BP AMOCO EXPLORATION (IN AMENAS) LIMITED
(Registered No. SC135813)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Board of Directors: A Bon
T King
A Toffolo

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2019.

STRATEGIC REPORT

Results

The profit for the year after taxation was $99,214,000 which when added to the accumulated profit brought forward at 1 January 2019 of 135,684,000 (including a transitional adjustment for IFRS 16) of $171,908, and after deducting total paid interim dividends to ordinary shareholders of $100,000,000, gives a total retained profit carried forward at 31 December 2019 of $134,898,000.

Principal activity and review of the business

The company is engaged in the development and production of liquids and gas in Algeria. BP, Sonatrach and Equinor are partners in the In Amenas (BP 45.89%) project which is located in the Illizi basin of South-Eastern Algeria, 40 kilometres south of the city of In Amenas.

In December 2017 BP and Equinor signed an extension agreement for the In Amenas production sharing contract (PSC) with Sonatrach, the Algerian state-owned energy company. The agreement was formally ratified in March 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>%</td>
</tr>
<tr>
<td>Turnover</td>
<td>245,810</td>
<td>355,979</td>
<td>(31)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>147,393</td>
<td>251,413</td>
<td>(41)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>99,214</td>
<td>139,975</td>
<td>(29)</td>
</tr>
<tr>
<td>Total equity</td>
<td>784,898</td>
<td>785,512</td>
<td>—</td>
</tr>
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<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Quick ratio*</td>
<td>465</td>
<td>593</td>
<td>(128)</td>
</tr>
<tr>
<td>Return on average capital employed**</td>
<td>12.66</td>
<td>18.62</td>
<td>(5.96)</td>
</tr>
</tbody>
</table>

*Quick ratio is defined as current assets (excluding stocks, debtors falling due after one year, derivatives and other financial instruments falling due after one year and deferred tax assets) divided by current liabilities.

**Return on average capital employed is defined as profit for the year after adding back interest, divided by average capital employed. Capital employed is defined as total equity plus gross debt, excluding goodwill and cash.

During the year, the company has made an operating profit of $147,393,000 compared to an operating profit of $251,413,000 in 2018. This was mainly due to the significant decrease in turnover.
Turnover has decreased by $110,169,000 primarily driven by lower production and average prices during the year. The average realised prices in 2019 for the condensate and liquid petroleum gas (LPG) were $55.97 per barrel (2018 $61.42 per barrel) and $32.80 per barrel (2018 $38.24 per barrel). Condensate and LPG production has decreased by 1.9 million and 3.2 million barrels of oil equivalent per day, respectively, consistent with field decline.

Administrative expenses decreased by $11,046,000 mainly due to the lower amount of legal settlements made in 2019.

The increase in interest receivable and similar income is due to higher funds held on the Internal Finance Accounts (IFA) during the year. Interest on IFA is calculated on a daily basis based upon the closing balance - therefore increase in the balance resulted in higher interest received.

During the year, the company recognized a tax charge of $59,184,000 compared to prior year’s figure of $119,140,000. The significant variance of $59,956,000 is mainly due to the decrease in turnover, oil prices and remuneration (profit oil) for the asset.

The significant decrease in quick ratio is primarily due to higher balances both for debtors and creditors. Debtors was increased by $49,801,000 mainly due to higher IFA balances with BP International Limited ($32,964,000) and additional Tax debtors of $5,230,000 in 2019. Increase of $21,986,000 in creditors is mainly driven by $23,751,000 higher intercompany payable with BP Exploration (El Djazair) Limited and $3,185,000 of lease liabilities recognized with the implementation of IFRS16. This increase was partially offset by smaller amounts in other creditors.

Section 172 (1) statement

In governing the company on behalf of its shareholders and discharging their duties under section 172, the board has had regard to the factors set out in section 172 (see below) and other factors which the board considers appropriate.

Section 172 factors

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

a. The likely long-term consequences of the decision.
b. The interests of the company’s employees.
c. The need to foster the company’s business relationships with suppliers, customers and others.
d. The impact of the company’s operations on the community and the environment.
e. The desire to maintain the company’s reputation for high standards of business conduct.
f. The need to act fairly between members of the company.

To support the directors in the discharge of their duties, and whilst making a decision on behalf of the company, the directors have access to functional assurance support to identify matters which may have an impact on the proposed decision including, where relevant, section 172 factors as outlined above.

The principal decisions taken by the directors during the year included the decision on interim dividend payment in amount of $100,000,000. The relevant factor taken into account during the decision making process, in furtherance of the company's purpose, was the long term consequences of the decision.
STRATEGIC REPORT

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 for the BP group.

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company’s strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the BP group Annual Report and Form 20-F for the year ended 31 December 2019.

Strategic and commercial risks

Prices and markets
The company’s financial performance is subject to fluctuating prices of oil, gas, petrochemicals and refined products, technological change, exchange rate fluctuations and the general macroeconomic outlook. Political developments, increased supply of oil and gas or low carbon energy sources, technological change, global economic conditions, public health situations and the influence of OPEC can impact supply and demand and prices for our products.

Access, renewal and reserves progression
The company’s inability to access, renew and progress upstream resources in a timely manner could adversely affect its long-term replacement of reserves.

Major project delivery
Failure to invest in the best opportunities or deliver major projects successfully could adversely affect the company’s financial performance.

Geopolitical
The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment may disrupt or curtail the company's operations or development activities. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of our assets or cause us to incur additional costs. Political developments may include international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism or war and public health situations (including an outbreak of an epidemic or pandemic).

The impact of the UK's exit from the EU
BP have been assessing the potential impact on the group of Brexit and the UK’s future global relationships. BP have been considering different outcomes but do not believe any of these outcomes pose a significant risk to the business. The BP board’s geopolitical committee continues to monitor these developments.

Liquidity, financial capacity and financial, including credit, exposure
Failure to work within the financial framework set by the BP group could impact the company’s ability to operate and result in financial loss.

Joint arrangements and contractors
The company may have varying levels of control over the standards, operations and compliance of its partners, contractors and sub-contractors which could result in legal liability and reputational damage.

Digital infrastructure and cybersecurity
Breach or failure of the company’s or third parties’ digital infrastructure or cyber security, including loss or misuse of sensitive information could damage its operations and reputation or increase costs.

