

BP MARINE LIMITED

(Registered No. 1214291)

ANNUAL REPORT AND ACCOUNTS 2000

Board of Directors: M Keogh
A T H Considine

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2000.

Principal activity and review of the business

The company is engaged in the contracting of international marine business on behalf of the BP group. It is the intention of the directors that the above business of the company will continue for the foreseeable future.

Results

The profit after taxation for the year of US\$ 2,974,864 when aggregated with the retained deficit brought forward at 1 January 2000 of US\$ 13,263,063 gives a total retained deficit carried forward at 31 December 2000 of US\$ 10,288,199. The directors do not recommend payment of a dividend.

Directors

The present directors are listed above.

Mr A T H Considine served as a director throughout the financial year. Changes since 1 January 2000 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
Mr F Posada		30.12.2000
Mr M Keogh	30.12.2000	

Directors' interests

The interests of the directors holding office at 31 December 2000, and their families, in the US \$0.25 ordinary shares of BP p.l.c., (formerly BP Amoco p.l.c), were as set out below:

	<u>31 December 2000</u>	<u>1 January 2000 (or date of appointment)</u>
M Keogh	Nil	Nil
A T H Considine	44,641	24,079

No rights to subscribe for Ordinary Shares in BP p.l.c. were granted to, or exercised by, the directors between 1 January or date of appointment and 31 December 2000.



BP MARINE LIMITED

REPORT OF THE DIRECTORS

Directors' interests (continued)

No director had any interest in the shares or debentures of the company or any of its subsidiary undertakings at 31 December 2000.

Policy and practice with respect to payment of suppliers

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

The number of days purchases represented by trade creditors at the year-end was 24 days.

Auditors

On 28th June 2001, Ernst and Young transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001.

Ernst and Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

By order of the Board


Secretary

Registered Office
Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

14 December 2001

BP MARINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements and having a reasonable expectation that the company has, or has access within the BP Group to, adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BP MARINE LIMITED

We have audited the company's accounts for the year ended 31 December 2000 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 13. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Luton

Date 14 December 2001

BP MARINE LIMITED
ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and on a going concern basis as the directors have been advised by the immediate parent undertaking that adequate finance will be available to the company to meet its financial obligations as they fall due.

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

The accounts are prepared in U.S. dollars, which is the primary currency of operation.

As the ultimate parent undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these accounts.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US dollars are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Fixed Assets and Depreciation

The carrying value of tangible fixed assets are reviewed for impairment in periods, if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible assets, other than freehold land, are depreciated on the straight line method over their estimated useful lives, as follows:

	Freehold property	Plant & machinery	Computer & office equipment
Depreciation rates per annum	12.5%	10% - 33%	25%-50%

Deferred taxation

Where required deferred taxation is calculated using the liability method in respect of timing differences arising primarily from the different accounting and tax treatment of depreciation. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

BP MARINE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> \$	<u>1999</u> \$
Turnover	1	32,873,588	33,826,029
Administration expenses		(32,812,039)	(34,076,847)
		<hr/>	<hr/>
Operating profit/(loss)	2	61,549	(250,818)
Interest receivable	3	2,913,315	28,566
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		2,974,864	(222,252)
Taxation	4	-	-
		<hr/>	<hr/>
Retained profit/ (loss) for the financial year		2,974,864	(222,252)
		<hr/>	<hr/>

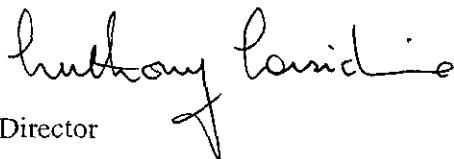
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2000

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of US\$ 2,974,864 for the year ended 31 December 2000 (1999 loss of US\$ 222,252).

