

MR01

Particulars of a charge



Companies House

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
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☒ What this form is for
You may use this form to register
a charge created or evidenced by
an instrument

☐ What this form is NOT for
You may not use this form to
register a charge where the
instrument Use form MR01



A06 03/07/2014 #214
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. Do not send the original

1 Company details

Company number 04560068

Company name in full XCITE ENERGY RESOURCES LIMITED

For official use
→ Filing in this form
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 27/06/2014

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name NORDIC TRUSTEE ASA

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

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Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

Brief description

None.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

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Signature

Please sign the form here

Signature

Signature

X

Wickbay Rain LLP (Lender > Lender)

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

CARL SHEPARD

Company name

WIKBORN REIN LLP

Address

CHEAPSIDE HOUSE CHEAPSIDE
STREET

Post town

LONDON

County/Region

Postcode

EC2V6HS

Country

UK

DX

Telephone

0207 367 0300

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4560068

Charge code: 0456 0068 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th June 2014 and created by XCITE ENERGY RESOURCES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd July 2014.

Given at Companies House, Cardiff on 9th July 2014



Companies House



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

Execution Version

27 JUNE 2014

XCITE ENERGY RESOURCES LIMITED

as the Company

and

NORDIC TRUSTEE ASA

as the Bond Trustee

DEBENTURE

CERTIFIED TRUE COPY
OF ORIGINAL DOCUMENT

SIGNED 

DATE

2-8-2014

WIKBORG | REIN

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THIS DEBENTURE is made on 27 June 2104

PARTIES

- (1) XCITE ENERGY RESOURCES LIMITED, a company incorporated in England and Wales with company number 04560068 and with registered office at 1 Farnham Road, Guildford, Surrey, GU2 4RG, United Kingdom (the "Company"), and
- (2) NORDIC TRUSTEE ASA, a public limited company incorporated in Norway with registration number 963 342 624, as agent on behalf of and as trustee for the bondholders under the Bond Agreement (as defined below) (the "Bond Trustee").

AGREED TERMS

1 DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

Terms defined in the Bond Agreement shall, unless otherwise defined in this Debenture or unless a contrary intention appears, bear the same meaning when used in this Debenture and the following terms shall have the following meanings

"Account Proceeds" means all amounts (including interest) from time to time standing to the credit of the Charged Accounts

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

"Assigned Agreements" means

- (a) each of the Project Documents (other than the Licences), and
- (b) any other agreement designated as such by the Company and the Bond Trustee in writing

"Assigned Rights" means all rights, titles, benefits and interests, whether present or future, of the Company in, to or arising under the Assigned Agreements including rights to any sums payable to the Company and the full benefit of any Security, options, indemnities, guarantees and warranties in respect of the Assigned Agreements

"Bentley Field" means the heavy oil field discovered in, under or in connection with the Bentley Licence

"Bentley Licence" means the United Kingdom Seaward Production Licence P1078 (Block 9/3b) and any future licence in relation to which hydrocarbons are produced

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from, through or in connection with the Bentley Field, but excluding the licences relating to Blocks 9/3c and 9/3d

"Bond Agreement" means the bond loan agreement entered into on or around the date hereof (as amended, restated, modified or supplemented from time to time) and made between the Company, as issuer and the Bond Trustee, as bond trustee for the Bondholders, in terms of which the Bondholders have made available to the Company the Bonds with ISIN NO 001 0713779 in the aggregate maximum amount of up to USD 135,000,000.

"Charged Accounts" means each of the Earnings Accounts, and any other account into which the Project Proceeds payable to the Company shall be paid directly by the relevant contracting party

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

"Consent" means, in relation to any Assigned Agreement and/or Related Rights relating thereto, any consent and/or waiver from any party (other than the Company) to that Assigned Agreement which is required pursuant to that Assigned Agreement in order for the Company to grant the Security contemplated by this Debenture over the Company's rights to and title and interest in that Assigned Agreement and/or Related Rights without the Company being in breach of that Assigned Agreement

"DECC" means the UK government's Department of Energy and Climate Change (or any successor thereto) and/or the Secretary of State and/or where the context so requires any relevant predecessor department

"Default Notice" means a notice issued by the Bond Trustee pursuant to clause 15.4 of the Bond Agreement

"Debts" means all of the Company's present and future book and other debts, revenues and monetary claims, whether actual or contingent, and whether originally owing to the Company or purchased or acquired by it, and all things in action which may give rise to any debt, revenue or monetary claim and the benefit of any related Security, guarantee or other rights of any nature relating thereto and any proceeds of any of the above

"Earnings Accounts" means each of the accounts stipulated in Schedule 3, and **"Earnings Account"** means any one of them.

"Enforcement Date" means the date on which a Default Notice has been served to the Company

"Finance Parties" means the Bond Trustee and the Bondholders

"Licences" means the Bentley Licence and any other existing and any future hydrocarbon licences or blocks (or interests therein) owned by the Company at any time


"LPA" means the Law of Property Act 1925

"Project Documents" means

- (a) the Licences;
- (b) each present and future contract or policy of insurance in respect of which the Company has or may from time to time have an interest,
- (c) each present and future (i) joint operating agreement and/or unitisation and unit operating agreement in respect of a Licence, (ii) agreement relating to the transportation, processing and/or storage of production from a Licence, (iii) agreement for the sale or marketing of production from a Licence, (iv) royalty agreement related to a Licence, and (v) any other material agreement relating to a Licence and/or hydrocarbons produced in relation to a Licence,
- (d) any document and/or agreement relating to the acquisition by the Company of any interest in a Licence relating to an exploration or development or operating asset, and
- (e) any other document designated as such by the Company and the Bond Trustee

"Receiver" means any person appointed by the Bond Trustee to be a receiver or receiver and manager or administrative receiver of any property subject to the security created by this Debenture or any part thereof

"Related Rights" means, in relation to any property, asset (or class of assets) or right

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

"Secured Agreements" means each present and future Project Document to which the Company is a signatory

"Secured Liabilities" means all monies, obligations and liabilities covenanted to be paid or discharged pursuant to Clause 2 (*Covenants to Pay*)

"Secured Rights" means all rights, titles, benefits and interests, whether present or future, of the Company in, to or arising under the Secured Agreements including rights to any sums payable to the Company and the full benefit of any Security, options, indemnities, guarantees and warranties in respect of the Secured Agreements.