Climate change and the transition to a lower carbon economy
Policy, legal, regulatory, technology and market developments related to the issue of climate change could increase costs, reduce demand for our products, reduce revenue and limit certain growth opportunities.
STRATEGIC REPORT

Competition
Inability to remain efficient, maintain a high-quality portfolio of assets, innovate and retain an appropriately skilled workforce could negatively impact delivery of the company’s strategy in a highly competitive market.

Crisis management and business continuity
Potential disruption to the company’s business and operations could occur if it does not address an incident effectively.

Insurance
The BP group’s insurance strategy could expose the BP group to material uninsured losses which in turn could adversely affect the company.

Safety and operational risks

Process safety, personal safety and environmental risks
The company is exposed to a wide range of health, safety, security and environmental risks that could cause harm to people, the environment, the company’s assets and result in regulatory action, legal liability, business interruption, increased costs, damage to its reputation and potentially denial of its licence to operate.

Drilling and production
Challenging operational environments and other uncertainties could impact drilling and production activities.

Security
Hostile acts against the company’s staff and activities could cause harm to people and disrupt its operations.

Product quality
Supplying customers with off-specification products could damage the company’s reputation, lead to regulatory action and legal liability, and potentially impact its financial performance.

Compliance and control risks

Ethical misconduct and non-compliance
Ethical misconduct or breaches of applicable laws by the company’s businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties.

Regulation
Changes in the regulatory and legislative environment could increase the cost of compliance, affect the company’s provisions and limit its access to new growth opportunities.

Treasury and trading activities
Ineffective oversight of treasury and trading activities could lead to business disruption, financial loss, regulatory intervention or damage to the company’s reputation.

Reporting
Failure to accurately report the company’s data could lead to regulatory action, legal liability and reputational damage.
Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk. Further details on these financial risks are included within Note 29 of the BP group Annual Report and Form 20-F for the year ended 31 December 2019.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

Registered Office:
1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom
Directors

The present directors are listed on page 1.

T King and A Bon served as directors throughout the financial year. Changes since 1 January 2019 are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Appointed</th>
<th>Resigned</th>
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</thead>
<tbody>
<tr>
<td>A Toffolo</td>
<td>1 January 2020</td>
<td>—</td>
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<tr>
<td>W A Monthiry</td>
<td>—</td>
<td>20 May 2019</td>
</tr>
</tbody>
</table>

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

During the year the company has declared and paid interim dividends of $100,000,000 (2018 $50,000,000). The directors do not propose the payment of a final dividend.

Financial instruments

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 1.6) of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the strategic report under Financial risk management.

Post balance sheet events

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided under Going Concern below. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of $55/bbl for Brent and $2.90 per MMBtu for Henry Hub for the period of 2021-2025 (in 2020 prices). BP is also reviewing its intent to develop some of its exploration prospects and consequently is assessing the carrying values of the group’s intangible assets. Estimation of potential tangible and exploration and appraisal asset impairment charges related to the company’s assets is in progress and therefore it is not currently possible to reliably determine the impact of the revised impairment testing price assumptions on the company’s tangible asset and related disclosures, or to determine the outcome of the assessment of intangible assets. These revisions and impairments relate to events and circumstances arising since 31 December and therefore the impact on BP Amoco Exploration (In Amenas) Ltd. will be included in the financial statements for the year ended 31 December 2020. (At 31.12.2019 the net book value of intangible assets is zero, the net book value of tangible assets is $324,681,000.)


**DIRECTORS' REPORT**

**Going concern**

The directors have assessed the prospects of the company over a period of at least 12 months. The directors have considered expectations of the position and performance of the company over this period, taking account of its short-term and longer-range plans. Taking into account the company’s current position and its principal risks on pages 1-4, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months.

Since 31 December 2019, the oil price has fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered.

BP International Limited is a wholly owned subsidiary of BP Amoco Exploration (In Amenas) Limited’s ultimate controlling parent undertaking, BP p.l.c. There are no external funding arrangements with third parties. There is an Intra Group Current Account Facility / Internal Financing Accounts (IFA) Agreement in place between BP International Limited and BP Amoco Exploration (In Amenas) Limited with debit balance of $478,370,000 at 31 December 2019. The company has net assets of $784,898,000 and net current assets of $460,630,000.

Liquidity and financing is managed within BP under pooled group-wide arrangements which include the company. As part of assuring the going concern basis of preparation for the company, the ability and intent of the BP group to support the company has been taken into consideration. The BP group financial statements continue to be prepared on a going concern basis. Forecast liquidity extending at least twelve months from the date of approval of these financial statements has been assessed at a group level under a number of stressed scenarios and a reverse stress test performed to support the group’s going concern assertion. In addition, group management of BP have confirmed that the existing intra-group funding and liquidity arrangements as currently constituted are expected to continue for the foreseeable future, being no less than twelve months from the approval of these financial statements.

In assessing the prospects of BP Amoco Exploration (In Amenas) Limited, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

**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.

**Stakeholder statement**

**Engagement with other stakeholders**

The company aims to build enduring relationships with governments, customers, partners, suppliers and communities in the countries where it operates. The company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the company’s commitments to safety and ethics and compliance.

The company’s activities affect a wide variety of individuals and organizations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making process.
On behalf of the company, the BP group participates in industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the BP group works with governments on a range of issues that are relevant to its business, from regulatory compliance, to understanding tax liabilities, to collaborating on community initiatives.

The BP group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer’s needs and seek their feedback.

Feedback from such engagement has been considered by the directors during the decision making process where relevant.

During the year the directors continued with the implementation of the company’s strategy, as highlighted in the strategic report in respect of the principal activities of the company, and decisions made by the directors were in respect of operational matters, in furtherance of the BP group purpose.

**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 the auditor's 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.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

04 August 2020
Registered Office:

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK 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) including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’. 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 financial statements, 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. Details of the directors’ assessment of going concern are provided in the directors’ report.
INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF BP AMOCO EXPLORATION (IN AMENAS) LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of BP Amoco Exploration (In Amenas) Limited (the company):

• give a true and fair view of the state of the company’s affairs as at 31 December 2019 and of its profit for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

• the profit and loss account;
• the statement of comprehensive income;
• the balance sheet;
• the statement of changes in equity; and
• the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

• the directors’ use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.
Responsibilities of directors
As explained more fully in the statement of directors’ responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

• 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; and
• the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors’ report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report
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.

