

BP GREECE LIMITED
(Registered No 00176671)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors B M Puffer
 R C Harrington

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2012

Results and dividends

The loss for the year after taxation was £20,693 444 which, when deducted from the retained profit brought forward at 1 January 2012 of £44,179,198 gives a total retained profit carried forward at 31 December 2012 of £23,485,754

The company has not declared any dividends during the year (2011 £180,000,000) The directors do not propose the payment of a dividend.

Principal activity and review of the business

The Company holds an investment in a subsidiary undertaking, which is engaged in the purchasing and selling of petroleum products

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

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
	£000	£000	%
Loss on ordinary activities before interest and taxation	(15,386)	(3,307)	365
Loss after taxation	(20,693)	(8,002)	159
Shareholders' funds	105,110	125 804	(16)

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 at a group level Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level

We urge you to consider carefully the risks described below The potential impact of the occurrence or reoccurrence of any of the risks described below could have a material adverse effect on the company's business, financial position, results of operations, competitive position, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda.

Company level risks have been categorised against the following areas compliance and control and financial risk management In addition, we have also set out a further category of risk for your attention – those resulting from the 2010 Gulf of Mexico oil spill (the Incident)



BP GREECE LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Gulf of Mexico oil spill

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on BP Greece Limited

Whilst the BP group recognised significant charges in the income statement since the Incident occurred in 2010, there is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to the Incident, the potential changes in applicable regulations and the operating environment that may result from the Incident, the impact of the Incident on the reputation of the group and the resulting possible impact on the group's licence to operate including its ability to access new opportunities. The amount of claims that become payable by the BP group, the amount of fines ultimately levied on the BP group (including any potential determination of the BP group's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Incident, will also impact upon the ultimate cost for the BP group

Although the provisions recognised represent the current best estimates of expenditures required to settle certain present obligations that can be reasonably estimated at the end of the reporting period, there are future expenditures for which it is not possible to measure the obligations reliably and the total amounts payable by the BP group in relation to all obligations relating to the Incident are subject to significant uncertainty. These uncertainties are likely to continue for a significant period, increase the risks to which the group is exposed and may cause costs to increase. Thus, the Incident has had, and could continue to have, a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The risks associated with the Incident could also heighten the impact of the other risks to which the group is exposed as further described below. Further information on the Incident, is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2012

Compliance and control risks

Liabilities and provisions

The BP group's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Gulf of Mexico oil spill, together with the potential cost and burdens of implementing remedies sought in the various proceedings, cannot be fully estimated at this time but they have had, and are expected to continue to have, a material adverse impact on the group's business and consequently may also impact the company's business. Further information is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2012

Reporting

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the company's reputation

BP GREECE LIMITED
REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Financial risk management

The main financial risks faced by the company through its normal business activities, as well as its use of financial instruments, are market risk and foreign currency exchange risk. The management of these financial risks is performed at BP group level. The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. This includes the possibility that changes in foreign currency exchange rates, interest rates or oil, natural gas and power prices will adversely affect the value of the company's financial assets, liabilities or expected future cash flows. The management of such risks is performed at BP group level. The group has developed a control framework aimed at managing the volatility inherent in certain of its natural business exposures. In accordance with this control framework the group enters into various transactions using derivatives for risk management purposes.

Foreign currency exchange risk

Fluctuations in foreign exchange rates can have significant effects on the company's reported results. The company's financial assets and liabilities give rise to transactional currency exposures. Such exposures arise from transactions in a currency other than the company's functional currency. The management of such risks is performed at BP group level. The main underlying economic currency of the BP group's cash flows is the US dollar. This is because the BP group's major product, oil, is priced internationally in US dollars. The BP group's foreign exchange management policy is to minimise economic and significant transactional exposures arising from currency movements against the US dollar. The group co-ordinates the handling of foreign exchange risks centrally, by netting off naturally occurring opposite exposures wherever possible and then dealing with any material residual foreign exchange risks. For highly probable forecast capital expenditures the group locks in the US dollar cost of non US dollar supplies by using currency forwards and futures.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. Fluctuations in exchange rates can therefore give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

Going concern

The directors consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year, the company has adequate resources to continue in operational existence for the foreseeable future.

Directors

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 2012.

