BP TRADING LIMITED
(Registered No 01033761)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors	J Bertelsen
	B M Puffer

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 $2,317,000 which, when added to the retained deficit brought forward at 1 January 2012 of $27,279,000, gives a total retained deficit carried forward at 31 December 2012 of $29,596,000

The company has not declared any dividends during the year (2011 $Nil). The directors do not propose the payment of a dividend

Principal activity and review of the business

The company provides services to other undertakings within BP Group which operate in the Russian Federation. The services are provided through the company's representative office based in Moscow

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

	2012	2011	Variance
	$000	$000	%
Turnover	18	203	(91)
Operating loss	(1,544)	(2,219)	(30)
Loss after taxation	(2,317)	(3,699)	(37)
Shareholders' funds	2,041	4,358	(53)

	2012	2011	Variance
	%	%	
Quick ratio*	99	100	(1)

* Quick ratio is defined as current assets, excluding stock and debtors receivable after one year, as a percentage of current liabilities

Decrease in turnover is in line with the continuous transfer of activities to another group company, BP Exploration Operation Company Limited.

BP TRADING LIMITED

REPORT OF THE DIRECTORS

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 strategic and commercial and compliance and control 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)

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 Trading 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

Principal risks and uncertainties (continued)

Compliance and control risks

Ethical misconduct and non-compliance
The code of conduct, which applies to all employees, defines the company's commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviours and actions the company expects of its businesses and people wherever it operates The values are intended to guide the way the company and its employees behave and do business Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery, anti-corruption and other applicable laws could be damaging to the company's reputation and shareholder value Multiple events of non-compliance could call into question the integrity of the company's operations

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

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

BP TRADING LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1

J Bertelsen and B M Puffer served as a director throughout the financial year Changes since 1 January 2012 are as follows

	Appointed	Resigned
D K Peattie	-	28 February 2013

Directors' indemnity

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

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

BP TRADING LIMITED

REPORT OF THE DIRECTORS

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

29 July 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP TRADING 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 TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP TRADING LIMITED

We have audited the financial statements of BP Trading 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 20 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 6, 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

Ernst + Young LLP

Paul Wallek (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
30 July 2013

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BP TRADING LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Trading Limited were approved for issue by the Board of Directors on 26 JULY 2013

These accounts are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards

Accounting convention

The accounts are prepared under the historical cost convention.

Basis of preparation

At 31 December 2012 the company's balance sheet had net current liabilities amounting to $1,264,000

The directors consider it appropriate to prepare the accounts on a going concern basis, despite the uncertainties deriving from the current economic environment, the company is in an overall net assets position and therefore will be able to meet its liabilities as they fall due for the foreseeable future

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

Revenue recognition

Commissions associated with the company's performance under a contractual arrangement in place with a principal are included in sales and other operating revenues Any amounts received or receivable from the customers that are payable to the principal are not recognised as revenue

Foreign currency transactions

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

Capitalisation of finance costs and interest

Interest costs are not capitalised and are charged in the profit and loss account in the year in which it is incurred

BP TRADING LIMITED

ACCOUNTING POLICIES

Interest income

Interest income is recognised on an accruals basis

Intangible assets

Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources, computer software, patents, licences, trademarks and product development costs Product development costs are capitalised as intangible assets when a project has obtained sanction and the future recoverability of such costs can reasonably be regarded as assured

Intangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses Intangible assets with a finite life are depreciated on a straight-line basis over their expected useful lives The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within tangible fixed assets

Other tangible assets, with the exception of freehold land and assets under construction, are depreciated on the straight line method over their estimated useful lives

Impairment of intangible and tangible fixed assets

The company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the company makes an estimate of its recoverable amount An asset group's recoverable amount is the higher of its net realisable value and its value in use Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

Impairment of intangible and tangible fixed assets (continues)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in profit or loss After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

Trade and other debtors

Trade and 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

Leases

Assets held under leases which transfer to the company substantially all risks and rewards incidental to ownership of the leased item are classified as finance leases, and are capitalised at inception of the lease at the fair value of the leased property or, if significantly lower, at the estimated present value of the minimum lease payments Lease payments are apportioned between the finance charges and the reduction of the lease liability The total finance charge is charged over the lease term so as to achieve a constant rate of interest on the remaining balance of the liability

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term

All other lease arrangements are classified as operating leases Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the company Deferred bonus arrangements that have a vesting date more than 12 months after the period end are valued on an actuarial basis using the projected unit credit method and amortised on a straight line basis over the service period until the award vests The accounting policy for pensions and other post-retirement benefits is described below

BP TRADING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		$000	$000
Turnover	1	18	203
Administration expenses		(4,094)	(5,918)
Other operating income	4	2,532	3,496
Loss on ordinary activities before interest and taxation	2	(1,544)	(2,219)
Interest payable and similar charges	5	(861)	(1,560)
Interest receivable and similar income	6	87	105
Loss before taxation		(2,318)	(3,674)
Taxation	7	1	(25)
Loss for the year		(2,317)	(3,699)

The loss of $2,317,000 for the year ended 31 December 2012 was derived in its entirety from continuing operations

STATEMENT OF ITOTAL 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 for the year.

