

BP EXPLORATION COMPANY LIMITED

(Registered No.SC000792)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Board of Directors: D A Rider

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2019.

STRATEGIC REPORT**Results**

The profit for the year after taxation was \$3,072,859,000 which, when deducted from the accumulated loss brought forward at 1 January 2019 of \$50,809,000, after taking into consideration the share capital reorganization of \$21,541,806,000 and deducting total paid dividends to ordinary shareholders of \$3,055,000,000, gives a total accumulated profit carried forward at 31 December 2019 of \$21,508,856,000.

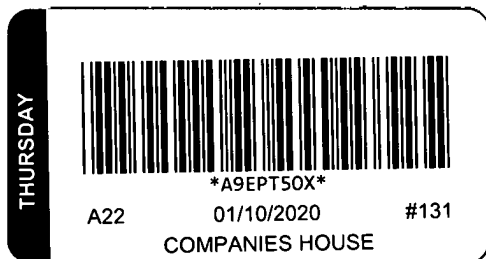
Principal activity and review of the business

The company holds investments in subsidiary undertakings engaged in oil and gas production and exploration worldwide.

The key financial and other performance indicators during the year were as follows:

	2019	2018	Variance
	\$000	\$000	%
Dividend income	3,062,090	134,001	2,185
Operating profit	3,071,486	31,992	9,501
Profit for the year	3,072,859	26,658	11,427
Total equity	63,310,910	63,293,051	—

	2019	2018	Variance
	%	%	
Quick ratio*	7	5	2



*Quick ratio is defined as current assets (excluding stocks, debtors falling due after one year, derivatives and other financial instruments falling due after one year and deferred tax assets) divided by current liabilities.

The operating profit in 2019 is primarily contributed by dividend income received from BP Exploration Operating Company ("BPEOC") and BP Exploration Mexico Limited ("BPEML") amounting to \$3,055,000,000 and \$7,089,870 respectively. The operating profit in 2018 was mainly contributed by dividend income of \$134,001,000 from BP Exploration (Finance) Limited, partially offset by investment written off of \$100,770,000 as it was liquidated during the year.

Section 172 (1) statement

In governing the company on behalf of its shareholders and discharging their duties under section 172, the board has had regard to the factors set out in section 172 (see below) and other factors which the board considers appropriate.

STRATEGIC REPORT**Section 172 (1) statement (continued)*****Section 172 factors***

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

- a. The likely long-term consequences of the decision.
- b. The interests of the company's employees.
- c. The need to foster the company's business relationships with suppliers, customers and others.
- d. The impact of the company's operations on the community and the environment.
- e. The desire to maintain the company's reputation for high standards of business conduct.
- f. The need to act fairly between members of the company.

To support the directors in the discharge of their duties, and whilst making a decision on behalf of the company, the directors have access to functional assurance support to identify matters which may have an impact on the proposed decision including, where relevant, section 172 factors as outlined above.

The principal decisions taken by the directors during the year included an interim dividend amounting to \$3,055,000,000 being declared immediately payable to the BP International Limited, the company's sole shareholder. The relevant factors taken into account during the decision making process, in furtherance of the company's purpose, were the likely long term consequences of the decision, including the need to act fairly between members of the company.

The company has engaged with key stakeholders and the outcome from such engagement has been considered by the directors during the decision making process where appropriate. Refer to the directors report on stakeholder engagement.

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 BP 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 year ended 31 December 2019.

Strategic and commercial risks***Geopolitical***

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment may disrupt or curtail the company's operations or development activities. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of our assets or cause us to incur additional costs. Political developments may include international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism or war and public health situations (including an outbreak of an epidemic or pandemic).

The impact of the UK's exit from the EU

BP have been assessing the potential impact on the group of Brexit and the UK's future global relationships. BP have been considering different outcomes but do not believe any of these outcomes pose a significant risk to the business. The BP board's geopolitical committee continues to monitor these developments.