Signed: 04 August 2020
William Brooks
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019
BP AMOCO EXPLORATION (IN AMENAS) LIMITED

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Turnover</td>
<td>245,810</td>
<td>355,979</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(84,102)</td>
<td>(79,205)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>161,708</td>
<td>276,774</td>
</tr>
</tbody>
</table>

Administrative expenses | (14,315) | (25,361) |
Operating profit | 147,393 | 251,413 |

Interest receivable and similar income | 11,008 | 7,702 |
Interest payable and similar expenses | (3) | — |
Profit before taxation | 158,398 | 259,115 |
Tax on profit | (59,184) | (119,140) |
Profit for the year | 99,214 | 139,975 |

The profit of $99,214,000 for the year ended 31 December 2019 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
BP AMOCO EXPLORATION (IN AMENAS) LIMITED

There is no comprehensive income attributable to the shareholders of the company other than the profit for the year.
## BALANCE SHEET

### AT 31 DECEMBER 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>324,681</td>
<td>322,996</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>32,656</td>
<td>49,324</td>
</tr>
<tr>
<td>Debtors – amounts falling due:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>within one year</td>
<td>544,771</td>
<td>494,970</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>554</td>
<td>2,125</td>
</tr>
<tr>
<td></td>
<td>577,981</td>
<td>546,419</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>(114,166)</td>
<td>(83,490)</td>
</tr>
<tr>
<td></td>
<td>(3,185)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>460,630</td>
<td>462,929</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td>785,311</td>
<td>785,925</td>
</tr>
<tr>
<td><strong>Provisions for liabilities and charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other provisions</td>
<td>(413)</td>
<td>(413)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>784,898</td>
<td>785,512</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>650,000</td>
<td>650,000</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>134,898</td>
<td>135,512</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>784,898</td>
<td>785,512</td>
</tr>
</tbody>
</table>

Authorized for issue on behalf of the Board

[Signature]

T King
Director
02 August 2020
## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

BP AMOCO EXPLORATION (IN AMENAS) LIMITED

<table>
<thead>
<tr>
<th></th>
<th>Called up share capital (Note 18)</th>
<th>Profit and loss account (Note 19)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Balance at 1 January 2018</td>
<td>650,000</td>
<td>45,537</td>
<td>695,537</td>
</tr>
<tr>
<td>Profit for the year, representing total comprehensive income</td>
<td>—</td>
<td>139,975</td>
<td>139,975</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>(50,000)</td>
<td>(50,000)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2018</strong></td>
<td>650,000</td>
<td>135,512</td>
<td>785,512</td>
</tr>
<tr>
<td>Adjustment on adoption of IFRS 16, net of tax(^a)</td>
<td>—</td>
<td>172</td>
<td>172</td>
</tr>
<tr>
<td><strong>Balance at 1 January 2019</strong></td>
<td>650,000</td>
<td>135,684</td>
<td>785,684</td>
</tr>
<tr>
<td>Profit for the year, representing total comprehensive income</td>
<td>—</td>
<td>99,214</td>
<td>99,214</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>(100,000)</td>
<td>(100,000)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2019</strong></td>
<td>650,000</td>
<td>134,898</td>
<td>784,898</td>
</tr>
</tbody>
</table>

\(^a\)See Note 2 for further information
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
BP AMOCO EXPLORATION (IN AMENAS) LIMITED

1. Authorisation of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)

The financial statements of BP Amoco Exploration (In Amenas) Limited for the year ended 31 December 2019 were approved by the board of directors on 31 July 2020 and the balance sheet was signed on the board’s behalf by T King. BP Amoco Exploration (In Amenas) Limited is a limited by shares incorporated, domiciled and registered in Scotland (registered number SC135813). The company's registered office is at 1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB, United Kingdom. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

2. Significant accounting policies, judgements, estimates and assumptions

The significant accounting policies and critical accounting judgements, estimates and assumptions of the company are set out below.

Basis of preparation

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
(c) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
(d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of
   (i) paragraph 79(a)(iv) of IAS 1;
   (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
(e) the requirements of IAS 7 Statement of Cash Flows
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective
(g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
(h) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
(i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets.
(j) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
(k) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
(l) The requirements of paragraph 58 of IFRS 16 Leases, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.
NOTES TO THE FINANCIAL STATEMENTS

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 23.

The financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars ($000), except where otherwise indicated.

Significant accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. The accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

Significant accounting policies

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved and the financial statements have therefore been prepared under the going concern basis.

For further detail on the directors' going concern assessment, please refer to the directors' report.

Foreign currency

The functional and presentation currency of the financial statements is US dollars. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Where this is not practical and exchange rates do not fluctuate materially the average rate has been used. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot exchange on the balance sheet date. Any resulting exchange differences are included in the profit and loss account, unless hedge accounting is applied. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

Investments

Interests in joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
NOTES TO THE FINANCIAL STATEMENTS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The company recognizes, on a line-by-line basis, its share of the assets, liabilities and expenses of these joint operations incurred jointly with the other partners, along with the company’s income from the sale of its share of the output and any liabilities and expenses that the company has incurred in relation to the joint operation.

Tangible assets

Tangible assets owned by the company 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 the location and condition necessary for it to be capable of operating in the manner intended by management and, for assets that necessarily take a substantial period of time to get ready for their intended use, directly-attributable finance 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.

Exchanges of assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. The gain or loss on derecognition of the asset given up is recognized in profit or loss.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalized and amortized over the period to the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs are expensed as incurred.

Oil and natural gas properties, including related pipelines, are depreciated using a unit-of-production method. The cost of producing wells is amortized over proved developed reserves. Licence acquisition, common facilities and future decommissioning costs are amortized over total proved reserves. The unit-of-production rate for the depreciation of common facilities takes into account expenditures incurred to date, together with estimated future capital expenditure expected to be incurred relating to as yet undeveloped reserves expected to be processed through these common facilities.

The expected useful lives and depreciation method of tangible assets are reviewed on an annual basis and, if necessary, changes in useful lives or the depreciation method are accounted for prospectively.

