



Registration of a Charge

Company name: **FAIRFIELD ENERGY LIMITED**

Company number: **05562373**



X4YUSE2X

Received for Electronic Filing: **18/01/2016**

Details of Charge

Date of creation: **13/01/2016**

Charge code: **0556 2373 0008**

Persons entitled: **MCX DUNLIN (UK) LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **HERBERT SMITH FREEHILLS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5562373

Charge code: 0556 2373 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th January 2016 and created by FAIRFIELD ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th January 2016 .

Given at Companies House, Cardiff on 19th January 2016

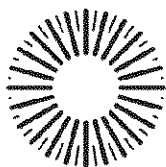
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



13 January 2016

**FAIRFIELD ENERGY LIMITED
FAIRFIELD ENERGY NO. 1 LIMITED
FAIRFIELD ENERGY HOLDINGS LIMITED
FAIRFIELD BETULA LIMITED
FAIRFIELD FAGUS LIMITED**
as the Fairfield Companies

and

MCX DUNLIN (UK) LIMITED

SECURITY ASSIGNMENT

Herbert Smith Freehills LLP

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THIS DEED is made on **13 January 2016**

BETWEEN:

- (1) **FAIRFIELD ENERGY LIMITED**, a company registered in England and Wales (registered number 05562373) whose registered office is at Cannon Place, 78 Cannon Street, London, EC4N 6AF ("**FEL**" or the "**Company**");
- (2) **FAIRFIELD ENERGY NO. 1 LIMITED**, a company registered in England and Wales (registered number 07253478) whose registered office is at Cannon Place, 78 Cannon Street, London, EC4N 6AF ("**FE1**");
- (3) **FAIRFIELD ENERGY HOLDINGS LIMITED**, a company registered in England and Wales (registered number 05562502) whose registered office is at Cannon Place, 78 Cannon Street, London, EC4N 6AF ("**FEHL**");
- (4) **FAIRFIELD BETULA LIMITED**, a company registered in England and Wales (registered number 04465204) whose registered office is at Cannon Place, 78 Cannon Street, London, EC4N 6AF ("**FBL**");
- (5) **FAIRFIELD FAGUS LIMITED**, a company registered in England and Wales (registered number 05461823) whose registered office is at Cannon Place, 78 Cannon Street, London, EC4N 6AF ("**FFL**"), (together, the "**Fairfield Companies**"); and
- (6) **MCX DUNLIN (UK) LIMITED**, a company registered in England and Wales (registered number 06451712) whose registered office is at Mid City Place, 71 High Holborn, London WC1V 6BA ("**MCX**").

IT IS AGREED as follows:

1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

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

"Associates" has the meaning given to it in the Restructuring Umbrella Agreement.

"Account" means the interest bearing account held in the name of FEL with The Royal Bank of Scotland plc as identified by FEL in a notice to MCX as the Blocked Account.

"Account Bank" means The Royal Bank of Scotland plc.

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

"Assigned Rights" means all rights, titles, benefits and interests, whether present or future, of the Company in, to or arising under the Contracts 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 Contracts.

"Bridge Loan Facility Agreement" means the loan facility agreement dated 22 May 2015 entered into between MCX, the Company and others as amended and restated by amendment and restatement agreements dated 16 July and 29 August 2015 and on or about the date of this Deed and as amended from time to time.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Contracts" means the contracts listed at Schedule 1.

"Deposits" means all amounts (including interest) from time to time standing to the credit of the Account.

"Event of Default" means non-payment of any amounts due under Clause 7 of the Restructuring Umbrella Agreement within 3 Business days.

"JOA" means the joint operating agreement for the area within means United Kingdom Continental Shelf Petroleum Production Licences P.104, P.108, P.232, P.236, P.296, P.465 and P.721 between FBL, FFL, MCX and MCXO dated 30 April 2008 (as amended, supplemented, restated or novated from time to time including pursuant to the amendment and restatement dated 26 November 2015).

"LPA" means the Law of Property Act 1925.

"Receiver" means any person appointed by MCX to be a receiver or receiver and manager or administrative receiver of the Assigned Rights or any part thereof.

"Restructuring Umbrella Agreement" means the agreement dated on or about the date of this Deed and entered into by the Fairfield Companies, MCX, MCX Osprey Limited and Decom Energy Limited.

"Secured Liabilities" means all monies, obligations and liabilities covenanted to be paid or discharged by the Fairfield Companies under or pursuant to clause 7 of the Restructuring Umbrella Agreement.

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

"Security Period" means the period from the date of this Deed until the date on which MCX 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 Deed.

