



Registration of a Charge

Company Name: **NEO ENERGY UPSTREAM UK LIMITED**

Company Number: **SC279865**



Received for filing in Electronic Format on the: **03/08/2021**

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Details of Charge

Date of creation: **30/07/2021**

Charge code: **SC27 9865 0018**

Persons entitled: **BNP PARIBAS (AS SECURITY AGENT AND TRUSTEE FOR ITSELF AND THE OTHER SECURED PARTIES)**

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: **WE HEREBY CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO SECTION 859G COMPANIES ACT 2006, THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE SCANNED VERSION OF THE EXECUTED DOCUMENT.**

Certified by: **BRODIES LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 279865

Charge code: SC27 9865 0018

The Registrar of Companies for Scotland hereby certifies that a charge dated 30th July 2021 and created by NEO ENERGY UPSTREAM UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd August 2021 .

Given at Companies House, Edinburgh on 4th August 2021

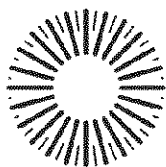
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



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



HERBERT
SMITH
FREEHILLS

Execution version

30 July 2021

NEO ENERGY UPSTREAM UK LIMITED

as the Chargor

and

BNP PARIBAS

as the Security Agent

**CHARGE OVER SHARES
IN NEO ENERGY (ZPL) LIMITED
(FORMERLY ZENNOR PETROLEUM LIMITED)**

Herbert Smith Freehills LLP

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THIS DEED (the "**Deed**") is made on 30 July 2021

BETWEEN:

- (1) **NEO ENERGY UPSTREAM UK LIMITED** (a company incorporated under the laws of Scotland with registration number SC279865) whose registered office is at The Silver Fin Building (9th Floor), 455 Union Street, Aberdeen, United Kingdom, AB11 6DB (the "**Chargor**"); and
- (2) **BNP PARIBAS** as security agent and trustee for itself and each of the other Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

- 1.1.1 Terms defined in the Intercreditor 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:

"Enforcement Date" means the earliest to occur of:

- (a) the date on which a notice is issued under clause 28.23 (*Acceleration*) of the Senior Facilities Agreement;
- (b) the date on which a notice is issued under clause 19.16 (*Acceleration*) of the Junior Facility Agreement; and
- (c) any event or circumstance referred to in paragraph (c) of the definition of Event of Default in the Intercreditor Agreement has occurred and is continuing.

"Intercreditor Agreement" means the intercreditor agreement dated 20 July 2020 and made between, among others, (1) NEO Energy Group Limited as the company and (2) the Security Agent.

"LPA" means the Law of Property Act 1925.

"Permitted Security" has the meaning given to that term in the Senior Facilities Agreement.

"Receiver" means any person appointed by the Security Agent to be a receiver or receiver and manager or administrative receiver of any property subject to the security created by this Deed.

"Related Investment Rights" means all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to any Shares and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of the Shares.

"Related Property Rights" means, where used in relation to a particular property, asset or right, the following:

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

"Security Period" means the period from the date of this Deed until the Final Discharge Date.

"Shares" means:

- (a) all share capital legally and beneficially owned by the Chargor of NEO Energy (ZPL) Limited (a company registered in England and Wales with company registration number 08818762 and formerly known as Zennor Petroleum Limited) from time to time, being at the date of this Deed 501,938 issued ordinary shares of US\$ 0.3128 each and 202,773,446 issued ordinary shares of US\$ 1.00 each;
- (b) all Related Investment Rights in respect thereof; and
- (c) all Related Property Rights in respect thereof.

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 Unless a contrary indication appears, any reference in this Deed to:

- (A) the singular includes the plural and vice versa;
- (B) the **"Security Agent"**, any **"Debtor"** or any **"Secured Party"** shall be construed so as to include their respective successors in title, permitted assigns and permitted transferees;
- (C) **"assets"** includes present and future properties, revenues and rights of every description;
- (D) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (E) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (F) a provision of law is a reference to that provision as amended or re-enacted;
- (G) a Clause or a Schedule is a reference to a clause of or a schedule to this Deed;
- (H) this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- (I) another agreement 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;
- (J) references to any form of property or asset shall include a reference to all or any part of that property or asset; and
- (K) the word **"including"** is without limitation.

