



Registration of a Charge

Company name: **CABOT ENERGY PLC**

Company number: **02933545**

Received for Electronic Filing: **06/01/2020**



X8W2GHFS

Details of Charge

Date of creation: **17/12/2019**

Charge code: **0293 3545 0001**

Persons entitled: **HIGH POWER PETROLEUM LLC**

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:

BAKER BOTTS (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2933545

Charge code: 0293 3545 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th December 2019 and created by CABOT ENERGY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th January 2020 .

Given at Companies House, Cardiff on 7th January 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

EXECUTION VERSION

DATED 17 DECEMBER 2019

CABOT ENERGY PLC
AS CHARGOR

IN FAVOUR OF
HIGH POWER PETROLEUM LLC
AS LENDER

DEBENTURE

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THIS DEBENTURE is made by way of deed on 17 December 2019

BY:

- (1) **CABOT ENERGY PLC**, a public limited company registered in England and Wales with company registration number 02933545 with its registered office at Riverbank House, 2 Swan Lane, London, England, EC4R 3TT (the "**Chargor**"), in favour of
- (2) **HIGH POWER PETROLEUM LLC** as lender (the "**Lender**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

"**Account**" means each of the accounts opened or maintained by the Chargor with any bank, building society, financial institution or other person (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby.

"**Administration Event**" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to the Chargor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of the Chargor or the filing of such a notice with the court.

"**Charged Assets**" means all of the assets and undertaking of the Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Lender by or pursuant to this Debenture.

"**Collateral Rights**" means all rights, powers and remedies of the Lender provided by or pursuant to this Debenture or by law.

"**Event of Default**" means any event listed in clause 16 (*Events of Default*) of the Loan Agreement.

"**Finance Documents**" has the meaning given to that term in the Loan Agreement.

"**Fixed Security**" means any mortgage, fixed charge or assignment expressed to be constituted by or pursuant to Clause 4 (*Fixed Security*) of this Debenture.

"**Insurance Policy**" means and any policy of insurance (including life insurance or assurance) in which the Chargor may from time to time have an interest (as amended or supplemented).

"Intellectual Property" means any patents, trade marks, service marks, designs, business and trade names, domain names, copyrights, database rights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and the benefit of all applications and rights to use such assets in which the Chargor may from time to time have an interest and all Related Rights.

"Investments" means any:

- (a) stocks, shares, debentures, securities and certificates of deposit and other instruments creating or acknowledging indebtedness, including alternative finance investment bonds (but not including the Shares);
- (b) interests in collective investment schemes, in whatever form or jurisdiction any such scheme is established, including partnership interests;
- (c) warrants and other instruments entitling the holder to subscribe for or acquire any investments described in paragraphs (a) or (b) above;
- (d) certificates and other instruments conferring contractual or property rights (other than options) in respect of the investments in paragraphs (a), (b) or (c) above; and
- (e) options to acquire any investments described in paragraphs (a), (b), (c) or (d) above,

in each case whether held directly by or to the order of the Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system including, without limitation, any contractual rights or any right to delivery of all or any part of such investments from time to time).

"Loan Agreement" means the loan agreement dated on or about the date of this Agreement between the Chargor, the original guarantors specified therein and the Lender.

"Monetary Claims" means any book and other debts and monetary claims owing to the Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any court order or judgment, any contract or agreement to which the Chargor is a party and any other assets, property, rights or undertaking of the Chargor).

"Mortgage" means a charge by way of legal mortgage granted by the Chargor in favour of, and in a form approved by, the Lender.

"Notice of Assignment" means a notice of assignment in such form as may be specified by the Lender.

"Notice of Charge" means a notice of charge in such form as may be specified by the Lender.

"Party" means a party to this Debenture.