1.2 Construction

- 1.2.1 The provisions of clause 1 (*Interpretation*) of the Restructuring Umbrella Agreement shall apply to this Deed as if they were set out in this Deed.
- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
- (A) the singular includes the plural and vice versa;
 - (B) **"MCX"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (C) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (D) a provision of law is a reference to that provision as amended or re-enacted;
 - (E) a Clause or a Schedule is a reference to a clause of or a schedule to this Deed;

- (F) this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- (G) another agreement, including the Restructuring Umbrella Agreement shall be construed as a reference to such agreement as the same may have been modified, extended, amended, varied or supplemented or novated from time to time;
- (H) references to any form of property or asset shall include a reference to all or any part of that property or asset; and
- (I) the word **"including"** is without limitation.

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

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

1.3 **Third Party Rights**

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

1.4 **Implied Covenants for Title**

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

1.5 **Effect as a Deed**

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

2. **COVENANTS TO PAY**

2.1 **Covenant to Pay Secured Liabilities**

Each Fairfield Company covenants that it shall on demand pay to MCX all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to MCX in respect of the Secured Liabilities 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 MCX or purchased (whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

2.2 **Potential Invalidity**

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

2.3 **Interest**

2.3.1 Each Fairfield Company hereby agrees to pay to MCX, in respect of any amount demanded from it in accordance with this Deed (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between

each Fairfield Company and MCX) interest from first demand by MCX of each Fairfield Company:

- (A) at the rate of interest payable or deemed to be payable by each Fairfield Company in respect of the amount demanded as calculated and compounded in accordance with any agreement between MCX and each Fairfield Company with respect to such amount; or
- (B) failing such agreement, at the rate per annum which is two per cent (2%) above the interest cost to MCX (as conclusively determined by MCX) of funding the amount demanded, such interest being compounded with monthly rests.

2.3.2 Such interest shall accrue due on a daily basis from the demand by MCX until actual payment by each Fairfield Company (as well after as before any further demand or judgment or the liquidation of each Fairfield Company).

3. **SECURITY**

3.1 **Assignment**

Each Fairfield Company hereby assigns by way of security to MCX with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities, the Assigned Rights.

3.2 **Creation of Fixed Security**

3.2.1 **Assigned Rights**

Each Fairfield Company hereby charges to MCX by way of fixed charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities the Assigned Rights, other than the Assigned Rights effectively assigned by Clause 3.1 (*Assignment*) and to the extent it is not restricted from doing so under the terms of the relevant Contract.

3.2.2 **Deposits**

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

- (A) charges to MCX by way of fixed charge all of the Company's rights to and title and interest from time to time to the Deposits; and
- (B) releases to MCX the Deposits standing to the credit of the Account so that the Deposits standing to the credit of the Account shall only be repayable to the Company to the extent that the amount thereof is greater than the ultimate unpaid amount of the Secured Liabilities.

3.3 **Preservation of Fixed Charge**

Without prejudice to Clauses 3.1 (*Assignment*) and 3.2 (*Creation of Fixed Security*), if any Fairfield Company is entitled to withdraw the proceeds of any book and other debts standing to the credit of an Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clauses 3.1 (*Assignment*) and 3.2 (*Creation of Fixed Security*), 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 each Fairfield Company and the proceeds of those debts.

4. **FURTHER ASSURANCE**

Each Fairfield Company shall promptly upon request by MCX execute (in such form as MCX may reasonably require) such documents (including assignments, transfers,

mortgages, charges, notices and instructions) in favour of MCX or its nominees and do all such assurances and things as MCX may reasonably require for:

- 4.1.1 perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by this Deed, including in relation to security over any other contracts which the Fairfield Companies may enter in to from time to time; and
- 4.1.2 for exercising all powers, authorities and discretions conferred on MCX or any Receiver pursuant to this Deed or by law.

5. **UNDERTAKINGS**

5.1 Each Fairfield Company undertakes to MCX that:

5.1.1 **General**

it shall:

- (A) promptly and diligently perform its obligations under the Contracts;
 - (B) notify MCX of any material default by it or any other party under the Contracts;
 - (C) with the prior written consent of MCX institute and maintain all such proceedings as may be necessary or expedient to preserve or protect its interest under the Contracts and keep MCX informed of the progress of any such proceedings;
 - (D) provide MCX with such information as MCX may from time to time reasonably request with respect to the Contracts and the Assigned Rights;
 - (E) permit representatives of MCX and its advisers to have access to and examine at all reasonable times minute books and other corporate records, books of account and financial records of each Fairfield Company in relation to the Contracts upon reasonable advance notice having been given to each Fairfield Company by MCX;
 - (F) not, without MCX's prior written consent, amend, modify, waive or release any provision of or terminate the Contracts or any of the Assigned Rights;
 - (G) not take or omit to take any action the taking or omission of which might adversely affect the interests of MCX;
 - (H) not give any consent, waiver or approval under the Contracts or exercise any right in respect of the Assigned Rights without the prior written consent of MCX; and
 - (I) deposit the original Contracts with MCX upon request by MCX;
- provided that each Fairfield Company shall only be required to comply with this Clause 5.1.1. to the extent that it is able to do so without breaching any applicable confidentiality obligations;

