BP ABSHERON LIMITED
(Registered No.09971526)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

Board of Directors: J S Freeman
R G Jones
T L Juliussen

The directors present their report and the audited financial statements for the year ended 31 December 2022.

In accordance with section 414B (b) of the Companies Act 2006, the directors are taking advantage of the small companies exemption to not prepare a Strategic Report.

DIRECTORS' REPORT

BP ABSHERON LIMITED

Directors

The present directors are listed on page 1.

J S Freeman and R G Jones served as directors throughout the financial year. Changes since 1 January 2022 are as follows:

	Appointed	Resigned
E P Skinner-Reid	—	14 January 2022
T L Juliussen	14 January 2022	—

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

The company has not declared any dividends during the year (2021 $0). The directors do not propose the payment of a dividend (2021 $0).

Post balance sheet event

There is no post balance sheet event at the reporting date for the company.

Going concern

In 2022, Contractors fulfilled their obligation of drilling one exploration well in each of the three Prospective Areas during Main Exploration Period ("MEP") under Shallow Water Absheron Peninsula ("SWAP") Exploration, Development and Production Sharing Agreement ("EDPSA").

Drilling of the first exploration well of North Khali ("NKX01") in the North-East Prospective Area was started in August 2021 and completed in November 2021. The well was concluded to be a dry hole. The second exploration well of Bibi-Heybat ("BHEX01") was spudded in December 2021 in the West Prospective Area. Drilling was completed in March 2022 and the well concluded to be a dry hole as well. The third and last exploration well of Qarabatdag ("QBDX01") was spudded in the South-East prospective area in April 2022 and was concluded to be a dry hole like prior two wells in May 2022 after completion of drilling. All three wells were safely plugged and abandoned, and all related capitalised expenses were written off. Effective from 26 December 2022, the entire contract area was relinquished and SWAP EDPSA was terminated. The SWAP Joint Operating Agreement ("JOA") will continue in effect until all joint property has been disposed of and final settlements have been made between Contractors and SOCAR. The indicative timeline for JOA termination is fourth quarter of 2023.

As no reservoir presence has been confirmed in wells at target reservoir intervals, Contractors decided not to proceed to the development phase for any of three areas. Following fulfilment of all obligations during MEP under SWAP EDPSA and resulting in dry holes and given no further significant activity is expected within the companies, the intention of directors is that the company will cease trading once all remaining activities are complete. Therefore, the financial statements have been prepared on a basis other than going concern. The balance sheet position at the year-end remained with no modifications, considering that it consists of short-term receivables representing amounts due from another bp company which are expected to be fully recoverable and overdraft liability under the Internal Financing Account (IFA) facility provided by BP

International Limited in respect of which equivalent amount of capital injection is planned to be made by parent in order to settle the liability.

Future developments

The company discontinued its operations and has ceased to explore in 2022. The cessation of exploration has caused the going concern assumption to be revoked and the accounts have been prepared on a basis other than that of a going concern.

Principal risks and uncertainties

The bp group manages, monitors and reports on the principal risks and uncertainties that can impact the group's ability to deliver its strategy. The group's system of internal control includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage bp's business and associated risks.

Throughout the year, bp management, the leadership team, the board and relevant committees provide oversight of how principal risks to bp are identified, assessed and managed. They support appropriate governance of risk management including having relevant policies in place to help manage risks. Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. bp's group risk team analyses the group's risk profile and maintains the group's risk management system. bp's internal audit team provides independent assurance to the chief executive and board as to whether the group's system of internal control is adequately designed and operating effectively to respond appropriately to the risks that are significant to bp.

The company aims to deliver sustainable value by identifying and responding successfully to risks in line with the group's risk management process.

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the Strategic Report of the bp group Annual Report and Form 20-F for the year ended 31 December 2022.

Strategic and commercial risks

Geopolitical

The company is exposed to a range of political, economic and social developments and consequent changes to the operating and regulatory environment which could cause business disruption. Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including the continued impact of the COVID-19 pandemic or any future epidemic or pandemic) may disrupt or curtail our operations, business activities or investments. These may in turn cause production to decline, limit our ability to pursue new opportunities, affect the recoverability of our assets and our related earnings and cash flow or cause us to incur additional costs, particularly due to the long-term nature of many of our projects and significant capital expenditure required.

