

BP EXPLORATION COMPANY LIMITED
(Registered No. SC000792)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors: M C Daly
R C Harrington
J H Bartlett

REPORT OF THE DIRECTORS

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

Results and dividends

The profit for the year after taxation was \$842,225,000 which, when added to the retained profit brought forward at 1 January 2012 of \$157,060,000 together with total paid interim dividends to ordinary shareholders of \$750,000,000, gives a total retained profit carried forward at 31 December 2012 of \$249,285,000.

During the year the company has declared and paid ordinary dividends of \$750,000,000 (2011: \$3,500,000,000). The directors do not propose the payment of a final dividend.

Principal activity and review of the business

The company holds investments in subsidiary undertakings engaged in oil and gas production and exploration worldwide. The company had a branch operating in the United Arab Emirates during the year under review.

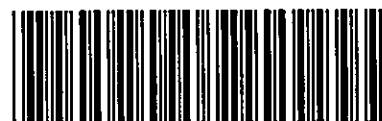
The key financial and other performance indicators during the year were as follows:

	2012	2011	Variance
	\$000	\$000	%
Dividend income	1,000,000	3,548,766	(72)
Profit after taxation	842,225	3,469,235	(76)
Shareholders' funds	6,927,613	6,515,388	6
	2012	2011	Variance
	%	%	
Quick ratio*	0.08	0.07	0.01

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

Profit after tax decreased significantly mainly due to reduction in dividends received from subsidiary undertakings. During the year, 198,862,753 ordinary shares of £1 each for a total nominal value of \$320,000,000 were allotted to the immediate parent company at par value.

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BP EXPLORATION COMPANY 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: 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).

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 Exploration Company 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

BP EXPLORATION COMPANY LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

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.

Financial risk management

The main financial risk faced by the company through its normal business activities, as well as its use of financial instruments, is interest rate risk. The management of this financial risk 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.

Interest rate risk

The company is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally finance debt.

Future developments

The directors aim to maintain the management policies which have resulted in the company's stability in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

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

BP EXPLORATION COMPANY LIMITED

REPORT OF THE DIRECTORS

Post balance sheet events

After the balance sheet date, 2,491,773,951 ordinary shares of £1 each for a total nominal value of \$3,900,000,000, were allotted to the immediate parent company at par value.

On 19 June 2013 the company has subscribed to 2,491,773,951 ordinary shares of £1 each in BP Exploration Operating Company Limited for the consideration of \$3,900,000,000 in cash.

On 17 September 2013 the company has subscribed to 9,436,929 ordinary shares of £1 each in BP Exploration Mexico Limited for the consideration of \$15,000,000 in cash.

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.

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 EXPLORATION COMPANY 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

26 September

2013

Registered Office:

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom

BP EXPLORATION COMPANY 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 EXPLORATION COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BP EXPLORATION COMPANY LIMITED

We have audited the financial statements of BP Exploration Company 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 19. 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 profit 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

26 September 2013

BP EXPLORATION COMPANY LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Exploration Company Limited were approved for issue by the Board of Directors on 26 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.

Basis of preparation

At 31 December 2012 the company's balance sheet had net current liabilities amounting to \$7,712,335,000. The company has positive net assets of \$6,927,613,000.

The directors consider it appropriate to prepare the accounts on a going concern basis.

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 p.l.c., 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 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 EXPLORATION COMPANY LIMITED

ACCOUNTING POLICIES

Interest income

Interest income is recognised on an accruals basis.

Dividends payable

Final dividends are recorded in the accounts in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.

Investments

Fixed asset investments in subsidiaries, joint ventures and associates 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.

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, other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Non-equity shares are held as a liability and the dividend paid is included within the interest charge for the year. Equity instruments issued by the company are recorded at the proceeds, net of direct issue costs.

Use of estimates

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

BP EXPLORATION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	<u>2012</u> \$000	<u>2011</u> \$000
Dividend income		1,000,000	3,548,766
Administration expenses		(320)	(154)
Operating profit	1	<u>999,680</u>	<u>3,548,612</u>
Amounts provided against fixed assets	3	<u>-</u>	<u>(6,777)</u>
Profit on ordinary activities before interest and taxation		999,680	3,541,835
Interest payable and similar charges	4	(158,475)	(73,071)
Interest receivable and similar income	5	<u>1,020</u>	<u>471</u>
Profit before taxation		<u>842,225</u>	<u>3,469,235</u>
Taxation	6	<u>-</u>	<u>-</u>
Profit for the year		<u>842,225</u>	<u>3,469,235</u>

The profit of \$842,225,000 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

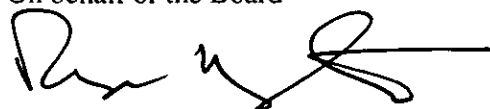
There are no recognised gains or losses attributable to the shareholders of the company other than the profit of \$842,225,000 for the year ended 31 December 2012 (2011 profit of \$3,469,235,000).