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

- 1.2.3 The words "**other**", "**or otherwise**" and "**whatsoever**" 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 **Third Party Rights**

- 1.3.1 The rights expressly conferred on each of the Secured Parties and each officer of the Security Agent or a Receiver under this Deed are enforceable by each of them under the Contracts (Rights of Third Parties) Act 1999.
- 1.3.2 No other term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by anyone who is not a party to this Deed save as otherwise permitted pursuant to this Deed.

1.4 **Implied Covenants for Title**

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

1.5 **Effect as a Deed**

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

1.6 **Security Trust Provisions**

The Security Agent holds the benefit of this Deed on trust for the Secured Parties in accordance with clause 16 (*The Security Agent*) of the Intercreditor Agreement.

1.7 **Intercreditor Agreement**

This Deed is subject to the terms of the Intercreditor Agreement.

2. **COVENANTS TO PAY**

2.1 **Covenant to Pay Secured Obligations**

The Chargor covenants that it shall on demand pay or discharge the Secured Obligations in each case when the same become due for payment or discharge, whether by acceleration or otherwise, and whether such Secured Obligations are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to a Secured Party or purchased (whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

2.2 **Potential Invalidity**

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Obligations*) 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, obligation or security to be unlawful under any applicable law.

2.3 **Interest**

- 2.3.1 The Chargor hereby agrees to pay to the Security Agent, in respect of any amount demanded from it in accordance with this Deed (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between the Chargor and the relevant Secured Party), interest from first demand by the Security Agent of the Chargor:

- (A) at the rate of interest payable or deemed to be payable by the Chargor in respect of the amount demanded as calculated and compounded in accordance with any agreement between the relevant Secured Party and the Chargor with respect to such amount; 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 Secured Party (as conclusively determined by that Secured Party) of funding the amount demanded, such interest being calculated daily on the basis of a 360 day year and compounded at monthly intervals.

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

3. **SECURITY**

The Chargor hereby charges to the Security Agent by way of first fixed charge with full title guarantee (but subject to the Permitted Security) and as a continuing security for the payment and discharge of the Secured Obligations all of the Chargor's rights to and title and interest from time to time in the Shares.

4. **FURTHER ASSURANCE**

4.1 The Chargor must promptly upon request by the Security Agent execute (in such form as the Security Agent may reasonably require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Security Agent or its nominees and do all such assurances and things as the Security Agent may reasonably require for:

- 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;
- 4.1.2 conferring upon the Security Agent such security as it may require over the assets of the Chargor outside of England and Wales which if in England or Wales would form part of or be intended to form part of the Shares;
- 4.1.3 facilitating, at any time on or after the occurrence of the Enforcement Date, the realisation of all or any part of the Shares; and
- 4.1.4 exercising all powers, authorities and discretions conferred on the Security Agent or any Receiver pursuant to this Deed or by law.

4.2 The Chargor 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 including the obtaining of any necessary consent (in form and content satisfactory to the Security Agent) to enable all or any of the Shares to be mortgaged or charged pursuant to this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Deed. The Chargor shall promptly deliver a copy of each such consent to the Security Agent.

5. **GENERAL UNDERTAKINGS WITH RESPECT TO THE SHARES**

The Chargor undertakes to the Security Agent with respect to the Shares that:

5.1 **Negative Pledge**

it shall not, except as expressly permitted by the Senior Facilities Agreement and the Junior Facility Agreement, create or attempt to create or permit to subsist or arise any Security on, over or affecting the Shares or any part of them;

5.2 **Disposals**

it shall not dispose of the Shares or any part of them or agree so to do except in the case of disposals which are permitted by the Senior Facilities Agreement and the Junior Facility Agreement or the Intercreditor Agreement and for these purposes the term "disposal" shall include any form of disposal of any interest in any asset including (without limitation) any transfer, assignment, sale, right to use, 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;