Digital infrastructure and cybersecurity

The energy industry is subject to fast-evolving risks, including ransomware, from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Current geopolitical factors have increased these risks. There is also growing regulation around data protection and data privacy. A breach or failure of our or third parties' digital infrastructure – including control systems – due to breaches of our cyber defences, or those of third parties, negligence, intentional misconduct or other reasons, could seriously disrupt our operations. This could result in the loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches, legal liability and significant costs including fines, cost of remediation or reputational consequences. Furthermore, the rapid detection of attempts to gain unauthorized access to our digital infrastructure, often through the use of sophisticated and co-ordinated means, is a challenge and any delay or failure to detect could compound these potential harms.

Insurance

The bp group generally purchases insurance only in situations where this is legally and contractually required. Some risks are insured with third parties and reinsured by group insurance companies. Uninsured losses could have a material adverse effect on the bp group financial position which in turn could adversely affect the company.

Compliance and control risks

Ethical misconduct and non-compliance

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-bribery and corruption, competition and antitrust, and anti-fraud laws, trade restrictions or other sanctions, could damage the company's reputation, and result in litigation, regulatory action, penalties and potentially affect our licence to operate.

In relation to trade restrictions or other sanctions, current geopolitical factors have increased these risks.

Regulation

Changes in the law and regulation, including how they are interpreted and enforced, could increase costs, constrain the company's operations and affect its business plans and financial performance.

Reporting

External reporting of financial and non-financial data relies on the integrity of the control environment, bp group's systems and people operating them. Failure to report data accurately and in compliance with applicable standards could result in regulatory action, legal liability and reputational damage.

Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2022.

Liquidity, financial capacity and financial exposure

Failure to work within the financial framework set by the bp group could impact the bp group as well as the company's ability to operate and result in financial loss.

Auditors

Pursuant to section 487 of the Companies Act 2006, Deloitte LLP have expressed their willingness to continue in office as auditors and are therefore deemed reappointed as auditors.

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 the auditor's 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.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board by:

DocuSigned by:
Jacqui Freeman
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J S Freeman
Director

August 17, 2023

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
BP ABSHERON LIMITED

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK 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) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 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 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. Details of the directors' assessment of going concern are provided in the directors' report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BP ABSHERON LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BP Absheron Limited ("the company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework(s) that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act, relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC & the licensing authority

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.

DocuSigned by:

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William Brooks FCA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

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August 17, 2023

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

BP ABSHERON LIMITED

	Note	2022 $	2021 (Restated) $
Exploration expenditure written off	5	(76,616,205)	(45,327,801)
Exploration expenses		(2,778,580)	(2,595,177)
Other operating income		715,825	614,809
Operating loss	3	**(78,678,960)**	**(47,308,169)**
Interest payable and similar expenses		—	(5,688)
Loss before taxation		**(78,678,960)**	**(47,313,857)**
Tax on loss	6	—	—
Loss result for the financial year		**(78,678,960)**	**(47,313,857)**

The loss of $78,678,960 for the year ended 31 December 2022 was derived in its entirety from discontinued operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

There is no comprehensive income attributable to the shareholders of the company other than the loss for the year.

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BALANCE SHEET

AS AT 31 DECEMBER 2022

BP ABSHERON LIMITED
(Registered No.09971526)

	Note	2022 $	2021 (Restated) $
Fixed assets			
Intangible assets	**8**	1	46,539,516
Current assets			
Debtors: amounts falling due within one year	**9**	2,234,435	19,599
Creditors: amounts falling due within one year	**10**	(131,041,524)	(96,687,243)
Net current liabilities		**(128,807,089)**	**(96,667,644)**
NET LIABILITIES		**(128,807,088)**	**(50,128,128)**
Capital and reserves			
Called up share capital	**12**	124,300,100	124,300,100
Profit and loss account	**13**	(253,107,188)	(174,428,228)
TOTAL EQUITY		**(128,807,088)**	**(50,128,128)**

Approved by the board of directors and signed on behalf of the board by:

DocuSigned by:
Jaqui Freeman
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J S Freeman
Director

