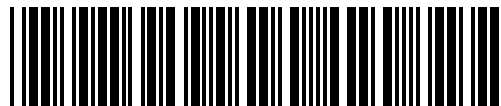




Registration of a Charge

Company Name: **PHAROS ENERGY PLC**

Company Number: **03300821**



Received for filing in Electronic Format on the: **27/07/2021**

XA9LHQ57

Details of Charge

Date of creation: **26/07/2021**

Charge code: **0330 0821 0004**

Persons entitled: **BNP PARIBAS**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **HERBERT SMITH FREEHILLS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3300821

Charge code: 0330 0821 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th July 2021 and created by PHAROS ENERGY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th July 2021 .

Given at Companies House, Cardiff on 29th July 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**

DATED 26 July 2021

PHAROS ENERGY PLC

as Grantor

AND

BNP PARIBAS

as Security Agent

**SUPPLEMENTAL SECURITY INTEREST AGREEMENT IN RESPECT
OF SHARES IN A JERSEY COMPANY**



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REF: NW/JK/J45383

TABLE OF CONTENTS

1.	INTERPRETATION.....	3
2.	COVENANT TO PAY	8
3.	CREATION OF SECURITY INTERESTS	8
4.	PAYMENT AND VOTING RIGHTS.....	10
5.	REPRESENTATIONS AND WARRANTIES.....	11
6.	UNDERTAKINGS.....	12
7.	EVENTS OF DEFAULT AND POWER OF SALE.....	14
8.	POWER OF ATTORNEY	17
9.	GENERAL	17
10.	PRESERVATION OF SECURITY, ETC.	20
11.	ASSIGNMENT	22
12.	RELEASE.....	22
13.	NOTICES	22
14.	ENTIRE AGREEMENT	23
15.	PROCESS AGENT	23
16.	COUNTERPARTS	23
17.	JURISDICTION AND WAIVER OF IMMUNITY	23

THIS SECURITY INTEREST AGREEMENT (the "**Agreement**") is made on 26 July 2021

BETWEEN

- (1) **PHAROS ENERGY PLC**, a company incorporated under the laws of England and Wales with registered number 03300821 and having its registered office at 27/28 Eastcastle Street London W1W 8DH (the "**Grantor**"); and
- (2) **BNP PARIBAS**, a *société anonyme* incorporated in France and acting through its Singapore branch at 20 Collyer Quay #01-01, Singapore 049319, as initial security agent for and on behalf of the Secured Parties (the "**Security Agent**" which expression includes its successors and assigns).

RECITALS

- (A) Pursuant to the Existing Facility Agreement (as defined below), the Lenders (as defined therein) agreed to make the Facility (as defined therein) available to the Borrowers (as defined therein) for the purposes set out in the Facility Agreement.
- (B) On or around the date hereof, the Existing Facility Agreement is to be further amended and restated pursuant to the terms of the Amendment and Restatement Agreement (as defined below).
- (C) It is a condition precedent to the Amendment and Restatement Agreement that the Grantor enters into this Agreement.
- (D) Pursuant to this Agreement, the Grantor agrees to create (subject to the Existing SIA (as defined below)) first ranking security over its interest in the Collateral (as defined below) in favour of the Security Agent in connection with, and as required by, the Facility Agreement.
- (E) The Grantor is satisfied that entering into this Agreement is for the purposes of its business and to the benefit of the Grantor.
- (F) This Agreement is supplemental to the Existing SIA and includes the terms of and constitutes a security agreement in accordance with the provisions of the Security Law (as defined below).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, words and expressions which are capitalised but not defined herein shall have the same meanings as given to them in the Facility Agreement. In this Agreement:

"Amendment and Restatement Agreement" means the amendment and restatement agreement dated on or around the date hereof between, amongst others, Pharos Sea Limited (as the Company), the entities listed in schedule 1, part A (as Obligors), the financial institutions listed in schedule 1, part B (as the Original Lenders), the Security Agent and BNP Paribas (as the New Modelling Bank).

"Certificate of Title" means any document of title whereby a person recognises the title of another to securities issued or to be issued by the first-mentioned person, and in the case of any such document with coupons (whether attached or on separate coupon sheets) includes any coupons which have not been detached.

"Collateral" means the Shares, the Related Rights and proceeds therefrom.