Joint arrangements and contractors

The company may have varying levels of control over the standards, operations and compliance of its partners, contractors and sub-contractors which could result in legal liability and reputational damage.

STRATEGIC REPORT

Strategic and commercial risks (continued)

Insurance

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

Compliance and control risks

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.

Regulation

Changes in the regulatory and legislative environment could increase the cost of compliance, affect the company's provisions and limit its access to new exploration opportunities.

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 its use of financial instruments including market risks relating to foreign currency exchange rates and interest rates. 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 2019.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

DocuSigned by:

Thomas Charlotte

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30 September 2020

Registered Office:

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom

DIRECTORS' REPORT**BP EXPLORATION COMPANY LIMITED****Directors**

The present directors are listed on page 1.

D A Rider served as a director throughout the financial year. Changes since 1 January 2019 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
S J MacRae	—	28 August 2020

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

During the year the company has declared and paid dividends of \$3,055,000,000 (2018 \$Nil). 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.

Post balance sheet events

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided under Going Concern below. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of \$55/bbl for Brent and \$2.90 per MMBtu for Henry Hub for the period of 2021-2050 (in 2020 prices). Impairment tests have been performed for the purposes of the BP Plc group financial statements as at 30 June 2020. As a result of the revised long-term price assumptions and a review of the long-term strategic plan, management also reviewed BP's exploration prospects and the carrying value of the associated intangible assets. The outcome of the review has resulted in revised judgements over the expectations to extract value from certain prospects. Impairment charges related to tangible, exploration and appraisal assets will be recognised in subsidiary undertakings of the company. As these revisions and impairments relate to events and circumstances arising since 31 December, this is non-adjusting event for the financial statements for the period ending 31 December 2019. A review of the impact of those impairments on the carrying value of the investments held by BP Exploration Company Limited, and the recognition of any resulting impairment charges, will be included in the financial statements for the year ended 31 December 2020.

DIRECTORS' REPORT

Going concern

The directors have assessed the prospects of the company over a period of at least 12 months. The directors have considered expectations of the position and performance of the company over this period, taking account of its short-term and longer-range plans. Taking into account the company's current position and its principal risks on pages 1-3, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months.

Since 31 December 2019, the oil price has fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered.

As noted in the Strategic Report, the company holds investments in subsidiary undertakings engaged in oil and gas production and exploration worldwide, as a result the ability of the company's subsidiaries to pay dividends are impacted by changes in the commodity price.

The company holds limited cash directly and funding requirements are met through the ongoing funding arrangements which BP Exploration Company Limited holds with BP International Limited to manage its working capital as well as investing activities. The directors' assessment has taken into account the ability of both the company and BP International Limited as the principal company supporting the funding arrangements to ensure availability of funds at least twelve months from the date of approval of these financial statements.

Liquidity and financing is managed within BP under pooled group-wide arrangements which include the company. As part of assuring the going concern basis of preparation for the company, the ability and intent of the BP group to support the company has been taken into consideration. The BP group financial statements continue to be prepared on a going concern basis. Forecast liquidity extending at least twelve months from the date of approval of these financial statements has been assessed at a group level under a number of scenarios and a reverse stress test performed to support the group's going concern assertion. In addition, group management of BP have confirmed that the existing intra-group funding and liquidity arrangements as currently constituted are expected to continue for the foreseeable future, being no less than twelve months from the approval of these financial statements.

In assessing the prospects of BP Exploration Company Limited, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

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, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the company's stability in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

It is the intention of the directors that the business of the company will continue for the foreseeable future.

DIRECTORS' REPORT

Stakeholder statements

Employee engagement

The directors of the company note that the company does not have any direct employees, however, its wholly owned subsidiary, BP Exploration Operating Company Limited has direct employees. BP Exploration Operating Company Limited acts in the best interests of its members and wider stakeholders as a whole, including the interest of its employees through direct employee engagement with its stakeholders.