The carrying amounts of tangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the period in which the item is derecognized.
Impairment of intangible and tangible assets

The company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, for example, changes in the company’s business plans, changes in commodity prices, low plant utilization, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated reserves or increases in estimated future development expenditure or decommissioning costs. If any such indication of impairment exists, the company makes an estimate of the asset’s recoverable amount. 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. An asset group’s recoverable amount is the higher of its fair value less costs to sell and its value in use. If it is probable that the value of the CGU will primarily be recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount. 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 that are not reflected in the discount rate and are discounted to their present value typically using a pre-tax discount rate that reflects current market assessments of the time value of money. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. In limited circumstances where recent market transactions are not available for reference, discounted cash flow techniques are applied. Where discounted cash flow analyses are used to calculate fair value less costs of disposal, estimates are made about the assumptions market participants would use when pricing the asset, CGU or group of CGUs containing goodwill and the test is performed on a post-tax basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

Significant judgements and estimates: recoverability of asset carrying values

Determination as to whether, and how much, an asset is impaired involves management estimates on highly uncertain matters such as the effects of inflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs of disposal. Fair value less costs of disposal may be determined based on expected sales proceeds or similar recent market transaction data.

Details of impairment charges and reversals recognized in the profit and loss account are provided in Note 4 and details of the carrying amounts of assets are shown in Note 10 and Note 11.

The estimates for assumptions made in impairment tests in 2019 relating to discount rates and oil and gas properties are discussed below. Changes in the economic environment or other facts and circumstances may necessitate revisions to these assumptions and could result in a material change to the carrying values of the company's assets within the next financial year.
Discount rates

For discounted cash flow calculations, future cash flows are adjusted for risks specific to the cash-generating unit. Value-in-use calculations are typically discounted using a pre-tax discount rate based upon the cost of funding the BP group derived from an established model, adjusted to a pre-tax basis and incorporating a market participant capital structure. Fair value less costs of disposal calculations use the post-tax discount rate.

The discount rates applied in impairment tests are reassessed each year. In 2019 the post-tax discount rate used was 6% (2018 6%) and the pre-tax discount rate typically ranged from 7% to 13% (2018 9%) depending on the applicable tax rate in the geographic location of the CGU. Where the CGU is located in a country that is judged to be higher risk an additional premium of 1% to 4% was added to the discount rates (2018 2%). The judgement of classifying a country as higher risk and the applicable premium takes into account various economic and geopolitical factors.

Oil and natural gas properties

For oil and natural gas properties, the expected future cash flows are estimated using management’s best estimate of future oil and natural gas prices and reserves volumes. The estimated future level of production is based on assumptions about future commodity prices, production and development costs, field decline rates, current fiscal regimes and other factors.

Reserves assumptions for value-in-use tests reflect the reserves and resources that management currently intend to develop. See also Significant estimate: estimation of oil and natural gas reserves. 

When estimating the fair value of Upstream assets, assumptions reflect all reserves and resources that management believe a market participant would consider when valuing the asset, which in some cases are broader in scope than the reserves used in a value-in-use test.

The recoverable amount of oil and gas properties is determined using a combination of inputs including reserves and production volumes. Risk factors may be applied to reserves and resources which do not meet the criteria to be treated as proved. The interdependency of these inputs, risk factors and the wide diversity of our oil and gas properties limits the practicability of estimating the probability or extent to which the overall recoverable amount is impacted by changes to one or more of the underlying assumptions.

The recoverability of intangible exploration and appraisal expenditure is covered under Oil and natural gas exploration, appraisal and development expenditure above.

Oil and natural gas prices

The long-term price assumptions used for investment appraisal are recommended by the BP group chief economist after considering a range of external price, and supply and demand forecasts under various energy transition scenarios. They are reviewed and approved by management. As a result of the current uncertainty over the pace of transition to lower-carbon supply and demand and the social, political and environmental actions that will be taken to meet the goals of the Paris climate change agreement, the forecasts and scenarios considered include those where those goals are met as well as those where they are not met. The assumptions below represent management’s best estimate of future prices; they do not reflect a specific scenario and sit within the range of the external forecasts considered.

The long-term price assumptions used to determine recoverable amount based on value-in-use impairments tests are derived from the central case investment appraisal assumptions of $70 per barrel for Brent and $4 per mmBtu for Henry Hub gas, both in 2015 prices (2018 $75 per barrel and $4 per mmBtu respectively, in 2015 prices). These long-term prices are applied from 2025 and 2032 respectively (2018 both from 2024) and continue to be inflated for the remaining life of the asset.
The price assumptions used over the periods to 2025 and 2032 have been set such that there is a linear progression from our best estimate of 2020 prices, which were set by reference to 2019 average prices, to the long-term assumptions.

The majority of reserves and resources that support the carrying value of the company's oil and gas properties are expected to be produced over the next 10 years. Average prices (in real 2015 terms) used to estimate cash flows over this period are $67 per barrel for Brent and $3.1 per mmBtu for Henry Hub gas.

Oil prices fell 10% in 2019 from 2018 due to trade tensions, a macroeconomic downturn, and a slight slowdown in oil demand. OPEC+ production restraint, unplanned outages, and sanctions on Venezuela and Iran kept prices from falling further. BP's long-term assumption for oil prices is slightly higher than the 2019 price average, based on the judgement that current price levels would not encourage sufficient investment to meet global oil demand sustainably in the longer term, especially given the financial requirements of key low-cost oil producing economies.

US gas prices dropped by around 20% in 2019 compared to 2018. After an initial spike in January, they remained relatively low for much of the year due to a combination of strong associated gas production growth, and storage levels coming back to normal. US gas demand growth was much lower than the exceptional increase in 2018, while LNG exports continued to expand. BP's long-term price assumption for US gas is higher than recent market prices due to forecast rising domestic demand, rapidly increasing pipeline and LNG exports, and lowest cost resources being absorbed leading to production of more expensive gas, as well as requiring increased investment in infrastructure.

The interdependency of these inputs, risk factors and the wide diversity of the company's oil and gas properties limits the practicability of estimating the probability or extent to which the overall recoverable amount is impacted by changes to one or more of the underlying assumptions. The recoverable amount of oil and gas properties is primarily sensitive to changes in the long-term oil and gas price assumptions. Sensitivity analysis may be performed if a specific oil and gas property is identified to have low headroom above its carrying amount.

Oil and natural gas reserves

In addition to oil and natural gas prices, significant technical and commercial assessments are required to determine the group's estimated oil and natural gas reserves. Reserves estimates are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity and drilling of new wells all impact on the determination of the company's estimates of its oil and natural gas reserves. The company bases its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.