"Real Property" means (including as provided in Clause 1.6 (*Real Property*)) any present or future freehold or leasehold or immovable property and any other interest in land or buildings and any rights relating thereto in which the Chargor has an interest.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver and that term will include any appointee made under a joint or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by the Chargor to the Lender under or pursuant to the Finance Documents, whether actual or contingent, whether originally incurred by the Chargor or by any other person and whether incurred solely or jointly and as principal or surety or in any other capacity, including any liability in respect of any further advances made under the Loan Agreement, except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful, prohibited or invalid by or under any applicable law.

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

"Security Period" means the period beginning on the date of this Debenture and ending on the date on which the Lender is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and the Lender is not under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents.

"Shares" means all of the Chargor's present and future shares in the capital of any company from time to time held by, to the order, or on behalf, of the Chargor, including any stocks, shares, debentures and other securities listed in Schedule 1 (*Shares*).

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels.

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, terms defined in the Loan Agreement have the same meaning in this Debenture, or any notice given under or in connection with this Debenture.

1.3 Construction

In this Debenture:

- (a) the rules of interpretation contained in clauses 1.2 and 1.3 of the Loan Agreement shall apply to the construction of this Debenture, or in any notice given under or in connection with this Debenture;
- (b) any reference to the "**Lender**" or the "**Chargor**" shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective;
- (c) any reference to "**including**" and "**include**" shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms; and
- (d) references in this Debenture to any Clause or Schedule shall be to a Clause or Schedule contained in this Debenture.

1.4 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Debenture. The consent of any person who is not a Party is not required to rescind or vary this Debenture at any time.

1.5 Present and future assets

- (a) A reference in this Debenture to any Charged Asset or other asset includes, unless the contrary intention appears, present and future Charged Assets and other assets.
- (b) The absence of or incomplete details of any Charged Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.6 Real Property

- (a) A reference in this Debenture to any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings (including fixed plant and machinery) from time to time on or forming part of that property and all Related Rights.
- (b) The terms of the Loan Agreement have and each other Finance Document are incorporated into this Debenture and each other Finance Document to the

extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.7 Separate Security

Clauses 4.1 (*Fixed charge over Real Property*) to 4.15 (*Assignment of Tangible Moveable Property*) shall be construed as creating a separate and distinct fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective fixed charge or assignment (whether arising out of this Debenture or any act or omission by any party) over any one asset shall not affect the nature or validity of the charge or assignment imposed on any other asset whether within that same class of assets or not.

1.8 The Lender

The Lender shall not be under any obligation in relation to the Charged Assets as a consequence of this Debenture and the Chargor shall at all times remain liable to perform all obligations in respect of the Charged Assets.

2. COVENANT TO PAY

2.1 Covenant to pay

The Chargor covenants with the Lender that it shall, on demand of the Lender pay, discharge and satisfy the Secured Obligations when the same become due and payable in accordance with the Loan Agreement.

2.2 Default interest

If the Chargor fails to pay any amount payable by it under this Debenture on its due date, interest shall accrue on the overdue amount (both before and after judgment) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with and on the terms set out in clause 8.3 (*Default Interest*) of the Loan Agreement.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security created by or pursuant to this Debenture is:

- (a) created with full title guarantee;
- (b) created in favour of the Lender; and
- (c) as continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

The Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY

4.1 Fixed charge over Real Property

The Chargor charges by way of first fixed charge, all of its rights, title and interest from time to time in and to all the Real Property and all Related Rights.

4.2 Fixed charge over Tangible Moveable Property

The Chargor charges to the extent not validly and effectively assigned pursuant to Clause 4.12 (*Assignment of Tangible Moveable Property*), by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property (other than any rights which are otherwise subject to an assignment pursuant to this Debenture) and all Related Rights.

4.3 Fixed charge over Accounts

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights.

4.4 Fixed charge over contracts

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which the Chargor is a party, each of its interest or currency rate swap, cap, floor, collar or option transactions and all Related Rights.

4.5 Fixed charge over Monetary Claims

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to the Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture) and all Related Rights (to the extent not already charged under this Clause 4.5).

