



**Registration of a Charge**

Company name: **VERUS PETROLEUM (UKCS) LIMITED**

Company number: **02669936**



X7J6NFG3

Received for Electronic Filing: **21/11/2018**

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**Details of Charge**

Date of creation: **19/11/2018**

Charge code: **0266 9936 0008**

Persons entitled: **NEDBANK LIMITED, LONDON BRANCH**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**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 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th November 2018 and created by VERUS PETROLEUM (UKCS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st November 2018 .

Given at Companies House, Cardiff on 23rd November 2018

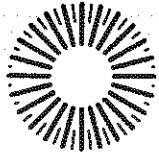
The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



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



HERBERT  
SMITH  
FREEHILLS

EXECUTION VERSION

19 NOVEMBER 2018

**VERUS PETROLEUM (UKCS) LIMITED**  
as the Company

and

**NEDBANK LIMITED, LONDON BRANCH**  
as Security Agent

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**CHARGE OVER DEPOSITS**

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Herbert Smith Freehills LLP

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THIS DEED is made on 19 NOVEMBER 2018

**BETWEEN:**

- (1) **VERUS PETROLEUM (UKCS) LIMITED** (a company registered in England with registration number 02669936) whose registered office is at Harbour Court Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST (the "**Company**"); and
- (2) **NEDBANK LIMITED, LONDON BRANCH** as security 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 Facilities Agreement shall, unless otherwise defined in this Deed or unless a contrary indication appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

**"Account"** means the account of the Company with Nedbank Limited, London Branch, account number [REDACTED], and includes any replacement account or sub-division of that account.

**"Administrator"** means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the Company's affairs, business and property.

**"Charged Assets"** means the assets charged pursuant to Clause 4.1 (*Fixed Charge over Deposits*).

**"Deposits"** means all amounts (including interest) from time to time standing to the credit of the Account and the debts represented thereby and includes all renewals and extensions thereof.

**"Facilities Agreement"** means the up to \$170,000,000 short-term acquisition facilities agreement between (1) the Principal Debtor; (2) the Security Agent; (3) the Original Lenders; and (4) the Agent dated on or about the date of this Deed.

**"LPA"** means the Law of Property Act 1925.

**"Principal Debtor"** means Verus Petroleum UK Limited (a company registered in Scotland with registration number SC279865) whose registered office is at 3 Queen's Gardens, Aberdeen, AB15 4YD.

**"Secured Liabilities"** means all monies, obligations and liabilities covenanted to be paid or discharged pursuant to Clause 3 (*Covenants to Pay*).

**"Security"** means any mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

**"Security Period"** means the period from the date of this Deed until the date on which the Security Agent has determined that all of the Secured Liabilities (whether actual or contingent) have been irrevocably and unconditionally paid and discharged in full.

**"VAT"** means United Kingdom Value Added Tax together with all interest and penalties relating thereto.

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

**1.2 Construction**

- 1.2.1 The provisions of clause 1.2 (*Construction*) of the Facilities Agreement shall apply to this Deed as if they were set out in this Deed.

- 1.2.2 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 "**Original Lender**" or any "**Secured Party**" shall be construed so as to include their respective 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 a 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 (including the Facilities Agreement) shall be construed as a reference to such agreement as the same may have been modified, extended, amended, varied, supplemented or novated from time to time;
  - (J) 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.
- 1.2.3 Clause and Schedule headings are for ease of reference only.
- 1.2.4 The words "**other**", "**or otherwise**" and "**whatsoever**" shall not be construed *eiusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

### 1.3 Third Party Rights

The terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

### 1.4 Implied Covenants for Title

The obligations of the Company 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 Security Trust Provisions**

2. The Security Agent holds the benefit of this Deed on trust for the Secured Parties in accordance with clause 24 (*Role of the Agent and the Security Agent*) of the Facilities Agreement.

**3. COVENANTS TO PAY**

**3.1 Covenant to Pay Secured Liabilities**

The Company covenants that it shall on demand pay to the Security Agent all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by the Principal Debtor to any Secured Party under or pursuant to the Finance Documents in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such monies, obligations or liabilities are expressed 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.

**3.2 Potential Invalidity**

Neither the covenant to pay in Clause 3.1 (*Covenant to Pay Secured Liabilities*) nor the obligation to pay interest pursuant to Clause 3.3 (*Interest*) nor the security created by this Deed shall extend to or include any liability or sum which would, but for this Clause 3.2, cause such covenant or security to be unlawful under any applicable law.

