

**BP EXPLORATION (ABSSHERON) LIMITED**

(Registered No.11041000)

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2018**

Board of Directors: J Freeman

R G Jones

The directors present the strategic report, their report and the audited financial statements for the period from 31 October 2017 (date of incorporation) to 31 December 2018.

**STRATEGIC REPORT**

**Results**

The company incurs costs on an agency basis on behalf of the parties to the Exploration, Development and Production Sharing Agreement ("EDPSA") for the Shallow Water Area around the Absheron Peninsula and accordingly makes neither a profit nor a loss and so no profit and loss account has been prepared.

**Principal activities and review of the business**

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, and which became effective on 1 May 2015.

The Initial Exploration Period ("IEP") commenced on the effective date of the EDPSA (1 May 2015). During the IEP, BP acquired 2D and 3D seismic data, completed data interpretation and moved into prospect evaluation. As a result, three high graded Prospective Areas ("PA") were assured and selected - West PA, South East PA, North East PA. Notice of Prospectivity for Prospective Areas was issued and submitted to SOCAR on 30 October 2017. EDPSA progressed into the Main Exploration Period ("MEP") immediately following the date on the Notice of Prospectivity. During the MEP, BP will focus on planning exploration wells for three Prospective Areas.

The EDPSA was originally executed by BP Exploration (Azerbaijan) Limited. BP Absheron Limited ("BPAL") 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, BPAL has a 50% participating interest under the EDPSA. The remaining 50% participating interest is 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 will be performed by SOCAR.

According to the terms of the EDPSA, BP (or an affiliate of BP) shall act as a no profit/no loss operating company during the initial exploration period (30 months) and the main exploration period (3 years) and before approval of the first development programme. Upon approval of the first Development Programme, BP and SOCAR Oil Affiliate (SOA) shall establish a joint operating company (JOC) equally owned by BP and SOA. It is therefore proposed BP Exploration (Absheron) Limited ("BPXAB") to act as the operating company under the EDPSA during the initial exploration period and the main exploration period.

Under the EDPSA, the company is entitled to all the benefits, waivers, indemnities and exemptions awarded to the interest holders (contractor parties). However, the company shall only act as operator upon instructions from the contractor parties, it shall own no assets or equipment, shall not be entitled to any share of petroleum produced nor shall it make a profit or loss.



## **STRATEGIC REPORT**

### **Principal activities and review of the business (continued)**

The company shall record all financial flows or other transactions of the interest holders as passing through to the contractor parties as though it did not exist as a commercial entity, and for all purposes the amount of its taxable profit shall be nil. The company is funded entirely by BPAB (Contractor Parties to the PSA) solely during the initial exploration period and main exploration period, and by BPAB and SOCAR Oil Affiliate from the beginning of the first development and production period.

On 19 April 2018, BP Exploration (Azerbaijan) Limited entered into Farmout Agreement relating to the South-West Gobustan Production Sharing Agreement in the Republic of Azerbaijan (Gobustan PSA) with Commonwealth Gobustan Limited (Commonwealth) to acquire interest of 61% of Commonwealth's participating interest in the Gobustan PSA with the effective date of 1 July 2019. The remaining participating interest is held by SOCAR Oil Affiliate ("SOA") 20% and Commonwealth 19%. BP Exploration (Absheron) Limited will be the operator of a future exploration well; work is ongoing to determine drilling location and if further seismic data is required before spudding the exploration well.

### **Principal risks and uncertainties**

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 for the group.

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 period ended 31 December 2018.

#### **Strategic and commercial risks**

##### ***Major project delivery***

Failure to invest in the best opportunities or deliver major projects successfully could adversely affect the company's financial performance.

##### ***Geopolitical***

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment.

