



Registration of a Charge

Company Name: **PGS EXPLORATION (UK) LIMITED**

Company Number: **02904391**



XC5BS08Q

Received for filing in Electronic Format on the: **09/06/2023**

Details of Charge

Date of creation: **09/06/2023**

Charge code: **0290 4391 0003**

Persons entitled: **KROLL TRUSTEE SERVICES LIMITED**

Brief description: **N/A**

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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: **LATHAM & WATKINS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2904391

Charge code: 0290 4391 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th June 2023 and created by PGS EXPLORATION (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th June 2023 .

Given at Companies House, Cardiff on 14th June 2023

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**

SUPPLEMENTAL FLOATING CHARGE

Dated 9 June **2023**

between

**THE ENTITIES LISTED IN SCHEDULE 1
as Chargors**

and

**KROLL TRUSTEE SERVICES LIMITED
as Collateral Agent**

Cahill

Cahill Gordon & Reindel (UK) LLP

CONTENTS

Clause	Page
1. Definitions and Interpretation.....	1
2. Covenant to Pay.....	4
3. Floating Charge	4
4. Crystallisation of Floating Charges	4
5. Representations.....	5
6. General Covenants.....	5
7. Enforcement of Security.....	5
8. Extension and Variation of the LPA.....	7
9. Appointment of Administrators and Receivers	7
10. Powers of Receiver	8
11. Application of Enforcement Proceeds	8
12. Protection of Purchasers.....	9
13. Further Assurance	9
14. Power of Attorney.....	10
15. Discretion and Delegation.....	10
16. Preservation of Rights.....	11
17. Effectiveness of Security.....	12
18. Subsequent Security.....	13
19. Payments	13
20. Currency Indemnity	13
21. Successors and Assignees	14
22. Discharge of Security.....	14
23. Counterparts	14
24. Governing Law	14
25. Enforcement	14
26. Intercreditor Agreement	15
Schedule 1 Chargors.....	16

THIS SUPPLEMENTAL FLOATING CHARGE is made as a deed on 9 June, 2023

BETWEEN

- (1) **THE ENTITIES** listed in Schedule 1 (*Chargors*) (together, the “**Chargors**”); and
- (2) **KROLL TRUSTEE SERVICES LIMITED** as trustee for each of the Secured Parties (as defined in the Intercreditor Agreement referred to below) acting in accordance with and subject to the Debt Documents (in such capacity, the “**Collateral Agent**”).

BACKGROUND:

- (A) Pursuant to the credit agreement (the “**Credit Agreement**”) originally dated 29 June 2007, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, including as amended and restated pursuant to the eleventh amendment dated 9 February 2021, among others, Petroleum Geo-Services AS, PGS Holding II Ltd and PGS Finance, Inc. (the “**Borrowers**”), PGS ASA, the **Chargors**, the **Lenders** (as defined therein) and the **Collateral Agent**, the **Lenders** agreed to make available to the **Borrowers** the term and revolving credit facilities set out therein. As a condition precedent to the **Lenders** making available to the **Borrowers** the facilities under the **Credit Agreement**, the **Chargors** have previously executed and delivered to the **Collateral Agent** a floating charge (the “**Original Floating Charge**”) dated 18 February 2020 in favour of the **Collateral Agent** as trustee for itself and each of the **Secured Parties** (as defined in the **Credit Agreement**).
- (B) Pursuant to certain bond terms dated 29 March 2023 between, among others, Petroleum Geo-Services AS as issuer (the “**Issuer**”) and the **Trustee** (as defined therein), the **Issuer** has issued certain senior secured notes due 2027 (the “**Nordic Bond**”).
- (C) Pursuant to the **Nordic Bond**, an amendment and restatement deed has been entered into on 29 March 2023 (the “**Amendment and Restatement Deed**”) between, among others, Petroleum Geo-Services AS and the **Collateral Agent** relating to an intercreditor agreement dated 8 September 2022 and the **Collateral Agent** has agreed, among other things, to hold the security constituted by this Deed on trust for the **Secured Parties**.
- (D) The **Chargors** have agreed to enter into this Deed as security for the **Secured Obligations** (as defined in the **Intercreditor Agreement**).
- (C) It is intended that this document shall take effect as a deed of those parties that execute it as such.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

Terms defined in the **Intercreditor Agreement** shall, unless otherwise defined in this Deed, bear the same meaning when used herein. In addition:

“**Charged Property**” means the assets of the **Chargors** from time to time the subject of the security hereby constituted, together with, in each case, all **Related Rights** relating thereto.

