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BP SERVICES INTERNATIONAL LIMITED
(Registered No 05319396)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors J H Bartlett
S J MacRae

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 $162 682 which, when deducted from the retained profit brought forward at 1 January 2012 of $1,773 737 gives a total retained profit carried forward at 31 December 2012 of $1,611,055

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 employs engineering and commercial personnel supporting BP Group s exploration and production activities around the world

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

	2012	2011	Variance
	$	$	%
Turnover	25 912,810	11,580,619	124
Operating (loss) / profit	(180 295)	23,975	(852)
(Loss) / profit after taxation	(162 682)	43,323	(476)
Shareholders funds	21,611,055	21,773,737	(1)

During the year, the company bares costs on behalf of other BP companies and recovers payroll costs at zero mark up and the additional costs, i e audit fees at a premium There was a significant increase in turnover as the activities of the company as a service provider increased during the year However, loss after taxation was due to the write off of irrecoverable prior years' service administration fees and foreign exchange losses

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 compliance and control safety and operational 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 SERVICES INTERNATIONAL 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 Services International 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 paid 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

Strategic and commercial risk

People and capability
Successful recruitment of new staff, employee training, development and continuing enhancement of skills, in particular technical capabilities such as petroleum engineers and scientists, are key to implementing the company's plans Inability to develop human capacity and capability, both across the organisation and in specific operating locations, could jeopardise performance delivery The company relies on recruiting and retaining high-quality employees to execute its strategic plans and to operate its business The reputational damage suffered by the company as a result of the Incident and any consequent adverse impact on its business could affect employee recruitment and retention

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

Principal risks and uncertainties (continued)

Compliance and control risks (continued)

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

Safety and operational risks

Process safety, personal safety and environmental risks
The nature of the company's operations exposes it to a wide range of significant health, safety, security and environmental risks The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of the company's activities

There are risks of technical integrity failure as well as risk of natural disasters and other adverse conditions in many of the areas in which the company operates, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents

In addition, inability to provide safe environments for the company's workforce and the public while at the company's facilities or premises could lead to injuries or loss of life and could result in regulatory action, legal liability and damage to the company's reputation

Financial risks management

The main financial risks faced by the company through its normal business activities is foreign currency exchange risk The management of these financial risks are 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

Principal risks and uncertainties (continued)

Financial risks management (continued)

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 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

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

J H Bartlett and D K Peattie served as a director throughout the financial year Changes since 1 January 2012 are as follows

	Appointed	Resigned
D K Peattie	-	28 February 2013
J C Skipper	-	14 December 2012
S J MacRae	1 March 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

BP SERVICES INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Auditoi

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

Directoi s' statement as to the disclosui e of information to the auditor

The dnectois who were members of the board at the time of appioving the directors' report are listed on page 1 Having made enquines of fellow duectors and of the company's auditor. each of these dnectois confirms that

- To the best of each director's knowledge and belief. there is no information relevant to the piepaiation of then iepoit of which the company's auditoi is unaware and

- Each directoi 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 awaie of that information

By Oidei of the Board

For and on behalf of .
Sunbury Secretaiies Limited
Company Seciretary

10 September 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP SERVICES INTERNATIONAL 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 SERVICES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP SERVICES INTERNATIONAL LIMITED

We have audited the financial statements of BP Services International 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 15 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
William Testa (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
12 September 2013

BP SERVICES INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Services International Limited were approved for issue by the Board of Directors on 9 September 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

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

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business net of discounts

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

Finance costs and interest

Interest costs are charged in the profit and loss account in the year in which it is incurred

Interest income

Interest income is recognised on an accruals basis

BP SERVICES INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Debtors

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

Creditors

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

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

Pensions

The disclosures of Financial Reporting Standard No 17 "Retirement benefits" have been made in the accounts of the ultimate parent undertaking

BP SERVICES INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 $	2011 $
Turnover	**1**	25,912,810	11,580 619
Administration expenses		(26,093,105)	(11,556,644)
(Loss) / profit on ordinary activities before interest and taxation	**2**	(180 295)	23,975
Interest payable and similar charges	**4**	(497)	-
Interest receivable and similar income	**5**	18,110	19,348
(Loss) / profit before taxation		(162,682)	43 323
Taxation	**6**	-	-
(Loss) / profit for the year		(162,682)	43 323

The loss of $162,682 for the year ended 31 December 2012 has 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 for the year

BP SERVICES INTERNATIONAL LIMITED
(Registered No 05319396)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 $	2011 $
Current assets			
Debtors	**8**	22,271,403	21,976,325
Creditors: amounts falling due within one year	**9**	(660,348)	(202,588)
Net current assets		21,611,055	21,773,737
NET ASSETS		21,611,055	21,773,737
Represented by			
Capital and reserves			
Called up share capital	**10**	20,000,000	20,000,000
Profit and loss account	**11**	1,611,055	1,773,737
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		21,611,055	21,773,737

On behalf of the Board

J H Bartlett
Director

10 September 2013

BP SERVICES INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover which is stated net of value added tax represents amounts invoiced to group companies

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

Turnover is attributable to one continuing activity the provision of personnel to other BP Group

2. (Loss) / profit on ordinary activities before interest and taxation

This is stated after charging

	2012	2011
	$	$
Currency exchange losses	74,302	23,343

3. Auditor's remuneration

	2012	2011
	$	$
Fees for the audit of the company	11 107	9,485

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

4 Interest payable and similar charges

	2012	2011
	$	$
Interest expense from group undertakings	497	-

5. Interest receivable and similar income

	2012	2011
	$	$
Interest income from group undertakings	18,110	19,348

BP SERVICES INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

6. 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 profit before taxation

	2012	2011
	$	$
(Loss) / profit before taxation	(162,682)	43,323
Current taxation	-	-
Effective current tax rate	0%	0%

	2012	2011
	%	%
UK statutory corporation tax rate	24	26
Increase / (decrease) resulting from		
Other timing differences	(176)	323
Non-deductible expenditure / non-taxable income	(64)	115
Free group relief	216	(464)
Effective current tax rate	-	-

7. 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 (2011 $Nil)

(b) Employee costs

	2012	2011
	$	$
Wages and salaries	13,464,218	6,668,214
Social security costs	5,507 884	1,810,822
Pension costs	1,192,755	539 871
Share based payment charge	429,482	192,238
	20,594,339	9 211,145

BP SERVICES INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

7. Directors and employees (continued)

(c) The average monthly number of employees during the year was 114 (2011 50)

	2012	2011
	No	No
UK	18	16
Non-UK	96	34
	114	50

8 Debtors

	2012	2011
	Within 1 year	Within 1 year
	$	$
Amounts owed by group undertakings	19,157,437	20,412,504
Other debtors	121,702	30,548
Prepayments and accrued income	2,992 264	1,533,273
	22,271 403	21 976,325

9. Creditors

	2012	2011
	Within 1 year	Within 1 year
	$	$
Amounts owed to group undertakings	629,974	202,588
Other creditors	30 374	-
	660 348	202 588

10 Called up share capital

	2012	2011
	$	$
Allotted, called up and fully paid		
10,641,540 Ordinary shares of £1 each for a total nominal value of £10 641 540	20,000,000	20 000 000