4.6 Fixed charge over Investments

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to the Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.7 Fixed charge over Shares

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to the Shares and all dividends, interest and other monies

payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Intellectual Property

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to the Intellectual Property and all Related Rights.

4.9 Fixed charge over goodwill

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of the Chargor.

4.10 Fixed charge over other assets

The Chargor charges (to the extent not validly and effectively assigned pursuant to Clauses 4.11 (*Assignment of Insurance Policies*) and 4.12 (*Assignment of Tangible Moveable Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each Insurance Policy and all Related Rights in relation to each of those assets.

4.11 Assignment of Insurance Policies

The Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each Insurance Policy and all Related Rights.

4.12 Assignment of Tangible Moveable Property

The Chargor assigns and agrees to assign absolutely all of its rights and claims against any manufacturer, supplier or installer of any Tangible Moveable Property, any builder, contractor or professional adviser engaged in relation to any Tangible Moveable Property and any guarantor or surety for the obligations of such person and, to the extent that any of the Tangible Moveable Property is hired, leased or rented to any other person, its rights under the hiring, leasing or rental contract and any guarantee, indemnity or security for the performance of the obligations of such person.

5. FLOATING CHARGE

5.1 Floating charge

- (a) The Chargor charges by way of first floating charge in favour of the Lender all present and future assets and undertaking of the Chargor.
- (b) The floating charge created pursuant to paragraph (a) above shall be deferred in point of priority to all Fixed Security validly and effectively created by the Chargor under the Finance Documents in favour of the Lender as security for the Secured Obligations.

- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) above.

5.2 Crystallisation: by notice

The Lender may at any time by notice in writing to the Chargor convert the floating charge created pursuant to Clause 5.1 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing;
- (b) the Lender considers that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process;
- (c) the Lender considers that it is necessary in order to protect the priority of the security; or
- (d) the Chargor requests the Lender to exercise any of its powers under this Debenture.

5.3 Crystallisation: automatic

Notwithstanding Clause 5.2 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, the floating charge created pursuant to Clause 5.1 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- (a) the Chargor creates or attempts to create any Security over any of the Charged Assets;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets;
- (c) an Administration Event occurs;
- (d) a Receiver is appointed over all or any of the Charged Assets;
- (e) a meeting is convened for the passing of a resolution for the voluntary winding-up of the Chargor;
- (f) a petition is presented for the compulsory winding-up of the Chargor;
- (g) a provisional liquidator is appointed to the Chargor; or
- (h) a resolution is passed or an order is made for the dissolution or reorganisation of the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge

Other than with the prior written consent of the Lender, the Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets.

6.2 Implied covenants for title

- (a) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that the Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

6.3 Notice of Security: Accounts

The Chargor shall, if requested to do so by the Lender, promptly deliver to the Lender (or procure the delivery of) a Notice of Charge in relation to the Accounts duly executed by, or on behalf of, the Chargor and the Chargor shall use all reasonable endeavours to procure from each account bank, building society, financial institution or other person with which any Account is opened or maintained, an acknowledgement in the form set out in such Notice of Charge.

6.4 Notice of Security: Intellectual Property

- (a) If requested to do so by the Lender, the Chargor shall provide the Lender with a list of all registered Intellectual Property (including any applications for registration of the same) acquired by it, registered or applied for since the date of the Debenture ("**New Intellectual Property Rights**").
- (b) The Chargor shall take such steps as the Lender may require to charge the New Intellectual Property Rights in favour of the Lender by way of first fixed charge in accordance with Clause 4.8 (*Fixed Charge over Intellectual Property*).

6.5 Notice of Security: other assets

- (a) The Chargor shall if requested to do so by the Lender, promptly deliver to the Lender (or procure the delivery of) a Notice of Assignment or a Notice of Charge (as appropriate) duly executed by, or on behalf of, the Chargor in relation to any asset (other than the Accounts and the Intellectual Property) which is the subject of the Fixed Security and any floating charge which is converted into a fixed charge pursuant to Clauses 5.2 (*Crystallisation: by notice*) and 5.3 (*Crystallisation: automatic*).