5.1.2 **Payments**

it shall pay all sums due by it under the Contracts and observe and perform the covenants and conditions on its part to be observed and performed as set out in the Contracts;

5.1.3 **Negative Pledge**

it shall not, without the prior consent in writing of MCX, create or attempt to create or permit to subsist or arise any Security on, over or affecting the Contracts or any of the Assigned Rights;

5.1.4 **Disposals**

it shall not dispose of the Contracts or any of the Assigned Rights or agree so to do and for these purposes the term "dispose" shall include any form of disposal including any transfer, declaration of trust, assignment, sale, novation or the creation of any other form of legal or equitable interest in or over the Contracts or any of the Assigned Rights;

5.1.5 **Compliance with Laws**

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

5.1.6 **Prejudicial Action**

it shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to MCX of the Assigned Rights; and

5.1.7 **Consents and Other Necessary Action**

it shall take all such action as may be available to it for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Deed which shall include, without limitation, the obtaining of any necessary consent (in form and content satisfactory to MCX) to enable the Contracts or all or any of the Assigned Rights to be assigned or charged pursuant to this Deed.

5.2 **Notices of security**

5.2.1 Each Fairfield Company, if so requested in writing by MCX, shall forthwith give notice to each counterparty to such Contracts that MCX specifies in its request, in the form set out in Schedule 2, Part A (*Notice to counterparty*), and shall use reasonable endeavours to procure that each such counterparty acknowledges such notice to MCX in the form set out in Schedule 2, Part B (*Acknowledgment of Counterparty*).

5.2.2 Each Fairfield Company shall forthwith give notice to the Account Bank in the form set out in Schedule 3, Part A (*Notice to Account Bank*) and shall use reasonable endeavours to procure that the Account Bank acknowledges such notice to MCX in the form set out in Schedule 3, Part B (*Acknowledgment of Account Bank*).

5.2.3 The notices of assignment and acknowledgement referred to in Clauses 5.2.1 and 5.2.2 shall be in a form substantially similar to those contained in Schedule 2 and Schedule 3 or such other form as MCX may require.

5.3 **No Liability**

Notwithstanding anything contained in this Deed:

5.3.1 MCX shall be under no obligation or liability under or in respect of the Contracts or the Assigned Rights or be liable to make any payment under or in respect of the Contracts or the Assigned Rights;

- 5.3.2 MCX shall not be obliged to take any steps necessary to preserve the Contracts or any of the Assigned Rights or enforce against any Fairfield Company or any other person any term of the Contracts, or to make any enquiries as to the nature or sufficiency of any payment received by any Fairfield Company pursuant to the terms of the Contracts; and
- 5.3.3 each Fairfield Company shall remain solely and fully liable under or in respect of the Contract to perform all the obligations and to pay all losses, costs, expenses, taxes and damages payable by it under or in connection with the Contracts.

6. RIGHTS OF MCX

6.1 Enforcement

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

- 6.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Assigned Rights in each case at such times and upon such terms as it sees fit;
- 6.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions granted to a Receiver by this Deed or by law;
- 6.1.3 settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Contracts and any of the Assigned Rights;
- 6.1.4 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Contracts and any of the Assigned Rights which may seem to it to be expedient;
- 6.1.5 exercise in relation to any of 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;
- 6.1.6 apply for and maintain any regulatory permission, consent or licence required in connection with the Contracts or the Assigned Rights; and
- 6.1.7 fulfil, at each Fairfield Company's expense and risk, its obligations under the Contracts.

6.2 Restrictions on Consolidation

Section 93 of the LPA shall not apply to this Deed or to any sale made under it or to the right of MCX to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by MCX at any time on or after the occurrence of an Event of Default.

6.3 Restrictions on Exercise of Power of Sale

Section 103 of the LPA shall not apply to this Deed to restrict the exercise by MCX of its power of sale which shall arise on the date of this Deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by MCX at any time on or after the occurrence of an Event of Default.

