



Registration of a Charge

Company name: **NEO ENERGY (UKCS) LIMITED**

Company number: **02669936**

Received for Electronic Filing: **24/07/2020**



Details of Charge

Date of creation: **23/07/2020**

Charge code: **0266 9936 0009**

Persons entitled: **BNP PARIBAS (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

HERBERT SMITH FREEHILLS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2669936

Charge code: 0266 9936 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd July 2020 and created by NEO ENERGY (UKCS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th July 2020 .

Given at Companies House, Cardiff on 27th July 2020

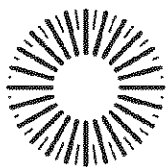
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



HERBERT
SMITH
FREEHILLS

Execution version

.....23 July. 2020

THE COMPANIES LISTED IN SCHEDULE 1

each as a Chargor

and

BNP PARIBAS

as the Security Agent

COMPOSITE DEBENTURE

Herbert Smith Freehills LLP

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THIS DEED (the "**Deed**") is made on 23 July 2020

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 (*The Chargors*) as chargors (each as a "**Chargor**"); and
- (2) **BNP PARIBAS** as security agent and trustee for itself and each of the other Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

- 1.1.1 Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

"Account Proceeds" means, in relation to each Chargor, all amounts (including interest) from time to time standing to the credit of any of the Revenue Accounts of such Chargor and the debts represented thereby and includes all renewals and extensions thereof.

"Administrator" means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the affairs, business and property of any Chargor.

"Agent" has the meaning given to that term in the Senior Facilities Agreement.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Buyer" means Petrogas NEO UK Ltd, a company registered under the laws of England and Wales with company number 12086835.

"Buyer Transfer" has the meaning given to that term in the Senior Facilities Agreement.

"Cash Collateral Account" has the meaning given to that term in the Senior Facilities Agreement.

"Charged Assets" means the assets mortgaged, charged or assigned pursuant to Clauses 3 (*Fixed Security*) and 4.1 (*Creation of Floating Charge*) of this Deed.

"Closing Date" has the meaning given to that term in the Senior Facilities Agreement.

"Company" means NEO Energy Group Limited, a company registered in Scotland with registration number SC470677 whose registered office is at The Silver Fin Building (8th Floor), 455 Union Street, Aberdeen, United Kingdom, AB11 6DB.

"ECL" has the meaning given to that term in the Senior Facilities Agreement.

"ECL Proceeds Account" has the meaning give to that term in the Senior Facilities Agreement.

"Enforcement Date" means the earliest to occur of:

- (a) the date on which a notice is issued under clause 27.23 (*Acceleration*) of the Senior Facilities Agreement;
- (b) the date on which a notice is issued under clause 19.16 (*Acceleration*) of the Junior Facility Agreement; and

- (c) any event or circumstance referred to in paragraph (c) of the definition of Event of Default in the Intercreditor Agreement has occurred and is continuing.

"Floating Charge Assets" means the assets subject to the floating charge under Clause 4.1 (*Creation of Floating Charge*).

"HV Eta Loan Agreement" has the meaning given to that term in the Senior Facilities Agreement.

"Hydrocarbon Assets" has the meaning given to that term in the Senior Facilities Agreement.

"Insurance Proceeds" means all monies from time to time payable to any Chargor under or pursuant to the Insurances, including the refund of any premiums.

"Insurances" means all contracts and policies of insurance of any kind which have been taken out by a Chargor or will be taken out by a Chargor pursuant to the terms of the Debt Documents or (to the extent of its interest) in which a Chargor has an interest and any related policies of re-insurance.

"Intercompany Loans" means any loan or other indebtedness from time to time owing from any member of the Group to a Chargor.

"Intercreditor Agreement" means the intercreditor agreement dated on or around the date of this Deed and made between, among others, (1) NEO Energy Group Limited as the company, (2) the other Chargors and (3) the Security Agent.

"LPA" means the Law of Property Act 1925.

"Party" means a party to this Deed.

"Permitted Security" has the meaning given to that term in the Senior Facilities Agreement.

"Receiver" means any person appointed by the Security Agent to be a receiver or receiver and manager or administrative receiver of any property subject to the security created by this Deed.

"Related Investment Rights" means all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to any Shares and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of Shares.

"Related Property Rights" means, where used in relation to a particular property, asset (or class of assets) or right, the following:

- (a) the proceeds of sale and/or other realisation of that property, asset (or class of assets) or right (or any part thereof or interest therein);
- (b) all Security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such property, asset (or class of assets) or right; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such property or asset.

"Revenue Accounts" has the meaning given to that term in the Senior Facilities Agreement.

"Security Period" means the period from the date of this Deed until the Final Discharge Date.

"Shares" means all share capital owned by a Chargor from time to time of:

- (a) NEO Energy Enterprises Limited, being, as the date of this Deed, zero shares;
- (b) NEO Energy (UKCS) Limited, being, as the date of this Deed, 342,206,520 ordinary shares of £1 each, legally and beneficially owned by NEO Energy Upstream UK Limited;
- (c) NEO Energy (Production) Limited, being, as the date of this Deed, two ordinary shares of £0.001 each, legally and beneficially owned by NEO Energy (SNS) Limited; and
- (d) the Buyer, being, as at the date of this Deed, zero and, as at completion of the Buyer Transfer, 100 ordinary shares of £1 each, legally and beneficially owned by NEO Energy Upstream UK Limited; and
- (e) NEO Energy Exploration UK Limited, being as at the date of this Deed, 2,103,427 ordinary shares of £1 each, legally and beneficially owned by NEO Energy Group Limited,

and, in each case, all Related Investment Rights and Related Property Rights in respect thereof.

"Utilisation Date" has the meaning given to that term in the Senior Facilities Agreement.

- 1.1.2 Unless a contrary intention appears, words defined in the Companies Act 2006 have the same meanings in this Deed.

1.2 Construction and Third Party Rights

- 1.2.1 Unless a contrary indication appears, any reference in this Deed to:
 - (A) the singular includes the plural and vice versa;
 - (B) the **"Security Agent"**, any **"Debtor"** or any **"Secured Party"** shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
 - (C) **"assets"** includes present and future properties, revenues and rights of every description;
 - (D) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (E) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (F) a provision of law is a reference to that provision as amended or re-enacted;
 - (G) a Clause or a Schedule is a reference to a clause of or schedule to this Deed;
 - (H) this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
 - (I) another agreement shall be construed as a reference to such agreement as the same may have been modified, extended, amended, varied or supplemented or novated from time to time;

- (J) references to any form of property or asset (including a Charged Asset) shall include a reference to all or any part of that property or asset); and
- (K) the word "**including**" is without limitation.

1.2.2 Clause and Schedule headings are for ease of reference only.

1.2.3 The words "**other**", "**or otherwise**" and "**whatsoever**" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

1.2.4 The rights expressly conferred on each of the Secured Parties and each officer of the Security Agent or a Receiver under this Deed are enforceable by each of them under the Contracts (Rights of Third Parties) Act 1999.