Employees are informed of information on matters of concern to them as employees through BP's employee intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity. The BP group has a number of employee-led forums and business resource groups and builds constructive relationships with labour unions formally representing employees. Employees are consulted on a regular basis through regular team and one-to-one meetings and through an annual survey.

Employee share ownership is encouraged and there are a number of employee share plans in BP p.l.c. which are in place at BP group level. For example, the BP group operates a ShareMatch plan in more than 50 countries, matching BP shares purchased by employees. The BP group also operates a group-wide discretionary share plan, which allows employee participation at different levels globally and is linked to the BP group's performance.

As an example of how engagement has directly contributed to shaping policy, in 2019 the group launched a new global commitment to minimum parental leave for new parents. This policy was established through engagement with BP employee-led business resource groups and employee forums, including the working parents' forum.

A stakeholder review is conducted by BP Exploration Operating Company Limited during its decision making process and employee's views are taken into account in decisions likely to affect their interests. Employee engagement is discussed and considered by the directors of BP Exploration Operating Company Limited at board meetings on a regular basis. Specific examples undertaken by BP Exploration Operating Company Limited include:

- Employee pulse surveys in the Region focussing on positivity, wellbeing, inclusivity and unlocking leadership potential to transform the Region.
- Employee engagement and empowerment strategy, achieved through YLOF (Young Leadership, Our Future) training and focused group sessions.
- Deployment of innovative technologies and agile working to simplify processes, reduce working hours, increase cost savings and enhance employee engagement.
- Diversity & Inclusion plans implemented across BP p.l.c. functions and regions.
- Participation in external industry recruitment initiative as strategic marketing campaign, promoting BP ways of working and increasing female recruits.

Engagement with other stakeholders

The company aims to build enduring relationships with governments, customers, partners, suppliers and communities in the countries where it operates. The company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the company's commitments to safety and ethics and compliance.

The company's activities affect a wide variety of individuals and organizations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making process.

DIRECTORS' REPORT

Engagement with other stakeholders (continued)

On behalf of the company, the BP group participates in industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the BP group works with governments on a range of issues that are relevant to its business, from regulatory compliance, to understanding tax liabilities, to collaborating on community initiatives.

During the year the directors continued with the implementation of the company's strategy, as highlighted in the strategic report in respect of the principal activities of the company, and decisions made by the directors were in respect of operational matters, in furtherance of the BP group purpose. The likely long term consequences of the decision, including the need to act fairly between members of the company were taken into account during the decision making process.

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 s418 of the Companies Act 2006.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

DocuSigned by:

Thomas Charlotte

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Registered Office:

30 September 2020

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom

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

BP EXPLORATION COMPANY 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 EXPLORATION COMPANY LIMITED****Report on the audit of the financial statements****Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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 17.

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. 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 year 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:

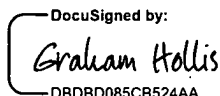
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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:


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Graham Hollis ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

Aberdeen, United Kingdom

30 September 2020

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2019****BP EXPLORATION COMPANY LIMITED**

	Note	2019 \$000	2018 \$000
Dividend income		3,062,090	134,001
Administrative expenses		(13)	(1,239)
Profit from disposal of investment		9,308	—
Gain on liquidation of investment		101	—
Investment written off	9	—	(100,770)
Operating profit	3	3,071,486	31,992
Interest receivable and similar income	5	30,772	22,110
Interest payable and similar expenses	6	(29,399)	(27,444)
Profit before taxation		3,072,859	26,658
Tax on profit	7	—	—
Profit for the year		3,072,859	26,658

The profit of \$3,072,859,000 for the year ended 31 December 2019 was derived in its entirety from continuing operations.