"Security" means a mortgage, charge, pledge, lien 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 Debenture until the date on which the Bond Trustee (acting reasonably) 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 intention appears, words defined in the Companies Act 2006 have the same meanings in this Debenture

1 2 Construction

1 2 1 Unless a contrary indication appears, any reference in this Debenture to.

- (a) the singular included the plural and vice versa;
- (b) any Finance Party or the Company shall be construed so as to include its successors in title, permitted assigns and permitted transferees,
- (c) "assets" includes (i) present and future properties, revenues and rights of every description and (ii) reference to all or any part of that asset,
- (d) "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as modified (however fundamentally and whether or not more onerously) and includes any change in the purpose of, any extension of or increase in any facility or addition of any new facility under that Finance Document or other agreement or instrument,

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- (e) "disposal" means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and "dispose" will be construed accordingly,
- (f) any matter "including" specific instances or examples of such matter shall be construed without limitation to the generality of that Matter (and references to "include" shall be construed accordingly),
- (g) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
- (h) a "modification" includes an amendment, supplement, novation, re-enactment, restatement, variation, extension, replacement, modification or waiver or the giving of any waiver, release or consent having the same commercial effect of any of the foregoing (and "modify" shall be construed accordingly),
- (i) any "obligation" of any person under any Finance Document or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Debenture, as the case may be, that other agreement or document,
- (j) a "person" includes any individual, company, corporation, firm, partnership, joint venture, consortium, undertaking, association, organisation, trust, government, state or agency of a state (in each case, whether or not having separate legal personality),
- (k) a provision of law is a reference to that provision as amended or re-enacted, and
- (l) the "winding-up", "dissolution" or "administration" of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such a person is incorporated or established, or any jurisdiction in which such person carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors

1 2 2 Clause headings are for ease of reference only

1 2 3 The words "other", "or otherwise" and "whatsoever", when used in this Debenture, shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to

1 3 Finance Document

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This Debenture is a Finance Document

1.4 Third Party Rights

Except as provided in this Debenture, the terms of this Debenture may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded. The rights of the parties to rescind or agree any amendment or waiver under this Debenture are not subject to the consent of any other person.

1.5 Implied Covenants for Title

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

1.6 Effect as a Deed

This Debenture is intended to take effect as a deed notwithstanding that the Bond Trustee may have executed it under hand only.

1.7 Law of Property (Miscellaneous Provisions) Act 1989

To the extent necessary for any agreement for the disposition of the Charged Assets in this Debenture to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Bond Agreement are incorporated into this Debenture.

1.8 Security Trust Provisions

The Bond Trustee holds the benefit of this Debenture on trust for the Bondholders in accordance with Article 17 (*The Bond Trustee*) of the Bond Agreement. The Bond Trustee shall deal all moneys or other assets from time to time received or recovered by the Bond Trustee under or by virtue of this Debenture, including the proceeds of any enforcement in accordance with the terms and conditions of the Finance Documents. In its capacity as trustee under this Debenture, the Bond Trustee shall have the benefit of all the provisions of the Finance Documents which benefit it in its capacity as agent for the Finance Parties and all the powers and discretions conferred on trustees under English law including, inter alia, the Trustee Act 1925, the Trustee Delegation Act 1999 and the Trustee Act 2000 (to the extent not inconsistent with any of the Finance Documents).

2 COVENANTS TO PAY

2.1 Covenant to pay Secured Liabilities

The Company covenants that it shall on demand pay to the Bond Trustee all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by any

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Obligor to any Finance 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 express or implied, present, future or contingent, joint or several, incurred as principal or surety, originally owing to any Finance Party or purchased (whether by assignment or otherwise) or acquired in any other way by that Finance Party, denominated in sterling or any other currency, or incurred on any current or other banking account or in any other manner whatsoever.

2.2 Potential invalidity

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

2.3 Interest

2.3.1 The Company hereby agrees to pay to the Bond Trustee, in respect of any amount demanded from it in accordance with this Debenture (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between the Company and any Finance Party) interest from first demand by the Bond Trustee of the Company

- (a) at the rate of interest payable by the Company in respect of the amount demanded as calculated and compounded in accordance with any agreement between any Finance Party and the Company with respect to such amount (including the Bond Agreement), or
- (b) failing such agreement, at the rate per annum which is two per cent (2%) per annum above the interest cost to the relevant Finance Party (as reasonably determined by that Finance Party) of funding the amount demanded, such interest being calculated daily on the basis of a 365 day year and compounded at monthly rests

2.3.2 Such interest shall accrue in the manner set out in the relevant agreement between the Company and the relevant Finance Party, or failing such agreement, on a daily basis from the demand by the Bond Trustee until actual payment by the Company (both before and after any further demand or judgment or the liquidation of the Company)

3 FIXED SECURITY

3.1 Creation of fixed security

The Company charges to the Bond Trustee by way of fixed charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Company's rights to and title and interest from time to time in any and each of the following