1.2.5 No other term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by anyone who is not a party to this Deed save as otherwise permitted pursuant to this Deed.

1.3 **Joint and Several**

The obligations of the Chargors under this Deed are joint and several.

1.4 **Implied Covenants for Title**

The obligations of each Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

1.5 **Effect as a deed**

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

1.6 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Charged Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Debt Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

1.7 **Security Trust Provisions**

The Security Agent holds the benefit of this Deed on trust for the Secured Parties in accordance with clause 16 (*The Security Agent*) of the Intercreditor Agreement.

1.8 **Intercreditor Agreement**

This Deed is subject to the terms of the Intercreditor Agreement.

2. **COVENANTS TO PAY**

2.1 **Covenant to Pay Secured Obligations**

Each Chargor covenants that it shall on demand pay or discharge the Secured Obligations in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such Secured Obligations are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to a Secured Party or purchased (whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

2.2 **Potential Invalidity**

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Obligations*) nor the obligation to pay interest pursuant to Clause 2.3 (*Interest*) nor the security created by this Deed shall extend to or include any liability or sum which would, but for this Clause 2.2, cause such covenant, obligation or security to be unlawful under any applicable law.

2.3 **Interest**

2.3.1 Each Chargor hereby agrees to pay to the Security Agent, in respect of any amount demanded from it in accordance with this Deed (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between the relevant Chargor and the relevant Secured Party), interest from first demand by the Security Agent of the relevant Chargor:

- (A) at the rate of interest payable or deemed to be payable by the relevant Chargor in respect of the amount demanded as calculated and compounded in accordance with any agreement between the relevant Secured Party and the relevant Chargor with respect to such amount; or
- (B) failing such agreement, at the rate per annum which is two per cent. (2%) per annum above the interest cost to the relevant Secured Party (as conclusively determined by that Secured Party) of funding the amount demanded, such interest being calculated daily on the basis of a 360 day year and compounded at monthly intervals.

2.3.2 Such interest shall accrue due on a daily basis from the demand by the Security Agent until actual payment by the relevant Chargor (both before and after any further demand or judgment or the liquidation of such Chargor).

3. **FIXED SECURITY**

3.1 **Creation of fixed security**

Each Chargor charges to the Security Agent by way of fixed charge with full title guarantee (but subject to the Permitted Security) and as a continuing security for the payment and discharge of the Secured Obligations all of that Chargor's rights to and title and interest from time to time in any and each of the following:

- 3.1.1 all Account Proceeds;
- 3.1.2 the Shares;
- 3.1.3 (to the extent not effectively assigned under Clause 3.2 (*Assignments*)), the Insurances to which it is a party and the Insurance Proceeds related thereto;
- 3.1.4 (to the extent not effectively assigned under Clause 3.2 (*Assignments*)), the Hedging Agreements to which it is a party and all Related Property Rights relating thereto; and
- 3.1.5 (to the extent not effectively assigned under Clause 3.2 (*Assignments*)), the Intercompany Loans to which it is a party and all Related Property Rights relating thereto.

3.2 **Assignments**

Each Chargor assigns to the Security Agent with full title guarantee (but subject to the Permitted Security) as a continuing security for the payment and discharge of the Secured Obligations all of that Chargor's rights to and title and interest from time to time in:

- 3.2.1 each Hedging Agreement to which it is a party and all Related Property Rights relating thereto;
- 3.2.2 the Insurances to which it is a party (subject to obtaining any necessary consent to such assignment from any third party) and the Insurance Proceeds relating thereto; and
- 3.2.3 the Intercompany Loans to which it is a party and all Related Property Rights relating thereto.

3.3 **Preservation of fixed charge**

Without prejudice to Clause 3.1 (*Creation of fixed security*) and Clause 3.2 (*Assignments*), if, pursuant to clause 22 (*Project Accounts*) of the Senior Facilities Agreement, a Chargor is entitled to withdraw the proceeds of any book and other debts standing to the credit of a Revenue Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clauses 3.1 (*Creation of fixed security*) and 3.2 (*Assignments*), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of that Chargor and the proceeds of those debts.

4. **FLOATING CHARGE**

4.1 **Creation of Floating Charge**

- 4.1.1 Subject to Clause 4.4 (*Excluded Assets*), each Chargor charges to the Security Agent by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations all of its rights to and title and interest from time to time in the whole of its property, assets, rights and revenues, whatsoever and wheresoever, present and future (including but not limited to, its heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland), other than any property, assets, rights and revenues validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (*Creation of fixed security*) or 3.2 (*Assignments*).
- 4.1.2 The floating charge hereby created is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 4.1.3 Without prejudice to Clause 4.1.2 the Security Agent reserves its rights to appoint an administrative receiver on and following the occurrence of the Enforcement Date in accordance with sections 72B to H (inclusive) of the Insolvency Act 1986.
- 4.1.4 Notwithstanding any other provision of this Deed, the Security Agent and the Secured Parties' rights under this Deed are, in relation to any current or future joint operating agreements in respect of Hydrocarbon Assets to which any Chargor is a party, subject to and without prejudice to the rights of any joint operating parties thereto (other than the relevant Chargor), but only to the extent that the joint operating agreement in question obliges such Chargor to include a provision such as this Clause 4.1.4 in a security document such as this Deed.

4.2 **Automatic Crystallisation of Floating Charge**

Notwithstanding anything express or implied in this Deed, and without prejudice to any law which may have similar effect, if:

- 4.2.1 any Chargor creates or attempts to create any Security (other than a Permitted Security) over all or any of the Charged Assets without the prior consent of the Security Agent; or

- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets; or
- 4.2.3 a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of a Chargor; or
- 4.2.4 an Administrator is appointed with respect to any Chargor or any of its assets or any step intended to result in such appointment is taken,

then the floating charge created by that Chargor under Clause 4.1 (*Creation of Floating Charge*) will automatically (without notice) be converted into a fixed charge as regards all of the assets subject to the floating charge.

4.3 **Crystallisation on Notice of Floating Charge**

Notwithstanding anything express or implied in this Deed, the Security Agent may at any time:

- 4.3.1 following the occurrence of the Enforcement Date; or
- 4.3.2 if the Security Agent considers in good faith that any of the Charged Assets are in danger of being seized or sold as a result of any legal process, are otherwise in jeopardy or the Security Agent reasonably believes that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding up of the relevant Chargor,

by giving notice in writing to that effect to the relevant Chargor convert the floating charge created by that Chargor under Clause 4.1 (*Creation of Floating Charge*) into a fixed charge as regards any assets specified in such notice. The conversion shall take effect immediately upon the giving of the notice.

Clauses 4.2 and 4.3 shall not apply to heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland.