"Companies Law" means the Companies (Jersey) Law 1991.

"Default Rate" shall be calculated in accordance with clause 9.3 of the Facility Agreement.

"Effective Date" shall have the same meaning given to such term in the Amendment and Restatement Agreement.

"Enforcement Date" means the date on which (i) the Facility Agent issues a notice under clause 24.24 (Acceleration) of the Facility Agreement or (ii) the Loans outstanding by a US Obligor which is a Borrower, interest thereon, and all other amounts owed by such Borrower under the Finance Documents become immediately due and payable pursuant to Clause 24.25 (Automatic Acceleration) of the Facility Agreement.

"Event of Default" shall have the same meaning given to such term in the Facility Agreement and as if each such event or circumstance therein specified was specifically set out in this Agreement.

"Existing Facility Agreement" means the senior secured borrowing base facility agreement made between, among others, the Grantor, the Issuer, the Security Agent, Credit Agricole Corporate and Investment Bank and Standard Chartered Bank, dated 15 September 2018, as amended, restated, supplemented or otherwise modified prior to the date hereof.

"Existing Security Interests" means the Security Interest or Security Interests created or purported to be created pursuant to the Existing SIA.

"Existing SIA" means the Jersey law governed security interest agreement between the Grantor and the Security Agent dated 21 November 2018.

"Facility Agreement" means the Existing Facility Agreement as amended, restated, supplemented or otherwise modified from time to time, including (without limitation) pursuant to the Amendment and Restatement Agreement.

"Finance Document" has the meaning given to such term in the Facility Agreement.

"Issuer" means Pharos SEA Limited, a company incorporated under the laws of Jersey with registered number 102919 and registered office at 47 Esplanade St Helier Jersey JE1 0BD.

"Jersey Security Interest" means the security interest granted and created pursuant to this Agreement.

"Obligor" has the meaning given to such term in the Facility Agreement.

"Permitted Security Interest" means any Security Interest permitted under clause 22.3.3 of the Facility Agreement;

"Register" means the register of title to any Collateral (if any).

"Registrar" means the Jersey Registrar of Companies (who is also the registrar under the Security Law).

"Related Rights" means:

- (a) all present and future monies paid or payable by the Issuer in respect of the Shares (whether by way of redemption, return of capital, distribution or otherwise howsoever); and

- (b) all present and future stocks, shares and securities (and all monies paid or payable in respect thereof (whether by way of redemption, return of capital, distribution or otherwise howsoever)), rights, money, property accrued, accruing or offered at any time by way of redemption, bonus, preference, option or otherwise howsoever to or in respect of any of the Shares or in substitution or exchange for any of the Shares (provided always that any Shares shall be excluded from this paragraph (b) of this definition of Related Rights and accordingly the Shares shall not constitute Related Rights for the purposes of this Agreement);

"Secured Liabilities" means all or any monies, obligations and liabilities now or hereafter due, owing or incurred by any Obligor to any Secured Party under or pursuant to the Finance Documents (including all or any monies, obligations and liabilities now or hereafter due, owing or incurred under or pursuant to clause 2.2 of the Facility Agreement (*Increase in size of Facility*), in each case, whether by acceleration or otherwise, and whether such monies, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Secured Party(ies) or purchased (whether by assignment or otherwise) or acquired in any other way by the Secured Party(ies); denominated in dollars or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

"Security Interest" means a mortgage, charge, encumbrance, assignment by way of security, hypothecation, pledge, lien, netting, set-off, trust or security interest (including one created under the Security Law) or any other agreement, arrangement, equity or other right or interest in intangible movable property that secures payment or performance of an obligation.

"Security Law" means the Security Interests (Jersey) Law 2012.

"Security Period" means the period from the date of this Agreement until the date on which the Security Agent has determined that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

"Shares" means:

- (a) the 292 ordinary shares of no par value in the capital of the Issuer which shares are on the date of this Agreement issued to and registered in the name of the Grantor; and
- (b) all other shares in the capital of the Issuer which may at any time on or after the date of this Agreement be issued to and registered in the name of the Grantor.