- (b) The Chargor shall use all reasonable endeavours to procure from each recipient of such a Notice of Assignment or a Notice of Charge (as appropriate) an acknowledgement in the form set out therein.
- (c) The Chargor shall, if requested to do so by the Lender, attach to such items of the Charged Assets as the Lender may specify from time to time, such notices of the Security created by this Debenture as the Lender may require.

6.6 Deposit of documents of title: Investments

On the date of this Debenture and upon the acquisition or coming into possession by the Chargor of any interest in any Investment, the Chargor shall promptly on the request of the Lender, deposit with the Lender (or procure the deposit of) all of the Investments and any certificates and other documents of title representing the Investments to which the Chargor (or its nominee(s)) is or becomes entitled, together with any other document which the Lender may reasonably request (in such form and executed in such manner as the Lender may reasonably require (including stock transfer forms or other instruments of transfer executed in blank by it or on its behalf)), with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

6.7 Deposit of share certificates

The Chargor shall, promptly on request of the Lender:

- (a) deposit with the Lender (or procure the deposit of) all certificates or other documents of title to the Shares and stock transfer forms (executed in blank by it or on its behalf in respect of the Shares); and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares (or upon acquiring any interest therein), notify the Lender of that occurrence and if the Lender so requests, deposit with the Lender (or procure the deposit of) (i) all certificates or other documents of title representing such items and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Lender may request.

6.8 Deposit of title deeds

The Chargor shall if requested to do so by the Lender, promptly:

- (a) deposit with the Lender (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title to such Real Property; or
- (b) if the original deeds, certificates and other documents constituting or evidencing title to such Real Property are missing, a full set of copy deeds, documents and ancillary papers relating to the Real Property including counterpart leases, licences, and any other deeds or documents necessary for the Lender to enforce the Security created over Real Property by this Debenture or any Mortgage.

6.9 Mortgage of Real Property

- (a) If requested to do so by the Lender, the Chargor shall promptly, at its own cost, enter into a Mortgage in favour of the Lender over any Real Property in England and Wales.
- (b) Where the Chargor enters into a Mortgage pursuant to paragraph (a) above, the Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register or their conveyancer."

6.10 Registration of Intellectual Property

If requested to do so by the Lender, the Chargor shall (at its expense) execute all such documents and do all such acts as the Lender may reasonably require or which are required under any local laws to record or validly register the interest of the Lender in any registers relating to any registered Intellectual Property.

6.11 Custodians and nominees

The Lender may appoint and pay any person to act as a custodian or nominee on any terms in relation to all or any part of the Charged Assets as the Lender may determine and the Lender shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any such person or be bound to supervise the proceedings or acts of any such person.

7. REPRESENTATIONS AND WARRANTIES

7.1 General

The Chargor makes the representations and warranties set out in this Clause 7 to the Lender.

7.2 Ownership of Charged Assets

The Chargor is the sole legal and beneficial owner of the Charged Assets, except in respect to those Charged Assets (if any) which are to be held by a nominee for the Chargor, in which case the Chargor is the beneficial owner only of such Charged Assets.

7.3 No Security

The Charged Assets are free from any Security other than the Security created by this Debenture or expressly consented to by the Lender in writing.

7.4 No adverse claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Assets or any interest in them.

7.5 No adverse covenants on the Shares

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Shares.

7.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Assets.

7.7 Enforceable Security

This Debenture constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is, and will continue to be, effective Security over all and every part of the Charged Assets in accordance with its terms.

7.8 Investments

- (a) Other than in respect of Northern Petroleum E&P Holdings Limited, the Shares listed in Schedule 1 (*Shares*) constitute the entire share capital owned by the Chargor in each relevant company and constitute the entire share capital of each such company.
- (b) The Shares listed in Schedule 1 (*Shares*) in respect of Northern Petroleum E&P Holdings Limited constitute the entire share capital owned by the Chargor in Northern Petroleum E&P Holdings Limited and constitute 98 per cent of the share capital of Northern Petroleum E&P Holdings Limited.
- (c) The Shares are fully paid and are not subject to any option to purchase or similar rights.
- (d) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Shares.

