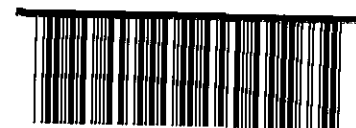


BURMAH CASTROL PLC

(Registered No. 5098)

ANNUAL REPORT AND ACCOUNTS 2000

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BURMAH CASTROL PLC

(Registered No. 5098)

REPORT OF THE DIRECTORS

Board of Directors:

DAJ Baldry
L Bardin
J Briggs
ATHJ Considine
M Johnson

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

Principal activity

The company's principal activity is that of a holding company of an international group whose principal business is the global marketing of specialised lubricant and chemical products and services. During the year, the company disposed of Castrol North America Inc.

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

Parent Undertaking

A cash offer was made on 8 June 2000 by BP p.l.c. (formerly BP Amoco p.l.c.) for all of the issued and to be issued ordinary share capital of the company. The offer went unconditional on 7 July 2000. Consequently, the company is a wholly owned subsidiary of BP p.l.c.

Results and dividends

The loss for the year after taxation was £259,974,000 which, when deducted from the retained profit brought forward at 1 January 2000 of £717,500,000, gives a total retained profit carried forward at 31 December 2000 of £457,526,000. The directors do not propose the payment of a dividend.

Post balance sheet event

On 28th September 2001, Burmah Castrol plc disposed of its interest in its metallurgical division.

The full effect of the disposal will be reflected in the accounts for the year ended 31 December 2001.

BURMAH CASTROL PLC

REPORT OF THE DIRECTORS

Directors

The current directors of the company are listed on page 1.

Changes since 1 January 2000 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
DAJ Baldry	10 July 2000	
L Bardin	30 December 2000	
J Briggs	10 July 2000	
ATHJ Considine	10 July 2000	
G MN Corbett		10 July 2000
MB Dearden		30 December 2000
JM Fry		10 July 2000
B Hardy		10 July 2000
M Johnson	30 December 2000	
BE Magnusson		10 July 2000
J R P Pike		30 June 2001
P Scaroni		10 July 2000
TEP Stevenson		10 July 2000

BURMAH CASTROL PLC

REPORT OF THE DIRECTORS

Directors' interests

The directors beneficial shareholdings and interests in options to subscribe for ordinary shares of 42 pence in Burmah Castrol plc were affected by the cash offer made by BP p.l.c. for all of the issued and to be issued ordinary share capital of the company.

The interests of the directors holding office at 31 December 2000, and their families, in the shares of Burmah Castrol plc at 1 January 2000 and the US \$0.25 ordinary shares of BP p.l.c. at 31 December 2000 were as set out below:

	<u>Interests in BP plc</u> <u>Ordinary Shares of 25 cents</u> <u>31 December 2000</u>	<u>Interest in Burmah Castrol plc</u> <u>Ordinary Shares of 42 pence</u> <u>1 January 2000</u> (or date of appointment whichever is later)
L Bardin	0	0
J Briggs	0	8,969
M Johnson	0	0
JRP Pike	0	2,688

	<u>Interests in BP plc</u> <u>Ordinary Shares of 25 cents</u> <u>31 December 2000</u>	<u>Interests in BP plc</u> <u>Ordinary Shares of 25 cents</u> <u>1 January 2000</u> (or date of appointment)
D A J Baldry	54,728	54,728
A T H J Considine	44,641	43,754

	<u>Options to subscribe for Burmah Castrol</u> <u>Plc Ordinary Shares of 42 pence</u>			<u>Burmah Castrol</u> <u>plc options rolled</u> <u>over into BP p.l.c.</u> <u>options</u>	<u>Options to subscribe for BP p.l.c.</u> <u>Ordinary Shares of 25 cents</u>		
	As at 1.1.00	Options Granted	Options Exercised/ Lapsed		Options Granted	Options Exercised/ Lapsed	As at 31.12.00
L Bardin	34,438	1,169	35,607	0	29,500	0	29,500
J Briggs	44,716	0	44,716	0	29,500	0	29,500
M Johnson	20,638	0	20,638	6,381	12,750	0	19,131
J R P Pike	104,148	0	104,148	6,321	35,280	0	41,601

BURMAH CASTROL PLC
REPORT OF THE DIRECTORS

Policy and practice with respect to payment of suppliers

The company is a holding company and has no third party suppliers.

Auditors

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

Ernst & Young LLP have expressed their willingness to continue as auditors and their reappointment at the annual general meeting is proposed in accordance with section 385 of the Companies Act 1985.