- 3 1 1 the Licences,
- 3 1 2 to the extent not effectively assigned under Clause 3 2 (*Assignments*), the Assigned Agreements and the Assigned Rights and, in each case, together with all Related Rights relating thereto,
- 3 1 3 the Charged Accounts,
- 3 1 4 all Account Proceeds, and
- 3 1 5 all goodwill

3 2 Assignments

Subject to obtaining any necessary Consent in accordance with Clause 5 2 (*Consents*), the Company assigns by way of security to the Bond Trustee with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities all of the Company's rights to and title and interest from time to time in the Assigned Agreements, the Assigned Rights and, in each case, together with all Related Rights relating thereto

3 3 Preservation of fixed charge

Without prejudice to Clause 3.1 (*Creation of fixed security*) and Clause 3 2 (*Assignments*), if, pursuant to the terms of the Bond Agreement, the Company is entitled to withdraw the proceeds of any book and other debts standing to the credit of a Charged Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clauses 3.1 (*Creation of fixed security*) and 3 2 (*Assignments*), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of the Company and the proceeds of those debts

3 4 Security over Charged Assets

The Security created by this Debenture in relation to each Assigned Agreement and each Secured Agreement shall, to the extent required by that agreement, in each case as that agreement may have been subsequently amended, assigned, transferred or novated, be

- 3 4 1 without prejudice to the provisions of that agreement,
- 3 4 2 subordinated to the express rights specified under that agreement of the parties thereto from time to time (other than the Company), and

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- 3 4 3 subject to the liabilities and obligations of the Company relating to the interest of the Company in and under that agreement,

provided that, nothing in this Clause 3 4 shall (i) release the Company from any obligations to fulfil any requisite condition in connection therewith or (ii) impose on the Bond Trustee or any Receiver appointed by it an obligation to perform any of the obligations of the Company under any Secured Agreement or Assigned Agreement or to procure the performance of the Company of any such obligation

4 FLOATING CHARGE

4 1 Creation of floating charge

- 4 1 1 The Company charges to the Bond Trustee by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Company's rights to and title and interest from time to time in the whole of its property, assets, rights and revenues, whatsoever and wheresoever, present and future (including the Accounts Proceeds), other than any property, assets, rights and revenues validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3 1 (*Creation of fixed security*) or 3 2 (*Assignments*)

- 4 1 2 The floating charge hereby created is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986

- 4 1 3 Without prejudice to Clause 4 1 2 the Bond Trustee reserves its rights to appoint an administrative receiver on and following the Enforcement Date in accordance with sections 72B to H (inclusive) of the Insolvency Act 1986

4 2 Automatic Crystallisation of floating charge

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

- 4 2 1 the Company creates or attempts to create any Security (other than as permitted under clause 13 4 4 (*Negative pledge*) of the Bond Agreement) over all or any of the Charged Assets without the prior consent of the Bond Trustee, or
- 4 2 2 any person levies or attempts to levy any distress, execution or other similar process against any of the Charged Assets, or
- 4.2.3 a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of the Company, or

4 2 4 an Administrator is appointed or any step which will result in such appointment is taken,

then the floating charge created by Clause 4 1 (*Creation of floating charge*) will automatically (without notice) be converted into a fixed charge as regards all of the assets subject to the floating charge

4 3 Crystallisation on Notice of Floating Charge

Notwithstanding anything express or implied in this Debenture, the Bond Trustee may at any time

4 3 1 on or after the Enforcement Date, or

4 3 2 if the Bond Trustee considers in good faith and on reasonable grounds that any of the Charged Assets are in danger of being seized or sold as a result of any legal process, are otherwise in jeopardy or the Bond Trustee in good faith reasonably believes that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding up of the Company,

by giving notice in writing to that effect to the Company convert the floating charge created by Clause 4 1 (*Creation of floating charge*) into a fixed charge as regards any assets specified in such notice. The conversion shall take effect immediately upon the giving of the notice.

5 FURTHER ASSURANCE

5 1 Further assurance

The Company shall promptly upon written request by the Bond Trustee execute (in such form as the Bond Trustee may reasonably require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Bond Trustee or its nominees and do all such assurances and things which are, in the Bond Trustee's reasonable opinion, necessary 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 Debenture,

5 1 2 conferring upon the Bond Trustee 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, at any time on or after the occurrence of the Enforcement Date, the realisation of all or any part of the Charged Assets, and

5 1 4 exercising all powers, authorities and discretions conferred on the Bond Trustee or any Receiver pursuant to this Debenture or by law

5 2 Consents and other necessary action

5 2 1 The Company shall take all such action as may be lawfully available to it and which are necessary, in the reasonable opinion of the Bond Trustee, for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Debenture. In addition, the Company shall use all reasonable endeavours to obtain any necessary Consent (in form and content satisfactory to the Bond Trustee, acting reasonably) to enable the Assigned Agreements, the Assigned Rights and, in each case, together with all Related Rights relating thereto, to be assigned pursuant to this Debenture. Immediately upon obtaining any necessary Consent the asset concerned shall become subject to the security created by this Debenture. The Company shall promptly deliver a copy of each such Consent to the Bond Trustee

5 2 2 Without prejudice to Clause 5 2 1, to the extent that any Assigned Agreement, Assigned Rights and/or Related Rights relating thereto cannot be assigned as provided hereunder without the Consent of a party to that Assigned Agreement