6.4 **No Prior Notice Needed**

The powers of MCX set out in Clauses 6.2 (*Restrictions on Consolidation*) and 6.3 (*Restrictions on Exercise of Power of Sale*) above may be exercised by MCX without prior notice to any Fairfield Company.

6.5 **Right of Appropriation**

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

MCX shall notify the Company as soon as reasonably practicable of the exercise of its right of appropriation as regards such of the Deposits as are specified in such notice.

7. **EXONERATION**

7.1 **Exoneration**

MCX shall not, nor shall any Receiver, by reason of its or the Receiver entering into possession of the Assigned Rights 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 MCX under this Deed shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions hereof shall prevail and every such Receiver and MCX 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.

7.2 **Indemnity**

MCX and every Receiver, attorney, delegatee, manager, agent or other person appointed by MCX hereunder shall be entitled to be indemnified out of the Assigned Rights or any part of them in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Assigned Rights or any part of them. MCX and any such Receiver may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

8. **APPOINTMENT OF RECEIVER**

8.1 **Appointment**

At any time on or after the occurrence of an Event of Default, or at the request of each Fairfield Company or their Directors, MCX may, without prior notice to any Fairfield Company, in writing (under seal, by deed or otherwise under hand) appoint a Receiver in respect of the Assigned Rights 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.

8.2 **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 Receivers, except to the extent that MCX may specify to the contrary in the appointment.

8.3 **Receiver as agent**

A Receiver shall be the agent of each Fairfield 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 MCX.

8.4 **Receiver's Remuneration**

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

9. **RECEIVER'S POWERS**

9.1 **Powers**

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

- 9.1.1 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 9.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 9.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which any Fairfield Company itself could do or omit to do;
- 9.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including, without limitation, the bringing or defending of proceedings in the name of, or on behalf of, each Fairfield Company; the collection and/or realisation of the Assigned Rights in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of each Fairfield Company (whether under hand, or by way of deed or by utilisation of the company seal of each Fairfield Company).

9.2 **Powers may be Restricted**

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

10. **PROTECTION OF PURCHASERS**

10.1 **Absence of Enquiry**

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

10.2 **Receipt: Conclusive Discharge**

The receipt of MCX or any Receiver shall be a conclusive discharge to any purchaser of the Assigned Rights.

11. **POWER OF ATTORNEY AND DELEGATION**

11.1 **Power of Attorney: General**

Each Fairfield Company hereby irrevocably and by way of security appoints MCX and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed:

11.1.1 to execute and deliver any documents or instruments which MCX or such Receiver may require for perfecting the title of MCX to the Assigned Rights or for vesting the same in MCX, its nominee or any purchaser;

11.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which each Fairfield Company is required to enter into pursuant to this Deed; and

11.1.3 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 MCX or any Receiver under this Deed or which each Fairfield Company is required to do pursuant to this Deed or which may be deemed expedient by MCX or a Receiver in connection with any preservation, disposition, realisation or getting in by MCX or such Receiver of the Assigned Rights or any part thereof or in connection with any other exercise of any other power under this Deed.

11.2 **Power of Attorney: Ratification**

Each Fairfield Company ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 11 (*Power of Attorney and Delegation*) shall do or purport to do in exercise of the powers granted by this Clause.

11.3 **General Delegation**

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

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

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed, be applied for the following purposes and in the following order of priority:

12.1.1 in satisfaction of all costs, charges and expenses and payments (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by MCX or the Receiver and of remuneration to the Receiver in such order as MCX shall in its absolute discretion decide;

12.1.2 in or towards satisfaction of the Secured Liabilities which shall be applied in such order as MCX shall in its absolute discretion decide; and

12.1.3 the surplus, if any, shall be paid to each Fairfield Company or other person or persons entitled to it,

save that MCX may credit any monies received under this Deed to a suspense account for so long and in such manner as MCX may from time to time determine and the Receiver may retain the same for such period as he and MCX consider expedient.

13. **RELEASE OF SECURITY**

13.1 **Release**

MCX shall, at the request and cost of each Fairfield Company, execute or procure the execution by its nominee (in each case in a form acceptable to MCX) and do all such deeds, acts and things as may be necessary to release and/or reassign the Assigned Rights from the security created by or in accordance with this Deed at the end of the Security Period.

13.2 **Avoidance of Payments**

13.2.1 No amount paid, repaid or credited to MCX shall be deemed to have been irrevocably paid if MCX considers that the payment or credit of such amount is capable of being avoided or reduced by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws.