August 17, 2023

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

BP ABSHERON LIMITED

	Called up share capital (Note 12)	Profit and loss account (Note 13)	Total
	$	$	$
Balance at 1 January 2021	**124,300,100**	**(127,114,371)**	**(2,814,271)**
Loss for the financial year, representing total comprehensive loss (Restated)	—	(47,313,857)	(47,313,857)
Balance at 31 December 2021 (Restated)	**124,300,100**	**(174,428,228)**	**(50,128,128)**
Balance at 1 January 2022 (Restated)	**124,300,100**	**(174,428,228)**	**(50,128,128)**
Loss for the financial year, representing total comprehensive loss	—	(78,678,960)	(78,678,960)
Balance at 31 December 2022	**124,300,100**	**(253,107,188)**	**(128,807,088)**

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1. Authorisation of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)

The financial statements of BP Absheron Limited for the year ended 31 December 2022 were approved by the board of directors on 17/08/2023 and the balance sheet was signed on the board's behalf by J S Freeman. BP Absheron Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 09971526) under the Companies Act 2006. The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

Principal activity

The State Oil Company of the Azerbaijan Republic ("SOCAR") and bp have executed an EDPSA for the Shallow Water Area around the Absheron Peninsula in the Azerbaijan Sector of the Caspian Sea dated 22 December 2014 which became effective on 1 May 2015.

The EDPSA was originally executed by BP Exploration (Azerbaijan) Limited. BP Absheron Limited was incorporated on 26 January 2016, and on 1 September 2016 it assumed the entire participating interest, together with all rights, obligations and liabilities, of BP Exploration (Azerbaijan) Limited with regard to the EDPSA. As a contractor party, BP Absheron Limited had a 50% participating interest under the EDPSA. The remaining 50% participating interest was held by SOCAR Oil Affiliate ("SOA"), a company to be formed, owned and controlled by SOCAR. Pending formation of SOA, all rights and obligations of SOA were being performed by SOCAR.

According to the terms of the EDPSA, bp or its affiliate should have acted as an operating company during the initial and main exploration periods ("IEP" and "MEP"), and before SOCAR's approval of the first development programme. Upon approval of the first development programme, bp and SOA should have established an equally owned joint operating company. BP Exploration (Absheron) Limited has been incorporated to act as an operating company under the EDPSA during the MEP on 31 October 2017 and has been appointed as such upon execution of the JOA on 16 February 2021.

On 1 July 2021 BP Absheron Limited entered Farmout Agreement with Lukoil Absheron Exploration Limited ("Lukoil") in relation to transfer of 25% of participating interest under the SWAP EDPSA. According to the EDPSA, Lukoil had an obligation to carry 50% of the petroleum costs attributable to the participating interest of SOA during the MEP. The company's share of carry has been revised to the remaining 50% effective from 1 July 2021.

SWAP exploration programme comprised drilling of one exploration well in each of the three prospective areas (North-East, West and South-East) by exploration period expiry date of 1 November 2023.

The NKX01 well was defined as an exploration well in the North-East Prospective Area of the EDPSA which was spud on 16 August 2021 and reached the target reservoir unit on 23 November 2021. The well was plugged and permanently abandoned since no hydrocarbons were encountered.

The BHEX01 well being defined as an exploration well in the West Prospective Area was spud on 18 December 2021. The BHEX01 exploration well reached the target reservoir unit in on 8 March 2022 and was plugged and permanently abandoned due to no presence of hydrocarbons.

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1. Authorisation of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) (continued)

Principal activity (continued)

The third exploration well of QBDX01 was spud on 4 April 2022 in the South-East Prospective Area. Following penetration of the target reservoir unit on 13 May 2022, the well was plugged and permanently abandoned since no hydrocarbons were encountered.

After drilling of the QBDX01, the obligation to drill one exploration well in each of the Prospective Areas during the MEP was fulfilled. As no reservoir presence has been confirmed in the exploration wells at the target reservoir intervals, parties decided to not submit a Notice of Discovery and its Commerciality for any of the Prospective Areas.

Effective from 1 May 2021, the North-East Prospective Area was relinquished. The relinquishment of the West Prospective Area and South-East Prospective Area took effect from 1 October 2022. Effective from 26 December 2022, the entire contract area was relinquished and SWAP EDPSA was terminated. The SWAP JOA will continue in effect until all joint property has been disposed of and final settlements have been made between Contractors and SOCAR. The indicative timeline for JOA termination is fourth quarter of 2023.

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2. Significant accounting policies, judgements, estimates and assumptions

The significant accounting policies and critical accounting judgements, estimates and assumptions of the company are set out below.

