a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from 1 St James's Square, London, SW1Y 4PD