##### ***The impact of the UK's exit from the EU***

Following the referendum in 2016, BP has been assessing the potential impact of Brexit on group companies. BP has been preparing for different scenarios for the UK's exit from the EU but does not believe any of these scenarios will pose a significant risk to the business. The BP board's geopolitical committee discussed this, most recently in January 2019. BP continues to monitor developments in this area in line with group risk management processes and procedures.

##### ***Joint arrangements and contractors***

The company may have limited control over the standards, operations and compliance of its partners, contractors and sub-contractors.

##### ***Digital infrastructure and cybersecurity***

Breach of the company's digital security or failure of its digital infrastructure could damage its operations and reputation.

##### ***Climate change and the transition to a lower carbon economy***

Policy, legal, regulatory, technology and market change related to the issue of climate change could increase costs, reduce demand for our products, reduce revenue and limit growth opportunities.

## **STRATEGIC REPORT**

### **Strategic and commercial risks (continued)**

#### ***Crisis management and business continuity***

Potential disruption to the company's business and operations could occur if it does not address an incident effectively.

#### ***Insurance***

The BP group's insurance strategy could expose the BP group to material uninsured losses which in turn could adversely affect the company.

### **Safety and operational risks**

#### ***Process safety, personal safety and environmental risks***

The company is exposed to a wide range of health, safety, security and environmental risks that could result in regulatory action, legal liability, increased costs, damage to its reputation and potentially denial of its licence to operate.

### **Compliance and control risks**

#### ***Regulation***

Changes in the regulatory and legislative environment could increase the cost of compliance and limit its access to new exploration opportunities.

#### ***Ethical misconduct and non-compliance***

Ethical misconduct or breaches of applicable laws by the company's businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties.

#### ***Reporting***

Failure to accurately report the company's data could lead to 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 market risks relating to foreign currency exchange rates, interest rates 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 2018.

Authorized for issue by Order of the Board

DocuSigned by:

Thomas

02DCpB592A9A4A4

For and on behalf of

Sunbury Secretaries Limited

Company Secretary

July 29, 2019

2019

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**DIRECTORS' REPORT**

**BP EXPLORATION (ABSHERON) LIMITED**

**Directors**

The present directors are listed on page 1.

J Freeman and R G Jones served as directors throughout the financial period and were appointed on 31 October 2017 (date of incorporation). Changes since 31 October 2017 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
B M Puffer	31 October 2017	6 February 2018

**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 period. The directors do not propose the payment of a dividend.

**Financial instruments**

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 1.6) of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the strategic report under Financial risk management.

**Future developments**

The directors 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' 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.

Authorized for issue by Order of the Board

DocuSigned by:

*C Thomas*

02DC9B592A9A4A4

For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

July 29, 2019 2019

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT  
OF THE FINANCIAL STATEMENTS**

**BP EXPLORATION (ABSHERON) LIMITED**

The directors are responsible for preparing the Strategic Report, the Directors' 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 and, having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, continue to adopt the going concern basis in preparing the financial statements.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF BP EXPLORATION (ABSHERON) LIMITED**

**Report on the audit of the financial statements**

**Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the period from incorporation on 31 October 2017 to 31 December 2018;
- 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 balance sheet;
- the statement of changes in equity; 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, 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.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT**

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

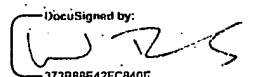
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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:  
William Brooks FCA

for and on behalf of  
London, United Kingdom

Deloitte LLP

(Senior Statutory Auditor)  
Statutory Auditor

2019

July 29, 2019

DTT



**BALANCE SHEET****AS AT 31 DECEMBER 2018****BP EXPLORATION (ABSHERON) LIMITED**  
**(Registered No.11041000)**

	Note	2018 \$
<b>Current assets</b>		
Debtors: amounts falling due within one year	6	1,003,190
Creditors: amounts falling due within one year	7	(1,003,189)
<b>Net current assets</b>		<u>1</u>
<b>NET ASSETS</b>		<u><u>1</u></u>
<b>Capital and reserves</b>		
Called up share capital	8	(1)
<b>TOTAL EQUITY</b>		<u><u>(1)</u></u>

Authorized for issue on behalf of the Board

J Freeman  
Director

DocuSigned by:

*Jagui Freeman*

D9708EEC9EFF4C5...

