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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

[] [5] []

3084447

Name of company

* INTREPID ENERGY NORTH SEA LIMITED (the "Company")

* insert full name
of company

Date of creation of the charge

5th June 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

Charge and Set-Off Agreement over Credit Balance

Amount secured by the mortgage or charge

The sum of one dollar (US \$1) and all of the Liabilities, together with interest under the Charge accruing due to the Agent and the Banks, on a daily basis from day to day from first demand upon the Company until actual payment (as well after as before any further demand or judgment or the liquidation of the Company) at the rate of interest payable or deemed to be payable by the Company in respect of the Liabilities as calculated and compounded in accordance with the Credit Agreement.

Names and addresses of the mortgagees or persons entitled to the charge

Chase Manhattan International Limited (the "Agent"), 125 London Wall,
London

Postcode EC2Y 5AJ

Presentor's name address and
reference (if any):

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Ref: 324/C303/30759297

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Please see attached continuation sheet.

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Particulars as to commission allowance or discount (note 3)

None.

Signed He. G. Smith

Date 15 June 1998

On behalf of ~~[company/mortgagee]~~ chargee]†

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

CONTINUATION SHEET FOR
SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

Name of Company: INTREPID ENERGY NORTH SEA LIMITED

Company Number: 3084447

Continuation Sheet No. 1

A first fixed charge over the benefit and right to repayment of all sums from time to time standing to the credit of the Deposit Account.

Negative Pledge

For so long as the Charge remains undischarged the Company will not create any other charge or interest affecting the Deposit Account (other than the Intrepid Floating Charge).

Definitions

The following terms used in this Form have the meanings set out below:

"Account Bank"	means The Chase Manhattan Bank whose registered office is at 125 London Wall, London EC2Y 5AJ;
"Banks"	means the Banks whose names are set out in the first schedule to the Credit Agreement and every other bank to whom an interest therein shall be transferred in accordance with the provisions thereof but excluding any such bank who, at the relevant time, has ceased to have any rights or obligations with respect to the Revolving Facility;
"Charge"	means the Charge and Set-Off Agreement over Credit Balance dated 5th June 1998 between the Company and the Agent;
"Credit Agreement"	means the credit agreement dated 7th November 1997 (as amended by the supplemental agreement dated 30th January 1998) between, inter alia, the Company, the Banks and the Agent;
"Deposit Account"	means the US dollar account of the Company at the Account Bank known as "The Renee Charged Deposit Account", as the same may be renewed, redesignated or renumbered from time to time;
"Drawing"	has the meaning given to it in the Credit Agreement;
"Indebtedness"	means any obligation for the payment or repayment of money, whether present or future, actual or contingent and whether incurred as principal or as surety;
"Intrepid Floating Charge"	means the floating charge dated 7th November 1997 and created by the Company in favour of the Agent;

CONTINUATION SHEET FOR
SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

Name of Company: INTREPID ENERGY NORTH SEA LIMITED

Company Number: 3084447

Continuation Sheet No. 2

"Liabilities"

means the aggregate of:

- (A) all Indebtedness or other liabilities (in whatever currency they may be expressed) of the Company to the Agent and the Banks under or in connection with the Renee Drawing (whether incurred solely, severally or jointly with others); and
- (B) any interest accrued in respect of the amounts and liabilities referred to in paragraph (A) above both before demand and from the date of demand to the date of payment, as well after as before judgment (whether any of the same shall have been capitalised or not); and
- (C) all charges, commissions and legal and other expenses incurred in any manner whatsoever by the Agent or the Banks in relation to such Indebtedness and liabilities or interest or to the Charge (including, without limitation, any foreign exchange losses and expenses incurred by the Agent or the Banks in enforcing or otherwise attempting to recover any such Indebtedness or liabilities) on a full indemnity basis, provided that the liability of the Company in relation to disbursements incurred in connection with the preparation, negotiation and execution of the Supplemental Agreement and the Charge and otherwise in connection with the negotiation of the Renee Drawing shall be restricted to reasonable disbursements as provided in clause 2 of the Supplemental Agreement;

"Renee Drawing"

means the Drawing of US \$16,000,000 as more particularly described in clause 4.1 of the Supplemental Agreement;

"Revolving Facility"

means the revolving facility described in clause 4 of the Credit Agreement; and

"Supplemental Agreement"

means the supplemental agreement dated 5th June 1998 between, inter alia, the Company, the Banks and the Agent.

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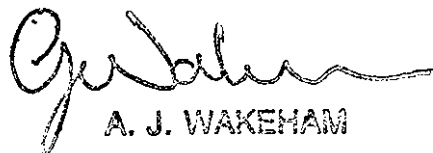
CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03084447

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE AND SET-OFF AGREEMENT OVER CREDIT BALANCE DATED THE 5th JUNE 1998 AND CREATED BY INTREPID ENERGY NORTH SEA LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO CHASE MANHATTAN INTERNATIONAL LIMITED (THE AGENT) AND THE BANKS UNDER OR IN CONNECTION WITH THE RENEE DRAWING (AS DEFINED) OR ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th JUNE 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th JUNE 1998.



A. J. WAKEHAM

for the Registrar of Companies



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