

BP INVESTMENTS EASTERN EUROPE LIMITED

(Registered No 3604324)

ANNUAL REPORT AND ACCOUNTS 2009

Board of Directors R C Harrington
 R C Fearnley

REPORT OF THE DIRECTORS

THURSDAY



The directors present their report and accounts for the year ended 31 December 2009

Results and dividends

The profit for the year after taxation was £2,148,000 which, when added to the retained profit brought forward at 1 January 2009 of £10,271,000, gives a total retained profit carried forward at 31 December 2009 of £12,419,000. The company has not declared any dividends during the year (2008 £33,000,000). The directors do not propose the payment of a final dividend.

Principal activity and review of the business

The company's only activity was to receive interest from a fellow subsidiary undertaking in the BP plc group.

No applicable key financial and other performance indicators have been identified for this company.

Principal 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.

Company level risks have been identified and classified as compliance and ethics and financial risks.

Compliance and ethics risks

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 our reputation.

Financial risk management

The main financial risk faced by the company through its normal business activities is liquidity risk. The management of this financial risk is performed at BP group level.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. This risk is managed by the BP Group on the company's behalf and as such the company has access to the resources of the group. The group has long-term debt ratings of Aa1 (stable outlook) and AA (stable outlook), assigned respectively by Moody's and Standard and Poor's.

BP INVESTMENTS EASTERN EUROPE LIMITED

REPORT OF THE DIRECTORS

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.

Directors

The present directors are listed on page 1.

R C Fearnley served as a director throughout the financial year. Changes since 1 January 2009 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
F W M Starkie	-	30 September 2009
R C Harrington	01 October 2009	-

Directors' indemnity

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

Policy and practice on payment of creditors

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company with payments made in accordance with the relevant contractual payment terms. 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 nil.

Auditors

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.

BP INVESTMENTS EASTERN EUROPE LIMITED

REPORT OF THE DIRECTORS

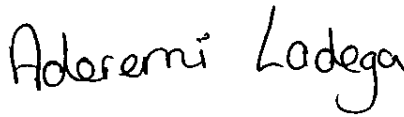
Directors' statement as to the disclosure of information to the auditor

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



27 April 2010

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP INVESTMENTS EASTERN EUROPE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 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 proper 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 INVESTMENTS EASTERN EUROPE LIMITED

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

We have audited the company's financial statements for the year ended 31 December 2009 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. 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 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 Statement of Directors' Responsibilities set out on page 4, 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 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 (APB'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.

Opinion on the 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 2009 and of the company's 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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.

W. Testa

W. TESTA

(Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Registered auditor

London

4 May

2010

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

Interest is charged against income in the year in which it is incurred.

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.

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.

BP INVESTMENTS EASTERN EUROPE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	<u>2009</u> £000	<u>2008</u> £000
Administration expenses	1	(3)	(3)
Loss on ordinary activities before interest and tax		(3)	(3)
Interest receivable and similar income	2	2,151	19,457
Profit before taxation		2,148	19,454
Taxation	3	-	-
Profit for the year		2,148	19,454

The profit of £2,148,000 for the year ended 31 December 2009 has derived in its entirety from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £2,148,000 for the year ended 31 December 2009 (2008 profit of £19,454,000).

BP INVESTMENTS EASTERN EUROPE LIMITED

(Registered No 3604324)

BALANCE SHEET AT 31 DECEMBER 2009

		<u>2009</u>	<u>2008</u>
	Note	£000	£000
Current assets			
Debtors	5	374,945	372,797
Creditors: amounts falling due within one year	6	(4)	(4)
NET ASSETS		<u>374,941</u>	<u>372,793</u>
Represented by			
Capital and reserves			
Called up share capital	7	362,522	362,522
Profit and loss account	8	<u>12,419</u>	<u>10,271</u>
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>374,941</u>	<u>372,793</u>

On behalf of the Board

RM

Director

Robert Fearnley

27 April

2010

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

1. Auditor's remuneration

	<u>2009</u>	<u>2008</u>
	£000	£000
Fees for the audit of the company	<u>3</u>	<u>3</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 Ltd's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

2. Interest receivable and similar income

	<u>2009</u>	<u>2008</u>
	£000	£000
Interest income from group undertakings	<u>2,151</u>	<u>19,457</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>2009</u>	<u>2008</u>
	£000	£000
Profit before taxation	2,148	19,454
Current taxation		
Effective current tax rate	0%	0%
	<u>2009</u>	<u>2008</u>
UK statutory corporation tax rate	28%	28%
Decrease resulting from Group relief	(28%)	(28%)
Effective current tax rate	<u>-</u>	<u>-</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 (2008: £Nil).

(b) Employee costs

The company had no employees during the year (2008: Nil)

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

5. Debtors

	<u>2009</u>	<u>2008</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed by group undertakings	<u>374,945</u>	<u>372,797</u>

6. Creditors

	<u>2009</u>	<u>2008</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed to group undertakings	<u>(4)</u>	<u>(4)</u>

7. Called up share capital

	<u>2009</u>	<u>2008</u>
	£000	£000
Allotted and called up		
362,521,967 Ordinary shares of £1 each for a total nominal value of £362,521,967	<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 2009	362,522	10,271	372,793
Profit for the year	-	2,148	2,148
At 31 December 2009	<u>362,522</u>	<u>12,419</u>	<u>374,941</u>

9. Reconciliation of movements in shareholders' funds

	<u>2009</u>	<u>2008</u>
	£000	£000
Profit for the year	2,148	19,454
Dividends – current year interim paid	-	(33,000)
Net increase / (decrease) in shareholders' interests	2,148	(13,546)
Shareholders' interest at 1 January	10,271	23,817
Shareholders' interest at 31 December	<u>12,419</u>	<u>10,271</u>

BP INVESTMENTS EASTERN EUROPE LIMITED

NOTES TO THE ACCOUNTS

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 year.

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 plc, a company registered in England and Wales. Copies of BP plc's accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.