

VOYAGER PETROLEUMS (U.K.) P.L.C.

ANNUAL REPORT AND ACCOUNTS 1985

Directors: T.J. Bramley
D.C. Harding
H.E. Norton
W.J. Saint

REPORT OF THE DIRECTORS

The directors present their report and the accounts for the year ended 31 December 1985.

PRINCIPAL ACTIVITIES

The company is engaged in exploration for oil and natural gas in the United Kingdom. On 1 February 1985 the company was acquired by BP Petroleum Development Limited, a subsidiary of The British Petroleum Company p.l.c.

RESULTS FOR YEAR

As the company did not trade during the year no Profit and Loss Account has been prepared. All net costs incurred by the company during the year which amounted to £214,450 (1984 £144,699) have been capitalised.

The directors are of the opinion that the liquid assets of the Company are sufficient for its current commitments and that the Company has assurance of continued support for its obligations from its parent.

DIRECTORS

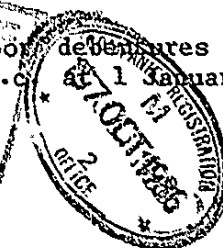
The present directors are listed above. Mr A.B. Beavan, Mr D.E. Birnie, Mr P.B. Bissett, Mr D.M. Daniels, Mr H.E. Joudine and Mr P. Pollard resigned on 1 February 1985. Mr B.R.B. Butler, Mr G.S. Forsyth, Dr P.E. Lane and Mr W.J. Saint were appointed in their place on the same date. Dr P.E. Lane resigned and Mr D.C. Harding was appointed in his place on 1 June 1985. Mr G.S. Forsyth resigned on 19 April 1986 and Mr T.J. Bramley was appointed in his place on 6 May 1986. Mr B.R.B. Butler resigned on 21 July 1986 and Mr H.E. Norton was appointed in his place on the same date. In accordance with the Articles of Association the present directors now retire and, being eligible, offer themselves for re-election.

DIRECTORS INTERESTS

The interests of the directors holding office on 31 December 1985 and their families in the shares of The British Petroleum Company p.l.c. were:-

	Type of share	at 1 January 1985 or date of appointment	at 31 December 1985
B.R.B. Butler	25p ordinary	2,126	2,490
G.S. Forsyth	25p ordinary	7,089	7,278
D.C. Harding	25p ordinary	1,919	1,919
W.J. Saint	-	NIL	NIL

None of the directors had any interest in the shares or debentures of subsidiary companies of The British Petroleum Company p.l.c. at 1 January, date of appointment or 31 December 1985.



FUTURE OF THE COMPANY

It is the intention of the Directors to transfer the assets of the Company to BP Petroleum Development Limited, to recommend to the shareholders that the Company cease to be a Public Limited Company and become a Limited Company, and that the name should be changed to BP Petroleum Development (Southern England) Limited.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 384 Companies Act 1985 a resolution proposing their reappointment will be put to the members at the annual general meeting.

By order of the board

C. STEVENS
SECRETARY

10th October, 1986

Britannic House,
Moor Lane,
London.
EC2Y 9BU

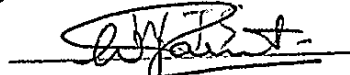
VOYAGER PETROLEUMS (U.K.) P.L.C.BALANCE SHEET - 31 DECEMBER 1985

	Note	1985 £	1984 £
FIXED ASSETS			
Intangible assets	2	<u>1,375,310</u>	<u>1,160,860</u>
CURRENT ASSETS			
Debtors	6	94,478	106,640
Cash at bank and in hand		<u>553,304</u>	<u>1,185,399</u>
		647,782	1,292,039
CREDITORS - amounts falling due within one year	7	<u>(147,195)</u>	<u>(99,741)</u>
NET CURRENT ASSETS		500,587	1,192,298
TOTAL ASSETS LESS CURRENT LIABILITIES		1,875,897	2,353,158
CREDITORS - amounts falling due after more than one year	7	-	(451,293)
PROVISIONS FOR LIABILITIES AND CHARGES	8	-	(25,968)
NET ASSETS		<u><u>£1,875,897</u></u>	<u><u>£1,875,897</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000,000	1,000,000
Share premium account	10	552,432	552,432
Other reserves	10	323,465	323,465
		<u><u>£1,875,897</u></u>	<u><u>£1,875,897</u></u>

Edw


T.J. BRANTLEY

} Directors


W.J. SAINT

W.J. SAINT

10 October 1986

VOYAGER PETROLEUMS (U.K.) P.L.C.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1985

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Capitalisation of Costs

The Company follows the full cost method of accounting for petroleum and natural gas exploration and development costs. Under this method, the Company's share of all costs, including administrative expenses, interest and taxation is capitalised. If, in the opinion of the directors the carrying value of the properties is in excess of their economic value, such excess is written off.

(c) Foreign Currency Assets and Liabilities

Foreign currency assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss on exchange is included in the total exploration and development costs.

(d) Deferred Taxation

Deferred taxation is calculated using the liability method.