**3.3 Interest**

- 3.3.1 The Company 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 Company and the relevant Secured Party) interest from first demand by the Security Agent of the Company:

- (A) at the rate of interest payable or deemed to be payable by the Company in respect of the amount demanded as calculated and compounded in accordance with any agreement between the relevant Secured Party and the Company with respect to such amount; or
- (B) failing such agreement, at the rate 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 with monthly rests.

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

**4. SECURITY**

**4.1 Fixed Charge over Deposits**

The Company with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities:

- 4.1.1 charges to the Security Agent by way of fixed charge all of the Company's rights to and title and interest from time to time to the Deposits; and
- 4.1.2 after the Security constituted by this Deed has become enforceable, releases to the Security Agent the Deposits standing to the credit of the Account to the intent

that the Deposits standing to the credit of the Account shall only be repayable to the Company to the extent that the amount thereof is greater than the ultimate unpaid amount of the Secured Liabilities.

#### **4.2 Prohibition on Withdrawals**

Save as to withdrawals made pursuant to and in compliance with clause 17.2 (*Withdrawals*) of the Facility Agreement, for so long as any of the Secured Liabilities remain outstanding the Company shall not be entitled, without the Security Agent's prior written consent, to withdraw any of the money standing to the credit of the Account.

#### **4.3 Set-Off**

A Secured Party may (but is not obliged to) set-off any matured obligation in respect of Secured Liabilities which is due and payable by the Company against any matured obligation owed by that Secured Party to the Company (regardless of the place of payment, booking, branch or currency of either obligation) and apply any credit balance (whether or not denominated in sterling) to which the Company is entitled on any account with that Secured Party in accordance with Clause 11 (*Application of monies received under this Deed*). A Secured Party may, at the cost of the Company, effect any currency exchanges as that Secured Party considers are appropriate to implement such set-off.

### **5. FURTHER ASSURANCE**

#### **5.1** The Company shall 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 the Company 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 the realisation of all or any part of the Charged Assets; and
- 5.1.4 for exercising all powers, authorities and discretions conferred on the Security Agent pursuant to this Deed or by law.

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

#### **6.1** The Company undertakes to the Security Agent with respect to the Charged Assets that:

##### **6.1.1 Negative Pledge**

save as expressly permitted under the Facilities Agreement, it shall not, without the prior consent in writing of the Security Agent, 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 Compliance with Laws**

it shall at all times comply with all laws and regulations applicable to it and will obtain and maintain in full force and effect all consents, licences, approvals or authorisations of, exemptions by or registrations or declarations with, any governmental or other authority which may at any time be required with respect to any of the Charged Assets;

##### **6.1.3 Subsequent Charges**



subject to Clause 6.1.1 (*Negative Pledge*), it shall procure that any Security created by the Company 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 Prejudicial Action**

it shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Agent of the Charged Assets;

**6.1.5 Consents and Other Necessary Action**

it 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 which shall include, without limitation, 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 Company shall promptly deliver a copy of each consent to the Security Agent; and

**6.1.6 Obligations under the Facilities Agreement**

The Company shall do all such assurances and things as may be reasonably required by the Principal Debtor to enable the Principal Debtor to comply with its obligations under the Facilities Agreement so far in they relate to the Target Account.

**7. RIGHTS OF THE SECURITY AGENT**

**7.1 Enforcement**

At any time on or after the occurrence of an Event of Default which is continuing, the security created pursuant to this Deed shall be immediately enforceable and the Security Agent may in its absolute discretion and without notice to the Company or the prior authorisation of any court:

7.1.1 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;

7.1.2 exercise all of the powers, authorities and discretions conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law;

7.1.3 call in all or any part of the Deposit at such times and in such manner and generally on such terms and conditions as the Security Agent may think fit; and

7.1.4 at any time renew the Deposit for such fixed periods as the Security Agent may in its absolute discretion think fit and no Secured Party shall be liable for any loss occasioned by the timing of the exercise of its powers under this Deed in relation to the renewal of the Deposit, fixing of interest periods, purchase of currencies or otherwise.

**7.2 Restrictions on Consolidation of Mortgages**

Section 93 of the LPA shall not apply to this Deed or to any sale made under it or to the right of the Security Agent 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 occurrence of an Event of Default.

