

BP EXPLORATION (VIETNAM) LIMITED

(Registered No. 00567256)

ANNUAL REPORT AND ACCOUNTS 2013

Board of Directors: B M Puffer
S J MacRae

The directors present the strategic report, their report and the accounts for the year ended 31 December 2013.

STRATEGIC REPORT

Results

The result for the year after taxation was \$nil which, when added to the retained deficit brought forward at 1 January 2013 of \$336,794,000 gives a total retained deficit carried forward at 31 December 2013 of \$336,794,000.

Principal activity and review of the business

Since the disposal of its 17.5% interest in the Kimmeridge onshore oil field in the UK to a third party in 2011, the company has been inactive.

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

	2013	2012	Variance
	\$000	\$000	%
Profit before and after taxation	-	273	100
Shareholders' funds	63,109	63,109	-

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 area: compliance and control. In addition, we have also set out one separate category of risk for your attention – the risk resulting from the 2010 Gulf of Mexico oil spill.

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BP EXPLORATION (VIETNAM) LIMITED

STRATEGIC REPORT

Principal risks and uncertainties (continued)

Gulf of Mexico oil spill

The Gulf of Mexico oil spill (the Incident) 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 (Vietnam) Limited.

There is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to 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, fines and penalties that become payable by the BP group (including as a result 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.

These uncertainties are likely to continue for a significant period, increase the risks to which the group is exposed and may cause BP group's costs to increase materially. 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, and subsequently the company, 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 2013.

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 Incident, together with the potential cost and burdens of implementing remedies sought in the various proceedings, 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 2013.

Reporting

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

BP EXPLORATION (VIETNAM) LIMITED

STRATEGIC REPORT

By Order of the Board



For and on behalf of
Sunbury Secretaries Limited
Company Secretary

28th April 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP EXPLORATION (VIETNAM) LIMITED

DIRECTORS' REPORT

Directors

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 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. Such qualifying third party indemnity provisions for the benefit of the company's directors remain in force at the date of this report.

Dividends

The company has not declared any dividends during the year (2012: \$nil). The directors do not propose the payment of a dividend.

Auditor

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

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

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

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

By Order of the Board



For and on behalf of
Sunbury Secretaries Limited
Company Secretary

28th April 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP EXPLORATION (VIETNAM) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Strategic Report, 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 (VIETNAM) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BP EXPLORATION (VIETNAM) LIMITED

We have audited the financial statements of BP Exploration (Vietnam) Limited for the year ended 31 December 2013 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 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of its result 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 Strategic Report and 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

Jacqueline Ann Geary (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

2 May

2014

BP EXPLORATION (VIETNAM) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

		<u>2013</u>	<u>2012</u>
	Note	\$000	\$000
Other operating income	3	-	273
Profit on ordinary activities before taxation		-	273
Taxation	4	-	-
Result / profit for the year		-	273

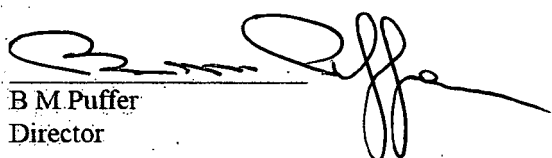
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

There are no recognised gains or losses attributable to the shareholders of the company other than the result of \$nil (2012: profit of \$273,000).

BP EXPLORATION (VIETNAM) LIMITED**(Registered No. 00567256)****BALANCE SHEET AT 31 DECEMBER 2013**

	Note	<u>2013</u> \$000	<u>2012</u> \$000
Current assets			
Debtors	6	<u>63,109</u>	<u>63,109</u>
NET ASSETS		<u>63,109</u>	<u>63,109</u>
Represented by:			
Capital and reserves			
Called up share capital	7	399,903	399,903
Profit and loss account	8	<u>(336,794)</u>	<u>(336,794)</u>
SHAREHOLDERS' FUNDS- EQUITY INTERESTS		<u>63,109</u>	<u>63,109</u>

The financial statements of BP Exploration (Vietnam) Limited were approved for issue by the Board of Directors on 24 April 2014 and were signed on its behalf by:


B M Puffer
Director

28th April 2014

BP EXPLORATION (VIETNAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Accounting standards

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

The principal accounting policies are set out below and have been applied consistently throughout the year.

Accounting convention

The accounts are prepared under the historical cost convention.

Cash flow statement and related party disclosures

The group accounts of the ultimate parent undertaking, which are publicly available, contain a consolidated cash flow statement. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements" (Revised 1996). The company is also exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly-owned members of the BP group. For details of other related party transactions see note 10.

Other debtors

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

2. Auditor's remuneration

	<u>2013</u>	<u>2012</u>
	\$000	\$000
Fees for the audit of the company	<u>9</u>	<u>8</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 (Vietnam) Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

The fees were borne by another group company.

BP EXPLORATION (VIETNAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Other operating income

	<u>2013</u>	<u>2012</u>
	\$000	\$000
Miscellaneous income	-	273
	<u>-</u>	<u>273</u>

4. 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>2013</u>	<u>2012</u>
	\$000	\$000
Profit before taxation	-	273
Current taxation	-	-
Effective current tax rate	0%	0%

	<u>2013</u>	<u>2012</u>
	\$000	\$000
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (2012: 24%):	-	66
Increase / (decrease) resulting from:		
Fixed asset timing differences	-	(499)
Free group relief	(19)	386
Transfer pricing adjustment	19	47
Current taxation	<u>-</u>	<u>-</u>

5. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2012: \$Nil).

(b) Employee costs

The company had no employees during the year (2012: Nil).

BP EXPLORATION (VIETNAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

6. Debtors

	<u>2013</u>	<u>2012</u>
	<u>Within</u>	<u>Within</u>
	<u>1 year</u>	<u>1 year</u>
	<u>\$000</u>	<u>\$000</u>
Amounts owed by group undertakings	<u>63,109</u>	<u>63,109</u>

7. Called up share capital

	<u>2013</u>	<u>2012</u>
	<u>\$000</u>	<u>\$000</u>
Allotted, called up and fully paid:		
234,594,927 Ordinary shares of £1 each for a total nominal value of £234,594,927	<u>399,903</u>	<u>399,903</u>

8. Capital and reserves

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
At 1 January 2013	399,903	(336,794)	63,109
Result for the year	-	-	-
At 31 December 2013	<u>399,903</u>	<u>(336,794)</u>	<u>63,109</u>

9. Reconciliation of movements in shareholders' funds

	<u>2013</u>	<u>2012</u>
	<u>\$000</u>	<u>\$000</u>
Result / profit for the year	-	273
Net increase in shareholders' funds	-	273
Shareholders' funds at 1 January	63,109	62,836
Shareholders' funds at 31 December	<u>63,109</u>	<u>63,109</u>

10. Related party transactions

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

11. Pensions

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

BP EXPLORATION (VIETNAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

12. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Exploration Operating Company 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.