Basis of preparation

The accounts have been prepared on a basis other than that of a going concern and the balance sheet position at the year end remained with no modifications.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated.

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

(a) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
(b) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
   (i) paragraph 79(a)(iv) of IAS 1;
   (ii) paragraph 118(e) of IAS 38 Intangible Assets;
(c) the requirements of IAS 7 Statement of Cash Flows;
(d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
(e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
(f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
(g) the requirements of IFRS 7 Financial Instruments: Disclosures;
(h) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement.

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 18.

The financial statements are presented in US dollars and all values are rounded to the nearest whole number in dollars ($).

Significant accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: exploration and appraisal intangible assets.

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2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies: use of judgements, estimates and assumptions (continued)

The COVID-19 pandemic, climate change, the energy transition, bp's strategy to 2030 and ambition to become a net-zero company by 2050 or sooner were considered in preparing the bp group consolidated financial statements. These issues are not expected to have significant impacts on the currently reported amounts of the company's assets and liabilities.

Significant accounting policies

Going concern

In 2022, Contractors fulfilled their obligation of drilling one exploration well in each of the three Prospective Areas during Main Exploration Period ("MEP") under Shallow Water Absheron Peninsula ("SWAP") Exploration, Development and Production Sharing Agreement ("EDPSA").

Drilling of the first exploration well of North Khali ("NKX01") in the North-East Prospective Area was started in August 2021 and completed in November 2021. The well was concluded to be a dry hole. The second exploration well of Bibi-Heybat ("BHEX01") was spudded in December 2021 in the West Prospective Area. Drilling was completed in March 2022 and the well concluded to be a dry hole as well. The third and last exploration well of Qarabatdag ("QBDX01") was spudded in the South-East prospective area in April 2022 and was concluded to be a dry hole like prior two wells in May 2022 after completion of drilling. All three wells were safely plugged and abandoned, and all related capitalised expenses were written off. Effective from 26 December 2022, the entire contract area was relinquished and SWAP EDPSA was terminated. The SWAP Joint Operating Agreement ("JOA") will continue in effect until all joint property has been disposed of and final settlements have been made between Contractors and SOCAR. The indicative timeline for JOA termination is fourth quarter of 2023.

As no reservoir presence has been confirmed in wells at target reservoir intervals, Contractors decided not to proceed to the development phase for any of three areas. Following fulfilment of all obligations during MEP under SWAP EDPSA and resulting in dry holes and given no further significant activity is expected within the companies, the intention of directors is that the company will cease trading once all remaining activities are complete. Therefore, the financial statements have been prepared on a basis other than going concern. The balance sheet position at the year-end remained with no modifications, considering that it consists of short-term receivables representing amounts due from another bp company which are expected to be fully recoverable and overdraft liability under the Internal Financing Account (IFA) facility provided by BP International Limited in respect of which equivalent amount of capital injection is planned to be made by parent in order to settle the liability.

Foreign currency

The functional and presentation currency of the financial statements is US dollars. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Where this is not practical and exchange rates do not fluctuate materially the average rate has been used. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot exchange on the balance sheet date. Any resulting exchange differences are included in the profit and loss account, unless hedge accounting is applied. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

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2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Intangible assets

Intangible assets, other than goodwill, include expenditure on the exploration for and evaluation of oil and natural gas resources and are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

For information on accounting for expenditures on the exploration for and evaluation of oil and natural gas resources, see the accounting policy for oil and natural gas exploration, appraisal and development expenditure below.

Intangible assets are carried initially at cost unless acquired as part of a business combination. Any such asset is measured at fair value at the date of the business combination and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

The expected useful lives of assets and the amortization method are reviewed on an annual basis and, if necessary, changes in useful lives or the amortization method are accounted for prospectively.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Oil and natural gas exploration and appraisal expenditure
Oil and natural gas exploration and appraisal expenditure is accounted for using the principles of the successful efforts method of accounting as described below.

Licence and property acquisition costs
Exploration licence and leasehold property acquisition costs are initially capitalized within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing. If no future activity is planned, the remaining balance of the licence and property acquisition costs is written off. Lower value licences are pooled and amortized on a straight-line basis over the estimated period of exploration. Upon internal approval for development and recognition of proved reserves of oil and natural gas, the relevant expenditure is transferred to tangible assets.

