

From: Bhangu, Hardev

Sent: Fri Dec 10 16:44:57 2010

To: Bray, Steven

Subject: FW: Document database: (1) US to UK dividend, and (2) Re-financing US debt group debt

Importance: Normal

Attachments: bpa divi March 09 signed sfn.ZIP; nafco LT loan March 09 signed sfn.ZIP; BPA dividend resltn (2).doc; FW: BP America Board Meeting; BPHNA divi BEG signature 170309.pdf; image.ZIP; Scanned Document 1.ZIP; BPAPC to BPA signed loan March 09.ZIP; bpi to nafco usd 5bn loan sign agree.ZIP; BPI to NAFCO usd 10bn loan sign agree.ZIP; bpa to bpi guarantee usd 5bn sign agree.ZIP; bpa to bpi usd 10bn guarantee sign agree.ZIP; bloom rate fix loans march 09.ZIP; sg2009031338940.gif; Pricing fixed rate loans.xls; BPA to UK dividend Finance entries March 2009.xls

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From: Bhangu, Hardev

Sent: 10 December 2010 15:32

To: Norman, Jo; Klewin, Jane

Cc: Howie, David

Subject: FW: Document database: (1) US to UK dividend, and (2) Re-financing US debt group debt

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Rgds
hardev

From: Bhangu, Hardev

Sent: 10 December 2010 15:25

To: Klewin, Jane; Howie, David

Cc: Stricker, Jane

Subject: FW: Document database: (1) US to UK dividend, and (2) Re-financing US debt group debt

From: Bhangu, Hardev

Sent: 19 March 2009 15:31

To: 'bhanguh@bp.com'

Subject: FW: Document database: (1) US to UK dividend, and (2) Re-financing US debt group debt

From: Bhangu, Hardev

Sent: 19 March 2009 15:31

To: O'Donnell, Michelle C; Craddock, Amanda; Reynolds, Alex; Tran, Shan (ROBERT HALF); McBain, Nicola M; Mosall, Jim L; Vassar, Stephen; Weller, Ben; Bauer, Ronald G; Tooley, Roy; Thomas, Andrea M (At The Secretariat); Clayton, Paula J

Cc: Norman, Jo; Sawada, Suzanne R.; Jackson, Rochelle H.; Shallow, Dale P; Patel, Sheetal (UK); Giles, Martin F; Taylor, Tom L; Admans, Gary A; La Touloubre, Alexandre; Cooke, Paul D J; Herman, David; Reynolds, Jim A; Stricker, Jane; Mroz, Mike C.; Hoffart, Michael J.

Subject: Document database: (1) US to UK dividend, and (2) Re-financing US debt group debt

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The purpose of this email is two-fold.

1. To thank everyone for their input to two transactions delivered during March 2009 which:

(i) Opportunistically re-finance US\$ 10.0bn of existing cross-border debt between BP International Ltd (BPI) and North America Funding Company (NAFCO)

(ii) Deliver a US to UK dividend of US\$ 5.0bn funded with intra US surplus cash to address any UK legal concerns around the availability of the income within BP p.l.c. for distributions. And to further optimise the US/UK debt tax shield through structured debt funding of US\$ 5.0bn for the US group.

The value delivered from these transactions will be circa **\$140m** per annum over the next 3 years.

2. To confirm that the transactions will be posted today with value date 18th March, 2009 and the specific transactions executed on this date are:

- o A long term loan from BP America Production Company (BPAPC) to BP America (BPA) US\$ 5.0bn
- o A dividend from BPA to BP Holdings North America Limited (BPHNA) US\$ 5.0bn
- o A dividend from BPHNA to BP p.l.c. US\$ 5.0bn
- o BP p.l.c. to place dividend income on to a short term IFA with BPI
- o NAFCO to switch US\$ 10.0bn of its existing IFA deficit with BPI on to a fixed rate loan of 3 year tenure
- o NAFCO to enter into a further US\$ 5.0bn fixed rate loan of 3 year tenure with BPI - reflecting the US groups increased gearing to fund the dividend to UK

3. To share the database of SFN's, internal supports from Byron Grote, legal supports through board resolutions and legal loan and guarantee agreements.

- o Signed SFN's as supported by Byron Grote

<<...>> <<...>>
- o BPA board resolutions to support 3 dividends totaling US\$ 5.0bn to BPHNA

<<...>> <<...>>
- o BPHNA board resolution to support US\$ 5.0bn dividend to BP p.l.c.

<<...>> <<...>> <<...>>
- o Loan agreements between:

(i) BPAPC and BPA - signed agreements attached,

<<...>>

(ii) BPI and NAFCO times 2 - signed agreements attached,

<<...>> <<...>>

(iii) Guarantees between BPA and BPI times 2 - signed agreements attached,

<<...>> <<...>>

3. BPI to NAFCO fixed rate loans pricing:

In regard to the two fixed rate loans from BPI to NAFCO - the SFN's state that we would provide details of actual rates to use for 3 year loans nearer time of execution. On Friday 13th I priced the loans based on Bloomberg rates for relevant entities - the rationale is outlined in SFN's. The SFN's had provided an indicative rate of 3.6% and the actual rate has been set at 3.8283%.

Attached as evidence for US tax purposes is the screen prints from Bloomberg showing the relevant swap rate and comparable Treasury rates. Alongside this is a spreadsheet to showing the deal rates to apply incorporating the premia payable for lot size.

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4. Accounting journals:

- BPA / BPHNA / BP p.l.c. dividend financing and payment / receipt.

(i) The accounting journals as detailed in the attached two files will be booked by Finance personnel indicated.

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- BPI / NAFCO re-financing:

(i) The deal will be booked into WSS by Amanda Craddock and Stephen Vassar.

(ii) The balances will be reported on Group codes 50515ID / 65010FI between existing GRA entities

Thanks again and if you have any questions please let me know

Kind Regards
Hardev