

From: Bhangu, Hardev  
Sent: Wed Nov 20 12:06:48 2013  
To: Bamfield, Nick MH  
Cc: Giles, Martin F  
Subject: RE: US financial data  
Importance: Normal  
Attachments: @

Ex 12961  
Worldwide  
Court Reporters, Inc.

Nick

1. As discussed I have provided a detailed analysis by counter-party of the financing balances in each of the balance sheets for BPAPC and BPXP. In summary, 100% of balances are intra US. Where the balances are with NAFCO or direct parent I have highlighted. The analysis is provided as 'note 1' below each balance sheet.
2. As regards your enquiry as to equity injections into the US sub group since 2010. In December 2010, as part of project Harrison, BP America used \$10bn of new revolver funding from UK to inject \$10bn of equity into its subsidiary BP Corporation North America, who in turn placed the funds on deposit with NAFCO. This resulted in NAFCO reducing its overdraft with the UK which had ballooned beyond its facility limit prior to this action.
3. Further, you requested information on the restructuring of BPXP holding in January 2014.

The current hold structure of BPXP through to BPCNA is set out below

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The proposed re-organisation results in BPAPC carrying out a capital reduction of circa \$25bn and in consideration moving its investment in BPXP and some foreign holdings up to its parent, BP Company NA. Revised hold structure set out below.

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The capital reduction (or distribution under US law) will be covered under several SFN's yet to be worked. The make of the investments that will be moved up to BP Company NA are set out below:

**Book Value**

Investment in BP Exploration & Production Inc.	(17,208)
Investment in BP Alternative Energy North America Inc.	(550)
Investment in BP Energy Company	(788)
Investment in BP America Foreign Investments Inc.	(6,416)
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Total Proposed Distribution	(24,962)

As explained in the balance sheet analysis of BPAPC provided, the impact of this transaction is to reduce the net assets of BPAPC from \$36bn down to \$11bn. The rationale for the transaction is to be discussed.

4. Finally, you requested information of the financing restructuring carried out in 3Q and to be carried out in 4Q 2013.
- a. During 3Q 2013 BPXP had the following balances and carried out the following inter-company financing balance settlements to arrive at closing balances as per balance sheets provided earlier:

*Asset / (Liability) \$bn*

Counter-party	Pre 3Q 2013 balance	Indicative settlements	3Q 2013 closing balance
BP Company NA	-13.8	10.8	-3
BPAPC	3.9	-3.9	0
NAFCO	4.8	-6.5	-1.7
	<u>-5.1</u>	<u>0.4</u>	<u>-4.7</u>

I will print off relevant information to talk through later

Rgds  
Hardev

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**From:** Bhangu, Hardev  
**Sent:** Tuesday, November 19, 2013 9:59 PM  
**To:** Bamfield, Nick MH  
**Cc:** martin.giles@se1.bp.com  
**Subject:** US financial data

Nick

Attached spread sheet sets out high level balance sheets for BPX&P and BPAPC at 3Q 2013 and the main financing balance movements through to current date in 4Q 13. In addition some details behind the January 2014 restructuring within BPAPC is set out. These numbers are taken from 3Q group results input.

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In addition attached BPAPC 2Q 2013 stand-alone financials and BPXP consolidated financials. I don't think these are for wider circulation without confirmation from US Finance. They have been provided by Jared who has access to them towards progressing the settlement of inter-company balances within the US.

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For completeness, attached BPCNA and BPA 3Q 2013 financials

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Rgds

Hardev

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image001.png (13.4KB)

summary BPAPC and BPXP balance sheets 3q 13.xlsx (26.4KB)

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