4.4 **Excluded Assets**

- 4.4.1 To the extent that any Floating Charge Asset contains any prohibition or restriction on the ability of any Chargor to create any Security over it or its rights and/or interests in such Floating Charge Asset (each, an “**Excluded Asset**”), the Security created by Clause 4.1 (*Creation of Floating Charge*) will include and extend only to all amounts which any Chargor may receive, or has received, under that Excluded Asset but shall not extend to and shall exclude that Excluded Asset itself and any Chargor’s rights and/or interests under such Excluded Asset.
- 4.4.2 The Security created by Clause 4.1 (*Creation of Floating Charge*) shall not include or extend to the Company’s rights to and title and interest from time to time in the ECL, the ECL Proceeds Account, any Cash Collateral Account or the HV Eta Loan Agreement.

5. **FURTHER ASSURANCE**

- 5.1 Each Chargor must promptly upon request by the Security Agent execute (in such form as the Security Agent may reasonably require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Security Agent or its nominees and do all such assurances and things as the Security Agent may reasonably require for:
 - 5.1.1 perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by this Deed;

- 5.1.2 conferring upon the Security Agent such security as it may require over the assets of that Chargor outside of England and Wales which if in England or Wales would form part of or be intended to form part of the Charged Assets;
 - 5.1.3 facilitating, at any time on or after the occurrence of the Enforcement Date, the realisation of all or any part of the assets of that Chargor; and
 - 5.1.4 exercising all powers, authorities and discretions conferred on the Security Agent or any Receiver pursuant to this Deed or by law.
- 5.2 Each Chargor shall, at any time, promptly upon request, execute over all or any of the Charged Assets, a charge by way of legal mortgage or legal sub-mortgage or legal assignment, as the case may be, in favour of the Security Agent in such form as the Security Agent shall require.
- 5.3 Each Chargor shall take all such action as may be available to it for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Deed including the obtaining of any necessary consent (in form and content satisfactory to the Security Agent) to enable its assets to be mortgaged, charged or assigned pursuant to this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Deed. The relevant Chargor shall promptly deliver a copy of each such consent to the Security Agent.

6. **GENERAL UNDERTAKINGS WITH RESPECT TO CHARGED ASSETS**

- 6.1 Each Chargor undertakes to the Security Agent with respect to the Charged Assets that:
- 6.1.1 **Negative Pledge**

it shall not, except as expressly permitted by the Senior Facilities Agreement and the Junior Facility Agreement, create or attempt to create or permit to subsist or arise any Security on, over or affecting the Charged Assets or any part of them;
 - 6.1.2 **Disposals**

it shall not dispose of the Charged Assets or any part of them or agree so to do except in the case of disposals which are permitted by the Senior Facilities Agreement and the Junior Facility Agreement or the Intercreditor Agreement and for these purposes the term "disposal" shall include any form of disposal of any interest in any asset including any conveyance, transfer, lease, assignment, sale, novation, right to use or occupy, surrender, declaration of trust or the creation of any other form of legal or equitable interest in or over any asset or any option in respect of any of the foregoing;
 - 6.1.3 **Subsequent Charges**

subject to Clause 6.1.1 (*Negative Pledge*), it shall procure that any Security created by each Chargor after the date of this Deed (otherwise than in favour of the Security Agent) shall be expressed to be subject to this Deed;
 - 6.1.4 **Deposit of Title Documents**

at the request of the Security Agent, it shall deposit with the Security Agent or its nominee the deeds and documents of title relating to the Charged Assets;
 - 6.1.5 **Prejudicial Action**

it shall not do or cause or permit to be done anything which would reduce, jeopardise or otherwise prejudice the value to the Security Agent of the Charged Assets or otherwise adversely affect the interests of the Security Agent in respect of the Charged Assets, in each case, in any material respect;

6.1.6 Maintaining Charged Assets

unless otherwise permitted by the Debt Documents, it shall not agree to alter the terms of, or terminate, any Hedging Agreement, Intercompany Loan or Insurance or waive its rights under such agreement in any way that would adversely affect the interests of the Security Agent without the consent of the Security Agent; and

6.1.7 Notification of adverse effect

it will notify the Security Agent as soon as it becomes aware of any matter which might reasonably be expected to have a material adverse effect on the rights of the Security Agent under the Charged Assets.

6.2 Notices of Charge and/or Assignment

6.2.1 In relation to any Intercompany Loan or Hedging Agreement, and subject to Clause 6.2.2 each Chargor shall:

(A)

- (1) on the date of this Deed; and
- (2) (in the event that any Chargor enters into any Intercompany Loan or Hedging Agreement after the date of this Deed) as soon as reasonably practicable and in any event by no later than one Business Day after entry into of such Intercompany Loan or Hedging Agreement (as the case may be),

deliver to the Security Agent and serve on each counterparty to an Intercompany Loan or Hedging Agreement (as the case may be) and any relevant counterparty as required by the Security Agent (each, a "counterparty") a notice of assignment or charge in respect of the security created over that Intercompany Loan or Hedging Agreement (as the case may be) under this Deed, in a form substantially similar to that contained in Schedule 2 (*Form of Notice for Intercompany Loans and Hedging Agreements*) or such other form as the Security Agent may require (acting reasonably); and

(B) use its reasonable endeavours to procure that each such notice is acknowledged by the relevant counterparty.

6.2.2 This Deed constitutes notice in writing by each Chargor to each other Chargor of the assignment or charge in respect of the security created over any Intercompany Loans in existence on the date of this Deed and acknowledgement of such notice by each other Chargor.

6.2.3 In relation to any Insurance, each Chargor shall:

(A)

- (1) promptly and in any event by no later than two Business Days from the date of this Deed; and
- (2) (in the event that any Chargor enters into any Insurance after the date of this Deed) as soon as practicable and in any event by no later than five Business Days after the date of entry into such Insurance,

deliver to the Security Agent and serve on each provider of Insurance and any relevant counterparty as required by the Security Agent (each, an "insurance counterparty") a notice of assignment or charge in respect of the security created over the Insurances under this Deed, substantially

in the form of Schedule 3 (*Form of Notice for Insurance*) or such other form agreed by the Security Agent (acting reasonably); and

- (B) use its reasonable endeavours to procure that each such notice is acknowledged by the relevant insurance counterparty.

7. UNDERTAKINGS AS TO SHARES

7.1 Deposit of title documents

7.1.1 Each Chargor who is or becomes the beneficial or registered owner of any Shares shall:

- (A) in the case of any Shares that such Chargor is the beneficial or registered owner of on the date of this Deed, on the date of this Deed; and
- (B) in the case of any Shares that such Chargor becomes the beneficial or registered owner of after the date of this Deed, on the date it becomes the beneficial or registered owner of those Shares,

deposit with the Security Agent or its nominee:

- (1) all share certificates and documents of, or evidencing, title or the right to title relating to the Shares;
- (2) stock transfer forms or other instruments of transfer relating to the Shares duly completed to the Security Agent's satisfaction; and
- (3) such other documents as the Security Agent may require from time to time for the purpose of perfecting its title to the Shares or for the purpose of vesting the same in itself, its nominee or any purchaser or presenting the same for registration at any time.