Exploration and appraisal expenditure
Geological and geophysical exploration costs are charged to the profit and loss account as incurred. Costs directly associated with an exploration well are capitalized 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 potentially commercial quantities of hydrocarbons are not found, the exploration well costs are written off. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. If it is determined that development will not occur then the costs are expensed.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. Upon internal approval for development and recognition of proved reserves, the relevant expenditure is transferred to tangible assets.

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2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Intangible assets (continued)

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration or appraisal work in the area, remain capitalized on the balance sheet as long as such work is under way or firmly planned.

Significant judgements and estimates: exploration and appraisal intangible assets
Judgement is required to determine whether it is appropriate to continue to carry costs associated with exploration wells and exploratory type stratigraphic test wells on the balance sheet. This includes costs relating to exploration licences or leasehold property acquisitions. It is not unusual to have such costs remaining suspended on the balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. The costs are carried based on the current regulatory and political environment or any known changes to that environment. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from, the discovery. Where this is no longer the case, the costs are immediately expensed.

The carrying amount of capitalized costs and further information on the write-offs are included in Note 5.

Leases

Agreements that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases. The right to control is conveyed if bp has both the right to obtain substantially all of the economic benefits from, and the right to direct the use of, the identified asset throughout the period of use. An asset is identified if it is explicitly or implicitly specified by the agreement and any substitution rights held by the lessor over the asset are not considered substantive.

Agreements that convey the right to control the use of an intangible asset including rights to explore for or use hydrocarbons are not accounted for as leases. See significant accounting policy: intangible assets.

A lease liability is recognized on the balance sheet on the lease commencement date at the present value of future lease payments over the lease term. The discount rate applied is the rate implicit in the lease if readily determinable, otherwise an incremental borrowing rate is used. For the majority of the leases in the group, there is not sufficient information available to readily determine the rate implicit in the lease, and therefore the incremental borrowing rate is used. The incremental borrowing rate is determined based on factors such as the group's cost of borrowing, lessee legal entity credit risk, currency and lease term. The lease term is the non-cancellable period of a lease together with any periods covered by an extension option that bp is reasonably certain to exercise, or periods covered by a termination option that bp is reasonably certain not to exercise. The future lease payments included in the present value calculation are any fixed payments, payments that vary depending on an index or rate, payments due for the reasonably certain exercise of options and expected residual value guarantee payments.

Payments that vary based on factors other than an index or a rate such as usage, sales volumes or revenues are not included in the present value calculation and are recognized in the income statement. The lease liability is recognized on an amortized cost basis with interest expense recognized in the income statement over the lease term

DTT

2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Leases (continued)

The right-of-use asset is recognized on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis, over the lease term. The depreciation charge is recognized in the income statement, except where capitalized as exploration and appraisal expenditure. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill.

Agreements may include both lease and non-lease components. Payments for lease and non-lease components are allocated on a relative stand-alone selling price basis.

If the lease term at commencement of the agreement is less than 12 months, a lease liability and right-of-use asset are not recognized, and a lease expense is recognized in the income statement on a straight-line basis.

If a significant event or change in circumstances, within the control of bp, arises that affects the reasonably certain lease term or there are changes to the lease payments, the present value of the lease liability is remeasured using the revised term and payments, with the right-of use asset adjusted by an equivalent amount.

Modifications to a lease agreement beyond the original terms and conditions are accounted for as a re-measurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognized in the income statement. Modifications that increase the scope of the lease at a price commensurate with the stand-alone selling price are accounted for as a separate new lease.

The company recognizes the full lease liability, rather than its working interest share, for leases entered into on behalf of a joint operation if the company has the primary responsibility for making the lease payments. In such cases, the company's working interest share of the right-of-use asset is recognized if it is jointly controlled by the company and the other joint operators, and a receivable is recognized for the share of the asset transferred to the other joint operators. If the company is a non-operator, a payable to the operator is recognized if they have the primary responsibility for making the lease payments and the company has joint control over the right-of-use asset, otherwise no balances are recognized.

Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The company derecognizes financial assets when the contractual rights to the cash flows expire or the rights to receive cash flows have been transferred to a third party along with either substantially all of the risks and rewards or control of the asset. This includes the derecognition of receivables for which discounting arrangements are entered into.

The company classifies its financial assets as measured at amortized cost or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

DTT

2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Financial assets (continued)

Financial assets measured at amortized cost
Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortised cost. This category of financial assets includes trade and other receivable.