BP MARINE LIMITED

BALANCE SHEET AT 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> \$	<u>1999</u> \$
Fixed assets			
Tangible assets	6	<u>1,151,382</u>	<u>810,286</u>
Current assets			
Debtors	7	135,519,737	153,947,507
Cash at Bank and in Hand		137,127	-
Creditors - amounts falling due within one year	8	(147,096,258)	(168,020,669)
Net current liabilities		<u>(11,439,394)</u>	<u>(14,073,162)</u>
EXCESS OF LIABILITIES OVER ASSETS		<u>(10,288,012)</u>	<u>(13,262,876)</u>
Represented by			
Capital and reserves			
Called up share capital	9	187	187
Profit and loss account	10	(10,288,199)	(13,263,063)
SHARHOLDERS' FUNDS - EQUITY			
INTERESTS - DEFICIT		<u>(10,288,012)</u>	<u>(13,262,876)</u>


Director

14 December 2001

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover represents reimbursed costs and service fees from BP group companies. All turnover arose as a result of reimbursement for services provided and costs incurred in the U.K. and is stated net of value added tax.

2. Operating profit/(loss)

This is stated after charging:

	<u>2000</u>	<u>1999</u>
	\$	\$
Depreciation of owned fixed assets	221,620	209,543
Auditors' remuneration		
Audit fees	41,124	55,827
Foreign exchange loss	355,911	428,246
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3. Interest receivable

	<u>2000</u>	<u>1999</u>
	\$	\$
Interest received from fellow group undertakings	2,913,316	28,566
	<hr/>	<hr/>

4. Taxation

The company is a member of a group for the purposes of relief under Section 402 of the Income and Corporation Taxes Act 1988. No corporation tax liability arises.

Provision for deferred taxation is not required.

5. Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year (1999 \$Nil).

The company does not directly employ any staff.

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

6 Tangible assets

	<u>Freehold property</u>	<u>Plant & machinery</u>	<u>Computer/ Office equipment</u>	<u>Total</u>
	\$	\$	\$	\$
Cost				
At 1 January 2000	132,602	1,686,308	1,380,751	3,199,661
Additions	-	284,822	277,895	562,717
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	132,602	1,971,130	1,658,646	3,762,378
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2000	108,113	900,511	1,380,751	2,389,375
Charge for the year	16,575	205,045	-	221,620
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	124,688	1,105,556	1,380,751	2,610,995
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 December 2000	7,914	865,574	277,895	1,151,383
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2000	24,489	785,797	-	810,286
	<hr/>	<hr/>	<hr/>	<hr/>

7 Debtors

	<u>2000</u>	<u>1999</u>
	\$	\$
Trade debtors	101,228,841	143,830,223
Amounts due from fellow subsidiary undertakings	33,042,228	8,997,516
Other debtors	473,764	-
Prepayments and accrued income	774,904	1,119,768
	<hr/>	<hr/>
	135,519,737	153,947,507
	<hr/>	<hr/>

Trade debtors represent amounts recoverable from third parties on the behalf of other BP group companies.

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

8 Creditors - amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	\$	\$
Trade creditors	1,513,546	1,921,524
Amounts owed to fellow subsidiary undertakings	142,344,634	163,385,487
Accruals and deferred income	3,238,078	2,713,658
	<hr/>	<hr/>
	147,096,258	168,020,669
	<hr/>	<hr/>

9 Called up share capital

	<u>2000</u>	<u>1999</u>
	\$	\$
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each		
translated at the 31 December 1991	187	187
exchange rate of US\$1.87 = £1.	<hr/>	<hr/>

10. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share</u>	<u>Profit and loss</u>	<u>Total</u>
	<u>capital</u>	<u>account</u>	
	\$	\$	\$
At 1 January 1999	187	(13,040,811)	(13,040,624)
Loss for the year	-	(222,252)	(222,252)
	<hr/>	<hr/>	<hr/>
At 1 January 2000	187	(13,263,063)	(13,262,876)
Profit for the year	-	2,974,864	2,974,864
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At 31 December 2000	187	(10,288,199)	(10,288,012)
	<hr/>	<hr/>	<hr/>

11. Pensions

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

BP MARINE LIMITED

NOTES TO THE ACCOUNTS

12. Related party transactions

The company has taken advantage of the exemption contained within FRS 8 and has not disclosed transactions with group companies. There were no other related party transactions in the year.

13. Ultimate parent undertaking

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the company is a member, is BP p.l.c (formerly BP Amoco p.l.c), a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA. In the opinion of the directors, BP p.l.c. is the controlling party.