5.3 **Subsequent Charges**

subject to Clause 5.1 (*Negative Pledge*), it shall procure that any Security created by the Chargor after the date of this Deed (otherwise than in favour of the Security Agent) shall be expressed to be subject to this Deed;

5.4 **Deposit of Title Documents**

at the request of the Security Agent, it shall deposit with the Security Agent or its nominee the deeds and documents of title relating to the Shares;

5.5 **Prejudicial Action**

it shall not do or cause or permit to be done anything which would reduce, jeopardise or otherwise prejudice the value to the Security Agent of the Shares or otherwise adversely affect the interests of the Security Agent in respect of the Shares, in each case, in any material respect; and

5.6 **Notification of Adverse Effect**

it will notify the Security Agent as soon as it becomes aware of any matter which might reasonably be expected to have a material adverse effect on the rights of the Security Agent under the Shares.

6. **UNDERTAKINGS AND REPRESENTATIONS WITH RESPECT TO THE SHARES**

6.1 **Deposit of title documents**

6.1.1 The Chargor shall:

- (A) in the case of any Shares that the Chargor is the beneficial or registered owner of on the date of this Deed, on the date of this Deed; and
- (B) in the case of any Shares that the Chargor becomes the beneficial or registered owner of after the date of this Deed, on the date it becomes the beneficial or registered owner of those Shares,

deposit with the Security Agent or its nominee:

- (1) all share certificates and documents of, or evidencing, title or the right to title relating to the Shares;
- (2) stock transfer forms or other instruments of transfer relating to the Shares duly completed to the Security Agent's satisfaction; and
- (3) such other documents as the Security Agent may require from time to time for the purpose of perfecting its title to the Shares or for the purpose of vesting the same in itself, its nominee or any purchaser or presenting the same for registration at any time.

6.2 Registration of transfers

If required by the Security Agent at any time after the Security granted under this Deed has become enforceable, the Chargor shall procure that all Shares which are in registered form are duly registered in the name of the Security Agent or its nominee once a transfer relating to those Shares is presented for that purpose.

6.3 Calls

The Chargor undertakes that it shall duly and promptly pay all calls, instalments or other payments which may be due and payable in respect of the Shares and, for the avoidance of doubt, no Secured Party shall incur any liability in respect of any amounts due from the Chargor in respect of the Shares.

6.4 Dividends

On and from the Enforcement Date, the Security Agent (or its nominee) shall be entitled to receive all dividends or other monies which may be paid or payable in respect of the Shares. The Chargor shall, to the extent that such dividends or other monies have not been paid directly to the Security Agent (or its nominee), take all steps as may be required to ensure that such dividends or other monies are paid to the Security Agent (or its nominee). In any event, any such dividends or other monies received by the Chargor shall, on and after the Enforcement Date, be held on trust by the Chargor for the Security Agent (or its nominee) and shall be paid to the Security Agent (or its nominee).

6.5 Voting Rights and Other Matters

6.5.1 Prior to the Enforcement Date and save as otherwise provided in this Clause 6.5, the Chargor shall exercise or direct the exercise of all voting rights and corporate powers (and the same shall accrue to the Chargor) in respect of the Shares provided that:

- (A) it does so for a purpose not inconsistent with any Debt Document or that would breach the terms of any Debt Document; and
- (B) the exercise or failure to exercise those rights could not have an adverse effect on the validity or enforceability of the Security created hereunder or cause an Event of Default to occur.

6.5.2 The Chargor shall not, without the prior written consent of the Security Agent, permit or agree to any variation of the rights attaching to or conferred by any of the Shares in any respect which would be expected to materially and adversely affect the interests of the Secured Parties, participate in any rights issue, elect to receive or vote in favour of receiving any dividends or other distributions other than in the form of cash or participate in any vote concerning a members voluntary winding-up or a compromise or arrangement pursuant to sections 895-901 of the Companies Act 2006.