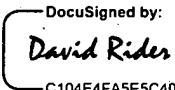
STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

BALANCE SHEET**AS AT 31 DECEMBER 2019****BP EXPLORATION COMPANY LIMITED****(Registered No.SC000792)**

	Note	2019 \$000	2018 \$000
Fixed assets			
Investments	9	63,306,921	63,307,393
Current assets			
Debtors - amounts falling due:			
within one year	10	5,766	5,768
after one year	10	79,447	104,475
		85,213	110,243
Creditors: amounts falling due within one year	11	(81,224)	(124,585)
Net current assets / (liabilities)		3,989	(14,342)
TOTAL ASSETS LESS CURRENT LIABILITIES		63,310,910	63,293,051
NET ASSETS		63,310,910	63,293,051
Capital and reserves			
Called up share capital	12	41,802,054	63,343,860
Profit and loss account	13	21,508,856	(50,809)
TOTAL EQUITY		63,310,910	63,293,051

Authorized for issue on behalf of the Board

DocuSigned by:

 C104E4FA5E5C407...
 D A Rider
 Director
 30 September 2020

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2019****BP EXPLORATION COMPANY LIMITED**

	Called up share capital (Note 12)	Profit and loss account (Note 13)	Total
	\$000	\$000	\$000
Balance at 1 January 2018	63,343,860	(77,467)	63,266,393
Profit for the year, representing total comprehensive income	—	26,658	26,658
Balance at 31 December 2018	63,343,860	(50,809)	63,293,051
Profit for the year, representing total comprehensive income	—	3,072,859	3,072,859
Reorganization of share capital	(21,541,806)	21,541,806	—
Dividends paid	—	(3,055,000)	(3,055,000)
Balance at 31 December 2019	<u>41,802,054</u>	<u>21,508,856</u>	<u>63,310,910</u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****BP EXPLORATION COMPANY 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 Company Limited for the year ended 31 December 2019 were approved by the board of directors on 30 September 2020 and the balance sheet was signed on the board's behalf by D A Rider. BP Exploration Company Limited is a private company, limited by shares incorporated, domiciled and registered in Scotland (registered number SC000792). The company's registered office is at 1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB. 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 all years presented, except where otherwise indicated.

These financial statements are separate financial statements. The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated financial statements, because it is included in the group financial statements of BP p.l.c. Details of the parent in whose consolidated financial statements the company is included are shown in Note 16 to the financial statements.

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
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets

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 16.

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Basis of preparation (continued)**

The financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (\$000), except where otherwise indicated.

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 accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

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.

For further detail on the directors' going concern assessment, please refer to the directors' report.

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.

Investments

Fixed asset investments in subsidiaries are held at cost. The company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment.

Interests in joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Investments (continued)**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Significant judgements and estimates: impairment of investments

Determination as to whether, and how much, an investment is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

Management judgement is required to determine whether an indicator of potential impairment exists in relation to the company's investments. No such indicators have been identified during the current year and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of the investments are provided in Note 9.

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.

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 receivables.

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. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all of 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.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Taxation (continued)**

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 and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries 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 and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

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.

Interest income

Interest income is recognized as the interest accrues.

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Dividend income**

Dividend income from investments is recognized when the shareholders' right to receive the payment is established.

Finance costs

All finance costs are recognized in the profit and loss account in the period in which they are incurred.

Dividends payable

Final dividends are recorded in the financial statements in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.

Impact of new International Financial Reporting Standards

The company adopted IFRS 16 'Leases', which replaced IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease', with effect from 1 January 2019. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

The adoption of IFRS 16 has had no material impact on the company's financial statements.

3. Operating profit

This is stated after charging:

	2019	2018
	\$000	\$000
Net foreign exchange losses	4	1,229

4. Auditor's remuneration

	2019	2018
	\$000	\$000
Fees for the audit of the company	9	10

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

The fees were borne by another group company.