“**Discharge Date**” means the date on which (the **Secured Obligations** having been discharged in full) the **Collateral Agent** discharges the security hereby constituted pursuant to Clause 22 (*Discharge of Security*).

“Intercreditor Agreement” means the intercreditor agreement dated 8 September 2022 and entered into between, among others, the Chargors as Original Debtors, the Senior Agent and the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, including pursuant to the Amendment and Restatement Deed).

“LPA” means the Law of Property Act 1925.

“Receiver” means a receiver or receiver and manager of the whole or any part of the Charged Property.

“Related Rights” means, in relation to any property:

- (a) the proceeds of sale of that property or any part thereof;
- (b) all present and future rights under any licence in respect of that property or any agreement for the sale or the lending or leasing thereof;
- (c) all present and future rights, benefits, claims, contracts, warranties, remedies, security, indemnities and covenants for title in respect of that property; and
- (d) all present and future interest and other moneys and proceeds attributable to that property or its use.

“Secured Obligations” has the meaning given to the term “Secured Obligations” in the Intercreditor Agreement provided that the Secured Obligations shall not include any obligations which, if they were so included, would cause this Deed or anything herein contained to constitute unlawful financial assistance under Chapter 2 of Part 18 of the Companies Act 2006.

1.2 **Construction**

Unless a contrary indication appears in this Deed, the rules of construction set forth in clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to the construction of this Deed, mutatis mutandis.

1.3 **Third Party Rights**

A person who is not a party to this Deed may not enforce any of its terms pursuant to the Contracts (Rights of Third Parties) Act 1999 unless the contrary is specifically provided herein, but even then the parties hereto shall at all times be entitled to rescind or vary this Deed without the consent of the person concerned.

1.4 **Disposition of Property**

The terms of the documents under which the Secured Obligations arise (and of all side letters relating to the Secured Obligations) are incorporated into this Deed to the extent required for any purported disposition of the Charged Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (*Miscellaneous Provisions*) Act 1989.

1.5 **Obligations secured by this Deed**

By entering into this Deed, the Chargors expressly confirm and agree that:

- (a) the Security created or intended to be created by it under or evidenced by this Deed is intended as security for the payment and discharge of all of its Secured Obligations and without any need or requirement for any amendment or supplement to this Deed at any

time after the date of this Deed notwithstanding any change in or to the Secured Obligations from time to time after such date;

