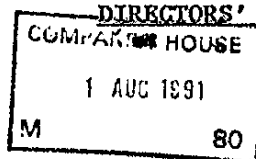


UNITED KINGDOM OIL PIPELINES LIMITED

REGISTERED IN ENGLAND NO. : 746708

DIRECTORS' REPORT AND FINANCIAL STATEMENTS



31 DECEMBER 1990

KPMG Peat Marwick McLintock
Aquis Court, 31 Fishpool Street, St Albans, Hertfordshire. AL3 4RF

UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 1990.

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 these activities for the foreseeable future.

Results

The results for the year are set out in note 2 on page 5.

Directors

The present directors of the Company are:

M R Caine	(appointed 1 February 1991)
	(alternate J Richardson appointed 1 February 1991)
F Garrino	(alternate B T Clark)
C G Harvey	
C R Hopkins	(appointed 12 November 1990)
P H W Johnson	(alternate J A W Bond)
J M T Greensmith	(appointed 25 June 1990)
L P Magrill	(alternate A Mack)
R G Reynolds	

Unless otherwise indicated, all the above named directors (and alternates) held office for the whole year. With the exception of Mr M J Carter and his alternate Mr J Richardson, the following directors resigned during 1990:

M J Carter	(resigned 1 February 1991)
	(alternate J Richardson resigned 1 February 1991)
T M Lazenby	(resigned 25 June 1990)
T A Lighting	(resigned 25 June 1990)
W B Smith	(resigned 1 April 1990)
D G Turner	(resigned 12 November 1990)

Directors' Interests

The directors of the Company and their families had no interests in the shares of the Company at 1 January, at the date of appointment where later, or at 31 December 1990.

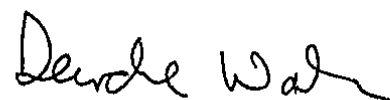
UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT (Continued)

Auditors

KPMG Peat Marwick McLintock have expressed their willingness to continue in office as Auditors and in accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as Auditors of the Company will be submitted to the Members at the forthcoming Annual General Meeting. It is also proposed that at that Meeting the Directors be authorised to fix the Auditors' remuneration.

By order of the board



Secretary

3 Savoy Place
London
WC2R 0DX

17 July 1991

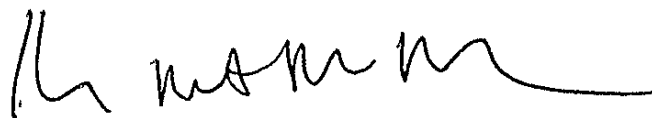
KPMG Peat Marwick McLintock

REPORT OF THE AUDITORS. KPMG PEAT MARWICK McLINTOCK.
TO THE MEMBERS OF UNITED KINGDOM OIL PIPELINES LIMITED

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

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1990 and of its result and have been properly prepared in accordance with the Companies Act 1985.

St Albans



Chartered Accountants

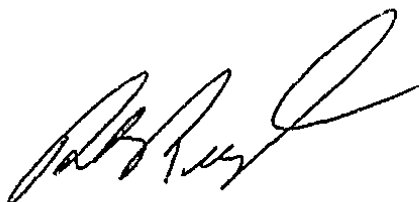
17 July 1991

UNITED KINGDOM OIL PIPELINES LIMITEDBALANCE SHEET AS AT 31 DECEMBER 1990

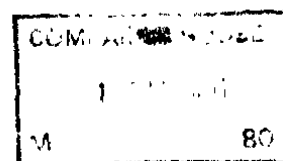
	<u>1990</u>	<u>1989</u>
<u>CURRENT ASSETS</u>		
Cash at bank and in hand	<u>£200</u>	<u>£200</u>
 <u>CAPITAL AND RESERVES</u>		
Called up Share Capital (Note 4)	<u>£200</u>	<u>£200</u>

These financial statements were approved by the directors on 17 July 1991.

Director



The notes on page 5 form part of these financial statements.



UNITED KINGDOM OIL PIPELINES LIMITEDNOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Profit and Loss Account

The Company has entered into a Participants Agreement dated 11 March 1971 with the members of the Company which governs the management and operation of the Company's pipeline systems. The Company subsequently entered into an Agency Agreement with Shell-Mex and B.P. Limited dated 11 March 1971, as amended on 19 January 1976 to transfer all rights and obligations thereto to British Pipeline Agency Limited ("BPA", a company registered in England No. 1228157) for BPA to be the Company's agent to manage, operate and carry out capital projects in relation thereto. In particular, the agency agreement specifically provides that BPA shall keep and maintain a full and proper system of accounts and records in relation to the pipeline system.

The Company is not dormant for the purposes of the Companies Act 1985. During the year ended 31 December 1990 the Company, which did not trade on its own behalf, made neither a profit nor a loss; all its net costs and expenditures were met by the members of the Company.

3. Emoluments of Directors

None of the directors received any fees or other emoluments from the Company (1990 : fNil).

4. Share Capital

Authorised allotted, and fully paid
Ordinary Shares of f1 each

	31 December 1990	31 December 1989
BP Oil UK Limited	35	35
Chevron International Oil Company Limited	5	5
Mobil Oil Company Limited	30	30
Pina plc	7	7
Shell U.K. Limited	93	93
Texaco Limited	30	30
	200	200