"Transfer Form" means, in respect of any investment security forming part of the Collateral, an instrument of transfer in a form that:

- (a) complies in all respects with the constitutional documents or terms of issue of such investment security and all the laws applying to a transfer of such investment security; and
- (b) is sufficient to enable the Security Agent, its nominee or any transferee of such investment security to acquire legal title to it; and

1.2 Construction of Other Terms

In this Agreement, unless the context otherwise requires, any reference to:

"account" means a deposit account or a securities account;

"agreement" includes an agreement, assignment, contract, conveyance, deed, security interest, guarantee, licence, franchise, novation, permit, transfer, undertaking or legally enforceable arrangement (whether or not in writing);

"amendment" includes a supplement, novation, extension (whether of maturity or otherwise), restatement or replacement however fundamental and whether or not more onerous (and amended will be construed accordingly);

"authorisation" includes an agreement, approval, consent, exemption, filing, licence, notarisation, permit, registration or resolution;

"bankruptcy" means any state of bankruptcy (including any state referred to in article 8 of the Interpretation (Jersey) Law 1954), insolvency, insolvent winding up, administration, receivership, administrative receivership, liquidation or similar status or analogous procedure or proceedings under the laws of any jurisdiction (and bankrupt will be construed accordingly);

"business day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Hong Kong, Singapore and Jersey;

"clauses and schedules" are to clauses and schedules of this Agreement (unless the context otherwise requires). Clause headings are used for convenience only and do not affect the interpretation of this Agreement;

"company" means any company, corporation, foundation or any other body corporate (other than an incorporated limited partnership) wherever incorporated;

"constitutional documents" includes a certificate of incorporation, a certificate of incorporation on change of name, memorandum and articles of association, a trust instrument, an instrument creating or acknowledging a debt and any other documents specified by the Security Agent;

"cost" includes any charge, commission, expense (including legal expenses on a full indemnity basis), interest, penalty and tax;

"discretion" of the secured party or a representative of the secured party shall be construed as references to such act, matter or thing being in or at the sole and absolute discretion of such person which discretion may be exercised without reference to the interests of the grantor or any other person and without the consent of the grantor or any other person;

"dispose" means to assign, declare a trust, grant an option, lease, license, sell, transfer, part with possession of or otherwise dispose of, whether voluntarily or involuntarily, but not to create a security interest (and disposal will be construed accordingly);

"distribution" includes any distribution of income, return of capital or any other payment;

"document" includes an agreement, certificate, direction, notice, transfer form, instrument, order, power of attorney, statement or document (in any such case in writing);

"executed" means signed, dated and unconditionally delivered;

"guarantee" includes a guarantee, indemnity, letter of credit, performance bond or legally enforceable undertaking or obligation (whatever called and of whatever nature) the economic effect of which is to provide security or otherwise assume responsibility for the liabilities or obligations of another person;

"law" includes common or customary law and any constitution, decree, legislation, statute, regulation, order, ordinance, by-law, enactment, treaty or other measure having force of law or judgment, judicial or administrative order, determination or decision in any jurisdiction;

"loss" includes any action, claim, damage, demand, liability or loss (whether direct, indirect or consequential and including loss of profit or margin);

any **"person"** includes:

- (a) its successors in title or permitted transferees whether immediate or derivative; and
- (b) an individual, partnership, corporation, unincorporated association, government agency or other body or entity whether or not having separate legal personality (including such person acting in its capacity as partner, trustee, or nominee or in any other capacity whatsoever);

"power of enforcement" is a reference to a power of enforcement under this agreement and/or the Security Law;

"property" includes, unless the context otherwise requires, any present or after-acquired property and any proceeds, revenue or right under or derived from that property;

"representative", in relation to the Security Agent, includes an agent, attorney, employee, director, delegate, sub-delegate, nominee or delegate of a nominee of the Security Agent (but does not include the Grantor, any Obligor or a person acting on behalf of the Grantor);

"right" includes any authority, benefit, claim, consent, discretion, interest, power, right or remedy and a reference to rights includes having an interest in property (whether legal or beneficial) and the power to grant rights in property;

a **"subsidiary"** or **"holding body"** of a person includes:

- (a) a subsidiary or holding body as defined in Article 2 of the Companies Law; and
- (b) any other person treated as a subsidiary or holding company in accordance with applicable law or with generally accepted accounting principles adopted in accordance with applicable law; and
- (c) any other person treated as a subsidiary or holding company in accordance with the provisions of any of the Finance Documents;

"tax" includes any present or future tax, levy, impost, imposition, duty, rate, charge, fee, deduction or withholding whatever called and of whatever nature regardless of where or by whom assessed, collected, levied, imposed or withheld together with any costs imposed or made on or in respect of any of the foregoing (and taxation will be construed accordingly); and

"winding-up" includes the winding-up, dissolution or striking-off a register of a person or an equivalent or analogous procedure under the law of any jurisdiction (and **"wound-up"** will be construed accordingly).