Directors' indemnity

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

BP GREECE LIMITED
REPORT OF THE DIRECTORS

Policy and practice on payment of creditors

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company with payments made in accordance with the relevant contractual payment terms. A copy of the code of practice may be obtained from the CBI

The number of days' purchases represented by trade creditors at the year-end was nil

Auditor

In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year

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

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information

By Order of the Board



For and on behalf of
Sunbury Secretaries Limited
Company Secretary

24 September 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP GREECE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these accounts, the directors are required to

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

The directors are responsible for keeping 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 the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

BP GREECE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF **BP GREECE LIMITED**

We have audited the financial statements of BP Greece Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the accounting policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



William Testa (Senior Statutory Auditor)

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

London

24 September 2013

BP GREECE LIMITED
ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Greece Limited were approved for issue by the Board of Directors on

30th August 2013

These accounts are prepared in accordance with the Companies Act 2006 and applicable UK accounting standards

Accounting convention

The accounts are prepared under the historical cost convention.

Statement of cash flows

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the Financial Reporting Standard No 1 (Revised), whereby it is not required to publish its own cash flow statement.

Group accounts

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 400 (1) of the Companies Act 2006. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP plc, a company registered in England and Wales. These accounts present information about the company as an individual undertaking and not about the group.

Dividend income

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

Foreign currency transactions

Foreign currency transactions are initially recorded in sterling by applying the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

BP GREECE LIMITED

ACCOUNTING POLICIES

Interest expense

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

Interest income

Interest income is recognised on an accruals basis

Investments

Fixed asset investments in subsidiaries are held at cost. The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the company makes an estimate of its 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.

Other debtors

Other debtors are carried at the original invoice amount, less allowances made for doubtful receivables. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Other creditors

Other creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, trade and other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

BP GREECE LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	<u>2012</u> £000	<u>2011</u> £000
Administration expenses		(15,386)	(3,307)
Loss on ordinary activities before interest and taxation	2	<u>(15,386)</u>	<u>(3,307)</u>
Interest payable and similar charges	3	(5,817)	(6,247)
Interest receivable and similar income	4	510	1,552
Loss before taxation		<u>(20,693)</u>	<u>(8,002)</u>
Taxation	5	-	-
Loss for the year		<u>(20,693)</u>	<u>(8,002)</u>

The loss of £20,693,444 for the year ended 31 December 2012 was derived in its entirety from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

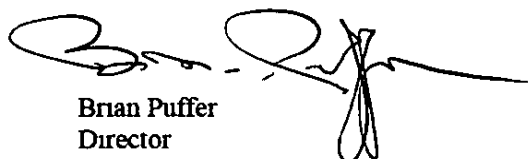
There are no recognised gains or losses attributable to the shareholders of the company other than the loss of £20,693,444 for the year ended 31 December 2012 (2011: £8,002,000)

BP GREECE LIMITED
(Registered No 00176671)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	7	<u>34,222</u>	<u>34,222</u>
Current assets			
Debtors	8	<u>100,473</u>	<u>105,945</u>
Creditors: amounts falling due within one year	9	<u>(24,324)</u>	<u>(7)</u>
Net current assets		<u>100,466</u>	<u>105,938</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		134,688	140,160
Provisions for liabilities and charges			
Other provisions	10	<u>(5,260)</u>	<u>(14,356)</u>
NET ASSETS		<u>105,111</u>	<u>125,804</u>
Represented by			
Capital and reserves			
Called up share capital	11	81,625	81,625
Profit and loss account	12	23,486	44,179
SHAREHOLDERS' FUNDS -		<u>105,111</u>	<u>125,804</u>
EQUITY INTERESTS			

On behalf of the Board



Brian Puffer
Director

24 September 2013

BP GREECE LIMITED
NOTES TO THE ACCOUNTS

1. Auditor's remuneration

	<u>2012</u>	<u>2011</u>
	£000	£000
Fees for the audit of the company	<u>6</u>	<u>7</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP Greece Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

2. Loss on ordinary activities before interest and taxation

This is stated after crediting

	<u>2012</u>	<u>2011</u>
	£000	£000
Currency exchange gains	<u>(405)</u>	<u>(590)</u>

3. Interest payable and similar charges

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest expense on guarantee fee to BP International Limited	<u>5,817</u>	<u>6,247</u>

4. Interest receivable and similar income

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest income from group undertakings	<u>510</u>	<u>1,552</u>

BP GREECE LIMITED**NOTES TO THE ACCOUNTS****5. Taxation**

The Company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. No UK corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent it is required and to provide for any current or deferred UK tax that arises without charge.