5. Interest receivable and similar income

	2019	2018
	\$000	\$000
Interest income from amounts owed by group undertakings	23,729	21,478
Interest income from other financial assets measured at amortized cost	7,043	632
Total interest receivable and similar income	30,772	22,110

6. Interest payable and similar expenses

	2019	2018
	\$000	\$000
Interest expense on overdrafts from group undertakings	29,399	27,444

NOTES TO THE FINANCIAL STATEMENTS**7. 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 profit for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2019 (2018 19%). The differences are reconciled below:

	2019	2018
	\$000	\$000
Profit / (loss) before taxation	3,072,859	26,658
Tax charge / (credit)	—	—
Effective tax rate	—%	—%

	2019	2018
	%	%
UK statutory corporation tax rate:	19	19
Increase / (decrease) resulting from:		
Non-taxable income	(19)	(23)
Free group relief		4
Effective tax rate	—	—

Change in corporation tax rate

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

(b) Provision for deferred tax

Deferred tax has not been recognised on deductible temporary differences in respect of tax losses of \$4,947,000 (2018 \$4,947,000) and capital losses of \$1,778,000 (2018 \$1,721,000) with no fixed expiry date on the basis that they are not expected to give rise to any future tax benefit.

8. 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 (2018 \$Nil).

(b) Employee costs

The company had no employees during the year (2018 None).

NOTES TO THE FINANCIAL STATEMENTS**9. Investments**

	Investment in subsidiaries	Investment in associates	Investment in joint ventures	Total
Cost	\$000	\$000	\$000	\$000
At 1 January 2018	64,165,003	39	433	64,165,475
Write off	(100,770)	—	—	(100,770)
At 31 December 2018	<u>64,064,233</u>	<u>39</u>	<u>433</u>	<u>64,064,705</u>
At 1 January 2019	64,064,233	39	433	64,064,705
Disposal	—	(39)	—	(39)
Write off	—	—	(433)	(433)
At 31 December 2019	<u>64,064,233</u>	<u>—</u>	<u>—</u>	<u>64,064,233</u>
Impairment losses				
At 1 January 2018	757,312	—	—	757,312
At 31 December 2018	<u>757,312</u>	<u>—</u>	<u>—</u>	<u>757,312</u>
At 1 January 2019	757,312	—	—	757,312
At 31 December 2019	<u>757,312</u>	<u>—</u>	<u>—</u>	<u>757,312</u>
Net book amount				
At 31 December 2019	<u>63,306,921</u>	<u>—</u>	<u>—</u>	<u>63,306,921</u>
At 31 December 2018	<u>63,306,921</u>	<u>39</u>	<u>433</u>	<u>63,307,393</u>

The investments in subsidiaries, associates and joint ventures are all stated at cost less provision for impairment.

The investments in the subsidiary and associated undertakings and joint ventures are unlisted.

The subsidiary and other undertakings of the company at 31 December 2019 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

All voting rights are equal to percentage of share capital owned unless otherwise noted below.

During the year, the cost of investment in BP-Japan Oil Development Company Limited amounting to \$433,000 was returned to the company as it is being placed under member's voluntary liquidation. The investment in BP Abu Dhabi Marine Operating Company amounting to \$39,000 was transferred to Abu Dhabi National Oil Company.

The company received dividends, net of withholding tax, of \$3,055,000,000 and \$7,090,000 from BP Exploration Operating Company and BP Exploration Mexico Limited respectively in 2019.

NOTES TO THE FINANCIAL STATEMENTS**9. Investments (continued)****Subsidiary undertakings**

Company name	Class of share held	%	Registered address	Principal activity
BP Petroleo y Gas, S.A.	Ordinary	100	Av. Francisco de Miranda, con primera avenida de Los Palos , Grandes, Edif Cavendes, piso 9, ofi 903, Los Palos Grandes, Chacao / Caracas, Caracas / Miranda, 1060, Venezuela, Bolivarian Republic of	Exploration and production
BP (Abu Dhabi) Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production
BP Exploration Company (Middle East) Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production
BP Exploration Mexico Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production
BP Exploration Operating Company Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production
BP Exploration Orinoco Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production
BP Services International Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Exploration and production

Joint ventures

Company name	Class of share held	%	Registered address	Principal activity
BP-Japan Oil Development Company Limited	Ordinary "A" and Deferred Ordinary "A"	50	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Refining and marketing

Significant holdings in undertakings other than subsidiary undertakings

For a full list of significant related undertakings, please see Note 17.