### **7.3 Restrictions on Exercise of Power of Sale**

Section 103 of the LPA shall not apply to this Deed to restrict the exercise by the Security Agent of its power of sale which shall arise on the date of this Deed (and the Secured Liabilities 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 shall be immediately exercisable by the Security Agent at any time on or after the occurrence of an Event of Default

### **7.4 No Prior Notice Needed**

The powers of the Security Agent set out in Clauses 7.2 (*Restrictions on Consolidation of Mortgages*) and 7.3 (*Restrictions on Exercise of Power of Sale*) above may be exercised by the Security Agent without prior notice to the Company.

### **7.5 Right of Appropriation**

7.5.1 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 Company 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 and after the occurrence of an Event of Default have the right to appropriate all or any part of those Charged Assets in or towards discharge of the Secured Liabilities. 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.

7.5.2 The Security Agent shall notify the Company 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.

## **8. EXONERATION**

### **8.1 Exoneration**

No Secured Party shall 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 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.

### **8.2 Indemnity**

The Security Agent and every attorney, delegatee, 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 may retain and pay all sums in respect of the same out of any monies received under the powers hereby conferred.

## **9. PROTECTION OF PURCHASERS**

### **9.1 Absence of Enquiry**

No person or persons dealing with the Security Agent 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. The Security Agent shall have the power to give effectual receipts and do all other acts necessary or desirable in connection with the Charged Assets.

## **10. POWER OF ATTORNEY AND DELEGATION**

### **10.1 Power of Attorney: General**

The Company by way of security hereby irrevocably and by way of security appoints the Security Agent to be its attorney in its name and on its behalf and as its act and deed:

- 10.1.1 to execute and deliver any documents or instruments which the Security Agent 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;
- 10.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which the Company is required to enter into pursuant to this Deed; and
- 10.1.3 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 under this Deed or which the Company is required to do pursuant to this Deed or which may be deemed expedient by the Security Agent in connection with any preservation, disposition, realisation or getting in by the Security Agent of the Charged Assets or in connection with any other exercise of any other power under this Deed,

such power of attorney becoming enforceable only upon the occurrence of an Event of Default.

### **10.2 Power of Attorney: Ratification**

The Company ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 10 (*Power of Attorney and Delegation*) shall do or purport to do in exercise of the powers granted by this Clause.

### **10.3 General Delegation**

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

## **11. APPLICATION OF MONIES RECEIVED UNDER THIS DEED**

### **11.1 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 the payment of preferential debts, be applied for the following purposes and in the following order of priority:**

- 11.1.1 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 in such order as the Security Agent shall in its absolute discretion decide;

11.1.2 in or towards satisfaction of the Secured Liabilities which, subject to any provision to the contrary in the Facilities Agreement, shall be applied in such order as the Security Agent shall in its absolute discretion decide; and

11.1.3 the surplus, if any, shall be paid to the Company 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 may retain the same for such period as the Security Agent considers appropriate.

## **12. RELEASE OF SECURITY**

### **12.1 Release**

At the end of the Security Period, the Security Agent shall, at the request and cost of the Company, 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 may be necessary to release and/or reassign the Charged Assets from the security created by or in accordance with this Deed.

### **12.2 Avoidance of Payments**

12.2.1 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 by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws.

12.2.2 If any amount paid, repaid or credited to a Secured Party is avoided or reduced by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws then any release, discharge or settlement between that Secured Party and the Company 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.

## **13. AMOUNTS PAYABLE**

### **13.1 No Deduction**

All payments to be made by the Company 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 the Company 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, the Company shall pay such additional amount as may be necessary 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).

### **13.2 Currency of Payment**

The obligation of the Company 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 receipt by a Secured Party of the full amount of the currency expressed to be payable under this Deed. To the extent that there is a shortfall between the amount of receipt in one currency and the amount due under this Deed in the original currency then the Secured Parties shall have a further separate cause

of action against the Company and the Security Agent shall be entitled to enforce the security created over the Charged Assets to recover the amount of that shortfall.

### **13.3 Currency Indemnity**

- 13.3.1 If any sum due from the Company under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (A) making or filing a claim or proof against the Company;
  - (B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or
  - (C) applying the Sum in satisfaction of any of the Secured Liabilities,
- the Company shall, as an independent obligation, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- 13.3.2 The Company waives any right it may have in any jurisdiction to pay an amount under this Deed in a currency unit other than that in which it is payable.

## **14. REPRESENTATIONS AND WARRANTIES**

### **14.1 Representations**

The Company represents and warrants in favour of each of the Secured Parties that:

#### **14.1.1 Status**

It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

#### **14.1.2 Powers and Authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Deed.

#### **14.1.3 Legal Validity**

Subject to the Legal Reservations, this Deed constitutes its legal, binding, valid and enforceable obligations.