- (a) the Company must notify the Bond Trustee promptly,
- (b) the Company must, in relation to every Assigned Agreement and Related Rights thereto in respect of which a Consent is required to in the case of any Assigned Agreement dated on or after the date of this Debenture procure that Consent on terms acceptable to the Bond Trustee is obtained no later than the date on which the Company enters into any Assigned Agreement, and forthwith upon obtaining that Consent, give written notice of the same to the Bond Trustee (together with a copy of that Consent); and
- (c) until such time as such Consent is obtained the Security created by or pursuant to this Debenture will secure all amounts which the Company may receive, or has received, under the relevant Assigned Agreement but (to the extent such Consent is required) exclude such Assigned Agreement and Related Rights thereto (other than any amounts received or to be received thereunder)

6 REPRESENTATIONS AND WARRANTIES

The Company makes the representations and warranties set out in this Clause 6 (*Representations and Warranties*) to the Bond Trustee on the date of this Debenture

6 1 Bond Agreement *of*

The Company repeats herein the representations and warranties made by it as set out in clause 7 (*Representations and Warranties*) of the Bond Agreement to the Bond Trustee, which representations and warranties are deemed incorporated into this Deed

6.2 Legal and Beneficial Owner of the Charged Assets

Except as provided in this Deed, the Assignor has not assigned, transferred or otherwise disposed of the Charged Assets, either in whole or in part, nor agreed to do so, and will not at any time do so or agree to do so and the Assignor is and will at all relevant times be the sole, absolute, legal and beneficial owner of the Charged Assets

6.3 Repetition

Each of the representations and warranties in Clauses 6.1 and 6.2 are deemed to be made by the Company by reference to the facts and circumstances then existing on the date of this Debenture and on each date as described under clause 7.2 of the Bond Agreement

7 GENERAL UNDERTAKINGS WITH RESPECT TO CHARGED ASSETS

7.1 The Company repeats herein the covenants in respect of itself as set out in clause 13 (*Covenants*) of the Bond Agreement to the Bond Trustee, which covenants are deemed incorporated into this Deed. The Company further undertakes to the Bond Trustee with respect to the Charged Assets that

7.1.1 Negative Pledge

it shall not, without the prior consent in writing of the Bond Trustee, create or attempt to create or permit to subsist or arise any Security (other than as permitted under clause 13.4.4 (*Negative pledge*) of the Bond Agreement) on, over or affecting the Charged Assets or any part of them,

7.1.2 Disposals

it shall not dispose of the Charged Assets or any part of them or agree so to do except in the case of (i) disposals which are not prohibited by the Bond Agreement, and (ii) disposals of any other assets which are the subject of the floating charge created by this Debenture in the ordinary course of the Company's business and for these purposes the term disposal shall include any form of disposal of any interest in any asset including any conveyance, transfer, lease, assignment, sale, grant, right to use or occupy, surrender, declaration of trust or the creation of any other form of legal or equitable interest in or over any asset or any option in respect of any of the foregoing

7.1.3 Subsequent charges *q*

subject to Clause 7.1.1 (*Negative Pledge*), it shall procure that any Security created by the Company after the date of this Debenture (otherwise than in favour of the Bond Trustee) shall be expressed to be subject to this Debenture

7.2 Notices of assignment or charge

7.2.1 The Company shall

(a) deliver to the Bond Trustee and serve on any debtor or other relevant counterparty in respect of the relevant rights (each, a "counter-party") as required by the Bond Trustee a notice of assignment of the Assigned Agreements or a notice of charge in respect of the Charged Assets. At the date of this Debenture and without prejudice to the rights of the Bond Trustee referred to in the preceding sentence, the Company shall

(i) deliver a notice of assignment in respect of the Assigned Agreements (other than the Agreement for the Supply and Offtake of Bentley Crude Oil dated 11 June 2012 (as amended) between Xcite Energy Resources Limited and BP Oil International Limited (the "BP Oil Agreement")) listed in Schedule 2 (*Required Notices of Assignment*) of this Debenture, and

(ii) in respect of the BP Oil Agreement, (1) deliver a request for Consent in accordance with Clause 5.2 and (2) upon obtaining such Consent, deliver a notice of assignment, and

(b) request that each such notice is acknowledged by the relevant counter-party.

7.2.2 Each notice of assignment or charge and/or acknowledgement referred to in Clause 7.2.1 shall be in a form substantially similar to those contained in Schedule 1 (*Form of Notice*) to this Debenture or such other form as the Bond Trustee may reasonably require

7.3 No liability

Notwithstanding anything contained in this Debenture

7.3.1 the Finance Parties shall be under no obligation or liability under or in respect of the Secured Agreements, the Assigned Agreements, the Secured Rights or the Assigned Rights or be liable to make any payment under or in respect of the Secured Agreements, the Assigned Agreements, the Secured Rights or the Assigned Rights,

7.3.2 the Finance Parties shall not be obliged to take any steps necessary to preserve any of the Secured Agreements, the Assigned Agreements, the Secured Rights or any of the Assigned Rights or enforce against the Company or any other person any term of any Secured Agreement or Assigned Agreement, or to make any enquiries as to the

nature or sufficiency of any payment received by the Company pursuant to any term of any Secured Agreement or Assigned Agreement; and

- 7.3.3 the Company shall remain solely and fully liable under or in respect of the Secured Agreements and the Assigned Agreements to perform all the obligations and to pay all losses, costs, expenses, taxes and damages payable by it under or in connection with the Secured Agreements and the Assigned Agreements

8 UNDERTAKINGS AS TO CHARGE OVER BOOK AND OTHER DEBTS

8.1 Value of Debts

The Company undertakes to provide the Bond Trustee promptly upon its request (and in a form acceptable to the Bond Trustee acting reasonably) a certificate showing the aggregate value of the Debts due to the Company from any source provided that before the Enforcement Date has occurred no more than one request may be made by the Bond Trustee in each six month period commencing on the date of the most recent request.