8. FURTHER ASSURANCE

8.1 Further assurance

- (a) The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) The Chargor shall promptly, at its own cost, do all such acts (including filings, registrations and notarisations and applying for relief against forfeiture) or execute all such documents (including assignments, transfers, mortgages,

charges, notarisations, registrations, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require) in favour of the Lender or its nominee(s):

- (i) to create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Charged Assets in accordance with the rights vested in it under this Debenture (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Charged Assets) or for the exercise of the Collateral Rights;
- (ii) to confer on the Lender Security over any asset or undertaking of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture;
- (iii) to protect and/or defend any rights in or in relation to the Intellectual Property;
- (iv) to obtain or maintain trade mark or other registrations in respect of any of the Intellectual Property; and/or
- (v) to facilitate the realisation of the Charged Assets.

8.2 Necessary action

The Chargor shall take all such action as is available to it (including making all filings and registrations and applying for relief against forfeiture) as may reasonably be requested by the Lender for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to this Debenture.

8.3 Consents

- (a) If requested to do so by the Lender, the Chargor shall, as soon as possible, use its reasonable endeavours to obtain any consents necessary (including any consent necessary for the entry into a Mortgage) or to remove any restriction on the creation of Security (in each case in form and substance satisfactory to the Lender, acting reasonably) to enable the assets of the Chargor to be the subject of the relevant Fixed Security pursuant to this Debenture.
- (b) Immediately upon obtaining any such consent or removing any such restriction, the asset concerned will become subject to that Fixed Security and the Chargor shall promptly deliver a copy of such consent or evidence of such removal to the Lender.

9. SHARES AND INVESTMENTS

9.1 Disposal of Shares

The Chargor shall not, without the prior written consent of the Lender, sell, assign, transfer, licence, part with possession of, or any interest in, the Shares.

9.2 Dividends prior to an Event of Default

Prior to the occurrence of an Event of Default which is continuing, the Chargor shall be entitled to receive all dividends, interest and other monies arising from the Shares.

9.3 Dividends after an Event of Default

Upon the occurrence of an Event of Default which is continuing, the Lender may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor, apply all dividends, interest and other monies arising from the Shares as though they were the proceeds of sale in accordance with Clause 16 (*Application of Proceeds*).

9.4 Voting rights prior to Lender notice

Prior to the giving of notice pursuant to Clause 9.5 (*Voting rights after Lender Notice*), the Chargor shall be entitled to exercise all voting rights in relation to the Shares.

9.5 Voting rights after Lender notice

Subject to Clause 9.6 (*Waiver of voting rights by Lender*), upon the occurrence of an Event of Default which is continuing, the Lender may (but without having any obligation to do so) give notice to the Chargor that this Clause 9.5 will apply. With effect from the giving of that notice the Lender may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) transfer the Shares into the name of the Lender or such nominee(s) of the Lender as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to any company whose shares or other securities are included in the Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Lender thinks fit, and the proceeds of any such action shall form part of the Shares.

9.6 Waiver of voting rights by Lender

- (a) The Lender may, in its absolute discretion and without any consent or authority from the Chargor, at any time, by notice to the Chargor (which notice shall be irrevocable), elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Shares conferred or to be conferred on the Lender pursuant to Clause 9.5 (*Voting rights after Lender Notice*).
- (b) Once a notice has been issued by the Lender under paragraph (a) above, on and from the date of such notice the Lender shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Shares conferred or to be conferred on it pursuant to Clause 9.5 (*Voting rights after Lender Notice*) or any other provision of this Debenture and all such rights will be exercisable by the Chargor. The Chargor shall be entitled, on and from the date of such notice, to exercise all voting rights and powers in relation to the Shares.