By order of the Board

Nehma Weedon
Secretary

Date: 24th October 2001

Registered Office:

Burnside Road
Farburn Industrial Estate
Dyce
Aberdeen, AB21 8PB

BURMAH CASTROL PLC

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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BURMAH CASTROL PLC
REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
BURMAH CASTROL PLC

We have audited the accounts on pages 7 to 18, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7 and 8.

Respective responsibilities of directors and auditors

As described on page 5, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

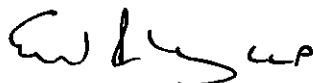
Basis of opinion

We conducted our audit in accordance with 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 the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

Date: 24th October 2001

BURMAH CASTROL PLC

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention. These accounts present information about the company as an individual undertaking and not about its group.

The ultimate parent undertaking is BP p.l.c.(formerly BP Amoco p.l.c.), a company registered in England and Wales. The Company's accounts are incorporated into the consolidated accounts of BP p.l.c., which are prepared in accordance with UK legislation and include a consolidated cash flow statement.

Group accounts are, therefore, not required by reason of Section 228 (1) of the Companies Act 1985 and the Company is, also, exempt from the requirement of Financial Reporting Statement No. 1 (Revised)- 'Cash Flow Statements'.

The report and accounts of BP p.l.c. may be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA. This is the parent undertaking of the smallest and largest group of which the company is a member and for which group accounts are prepared.

Foreign currencies

Transactions in currencies other than sterling are recorded at the rate ruling at the date of the transaction.

Assets and liabilities in currencies other than sterling are translated into sterling at closing rates of exchange. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of the loss for the year.

Derivative financial instruments

The company is a party to derivative financial instruments primarily to manage exposures to fluctuations in foreign currency exchange rates and interest rates.

Interest rate swap agreements are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contracts.

Debt Instruments

Debt instruments are stated at the amount of net proceeds adjusted to amortise any discount and associated issue costs evenly over the term of the debt.

Fixed Asset Investments

Investments in the shares of subsidiary undertakings are stated at cost less amounts provided.

BURMAH CASTROL PLC

ACCOUNTING POLICIES (cont'd)

Interest

All interest is charged against or credited to income.

Deferred taxation

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

BURMAH CASTROL PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	<u>2000</u> £'000	<u>1999</u> £'000
Administration expenses		(10,898)	(10,655)
Other income	2	38,506	-
Operating profit/(loss)	1	27,608	(10,655)
Exceptional Items	3	(285,972)	(1,012)
Loss on ordinary activities before interest and tax		(258,364)	(11,667)
Interest (payable)/receivable	4	(5,134)	13,368
Profit/(Loss) before taxation		(263,498)	1,701
Taxation	5	3,524	(2,773)
Loss for the year		(259,974)	(1,072)
Distributions to shareholders	7	-	(82,755)
Retained loss for the year	15	(259,974)	(83,827)

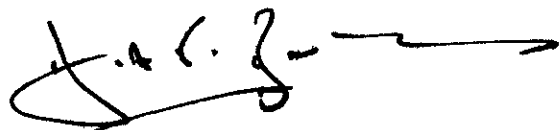
There are no recognised gains or losses attributable to the shareholders of the company other than the loss of £259,974,000 for the year ended 31 December 2000 (1999 loss of £1,072,000).

BURMAH CASTROL PLC

BALANCE SHEET AT 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
Fixed assets			
Investments	8	1,572,586	2,159,302
Current assets			
Debtors	9	462,254	24,830
Investments	10	1,063	25,267
Cash at bank and in hand		6,931	20,954
Creditors – amounts falling due within one year			
Borrowings	12	(2,559)	(4,526)
Other creditors	11	(940,233)	(868,450)
Net current liabilities		<u>(472,544)</u>	<u>(801,925)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,100,042	1,357,377
Creditors – amounts falling due after more than one year			
Long term borrowings	12	(263,112)	(263,500)
Provisions for liabilities and charges	13	-	48
NET ASSETS		<u>836,930</u>	<u>1,093,925</u>
Capital and reserves			
Called up share capital	14	75,167	75,007
Share premium account	15	126,227	123,408
Other reserves	15	178,010	178,010
Profit and loss account	15	457,526	717,500
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>836,930</u>	<u>1,093,925</u>

By order of the Board



Director

Date: 24th October 2001

BURMAH CASTROL PLC
NOTES TO THE ACCOUNTS

1. Operating profit/(loss)

This is stated after charging/(crediting):

	<u>2000</u> £'000	<u>1999</u> £'000
Exchange (gain)/loss on foreign currency borrowings less deposits	(235)	7,863
Amounts provided against fixed asset investments	-	1,246
Auditors' remuneration:		
Audit fees – current year	22	17

No fees were paid to the auditors for other services.