10. Debtors

Amounts falling due within one year:

	2019	2018
	\$000	\$000
Amounts owed from fellow subsidiaries	5,766	5,768

Amounts falling due after one year:

	2019	2018
	\$000	\$000
Loans to third party	79,447	104,475
Total debtors	85,213	110,243

Included within loans to third party is a loan provided to EnQuest and bears interest at 7.5% (2018 7.5%) per annum. The loan is repayable quarterly, and the final repayment is due in 2023.

NOTES TO THE FINANCIAL STATEMENTS**11. Creditors**

Amounts falling due within one year:

	2019	2018
	\$000	\$000
Amounts owed to parent undertakings	59,617	124,571
Amounts owed to fellow subsidiaries	21,581	—
Accruals and deferred income	26	14
	<u>81,224</u>	<u>124,585</u>

Amounts owed to parent undertakings is an interest-bearing loan of \$1,166,475,000 (2018 \$1,231,429,000) with BP International Limited, with interest being charged based on 1-month USD LIBOR plus 15 basis points and callable on demand. Included within amounts owed to parent undertakings is a variable rate funding account of \$1,106,872,000 (2018 \$1,106,872,000), which is repayable on demand. Interest is accrued on a monthly basis based on USD daily overnight LIBOR. The interest rate at year end was LIBOR minus 11 basis points (2018 LIBOR minus 11 basis points). These amounts are presented net as the company has met the offsetting criteria.

12. Called up share capital

	2019	2018
	\$000	\$000
Issued and fully paid:		
41,802,054,236 (2018: 41,282,054,236) ordinary shares of \$1 each (2018: £1) for a total nominal value of \$41,802,054,236 (2018: £41,282,054,236)	41,802,054	62,593,608
5,200,000 redeemable cumulative preference shares of £100 for a total nominal value of £520,000,000	—	750,252
	<u>41,802,054</u>	<u>63,343,860</u>

On 9 December 2019, the company subdivided 5,200,000 cumulative preference shares of £100 each into 520,000,000 cumulative preference shares of £1 each and redesignated them into ordinary shares of £1 each. The entire issued ordinary shares of £1 each then were redenominated into ordinary shares of \$1.2903 each by establishing the daily rate, in accordance with the Companies Act.

On 12 December 2019, the company reduced the nominal value per share of the entire issued share capital from \$1.2903 to \$1.00 per share, resulting in \$21,541,806,000 being transferred to profit and loss account (Note 13) as distributable reserve.

13. Reserves*Called up share capital*

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

Profit and loss account

The balance held on this reserve is the retained profits of the company.

NOTES TO THE FINANCIAL STATEMENTS**14. 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.

15. Post balance sheet events

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided in the Directors' Report under Going Concern. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of \$55/bbl for Brent and \$2.90 per MMBtu for Henry Hub for the period of 2021-2050 (in 2020 prices). Impairment tests have been performed for the purposes of the BP Plc group financial statements as at 30 June 2020. As a result of the revised long-term price assumptions and a review of the long-term strategic plan, management also reviewed BP's exploration prospects and the carrying value of the associated intangible assets. The outcome of the review has resulted in revised judgements over the expectations to extract value from certain prospects. Impairment charges related to tangible, exploration and appraisal assets will be recognised in subsidiary undertakings of the company. As these revisions and impairments relate to events and circumstances arising since 31 December, this is non-adjusting event for the financial statements for the period ending 31 December 2019. A review of the impact of those impairments on the carrying value of the investments held by BP Exploration Company Limited, and the recognition of any resulting impairment charges, will be included in the financial statements for the year ended 31 December 2020.

16. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP International 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.

NOTES TO THE FINANCIAL STATEMENTS**17. Related undertakings**

Disclosed below is a full list of related undertakings in which the company holds an interest of 20% or greater, along with the registered address and the percentage of share capital owned as at 31 December 2019.

All voting rights are equal to percentage of share capital owned unless otherwise noted below. Unless otherwise stated, the share capital disclosed comprises ordinary shares or common stock (or local equivalent thereof) held by the company.

Related undertaking	Holding %	Registered address	Direct / indirect
BP Exploration Mexico, S.A. De C.V.	100	Av. Santa Fe No. 505 Piso 10, Col. Cruz Manca Santa Fe, Deleg. Cuajimalpa C.P., 05349 México D.F., Mexico	Indirect
Aker BP ASA	30	Oksenoyveien 10, , 1366 Lysaker, Norway	Indirect
ARCO British Limited, LLC	100	1209 Orange Street, Wilmington DE 19801, United States	Indirect
Atlantic 2/3 UK Holdings Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Train 2/3 Holding SRL	100	Erin Court, Bishop's Court Hill, St. Michael , Barbados	Indirect
Atlantic 2/3 Holdings LLC	43	RL&F Service Corp, , 920 North King Street, 2nd Floor, , Wilmington DE 19801, United States	Indirect
Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited	43	Princes Court, Cor. Pembroke & Keate Street, Port-of-Spain, Trinidad and Tobago	Indirect
BP (GTA Mauritania) Finance Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP (GTA Senegal) Finance Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Absheron Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Alternative Energy Trinidad and Tobago Limited	100	5-5A Queen's Park West, Port-of-Spain, Trinidad and Tobago	Indirect
BP Amoco Exploration (Faroës) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Amoco Exploration (In Amenas) Limited	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
BP Andaman II Ltd	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Brasil Ltda.	99	Avenida das Américas 3434, Bloco 7, Sala 301 a 308 (parte), Barra da Tijuca, Rio de Janeiro, RJ, 22640-102, Brazil	Indirect
BP Energy do Brasil Ltda.	100	Avenida das Américas, no. 3434, Salas 301 a 308, Barra da Tijuca, Rio de Janeiro, RJ, 22640-102, Brazil	Indirect
Castrol Brasil Ltda.	55	Avenida das Americas, nº 3434, bloco 07, salas 301 a 308 , Parte, Barra da Tijuca, Rio de Janeiro, Rio de Janeiro, 022.640-102, Brazil	Indirect
Castrol Servicos Ltda.	55	Avenida Tamboré, 448, Barueri, Sao Paulo, Brazil	Indirect
BP Brazil Tracking L.L.C.	100	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect

NOTES TO THE FINANCIAL STATEMENTS**17. Related undertakings (continued)**

Related undertaking	Holding %	Registered address	Direct / indirect
BP Containment Response Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP D230 Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP East Kalimantan CBM Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Energy Colombia Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Absheron) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Algeria) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (El Djazair) Limited	60	PricewaterhouseCoopers (Bahamas) Limited, Providence House, East Hill Street, P.O. Box N-3910, Nassau, Bahamas	Indirect
BP Exploration (Alpha) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Angola) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Azerbaijan) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Azerbaijan Gas Supply Company Limited	23	Maples & Calder, P.O. Box 309, Ugland House, 113 South Church Street, George Town, Grand Cayman, Cayman Islands	Indirect
BP Exploration (Canada) Limited	100	C/O BP Exploration (Canada) Limited, Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Caspian Sea) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Azerbaijan International Operating Company	30	190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	Indirect
BP-AIOC Exploration (TISA) LLC	66	153 Neftchilar Avenue, Baku, AZ1010, Azerbaijan	Indirect
BP Exploration (Xazar) Pte. Ltd.	100	7 Straits View #26-01, Marina One East Tower, Singapore, 018936, Singapore	Indirect
TISA Education Complex LLC	66	153 Neftchilar Avenue, Baku, AZ1010, Azerbaijan	Indirect
Georgian Pipeline Company	30	190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	Indirect
BP Exploration (D230) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Delta) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Rahamat Petroleum Company (PETRORAHAMAT)	50	70/72 Road 200, Maadi, Cairo, Egypt	Indirect
BP Exploration (Epsilon) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Gambia) Limited	100	3 Kairaba Avenue, 3rd Floor Centenary, Serekunda West, Kanifing Municipality, Gambia	Indirect