9.7 Shares: Voting rights

The Chargor shall not exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Shares;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Debenture;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
- (d) reconstruction, amalgamation, sale or other disposal of any company or any of the assets or undertaking of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged pursuant to this Debenture,

which, in the opinion of the Lender, would prejudice the value of, or the ability of the Lender to realise, the Security created pursuant to this Debenture **provided that** the proceeds of any such action shall form part of the Shares.

9.8 Shares: Payment of calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares, and in any case of default by it in such payment, the Lender may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Lender shall be promptly notified to the Chargor and reimbursed by the Chargor to the Lender promptly on demand and shall carry interest from the date of payment by the Lender until reimbursed, such interest to be calculated in accordance with Clause 2.2 (*Default interest*).

9.9 Compliance with requests for information

The Chargor shall promptly send a copy to the Lender of, and comply with, all requests for information which is within its knowledge and which are made under any law regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Shares. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.

10. ACCOUNTS

10.1 Accounts: Notification

If requested to do so by the Lender, the Chargor shall promptly deliver to the Lender details of each Account opened or maintained by it with any bank, building society, financial institution or other person.

10.2 Accounts: Operation before an Event of Default

The Chargor shall, prior to the occurrence of an Event of Default which is continuing, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

10.3 Accounts: Operation after an Event of Default

After the occurrence of an Event of Default which is continuing the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

10.4 Accounts: Application of monies

The Lender shall, after the occurrence of an Event of Default which is continuing, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations.

10.5 Release of Monetary Claims: After an Event of Default

After the occurrence of an Event of Default which is continuing the Chargor shall not, except with the prior written consent of the Lender, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. INSURANCES

11.1 Application of insurance proceeds

All monies received under any Insurance Policies relating to the Charged Assets shall (subject to the rights and claims of any person having prior rights to such monies):

- (a) prior to the occurrence of an Event of Default which is continuing, be applied as directed by the Chargor; and

- (b) after the occurrence of an Event of Default which is continuing, be held upon trust for the Lender pending payment to the Lender for application in accordance with Clause 16 (*Application of Proceeds*) and the Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Assets.

11.2 Information and access

The Chargor shall from time to time on request of the Lender (acting reasonably), furnish the Lender with such information as the Lender may reasonably require about the Chargor's business and affairs, the Charged Assets and its compliance with the terms of this Debenture and the Chargor shall permit the Lender, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice (a) to inspect and take copies and extracts from the books, accounts and records of the Chargor and (b) to view the Charged Assets (without becoming liable as mortgagee in possession).

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

Any time after the occurrence of:

- (a) an Event of Default which is continuing;
- (b) an Administration Event;
- (c) any event or the receipt by the Lender of any information or the coming to the attention of the Lender of any other matter or thing whatsoever which causes the Lender to believe (acting reasonably and properly) that all or any part of the Charged Assets is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Debenture is otherwise for any reason whatsoever in jeopardy; or
- (d) a request from the Chargor to the Lender that it exercise any of its powers under this Debenture,

the Security created by or pursuant to this Debenture is immediately enforceable and the Lender may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (i) secure and perfect its title to all or any part of the Charged Assets;
- (ii) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Assets (and any assets of the relevant Chargor which, when got in, would be part of the Charged Assets) at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration); and
- (iii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of

Property Act 1925 (as varied or extended by this Debenture) on mortgagees and by this Debenture on any Receiver or otherwise conferred by law on mortgagees or Receivers.

12.2 Effect of moratorium

The Lender shall not be entitled to exercise its rights under Clause 12.1 (*Enforcement*) or Clause 5.2 (*Crystallisation: by notice*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

13. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

13.1 Extension of powers

The power of sale or other disposal conferred on the Lender and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Debenture.

13.2 Restrictions

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or to the exercise by the Lender of its right to consolidate all or any of the Security created by or pursuant to this Debenture with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Lender without notice to the Chargor on or at any time after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*).