1.3 Interpretation

- (a) References to **"legislation"** (or to any provision of legislation) include a modification or re-enactment of it, a legislative provision substituted for it and any regulation or statutory instrument issued under it.

- (b) Any reference to any agreement, deed, instrument or other document (including this Agreement) is a reference to that agreement, deed, instrument or other document as amended, novated, supplemented, extended or restated and shall in each case be construed as including any recitals, schedules, appendices or similar to such agreement, deed, instrument or other document.
- (c) The singular includes the plural and the converse and a gender includes all genders. Where a word or phrase is defined or its construction is provided for in this Agreement, its other grammatical forms have a corresponding meaning.
- (d) References to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) This Agreement is designated as a Finance Document under and pursuant to the Facility Agreement.

In this Agreement, unless the context otherwise requires, a reference to after-acquired property, attach, control, financing statement, financing change statement, further advance, intangible movable property, intermediary, investment security, perfect, proceeds, securities account, transfer, value and writing has the meaning given to it in the Security Law.

2. COVENANT TO PAY

- 2.1 The Grantor hereby covenants with the Security Agent as primary obligor and not merely as surety to on demand pay to the Security Agent and discharge the Secured Liabilities.
- 2.2 Neither the covenant to pay in Clause 2.1 nor the obligation to pay interest pursuant to clause 9.3 (*Default Interest*) of the Facility Agreement nor the security created by this Agreement 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.

3. CREATION OF SECURITY INTERESTS

3.1 General

Pursuant to the Security Law and subject to the Existing SIA, the Grantor hereby grants to the Security Agent a security interest in and over all of its present and future rights, title and interest in and to the Collateral to secure due payment and performance of the Secured Liabilities.

3.2 Attachment

The Grantor acknowledges that value has been given by the Security Agent in respect of this Agreement and agrees that the Jersey Security Interest will attach, in the case of:

- (a) any present rights, title and interest of the Grantor in and to any Collateral, on the date of this Agreement; and
- (b) any future rights, title and interest of the Grantor in and to any Collateral, on the acquisition of such rights, title and interest by the Grantor and without the need for any specific appropriation by the Grantor.

The Grantor further acknowledges and agrees that the security interest created by Clause 3.1 will extend to any proceeds in accordance with Article 24 of the Security Law to the extent that such proceeds are capable, according to Part 2 of the Security Law, of being the subject of a security interest to which the Security Law applies.

3.3 **Registration**

The Grantor shall as soon as practicable on request provide to the Security Agent all information that the Security Agent requires in order to register any financing statement or financing change statement in accordance with this Agreement.

3.4 **Priority**

The Jersey Security Interest:

- (a) secures the irrevocable and unconditional payment and satisfaction in full of the Secured Liabilities;
- (b) constitutes (subject to the Existing SIA) a first ranking Security Interest in the Collateral (subject to any Permitted Security Interest) unless the Security Agent otherwise agrees in writing; and
- (c) has the same priority in relation to all Secured Liabilities (including further advances).

3.5 **Control of Shares and investment securities**

To the extent not already delivered to the Security Agent pursuant to the Existing SIA, the Grantor undertakes to:

- (a) prior to or contemporaneously with the execution of this Agreement, deliver to the Security Agent (or as the Security Agent may direct):
 - (i) share certificates in respect of all Shares which have been issued on or before the date hereof together with Transfer Forms executed by the Grantor (left undated and with the transferee left blank) in respect of such Shares; and
 - (ii) certified copies of:
 - (A) the constitutional documents of the Issuer;
 - (B) any statutory or regulatory authorisation issued in respect of the Shares referred to in clause 3.5(a)(i) above;
 - (C) any declaration of trust of such Shares signed by any nominee; and
 - (D) the register of members of the Issuer showing that such Shares are registered in the name of the Grantor (or its nominees);
- (b) deliver, or procure the delivery, to the Security Agent (or as the Security Agent may direct) share certificates in respect of all Shares which are issued or transferred to the Grantor after the date hereof promptly after such Shares are issued and together with:
 - (i) Transfer Forms executed by the Grantor (left undated and with the transferee left blank) in respect of such Shares; and
 - (ii) certified copies of:
 - (A) the then current constitutional documents of the Issuer;
 - (B) any statutory or regulatory authorisation issued in respect of such Shares;