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets measured at amortized cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the company is exposed to credit risk. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all other in-scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the company expects to receive, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the profit and loss account.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the company has no reasonable expectation of recovering amounts due.

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost
Financial liabilities are initially recognized at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received net of issue costs associated with the borrowing.

After initial recognition, these financial liabilities are subsequently measured at amortized cost. This category of financial liabilities includes trade and other payables and finance debt.

Offsetting of financial assets and liabilities

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met: the company currently has a legally enforceable right to set off the recognized amounts; and the company intends to either settle on a net basis or realize the asset and settle the liability simultaneously. If both of the criteria are met, the amounts are set off and presented net. A right of set off is the company's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

DTT

2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Taxation

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or directly in equity.

Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it is determined in accordance with the rules established by the applicable taxation authorities. It therefore excludes items of income or expense that are taxable or deductible in other periods as well as items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in group undertakings and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductive temporary differences.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

DTT

2. Significant accounting policies, judgements, estimates and assumptions (continued)

Significant accounting policies (continued)

Taxation (continued)

Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the company's proposed tax treatment, income taxes are recognized consistent with the company's income tax filings. If it is not considered probable, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

Updates to significant accounting policies

Impact of new International Financial Reporting Standards

There are no IASB standards, amendments or interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the company.

3. Operating loss

This is stated after charging:

	2022	2021 (Restated)
	$	$
Net foreign exchange losses	37,000	22,506
Exploration expenditure written off	76,616,205	45,327,801

For more detailed explanation see "Exploration expenditure written off" Note 5.

4. Auditor's remuneration

	2022	2021
	$	$
Fees for the audit of the company	37,297	31,646

Fees paid to the company's auditor, Deloitte LLP and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of BP Absheron Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

5. Exploration expenditure written off

In 2022, the company wrote off $76,616,205 exploration expenditure capitalised during MEP in regard to BHEX01 and QBDX01 exploration wells after confirming no reservoir presence in any of the wells. $45,327,801 write-off in 2021 represents similar nature transaction made for NKX01 exploration well in 2021 after determining no presence of hydrocarbons.

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6. Taxation

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010.

(a) Reconciliation of the effective tax rate

The tax assessed on the loss for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2022 (2021 19%). The differences are reconciled below:

	2022	2021 (Restated)
	$	$
Loss before taxation	(78,678,960)	(47,313,857)
Tax charge / (credit)	—	—
Effective tax rate	— %	— %

	2022	2021 (Restated)
	%	%
UK statutory corporation tax rate:	19.00	19.00
Increase / (decrease) resulting from:		
Non-deductible expenditure	(19.00)	(18.60)
Free group relief	—	—
Movements in unrecognised deferred tax	—	(0.40)
Effective tax rate	—	—

Change in corporation tax rate
On 3 March 2021, the UK Government announced an increase in the UK's main corporation tax rate from 19% to 25%, effective from 1 April 2023. This will increase the company's future current tax charge accordingly. The rate change was substantively enacted on 24 May 2021 and has therefore been applied when calculating the company's deferred tax balances at the balance sheet date.

(b) Provision for deferred tax

Deferred tax has not been recognised on deductible temporary differences of $0 (2021 $65,503,829 restated) relating to pre-trading expenditure with a fixed expiry date and $0 (2021 $20,049,512 restated) relating to pre-trading capital expenditure with no fixed expiry date. These amounts are not expected to give rise to any future tax benefit.

7. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2021 $Nil).

(b) Employee costs

The company had no employees during the year (2021 None).

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8. Intangible assets

	Exploration expenditure	Other intangibles	Total
Cost	$	$	$
At 1 January 2022	46,539,515	1	46,539,516
Additions	30,076,690	—	30,076,690
Exploration expenditure written off	(76,616,205)	—	(76,616,205)
At 31 December 2022	—	1	1
Net book value			
At 31 December 2022	—	1	1
At 31 December 2021	46,539,515	1	46,539,516

In 2022, the company capitalised $30,076,690 exploration expenditure incurred during drilling of the BHEX01 and QBDX01 exploration wells. All capitalised expenditure in respect of these wells was subsequently written-off after confirming no reservoir presence in any of the wells.