8.2 Realisation of Debts

During the Security Period, the Company undertakes with reference to the Debts to collect the Debts in the ordinary course of its business and (where applicable prior to the payment into any account into which those Debts are required by the Bond Agreement to be paid) to hold the Debts on trust for the Bond Trustee

8.3 Debts: Position after Default

After the Enforcement Date the Company shall not, except with the consent of the Bond Trustee, withdraw or otherwise transfer the proceeds of realisation of any Debts standing to the credit of any account

9 UNDERTAKINGS AS TO ACCOUNT PROCEEDS

9.1 Account Proceeds: Position before Default

Before the Enforcement Date, the Company shall (subject to any restrictions in the Bond Agreement preventing the withdrawal of the same) be entitled to withdraw any credit amount referred to in the definition of Account Proceeds from any relevant account

9.2 Account Proceeds: Position after Default

After the Enforcement Date, the Company shall not be entitled to be paid, withdraw or otherwise transfer any credit amount referred to in Clause 9.1 (*Account Proceeds Position before Default*) except with the prior consent of the Bond Trustee

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10 RIGHTS OF THE BOND TRUSTEE

10.1 Enforcement

At any time on or after the Enforcement Date, the security created pursuant to this Debenture shall be immediately enforceable and the Bond Trustee may in its absolute discretion and without notice to the Company or the prior authorisation of any court

- 10.1.1 enforce all or any part of the security created by this Debenture and take possession of or dispose of all or any of the Charged Assets in each case at such times and upon such terms as it sees fit, and
- 10.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions
 - (a) conferred from time to time on mortgagees by the LPA (as varied or extended by this Debenture) or by law, and/or
 - (b) granted to a Receiver by this Debenture or by law
- 10.1.3 settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to any of the Secured Agreements, the Assigned Agreements and any of the Secured Rights or the Assigned Rights,
- 10.1.4 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Agreements or the Assigned Agreements and any of the Secured Rights or the Assigned Rights which may seem to it to be expedient,
- 10.1.5 exercise in relation to any of the Secured Rights or the Assigned Rights all the powers, authorities and things which it would be capable of exercising if it were the absolute owner of the same,
- 10.1.6 apply for and maintain any regulatory permission, consent or licence required in connection with the Secured Agreements, the Assigned Agreements, the Secured Rights or the Assigned Rights and the possession and/or disposal of such, and
- 10.1.7 fulfil, at the Company's expense and risk, the obligations of the Company under the Secured Agreements and the Assigned Agreements

10.2 Restrictions on consolidation of mortgages

Section 93 of the LPA shall not apply to this Debenture or to any sale made under it. The Bond Trustee shall have the right to consolidate all or any of the security created by or *cp*

pursuant to this Debenture with any other security in existence at any time. Such power may be exercised by the Bond Trustee at any time on or after the Enforcement Date.

10.3 Restrictions on exercise of power of sale

Section 103 of the LPA shall not apply to this Debenture and the power of sale arising under the LPA shall arise on the date of this Debenture (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 Debenture and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Bond Trustee at any time on or after the Enforcement Date.

10.4 Leasing powers

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

10.5 No prior notice needed

To the extent permitted by law, the powers of the Bond Trustee set out in Clauses 10.2 (*Restrictions on Consolidation of Mortgages*) to 10.4 (*Leasing Powers*) may be exercised by the Bond Trustee without prior notice to the Company.

10.6 Right of appropriation

10.6.1 Without prejudice to the other provisions of this Debenture, to the extent that any of the Charged Assets constitute "financial collateral", and this Debenture 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 Bond Trustee shall 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 Bond Trustee by reference to such method or source of valuation as the Bond Trustee may reasonably select, including by independent valuation. The parties agree that the methods or sources of valuation provided for in this Clause or selected by the Bond Trustee in accordance with this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

10 6 2 The Bond Trustee 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

11 EXONERATION

11.1 Exoneration

No Finance Party, nor any Receiver, shall by reason of it or the Receiver entering into possession of the Charged Assets or any part thereof, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable, but every Receiver duly appointed by the Bond Trustee under this Debenture shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Debenture when the provisions of this Debenture shall prevail and every such Receiver and the Bond Trustee 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

11.2 Indemnity

The Bond Trustee and every Receiver, attorney, delegate, manager, agent or other person appointed by the Bond Trustee 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 proper execution of any of the powers, authorities or discretions vested in it or him pursuant to this Debenture 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, unless directly caused by the gross negligence or wilful misconduct of the Bond Trustee or Receiver, as the case may be. The Bond Trustee and any such Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Debenture

12 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

12.1 Appointment

12 1 1 At any time on or after the Enforcement Date, or at the request of the Company or its directors, the Bond Trustee may, without prior notice to the Company, in writing (under seal, by deed or otherwise under hand) appoint

- (a) any one or more persons to be a Receiver in respect of the Charged Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his stead, or

- (b) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.

12.1.2 Nothing in Clause 12.1.1 shall restrict the exercise by the Bond Trustee of any one or more of the rights of the Bond Trustee under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law

12.2 More than one Receiver

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

12.3 Receiver as agent

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

12.4 Receiver's remuneration

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

12.5 Actions of the Administrator

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

13 RECEIVER'S POWERS

13.1 Powers

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

13.1.1 all of the powers of an administrative receiver set out in Schedule 1 and (if applicable) Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),

13.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA.