- (b) its Secured Obligations are intended to extend to and to cover (without limitation):
 - (i) all its obligations (whether present or future, actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Chargors or some other person) arising from time to time under any Debt Document and/or owing to any Secured Party (in each case) falling within the definition of Secured Obligations from time to time (whether or not the Chargors or, as the case may be, such other person is party to such Debt Document as at the date of this Deed or becomes party to such Debt Document at any time thereafter and notwithstanding that any such obligations are not identified and/or the terms of those obligations not recorded as at the date of this Deed (including, without limitation, as a result of the fact of the relevant Debt Document not then existing) and notwithstanding that those obligations may differ fundamentally from all or any of, may be more onerous to the Chargors than all or any of, may be or give rise to new and/or additional obligations upon the Chargors over and above all or any of the then obligations of the Chargors and notwithstanding that such obligations may increase the likelihood that the Security created or intended to be created under or evidenced by this Deed will be enforced); and
 - (ii) any increase in, extension or substitution of or change to any of its obligations referred to in paragraph (a) above (however fundamentally) (including, without limitation, by way of any amendment (however fundamental), novation, termination, replacement, refinancing or supplement of any Debt Document or, as the case may be, Debt Documents or the designation (whether or not such designation is made by the Chargor) of a document or documents as a Debt Document or, as the case may be, Debt Documents falling within the definition of "Secured Obligations" or of a creditor or other person as a Secured Party falling within the definition of "Secured Obligations" and whether or not such document, creditor or person is or such documents are designated directly as a Debt Document or, as the case may be, Debt Documents or, as applicable, a Secured Party or are designated indirectly by way of being designated as a document or documents of a type or class which type or class falls within the then current definition of Debt Documents in the Intercreditor Agreement or, as applicable, by way of being designated as a creditor or person of a type or class which type or class falls within the then current definition of Secured Party in the Intercreditor Agreement and whether or not any such designation is made pursuant to any Debt Document (including any of any such type or class)); and
- (c) the Security created or intended to be created under or evidenced by this Deed is intended as security for the payment and discharge of its Secured Obligations notwithstanding any change of the Collateral Agent and/or any change of the Secured Parties from time to time (including, without limitation, a change to all or substantially all of the Secured Parties) and/or any amendment (however fundamental), novation, termination, replacement, refinancing or supplement any Debt Document (including, without limitation, the terms upon which the Collateral Agent holds the Security created or intended to be created under or evidenced by this Deed).

1.6 **Original Floating Charge**

- (a) All the terms, conditions and provisions of the Original Floating Charge shall continue in full force and effect as supplemented by this Deed.
- (b) The security constituted by this Deed will be subject, in point of priority, to any Security constituted by the Original Floating Charge notwithstanding that this Deed purports to constitute a first ranking Security.

2. **COVENANT TO PAY**

Each Chargor hereby covenants with the Collateral Agent that it will pay the Secured Obligations on demand as and when the same become payable under the terms of the Debt Documents.

3. **FLOATING CHARGE**

- (a) Subject to the Original Floating Charge, each Chargor hereby charges to the Collateral Agent by way of first floating charge the whole of its undertaking and assets, present and future, in each case with full title guarantee and to secure the payment and discharge of the Secured Obligations.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to each floating charge hereby created to the intent that each such floating charge shall be a qualifying floating charge for the purposes of sub-paragraph (1) of such paragraph.

4. **CRYSTALLISATION OF FLOATING CHARGES**

4.1 **By Notice**

The Collateral Agent may at any time by notice in writing to any Chargor convert the floating charge created by that Chargor pursuant to Clause 3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) the security hereby constituted has become enforceable as herein provided;
- (b) the Collateral Agent considers that any of the Charged Property the subject of that floating charge may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Collateral Agent (acting reasonably) considers that it is desirable in order to protect the priority of the security afforded by that floating charge.

4.2 **Without Notice**

Notwithstanding Clause 4.1 (*By Notice*) and without prejudice to any rule of law which may have a similar effect, the floating charge created by each Chargor pursuant to Clause 3 (*Floating Charge*) shall automatically be converted with immediate effect (and without notice) into a fixed charge as regards all the assets the subject thereof if:

- (a) that Chargor creates or attempts to create any Security over any of the Charged Property the subject thereof otherwise than pursuant to the Transaction Security Documents;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property the subject thereof;

- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of that Chargor; or
- (d) an administrator is appointed in respect of that Chargor or a person entitled to appoint an administrator in respect of that Chargor gives notice of its intention to do so or files a notice of appointment with the court.