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on loss before taxation.

	<u>2012</u>	<u>2011</u>
	£000	£000
Loss before taxation	(20,693)	(8,002)
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	%	%
UK statutory corporation tax rate.	24	26
Increase / (decrease) resulting from:		
Non-deductible expenditure / non-taxable income	(24)	(32)
Free group relief	-	6
Effective current tax rate	<u>-</u>	<u>-</u>

6. Directors and employees**(a) Remuneration of directors**

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2011 £Nil)

(b) Employee costs

The company had no employees during the year (2011 Nil)

BP GREECE LIMITED
NOTES TO THE ACCOUNTS

7. Investments

	<u>Subsidiary shares</u>
Cost	£000
At 31 December 2011 and 2012	<u>34,222</u>
Net book amount	
At 31 December 2011 and 2012	<u>34,222</u>

The investment in the subsidiary undertaking is unlisted

The subsidiary undertaking of the company at 31 December 2012 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

Subsidiary undertaking	Class of share held	%	Country of incorporation	Principal activity
BP Oil Hellenic S A	Ordinary	100	Greece	Marketing

8. Debtors

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Other debtors	96	-
Amounts owed by group undertakings	<u>100,377</u>	<u>105,945</u>
	<u>100,473</u>	<u>105,945</u>

9. Creditors

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed to group undertakings	7	7
Accruals and deferred income	<u>24,317</u>	<u>-</u>
	<u>24,324</u>	<u>7</u>

BP GREECE LIMITED**NOTES TO THE ACCOUNTS****10. Other provisions**

	<u>2012</u>
	<u>£000</u>
At 1 January 2012	14,356
Exchange adjustments	354
New or increased provisions	15,680
Transfer	(24,317)
Utilisation	(813)
At 31 December 2012	<u>5,260</u>

During 2010 the company received formal tax assessments from the Greek Tax Audit Office in respect of stamp duty and other taxes for the years 2005-2009. Latest negotiations with the local authorities have led to a preliminary agreement and a provision of £24,316,951 was held and reclassified to accruals (see note 9) at 31 December 2012 (2011: £10,933,391) in relation to this case.

In addition, the company has made a provision in respect of alleged unpaid duties and taxes raised by the customs authorities in Greece regarding the trading of marine fuels by the company in 1994 and 1995. The company is defending the claims and based on management's best estimate, a provision of £5,260,038 (2011: £3,421,857) was held in relation to this case. There are various on-going cases which are being heard in the Supreme Court or waiting for appeal.

11. Called up share capital

	<u>2012</u>	<u>2011</u>
	<u>£000</u>	<u>£000</u>
Allotted, called up and fully paid		
81,624,661 Ordinary shares of £1 each for a total nominal value of £81,624,661	81,625	81,625

12. Capital and reserves

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 1 January 2012	81,625	44,179	125,804
Loss for the year	-	(20,693)	(20,693)
At 31 December 2012	<u>81,625</u>	<u>23,486</u>	<u>105,111</u>

BP GREECE LIMITED
NOTES TO THE ACCOUNTS

13. Reconciliation of movements in shareholders' funds

	2012	2011
	£000	£000
Loss for the year	(20,693)	(8,002)
Dividends – current year interim paid	-	(180,000)
Net decrease in shareholders' funds	(20,693)	(188,002)
Shareholders' funds at 1 January	125,804	313,806
Shareholders' funds at 31 December	105,111	125,804

14. Contingent liability

In 2010, the company received an assessment in relation to stamp taxes during 2003 – 2004. The case is in the Greek Court of Appeal and it is expected that the hearing will not take place before 2014. The current amount at risk is approximately €20.4 million. No provision has been based on the advice received from external law firms in Greece.

15. Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 "Related Party Disclosures", and has not disclosed transactions entered into with group companies. There were no other related party transactions in the year.

16. Pensions

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

17. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Global Investments Limited, a company registered in England and Wales. The ultimate controlling parent undertaking is BP plc, 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 plc can be obtained from 1 St James's Square, London, SW1Y 4PD.