Reserves assumptions for value-in-use tests reflect the reserves and resources that management currently intend to develop. The recoverable amount of oil and gas properties is determined using a combination of inputs including reserves, resources and production volumes. Risk factors may be applied to reserves and resources which do not meet the criteria to be treated as proved.

The interdependency of these inputs, risk factors and the wide diversity of BP's oil and gas properties limits the practicability of estimating the probability or extent to which the overall recoverable amount is impacted by changes to one or more of the underlying assumptions. The recoverable amount of oil and gas properties is primarily sensitive to changes in the long-term oil and gas price assumptions. Sensitivity analysis may be performed if a specific oil and gas property is identified to have low headroom above its carrying amount.
NOTES TO THE FINANCIAL STATEMENTS

Stocks

Stocks, other than stocks held for trading purposes, are stated at the lower of cost and net realizable value. Cost is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

Stocks held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the profit and loss account.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

Leases

Agreements that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases. The right to control is conveyed if BP has both the right to obtain substantially all of the economic benefits from, and the right to direct the use of, the identified asset throughout the period of use. An asset is identified if it is explicitly or implicitly specified by the agreement and any substitution rights held by the lessor over the asset are not considered substantive.

Agreements that convey the right to control the use of an intangible asset including rights to explore for or use hydrocarbons are not accounted for as leases. See significant accounting policy: intangible assets.

A lease liability is recognized on the balance sheet on the lease commencement date at the present value of future lease payments over the lease term. The discount rate applied is the rate implicit in the lease if readily determinable, otherwise an incremental borrowing rate is used. The incremental borrowing rate is determined based on factors such as the group’s cost of borrowing, lessee legal entity credit risk, currency and lease term. The lease term is the non-cancellable period of a lease together with any periods covered by an extension option that BP is reasonably certain to exercise, or periods covered by a termination option that BP is reasonably certain not to exercise. The future lease payments included in the present value calculation are any fixed payments, payments that vary depending on an index or rate, payments due for the reasonably certain exercise of options and expected residual value guarantee payments.

Payments that vary based on factors other than an index or a rate such as usage, sales volumes or revenues are not included in the present value calculation and are recognized in the income statement. The lease liability is recognized on an amortized cost basis with interest expense recognized in the income statement over the lease term. Except where capitalized as exploration, appraisal or development expenditure.

The right-of-use asset is recognized on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis, over the lease term. The depreciation charge is recognized in the income statement except where capitalized as exploration, appraisal or development expenditure. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill.

Agreements may include both lease and non-lease components. Payments for lease and non-lease components are allocated on a relative stand-alone selling price basis except for leases of retail service stations where the group has elected not to separate non-lease payments from the calculation of the lease liability and right-of-use asset.

If the lease term at commencement of the agreement is less than 12 months, a lease liability and right-of-use asset are not recognized, and a lease expense is recognized in the income statement on a straight-line basis.
NOTES TO THE FINANCIAL STATEMENTS

If a significant event or change in circumstances, within the control of BP, arises that affects the reasonably certain lease term or there are changes to the lease payments, the present value of the lease liability is remeasured using the revised term and payments, with the right-of-use asset adjusted by an equivalent amount.

Modifications to a lease agreement beyond the original terms and conditions are accounted for as a re-measurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognized in the income statement. Modifications that increase the scope of the lease at a price commensurate with the stand-alone selling price are accounted for as a separate new lease.

The company recognizes the full lease liability, rather than its working interest share, for leases entered into on behalf of a joint operation if the company has the primary responsibility for making the lease payments. In such cases, the company’s working interest share of the right-of-use asset is recognized if it is jointly controlled by the company and the other joint operators, and a receivable is recognized for the share of the asset transferred to the other joint operators. If the company is a non-operator, a payable to the operator is recognized if they have the primary responsibility for making the lease payments and the company has joint control over the right-of-use asset, otherwise no balances are recognized.

As noted in ‘Impact of new International Financial Reporting Standards - IFRS 16 ‘Leases’, the company elected to apply the ‘modified retrospective’ transition approach on adoption of IFRS 16. Under this approach, comparative periods’ financial information is not restated. The accounting policy applicable for leases in the comparative periods only is disclosed in the following paragraphs.

Agreements under which payments are made to owners in return for the right to use a specific asset are accounted for as leases. Leases that transfer substantially all the risks and rewards of ownership are recognized as finance leases. All other leases are accounted for as operating leases.

Finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Finance charges are allocated to each period so as to achieve a constant rate of interest on the remaining balance of the liability and are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term except where capitalized as exploration or appraisal expenditure. See significant accounting policy: Exploration and appraisal expenditure.

Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The company derecognizes financial assets when the contractual rights to the cash flows expire or the rights to receive cash flows have been transferred to a third party along with either substantially all of the risks and rewards or control of the asset. This includes the derecognition of receivables for which discounting arrangements are entered into.

The company classifies its financial assets as measured at amortized cost or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method. This category of financial assets includes trade and other receivables.
Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the company is exposed to credit risk. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all of other in-scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the company expects to receive, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the profit and loss account.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the company has no reasonable expectation of recovering amounts due.

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost

Financial liabilities are initially recognized at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received net of issue costs associated with the borrowing.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised in interest receivable and similar income and interest payable and similar charges respectively. This category of financial liabilities includes trade and other payables and finance debt.

Offsetting of financial assets and liabilities

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met: the company currently has a legally enforceable right to set off the recognized amounts; and the company intends to either settle on a net basis or realize the asset and settle the liability simultaneously. If both of the criteria are met, the amounts are set off and presented net. A right of set off is the company’s legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

Taxation

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or directly in equity.
Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it is determined in accordance with the rules established by the applicable taxation authorities. It therefore excludes items of income or expense that are taxable or deductible in other periods as well as items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the company's proposed tax treatment, income taxes are recognized consistent with the company's income tax filings. If it is not considered probable, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

Judgement is required when determining whether a particular tax is an income tax or another type of tax (for example a production tax). Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes; rather such taxes are recognized in the profit and loss account in accordance with the applicable accounting policy such as Provisions and contingent liabilities.
Customs duties and sales taxes

Customs duties and sales taxes that are passed on or charged to customers are excluded from turnover and expenses. Assets and liabilities are recognized net of the amount of customs duties or sales tax except:

- Customs duties or sales taxes incurred on the purchase of goods and services which are not recoverable from the taxation authority are recognized as part of the cost of acquisition of the asset.
- Receivables and payables are stated with the amount of customs duty or sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included within receivables or payables in the balance sheet.