BP EXPLORATION COMPANY LIMITED
(Registered No. SC000792)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	<u>2012</u> \$000	<u>2011</u> \$000
Fixed assets			
Investments	8	<u>23,167,675</u>	<u>22,840,675</u>
Current assets			
Debtors – amounts falling due:			
within one year	9	6,131	5,725
after one year	9	<u>305,025</u>	<u>304,236</u>
		311,156	309,961
Creditors: amounts falling due within one year	10	<u>(8,023,491)</u>	<u>(8,107,521)</u>
Net current liabilities		<u>(7,712,335)</u>	<u>(7,797,560)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,455,340	15,043,115
Creditors: amounts falling due after more than one year	10	<u>(8,527,727)</u>	<u>(8,527,727)</u>
NET ASSETS		<u>6,927,613</u>	<u>6,515,388</u>
Represented by			
Capital and reserves			
Called up share capital	12	6,678,328	6,358,328
Profit and loss account	13	249,285	157,060
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>6,927,613</u>	<u>6,515,388</u>

On behalf of the Board



R C Harrington
Director

26 September 2013

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. Operating profit

This is stated after charging:

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Currency exchange losses	<u>313</u>	<u>148</u>

2. Auditor's remuneration

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Fees for the audit of the company	<u>7</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 Exploration Company Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

3. Exceptional items

Exceptional items comprise the amounts provided against fixed assets as follows:

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Amounts provided against fixed assets	-	(6,777)
Exceptional items	-	(6,777)
Taxation	-	-
Exceptional items (net of tax)	<u>-</u>	<u>(6,777)</u>

Exceptional items include \$nil (2011: \$6,777,000) provided in respect of investments in subsidiaries. This provision has no taxable effect.

4. Interest payable and similar charges

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Interest expense on:		
Loans from group undertakings	<u>158,475</u>	<u>73,071</u>

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

5. Interest receivable and similar income

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Interest income from group undertaking	<u>1,020</u>	<u>471</u>

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.

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Profit before taxation	842,225	3,469,235
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	%	%
UK statutory corporation tax rate:	24	26
Decrease resulting from:		
Dividends not subject to UK tax	(28)	(27)
Free group relief	4	1
Effective current tax rate	<u>-</u>	<u>-</u>

7. Directors and employees

(a) Remuneration of directors

M C Daly is a director of BP Exploration Operating Company Limited in whose accounts information required by the Companies Act 2006 as regards to emoluments is given. The remaining directors are senior executives of the BP p.l.c Group and received no remuneration for services to this company.

(b) Employee costs

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

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

8. Investments

	Subsidiary shares	Investment in associate shares	Joint venture shares	Total
Cost	\$000	\$000	\$000	\$000
At 1 January 2012	23,147,471	5,776	469	23,153,716
Additions	327,000	-	-	327,000
At 31 December 2012	<u>23,474,471</u>	<u>5,776</u>	<u>469</u>	<u>23,480,716</u>
Impairment losses				
At 1 January 2012	307,781	5,260	-	313,041
Charge for the year	-	-	-	-
At 31 December 2012	<u>307,781</u>	<u>5,260</u>	<u>-</u>	<u>313,041</u>
Net book amount				
At 31 December 2012	<u>23,166,690</u>	<u>516</u>	<u>469</u>	<u>23,167,675</u>
At 31 December 2011	<u>22,839,690</u>	<u>516</u>	<u>469</u>	<u>22,840,675</u>

The investments in the subsidiary undertakings, associated undertakings and joint ventures are unlisted.

During the year, the company made capital injections of \$7,000,000 in BP Exploration Mexico Limited and \$320,000,000 in BP Exploration Operating Company Limited.

The subsidiary undertakings, associated undertakings and joint ventures 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 undertakings	Class of share held	%	Country of incorporation	Principal activity
Agencia Operadora Guarapiche S A	BS 1,000	100	Venezuela	Exploration and production
BP (Abu Dhabi) Limited	Ordinary	99	England and Wales	Exploration and production
BP Caribbean (Holdings) Limited	Ordinary	100	Trinidad & Tobago	Exploration and production
BP Exploration Company (Middle East) Limited	Ordinary	100	England and Wales	Exploration and production
BP Exploration (Finance) Limited	Ordinary	100	England and Wales	Exploration and production
BP Exploration Mexico Limited	Ordinary	100	England and Wales	Exploration and production
BP Exploration Operating Company Limited	Ordinary	100	England and Wales	Exploration and production
BP Exploration Orinoco Limited	Ordinary	100	England and Wales	Exploration and production
BP Services International Limited	Ordinary	100	England and Wales	Exploration and production