4.3 **Company voluntary arrangement moratorium**

For so long as paragraph 43 of Schedule A1 of the Insolvency Act 1986 remains in force, neither a Chargor obtaining nor doing anything with a view to obtaining a moratorium pursuant to Schedule A1 of the Insolvency Act 1986 (including any preliminary decision or investigation) shall cause the floating charge created by that Chargor pursuant to Clause 3 (*Floating Charge*) to crystallise until the date on which it is permitted to crystallise in accordance with paragraph 13 of Schedule A1 of the Insolvency Act 1986. This paragraph does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

5. **REPRESENTATIONS**

Each Chargor represents to the Collateral Agent that:

- (a) it is the sole beneficial owner of its Charged Property free from all Security except as created by this Deed and the Original Floating Charge and free from all restrictions on transfer and rights of pre-emption;
- (b) unless otherwise permitted by the Debt Documents and subject to the Original Floating Charge, it has not sold or disposed of all or any of its right, title and interest in and to its Charged Property, nor agreed to do any such thing; and
- (c) it has the power and authority, and obtained all the consents, necessary to enable it lawfully to enter into and perform its obligations under this Deed, such obligations being legal, valid and binding obligations enforceable in accordance with the terms hereof.

6. **GENERAL COVENANTS**

Each Chargor agrees that it will not, without the Collateral Agent's prior written consent and unless not prohibited by the Debt Documents:

- (a) create or permit to subsist any Security over all or any part of its Charged Property other than the Security which arise by virtue of this Deed and the Original Floating Charge; or
- (b) assign, transfer or otherwise dispose of all or any part of its Charged Property, other than pursuant to the Original Floating Charge, nor agree or purport to do any such thing.

7. **ENFORCEMENT OF SECURITY**

7.1 **General**

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Deed.

7.2 Enforcement

The security hereby constituted shall become enforceable upon the occurrence of an Event of Default which is continuing and which has not been remedied or waived in accordance with the Intercreditor Agreement, whereupon the power of sale and other powers conferred on the Collateral Agent by this Deed and by law shall be immediately exercisable and the Collateral Agent may in its absolute discretion:

- (a) enforce all or any part of the security constituted by this Deed (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or receivers.

7.3 No Liability as Mortgagee in Possession

Neither the Collateral Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property by reason of going into possession thereof, nor shall either of them be liable (save in the case of wilful default or gross negligence) for any loss upon any realisation thereof or for any loss connected therewith to which a mortgagee in possession might otherwise be liable.

7.4 Appropriations

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Deed constitutes a “security financial collateral arrangement” (in each case as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Collateral Agent may, at any time after the security constituted by this Deed has become enforceable, appropriate that Charged Property in or towards the discharge of the Secured Obligations.
- (b) The parties hereto agree that the value of any Charged Property appropriated in accordance with paragraph (a) above shall be:
 - (i) in the case of cash denominated in the currency of denomination of the Secured Obligations, the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of the appropriation;
 - (ii) in the case of any other cash, the amount of the currency of denomination of the Secured Obligations that the Collateral Agent could purchase with the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of the appropriation at its spot rate of exchange for such purchase in the London foreign exchange market at or about 11:00 a.m. on that date; and
 - (iii) in any other case, the market price thereof determined by the Collateral Agent by reference to the price thereof quoted at the time of the appropriation on a public index or by such other method (including independent valuation) as the Collateral Agent (acting reasonably) may select,

and each Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable.

8. EXTENSION AND VARIATION OF THE LPA

8.1 Extension of Powers

The power of sale and the other powers conferred on the Collateral Agent and on any Receiver by this Deed shall operate as a variation and extension of the powers under Section 101 of the LPA.

8.2 Restrictions

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Collateral Agent of its 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 or to its power of sale, which powers may be exercised by the Collateral Agent without notice to any Chargor at any time after the security hereby constituted has become enforceable as herein provided.

8.3 Power of Leasing

The Collateral Agent may exercise the statutory powers of leasing at any time after the security hereby constituted has become enforceable and the Collateral Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, in each case without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA.

9. APPOINTMENT OF ADMINISTRATORS AND RECEIVERS

9.1 Appointment of Administrators

After the security hereby constituted has become enforceable as herein provided, the Collateral Agent shall be entitled to appoint an administrator of each Chargor as contemplated by paragraph 14 of Schedule B1 to the Insolvency Act 1986, and for this purpose such Chargor shall provide to the Collateral Agent and to the proposed administrator all such information and opinions as it or he may require in the circumstances (having regard in particular to the requirements of paragraph 18 of such Schedule).

