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COMPANIES FORM No. 395

027616/50

395

Particulars of a mortgage or charge

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985



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

To the Registrar of Companies
(Address overleaf)

For official use

Company number

7

1915605

Name of company

*PENTEX ENERGY LIMITED a company incorporated under the laws of England and
Wales having its registered office at 11 Grosvenor Crescent, London, SW1 X7EE (the "Chargor")

*
insert full name
of company

Date of creation of the charge

17 May 2002

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

Debenture (the "Charge")

Amount secured by the mortgage or charge

The Secured Liabilities

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

The Governor and Company of the Bank of Scotland incorporated under act of Scots Parliament
dated 1695 and having its head office at The Mound, Edinburgh (the "Bank")

Postcode

EH1 1YZ

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

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN
Ref: DBBL/CLP/SJP/BOS001.1269

For official Use
Mortgage Section

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

See Paper Apart

Please do not
write in
this margin

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

Particulars as to commission allowance or discount

N/A

Signed



Date

29 May 2002

On behalf of [company] [chargee]*

*
delete as
appropriate

The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ

These are the definitions to the foregoing Companies Form 395 in respect of a Debenture granted by Pentex Energy Limited (Registered Number 1915605), in favour of The Governor and Company of The Bank of Scotland dated 17 May 2002.

In the Charge, unless the context otherwise requires:

- **Account Bank** means The Governor and Company of The Bank of Scotland acting through its branch office at Project Finance Portfolio Management Group, New Uberior House, 11 Earl Grey Street, Edinburgh EH3 9BB;
- **Acquisition Facility** means the facility agreement dated on or around the date of the Charge between each of the Chargors and the Bank relating to the provision of a revolving credit facility and mezzanine facility of US\$7,024,000;
- **Bank Accounts** means the Compensation Account, the Proceeds Account and the Investment Account;
- **Chargor and Chargors** means the Chargors as defined in the Charge;
- **Compensation Account** means any compensation account opened in Dollars by a Chargor pursuant to Clause 13.3 of each of the Acquisition Facility and the Refinancing Facility, the details of which that Chargor shall, promptly after such opening , notify the Bank;
- **Energy** means Pentex Energy Limited;
- **Event of Default** means the events of default as defined in the Facility Agreement;
- **Facilities** means the loan facilities to be made available under the Facility Agreements;
- **Facility Agreements** means the Acquisition Facility and the Refinancing Facility;
- **Fixtures** means in relation to any freehold or leasehold property charged by or pursuant to the Charge all fixtures and fittings (including trade fixtures and fittings other than occupational tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon, the property wherein is vested in any of the Chargors;

- **Group Shares** means (i) the Shares and (ii) all shares in the Subsidiaries and includes all Related Rights;
- **Hedging Agreements** means each document evidencing the interest rate hedging facilities entered into from time to time by the Chargors pursuant to Clause 19.18 of each of the Acquisition Facility and the Refinancing Facility;
- **Insurances** means all contracts and policies of insurance or indemnities which are from time to time taken out by or on behalf of each Chargor or (to the extent of its interest) in which each Chargor has an interest;
- **Investment Account** means the investment account, Account No: 01566403, Sort Code: 12-17-35, opened by Oil & Gas or any replacement account agreed to be designated as such by the Bank;
- **Oil** means Pentex Oil Limited;
- **Oil & Gas** means Pentex Oil & Gas Limited;
- **Proceeds Account** means the proceeds account, Account No: 00676909, Sort Code: 12-17-35 opened by Oil & Gas or any replacement account agreed to be designated as such by the Bank and any other account opened by the Chargor pursuant to Clause 13.2 of each of the Refinancing Facility and the Acquisition Facility, the details of which shall be notified to the Bank in accordance with Clause 13.1 of each of the Acquisition Facility and the Refinancing Facility;
- **Prior Charges** means the prior charges as defined in the Facility Agreements;
- **Receiver** means any one or more qualified persons appointed by the Bank under Clause 17 (*Receiver*) of the Charge to be a receiver, administrative receiver or receiver and manager of all or any part of the Security Assets where "**qualified person**" means a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of the Chargor with respect to which he is appointed or (as the case may require) an administrative receiver of the Chargor;
- **Refinancing Facility** means the refinancing facility agreement dated on or around the date hereof between Oil & Gas, Energy, Oil, UK and the Bank relating to the provision of a credit facility of US\$22,076,000;

- **Related Rights** means, in relation to the Group Shares, (i) all dividends and other distributions paid or payable after the date hereof on all or any of the Group Shares and (ii) all stocks, shares, securities (and dividends or interest thereon), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, costs or rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange to any of the Group Shares;
- **Relevant Agreements** means each of the agreements listed in Schedule 2 of the Charge;
- **Security Assets** means all assets, rights and property of each Chargor the subject of any security hereby created;
- **Security Documents** means the security document defined in the Facility Agreement;
- **Secured Liabilities** means, in respect of each Chargor, all of its present and future obligations and liabilities to the Bank under this Charge, the Facility Agreements and each other Security Document, whether actual, contingent, sole, joint and/or several or otherwise, including without limitation, all obligations to indemnify (to the extent expressly contained in a Security Document or the Facility Agreements) the Bank;
- **Shares** means the entire issued share capital of each of the Subsidiaries as detailed in Schedule 2 of this Charge;
- **Subsidiaries** means each company which is or which may become a subsidiary (within the meaning of Section 736 of the Companies Act 1985) of any of the Chargors; and
- **UK** means Petex Oil UK Limited.