6.5.3 At any time on or after the Enforcement Date, the Security Agent may in such manner and on such terms as it sees fit (in the name of the Chargor or otherwise and without the need for further consent from the Chargor):

- (A) exercise (or refrain from exercising) any voting rights in respect of the Shares or, as the case may be, require the Chargor to exercise (or refrain from exercising) any such voting rights in accordance with the directions of the Security Agent (in which event, the Chargor shall comply with all such directions of the Security Agent); and/or
- (B) apply all dividends and other monies arising from the Shares in accordance with Clause 13 (*Application of Monies received under this Deed*); and/or

- (C) without prejudice to any other provision of this Deed, transfer the Shares into the name of a nominee or transferee of the Security Agent as the Security Agent may require; and/or
- (D) exercise (or refrain from exercising) all or any of the powers and rights conferred upon or exercisable by the legal or beneficial owner of the Shares.

6.6 **Liability**

The Chargor agrees with the Security Agent that no Secured Party nor any nominee will have any liability for:

- 6.6.1 failing to present any coupon or other document relating to any of the Shares;
- 6.6.2 accepting or failing to accept any offer relating to any of the Shares;
- 6.6.3 failing to attend or vote at any meetings relating to the Shares;
- 6.6.4 failing to notify the Chargor of any matters referred to in this Clause 6.6 or of any communication received by a Secured Party in relation to the Shares; or
- 6.6.5 any loss arising out of or in connection with the exercise or non-exercise of any rights or powers attaching or accruing to the Shares or which may be exercised by the Security Agent or any nominee of the Security Agent under this Deed (whether or not on sale or other realisation of the Shares a better price could have or might have been obtained by either deferring or advancing the date of sale or realisation or otherwise).

6.7 **Nominees**

The Chargor represents and warrants that it has not and undertakes that it shall not appoint any nominee to exercise or enjoy all or any of its rights in relation to the Shares.

6.8 **Register of members**

The Chargor shall procure that, during the Security Period, no company whose shares are subject to the Security purported to be created under this Deed keeps information in respect of its members on the central register kept by the Registrar at Companies House.

6.9 **Share capital**

Pursuant to this Deed, the Chargor shall not permit NEO Energy (ZPL) Limited to:

- 6.9.1 purchase, reduce, cancel, repay, redeem, subdivide, consolidate or reclassify any of its share capital;
- 6.9.2 issue any shares or grant or allow to subsist any right (including options, warrants or convertible securities) to acquire or be issued any of its shares other than in favour of the person which has entered into the relevant Transaction Security Document;
- 6.9.3 alter the nature of, or any rights attaching to, any of its shares in a manner which would be adverse to the interests of the Secured Parties; or
- 6.9.4 take any step having an analogous effect to any of the steps described in paragraphs 6.9.1 to 6.9.3 above.

6.10 **Winding up meeting**

The Chargor will not convene a meeting of the relevant Debtor (over whose shares Security is granted) with a view to passing a resolution that the relevant Debtor (over whose shares Security is granted) be wound up.

7. **RIGHTS OF THE SECURITY AGENT**

7.1 **Enforcement**

At any time on or after the Enforcement Date, the security created pursuant to this Deed shall be immediately enforceable and the Security Agent may in its absolute discretion and without notice to the Chargor or the prior authorisation of any court:

7.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Shares in each case at such times and upon such terms as it sees fit; and

7.1.2 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 Deed) or by law; and

(B) granted to a Receiver by this Deed or from time to time by law.

7.2 **Restrictions on Consolidation of Mortgages**

Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Security Agent shall have the right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by the Security Agent at any time on or after the Enforcement Date.

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

Section 103 of the LPA shall not apply to this Deed and the power of sale arising under the LPA shall arise on the date of this Deed (and the Secured Obligations 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 the Security Agent at any time on or after the Enforcement Date.