Turnover

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control of oil, natural gas liquids usually coincides with title passing to the customer and the customer taking physical possession. The company principally satisfies its performance obligations at a point in time; the amounts of revenue recognized relating to performance obligations satisfied over time are not significant.

When, or as, a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

Contracts for the sale of commodities are typically priced by reference to quoted prices. Revenue from term commodity contracts is recognized based on contractual pricing provisions for each delivery. Certain of these contracts have pricing terms based on prices at a point in time after delivery has been made. Revenue from such contracts is initially recognized based on relevant prices at the time of delivery and subsequently adjusted as appropriate. All revenue from these contracts, both that recognized at the time of delivery and that from post-delivery price adjustments, is disclosed as revenue from contracts with customers.

Certain contracts entered into by the company that result in physical delivery of products such as crude oil, natural gas and refined products are required by IFRS 9 to be accounted for as derivative financial instruments. The company's counterparties in these transactions may, however, meet the IFRS 15 definition of a customer. Revenue recognized relating to such contracts when physical delivery occurs is, therefore, measured at the contractual transaction price and presented together with revenue from contracts with customers. Changes in the fair value of derivative assets and liabilities prior to physical delivery are excluded from revenue from contracts with customers and are classified as other operating revenues.

Where forward sale and purchase contracts for oil, natural gas or power have been determined to be for short-term trading purposes, the associated sales and purchases are reported net within sales and other operating revenues whether or not physical delivery has occurred.

Physical exchanges with counterparties in the same line of business and to facilitate sales to customers are reported net, as are sales and purchases made with a common counterparty, as part of an arrangement similar to a physical exchange.

Where the company acts as agent on behalf of a third party to procure or market energy commodities, any associated fee income is recognized but no purchase or sale is recorded.

Revenue associated with the sale of oil, natural gas liquids, oil and natural gas liquid forward sales is included on a net basis in turnover.
Contract asset and contract liability balances are included within amounts presented for trade receivables and other payables respectively.

**Interest income**

Interest income is recognized as the interest accrues using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

**Finance costs**

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other finance costs are recognized in the profit and loss account in the period in which they are incurred.

**Dividends payable**

Final dividends are recorded in the financial statements 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.

**Impact of New International Financial Reporting Standards**

The company adopted IFRS 16 ‘Leases’, which replaced IAS 17 ‘Leases’ and IFRIC 4 ‘Determining whether an arrangement contains a lease’, with effect from 1 January 2019. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

The adoption of IFRS 16 has had no material impact on the company’s financial statements.

**IFRS 16 ‘Leases’**

IFRS 16 ‘Leases’ provides a new model for lessee accounting in which the majority of leases will be accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability. The subsequent amortization of the right-of-use asset and the interest expense related to the lease liability is recognized in profit or loss over the lease term.

The company elected to apply the modified retrospective transition approach in which the cumulative effect of initial application is recognized in opening retained earnings at the date of initial application with no restatement of comparative periods’ financial information. Comparative information in the balance sheet has, however, been re-presented to align with current year presentation, showing lease liabilities and lease liability payments as separate line items. These were previously included within finance debt and repayments of long-term financing line items respectively. Amounts presented in these line items for the comparative periods relate to leases accounted for as finance leases under IAS 17. We do not consider any of the judgements or estimates made on transition to IFRS 16 to be significant.

IFRS 16 introduces a revised definition of a lease. As permitted by the standard, the company elected not to reassess the existing population of leases under the new definition and only applies the new definition for the assessment of contracts entered into after the transition date. On transition the standard permitted, on a lease-by-lease basis, the right-of-use asset to be measured either at an amount equal to the lease liability (as adjusted for prepaid or accrued lease payments), or on a historical basis as if the standard had always applied. BP has elected to use the historical asset measurement for its more material leases and used the asset equals liability approach for the remainder of the population. In measuring the right-of-use asset the company applied the transition practical expedient to exclude initial direct costs. The company also elected to adjust the carrying amounts of the right-of-use assets as at 1 January 2019 for onerous lease provisions that had been recognized on the company balance sheet as at 31 December 2018, rather than performing impairment tests on transition.
The effect on the company’s balance sheet is set out further below. The presentation and timing of recognition of charges in the profit and loss account has changed following the adoption of IFRS 16. The operating lease expense previously reported under IAS 17, typically on a straight-line basis, has been replaced by depreciation of the right-of-use asset and interest on the lease liability.

The following table provides a reconciliation of the operating lease commitments disclosed as at 31 December 2018 to the total lease liability recognized on the balance sheet in accordance with IFRS 16 as at 1 January 2019, with explanations below.

<table>
<thead>
<tr>
<th>Description</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitments at 31 December 2018</td>
<td>7,509</td>
</tr>
<tr>
<td>Effect of discounting</td>
<td>(287)</td>
</tr>
<tr>
<td><strong>Total lease liabilities at 1 January 2019</strong></td>
<td>7,222</td>
</tr>
<tr>
<td>Of which - current</td>
<td>4,060</td>
</tr>
<tr>
<td>- non-current</td>
<td>3,162</td>
</tr>
</tbody>
</table>

**Effect of discounting**

The amount of the lease liability recognized in accordance with IFRS 16 is on a discounted basis whereas the operating lease commitments information as at 31 December 2018 is presented on an undiscounted basis. The discount rates used on transition were incremental borrowing rates as appropriate for each lease based on factors such as the lessee legal entity, lease term and currency. The weighted average discount rate used on transition was around 3.5%, with a weighted average remaining lease term of around nine years. For new leases commencing after 1 January 2019 the discount rate used will be the interest rate implicit in the lease, if this is readily determinable, or the incremental borrowing rate if the implicit rate cannot be readily determined.

3. **Turnover**

Sales of goods, which are stated net of value added tax, represent amounts invoiced to third parties.

Turnover is realised entirely in the upstream business.

An analysis of the company’s turnover is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from contracts with customers</td>
<td>245,810</td>
<td>355,979</td>
</tr>
<tr>
<td>Interest receivable and similar income (Note 6)</td>
<td>11,008</td>
<td>7,702</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td>256,818</td>
<td>363,681</td>
</tr>
</tbody>
</table>

Turnover is attributable to one continuing activity, the production and sale of hydrocarbon products.