13.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Lender at any time on or after this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*) and the Lender and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under the Chargor and neither section 99 nor section 100(12) of the Law of Property Act 1925 will apply.
- (c) The Chargor shall not have, at any time during the Security Period, the power pursuant to section 99 of the Law of Property Act 1925, to make any lease in respect of any Real Property without the prior written consent of the Lender.

13.4 **Right of appropriation**

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, (the "**Regulations**") apply to a Charged Asset, the Lender shall have the right to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the parties agree that the value of that Charged Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments and/or Shares, the market value of such Investments and/or Shares determined by the Lender by reference to a public index or independent valuation, or by such other process as the Lender may select.

In each case, the parties further agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13.5 **Statutory powers**

The powers conferred by this Debenture on the Lender are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law (as extended by this Debenture) and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Assets. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Debenture, the terms of this Debenture shall prevail.

14. **APPOINTMENT OF RECEIVER**

14.1 **Appointment and removal**

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), the Lender may by deed or otherwise (acting through an authorised officer of the Lender):

- (a) without prior notice to the Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets;
 - (ii) appoint two or more Receivers of separate parts of the Charged Assets;
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); and

- (v) appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) following notice to the Chargor, appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

14.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 14.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Lender; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

14.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Lender under the Law of Property Act 1925 (as extended by this Debenture) or otherwise and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Assets.

15. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Assets (and any assets of the Chargor which, when got in, would be Charged Assets) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all 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);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and

- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Charged Assets.

16. APPLICATION OF PROCEEDS

All monies received or recovered and any non-cash recoveries made or received by the Lender or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Lender (notwithstanding any purported appropriation by the Chargor) to discharge the Secured Obligations.

17. PROTECTION OF PURCHASERS

17.1 Consideration

The receipt of the Lender or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Lender or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

17.2 Protection of purchasers

No purchaser or other person dealing with the Lender or any Receiver shall be bound to inquire whether the right of the Lender or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Lender or such Receiver in such dealings.

18. POWER OF ATTORNEY

18.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Lender and any Receiver severally to be its attorney (with full power of substitution) and in its name, on its behalf and as its act and deed to execute, deliver and perfect any Mortgage and to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

- (a) carrying out any obligation imposed on the Chargor by this Debenture or any other agreement binding on the Chargor to which the Lender is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Assets and perfecting and/or

releasing the Security created or intended to be created in respect of the Charged Assets); and

- (b) enabling the Lender and any Receiver to exercise or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or by law (including, after the occurrence of an Event of Default which is continuing, the exercise of any right of a legal or beneficial owner of the Charged Assets).

provided that such power of attorney shall only be exercisable after this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*).

18.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

19. EFFECTIVENESS OF SECURITY

19.1 Continuing security

- (a) The Security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Lender in writing.
- (b) No part of the Security from time to time intended to be constituted by this Debenture will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

19.2 Cumulative rights

The Security created by or pursuant to this Debenture, and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Lender may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Lender over the whole or any part of the Charged Assets shall merge into the Security constituted by this Debenture.

19.3 No prejudice

The Security created by or pursuant to this Debenture, and the Collateral Rights, shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Lender or by any other thing which might otherwise prejudice that Security or any Collateral Right.

19.4 Remedies and waivers

No failure on the part of the Lender to exercise, nor any delay on its part in exercising, any Collateral Right, shall operate as a waiver of that Collateral Right or constitute an election to affirm this Debenture. No election to affirm this Debenture on the part of the Lender shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

19.5 No liability

None of the Lender, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Debenture or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

19.6 Partial invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

19.7 Waiver of defences

The obligations assumed, and the Security created, by the Chargor under this Debenture, and the Collateral Rights, will not be affected by any act, omission, matter or thing which, but for this Clause 19.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Debenture (without limitation and whether or not known to the Chargor or the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement with any creditor of the Chargor;
- (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 Chargor or 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 Chargor or any other person;

- (e) any amendment, novation, supplement, extension, restatement (in each case, however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security or of the Secured Obligations including, without limitation, any change in the purpose of, any extension of or increase under any Finance Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

19.8 Chargor intent

Without prejudice to the generality of Clause 19.7 (*Waiver of Defences*), the Chargor expressly confirms that it intends that the Security created under this Debenture, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents.