7.1.2 NEO Energy Upstream UK Limited shall, on the day it becomes the beneficial or registered owner of any Shares of the Buyer, provide to the Security Agent a copy of the register of members of the Buyer reflecting its holding of all of the Shares of the Buyer.

7.2 Registration of transfers

If required by the Security Agent at any time after the Security granted under this Deed has become enforceable, each Chargor shall procure that all Shares which are in registered form are duly registered in the name of the Security Agent or its nominee once a transfer relating to those Shares is presented for that purpose.

7.3 Calls

Each Chargor undertakes that it shall duly and promptly pay all calls, instalments or other payments which may be due and payable in respect of any Shares and, for the avoidance of doubt, no Secured Party shall incur any liability in respect of any amounts due from that Chargor in respect of any Shares.

7.4 Dividends

On and from the Enforcement Date, the Security Agent (or its nominee) shall be entitled to receive all dividends or other monies which may be paid or payable in respect of the Shares. Each Chargor shall, to the extent that such dividends or other monies have not been paid directly to the Security Agent (or its nominee), take all steps as may be required to ensure that such dividends or other monies are paid to the Security Agent (or its nominee). In any event, any such dividends or other monies received by a Chargor shall,

on and after the Enforcement Date, be held on trust by that Chargor for the Security Agent (or its nominee) and shall be paid to the Security Agent (or its nominee).

7.5 Voting Rights and Other Matters

- 7.5.1 Prior to the Enforcement Date and save as otherwise provided in this Clause 7.5, each Chargor shall exercise or direct the exercise of all voting rights and corporate powers (and the same shall accrue to the Chargor) in respect of the Shares provided that:
- (A) it does so for a purpose not inconsistent with any Debt Document or that would breach the terms of any Debt Document; and
 - (B) the exercise or failure to exercise those rights could not have an adverse effect on the validity or enforceability of the Security created hereunder or cause an Event of Default to occur.
- 7.5.2 Each Chargor shall not, without the prior written consent of the Security Agent, permit or agree to any variation of the rights attaching to or conferred by any of the Shares in any respect which would be expected to materially and adversely affect the interests of the Secured Parties, participate in any rights issue, elect to receive or vote in favour of receiving any dividends or other distributions other than in the form of cash or participate in any vote concerning a members voluntary winding-up or a compromise or arrangement pursuant to sections 895-901 of the Companies Act 2006.
- 7.5.3 At any time on or after the Enforcement Date, the Security Agent may in such manner and on such terms as it sees fit (in the name of the relevant Chargor or otherwise and without the need for further consent from any Chargor):
- (A) exercise (or refrain from exercising) any voting rights in respect of the Shares; and/or
 - (B) apply all dividends and other monies arising from the Shares in accordance with Clause 17 (*Application of Monies Received under this Deed*); and/or
 - (C) without prejudice to any other provision of this Deed, transfer the Shares into the name of a nominee or transferee of the Security Agent as the Security Agent may require; and/or
 - (D) exercise (or refrain from exercising) all or any of the powers and rights conferred upon or exercisable by the legal or beneficial owner of the Shares.

7.6 Liability of Security Agent

Each Chargor agrees with the Security Agent that no Secured Party nor any nominee will have any liability for:

- 7.6.1 failing to present any coupon or other document relating to any of the Shares;
- 7.6.2 accepting or failing to accept any offer relating to any of the Shares;
- 7.6.3 failing to attend or vote at any meetings relating to any of the Shares;
- 7.6.4 failing to notify any Chargor of any matters referred to in this Clause 7.6 or of any communication received by a Secured Party in relation to any of the Shares; or

- 7.6.5 any loss arising out of or in connection with the exercise or non-exercise of any rights or powers attaching or accruing to the Shares or which may be exercised by the Security Agent or any nominee of the Security Agent under this Deed (whether or not on sale or other realisation of the Shares a better price could have or might have been obtained by either deferring or advancing the date of sale or realisation or otherwise).

7.7 Nominees

Each Chargor represents and warrants that it has not and undertakes that it shall not appoint any nominee to exercise or enjoy all or any of its rights in relation to the Shares.

7.8 Register of members

Each Chargor shall procure that, during the Security Period, no company whose shares are subject to the Security purported to be created under this Deed keeps information in respect of its members on the central register kept by the Registrar at Companies House.

7.9 Share capital

7.9.1 Subject to Clause 7.9.2, each Chargor will not permit, and no Debtor over whose shares Security is granted pursuant to any Transaction Security Document shall:

- (A) purchase, reduce, cancel, repay, redeem, subdivide, consolidate or reclassify any of its share capital;
- (B) issue any shares or grant or allow to subsist any right (including options, warrants or convertible securities) to acquire or be issued any of its shares other than in favour of the person which has entered into the relevant Transaction Security Document;
- (C) alter the nature of, or any rights attaching to, any of its shares in a manner which would be adverse to the interests of the Secured Parties; or
- (D) take any step having an analogous effect to any of the steps described in paragraphs (A) to (C) above.

7.9.2 Clause 7.9.1 shall not apply at any time:

- (A) to the issuance of additional shares in the Company, or the transfer of shares in the Company, to members of the management of the Group; and
- (B) to the creation of one or more classes of shares in connection with the issuance or transfer of shares pursuant to paragraph (A) above (if required),

in each case, provided that:

- (1) the Company notifies the Agent of any such issuance or transfer on the date of issuance or transfer;
- (2) following such issuance or transfer the aggregate number of shares in the Company held by members of the management of the Group does not exceed 5% of the issued share capital of the Company taking into account any such shares pledged to the Security Agent pursuant to the Transaction Security Documents; and
 - (a) promptly following the date on which such shares are issued or transferred and, in any event no later than (i) 10 Business Days following the date of issuance or (ii) 20 Business Days following the date of transfer of the relevant shares (or, in each case, such longer period as

may be agreed between the Company and the Agent (acting on the instructions of the Majority Lenders):

- (i) each member of management to whom shares have been issued or transferred enters into a Transaction Security Document (in form and substance satisfactory to the Security Agent) for the purposes of creating Security over its shares in favour of the Security Agent;
- (ii) the Company delivers to the Security Agent, or procures the delivery to the Security Agent of, any legal opinion or other document that the Security Agent may reasonably require in connection with the entry into of such Transaction Security Document; and
- (iii) without prejudice to clause 26.15 (*Transaction Security Documents and Further Assurance*) of the Senior Facilities Agreement, the Company obtains all such Authorisations as may be necessary in order for such Security to be granted.

7.10 **Winding up meeting**

Each Chargor will not convene a meeting of the relevant Debtor (over whose shares Security is granted) with a view to passing a resolution that the relevant Debtor (over whose shares Security is granted) be wound up.