2. Other income

	<u>2000</u> £'000	<u>1999</u> £'000
Income from shares in subsidiary undertakings	<u>38,506</u>	-

3. Exceptional items

Exceptional items comprise the profit/(loss) on disposal of fixed assets and provisions against fixed asset investments as follows:

	<u>2000</u> £'000	<u>1999</u> £'000
Amounts provided against fixed asset investments	(286,863)	-
Profit/(loss) on sale or termination of operations	891	(1,012)
Tax effect on exceptional items	-	-
Exceptional items net of tax	<u>(285,972)</u>	<u>(1,012)</u>

The profit on sale or termination of operations of £891,000 arose due to the company's decision to exit from its Aluminium business.

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

4. Interest (payable)/receivable and similar charges

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Interest receivable from Group companies	19,630	24,618
Bank interest receivable	1,347	5,006
Other interest receivable	152	-
Interest payable to Group companies	(9,157)	(4,576)
Bank interest payable	(16,962)	(11,226)
Commitment fees	(120)	(272)
Other interest payable	(24)	(182)
Net interest (payable)/receivable	<u>(5,134)</u>	<u>13,368</u>

5. Taxation

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
United Kingdom corporation tax:		
Current at 30% (1999 30.25%)	83	2,325
Relief for overseas taxation	(83)	-
Advance Corporation Tax written off	-	240
Prior year adjustment	(3,655)	40
Deferred tax at 30% (1999 30.25%)	48	37
Overseas taxation	83	131
Taxation (credit)/charge for the year	<u>(3,524)</u>	<u>2,773</u>

United Kingdom 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.

Corporation tax has been provided at 30 % (1999 30.25%) on the taxable profits for the year and is fully covered by double tax relief.

The tax credit for the year relates to the write back of prior year group relief balances.

Provision for deferred taxation has been made in the accounts of BP International Limited, a fellow subsidiary undertaking having regard to the group deferred taxation position.

The gross potential liability of this company for deferred taxation at 31 December 2000 of £NIL (1999 asset of £48,000) comprises tax at 30% on timing differences principally between the accounting and tax treatment of guarantee fees.

If provision for deferred taxation had been made in the accounts on the basis of the gross potential liability there would have been a charge for the year of £NIL (1999 £NIL).

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

6. Directors and employees

(a) Employee costs

	<u>2000</u> £'000	<u>1999</u> £'000
Wages and salaries	118	237
Social security costs	13	22
Pension costs	-	-
	<u>131</u>	<u>259</u>

(b) Emoluments of the highest paid director were £71,000 (1999:£146,000).

(c) Average number of employees during the year

	<u>2000</u> No.	<u>1999</u> No.
Directorate	<u>6</u>	<u>8</u>

7. Distribution to shareholders

	<u>2000</u> £'000	<u>1999</u> £'000
Ordinary Dividend - interim paid	-	26,922
- final paid	-	55,863
Adjustment re prior years	-	(30)
	<u>-</u>	<u>82,755</u>

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

8. Fixed assets – investments

	Subsidiary Undertakings shares £'000	Subsidiary Undertakings Loans £'000	Investment in own shares £'000	Total £'000
Cost				
At 1 January 2000	779,278	2,063,429	36,936	2,879,643
Exchange adjustments	-	6,883	-	6,883
Additions	1,812	89,510	-	91,322
Disposals	(288,881)	(72,137)	(36,936)	(397,954)
At 31 December 2000	492,209	2,087,685	-	2,579,894
Amounts provided				
At 1 January 2000	43,965	676,376	-	720,341
Exchange adjustments	-	104	-	104
Provided in the year	223,493	63,370	-	286,863
At 31 December 2000	267,458	739,850	-	1,007,308
Net book amount				
At 31 December 2000	224,751	1,347,835	-	1,572,586
At 31 December 1999	735,313	1,387,053	36,936	2,159,302

The investments in the subsidiary undertakings are unlisted.

During the year, the Company sold its investment in Burmah Castrol's US businesses. The consideration received was equal to the book value of £288,881,000 and hence no profit or loss has been realised on disposal.

The investment in own shares relates to the Employee Share Ownership Trust. During 2000, options over the 3,575,042 £0.42 ordinary shares held by ESOT, were exercised by the directors and employees as a consequence of the agreed bid for Burmah Castrol plc by BP plc.

The market value of the company's investment in its own shares is £Nil (1999: £40,400,000).

In the opinion of the directors, the value of shares and loans in the company's subsidiary and associated undertakings is not less than the amounts at which they are shown in the balance sheet.

The principal directly owned subsidiary and associated undertakings, joint ventures and joint arrangements of the company at 31 December 2000 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.