13 1 3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Company itself could do or omit to do, and

13 1 4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Debenture or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Company, the collection and/or realisation of Charged Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Company (whether under hand, or by way of deed or by utilisation of the company seal of the Company))

13 2 Powers may be restricted

The powers granted to a Receiver pursuant to this Debenture may be restricted by the instrument (signed by the Bond Trustee) appointing him but they shall not be restricted by any winding-up or dissolution of the Company

14 PROTECTION OF PURCHASERS

14 1 Absence of enquiry

No person or persons dealing with the Bond Trustee or any Receiver shall be concerned to enquire whether any event has happened upon which any of the powers in this Debenture 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 Debenture. All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Bond Trustee or any such Receiver

14 2 Receipt: conclusive discharge

The receipt of the Bond Trustee or any Receiver shall be a conclusive discharge to any purchaser of the Charged Assets

15 POWER OF ATTORNEY AND DELEGATION

15 1 Power of attorney: general

At any time on or after the Enforcement Date or prior to the Enforcement Date in respect of any action required to be taken by the Company pursuant to this Debenture which the Company has failed to take for a period of at least 5 Business Days, the Company hereby irrevocably and by way of security appoints the Bond Trustee and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed

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- 15 1.1 to execute and deliver any documents or instruments which the Bond Trustee or such Receiver may require, for perfecting the title of the Bond Trustee to the Charged Assets or for vesting the same in the Bond Trustee, its nominee or any purchaser;
- 15 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 Debenture;
- 15 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 Bond Trustee or any Receiver under this Debenture or which the Company is required to do pursuant to this Debenture or which may be deemed expedient by the Bond Trustee or a Receiver in connection with any preservation, disposition, realisation or getting in by the Bond Trustee or such Receiver of the Charged Assets or in connection with any other exercise of any other power under this Debenture

15 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 15 (*Power of Attorney and Delegation*) properly does in exercise of the powers granted by this Clause

15 3 Power of attorney: general delegation

The Bond Trustee and any Receiver shall have full power (acting in good faith) to delegate the powers, authorities and discretions conferred on it or him by this Debenture (including the power of attorney) on such terms and conditions as it or he shall see fit which shall not preclude exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation

16 APPLICATION OF MONIES RECEIVED UNDER THIS DEBENTURE

Any monies received by the Bond Trustee hereunder shall be applied for the following purposes and in the following order of priority

- a) in satisfaction of all costs, charges and expenses and payments made or incurred by the Bond Trustee or the Receiver and of remuneration to the Receiver in such order as the Bond Trustee shall in its absolute discretion decide,
- b) in or towards satisfaction of the Secured Liabilities which, subject to any provision to the contrary in the Bond Agreement, shall be applied in such order as the Bond Trustee shall in its absolute discretion decide, and
- c) the surplus, if any, shall be paid to the Issuer or other person or persons entitled to it,

save that the Bond Trustee may, subject to the repayment of any claims having priority to this Debenture and to any applicable statutory requirement as to (i) the payment of preferential debts, or (ii) the payment of unsecured creditors in accordance with section 176A of the Insolvency Act 1986, credit any monies received under this Debenture to a suspense account for so long and in such manner as the Bond Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Bond Trustee consider appropriate, unless and until the amount of all such monies received by it, in aggregate with all monies received by all other Finance Parties, would if applied by all of the Finance Parties result in the full repayment of all of the amounts which may be or become payable by the Company under or in connection with the Finance Documents

17 RELEASE OF SECURITY

17.1 Release

The Bond Trustee 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 Bond Trustee acting reasonably) and do all such deeds, acts and things as are necessary to release and/or reassign the Charged Assets from, and discharge, the security created by or in accordance with this Debenture at or at any time following the end of the Security Period or if otherwise permitted pursuant to the terms of the Finance Documents (including as permitted by Clause 7.1.2 (*Disposals*))

17.2 Avoidance of payments

17.2.1 No amount paid, repaid or credited to a Finance Party shall be treated for the purposes of this Debenture as having been irrevocably paid if in the reasonable opinion of the Bond Trustee, the payment or credit of such amount is likely to be avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws

17.2.2 If any amount paid, repaid or credited to a Finance party is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between that Finance Party and the Company shall be deemed not to have occurred and the Bond Trustee shall be entitled to enforce this Debenture subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made

18 CURRENCY OF PAYMENT

18.1 No Deduction

All payments to be made by the Company under this Debenture shall be made without any set-off, counterclaim or equity and (subject to clause 14.6 of the Bond Agreement) free from,

clear of and without deduction for any taxes, duties, levies, imposts or charges whatsoever, present or future

18.2 Currency of payment

The obligation of the Company under this Debenture 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 that tender or recovery results in the effective receipt by a Finance Party of the full amount of the currency expressed to be payable under this Debenture

19 POWER OF SEVERANCE

In the exercise of the powers conferred by this Debenture, the Bond Trustee or any Receiver may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and the Bond Trustee or any Receiver may apportion any rent or other amount without the consent of the Company

20 NEW ACCOUNTS

If a Finance 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 Debenture, 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 that 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 Finance 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

21 CURRENCY INDEMNITY

21.1 If any sum due from the Company under the Finance Documents (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

21.1.1 making or filing a claim or proof against the Company,

21.1.2 obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Company shall as an independent obligation, within three Business Days of demand indemnify each Finance Party to whom that Sum is due 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 receipt of that Sum

21.2 Without prejudice to Clause 21.1, the Company shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability which that Finance Party incurs as a result of that Finance Party receiving an amount in respect of the Company's liability under any Finance Document in a currency other than the currency in which that liability is expressed to be payable under that Finance Document

21.3 The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable

22 CALCULATIONS AND CERTIFICATES

22.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Finance Party are *prima facie* evidence of the matters to which they relate