9. Debtors

Amounts falling due within one year:

	2022	2021
	$	$
Amounts owed from fellow subsidiaries	2,234,435	19,599
	2,234,435	19,599

$2.2 million balance owed from fellow subsidiaries as at 31 December 2022 represents receivable of the company from BP Exploration (Absheron) Limited. No interest is applicable to the balance and its payment term is 30 days.

10. Creditors

Amounts falling due within one year:

	2022	2021 (Restated)
	$	$
Trade creditors	(4,327)	(11,664)
Amounts owed to group undertakings	(131,037,197)	(65,269,580)
Amounts owed to fellow subsidiaries	—	(29,725,291)
Accruals and deferred income	—	(1,680,708)
	(131,041,524)	(96,687,243)

The amounts owed to group undertakings comprise an Internal Funding Account (IFA) of $131 million payable to BP International Limited (2021 $64.7 million). This is non-interest bearing account and the maximum amount that can be borrowed under the facility is $206.5 million.

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This balance forms a key part of the bp group's liquidity and funding arrangements under its centralised treasury funding model. Whilst IFA credit balances are legally repayable on demand, in practice they have no termination date.

Decrease in the remaining creditor categories falling due within one year is due to the completion of exploration activities by mid-2022 and further commencement of final settlements after management's decision of not proceeding with the development phase.

11 Leases

The company leases a number of assets as part of its activities. This primarily includes drilling rig in the Production & Operations and vessel charters across the group. Despite the contract was signed by BP Absheron Limited, the short-term lease expense incurred during the year has been recharged to the parties to the EDPSA at cost.

	2022	2021
	$	$
Short-term lease expense	10,167,105	11,453,325

12. Called up share capital

	2022	2021
	$	$
Issued and fully paid:		
124,300,100 ordinary shares of $1 each for a total nominal value of $124,300,100	124,300,100	124,300,100

13. Reserves

Called up share capital
The balance on the called up share capital account represents the aggregate nominal value of all ordinary shares in issue.

Profit and loss account
The balance held on this reserve is the accumulated losses of the company.

14. Capital commitments

Authorized and contracted future capital expenditure (excluding right-of-use assets) by the company for which contracts had been placed but not provided in the financial statements at 31 December 2022 is estimated at $0 (2021 $20,999,300).

15. Related party transactions

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel. There were no other related party transactions in the year.

16. Post balance sheet event

There is no post balance sheet event at the reporting date for the company.

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17. Prior year adjustment

The following errors were identified in 2021 accounts:

- $6,930,920 cost undercharge to BP Absheron Limited by BP Exploration (Absheron) Limited, resulting in $5,228,667 understatement of exploration expenditure written off and $1,702,253 understatement of exploration expenses, as well as $6,930,920 understatement of creditors of the company due to BP Exploration (Absheron) Limited.

Adjustments were therefore made to the 2021 financial statements as follows:

	2021		2021
	$	$	$
	As previously stated	Adjustment	Restated
Exploration expenditure written off	(40,099,134)	(5,228,667)	(45,327,801)
Exploration expenses	(892,924)	(1,702,253)	(2,595,177)
Other operating income	614,809	—	614,809
Operating loss	**(40,377,249)**	**(6,930,920)**	**(47,308,169)**
Interest payable and similar expenses	(5,688)	—	(5,688)
Loss before taxation	**(40,382,937)**	**(6,930,920)**	**(47,313,857)**
Tax on loss result	—	—	—
Loss result for the financial year	**(40,382,937)**	**(6,930,920)**	**(47,313,857)**

	2021		2021
	$	$	$
	As previously stated	Adjustment	Restated
Fixed assets			
Intangible assets	46,539,516	—	46,539,516
Current assets			
Debtors: amounts falling due within one year	19,599	—	19,599
Creditors: amounts falling due within one year	(89,756,323)	(6,930,920)	(96,687,243)
Net current liabilities	**(89,736,724)**	**(6,930,920)**	**(96,667,644)**
NET LIABILITIES	**(43,197,208)**	**(6,930,920)**	**(50,128,128)**
Capital and reserves			
Called up share capital	124,300,100	—	124,300,100
Profit and loss account	(167,497,308)	(6,930,920)	(174,428,228)
TOTAL EQUITY	**(43,197,208)**	**(6,930,920)**	**(50,128,128)**

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18. 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 smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of BP p.l.c. can be obtained from its registered address: 1 St James's Square, London, SW1Y 4PD.

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