#### **14.1.4 Non-Conflict**

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (A) any law or regulation or judicial or official order applicable to it; or
- (B) its constitutional documents; or
- (C) any material agreement or document which is binding upon it or any of its assets or result in the creation of (or a requirement for the creation of) any Security over any Charged Asset.

#### **14.1.5 Status of Assets and Security**

It is the legal and beneficial owner of the Charged Assets free from Security (other than this Deed) and this Deed confers the security it purports to confer over the Charged Assets and the security created under or pursuant to this Deed is not subject to any prior or pari passu Security and is not liable to avoidance on liquidation or bankruptcy, composition or any other similar insolvency proceedings.

**14.1.6 Stamp taxes and registration**

No stamp, registration, notarial, duty or similar Taxes or fees is payable in its jurisdiction of incorporation in respect of this Deed and it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in any jurisdiction.

**14.1.7 No immunity**

The execution by it of this Deed constitutes, and the exercise by it of its rights and performance of its obligations under this Deed will constitute, private and commercial acts performed for private and commercial purposes and it will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to this Deed.

**14.2 Times for Making Representations and Warranties**

The representations and warranties set out in this Clause are made on the date of this Deed and are deemed to be repeated each day prior to the expiry of the Security Period by reference to the facts and circumstances then existing.

**15. 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 the Company and continue any existing account in the name of the Company and may appropriate to any such fresh account any monies paid in, received or realised for the credit of the Company after such time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Liabilities. 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 Liabilities outstanding on the Notice Date.

**16. MISCELLANEOUS**

**16.1 The Company**

This Deed shall be binding on the successors and assigns of the Company.

**16.2 Assignment and Transfer**

The Company may not 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.

**16.3 Disclosure**

A Secured Party may disclose to:

**16.3.1** any of its professional advisers;

**16.3.2** any person to (or through) whom that Secured Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Deed;

- 16.3.3 a receiver, prospective receiver or Administrator;
- 16.3.4 any person (together with professional advisers) who may have an interest in the benefits arising under this Deed and/or the Facilities Agreement; or
- 16.3.5 any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,
- any information about the Company or this Deed as that Secured Party shall consider appropriate.

**16.4 Remedies and Waivers Cumulative**

No failure to exercise, or delay in exercising, any right, power, privilege or remedy under this Deed, on the part of any Secured Party, shall operate as a waiver, nor shall any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise, or the exercise of any other right, power, privilege or remedy. No waiver by a Secured Party shall be effective unless it is in writing. The rights and remedies of a Secured Party provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

**16.5 Partial Invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction, shall in any way be affected or impaired.

**16.6 Property**

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

**16.7 Continuing Security and other matters**

16.7.1 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 Liabilities.

16.7.2 If any purported obligation or liability of the Principal Debtor to a Secured Party which, if valid, would have been the subject of any obligation or charge created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to any Secured Party, the Company shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Company was the principal debtor in respect thereof. The Company hereby agrees to keep each Secured Party fully indemnified against all damages, losses, costs and expenses arising from any failure of the Principal Debtor to carry out any such purported obligation or liability.

16.7.3 The obligations of the Company under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 16.7.3, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to any Secured Party) including:

- (A) any time, waiver or consent granted to, or composition with, the Principal Debtor or other person;
- (B) the release of the Principal Debtor or any other person under the terms of any composition or arrangement with any creditor of any person;

- (C) 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, the Company, the Principal 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;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Principal Debtor or any other person;
- (E) any amendment (however fundamental) or replacement of the Facilities Agreement or any other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under the Facilities Agreement or any other document or security; or
- (G) any insolvency or similar proceedings.

16.7.4 The Company 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 the Company under this Deed. This waiver applies irrespective of any law or any provision of the Finance Documents to the contrary.

#### **16.8 Additional Security**

This Deed shall be in addition to and not be affected by any other security or guarantee now or hereafter held by any Secured Party for all or any part of the Secured Liabilities nor shall any such other security or guarantee of liability to any 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.

#### **16.9 Variation of Security**

This Deed shall not in any way be affected or prejudiced by any Secured Party now or hereafter, dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 16.8 (*Additional Security*) above or any rights which any Secured Party may now or hereafter have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

#### **16.10 Enforcement of Other Security**

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

#### **16.11 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. Such agreed accounts shall be conclusive and binding on the Company. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Company to the Security Agent and until such payment shall form part of the Secured Liabilities.