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

8. Investments (continued)

Associated undertakings	Class of share held	%	Country of incorporation	Principal activity
Bunduq Company Limited	"A"	33.35	England	Crude oil production
Abu Dhabi Marine Operating Company	Ordinary	14.67	United Arab Emirates	Exploration and production
Joint ventures	Class of share held	%	Principal place of business	Principal activity
BP-Japan Oil Development Company Limited	Ordinary "A" and Deferred Ordinary "A"	50	Abu Dhabi	Refining and marketing
Kuwait Oil Company Limited	"A"	50	England and Wales	Corporate

9. Debtors

	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Amounts owed by group undertaking	6,131	-	5,725	-
Amounts owed by associate	-	5,896	-	5,107
Amounts owed by joint venture	-	299,129	-	299,129
	<u>6,131</u>	<u>305,025</u>	<u>5,725</u>	<u>304,236</u>

10. Creditors

	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Amounts owed to group undertakings	8,017,206	-	8,101,432	-
Amounts owed to joint venture	-	-	439	-
Other creditors	6,279	-	5,643	-
Accruals and deferred income	6	-	7	-
Loans from group undertaking (see note 11)	-	8,527,727	-	8,527,727
	<u>8,023,491</u>	<u>8,527,727</u>	<u>8,107,521</u>	<u>8,527,727</u>

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

11. Loans from group undertaking

Loans repayable, included within creditors, are analysed as follows:

	<u>2012</u>	<u>2011</u>
	Within	Within
	5 years	5 years
	\$000	\$000
Wholly repayable	<u>8,527,727</u>	<u>8,527,727</u>

12. Called up share capital

	<u>2012</u>	<u>2011</u>
	\$000	\$000
Allotted, called up and fully paid:		
3,841,273,279 Ordinary shares of £1 each for a total nominal value of £3,841,273,279	5,928,076	5,608,076
5,200,000 redeemable cumulative preference shares of £100 each for a total nominal value of £520,000,000	750,252	750,252
	<u>6,678,328</u>	<u>6,358,328</u>

The redeemable cumulative preference shares are redeemable in four days' notice and are entitled to a fixed cumulative preference dividend, but carry no right to vote. The preference shareholders waived their rights to a dividend.

On 28 December 2012, 198,862,753 ordinary shares of £1 each for a total nominal value of \$320,000,000, were allotted to the immediate parent company at par value.

13. Capital and reserves

	Called up share capital	Profit and loss account	Total
	\$000	\$000	\$000
At 1 January 2012	6,358,328	157,060	6,515,388
Issue of ordinary share capital	320,000	-	320,000
Profit for the year	-	842,225	842,225
Dividends – current year interim paid	-	(750,000)	(750,000)
At 31 December 2012	<u>6,678,328</u>	<u>249,285</u>	<u>6,927,613</u>

In 2012 the company paid interim ordinary dividends of \$750,000,000 (2011:\$3,500,000,000). The dividend per share was \$0.20 (2011 dividend per share: \$0.96).

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

14. Reconciliation of movements in shareholders' funds

	2012	2011
	\$000	\$000
Profit for the year	842,225	3,469,235
Dividends – current year interim paid	(750,000)	(3,500,000)
Issue of ordinary share capital	320,000	5,232,466
Net increase in shareholders' funds	412,225	5,201,701
Shareholders' funds at 1 January	6,515,388	1,313,687
Shareholders' funds at 31 December	<u>6,927,613</u>	<u>6,515,388</u>

15. Guarantees and other financial commitments

The company has provided guarantees with maximum exposure of \$176,800,000 to the Ministry of Energy and Energy Affairs of Trinidad and Tobago in respect of the liabilities arising under the minimum Work Program set out in the Production Sharing Contracts entered into by its subsidiary undertaking. No material losses are expected to arise from these guarantees.

16. 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.

During the year the company entered into transaction, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 December, are as follows:

Related party	Relationship	Description	Dividend income from related party \$000	Amounts owed from related party \$000	Amounts owed to related party \$000
BP-Japan Oil Development Company Limited 2012	Joint venture	Refining and marketing	-	299,129	-
2011			-	299,129	-
Kuwait Oil Company Limited 2012	Joint venture	Corporate	-	-	-
2011			8,766	-	439
Bunduq Company Limited 2012	Associate	Crude oil production	-	5,896	-
2011			-	5,107	-

BP EXPLORATION COMPANY LIMITED

NOTES TO THE ACCOUNTS

17. Post balance sheet events

After the balance sheet date, 2,491,773,951 ordinary shares of £1 each for a total nominal value of \$3,900,000,000, were allotted to the immediate parent company at par value.

On 19 June 2013 the company has subscribed to 2,491,773,951 ordinary shares of £1 each in BP Exploration Operating Company Limited for the consideration of \$3,900,000,000 in cash.

On 17 September 2013 the company has subscribed to 9,436,929 ordinary shares of £1 each in BP Exploration Mexico Limited for the consideration of \$15,000,000 in cash.

18. Pensions

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

19. Immediate and ultimate controlling parent undertaking

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