NOTES TO THE FINANCIAL STATEMENTS**17. Related undertakings (continued)**

Related undertaking	Holding %	Registered address	Direct / indirect
BP Exploration (Greenland) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Madagascar) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Morocco) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Namibia) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Nigeria Finance) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Nigeria) Limited	100	1, OYINKA ABAYOMI DRIVE, IKOYI, LAGOS, NIGERIA, Nigeria	Indirect
BP Exploration (Psi) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Shah Deniz) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (South Atlantic) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (STP) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Angola (Kwanza Benguela) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Argentina Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Beta Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration China Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Indonesia Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Libya Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration North Africa Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Peru Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Gas Marketing Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Bahia de Bizkaia Electricidad, S.L.	75	Atraque Punta Lucero, Explanada Punta Ceballos s/n, Zierbena (Vizcaya), Spain	Indirect
Blue Marble Holdings Limited	24	Northgate House, 2nd Floor, Upper Borough Walls, Bath, England, BA1 1RG, United Kingdom	Indirect
BP Iran Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Iraq N.V.	100	Amocolaan 2 2440 Geel, Belgium	Indirect
Phoenix Petroleum Services, Limited Liability Company	100	Royal Tulip Al Rasheed Hotel, Baghdad Tower, PO Box 8070, Baghdad, Iraq	Indirect
BP Kuwait Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

NOTES TO THE FINANCIAL STATEMENTS**17. Related undertakings (continued)**

Related undertaking	Holding %	Registered address	Direct / indirect
BP Mauritania Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Netherlands Upstream B.V.	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Angola (Block 18) B.V.	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Egypt West Mediterranean (Block B) B.V.	61	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Pipelines (TANAP) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Pipelines TAP Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Senegal Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Shafag-Asiman Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Shafag-Asiman) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Subsea Well Response (Brazil) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Subsea Well Response Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Aru I Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Aru II Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Papua I Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Papua III Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Britoil Limited	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
Amoco (U.K.) Exploration Company, LLC	100	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect
Amoco (Fiddich) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Amoco U.K. Petroleum Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Exploration (Luderitz Basin) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Iraq Petroleum Company Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
VIC CBM Limited	50	Eni House, 10 Ebury Bridge Road, London, SW1W 8PZ, United Kingdom	Indirect
Virginia Indonesia Co. CBM Limited	50	Eni House, 10 Ebury Bridge Road, London, SW1W 8PZ, United Kingdom	Indirect
Wiriagar Overseas Ltd	100	Estera Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay 1, PO Box 3190, Road Town, Tortola, VG1110, Virgin Islands, British	Indirect

NOTES TO THE FINANCIAL STATEMENTS**17. Related undertakings (continued)**

Related undertaking	Holding %	Registered address	Direct / indirect
BP Exploration Orinoco Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Petroleo y Gas, S.A.	100	Av. Francisco de Miranda, con primera avenida de Los Palos , Grandes, Edif Cavendes, piso 9, ofi 903, Los Palos Grandes, Chacao / Caracas, Caracas / Miranda, 1060, Venezuela, Bolivarian Republic of	Direct
BP Services International Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP-Japan Oil Development Company Limited	50	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Direct
Abu Dhabi Marine Areas Limited	33	1 More London Place, London, SE1 2AF, England	Indirect