- (C) any declaration of trust of such Shares signed by any nominee;
 - (D) the register of members of the Issuer showing that such Shares are registered in the name of the Grantor (or its nominees); and
- (c) deliver, or procure the delivery, to the Security Agent (or as the Security Agent may direct) any certificates in respect of any investment securities which constitute Related Rights which are issued after the date hereof promptly after such certificates are issued and together with:
 - (i) Transfer Forms executed by the Grantor (left undated and with the transferee left blank) in respect of such investment securities; and
 - (ii) certified copies of:
 - (A) the constitutional documents of the issuer of such investment securities;
 - (B) any statutory or regulatory authorisation issued in respect of such investment securities;
 - (C) any declaration of trust of such investment securities signed by any nominee; and
 - (D) the register of members of the issuer of such investment securities showing that such investment securities are registered in the name of the Grantor (or its nominees).

3.6 **General**

- (a) Any direction, notice or document to be given or delivered pursuant to this Clause 3 must be in the form specified by the Security Agent (acting reasonably).
- (b) If required by the Security Agent, the Grantor undertakes to use its best efforts to procure that any person served with a notice pursuant to this Clause 3 promptly gives an acknowledgement to such notice in the form specified by the Security Agent (acting reasonably).
- (c) The Grantor authorises the Security Agent to complete, date and deliver any document, notice or Transfer Form (in favour of the Security Agent, its nominee or any transferee) delivered by the Grantor to the Security Agent pursuant to this Clause 3.

4. **PAYMENT AND VOTING RIGHTS**

4.1 **General**

- (a) The Security Agent is not obliged:
 - (i) if it (or its nominee) is the registered holder of any Collateral, to enforce payment of any distribution or other payment in relation to that Collateral; or
 - (ii) to exercise, or procure the exercise of, any voting rights granted to it under this Clause 4,

and is not liable to the Grantor or any other person for not doing so or for the way in which it does so.

- (b) If any issuer would, but for Article 2A(7) of the Companies Law, be regarded as a subsidiary of the Security Agent, rights attached to the shares of such issuer forming part of the Collateral will, apart from the right to exercise them for the purpose of preserving the value of such shares or of realising the security, be exercisable:
 - (i) only in accordance with the Grantor's instructions; or
 - (ii) where such shares are held in connection with the granting of loans as part of normal business activities, only in the Grantor's interests.
- (c) The Security Agent may give notice to the Grantor that Clause 4.1(b) above will cease to have effect for any period specified in such notice.

4.2 **Payment Rights**

- (a) Prior to the occurrence of the Enforcement Date:
 - (i) the Grantor may retain; or
 - (ii) the Security Agent must release and pay (or procure that its nominee releases and pays) to the Grantor,

any cash dividend or other cash income payment paid in respect of the Collateral that are received by Grantor or the Security Agent (or its nominee) respectively.
- (b) At any time on or after the occurrence of the Enforcement Date, all distributions payable in respect of the Collateral must be paid to the Security Agent (or as it may direct).

4.3 **Voting Rights**

- (a) Prior to the occurrence of the Enforcement Date, the Grantor is entitled to exercise any voting rights in respect of the Collateral except in any manner that may be prejudicial to the interests of the Security Agent.
- (b) At any time on or after the occurrence of the Enforcement Date:
 - (i) all voting rights attaching to the Collateral must be exercised by, or at the direction of, the Security Agent; and
 - (ii) the Grantor:
 - (A) must, and must procure that its nominees will, comply with any directions that the Security Agent may give, as it thinks fit, concerning the exercise of those rights; and
 - (B) hereby irrevocably appoints the Security Agent to be its proxy for these purposes and authorises the Security Agent to complete, sign and deliver on its behalf any proxy forms that the Security Agent may require.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 **Timing**

The Grantor makes the representations and warranties set out in this Clause 5 to the Security Agent (but not to a nominee) on the date of this Agreement and also on the Effective Date, and shall be

deemed to have repeated each of them by reference to the facts and circumstances then existing on the date of each Utilisation Request, on the first day of each Interest Period and on each Reduction Date with reference to the facts and circumstances then existing.