The country of origin is Algeria and destination is substantially Algeria and Europe.
NOTES TO THE FINANCIAL STATEMENTS

4. Operating profit

This is stated after charging / (crediting):

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; machinery⁵</td>
<td>—</td>
<td>1,484</td>
</tr>
<tr>
<td>Net foreign exchange losses / (gains)</td>
<td>47</td>
<td>(13)</td>
</tr>
<tr>
<td>Depreciation of tangible assets</td>
<td>69,633</td>
<td>70,183</td>
</tr>
<tr>
<td>Depreciation of right-of-use assets⁵</td>
<td>4,299</td>
<td>—</td>
</tr>
</tbody>
</table>

⁵ The amount shown for the comparative period relates to leases previously classified as operating leases under IAS 17.

b The line indicated is in respect of the application of IFRS 16 in the current year only.

5. Auditor’s remuneration

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees for the audit of the company</td>
<td>79</td>
<td>79</td>
</tr>
</tbody>
</table>

Fees paid to the company’s auditor, Deloitte LLP and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of BP Amoco Exploration (In Amenas) Limited’s ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

6. Interest receivable and similar income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from amounts owed by group undertakings</td>
<td>11,008</td>
<td>7,702</td>
</tr>
</tbody>
</table>

7. Interest payable and similar expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group agreed interest</td>
<td>(3)</td>
<td>—</td>
</tr>
</tbody>
</table>
8. Taxation

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010.

The taxation charge in the profit and loss account is made up as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Overseas tax on income for the year</td>
<td>59,198</td>
<td>119,140</td>
</tr>
<tr>
<td>Total current tax charged</td>
<td>59,198</td>
<td>119,140</td>
</tr>
</tbody>
</table>

Deferred tax

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origination and reversal of temporary differences</td>
<td>(14)</td>
<td>—</td>
</tr>
<tr>
<td>Total deferred tax credited</td>
<td>(14)</td>
<td>—</td>
</tr>
<tr>
<td>Tax charged on profit</td>
<td>59,184</td>
<td>119,140</td>
</tr>
</tbody>
</table>

In 2019 the total tax charge recognised within other comprehensive income was $Nil (2018 $Nil) and the total tax charge recognised directly in equity was $Nil (2018 $Nil).

(a) Reconciliation of the effective tax rate

The tax assessed on the profit for the year is higher than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2019 (2018 19%). The differences are reconciled below:

<table>
<thead>
<tr>
<th></th>
<th>2019 $000</th>
<th>2018 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>158,398</td>
<td>259,115</td>
</tr>
<tr>
<td>Tax charge</td>
<td>59,184</td>
<td>119,140</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>UK corporation tax rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>19</td>
<td>19</td>
</tr>
</tbody>
</table>

Increase / (decrease) resulting from:

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double tax relief</td>
<td>(26)</td>
<td>(23)</td>
</tr>
<tr>
<td>Overseas tax</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>Free group relief</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Movements in unrecognised deferred tax</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>37</td>
<td>46</td>
</tr>
</tbody>
</table>

The reconciling items shown above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.
Change in corporation tax rate
A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

(b) Provision for deferred tax

Analysis of movements during the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2018</td>
<td>$000</td>
</tr>
<tr>
<td>Adjustment on adoption of IFRS 16</td>
<td>(14)</td>
</tr>
<tr>
<td>At 1 January 2019</td>
<td>(14)</td>
</tr>
<tr>
<td>Deferred tax credited in the profit and loss account</td>
<td>14</td>
</tr>
<tr>
<td>At 31 December 2019</td>
<td>—</td>
</tr>
</tbody>
</table>

Deferred tax has not been recognised on deductible temporary differences relating to fixed assets of $982,766,000 (2018: $913,144,000), short term provisions of $413,000 and foreign tax credits of $482,592,000 (2018: $490,558,000) with no fixed expiry date on the basis that they are UK tax attributes that are not expected to give rise to any future tax benefit.

9. Directors and employees

(a) Remuneration of directors

A number of directors are senior executives of the BP p.l.c. Group and received no remuneration for services to this company.

The following details relate to the directors who received remuneration for their qualifying services to the company and so are in scope for this disclosure.

The total remuneration for these serving directors for their period of directorship to the company amounted to $113,300 (2018 $76,700).

None of these serving directors received non-cash benefits in relation to qualifying services.

One of these qualifying directors was an active member of the defined benefit section of the BP Pension Fund at 31 December 2019 (2018 One) and none of the qualifying directors exercised share options over BP p.l.c. shares during the year (2018 none).

(b) Employee costs

The company had no employees during the year (2018 None).
### Intangible assets

<table>
<thead>
<tr>
<th>Exploration expenditure</th>
<th>$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,177</td>
<td></td>
</tr>
</tbody>
</table>

#### Cost

<table>
<thead>
<tr>
<th></th>
<th>At 1 January 2019</th>
<th>At 31 December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,177</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Amortization

<table>
<thead>
<tr>
<th></th>
<th>At 1 January 2019</th>
<th>At 31 December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(9,177)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Net book value

<table>
<thead>
<tr>
<th></th>
<th>At 31 December 2019</th>
<th>At 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>—</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
11. Tangible assets

<table>
<thead>
<tr>
<th>Cost&lt;sup&gt;b&lt;/sup&gt; - owned tangible assets</th>
<th>Oil &amp; gas properties</th>
<th>Of which AUC&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2019</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Additions</td>
<td>1,636,532</td>
<td>15,552</td>
</tr>
<tr>
<td>Transfers from AUC to Oil and Gas properties</td>
<td>—</td>
<td>(13,059)</td>
</tr>
<tr>
<td>At 31 December 2019</td>
<td>1,705,105</td>
<td>34,992</td>
</tr>
</tbody>
</table>

Depreciation - owned tangible assets

| At 1 January 2019 | (1,313,536) | — |
| Charge for the year | (69,633) | — |
| At 31 December 2019 | (1,383,169) | — |

Owned tangible assets - net book value

| At 31 December 2019 | 321,936 | 34,992 |

Right-of-use assets - net book value

| At 31 December 2019 | 2,745 | — |

Total tangible assets

| At 31 December 2019 | 324,681 | — |

Total net book value

| At 31 December 2018 | 322,996 | 15,552 |

<sup>a</sup> AUC = assets under construction. Assets under construction are not depreciated.