9.2 Appointment and Removal of Receivers

The Collateral Agent may, by deed or otherwise (acting through an authorised officer of the Collateral Agent and without prior notice to any Chargor):

- (a) appoint one or more persons to be a Receiver of the whole or any part of any Chargor's Charged Property;
- (b) remove (so far as it is lawfully able) any Receiver so appointed; and
- (c) appoint one or more other persons as an additional or replacement Receiver if the security hereby constituted has become enforceable as herein provided.

9.3 Capacity of Receivers

Each person appointed to be a Receiver with respect to any of a Chargor's Charged Property pursuant to Clause 9.2 (*Appointment and Removal of Receivers*) shall:

- (a) be entitled to act individually or together with any other person so appointed;

- (b) for all purposes be deemed to be the agent of that Chargor (who shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration), and no Receiver shall at any time be or be entitled to act as agent for the Collateral Agent; and
- (c) be entitled to remuneration for his services at a rate to be fixed by the Collateral Agent, acting reasonably, from time to time (without being limited to the maximum rate specified by the LPA).

9.4 Statutory Power of Appointment

Section 109(1) of the LPA shall not apply to this Deed.

10. POWERS OF RECEIVER

Each Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the relevant Chargor) have and be entitled to exercise, in relation to the Charged Property in respect of which he is appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the relevant Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (notwithstanding that the Receiver is not an administrative receiver);
- (c) all the powers and rights of an absolute owner, thus having the power to do or to refrain from doing anything which the relevant Chargor itself could do or refrain from doing; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the relevant Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him; or
 - (ii) the exercise of any of the rights, powers and remedies of the Collateral Agent arising hereunder or by law (including the right to realise all or any part of that Charged Property); or
 - (iii) the collection of any assets or other property forming part of the Charged Property.

11. APPLICATION OF ENFORCEMENT PROCEEDS

11.1 Application Pursuant to the Intercreditor Agreement

Save as otherwise herein provided, all moneys received or recovered by the Collateral Agent by virtue of this Deed after the security hereby constituted has become enforceable shall, subject to the claims of any person having prior rights thereto (and by way of variation of the provisions of the LPA), be applied in or towards the discharge of the Secured Obligations in accordance with the provisions of the Intercreditor Agreement.

11.2 Collateral Agent's Discretions

The Collateral Agent shall be entitled:

- (a) for the purpose of any application of moneys in the discharge of any of the Secured Obligations as contemplated by Clause 11.1 (*Application Pursuant to the Intercreditor Agreement*), to convert funds held by it in one currency into another at its spot rate of exchange for the time being for the purchase of that other currency with the one held; and
- (b) pending any application of moneys in the discharge of any of the Secured Obligations as contemplated by Clause 11.1 (*Application Pursuant to the Intercreditor Agreement*), and in its discretion, to credit such moneys (including the proceeds of any conversion effected as provided in paragraph (a) above) to an interest bearing suspense account.

12. PROTECTION OF PURCHASERS

12.1 Consideration

The receipt of the Collateral Agent or any Receiver shall constitute a good discharge to a purchaser and the Collateral Agent and each Receiver may sell or otherwise dispose of any of the Charged Property or make any acquisition for such consideration, in such manner and on such terms as it thinks fit.

12.2 Protection of Purchasers

A certificate of an officer or agent of the Collateral Agent to the effect that its power of sale has arisen and is exercisable shall be conclusive evidence of that fact in favour of a purchaser of all or any part of the Charged Property and no purchaser or other person dealing with the Collateral Agent or any Receiver shall be bound to inquire as to the accuracy of such certificate or be in any way concerned with the propriety or regularity on the part of the Collateral Agent or such Receiver in such dealings.

13. FURTHER ASSURANCE

- (a) Subject to the Agreed Security Principles (as defined in the Intercreditor Agreement), each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may reasonably require in favour of the Collateral Agent or its nominee(s)):
 - (i) to perfect the security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of the security) or for the exercise of any rights, powers and remedies of the Collateral Agent or the Secured Parties provided by or pursuant to this Deed or by law;
 - (ii) to confer on the Collateral Agent or confer on the Secured Parties security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this Deed; and
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the security.