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

8. Fixed assets – investments (cont'd)

Subsidiary Undertakings	%	Country of incorporation	Principal activity
Burmah Castrol Holdings Limited	100	England and Wales	Holding company
Burmah Oil Investments Holdings Limited	100	England and Wales	Holding company
Burmah Overseas Funding Limited	100	England and Wales	Holding company
Burmah Castrol Finance PLC	100	England and Wales	Finance company
Foseco PLC	100	England and Wales	Holding company

9. Debtors

	<u>2000</u> £'000	<u>1999</u> £'000
Group undertakings	448,971	7,538
Prepayments and accrued income	-	100
Taxation recoverable	5,428	7,348
Other	7,855	9,844
	<hr/> 462,254	<hr/> 24,830

10. Current assets - investments

	<u>2000</u> £'000	<u>1999</u> £'000
Short term deposits	<hr/> 1,063	<hr/> 25,267

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

11. Creditors

	<u>2000</u> £'000	<u>1999</u> £'000
Group undertakings	930,966	775,736
Taxation on profits	-	1,111
Accruals and deferred income	7,107	7,258
Dividends	-	82,785
Other	2,160	1,560
	<hr/> 940,233	<hr/> 868,450

12. Short and long term borrowings

	<u>2000</u>		<u>1999</u>	
	Within 1 year £'000	After 1 year £'000	Within 1 year £'000	After 1 year £'000
Bank loans and overdrafts	-	-	1,634	-
Other loans	2,559	263,112	2,892	263,500
	<hr/> 2,559	<hr/> 263,112	<hr/> 4,526	<hr/> 263,500

	<u>2000</u> £'000	<u>1999</u> £'000
Amount repayable:		
Within 1 year or on demand	2,559	4,526
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
Creditors after 5 years	263,112	263,500

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

12. Short and long term borrowings (cont'd)

Interest rates on borrowings repayable wholly or partly more than five years include:
EUR 75 million (£50,250,000) of EUR 400 million bond due 2009 swapped to 5.928%
fixed rate sterling.

EUR 100 million (£62,111,801) of EUR 400 million bond due 2009 swapped to Euro
floating rates fixed semi-annually to EURIBOR at the fixing dates.

EUR 225 million (£150,750,000) of EUR 400 million bond due 2009 swapped to Sterling
floating rates fixed semi-annually to LIBOR at the fixing dates.

13. Provisions for liabilities and charges

Deferred taxation	<u>2000</u> £'000	<u>1999</u> £'000
At 1 January	(48)	(85)
Charged to income	48	37
At 31 December	-	(48)

14. Share capital

	<u>No. of</u> <u>Shares</u>	<u>2000</u> £'000	<u>No. of</u> <u>Shares</u>	<u>1999</u> £'000
Authorised share capital:				
337,462,094 Ordinary shares of 42p each		141,734		141,734
Allotted, called up and fully paid:				
Ordinary shares of 42p each	178,969,183	75,167	178,587,827	75,007

BURMAH CASTROL PLC

NOTES TO THE ACCOUNTS

15. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Share premium account	Other reserves	P & L Account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 1999	213,382	118,098	39,246	1,081,012	1,451,738
Loss for the year	-	-	-	(83,827)	(83,827)
Distribution to shareholders	(138,764)	-	138,764	(279,685)	(279,685)
Shares issued	389	5,310	-	-	5,699
At 1 January 2000	75,007	123,408	178,010	717,500	1,093,925
Loss for the year	-	-	-	(259,974)	(259,974)
Shares issued	160	2,819	-	-	2,979
At 31 December 2000	75,167	126,227	178,010	457,526	836,930

16. Contingent liabilities

There were contingent liabilities at 31 December 2000 in respect of guarantees entered into as part of the ordinary course of the company's business, upon which no material losses are likely to arise.

17. Related party transactions

The Company is a subsidiary undertaking and 90% or more of its voting rights are controlled within the group. The group Financial Statements are publicly available. The Company is therefore exempted from the requirements of FRS8 to disclose material related party transactions insofar as the transactions occur within the group. There were no material transactions with related parties outside of the group during the year.

18. Pensions

The charge to profit for the year for pensions is £Nil (1999 £Nil).

19. Post balance sheet events

On 28th September 2001 Burmah Castrol plc disposed of its interest in its metallurgical division.

The full effect of the disposal will be reflected in the accounts for the year ended 31 December 2001.

Control Sheet

Burmah Castrol plc

Year 31 December 2000

Ended:

Version No.	From Whom	From Where	Comment	To Go To	Date Rec'd	Plan Date
1	JGC	Swindon	Initial draft already sent to E&Y and PwC on 29 June 2000			