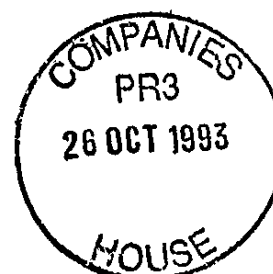


UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 1992

Registered No. 746708



UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31st December 1992.

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.

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 (see note 2).

DIRECTORS

The present directors of the Company are:

M R Caine	(alternate J Richardson resigned 13 July 1992, alternate R J Farmer appointed 14 July 1992 and resigned 15 July 1992, alternate J Richardson appointed 15 July 1992)
C G Harvey	
S J Humphries	(appointed 1 May 1992 - alternate L P Magrill appointed 14 July 1992 and resigned 1 August 1992 - alternate B Spittlehouse appointed 1 August 1992)
P W Jordan	(appointed 1 October 1992 - alternate D R Scott appointed 1 October 1992)
G J Purkis	
D R Varney	
G I Watt	(appointed 1 September 1992)
J D Williams	(appointed 5 February 1993)

Unless otherwise indicated, all the above named directors (and alternates) held office for the whole year.

The following directors resigned during 1992:

J M T Greensmit.	(resigned 31 December 1992)
C R Hopkins	(resigned 1 September 1992 - alternate J M Alhadeff resigned 1 September 1992)
P H W Johnson	(resigned 1 October 1992 - alternate J A W Bond resigned 1 October 1992)
L P Magrill	(resigned 1 May 1992 - alternate A Mack resigned 1 May 1992)

UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' interests, none of the directors of the company and their families had any interests in the shares of the company at 1st January, at the date of appointment where later, or at 31st December 1992.

AUDITORS

KPMG Peat Marwick have expressed their willingness to continue in office as Auditors and their re-appointment at the Annual General Meeting is proposed in accordance with Section 385 of the Companies Act 1985. It is also proposed that the directors be given authority to fix the Auditor's remuneration.

By order of the board



Secretary

3 Savoy Place
London WC2R 0DX

18 May 1993

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

We have audited the financial statements on pages 4 to 6 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 1992 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditors
St Albans

18 May 1993

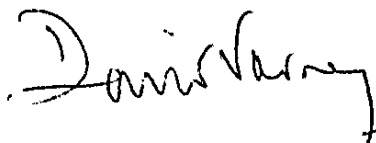
UNITED KINGDOM OIL PIPELINES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1992

	<u>Note</u>	<u>1992</u> £	<u>1991</u> £
CURRENT ASSETS			
Cash at bank and in hand		<u>200</u>	<u>200</u>
 CAPITAL AND RESERVES			
Called up share capital	4	<u>200</u>	<u>200</u>

These accounts were approved by the board
of directors on 18 May 1993, and signed on its behalf by:

Director



UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

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 BP 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 1992 the Company, which did not trade on its own account, 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.

4. CALLED UP SHARE CAPITAL

Authorised allotted called up and fully paid Ordinary Share of £1 each:	<u>31 December</u> <u>1992</u>	<u>31 December</u> <u>1991</u>
BP Oil UK Limited	35	35
Chevron International Oil Company Limited	5	5
Mobil Oil Company Limited	30	30
Fina Plc	7	7
Shell UK Limited	93	93
Texaco Limited	30	30
	<u>200</u>	<u>200</u>

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. CONTINGENT LIABILITIES

There continues to be a claim against the Company by a contractor for £108,000 for which no provision has been made as the directors believe that the claim is not supportable. In the event that the Company becomes liable for this claim, or part of it, under the terms of the Participants Agreement dated 11 March 1971, the Participants are obliged to indemnify the Company for any loss, claim, demand or expense for which the Company may be held liable.

6. CASH FLOW STATEMENT

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on grounds of its size.