22.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23 MISCELLANEOUS

23.1 The Company

This Debenture is binding on the successors and assigns of the Company

23.2 Assignment and transfer

The Company may not assign any of its rights or transfer any of its rights or obligations under this Debenture. The Bond Trustee may assign and transfer all or any part of its rights and obligations under this Debenture to its successor Bond Trustee in accordance with the terms of the Bond Agreement only

23.3 Property

This Debenture is and will remain the property of the Bond Trustee

23.4 Continuing security *g*

- 23.4 1 During the Security Period, this Debenture 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
- 23.4 2 If any purported obligation or liability of any Obligor to the Finance Parties which if valid would have been the subject of any obligation or charge created by this Debenture is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to any Finance 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 the Finance Parties fully indemnified against all damages, losses, costs and expenses arising from any failure of any Obligor to carry out any such purported obligation or liability

23 5 Waiver of defences

The obligations of the Company under this Debenture will not be affected (and the intention of the Company is that its obligations shall continue in full force and effect notwithstanding) by an act, omission, matter or thing which, but for this Clause 23 5, would reduce, release or prejudice any of its obligations under this Debenture (without limitation and whether or not known to it or any Finance Party) including

- 23 5 1 any time, waiver or consent granted to, or composition with, any Obligor or any other person,
- 23 5 2 the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or any other person,
- 23 5 3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor 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,
- 23 5 4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person,
- 23 5 5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security,
- 23 5 6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or

23 5 7 any insolvency or similar proceedings

23 6 Company's intent

Without prejudice to the generality of Clause 23 5 (*Waiver of defences*), the Company expressly confirms that it intends that this Debenture, the security constituted by this Debenture and its obligations under this Debenture, in each case, shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made under any of the Finance Documents for the purposes of or in connection with any of the following business acquisitions of any nature, increasing working capital, enabling investor distributions to be made; carrying out restructurings, refinancing existing facilities; refinancing any other indebtedness, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with the foregoing

23 7 Non-competition

23 7 1 Until the Security Period has ended, unless the Bond Trustee otherwise directs, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or by reason of any amount being payable, or liability arising, under this Debenture

- (a) to be indemnified by the Parent,
- (b) to claim any contribution from any guarantor of the Parent of the obligations under the Finance Documents,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Finance Party under any Finance Document or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party,
- (d) to bring legal or other proceedings for an order requiring the Parent to make any payment, or perform any obligation, in respect of which the Company has entered into this Debenture, and
- (e) to exercise or claim any right of set-off or counterclaim against the Parent or any other person liable or claim or prove in competition with the Bond Trustee or any of the other Finance Parties in the bankruptcy or liquidation of the Parent or any other person liable or have the benefit of, or share in, any payment from or composition with, the Parent or any other person liable or any other Security now or hereafter held by the Finance Parties in respect of the obligations of the Parent under the Finance Documents or for the obligations or liabilities of any other person liable but so that, if so directed

by the Bond Trustee, it will prove for the whole or any part of its claim in the liquidation or bankruptcy of the Parent 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 Finance Parties and applied in or towards discharge of the obligations of the Parent under the Finance Documents in such manner as the Bond Trustee shall deem appropriate

23 7 2 Without prejudice to Clause 23 7.1(e) (*Non-competition*), until the Security Period has ended, unless the Bond Trustee otherwise directs, if the Company receives any benefit, payment or distribution in relation to such rights described in Clause 23 7.1 (*Non-competition*), it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Parent under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Bond Trustee or as the Bond Trustee may direct.

23 8 Additional security

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

23 9 Variation of Security

This Debenture shall not in any way be affected or prejudiced by a Finance Party at any time dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 23 8 (*Additional Security*) or any rights which a Finance Party may at any time have or giving time for payment or granting any indulgence or compounding with any person whatsoever

23 10 Enforcement of other Security

No Finance Party shall be obliged to enforce any other Security it may hold for or exercise any other rights it may have in relation to the Secured Liabilities before enforcing any of its rights under this Debenture

23 11 Redemption of prior Security

The Bond Trustee may redeem or take a transfer of any prior Security over the Charged Assets and may agree the accounts of prior encumbrances. An agreed account 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 Bond Trustee and until such payment shall form part of the Secured Liabilities.

23.12 Stamp Taxes

The Company covenants to pay to each Finance Party immediately on demand a sum equal to any liability which that Finance Party 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 Debenture (including any interest, penalties, liabilities, costs and expenses resulting from any failure to pay or delay in paying any such duty, fee or tax)

23.13 Costs and Expenses

The Company shall, within 5 Business Days of demand, reimburse each Finance Party and any Receiver, attorney, manager, agent or other person appointed by the Bond Trustee under this Debenture for all costs and expenses (including reasonable legal fees) properly incurred by that Finance Party, Receiver, attorney, manager, agent or other person (on a full indemnity basis together with any applicable VAT) in connection with the negotiation, preparation and execution of this Debenture, the completion of the transactions and perfection of the security contemplated by this Debenture and the exercise, preservation and/or enforcement of the security created by or contemplated by this Debenture. In the event that the Company does not pay the Bond Trustee's costs and expenses (the "Trustee Expenses"), the Bond Trustee shall be entitled to seek funding of the Trustee Expenses from other sources. If and to the extent that other sources provide funding for the Trustee Expenses, those other sources shall be subrogated into the position of the Bond Trustee for the purposes of Clause 16, but subordinated to any further Trustee Expenses.