8. **UNDERTAKINGS AS TO ACCOUNT PROCEEDS**

8.1 **Account Proceeds: Position before Default**

Before the Enforcement Date, each Chargor shall (subject to any restrictions in the Debt Documents preventing the withdrawal of the same) be entitled to withdraw any credit amount referred to in the definition of Account Proceeds from any relevant account.

8.2 **Account Proceeds: Position after Default**

After the Enforcement Date, no Chargor shall be entitled to be paid, withdraw or otherwise transfer any credit amount referred to in Clause 8.1 (*Account Proceeds: Position before Default*) except with the prior written consent of the Security Agent.

9. **RIGHTS OF THE SECURITY AGENT**

9.1 **Enforcement**

At any time on or after the Enforcement Date, the security created pursuant to this Deed shall be immediately enforceable and the Security Agent may in its absolute discretion and without notice to any Chargor or the prior authorisation of any court:

- 9.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Charged Assets in each case at such times and upon such terms as it sees fit; and
- 9.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
 - (A) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
 - (B) granted to a Receiver by this Deed or from time to time by law.

9.2 **Restrictions on Consolidation of Mortgages**

Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Security Agent shall have the right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by the Security Agent at any time on or after the Enforcement Date.

9.3 **Restrictions on Exercise of Power of Sale**

Section 103 of the LPA shall not apply to this Deed and the power of sale arising under the LPA shall arise on the date of this Deed (and the Secured Obligations shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Security Agent at any time on or after the Enforcement Date.

9.4 **Leasing Powers**

The restrictions contained in sections 99 to 100 of the LPA shall not apply to restrict the rights of the Security Agent or any Receiver under this Deed. The statutory powers of leasing may be exercised by the Security Agent upon and following the Enforcement Date and the Security Agent and any Receiver may make any lease or agreement for lease and/or accept any surrenders of leases and/or grant options on such terms as it sees fit without the need to comply with the aforementioned restrictions.

9.5 **No Prior Notice Needed**

The powers of the Security Agent set out in Clauses 9.2 (*Restrictions on Consolidation of Mortgages*) to 9.4 (*Leasing Powers*) may be exercised by the Security Agent without prior notice to any Chargors.

9.6 **Right of Appropriation**

9.6.1 Without prejudice to the other provisions of this Deed, to the extent that any of the Charged Assets constitute "financial collateral", and this Deed and the obligations of the Chargors hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")), the Security Agent shall at any time on or after the Enforcement Date have the right to appropriate all or any part of those Charged Assets in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of any such Charged Assets so appropriated shall be the market price of such Charged Assets at the time the right of appropriation is exercised as determined by the Security Agent by reference to such method or source of valuation as the Security Agent may select, including by independent valuation. The parties agree that the methods or sources of valuation provided for in this Clause or selected by the Security Agent in accordance with this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

9.6.2 The Security Agent shall notify each Chargor as soon as reasonably practicable of the exercise of its right of appropriation as regards such of the Charged Assets as are specified in such notice.

10. **CONTINUING SECURITY AND OTHER MATTERS**

10.1 This Deed shall be a continuing security and shall not be discharged by any intermediate payment or satisfaction of the whole or any part of the Secured Obligations.

10.2 If any purported obligation or liability of any Debtor to a Secured Party which, if valid, would have been the subject of any obligation created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to any Secured Party, each Chargor shall nevertheless be liable in respect of that purported obligation or liability

as if the same were fully valid and enforceable and each Chargor was the principal debtor in respect thereof. Each Chargor hereby agrees to keep each Secured Party fully indemnified against all damages, losses, costs and expenses arising from any failure of any Debtor to carry out any such purported obligation or liability.

- 10.3 If any discharge, release or arrangement (whether in respect of the obligations of a Debtor or any security for those obligations or otherwise) is made by the Security Agent in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.
- 10.4 The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 10.4, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to any Secured Party) including:
 - 10.4.1 any time, waiver or consent granted to, or composition with, a Debtor or other person;
 - 10.4.2 the release of a Debtor or any other person under the terms of any composition or arrangement with any creditor of any person;
 - 10.4.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, each Chargor, a Debtor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - 10.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
 - 10.4.5 any amendment (however fundamental) or replacement of a Facility Agreement or any other document or security;
 - 10.4.6 any unenforceability, illegality or invalidity of any obligation of any person under a Facility Agreement or any other document or security; or
 - 10.4.7 any insolvency or similar proceedings.
- 10.5 Each Chargor waives any right it may have of first requiring any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of the Debt Documents to the contrary.
- 10.6 If a Chargor does not comply with its obligations under this Deed, the Security Agent may do so on that Chargor's behalf on such basis as the Security Agent may reasonably decide. Each Chargor will indemnify the Security Agent on demand against the amount certified by the Security Agent to be the cost, loss or liability suffered by it as a result of doing so.

11. DEFERRAL OF RIGHTS

- 11.1 Until the Security Period has ended, each Secured Party (or any trustee or agent on its behalf) may:
 - 11.1.1 refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and each Chargor shall not be entitled to the benefit of the same; and
 - 11.1.2 hold in an interest-bearing suspense account any money received from each Chargor or on account of each Chargor's liability under this Deed.

- 11.2 Unless the Security Agent otherwise directs, each Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or enforcement of the Security created by this Deed:
- 11.2.1 to be indemnified by a Debtor (including any rights it may have by way of subrogation);
 - 11.2.2 to claim any contribution from any guarantor of a Debtor's obligations under the Debt Documents;
 - 11.2.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent or any of the other Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents;
 - 11.2.4 to bring legal or other proceedings for an order requiring a Debtor to make any payment, or perform any obligation, in respect of which a Chargor has given a guarantee, undertaking or indemnity under this Deed;
 - 11.2.5 to claim, rank, prove or vote as a creditor of a Debtor or its estate in competition with the Security Agent or any of the other Secured Parties; and/or
 - 11.2.6 to exercise or claim any right of set off or counterclaim against a Debtor or any other person liable for any of the Secured Obligations or claim or prove in competition with the Secured Parties in the bankruptcy, administration, liquidation or any other analogous procedure of a Debtor or any other person liable or have the benefit of, or share in, any payment from or composition with, a Debtor or any other person liable or any other Security now or hereafter held by the Secured Parties for any of the Secured Obligations or for the obligations or liabilities of any other person liable but so that, if so directed by the Security Agent, it will prove for the whole or any part of its claim in the liquidation, administration, bankruptcy or any other analogous procedure of a Debtor on terms that the benefit of such proof and of all of the money received by it in respect thereof shall be held on trust for the Secured Parties and applied in or towards discharge of the Secured Obligations in such manner as the Security Agent shall deem appropriate.
- 11.3 If a Chargor fails to claim or prove in the liquidation, administration, bankruptcy or any other analogous procedure of a Debtor promptly upon being directed to do so by the Security Agent as contemplated by Clause 11.2.5 or Clause 11.2.6:
- 11.3.1 the Security Agent may, and is irrevocably authorised on behalf of each Chargor to, file any claims or proofs in such liquidation, administration, bankruptcy or other analogous procedure on its behalf; and
 - 11.3.2 the trustee in bankruptcy, liquidator, assignee or other person distributing the assets of that Debtor or their proceeds is directed to pay distributions on the obligations or liabilities of that Debtor direct to the Security Agent on behalf of the Secured Parties until the Secured Obligations have been irrevocably paid in full.
- 11.4 Each Chargor shall hold on trust for and immediately pay or transfer to the Security Agent any payment or distribution or benefit of security received by it contrary to this Clause 11 or in accordance with any directions given by the Security Agent under Clause 11.2.
- 11.5 This Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