- (b) Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Collateral Agent or the Secured Parties by or pursuant to this Deed.

14. POWER OF ATTORNEY

14.1 Appointment and Powers

Each Chargor, by way of security for the performance of its obligations under this Deed, irrevocably appoints the Collateral Agent and any Receiver (and each delegate or sub-delegate of either of them) severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all such deeds and documents and otherwise do all things which the attorney may consider to be necessary or desirable upon the occurrence of an Event of Default which is continuing and which has not been remedied or waived in accordance with the Intercreditor Agreement:

- (a) to enable the Collateral Agent to perform any obligation imposed on such Chargor by this Deed and where the Chargor has failed to do so within the permitted timeframe (including the execution and delivery of any deeds, assignments, conveyances, transfers, mortgages, charges, notices and instructions or other documents or instruments relating to its Charged Property); and
- (b) to enable the Collateral Agent and any Receiver to exercise (or to authorise someone on its behalf to exercise) any of the respective rights, powers and authorities conferred on it by or pursuant to this Deed or by law (including, after the security hereby constituted has become enforceable as herein provided, the exercise of any right of a legal or beneficial owner of the Charged Property or any part thereof),

provided that, in each case, security hereby constituted has become enforceable as herein provided.

14.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney appointed pursuant to the terms of Clause 14.1 (*Appointment and Powers*) in the exercise or purported exercise of any or all of his powers.

14.3 Indemnity

Each Chargor irrevocably and unconditionally undertakes to indemnify each attorney appointed pursuant to the terms of Clause 14.1 (*Appointment and Powers*) against all actions, proceedings, claims, costs, expenses, losses and liabilities incurred by it in connection with the exercise or purported exercise of any of the powers conferred by such Clause, save where the same arises as the result of fraud, gross negligence or wilful default on the part of the attorney or its officers or employees.

15. DISCRETION AND DELEGATION

15.1 Discretion

All the rights and powers of the Collateral Agent or any Receiver hereunder may be exercised by it in its absolute and unfettered discretion, and no exercise of any such right or power shall oblige it to provide explanations in connection therewith.

15.2 Delegation

Each of the Collateral Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit, but no such delegation shall preclude either the subsequent exercise of such power, authority or discretion by the Collateral Agent or the Receiver itself or any subsequent delegation or revocation thereof.

16. PRESERVATION OF RIGHTS

16.1 Waiver of defences

Each Chargor shall be liable under Clause 2 (*Covenant to Pay*) as if it were a principal debtor and not merely a surety. Neither the security constituted by this Deed nor any of the obligations of any Chargor hereunder shall be discharged, impaired or otherwise affected by (and each Chargor hereby irrevocably waives all present and future defences that might be available to it as a result of) any act, omission, matter or thing which, but for this Clause 16.1, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to that or any other Chargor, any Debtor or any Secured Party) including:

- (a) any time, waiver or consent, or any other indulgence or concession, in each case granted to, or composition with, any other Chargor, any other Debtor or any other person;
- (b) the release of any other Chargor, any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release of any rights against, or Security over assets of, any other Chargor, any other Debtor or any other person, or any refusal or failure to perfect, take up or enforce any such rights or Security (including any failure to present, or otherwise comply with, any formality or other requirement in respect of any instrument or claim, or any failure to realise the full value of any such rights or Security);
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Chargor, any other Debtor or any other person;
- (e) any amendment, variation, novation, supplement, extension, restatement or replacement of any Debt Document or any other document or any Security, guarantee or indemnity, however fundamental and of whatever nature (and including any that may change the purpose of any facility under any Debt Document, or extend its availability or maturity, or that may introduce a new facility under any Debt Document or in some other way increase the liability of any other Chargor or any other Debtor);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or any Security, guarantee or indemnity; or
- (g) any insolvency or similar proceedings.