19.9 Immediate recourse

The Chargor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Chargor under this Debenture or enforcing the Security created by this Debenture. This waiver applies irrespective of any law or any provision of this Debenture to the contrary.

19.10 Additional Security

The Security created by the Chargor under this Debenture and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by the Lender.

20. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Lender or any Receiver of any power of sale or right of appropriation or application under this Debenture, the Lender may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Lender may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (c) All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Lender on demand together with accrued interest thereon calculated in accordance with Clause 2.2 (*Default interest*).

21. SUBSEQUENT SECURITY INTERESTS

If the Lender at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all or any part of the Charged Assets which is prohibited by the terms of this Debenture, all payments thereafter by or on behalf of the Chargor to the Lender will (in the absence of any express contrary appropriation by the Chargor) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

22. SUSPENSE ACCOUNTS

All monies received, recovered or realised by the Lender under this Debenture (including the proceeds of any conversion of currency) may in the discretion of the Lender be credited to any interest bearing suspense or impersonal account(s) maintained with any bank, building society, financial institution or other person which the Lender considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Lender's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

23. RELEASE OF SECURITY

23.1 Release of Security

Upon the expiry of the Security Period, the Lender shall, at the request and cost of the Chargor, promptly release and cancel the Security constituted by this Debenture and procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant to this Debenture, in each case subject to Clause 23.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

23.2 Clawback

If the Lender considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Debenture and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably paid or credited.

24. SET-OFF

The Chargor authorises the Lender (but the Lender shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Lender to the Chargor and apply any credit balance to which the Chargor is entitled on any account with the Lender discharge of the Secured Obligations (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

25. ASSIGNMENT

25.1 No assignments or transfers by Chargor

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Debenture.

25.2 Assignments and transfers by the Lender

The Lender may assign and transfer all or any of its rights and obligations under this Debenture. The Lender shall be entitled to disclose such information concerning the Chargor and this Debenture as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

26. COUNTERPARTS

This Debenture 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 this Debenture.

27. DISCRETION AND DELEGATION

27.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture by the Lender or any Receiver may, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

27.2 Delegation

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Lender or the Receiver itself.

28. GOVERNING LAW

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

29. JURISDICTION

29.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of, or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture).

29.2 Convenient Forum

The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that it will not argue to the contrary.

29.3 Exclusive Jurisdiction

Notwithstanding Clause 29.1 (*English Courts*), the Lender may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been executed as a deed by the Chargor and has been signed by the Lender.

**SCHEDULE 1
SHARES**

Name of Company			Registration Number	Description and Number of Shares Held
Northern Limited	Petroleum (UK)		03970675	906,000,000 ordinary shares of £0.001
NP Offshore Limited	Holdings (UK)		04993507	715,500 ordinary shares of £1 each
High Power UK Limited	Petroleum (NOP)		10525265	164,418,966 ordinary shares of £0.01 each
NP Oil & Gas Holdings Limited			04991255	720,000 ordinary shares of £1 each
Northern Holdings Limited	Petroleum E&P		03971175	101,500,000 ordinary shares of 0.25p each

SIGNATURES

The Chargor

**EXECUTED as a DEED by
CABOT ENERGY PLC**

Signature:



in the presence of

YOLANDA CASTILLO

Signature of witness



Name of witness

YOLANDA CASTILLO

Address of witness

12 CALLE MESORANA

14012 CORDOBA

SPAIN

The Lender

For and on behalf of
HIGH POWER PETROLEUM LLC

By:



Name: Scott Aitken

Title: CEO