12. **EXONERATION**

12.1 **Exoneration**

No Secured Party shall, nor shall any Receiver, by reason of it or the Receiver entering into possession of the Charged Assets or any part thereof, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable; but every Receiver duly appointed by the Security Agent under this Deed shall for all purposes be deemed to be in the same position

as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions of this Deed shall prevail and every such Receiver and the Security Agent shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

12.2 Indemnity

The Security Agent and every Receiver, attorney, delegate, manager, agent or other person appointed by the Security Agent hereunder shall be entitled to be indemnified out of the Charged Assets or any part thereof in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Assets or any part of them. The Security Agent and any such Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Deed.

13. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

13.1 Appointment

13.1.1 At any time on or after the Enforcement Date, or at the request of a Chargor or its directors, the Security Agent may, without prior notice to any Chargor, in writing (under seal, by deed or otherwise under hand) appoint:

- (A) a Receiver in respect of the Charged Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his stead; or
- (B) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.

13.1.2 Nothing in Clause 13.1.1 shall restrict the exercise by the Security Agent of any one or more of the rights of the Security Agent under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.

13.2 More than one Receiver

Where more than one Receiver is appointed, each joint Receiver shall have the power to act severally, independently of any other joint Receiver, except to the extent that the Security Agent may specify to the contrary in the appointment.

13.3 Receiver as agent

A Receiver shall be the agent of any relevant Chargor which shall be solely responsible for his acts or defaults and for his remuneration. No Receiver shall at any time act as agent of any Secured Party.

13.4 Receiver's Remuneration

A Receiver shall be entitled to remuneration for his services at a rate to be determined by the Security Agent from time to time (and without being limited to any maximum rate specified by any statute or statutory instrument).

13.5 Actions of the Administrator

Save as provided for in statute or as otherwise agreed in writing by that Secured Party, no Secured Party shall have any liability for the acts or omissions of an Administrator.

14. RECEIVER'S POWERS

14.1 Powers

A Receiver shall have (and be entitled to exercise) in relation to the Charged Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- 14.1.1 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 14.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 14.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which any relevant Chargor itself could do or omit to do; and
- 14.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, any relevant Chargor; the collection and/or realisation of Charged Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of any relevant Chargor (whether under hand, or by way of deed or by utilisation of the company seal of that Chargor).

14.2 Powers may be Restricted

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Security Agent) appointing him but they shall not be restricted by any winding-up or dissolution of any relevant Chargor.

15. PROTECTION OF PURCHASERS

15.1 Absence of Enquiry

No person or persons dealing with the Security Agent or any Receiver appointed by it shall be concerned to enquire whether any event has happened upon which any of the powers in this Deed are or may be exercisable or otherwise as to the propriety or regularity of any exercise of such powers or of any act purporting or intended to be an exercise of such powers or whether any amount remains secured by this Deed. All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Security Agent or any such Receiver.

15.2 Receipt: Conclusive Discharge

The receipt of the Security Agent or any Receiver shall be a conclusive discharge to any purchaser of the Charged Assets.

16. POWER OF ATTORNEY AND DELEGATION

16.1 Power of Attorney: General

Each Chargor hereby irrevocably and by way of security appoints the Security Agent and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed:

- 16.1.1 to execute and deliver any documents or instruments which the Security Agent or such Receiver may require for perfecting the title of the Security Agent to the Charged Assets or for vesting the same in the Security Agent, its nominee or any purchaser;

- 16.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which that Chargor is required to enter into pursuant to this Deed; and
- 16.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Agent or any Receiver under this Deed or which that Chargor is required to do pursuant to this Deed or which may be deemed expedient by the Security Agent or a Receiver in connection with any preservation, disposition, realisation or getting in by the Security Agent or such Receiver of the Charged Assets or in connection with any other exercise of any other power under this Deed.

The power of attorney granted under this Clause 16.1 may be exercised at any time after the occurrence of the Enforcement Date or at any time following failure by a Chargor to do that which it is required to do by the terms of this Deed.

16.2 **Power of Attorney: Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 16 (*Power of Attorney and Delegation*) does or purports to do in exercise of the powers granted by this Clause.

16.3 **General Delegation**

The Security Agent and any Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this Deed (including the power of attorney) on such terms and conditions as it or he shall see fit which shall not preclude exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation.

17. **APPLICATION OF MONIES RECEIVED UNDER THIS DEED**

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed and to any applicable statutory requirement as to (i) the payment of preferential debts or (ii) the payment of unsecured creditors in accordance with section 176A Insolvency Act 1986, be applied for the following purposes and in the following order of priority:

- 17.1.1 in satisfaction of all costs, charges and expenses and payments (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by the Security Agent or the Receiver and of remuneration to the Receiver in such order as the Security Agent shall in its absolute discretion decide;
- 17.1.2 in or towards satisfaction of the Secured Obligations which, subject to any provision to the contrary in the Intercreditor Agreement, shall be applied in such order as the Security Agent shall in its absolute discretion decide; and
- 17.1.3 the surplus, if any, shall be paid to the relevant Chargor or other person or persons entitled to it,

save that the Security Agent may credit any monies received under this Deed to a suspense account for so long and in such manner as the Security Agent may from time to time determine and the Security Agent may retain the same for such period as he considers appropriate.

18. **RELEASE OF SECURITY**

18.1 **Release**

At the end of the Security Period the Security Agent shall, at the request and cost of each Chargor, execute or procure the execution by its nominee (in each case in a form

acceptable to the Security Agent) and do all such deeds, acts and things as are necessary to release and/or reassign the Charged Assets of the relevant Chargor from the security created by or in accordance with this Deed.

18.2 Avoidance of Payments

18.2.1 No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the Security Agent considers that the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws.