13.2.2 If any amount paid, repaid or credited to MCX is avoided or reduced by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws then any release, discharge or settlement between MCX and each Fairfield Company shall be deemed not to have occurred and MCX shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

14. **AMOUNTS PAYABLE**

14.1 **No Deduction**

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

14.2 **Currency of Payment**

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

14.3 **Currency Indemnity**

14.3.1 If any sum due from any Fairfield Company under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (A) making or filing a claim or proof against that Fairfield Company;
- (B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or
- (C) applying the Sum in satisfaction of any of the Secured Liabilities,

that Fairfield Company shall, as an independent obligation, within three Business Days of demand, indemnify MCX 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 MCX at the time of its receipt of that Sum.

- 14.3.2 Each Fairfield Company waives any right it may have in any jurisdiction to pay an amount under this Deed in a currency unit other than that in which it is payable.

15. REPRESENTATIONS AND WARRANTIES

15.1 Representations

Each Fairfield Company represents and warrants in favour of MCX as follows:

15.1.1 Status

It is a company duly formed and validly existing under the laws of its jurisdiction of formation.

15.1.2 Powers and Authority

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

15.1.3 Legal Validity

This Deed constitutes its legal, binding, valid and enforceable obligations.

15.1.4 Non-Conflict

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

- (A) conflict with any law or regulation or judicial or official order applicable to it; or
- (B) conflict with its constitutional documents; or
- (C) conflict with any agreement or document which is binding upon it or any of its assets or result in a requirement for the creation of any Security over any of the Assigned Rights (other than as contemplated by this Deed).

15.1.5 Status of Security

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

15.1.6 Stamp taxes and registration

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

15.1.7 Jurisdiction

Its:

- (A) irrevocable submission under this Deed to the jurisdiction of the courts of England;
 - (B) agreement that this Deed is governed by English law; and
 - (C) agreement not to claim any immunity to which it or its assets may be entitled,
- are legal, valid and binding under the laws of its jurisdiction of incorporation and any judgment obtained in England will be recognised and be enforceable by the courts of its jurisdiction of incorporation.

15.2 Times for Making Representations and Warranties

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

16. NEW ACCOUNTS

If MCX receives notice of any subsequent charge or other interest affecting any part of the Assigned Rights (the date of receipt of such notice being the "Notice Date") it may, without prejudice to its rights under this Deed, open a fresh account or accounts with each Fairfield Company and continue any existing account in the name of each Fairfield Company and may appropriate to any such fresh account any monies paid in, received or realised for the credit of each Fairfield 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 MCX 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.

17. MISCELLANEOUS

17.1 The Fairfield Companies

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

17.2 Assignment and Transfer

No Party may assign any of their rights or transfer any of its rights or obligations under this Deed except that, if MCX transfers its rights or obligations under the JOA in accordance thereto, MCX shall be entitled to transfer its rights or obligations (as applicable) under this Agreement to the same transferee, provided that such transferee is an Associate of MCX.

17.3 Disclosure of Information

MCX may disclose to:

- 17.3.1 any of its professional advisers;
- 17.3.2 any person to (or through) whom MCX assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Deed;
- 17.3.3 a Receiver, a prospective Receiver or an Administrator;
- 17.3.4 any person (together with professional advisers) who may have an interest in the benefits arising under this Deed and/or the Restructuring Umbrella Agreement; or
- 17.3.5 any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about each Fairfield Company, the Restructuring Umbrella Agreement or this Deed as MCX shall consider appropriate if, in relation to Clauses 17.3.2 and 17.3.4

above, the person to whom the information is to be given has entered into a confidentiality undertaking; and subject to and in accordance with any confidentiality obligations contained in the Restructuring Umbrella Agreement.

17.4 Remedies and Waivers Cumulative

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

17.5 Set-Off

MCX may set-off any matured obligation due from any Fairfield Company to MCX against any matured obligation owed by MCX to any Fairfield Company, regardless of the place of payment, booking branch or currency of either obligation and apply any credit balance to which each Fairfield Company is entitled on any account with MCX in payment of the Secured Liabilities. If the obligations are in different currencies, MCX may, at the cost of each Fairfield Company, convert either obligation at a market rate of exchange as MCX considers appropriate for the purpose of such set-off.

17.6 Partial Invalidity

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

17.7 Property

This Deed is and will remain the property of MCX.

17.8 Continuing Security

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

17.9 Additional Security

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

17.10 Variation of Security

This Deed shall not in any way be affected or prejudiced by MCX now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 17.9 (*Additional Security*) above or any rights which MCX may now or hereafter have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

17.11 Enforcement of Other Security

MCX shall not be obliged to enforce any other Security it may hold for the Secured Liabilities before enforcing any of its rights under this Deed.