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BP TRADING LIMITED
(Registered No 01033761)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 $000	2011 $000
Fixed assets			
Intangible assets	9	866	889
Tangible assets	10	2,439	3,768
		3,305	4,657
Current assets			
Debtors	11	88,362	92,032
Cash at bank and in hand		272	362
		88,634	92,394
Creditors: amounts falling due within one year	12	(89,898)	(92,693)
Net current liabilities		(1,264)	(299)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,041	4,358
NET ASSETS		2,041	4,358
Represented by			
Capital and reserves			
Called up share capital	14	31,637	31,637
Profit and loss account	15	(29,596)	(27,279)
SHAREHOLDERS' FUNDS– EQUITY INTERESTS		2,041	4,358

On behalf of the Board

Brian M Puffer
Director

29 July 2013

BP TRADING LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover, which is stated net of value added tax, represents agency and administration fee invoiced to other undertakings within BP Group as consideration for the services provided by the company through its representative office in Moscow

The country of origin and destination is substantially the *UK* geographic area

Turnover is attributable to one continuing activity, the provision of services

2. Loss on ordinary activities before interest and taxation

This is stated after charging:

	2012	2011
	$000	$000
Hire charges under operating leases		
Plant & machinery	-	1,447
Land & buildings	2,319	3,029
Currency exchange losses and (gains)	40	(108)
Depreciation of owned fixed assets (including amortisation of intangibles)	1,352	1,352

3. Auditor's remuneration

	2012	2011
	$000	$000
Fees for the audit of the company	36	41

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

4. Other operating income

	2012	2011
	$000	$000
Other income	2,532	3,496

Other income mainly represents rental income arising from sub-lease agreements in respect of the premises rented by the company in Moscow as well as the rental of the company's own building, which is also located in Moscow

5. Interest payable and similar charges

	2012	2011
	$000	$000
Interest expense on		
Loans from group undertakings	861	1,560

6. Interest receivable and similar income

	2012	2011
	$000	$000
Interest income from group undertakings	87	105

7. 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 tax charge is made up as follows·

	2012	2011
Current tax	$000	$000
Overseas tax on income for the year	(1)	25
Total current tax (credited) / charged	(1)	25
Tax (credited) / charged on profit on ordinary activities	(1)	25

(a) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24% for the year ended 31 December 2012 (2011 – 26%) The differences are reconciled below

BP TRADING LIMITED

NOTES TO THE ACCOUNTS

7. Taxation (continued)

(a) Factors affecting the current tax charge (continued)

	2012	2011
	$000	$000
Loss on ordinary activities before taxation	(2,318)	(3,674)
Current taxation	(1)	25
Effective current tax rate	0%	(1)%

	2012	2011
	%	%
UK statutory corporation tax rate	24	26
Increase / (decrease) resulting from		
Fixed asset timing differences	(13)	(9)
Other timing differences		
Non-deductible expenditure / non-taxable income	1	1
Current overseas tax	-	(1)
Free group relief	(12)	(18)
Effective current tax rate	-	(1)

8. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as directors of the company during the financial year

(b) Employee costs

	2012	2011
	$000	$000
Wages and salaries	28	4
Social security costs	1	9
	29	13

(c) The average monthly number of employees during the year was 2 (2011: 1)

	2012	2011
	No.	No
Non-UK	2	1

9. Intangible assets

	Other intangibles
Cost	$000
At 1 January 2012 / At 31 December 2012	1,217
Amortisation	
At 1 January 2012	328
Charge for the year	23
At 31 December 2012	351
Net book value	
At 31 December 2012	866
At 31 December 2011	889
Principal rates of amortisation	useful life

10. Tangible assets

	Land & buildings	Fixtures & fittings	Total
Cost	$000	$000	$000
At 1 January 2012 / At 31 December 2012	11,474	1,315	12,789
Depreciation and impairment			
At 1 January 2012	7,937	1,084	9,021
Charge for the year	1,100	229	1,329
At 31 December 2012	9,037	1,313	10,350
Net book value			
At 31 December 2012	2,437	2	2,439
At 31 December 2011	3,537	231	3,768
Principal rates of depreciation	3%-20	12 5%-25%	

BP TRADING LIMITED

NOTES TO THE ACCOUNTS

11. Debtors

	2012 Within 1 year $000	2011 Within 1 year $000
Trade debtors	15	888
Amounts owed by group undertakings	88,167	89,184
Other debtors	189	1,114
Prepayments and accrued income	(9)	846
	88,362	92,032

12. Creditors

	2012 Within 1 year $000	2011 Within 1 year $000
Amounts owed to group undertakings	89,827	92,548
Other creditors	20	14
Taxation	8	101
Accruals and deferred income	43	30
	89,898	92,693

13. Obligations under leases

Annual commitments under non-cancellable operating leases are set out below

	2012 Land & buildings $000	2012 Other $000	2011 Land & buildings $000	2011 Other $000
Operating leases which expire				
Within 1 year	-	-	714	105

14. Called up share capital

	2012 $000	2011 $000
Allotted, called up and fully paid		
17,020,622 Ordinary shares of £1 each for a total nominal value of £17,020,622	31,637	31,637

15. Capital and reserves

	Called up share capital	Profit and loss account	Total
	$000	$000	$000
At 1 January 2012	31,637	(27,279)	4,358
Loss for the year	-	(2,317)	(2,317)
At 31 December 2012	31,637	(29,596)	2,041

16. Reconciliation of movements in shareholders' funds

	2012	2011
	$000	$000
Loss for the year	(2,317)	(3,699)
Net decrease in shareholders' funds	(2,317)	(3,699)
Shareholders' funds at 1 January	4,358	8,057
Shareholders' funds at 31 December	2,041	4,358

17. 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

18. Off-balance sheet arrangements

The company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets The hire charges for the year are disclosed in note 2 and the annual commitments under these arrangements are disclosed in note 13 There are no other material off-balance sheet arrangements

19. Pensions

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

20. Immediate and ultimate controlling parent undertaking

The immediate parent and ultimate controlling parent undertaking of the group of undertakings for which group accounts are drawn up, and which the company is a member of BP p l c., a company registered in England and Wales Copies of the consolidated financial statements of BP p l c can be obtained from 1 St James's Square, London, SW1Y 4PD