2. INTANGIBLE ASSETS

Exploration Costs - Petroleum and Natural Gas Properties

	1985 £
Cost:	
At 1 January	1,160,860
Net additions	214,450
At 31 December	<u>£1,375,310</u>

Net additions to exploration costs include:

	1985 £	1984 £
Auditors' remuneration	4,100	3,500
Directors' and employees' remuneration (note 3)	7,825	57,911
Interest payable (note 4)	130	73,410
United Kingdom Corporation Tax (note 5)	(22,290)	28,968
Interest receivable	(44,654)	(122,127)

E.W.

VOYAGER PETROLEUMS (U.K.) P.L.C.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1985

3. DIRECTORS' AND EMPLOYEES' REMUNERATION

	1985 £	1984 £
Wages and salaries	7,545	50,558
Social security costs	280	5,632
Other pension costs	-	1,721
	<u>£7,825</u>	<u>£57,911</u>

As of 1 February 1985, the company has employed the services of its holding company. The average number of persons employed by the company until that time was:

	1985 £	1984 £
Directors	6	6
Administrative employees	2	2
	<u>8</u>	<u>8</u>

Staff costs include the following remuneration in respect of directors:

	1985 £	1984 £
Fees for services as a director	167	2,250
Other emoluments (including pension contributions)	-	18,928
Compensation for loss of office	-	11,000
	<u>-</u>	<u>11,000</u>

The emoluments, excluding pension contributions, of the highest paid director amounted to £ 167 (1984 - £28,208).

From 1 February 1985, the directors, who received no fees or remuneration from this company, were senior executives of The British Petroleum Company p.l.c. in whose accounts information required by the Companies Act 1985, as to emoluments is shown.

4. INTEREST PAYABLE

	1985 £	1984 £
Loans wholly repayable within 5 years	130	-
Other loans	-	73,410
	<u>130</u>	<u>73,410</u>

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VOYAGER PETROLEUMS (U.K.) P.L.C.

NOTES ON THE ACCOUNTS - 31 DECEMBER 1985

5. TAXATION

	1985 £	1984 £
United Kingdom corporation tax		
Current	2,710	3,000
Deferred	(25,000)	25,968
	<u>(22,290)</u>	<u>28,968</u>

The company became a member of a group for the purposes of relief under Section 258 of the Income and Corporation Taxes Act 1970 on 1 February 1985.

Provision for current corporation tax is therefore only required for income arising before this date and provision is not required for income arising in the remainder of the year owing to the availability of group relief. The group's current corporation tax liability has been provided in the accounts of BP International Limited, a fellow subsidiary company. The balance of deferred tax provision is no longer required. However, there is a potential capital gains tax liability arising on farm-outs made by the company in 1980 and 1983 although the amount of such liability, if any, is uncertain.

6. DEBTORS - amounts falling due within one year

	1985 £	1984 £
Trade debtors	87,505	-
Amounts owed by former group companies	-	3,218
Other debtors	6,973	936
Prepayments and accrued income	-	102,486
	<u>£94,478</u>	<u>£106,640</u>

7. CREDITORS

	1985 £	1984 £
Amounts falling due within one year		
Trade creditors	-	42,986
Amounts owed to holding company	104,908	-
Taxation	3,678	3,000
Amounts owed to former group companies	-	4,210
Accruals	38,609	49,545
	<u>£147,195</u>	<u>£99,741</u>

Amounts falling due after more than one year

Amount owed to former holding company	£ -	£451,293
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E.W.

VOYAGER PETROLEUMS (U.K.) P.L.C.
NOTES TO THE ACCOUNTS - 31 DECEMBER 1985

PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax £
Balance at 1 January 1985	25 968
Utilised	(968)
Provision released	(25,000)
	<u> </u>
Balance at 31 December 1985	<u> </u>

9. CALLED UP SHARE CAPITAL

	1985	1984
Authorised 12,500,000 ordinary shares of 10p	£1,250,000	£1,250,000
Allotted and fully paid 10,000,000 ordinary shares of 10p each	<u>£1,000,000</u>	<u>£1,000,000</u>

10. RESERVES

	Share premium account £	Other reserves £
Balance at 31 December 1985 and 1984	<u>552,432</u>	<u>323,465</u>

11. CAPITAL COMMITMENTS

	1985 £	1984 £
Authorised but not contracted	<u>730,000</u>	<u>1,000,000</u>

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VOYAGER PETROLEUMS (U.K.) P.L.C.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1985

12. RELATED PARTY TRANSACTIONS

The services of Mr. D.M. Daniels were made available to the company in return for an annual fee of US \$82,500, under an agreement dated 28 May 1981 between the company and Buckley N.V., a company in which Mr. D.M. Daniels has an interest. This agreement was terminated on 1 February 1985.

13. ULTIMATE HOLDING COMPANY

The ultimate holding company is The British Petroleum Company p.l.c., a company incorporated in England.

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Voyager Petroleum (U.K.) P.L.C. set out on pages 3 to 8. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs at 31 December 1985 and comply with the Companies Act 1985.

EWS

ERNST & WHINNEY

10th October, 1986

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