17.12 Redemption of Prior Incumbrances

MCX may redeem or take a transfer of any prior Security over the Assigned Rights and may agree the accounts of prior incumbrancers. Such agreed accounts shall be conclusive and binding on each Fairfield Company. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by each Fairfield Company to MCX and until such payment shall form part of the Secured Liabilities.

17.13 Stamp Taxes

Each Fairfield Company covenants to pay to MCX immediately on demand a sum equal to any liability which MCX or any Receiver, attorney, manager, agent or other person incurs in respect of stamp duty, registration fees and other taxes which is or becomes payable in connection with the entry into, performance or enforcement of this Deed (including any interest, penalties, liabilities, costs and expenses resulting from any failure to pay or delay in paying any such duty, fee or tax).

17.14 Costs and Expenses

Each Fairfield Company shall on demand reimburse MCX and any Receiver, attorney, manager, agent or other person appointed by MCX under this Deed for all costs and expenses (including legal fees) incurred by such Lender, that Receiver, attorney, manager, agent or other person (on a full indemnity basis together with any applicable VAT) in connection with the negotiation, preparation, printing and execution of this Deed, the completion of the transactions and perfection of the security contemplated by this Deed and the exercise, preservation and/or enforcement or attempted enforcement of the security created by or contemplated by this Deed.

18. CALCULATIONS AND CERTIFICATES

18.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by MCX in connection with this Deed are *prima facie* evidence of the matters to which they relate.

18.2 Certificates and Determinations

Any certification or determination by MCX of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18.3 Day Count Convention

Any interest accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

19. NOTICES

19.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be given in person, by post or fax.

19.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, fax number or department or officer as MCX or each Fairfield Company may notify to the other party by not less than five Business Days' notice.

19.3 **Delivery**

- 19.3.1 Any communication or document made or delivered by MCX under or in connection with this Deed will only be effective:
- (A) if by way of fax, when received in legible form; or
 - (B) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

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

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

19.4 **English language**

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

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

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

20. **COUNTERPARTS**

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

21. **LAW**

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

22. **ENFORCEMENT**

22.1 **Jurisdiction of English courts**

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

- 22.1.2 Subject to Clause 22.1.3 below, the parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly each Fairfield Company will not:

- (A) argue to the contrary; or
- (B) initiate or pursue any proceedings relating to a Dispute in any jurisdiction other than England.

22.1.3 This Clause 22.1 is for the benefit of MCX only. As a result, MCX 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, MCX 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 Deed has been duly executed and delivered as a deed on the date first above written.

SCHEDULE 1

CONTRACTS

1. **LETTER AGREEMENT**

Letter agreement dated 3 November 2015 between MCX, FEHL and FEL, as supplemented by a letter agreement dated 14 December 2015.

2. **CLIPPER SOUTH SPA**

Sale and purchase agreement entered into between FEHL and Ineos Offshore BCS Limited dated 27 October 2015.

3. **PETROLEUM REVENUE TAX ("PRT") REFUNDS**

Any entitlement of FBL and MCX to be paid, directly or indirectly, in respect of PRT as charged under the Oil Taxation Act 1975 (including, for the avoidance of doubt, advance PRT, repayment supplement and interest) by Shell U.K. Limited, Esso Exploration and Production UK Limited, OMV (U.K.) Limited and Statoil (U.K.) Limited (and any other party which previously had an interest in the Greater Dunlin Area).

4. **STAFFA KELLS ROYALTY AGREEMENT**

Royalty deed entered into between Iona Energy Company UK Limited ("**Iona**") and Fairfield Cedrus Limited ("**FCL**") dated 4 November 2011.

5. **STAFFA KELLS SPA**

Sale and purchase agreement in respect of, among other things, UK Continental Shelf Petroleum Production Licence No. P.1607 entered into between Iona and FCL dated 4 November 2011.

6. **DUNLIN CORMORANT PIPELINE AGREEMENT**

Agreement for the construction, operation and maintenance of a crude oil pipeline from the Dunlin Field to the Cormorant-A Platform dated 31 January 1979 originally between Shell UK Limited as the operating company for and behalf of the Dunlin Field Group, The British National Oil Corporation as operating company on behalf of the Thistle Field Group and Conoco North Sea Inc as operating company for and behalf of the Murchison Field Group.

7. **SULLOM VOE TRANSPORTATION AND OPERATING AGREEMENT**

Sullom Voe Transportation and Operating Agreement dated 21 April 1999 entered among inter alia, the BP Exploration and Operating Company Limited, FBL, FFL, MCX and MCXO.