#### **16.12 Stamp Taxes**

The Company covenants to pay to each Secured Party, attorney, manager, agent or other person appointed by the Security Agent under this Deed immediately on demand a sum equal to any liability which that Secured Party, attorney, manager, agent or other person appointed by the Security Agent under this Deed incurs in respect of stamp duty, registration fees and other taxes which is or becomes payable in connection with the entry into, performance or enforcement of this Deed (including any interest, penalties, liabilities,



costs and expenses resulting from any failure to pay or delay in paying any such duty, fee or tax).

#### **16.13 Costs and Expenses**

- 16.13.1 The Company shall within three Business Days of demand reimburse each Secured Party and any attorney, manager, agent or other person appointed by the Security Agent under this Deed for all costs and expenses (including legal fees) reasonably incurred by such Secured Party, attorney, manager, agent or other person (on a full indemnity basis together with any applicable VAT) in connection with the negotiation, preparation, printing and execution of this Deed, the completion of the transactions and perfection of the security contemplated by this Deed.
- 16.13.2 The Company shall, within three Business Days of demand, pay to each Secured Party and any attorney, manager, agent or other person appointed by the Security Agent under this Deed the amount of all costs and expenses (including legal fees) incurred by it in connection with the exercise, preservation and/or enforcement or attempted enforcement of the security created by or contemplated by this Deed.

#### **17. DEFERRAL OF RIGHTS**

- 17.1 Until the Security Period has ended, each Secured Party (or any trustee or agent on its behalf) may 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 the Company shall not be entitled to the benefit of the same.
- 17.2 Unless the Security Agent otherwise directs, the Company 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:
  - 17.2.1 to be indemnified by the Principal Debtor (including any rights it may have by way of subrogation);
  - 17.2.2 to claim any contribution from any guarantor of the Principal Debtor obligations under the Finance Documents;
  - 17.2.3 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 Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents;
  - 17.2.4 to claim, rank, prove or vote as a creditor of the Principal Debtor or its estate in competition with the Security Agent or any of the other Secured Parties; and/or
  - 17.2.5 to exercise or claim any right of set off or counterclaim against the Principal Debtor or any other person liable for any of the Secured Liabilities or claim or prove in competition with the Secured Parties in the bankruptcy, administration, liquidation or any other analogous procedure of the Principal Debtor or any other person liable or have the benefit of, or share in, any payment from or composition with, the Principal Debtor or any other person liable or any other Security now or hereafter held by the Secured Parties for any of the Secured Liabilities 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 the Principal 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 Liabilities in such manner as the Security Agent shall deem appropriate.

- 17.3 If the Company fails to claim or prove in the liquidation, administration, bankruptcy or any other analogous procedure of the Principal Debtor promptly upon being directed to do so by the Security Agent as contemplated by Clause 17.2.5:
- 17.3.1 the Security Agent may, and is irrevocably authorised on behalf of the Company to, file any claims or proofs in such liquidation, administration, bankruptcy or other analogous procedure on its behalf; and
- 17.3.2 the trustee in bankruptcy, liquidator, assignee or other person distributing the assets of the Principal Debtor or their proceeds is directed to pay distributions on the obligations or liabilities of the Principal Debtor direct to the Security Agent on behalf of the Secured Parties until the Secured Liabilities have been irrevocably paid in full.
- 17.4 The Company 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 17 or in accordance with any directions given by the Security Agent under Clause 17.2.
- 17.5 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.
- 18. CALCULATIONS AND CERTIFICATES**
- 18.1 Accounts**
- In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Agent in connection with this Deed are *prima facie* evidence of the matters to which they relate.
- 18.2 Certificates and Determinations**
- Any certification or determination by the Security Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 18.3 Day Count Convention**
- Any interest accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.
- 19. NOTICES**
- 19.1 Communications in writing**
- Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be given in person, by post or fax.
- 19.2 Addresses**
- The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below, or any substitute address, fax number or department or officer as the Security Agent or the Company may notify the other Party by not less than five Business Days' notice.
- 19.3 Delivery**
- 19.3.1 Any communication or document made or delivered by one person to the other under or in connection with this Deed will only be effective:
- (A) if by way of fax, when received in legible form; or

- (B) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 19.2 (*Addresses*), if addressed to that department or officer.

- 19.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

#### **19.4 Electronic communication**

- 19.4.1 Any communication to be made between the Parties to this Deed under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that the Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if the Parties:

- (A) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (B) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- 19.4.2 Any electronic communication made between the Parties will be effective only when actually received in readable form and in the case of any electronic communication made by the Company to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

- 19.4.3 Any electronic communication which becomes effective, in accordance with Clause 19.4.2, after 5pm in the place of receipt shall be deemed only to become effective on the following day.