7.4 **No Prior Notice Needed**

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

7.5 **Right of Appropriation**

7.5.1 Without prejudice to the other provisions of this Deed, to the extent that any of the Shares constitute "financial collateral", and this Deed and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")), the Security Agent shall at any time on or after the Enforcement Date have the right to appropriate all or any part of those Shares in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of any such Shares so appropriated shall be the market price of such Shares at the time the right of appropriation is exercised as determined by the Security Agent by reference to such method or source of valuation as the Security Agent may select, including by independent valuation. The parties agree that the methods or

sources of valuation provided for in this Clause or selected by the Security Agent in accordance with this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

- 7.5.2 The Security Agent shall notify the Chargor as soon as reasonably practicable of the exercise of its right of appropriation as regards such of the Shares as are specified in such notice.

8. EXONERATION

8.1 Exoneration

No Secured Party shall, nor shall any Receiver, by reason of it or the Receiver entering into possession of the Shares 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 Security Agent 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 of this Deed shall prevail and every such Receiver and the Security Agent shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

8.2 Indemnity

The Security Agent and every Receiver, attorney, delegate, manager, agent or other person appointed by the Security Agent hereunder shall be entitled to be indemnified out of the Shares or any part thereof in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Shares or any part of them. The Security Agent 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 Deed.

9. APPOINTMENT OF RECEIVER

9.1 Appointment

At any time on or after the Enforcement Date, or at the request of the Chargor or its directors, the Security Agent may, without prior notice to the Chargor, in writing (under seal, by deed or otherwise under hand) appoint a Receiver in respect of the Shares 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.

9.2 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 Security Agent may specify to the contrary in the appointment.

9.3 Receiver as agent

A Receiver shall be the agent of the Chargor 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 Secured Party.

9.4 Receiver's Remuneration

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

10. RECEIVER'S POWERS

10.1 Powers

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

- 10.1.1 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);
- 10.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 10.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Chargor itself could do or omit to do; and
- 10.1.4 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 the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the collection and/or realisation of Shares in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor).

10.2 Powers may be Restricted

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

11. PROTECTION OF PURCHASERS

11.1 Absence of Enquiry

No person or persons dealing with the Security Agent 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 the Security Agent or any such Receiver.

11.2 Receipt: Conclusive Discharge

The receipt of the Security Agent or any Receiver shall be a conclusive discharge to any purchaser of the Shares.

12. POWER OF ATTORNEY AND DELEGATION

12.1 Power of Attorney: General

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

- 12.1.1 to execute and deliver any documents or instruments which the Security Agent or such Receiver may require for perfecting the title of the Security Agent to the Shares or for vesting the same in the Security Agent, its nominee or any purchaser;

- 12.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which the Chargor is required to enter into pursuant to this Deed; and
- 12.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Agent or any Receiver under this Deed or which the Chargor is required to do pursuant to this Deed or which may be deemed expedient by the Security Agent or a Receiver in connection with any preservation, disposition, realisation or getting in by the Security Agent or such Receiver of the Shares or any part thereof or in connection with any other exercise of any other power under this Deed.

The power of attorney granted under this Clause 12.1 may be exercised at any time after the occurrence of the Enforcement Date or at any time following failure by the Chargor to do that which it is required to do by the terms of this Deed.

12.2 **Power of Attorney: Ratification**

The Chargor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 12 (*Power of Attorney and Delegation*) does or purports to do in exercise of the powers granted by this Clause.

12.3 **General Delegation**

The Security Agent 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.

13. **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:

- 13.1.1 in satisfaction of all costs, charges and expenses and payments (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by the Security Agent or the Receiver and of remuneration to the Receiver in such order as the Security Agent shall in its absolute discretion decide;
- 13.1.2 in or towards satisfaction of the Secured Obligations which, subject to any provision to the contrary in the Intercreditor Agreement, shall be applied in such order as the Security Agent shall in its absolute discretion decide; and
- 13.1.3 the surplus, if any, shall be paid to the Chargor or other person or persons entitled to it,

save that the Security Agent may credit any monies received under this Deed to a suspense account for so long and in such manner as the Security Agent may from time to time determine and the Security Agent may retain the same for such period as the Security Agent considers appropriate.