2019

July 29, 2019

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**BP EXPLORATION (ABSSHERON) LIMITED**

	Called up share capital (Note 8)
	<u>\$</u>
Balance at 31 October 2017 (date of incorporation)	1
Balance at 31 December 2018	<u><u>1</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

**BP EXPLORATION (ABSSHERON) LIMITED**

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

The financial statements of BP Exploration (Abssheron) Limited for the period from 31 October 2017 (date of incorporation) to 31 December 2018 were approved by the board of directors on 29 July 2019 and the balance sheet was signed on the board's behalf by J Freeman. BP Exploration (Abssheron) Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 11041000). 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.

**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**

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The accounting policies that follow have been consistently applied to the period presented.

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 IFRS 7 Financial Instruments: Disclosures
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
- (c) 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
- (d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- (e) the requirements of IAS 7 Statement of Cash Flows
- (f) 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
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- (h) 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

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 12.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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

#### **Critical 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.

There were no critical accounting judgements or estimates identified that would have a significant impact on the amounts recognized in the financial statements, or create a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Significant accounting policies**

##### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved and the financial statements have therefore been prepared under the going concern basis.

##### **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.

##### **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 financial asset is transferred to a third party. This includes the derecognition of receivables for which discounting arrangements are entered into.

From 1 January 2018, 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.

##### ***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 amortized cost. This category of financial assets includes trade and other receivables.

**NOTES TO THE FINANCIAL STATEMENTS****2. Significant accounting policies, judgements, estimates and assumptions (continued)****Impairment of financial assets measured at amortized cost**

The company assesses on a forward looking basis the expected credit losses associated with financial assets classified as 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. Since this is typically less than 12 months, there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company's in-scope financial assets. 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.

**Impact of new International Financial Reporting Standards**

The company adopted two new accounting standards issued by the IASB with effect from 1 January 2018, IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers'. There are no other new or amended standards or interpretations adopted during the period that have a significant impact on the financial statements.

The adoption of IFRS 9 and IFRS 15 has had no material impact on the company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****3. Auditor's remuneration**

31 October 2017 (date  
of incorporation) to  
31 December 2018

Fees for the audit of the company

\$  
24,628

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 Exploration (Absheron) Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

The fees were borne by the parties to the EDPSA.

**4. Taxation**

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. The Company is an operating company under Article 6 of the EDPSA. An operating company may only act upon instructions from the EDPSA Participants, owns no assets or equipment, is not entitled to any share of petroleum produced, and makes neither a gain nor loss. An operating company always has its taxable profit at the level of zero. Such operating company shall not be treated as a legal entity subject to the profit tax and therefore shall be exempt from the submission of profit tax returns, reports and financial statements.

**5. 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 period.

**(b) Employee costs**

The company had no employees during the period.

**6. Debtors**

Amounts falling due within one year:

Amounts owed from parent undertakings  
Amounts owed from fellow subsidiaries

	<u>2018</u>
	\$
	1
	<u>1,003,189</u>
	<u>1,003,190</u>

**7. Creditors**

Amounts falling due within one year:

Amounts owed to fellow subsidiaries

	<u>2018</u>
	\$
	<u>1,003,189</u>

DTT

**NOTES TO THE FINANCIAL STATEMENTS****8. Called up share capital**

	2018
	<u>\$</u>
Issued and fully paid:	
1 ordinary share of \$1 for a total nominal value of \$1	<u><u>1</u></u>

**9. 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.

**10. 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 period.

**11. Comparative figures**

There are no comparative figures as the company was incorporated on 31 October 2017 and became operational in 2018.

**12. 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 parent undertaking of 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.