16.2 Chargor intent

Without prejudice to the generality of Clause 16.1 (*Waiver of defences*), each Chargor expressly confirms that it intends that its obligations under this Deed shall:

- (a) extend from time to time to any variation, increase, extension or addition of or to any Debt Document and/or any facility or amount made available under any Debt Document for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and the payment of all fees, costs and expenses associated with any of the foregoing; and
- (b) so extend however fundamental the variation, increase, extension or addition in question may be and notwithstanding that the specific nature thereof may not have been expressly enumerated herein or in any other Debt Document.

16.3 Settlements and Discharges

Any settlement or discharge given by the Collateral Agent to a Chargor in respect of its obligations hereunder, and any other agreement reached between the Collateral Agent and a Chargor in relation thereto, shall be, and be deemed always to have been, void if any act on the faith of which the Collateral Agent gave that Chargor that settlement or discharge or entered into that agreement is (or is agreed to have been) avoided, cancelled or otherwise negated.

17. EFFECTIVENESS OF SECURITY

17.1 Continuing Security

The security hereby constituted shall remain in full force and effect as a continuing security for the Secured Obligations until the Discharge Date and shall not be released before then by any intermediate payment or satisfaction of all or any of the Secured Obligations or for any other reason.

17.2 Cumulative and Independent Rights

The security hereby constituted and the rights, powers and remedies of the Collateral Agent hereunder are cumulative and shall be in addition to and independent of every other security, right, power or remedy which the Collateral Agent or any Secured Party may at any time have in connection with the Secured Obligations, including all rights, powers and remedies provided by law, and accordingly, the Collateral Agent shall not be obliged before exercising any such rights, powers or remedies:

- (a) to make any demand of, or to take any action or obtain judgment in any court against, any other Debtor;
- (b) to make or file any claim or proof in a winding-up or dissolution of any other Debtor;
or
- (c) to enforce or seek to enforce any other security held by it in respect of any of the Secured Obligations.

17.3 No Merger of Security

No prior security held by the Collateral Agent (whether in its capacity as Collateral Agent or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

17.4 Remedies and Waivers

No failure to exercise and no delay in exercising, on the part of the Collateral Agent, any right, power or remedy under this Deed or arising by law shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise thereof or the exercise of any other such right, power or remedy.

17.5 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 jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor that of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby, and the fact that any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason shall not affect or impair any other part of the security.

18. SUBSEQUENT SECURITY

If at any time the Collateral Agent (whether acting in its capacity as Collateral Agent or otherwise) receives notice of any subsequent Security affecting all or any part of the Charged Property or any assignment, transfer or other disposal of any of the Charged Property which is prohibited by the terms of this Deed, the Intercreditor Agreement or any other Debt Document, all payments thereafter made by or on behalf of each Debtor to the Collateral Agent (whether in its capacity as Collateral Agent or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of that Debtor as at the time when the Collateral Agent received such notice and not as having been applied in reduction of the Secured Obligations.

19. PAYMENTS

The unpaid balance of any amount payable by a Chargor hereunder which is not paid when due shall bear interest (after as well as before judgment and payable on demand) until the obligation to pay such amount has been discharged in full at the rate from time to time at which interest would have accrued thereon pursuant to section 2.07 (*Interest on Loans*) of the Credit Agreement.

20. CURRENCY INDEMNITY

20.1 Indemnity

If any sum due from a Chargor hereunder (or under any order, judgment or award given or made in relation to any such sum) has to be converted from the currency in which that sum is payable into another currency for the purpose of:

- (a) making or filing a claim or proof against that Chargor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Chargor shall, as an independent obligation, within three Business Days of demand, indemnify the Collateral Agent against any loss, liability or cost arising out of or as a result of that conversion (including such as may be attributable to a difference between the rate of exchange used for the purposes of that conversion and the rate or rates of exchange available to the Collateral Agent at the time of its receipt of the funds paid to it in respect of that sum).

20.2 Waiver

Each Chargor waives any right it may have in any jurisdiction to pay any amount due hereunder in a currency or currency unit other than that in which it is expressed to be payable.