14. **RELEASE OF SECURITY**

14.1 **Release**

At the end of the Security Period the Security Agent shall, at the request and cost of the Chargor, execute or procure the execution by its nominee (in each case in a form acceptable to the Security Agent) and do all such deeds, acts and things as are necessary

to release and/or reassign the Shares from the security created by or in accordance with this Deed.

14.2 Avoidance of Payments

14.2.1 No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the Security Agent considers that the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws.

14.2.2 If any amount paid, repaid or credited to a Secured 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 Secured Party and the Chargor shall be deemed not to have occurred and the Security Agent shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

15. AMOUNTS PAYABLE

15.1 No Deduction

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

15.2 Currency of Payment

The obligation of the Chargor 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 payment of the full amount in the currency or currency unit in which it is expressed to be payable under this Deed.

16. NEW ACCOUNTS

If a Secured Party receives notice of any subsequent charge or other interest affecting any part of the Shares (the date of receipt of such notice being the "**Notice Date**") it may, without prejudice to its rights under this Deed, open a fresh account or accounts with the Chargor and continue any existing account in the name of the Chargor and may appropriate to any such fresh account any monies paid in, received or realised for the credit of the Chargor after that time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Obligations. If a Secured Party fails to open a fresh account it will be deemed to have done so and any monies received or realised after the Notice Date will not reduce the Secured Obligations outstanding on the Notice Date.

17. MISCELLANEOUS

17.1 The Chargor

This Deed is binding on the successors and assigns of the Chargor.

17.2 Assignment and Transfer

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed. The Security Agent may assign and transfer all or any part of its rights and obligations under this Deed in accordance with the terms of the Intercreditor Agreement.

17.3 Disclosure of Information

The Security Agent may disclose any information about the Chargor, the Shares or this Deed as the Security Agent shall consider appropriate in accordance with the terms set out in clause 43.2 (*Disclosure of Confidential Information*) of the Senior Facilities Agreement and clause 30 (*Confidentiality*) of the Junior Facility Agreement.

17.4 Property

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

17.5 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 Obligations.

17.6 Additional Security

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

17.7 Variation of Security

This Deed shall not in any way be affected or prejudiced by a Secured Party at any time dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 17.6 (*Additional Security*) or any rights which a Secured Party may at any time have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

17.8 Enforcement of Other Security

No Secured 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 Obligations before enforcing any of its rights under this Deed.

17.9 Redemption of Prior Incumbrances

The Security Agent may redeem or take a transfer of any prior Security over the Shares and may agree the accounts of prior incumbrancers. An agreed account shall be conclusive and binding on the Chargor. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Chargor to the Security Agent and until such payment shall form part of the Secured Obligations.

18. 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.

19. GOVERNING 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.

20. **ENFORCEMENT**

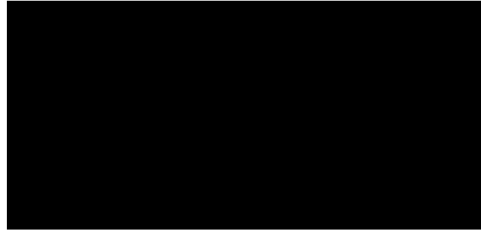
The provisions contained in clause 27 (*Enforcement*) of the Intercreditor Agreement shall apply to this Deed *mutatis mutandis* as though that clause was set out in this Deed.

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

SIGNATURE PAGES

THE CHARGOR

EXECUTED AS A DEED by)
NEO ENERGY UPSTREAM)
UK LIMITED)
a company registered in Scotland)
acting by: ANDREW MCINTOSH)
)
in the presence of:)



Signature of witness

A black rectangular box redacting the signature of the witness.

Name of witness
(in BLOCK CAPITALS)

EMILY THOMSON

Address of witness

THE SILVER FIN

BUILDING, ABERDEEN

AB11 6DB

EXECUTED for and on behalf of
BNP PARIBAS

By _____

By: Global Banking EMEA

Authorised signatory