5.2 **The Collateral**

- (a) The Shares do not confer a right of occupation of land in Jersey.
- (b) The Certificates of Title to the Shares required to be delivered pursuant to Clause 3.5 will when so delivered be the only Certificates of Title to such Shares.
- (c) The Security Agent does not need to obtain the authorisation of any person to do either of the following in relation to any Shares:
 - (A) the exercise by the Security Agent or its representatives of any of its rights under this Agreement (including the power of enforcement); or
 - (B) any transfer of any Collateral to the Security Agent or any transferee under this Agreement,

or any such authorisation has been obtained by the Grantor in writing and it is in full force and effect

6. **UNDERTAKINGS**

6.1 **General Undertakings**

The Grantor undertakes to the Security Agent as follows:

- (a) To give or deliver to the Security Agent:
 - (i) notice in writing that it proposes to change its name (along with the correct spelling of its new full name) at least five business days before the change takes effect; and
 - (ii) a certified copy of constitutional documents issued with the Grantor's new name as soon as practicable after they are issued
- (b) Unless the Security Agent otherwise agrees in writing, the Grantor will procure the discharge of any financing statement that is registered against it in relation to any Security Interest (other than in respect of the Jersey Security Interest, a Permitted Security Interest or the Existing Security Interest).
- (c) If any Security Interest (other than the Jersey Security Interest or the Existing Security Interest) is created in any Collateral, it will:
 - (i) exercise its rights under Article 85 (Secured party to provide information) of the Security Law in respect of that Security Interest in such manner as the Security Agent may demand; and
 - (ii) deliver a copy of the documents provided to the Grantor under Article 85 to the Security Agent.

6.2 **General undertakings relating to the Collateral**

The Grantor undertakes to the Security Agent as follows:

- (a) The Grantor shall pay all calls or other payments which may be or become due in respect of the Collateral or any part of it and shall remain liable to observe and perform all other obligations in respect of the Collateral or any part of it.
- (b) The Grantor shall not, save for the Existing Security Interests or where expressly permitted by the terms of the Finance Documents or otherwise permitted in writing by the Security Agent:
 - (i) assign, transfer, surrender, sell, redeem or otherwise dispose of or deal with the Collateral or any part of it or any interest in the same or agree or purport to do or permit any such thing;
 - (ii) have subsisting or create any Security Interests other than the Jersey Security Interest applying to or affecting the Collateral or any part of it or permit the same to subsist or be created;
 - (iii) take or omit to take any action which could adversely affect or diminish the value of the Collateral or any part of it;
 - (iv) do or cause or permit to be done (or omit to do or omit to cause or permit to be done) anything which may in any way adversely affect the Jersey Security Interest; or
 - (v) without the prior written consent of the Security Agent amend, supplement, terminate or otherwise modify the Jersey Security Interest or purport to do so.
- (c) If, on or after the Enforcement Date, the Security Agent or any representative of the Security Agent sells the Collateral or any part of it under or pursuant to the rights of the Security Agent under this Agreement, the Existing Security Agreement or the Security Law, the Grantor shall, at the request and on the direction of the Security Agent, deliver a valid receipt for the proceeds of sale of such Collateral to any person specified by the Security Agent.

6.3 Undertakings in relation to Shares

- (a) Where no Certificate of Title has been issued, the Grantor will promptly obtain a certificate embodying the right to or otherwise representing the Shares (and comply with Clause 3.5 in respect of them).
- (b) If the Security Agent so requires, the Grantor will use reasonable endeavours to procure that the Security Agent's interest in the Shares is noted on any Register.

6.4 Further Assurance

The Grantor shall at its own expense take whatever action the Security Agent may at any time reasonably require:

- (a) for creating, perfecting or protecting the Jersey Security Interests or any of them;
- (b) without prejudice to the generality of the foregoing, for the exercise of any right, power or discretion exercisable by the Security Agent or any representative of the Security Agent in respect of the Collateral or any part of it; and/or
- (c) without prejudice to the generality of the foregoing, for facilitating the realisation of the Collateral or any part of it (provided that the Enforcement Date has occurred).