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This is the Paper Apart in respect of foregoing Companies Form 395 in respect of a Debenture granted by Pentex Energy Limited (Registered Number 1915605), in favour of The Governor and Company of The Bank of Scotland dated 17 May 2002.

FIXED CHARGES

(1) The Chargor as security for the payment of all Secured Liabilities, charges in favour of the Bank:

(a) by way of first fixed charge:

- (i) all present and future estates or interests in any freehold or leasehold property now or in the future belonging to it and located in England or Wales;
- (ii) all plant and machinery now or in the future owned by it and its interest in any such plant or machinery in its possession;
- (iii) its present and future interest in all stocks, shares (including the Group Shares), debentures, bonds, warrants, coupons and other securities and investments and all rights relative thereto;
- (iv) all moneys (including interest) standing now or in the future to the credit of the Bank Accounts and any account with any person and the debts represented by them;
- (v) all benefits in respect of Insurances, all claims in respect thereof and return of premiums in respect of them;
- (vi) (to the extent that the same do not fall within any other sub-paragraph of this paragraph (b)) all book and other debts and other moneys due, owing, payable or incurred to it now or at any time and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation thereto;
- (vii) all its rights under the Hedging Agreements;
- (viii) its present and future beneficial interest, claim or entitlement in any pension fund;

- (ix) its present and future goodwill;
 - (x) the benefit of all present and future licences (statutory or otherwise) held or to be held in connection with its business or the use of any of the Security Assets the subject of the security pursuant to sub-clause (a) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
 - (xi) its present and future uncalled capital;
 - (xii) its rights under the agreement or agreements relating to the purchase of the Mortgaged Property by each Chargor;
 - (xiii) all knowhow licences and patents (including applications and rights to apply therefor), copyrights, rights in trademarks, service marks whether registered or not, and rights in confidential information now or at any time belonging to it; and
 - (xiv) its present and future interests in the Licences.
- (2) A reference in the Charge to a charge or mortgage of any freehold or leasehold property (including, for the avoidance of doubt, but without prejudice to the foregoing generality, the Properties) includes:
- (a) all buildings and Fixtures on that property;
 - (b) the proceeds of sale of any part of that property; and
 - (c) the benefit of any covenants for title given or entered into by any predecessor in title of each Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
- (3) The Chargor, as beneficial owner, as security for the payment of all Secured Liabilities, assigns to the Bank all of the Chargor's right, title, interest and benefit, present and future, under the Relevant Agreements and undertakes promptly to give such notices of assignment as the Bank may require, provided that to the extent (if any) that such right, title, interest and benefit are not assignable such assignment shall operate as an assignment of any proceeds

received by the Chargor pursuant to the Relevant Agreements. This Clause 3(3) shall not apply to any Relevant Agreement in relation to which consent to the creation of the security constituted by this Clause 3(3) is required from any party (other than the Chargor) to such Relevant Agreement, until such consent is obtained. The Chargor undertakes to use its reasonable endeavours to procure any such consent.

4. **FLOATING CHARGE**

- (1) The Chargor, as security for the payment of its Secured Liabilities, charges in favour of the Bank by way of a first floating charge (i) all its assets situated outwith Scotland or governed by a body of law other than Scots law and not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage or charge or assignment by Clause 3 (*Fixed Charges*) of the Charge, and (ii) all its assets situated in Scotland or otherwise governed by Scots law.
- (2) The Chargor shall not otherwise than as provided in the Facility Agreement:
 - (a) create or permit to subsist any Security over all or any part of the Security Assets;
 - (b) part with, sell, transfer or otherwise dispose of or agree to part with, sell, transfer or otherwise dispose of all or any part of the Security Assets.
- (3) The Bank may by notice to the Chargor convert the floating charge hereby created into a specific fixed charge over any assets specified in the notice if (i) an Event of Default has occurred or (ii) any assets specified in the notice are, in the opinion of the Bank (acting reasonably), in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise in jeopardy; and the Bank may at any time thereafter appoint a Receiver thereof.
- (4) The Charge shall (other than in respect of any of the Security Assets situate in Scotland if and to the extent that a Receiver would not be capable of exercising his powers in Scotland in relation thereto pursuant to Section 72 of the Insolvency Act 1986 by reason of any automatic conversion), in addition to the circumstances in which the same will occur under general law, automatically be converted into a fixed charge if:
 - (a) a meeting of the Chargor is convened for the purpose of considering any resolution for (or to petition for) its winding-up or for its administration or any such resolution is passed; or

- (b) any person presents a petition for the administration or winding-up or bankruptcy of the Chargor and, in the case of a winding-up petition, the petition is not discharged or stayed within 14 days.
- (5) The Charge shall rank subject only to the Prior Charges.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01915605

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 17th MAY 2002 AND CREATED BY PENTEX ENERGY LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM EACH CHARGOR TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 30th MAY 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th JUNE 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

P. Pam.