18.2.2 If any amount paid, repaid or credited to a Secured Party is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between that Secured Party and a Chargor shall be deemed not to have occurred and the Security Agent shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

19. AMOUNTS PAYABLE

19.1 No Deduction

All payments to be made by each Chargor under this Deed shall be made without any set-off, counterclaim or equity and (subject to the following sentence) free from, clear of and without deduction for any taxes, duties, levies, imposts or charges whatsoever, present or future. If any Chargor is compelled by the law of any applicable jurisdiction (or by an order of any regulatory authority in such jurisdiction) to withhold or deduct any sums in respect of taxes, duties, levies, imposts or charges from any amount payable to a Secured Party under this Deed or, if any such withholding or deduction is made in respect of any recovery under this Deed, such Chargor shall pay such additional amount so as to ensure that the net amount received by that Secured Party shall equal the full amount due to it under the provisions of this Deed (had no such withholding or deduction been made).

19.2 Currency of Payment

The obligation of each Chargor under this Deed to make payments in any currency shall not be discharged or satisfied by any tender, or recovery pursuant to any judgment or otherwise, expressed in or converted into any other currency, except to the extent to which such tender or recovery results in the effective payment of the full amount in the currency or currency unit in which it is expressed to be payable under this Deed.

20. REPRESENTATIONS AND WARRANTIES

20.1 Each Chargor represents and warrants in favour of each of the Secured Parties that the terms of any Hedging Agreement, Insurance or Intercompany Loan do not restrict or prohibit the assignment of such rights to the Security Agent or, if they do so restrict or prohibit such assignment, the prior written consent of the other parties to such Hedging Agreement, Insurance or Intercompany Loan has been obtained and delivered to the Security Agent.

20.2 The representations and warranties in Clause 20.1 (*Representations and Warranties*) shall be deemed to be repeated by each Chargor on and as of each day from the date of this Deed until the Final Discharge Date as if made with reference to the facts and circumstances existing on each such day.

21. NEW ACCOUNTS

If a Secured Party receives notice of any subsequent charge or other interest affecting any part of the Charged Assets (the date of receipt of such notice being the "**Notice Date**") it

may, without prejudice to its rights under this Deed, open a fresh account or accounts with a Chargor and continue any existing account in the name of a Chargor and may appropriate to any such fresh account any monies paid in, received or realised for the credit of a Chargor after that time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Obligations. If a Secured Party fails to open a fresh account it will be deemed to have done so and any monies received or realised after the Notice Date will not reduce the Secured Obligations outstanding on the Notice Date.

22. MISCELLANEOUS

22.1 The Chargors

This Deed is binding on the successors and assigns of each Chargor.

22.2 Assignment and Transfer

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed. The Security Agent may assign and transfer all or any part of its rights and obligations under this Deed in accordance with the terms of the Debt Documents.

22.3 Disclosure of Information

The Security Agent may disclose any information about a Chargor, the Charged Assets or this Deed as the Security Agent shall consider appropriate in accordance with the terms set out in clause 42.2 (*Disclosure of Confidential Information*) of the Senior Facilities Agreement and clause 30 (*Confidentiality*) of the Junior Facility Agreement.

22.4 Property

This Deed is and will remain the property of the Security Agent.

22.5 Additional Security

This Deed shall be in addition to and not be affected by any other security or guarantee now or hereafter held by a Secured Party for all or any part of the Secured Obligations nor shall any such other security or guarantee of liability to a Secured Party of or by any person not a party to this Deed be in any way impaired or discharged by this Deed nor shall this Deed in any way impair or discharge such other security or guarantee.

22.6 Variation of Security

This Deed shall not in any way be affected or prejudiced by a Secured Party at any time dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 22.5 (*Additional Security*) or any rights which a Secured Party may at any time have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

22.7 Enforcement of Other Security

No Secured Party shall be obliged to enforce any other Security it may hold for the Secured Obligations before enforcing any of its rights under this Deed.

22.8 Redemption of Prior incumbrances

The Security Agent may redeem or take a transfer of any prior Security over the Charged Assets and may agree the accounts of prior incumbrancers. An agreed account shall be conclusive and binding on a Chargor. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by that Chargor to the Security Agent and until such payment shall form part of the Secured Obligations.

23. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Deed.

24. **GOVERNING LAW**

This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

25. **ENFORCEMENT**

The provisions contained in clause 27 (*Enforcement*) of the Intercreditor Agreement shall apply to this Deed *mutatis mutandis* as though that clause was set out in this Deed.

26. **CONTRACTUAL RECOGNITION OF BAIL-IN**

The provisions of clause 24 (*Contractual recognition of bail-in*) of the Intercreditor Agreement apply to this Deed as if set out in it but with all necessary changes and as if references to Debt Documents referred to this Deed.

IN WITNESS whereof this Deed has been duly executed and delivered as a deed on the date first above written.

SCHEDULE 1
THE CHARGORS

Company Name	Original Jurisdiction	Company Number
NEO Energy Group Limited	Scotland	SC470677
NEO Energy Upstream UK Limited	Scotland	SC279865
NEO Energy (CNS) Limited	Scotland	SC309081
NEO Energy (Exploration) Limited	Scotland	SC279866
NEO Energy (SNS) Limited	Scotland	SC291165
NEO Energy (Production) Limited	England	05896824
NEO Energy Enterprises Limited	England	04388397
NEO Energy (UKCS) Limited	England	02669936
NEO Energy Exploration UK Limited	England	08266502

SCHEDULE 2

FORM OF NOTICE FOR INTERCOMPANY LOANS AND HEDGING AGREEMENTS

To: *[insert name of relevant counterparty]*

Copy: BNP Paribas (the "**Security Agent**")

From: *[insert name of relevant Chargor]* (the "**Chargor**")

Dated:

Dear Sirs

Debenture dated [•] between, among others, the Chargor and the Security Agent (the "Debenture")

NOTICE OF SECURITY

We hereby give you notice that under the Debenture we have granted security in favour of the Security Agent over all of our rights to and title and interest from time to time in the following:

[insert description of Intercompany Loan[s] or Hedging Agreement(s) (as applicable)]

(together, the "**Secured Contract[s]**") (including without limitation all amounts payable to us under or in connection with any Secured Contract and all our rights in connection with those amounts).

We hereby irrevocably instruct and authorise you to disclose to the Security Agent such information regarding the Secured Contract[s] as it may from time to time request.

We confirm that:

- (a) we remain liable under [the] [each] Secured Contract to perform all the obligations assumed by us under [the] [that] Secured Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of [the] [any] Secured Contract.

We will also remain entitled to exercise all of our rights under [the] [each] Secured Contract and you should continue to give notice under [the] [each] Secured Contract to us, unless and until you receive notice from the Security Agent (the "**Security Agent Notice**") to the contrary stating that the security created pursuant to the Debenture has become enforceable.

Following receipt by you of the Security Agent Notice:

- (a) all of our rights, powers and discretions under [the] [each] Secured Contract (including the right to receive payments) will be exercisable by the Security Agent or as it directs;
- (b) you must comply with the terms of any written notice or instruction relating to the Secured Contract[s] received by you from the Security Agent; and
- (c) any notices must be given to the Security Agent or as it directs.