<sup>b</sup> Leases previously classified as operating leases are included within right-of-use assets following the implementation of IFRS 16 ‘Leases’; see Note 2 for further information. The reconciliation of owned property, plant and equipment for 2019 does not include right-of-use assets and, therefore, the cost and depreciation at 1 January 2019 is not equal to the cost and depreciation of total property, plant and equipment at 31 December 2018. The relevant amounts excluded are cost of $6,717,000.

The depreciation expense recognized for the year on right-of-use assets was $4,299,000.

Capitalized interest included above is as follows:

| Capitalized interest | At 31 December 2019 | 252 | At 31 December 2018 | — |

12. Stocks

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

Materials in Transit

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>834</td>
<td>2,076</td>
</tr>
</tbody>
</table>

Supplies

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,822</td>
<td>47,248</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>32,656</td>
<td>49,324</td>
</tr>
</tbody>
</table>

The stock valuation at 31 December 2019 is stated net of a provision of $25,570,000 (2018 $16,570,000) to write stocks down to their net realisable value.
13. **Debtors**

Amounts falling due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>16,863</td>
<td>18,304</td>
</tr>
<tr>
<td>Amounts owed from parent undertakings</td>
<td>479,630</td>
<td>445,406</td>
</tr>
<tr>
<td>Amounts owed from fellow subsidiaries</td>
<td>143</td>
<td>—</td>
</tr>
<tr>
<td>Other debtors</td>
<td>46,404</td>
<td>29,299</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>1,676</td>
<td>1,752</td>
</tr>
<tr>
<td>Taxation</td>
<td>55</td>
<td>209</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>544,771</strong></td>
<td><strong>494,970</strong></td>
</tr>
</tbody>
</table>

The amounts owed from parent undertakings comprise a funding account of $478m (2018 $445m). Interest is accrued on a monthly basis based on LIBOR. The interest rate at year end was 1.62% (2018 2.39%) and repayable on demand.

14. **Creditors**

Amounts falling due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>1,243</td>
<td>3,864</td>
</tr>
<tr>
<td>Amounts owed to parent undertakings</td>
<td>255</td>
<td>2,656</td>
</tr>
<tr>
<td>Amounts owed to fellow subsidiaries</td>
<td>57,199</td>
<td>32,021</td>
</tr>
<tr>
<td>Other creditors</td>
<td>1,181</td>
<td>541</td>
</tr>
<tr>
<td>Tax</td>
<td>13,946</td>
<td>10,080</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>40,342</td>
<td>34,328</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114,166</strong></td>
<td><strong>83,490</strong></td>
</tr>
</tbody>
</table>

Materially all of the company's trade payables have payment terms in the range of 30 to 60 days and give rise to operating cash flows.

The amounts to fellow subsidiaries consists of intercompany trade payable balances related to the operation of the company.

15. **Loans and obligations under leases**

Loans repayable and obligations under leases, included within creditors, are analysed as follows:

Within 5 years

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Not wholly repayable*</td>
<td>3,185</td>
</tr>
</tbody>
</table>

*In case of lease liabilities, not wholly repayable means repayable by instalments and an additional payment may be due at the end of a lease.
16. Leases

The company leases a number of assets as part of its activities. This primarily includes drilling rigs in the Upstream segment. The remaining lease term for the total lease portfolio is around 2 years.

<table>
<thead>
<tr>
<th>2019</th>
<th>$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to right-of-use assets in the period</td>
<td>327</td>
</tr>
<tr>
<td>Total cash outflow for amounts included in lease liabilities</td>
<td>4,289</td>
</tr>
</tbody>
</table>

An analysis of right-of-use assets and depreciation is provided in Note 11.

17. Other provisions

<table>
<thead>
<tr>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
</tr>
<tr>
<td>At 1 January 2019</td>
</tr>
<tr>
<td>At 31 December 2019</td>
</tr>
<tr>
<td>Current</td>
</tr>
<tr>
<td>Non-current</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
</tr>
<tr>
<td>Non-current</td>
</tr>
</tbody>
</table>

Within other provisions a demobilisation provision was held related to the drilling rig leased. The provision is expected to be utilised in 2020.

For information on significant judgements and estimates made in relation to provisions, see Provisions within Note 2.

18. Called up share capital

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Issued and fully paid:</td>
<td></td>
</tr>
<tr>
<td>2 Ordinary shares of £1 each for a total nominal value of £2</td>
<td>—</td>
</tr>
<tr>
<td>650,000,000 Ordinary shares of $1 each for a total nominal value of $650,000,000</td>
<td>650,000</td>
</tr>
<tr>
<td>650,000</td>
<td>650,000</td>
</tr>
</tbody>
</table>
19. Reserves

*Called up share capital*

The balance on the called up share capital account represents the aggregate nominal value of all ordinary shares in issue.

*Profit and loss account*

The balance held on this reserve is the retained profits of the company.

In 2019, the company paid interim ordinary dividends of $100,000,000 (2018 $50,000,000). The dividend per share was $0.15 (2018 $0.08).

20. Capital commitments

Authorized and contracted future capital expenditure (excluding right-of-use assets) by the company for which contracts had been placed but not provided in the financial statements at 31 December 2019 is estimated at $66,453,000 (2018 $175,823,000).

21. Related party transactions

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel. There were no other related party transactions in the year.

22. Post balance sheet events

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of $55/bbl for Brent and $2.90 per MMBtu for Henry Hub for the period of 2021-2025 (in 2020 prices). BP is also reviewing its intent to develop some of its exploration prospects and consequently is assessing the carrying values of the group’s intangible assets. Estimation of potential tangible and exploration and appraisal asset impairment charges related to the company’s assets is in progress and therefore it is not currently possible to reliably determine the impact of the revised impairment testing price assumptions on the company’s tangible asset and related disclosures, or to determine the outcome of the assessment of intangible assets. These revisions and impairments relate to events and circumstances arising since 31 December and therefore the impact on BP Amoco Exploration (In Amenas) Ltd. will be included in the financial statements for the year ended 31 December 2020. (At 31.12.2019 the net book value of intangible assets is zero, the net book value of tangible assets is $324,681,000.)

23. 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 its registered address: 1 St James’s Square, London, SW1Y 4PD.