8. **POST-2000 BRENT SYSTEM OPERATING AGREEMENT**

Post-2000 Brent System Operating Agreement dated 21 April 1999 among inter alia, TAQA Bratani Limited, FBL, FFL, MCX and MCXO.

9. **DECOMMISSIONING COST PROVISION DEEDS ("DCPDs")**

Any amounts received in accordance with clause 8.4.5 or 10.3 of the following DCPDs:

9.1 the Dunlin DCPD (as defined in the Restructuring Umbrella Agreement)

9.2 the Merlin DCPD (as defined in the Restructuring Umbrella Agreement); and

9.3 the Osprey DCPD (as defined in the Restructuring Umbrella Agreement).

10. **OTHER CONTRACTS**

Any other contracts which the Fairfield Companies may enter into from time to time which MCX requests to be assigned pursuant to this deed in order to secure the Secured Liabilities.

SCHEDULE 2

PART A

NOTICE TO COUNTERPARTY

[on the letterhead of the Company]

To: [Counterparty]

Date: []

Dear Sirs,

Security Assignment dated [] between [the Fairfield Company] and MCX Dunlin (UK) Limited (the "Lender")

We refer to the [*describe contract*] dated [•] and made between [•] and us (the "**Contract**").

This letter constitutes notice to you that under the Security Assignment we assigned (by way of security) to MCX Dunlin (UK) Limited ("**MCX**") all our rights, benefits and interests (including any and all sums payable to us under the Contract and the benefit of all security, options, indemnities, guarantees and warranties) under the Contract.

We irrevocably instruct and authorise you to:

- (A) disclose to MCX, without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, any information relating to the Contract (including the performance of our obligations thereunder) which MCX may request from you; and
- (B) [following a confirmation from MCX that an Event of Default (as defined in the Security Assignment) has occurred, pay any sum payable by you under the Contract to our account with MCX at [], Sort Code [], Account No. [] or to such other account as MCX may notify you in writing.]

We will remain liable to perform all our obligations under the Contract and MCX shall not be under any obligation or liability under the Contract by reason of the Security Assignment or anything arising therefrom.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract and you should continue to give notices under the Contract to us, in each case unless and until you receive notice from MCX to the contrary stating that the Security Assignment has become enforceable. In this event, all the rights, powers and discretions under the Contract will be exercisable by, and notices should be given to, MCX or as it directs.

The instructions in this letter apply until you receive notice from MCX to the contrary and notwithstanding any previous instructions given by us.

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

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

Please confirm your agreement to the above by sending the enclosed acknowledgement to MCX at [•], Attention [•], with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[the Company]

PART B
ACKNOWLEDGMENT OF COUNTERPARTY

To: MCX Dunlin (UK) Limited

Attention: []

Copy: [the Company]

Date: []

Dear Sirs,

Security Assignment dated [] between [the Company] and MCX Dunlin (UK) Limited (the "Security Assignment")

We confirm receipt from [the Company] (the "**Assignor**") of a notice dated [] (the "**Notice**") of an assignment upon the terms of the Security Assignment of all the Assignor's rights, benefits and interests under the Contract (as defined in the Notice).

We confirm that:

- (A) we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Assignor under or in respect of the Contract;
- (B) [following a confirmation from you that an Event of Default (as defined in Security Assignment) has occurred, we will pay any amount payable by us under the Contract to the Assignor's account with you at [], Sort Code [], Account No. [] or to such other account as you notify to us in writing;
- (C) we must accept your instructions in relation to the Assignor's rights under the Contract [following a confirmation from you that an Event of Default (as defined in the Security Assignment) has occurred; and
- (D) we will not agree to any amendment, waiver or variation of the terms of the Contract without your prior written consent.

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

Yours faithfully

.....

(Authorised signatory)

[Counterparty]

SCHEDULE 3

PART A

NOTICE TO ACCOUNT BANK

[On the letterhead of the Company]

To: David Canning
Corporate Banking
The Royal Bank of Scotland plc
40 Albyn Place
Aberdeen
AB10 1YN
Great Britain

[DATE]

Dear Sirs

Security Assignment dated _____ 2016 between Fairfield Energy Limited and others and MCX Dunlin (UK) Limited ("MCX") (the "Security Assignment")

We hereby give you notice that we have charged (by way of a fixed charge) in favour of MCX all our rights in respect of any moneys standing to the credit of the account listed below and maintained by us with you (the **"Blocked Account"**):

"FEL/MCX Restricted Account" with account number [REDACTED] and sort code [REDACTED].

