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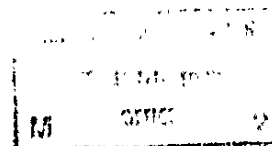
UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

AND FINANCIAL STATEMENTS

31 December 1986

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UNITED KINGDOM OIL PIPELINES LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and financial statements for the year ended 31st December 1986.

Directors

The present directors of the Company are:-

L. Baker	
M. Hodge	(alternate F Garrino)
P.J. Hughes	(appointed 2.7.87)
J. Klootwijk	
T.A. Lighting	(appointed 1.1.87)
L.P. Magrill	(alternate J.W. Baines)
R.G. Reynolds	
W.B. Smith	(alternate K. Frogley)
P.H.W. Johnson	(appointed 31.10.86) (alternate J.A.W. Bond)

The following was also a director during part of the year:-

R.W.H. Dasent resigned 31st October 1986

Unless otherwise indicated, directors (and alternates) held office at 1st January 1986. Mr J.W.R. Allnutt, Mr S.B. Birkenhead and Mr A Mack were also directors for the whole of the year. Mr Allnutt resigned from the Board on 31st December 1986, Mr Birkenhead on 30th April 1987 and Mr Mack on 2nd July 1987.

Results

The Company has not traded during the year on its own account and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared. All expenses have been met by the members of the Company.

Principal Activity

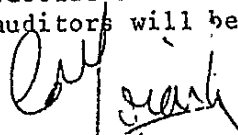
The principal activity of the Company during the year, as agents for the members, was the operation of pipeline systems for the carriage of petroleum products in the United Kingdom and activities related thereto. The directors expect the Company to continue to be engaged in the management and operation of pipeline systems for the foreseeable future.

Directors' Interests

The directors of the Company and their families had no interests in the shares of the Company at 1st January, (at date of appointment where later), or at 31st December 1986.

Auditors

Our auditors, KMG Thomson McLintock, are merging with Peat Marwick Mitchell & Co and are now practising under the name of Peat Marwick McLintock. Accordingly they have signed the audit report in their new name. A resolution concerning the appointment of Peat Marwick McLintock as auditors will be submitted to the annual general meeting.



C T D Moriarty
Secretary
3 Savoy Place
LONDON
WC2R 0DX

14th July 1987

AUDITORS' REPORT TO THE MEMBERS OF UNITED KINGDOM OIL PIPELINES LIMITED DATED
14 JULY 1987

We have audited the financial statements on pages 4 and 5 in accordance with approved Auditing Standards.

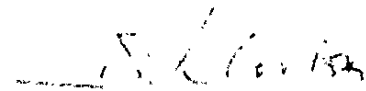
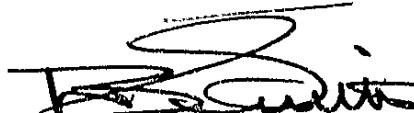
There were no transactions on revenue account during the year and in our opinion the balance sheet gives a true and fair view of the state of the Company's affairs at 31 December 1986 and has been properly prepared in accordance with the Companies Act 1985.

Peat Marwick McLintock

Peat Marwick McLintock
Chartered Accountants

UNITED KINGDOM OIL PIPELINES LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1986

<u>CURRENT ASSETS</u>	<u>1986</u>	<u>1985</u>
Cash at bank and in hand	<u>£200</u>	<u>£200</u>
 <u>CAPITAL AND RESERVES</u>		
Called up Share Capital (Note 3)	<u>£200</u>	<u>£200</u>

 Director
 Director

NOTES TO THE FINANCIAL STATEMENTS

(1) Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with Section 226 of, and Schedule 4 to, the Companies Act, 1985.

No changes in accounting policies have taken place during 1986. The Company has acted during the year ended 31st December 1986 only as agent for the members of the Company. It has not traded on its own account and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared. All expenses have been met by the members.

(2) Emoluments of Directors

None of the directors received any fees or other emoluments from the Company.

3) Share Capital

Authorised, allotted, and fully paid
Ordinary Shares of £1 each.

	31st December <u>1986</u>	31st December <u>1985</u>
BP Oil Limited	35	35
Chevron International Oil Company Limited	5	5
Mobil Oil Company Limited	30	30
Petrofina (UK) Limited	7	7
Shell U.K. Limited	93	93
Texaco Limited	28	28
Texaco Oil (U.K.) Limited	2	2
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	200	200
	=====	=====

- 4) These financial statements were approved by the Board on 14th July 1987.