23.14 Immediate recourse

The Company waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

23.15 No set-off by Company

All payments to be made by the Company under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

23.16 Set-off by Finance Parties

A Finance Party may set off any matured obligation due from the Company under any Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

22 17 Partial Invalidity

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

22 18 Remedies and Waivers

No failure to exercise, nor delay in exercising, on the part of the Bond Trustee any right or remedy under this Debenture, shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law

22 19 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

24 NOTICE

24.1 Any notice or other communication to a party to this Deed must be in writing. It must be addressed for the attention of such person, and sent to such address or fax number as referred to in Schedule 4 (*Initial administrative details of the parties*), or as that party may from time to time notify to the other parties

24.2 It will be deemed to have been received by the relevant party on receipt at that address or fax number

24.3 The initial administrative details of the parties are contained in Schedule 4 (*Initial administrative details of the parties*) but a party may amend its own details at any time by notice to the other parties

24.4 Any notice to the Company may alternatively be sent to its registered office, and it will be deemed to have been received when delivered to any such place

25 GOVERNING LAW

This Debenture 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

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26 ENFORCEMENT

26.1 Jurisdiction of English courts

26.1.1 The courts of England have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Debenture or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) (a Dispute)

26.1.2 Subject to Clause 26.1.3 below, the parties to this Debenture 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

26.1.3 This Clause 26.1 is for the benefit of each of the Bond Trustee only. As a result, the Bond Trustee shall not be prevented from initiating or pursuing proceedings relating to a Dispute in any other courts with jurisdiction nor from contending that such courts are appropriate and convenient. To the extent allowed by law, the Bond Trustee 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

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

SCHEDULE 1

FORM OF NOTICE

[On letterhead of the Company]

To: [Insert relevant counterparty]

[Date]

Dear Sirs,

Debenture dated [] between the Company

and the Bond Trustee (the **Debenture**)

We hereby give you notice that under the Debenture we have [assigned in security/granted security] in favour of [•] (the **Bond Trustee**) all of our rights to and benefits and interest from time to time in the [insert details of agreement] (the **Secured Assets**) [, subject to obtaining any necessary consent required by such agreement] We hereby instruct and authorise you to

- (a) disclose to the Bond Trustee such information regarding the Secured Assets as it may from time to time request,
- (b) send copies of all notices relating to the Secured Assets to the Bond Trustee,
- (c) comply with the terms of any written notice or instruction relating to the Secured Assets received by you from the Bond Trustee, and
- (d) if the Bond Trustee so requires, make all payments due to us in respect of the Secured Assets to the Bond Trustee at a bank account designated by the Bond Trustee and notified to you by the Bond Trustee

Your acknowledgement will be deemed to confirm in favour of the Bond Trustee that you

- (1) have not received notice of the interest of any third party relating to the Secured Assets,
- (2) are not aware of any dispute between ourselves and yourselves relating to the Secured Assets,

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- (3) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Secured Assets¹, and
- (4) [consent to the assignment in security in favour of the Bond Trustee as described above]

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 Bond Trustee

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Bond Trustee at Nordic Trustee ASA, Postboks No - 1470 Vikta, 0116 Oslo, Norway, Attention Fredrick Lundberg with a copy to ourselves

Yours faithfully,

.....
 (Authorised signatory)
 for and on behalf of
 Xcite Energy Resources Limited

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¹ To be given in respect of security over Earnings Account(s) only

ANNEX

[On the letterhead of the debtor]

ACKNOWLEDGMENT

[On copy of Notice]

To: Nordic Trustee ASA, Postboks NO – 1470 Vika, 0116 Oslo, Norway

Attention: Fredrick Lundberg

Copy: Xcite Energy Resources Limited

[Date]

Dear Sirs,

Debenture dated [] between the Company

and the Bond Trustee (the Debenture)

[Description of Secured Assets]

We acknowledge receipt of the attached notice of security dated [] relating to the Debenture

Yours faithfully,

duly authorised signatory for and on
behalf of [debtor]

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SCHEDULE 2**REQUIRED NOTICE OF ASSIGNMENT**

As at the date of this Debenture, a notice of assignment shall be delivered by the Company in accordance with Clause 7.2 of this Debenture in respect of the following Assigned Agreements

- 1 Agreement for the Supply and Offtake of Bentley Crude Oil dated 11 June 2012 (as amended) between Xcite Energy Resources Limited and BP Oil International Limited
- 2 JLT Offshore Package Policy Insurance UMR B0901BM1407540000

SCHEDULE 3**DETAILS OF EARNINGS ACCOUNTS**

Account Name	Account Number	BIC	SWIFT
Earnings Account	IBAN GB80RBOS16630000648675	RBOSGB2L	N/A

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SCHEDULE 4**Initial administrative details of the parties**

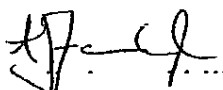
Party	Address	Facsimile number	Attention
Company	1 Farnham Road, Guildford, Surrey, GU2 4RG, United Kingdom	+44 (0)844 5930 179	Andrew Fairclough
Bond Trustee	Nordic Trustee ASA Postboks NO-1470 Vika, 0116 Oslo, Norway	+47 2287 9400	Fredrick Lundberg

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SIGNING PAGES

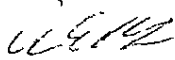
EXECUTED AS A DEED by)
XCITE ENERGY RESOURCES LIMITED)

acting by **ANDREW FARROW**)


Director / Attorney-in-fact

in the presence of)

Signature of witness



Name of witness
(in BLOCK CAPITALS)

CHRISTIAN LINN

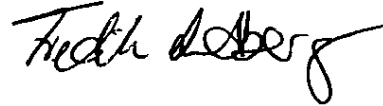
Address of witness

46 RIVINGTON TERRACE, N. 24

.. . . .

SIGNING PAGES

SIGNED by

for and on behalf of
NORDIC TRUSTEE ASA)
)
)
)
Fredrik Lundberg

WITNESS,


Vigdis Nordhelle