We hereby irrevocably instruct and authorise you to:

- (a) disclose to MCX any information relating to the Blocked Account requested from you by MCX;
- (b) no longer comply with any existing payment instructions in respect of the Blocked Account or with any instructions that the Company (or any person other than MCX) gives in respect of the Blocked Account;
- (c) comply with the terms of any written notice or instruction relating to the Blocked Account received by you from MCX; and
- (d) pay or release any sum standing to the credit of the Blocked Account only in accordance with the written instructions of MCX,

in each case, subject to your anti-money laundering and signatory confirmation procedures and provided that all such notices and instructions are on the letterhead of MCX and are sent to the Corporate Banking Department of The Royal Bank of Scotland plc.

You may assume that any instruction on the letterhead of MCX comes from MCX.

We hereby agree to indemnify you on demand and against any and all costs, losses and expenses suffered or incurred by you as a result of complying with the undertakings contained herein with which you are hereby instructed to comply, together with all other instructions which you may receive from MCX from time to time in relation to such undertakings.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at 7th Floor, Mid City Place, 71 High Holborn, London WC1V 6BA. Attention: Mr Tetsuya Nishigaki with a copy to ourselves.

Yours faithfully,

.....
For and on behalf of [Fairfield Company]

PART B

ACKNOWLEDGEMENT OF ACCOUNT BANK

[On the letterhead of the Account Bank]

To: MCX Dunlin (UK) Limited as the Lender
7th Floor Mid City Place
71 High Holborn
London, WC1V 6BA

Attention: Mr Tetsuya Nishigaki

Copy: [Fairfield Company] (the "Company")

[DATE]

Dear Sirs,

Security Assignment dated _____ 2016 between Fairfield Energy Limited and others and MCX Dunlin (UK) Limited ("MCX") (the "Security Assignment")

We confirm receipt from Company of a notice dated _____ 2016 (the "**Notice**") of, amongst other things, a charge upon the terms of the Security Deed over all the rights of the Company to any amount standing to the credit of the Company's account with us listed in the notice (the "**Blocked Account**").

We confirm that we:

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

in each case, subject to our anti-money laundering and signatory confirmation procedures and provided that all such notices and instructions are on the letterhead of the Lender and are sent to the Corporate Banking Department of The Royal Bank of Scotland plc.

The Blocked Account maintained with us is:

"FEL/MCX Restricted Account" with account number [REDACTED] and sort code [REDACTED].

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

Yours faithfully,

.....

For and on behalf of

The Royal Bank of Scotland plc

SIGNATORIES

EXECUTED AS A DEED by
FAIRFIELD ENERGY LIMITED

acting by

IAN SCURRY

in the presence of:

Signature of witness

[Redacted]

Name of witness
(in BLOCK CAPITALS)

JOANNA CHEN

Address of witness

CMS Cameron McKenna LLP
78 Cannon Street.....
London
EC4N 6AF.....
.....

EXECUTED AS A DEED by
FAIRFIELD ENERGY NO.1 LIMITED

acting by

IAN SWALE

in the presence of:

Signature of witness

Name of witness

(in BLOCK CAPITALS)

JOANNA CHEN

Address of witness

CMS Cameron McKenna LLP

78 Cannon Street

London

EC4N 6AF

EXECUTED AS A DEED by
FAIRFIELD ENERGY
HOLDINGS LIMITED

acting by

Andrew Hurrey
.....
in the presence of:

Signature of witness

.....

Name of witness
(in BLOCK CAPITALS)

JOANNA CHEN
.....

Address of witness

CMS Cameron McKenna LLP
78 Cannon Street
London
EC4N 6AF
.....
.....

EXECUTED AS A DEED by
FAIRFIELD BETULA LIMITED

acting by

ANDREW HOCNEY
.....
in the presence of:

Signature of witness

.....

Name of witness
(in BLOCK CAPITALS)

JOANNA CHEN.....

Address of witness

CMS.Cameron.McKenna.LLP
78 Cannon Street
.....
London
EC4N 6AF.....
.....

EXECUTED AS A DEED by
FAIRFIELD FAGUS LIMITED

acting by

Andrew HOCKEY
.....
in the presence of:

Signature of witness

.....

Name of witness
(in BLOCK CAPITALS)

JOANNA CHEN
.....

Address of witness

CMS Cameron McKenna LLP

78 Cannon Street
.....

London

EC4N 6AF
.....
.....

EXECUTED AS A DEED by
MCX DUNLIN (UK) LIMITED

acting by

TETSUYA NISHIYAKI

in the presence of:

Signature of witness

Name of witness

(in BLOCK CAPITALS)

HANNAH BROWN

Address of witness

HERBERT SMITH FREEHILLS LLP

EXCHANGE HOUSE

PRIMROSE STREET, LONDON

EC2A 2EG