Your acknowledgement will be deemed to confirm in favour of the Security Agent that you:

- (1) have not received notice of the interest of any third party relating to the Secured Contract[s] [other than the notice from [•] dated [•] in relation to a security agreement dated [•] between [•] and [•]];
- (2) are not aware of any dispute between us and you relating to the Secured Contract[s]; and

(3) following receipt of the Security Agent Notice, will not claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Secured Contract[s].

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at *[insert address]*, attention: *[insert details]* with a copy to us.

Yours faithfully

.....
Authorised signatory
for and on behalf of *[insert name of relevant Chargor]*

Attachment to Notice of Security

To: BNP Paribas (the "**Security Agent**")

Copy: *[insert name of relevant Chargor]* (the "**Chargor**")

From: *[insert name of relevant counterparty]*

Dated:

Dear Sirs

**Debenture dated [●] between, among others, the Chargor
and the Security Agent (the "Debenture")**

We acknowledge receipt of the attached notice of security dated [●] given by the Chargor to us relating to the Debenture.

Yours faithfully

.....
Authorised signatory
for and on behalf of *[insert name of relevant counterparty]*

SCHEDULE 3

FORM OF NOTICE FOR INSURANCE

To: [insert name of relevant counterparty]

Copy: BNP Paribas (the "**Security Agent**")

From: [•] (the "**Chargor**")

Dated:

Dear Sirs

**Debenture dated [•] between, among others, the Chargor
and the Security Agent (the "Debenture")**

NOTICE OF SECURITY

We hereby give you notice that under the Debenture we have granted security in favour of the Security Agent over all of our rights to and title and interest from time to time in respect of all contracts and policies of insurances taken out with you (each insurance so charged or assigned being the "**Relevant Insurance**") (including without limitation all amounts payable to us under or in connection with any Relevant Insurance and all our rights in connection with those amounts).

We confirm that:

- (a) we remain liable under the Relevant Insurance to perform all the obligations assumed by us under the Relevant Insurance; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Relevant Insurance.

We will also remain entitled to exercise all of our rights under the Relevant Insurance and you should continue to give notice under the Relevant Insurance to us, unless and until you receive notice from the Security Agent (the "**Security Agent Notice**") to the contrary stating that the security created pursuant to the Debenture has become enforceable.

Following receipt by you of the Security Agent Notice:

- (a) all of our rights, powers and discretions under the Relevant Insurance (including the right to receive payments) will be exercisable by the Security Agent or as it directs;
- (b) you must comply with the terms of any written notice or instruction relating to the Relevant Insurance received by you from the Security Agent;
- (c) any notices must be given to the Security Agent or as it directs; and
- (d) you are irrevocably authorised and instructed to disclose to the Security Agent such information regarding the Relevant Insurance as it may from time to time request.

Your acknowledgement will be deemed to confirm in favour of the Security Agent that you:

- (1) have not received notice of the interest of any third party relating to the Relevant Insurance [other than the notice from [•] dated [•] in relation to a security agreement dated [•] between [•] and [•]];
- (2) are not aware of any dispute between us and you relating to the Relevant Insurance; and
- (3) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Relevant Insurance.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at *[insert address]*, attention: *[insert details]* with a copy to us.

Yours faithfully

.....
Authorised signatory
for and on behalf of *[insert details of relevant Chargor]*

Attachment to Notice of Security

To: BNP Paribas (the "**Security Agent**")

Copy: *[insert details of relevant Chargor]* (the "**Chargor**")

From: *[insert name of relevant counterparty]*

Dated:

Dear Sirs

**Debenture dated [●] between, among others, the Chargor
and the Security Agent (the "Debenture")**

We acknowledge receipt of the attached notice of security dated [●] given by the Chargor to us relating to the Debenture.

Yours faithfully

.....
Authorised signatory
for and on behalf of *[insert name of relevant counterparty]*

SIGNATURE PAGES

THE CHARGORS

EXECUTED as a DEED by

ANDREW GRAHAM MCINTOSH

(name of attorney)

acting by a power of attorney dated

15 July 2020.

as attorney for

NEO ENERGY GROUP LIMITED

Signature of attorney for NEO Energy Group Limited

in the presence of:

Signature of witness

Name of witness

(in **BLOCK CAPITALS**)

GARON WEST

Address of witness

EXECUTED AS A DEED by)
NEO ENERGY UPSTREAM UK LIMITED)
a company incorporated in Scotland)
acting by:)

[Redacted]
Director

ANDREW GRAHAM

in the presence of: MCINTOSH

Signature of witness

[Redacted]

Name of witness
(in BLOCK CAPITALS)

GORDON WEST

Address of witness

[Redacted]

EXECUTED AS A DEED by
NEO ENERGY (CNS) LIMITED,
a company incorporated in Scotland
acting by:

ANDREW GRAHAM

in the presence of:

MCINTOSH

Director

Signature of witness

Name of witness
(in BLOCK CAPITALS)

GORDON WERT

Address of witness

EXECUTED AS A DEED by)
NEO ENERGY (EXPLORATION))
LIMITED, a company incorporated in)
Scotland acting by:)

[Redacted]
Director

ANDREW GRAHAM)
in the presence of: MENTON)

Signature of witness

[Redacted]

Name of witness
(in BLOCK CAPITALS)

GORDON WETTS

Address of witness

[Redacted]

EXECUTED AS A DEED by
NEO ENERGY (SNS) LIMITED,
a company incorporated in Scotland
acting by:

ANDREW GRAHAM

in the presence of:

MCINTOSH

Signature of witness

Name of witness

(in BLOCK CAPITALS)

GORDON WERT

Address of witness

Director

EXECUTED AS A DEED by
NEO ENERGY (PRODUCTION)
LIMITED
acting by:

ANDREW GRAHAM

in the presence of:

MINTOSH

Signature of witness

Name of witness

(in BLOCK CAPITALS)

GORDON LERO

Address of witness

Director

EXECUTED AS A DEED by
NEO ENERGY ENTERPRISES
LIMITED
acting by:

ANDREW GRAHAM

in the presence of: MCINTOSH

Director

Signature of witness

Name of witness
(in BLOCK CAPITALS)

GORDON LEST

Address of witness

EXECUTED AS A DEED by
NEO ENERGY (UKCS) LIMITED

acting by:

ANDREW GRAHAM

in the presence of:

MCINTOSH

Signature of witness

Name of witness

(in BLOCK CAPITALS)

GORDON WET

Address of witness

Director

EXECUTED AS A DEED by
NEO ENERGY EXPLORATION UK
LIMITED

acting by:

ANDREW GRAHAM

in the presence of:

MCINTOSH

Signature of witness

Name of witness

(in BLOCK CAPITALS)

GORDON WEST

Address of witness

[Redacted Address]

Director

THE SECURITY AGENT

EXECUTED for and on behalf of
BNP PARIBAS

By: REMI COLLONGES-DUFOULEUR

By: ARTHUR AUMATTE

[Redacted signature]

/ Authorised signatory

[Redacted signature]

Authorised signatory