#### **19.5 English language**

- 19.5.1 Any notice given under or in connection with this Deed must be in English.

- 19.5.2 All other documents provided under or in connection with this Deed must be:

- (A) in English; or
- (B) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

#### **20. 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.

#### **21. 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.

## **22. JURISDICTION OF ENGLISH COURTS**

- 22.1** The courts of England have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Deed or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) (a "**Dispute**").
- 22.2** Subject to Clause 22.3 below, the parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly the Company will not:
- (A) argue to the contrary; or
  - (B) initiate or pursue any proceedings relating to a Dispute in any jurisdiction other than England.
- 22.3** This Clause 22 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from initiating or pursuing proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may initiate or pursue:
- (A) proceedings in any other court; and
  - (B) concurrent proceedings in any number of jurisdictions,
- irrespective of whether proceedings have already been initiated by any party in England. The Company irrevocably waives any right that it may have to claim that the action has been brought in an inconvenient forum.

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

## SCHEDULE

### NOTICES

#### Part I

#### NOTICE TO ACCOUNT BANK

[On the letterhead of the Company]

To: Nedbank Limited, London Branch  
Attention: David Pilling, Christopher Coombs and Richard Flaherty [Date]

Dear Sir or Madam,

**Charge over bank account dated [●] between Verus Petroleum (UKCS) Limited and Nedbank Limited, London Branch (the "Charge")**

We hereby give you notice that under the Charge we have charged (by way of a first fixed charge) in favour of Nedbank Limited, London Branch (the "Security Agent") all our rights in respect of any amount moneys standing to the credit of the account maintained by us with you (account number: [REDACTED] (the "Account").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to the Account requested from you by the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to the Account received by you from the Security Agent; and
- (c) pay or release any sum standing to the credit of the Account in accordance with the written instructions of the Security Agent.

References in this letter to the Account include any replacement account or sub-division of that Account.

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 non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at First floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG, Attention: David Pilling, Christopher Coombs and Richard Flaherty with a copy to us.

Yours faithfully,

(Authorised signatory)

**Verus Petroleum (UKCS) Limited**

**Part II**

**ACKNOWLEDGEMENT OF ACCOUNT BANK**

[On the letterhead of the Account Bank]

To: Nedbank Limited, London Branch  
Attention: David Pilling, Christopher Coombs and Richard Flaherty  
Copy: Verus Petroleum (UKCS) Limited

[Date]

Dear Sir or Madam,

**Charge over bank account dated [●] between Verus Petroleum (UKCS) Limited and Nedbank Limited, London Branch (the "Charge")**

We confirm receipt from Verus Petroleum (UKCS) Limited (the "Chargor") of a notice dated [●] of a charge upon the terms of the Charge over all the rights of the Chargor to any amount standing to the credit of the Chargor's account with us (the "Account").

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in the Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account; and
- (d) will not permit any amount to be withdrawn from the Account without your prior written consent.

The Account currently maintained with is account number: [REDACTED].

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....  
(Authorised signatory)

Nedbank Limited, London Branch

First floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG

EXECUTED AS A DEED by )  
VERUS PETROLEUM (UKCS) LIMITED )

acting by ...COLIN CHRISTIE... )

Director

acting by ...ALAN CURRAN... )

Director

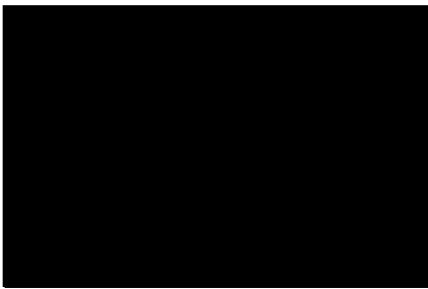
**Notice details for Verus Petroleum (UKCS) Limited for Clause 19**

Address of company: 3 Queen's Gardens, Aberdeen AB15 4YD

Fax: +44 (0) 1224 659130

Attention: Colin Christie, Pam Emslie

SIGNED by )  
NEDBANK LIMITED, LONDON BRANCH )  
 )  
acting by two authorised signatories )



)  
)  
)  
)



.....  
Authorised Signatory

**Notice details for Nedbank Limited, London Branch for Clause 19**

Address of company: First floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG  
Attention: David Pilling, Christopher Coombs and Richard Flaherty  
Email: [Redacted] and [Redacted]