21. SUCCESSORS AND ASSIGNEES

21.1 Successors

This Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Collateral Agent and references to the Collateral Agent shall be construed to include its successors and assigns and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Collateral Agent hereunder (or to whom, under such laws, the same have been transferred).

21.2 Assignees

The Collateral Agent may assign all or any of its rights under this Deed subject to the terms of the Intercreditor Agreement.

21.3 Disclosure of Information

The Collateral Agent shall be entitled to disclose such information concerning each Chargor and this Deed in accordance with section 10.12 (*Treatment of Certain Information; Confidentiality*) of the Credit Agreement.

22. DISCHARGE OF SECURITY

Upon the discharge in full of the Secured Obligations, and so long as none of the Secured Parties has any further actual or contingent obligations under the Debt Documents, the Collateral Agent will, at the request and cost of the Chargors, but without recourse or warranty, discharge the security constituted by this Deed and return to each Chargor all certificates and other documents of title to its Charged Property, together with such instruments of transfer in respect thereof as may be necessary in the circumstances, duly executed in favour of such Chargor.

23. COUNTERPARTS

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

24. GOVERNING LAW

This Deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law.

25. ENFORCEMENT

25.1 Jurisdiction of English Courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to its existence, validity or termination or any non-contractual obligation arising out of or in connection with it) (a “**Dispute**”).

- (b) The parties hereto agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly none of them will argue to the contrary.
- (c) Each Chargor agrees not to institute proceedings in relation to a Dispute or seeking any interim remedies before any court other than the courts of England.

25.2 Proceedings Elsewhere

- (a) Notwithstanding Clause 25.1 (*Jurisdiction of English Courts*), the Collateral Agent shall not be prevented from taking proceedings relating to a Dispute or seeking any interim remedies in any other courts having jurisdiction.
- (b) To the extent allowed by applicable law, the Collateral Agent may take concurrent proceedings in any number of jurisdictions.

26. INTERCREDITOR AGREEMENT

Notwithstanding anything herein to the contrary, the relative rights and remedies of the Collateral Agent and the Secured Parties hereunder shall be subject to and governed by the terms of the Intercreditor Agreement. In the event of any inconsistency between the terms hereof (other than Clause 3 (*Floating Charge*) hereof) and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall control at any time the Intercreditor Agreement is in effect.

THIS SUPPLEMENTAL FLOATING CHARGE has been executed and delivered as a deed by each Chargor and executed by the Collateral Agent, in each case on the date specified above.

Schedule 1
Chargors

Company Name	Jurisdiction	Registration Number	Address
Petroleum Geo-Services (UK) Limited	England and Wales	02874539	4 The Heights, Brooklands, Weybridge, Surry KT13 0NY
PGS Exploration (UK) Limited	England and Wales	02904391	4 The Heights, Brooklands, Weybridge, Surry KT13 0NY

THE CHARGORS

Executed as a deed by
PGS EXPLORATION (UK) LIMITED
acting by

Gottfred Langseth
(*Print Name*)

REDACTED

Director

In the presence of:

Name: Pernille Undseth
(*BLOCK CAPITALS*)

REDACTED

(SIGNATURE OF WITNESS)

Address: REDACTED

Occupation: Executive Assistant to CEO

Executed as a deed by
**PETROLEUM GEO-SERVICES (UK)
LIMITED**
acting by

Gottfred Langseth
(Print Name)

REDACTED

Director

In the presence of:

REDACTED

Name: Pernille Undseth
(BLOCK CAPITALS)

(SIGNATURE OF WITNESS)

Address: REDACTED

Occupation: Executive Assistant to CEO

THE COLLATERAL AGENT

KROLL TRUSTEE SERVICES LIMITED

By: **REDACTED**

Name: Fergus McWilliams
Title: Transaction Manager

Address: The News Building, Level 6, 3 London Bridge Street, London, SE1 9SG

Fax: +44 207 354 6132

Email: Deals@ats.kroll.com / **REDACTED**

Attention: Kroll Agency and Trustee Services Limited / Fergus McWilliams