The actions referred to in this Clause 6.4 include (i) the execution of any power of attorney, transfer, conveyance, assignment or assurance of any property or rights whether to the Security Agent or any representative of the Security Agent, and (ii) the giving of any notice, order or direction and the making of any registration which, acting properly, is in the opinion of the Security Agent necessary or desirable.

7. EVENTS OF DEFAULT AND POWER OF SALE

7.1 Events of Default

There shall be an Event of Default if an "Event of Default" as defined in the Facility Agreement occurs, as if each such event or circumstance were set out in full herein.

7.2 Enforcement

The power of enforcement in respect of the Jersey Security Interest will become exercisable if the Enforcement Date has occurred.

7.3 Powers

- (a) Subject to Clause 7.2 above and paragraph (c) below, the Security Agent may (notwithstanding the existence of the Existing SIA) exercise any power of enforcement set out in Article 43 (Enforcement) of the Security Law in relation to all or any part or item of Collateral as many times as the Security Agent thinks fit, and shall include the power to:
 - (i) take possession and assume control of the Collateral or any part of it and otherwise generally appropriate or apply all or any part of the Collateral in such manner and for such consideration (whether payable or deliverable immediately or by instalments or otherwise deferred) as the Security Agent may in its absolute discretion determine;
 - (ii) sell or agree to sell the Collateral or any part of it on such terms as the Security Agent thinks fit including:
 - (A) by public auction, private treaty or by tender;
 - (B) for cash or on terms that payment of any or all or part of the purchase price is deferred (with interest or not and with or without security);
 - (C) in one lot or in parcels;
 - (D) whether or not in conjunction with the sale of other property by the Security Agent or any other person;
 - (E) with or without special provisions as to title or time or mode of payment of the purchase money; and
 - (F) by sale to the Security Agent or any representative of the Security Agent;
 - (iii) grant to any person an option to purchase the Collateral or any part of it upon such terms as the Security Agent thinks fit;
 - (iv) exchange with any person the Collateral or any part of it for an interest in any property (and the property so acquired may, to the extent it is property capable of being the subject of a Security Interest under the Security Law, be dealt with by the

Security Agent as if it were part of the Collateral) and the Security Agent may require that a Security Interest is created by the Grantor over any interest in any property so exchanged in favour of the Security Agent on such terms as are specified by the Security Agent;

- (v) carry out and enforce, or refrain from carrying out or enforcing, rights and obligations of the Grantor which may arise in connection with the Collateral or any part of it or which may be obtained or incurred in the exercise of the rights, powers and remedies of the Security Agent;
 - (vi) institute, conduct, defend, settle, arrange, compromise and submit to arbitration any claims, questions or disputes whatsoever which may arise in respect of any Security Interest created pursuant hereto or in any way relating to this Agreement or the Collateral and execute releases or other discharges in relation thereto; and/or
 - (vii) carry out any method or process by which value is given, allowed or credited by the Security Agent for the Collateral or any part of it against the Secured Liabilities (including by appropriation of the Collateral or any part of it).
- (b) Providing that the Enforcement Date has occurred, the Security Agent may exercise its power of appropriation or sale of any Collateral:
 - (i) not less than 14 days after the Security Agent serves written notice of appropriation or sale of that Collateral on:
 - (A) any person who, 21 days before the appropriation or sale, has a registered security interest under the Security Law in that Collateral; and
 - (B) any person (other than the Grantor) who has an interest in that Collateral and has, not less than 21 days before the appropriation or sale, given the Security Agent notice of that interest; or
 - (ii) immediately on or after the Enforcement Date if:
 - (A) no one is entitled to receive notice of appropriation or sale of that Collateral under paragraph (i) above or every person entitled to such notice has waived that right in writing;
 - (B) the Collateral to be sold is a quoted investment security;
 - (C) the Security Agent believes on reasonable grounds that the Collateral to be sold will decline substantially in value if it is not disposed of within 14 days after the relevant Event of Default; or
 - (D) a Jersey court orders that a notice of sale need not be given.
- (c) Within 14 days after the day on which any Collateral is appropriated or sold, the Security Agent must give a written statement of account, prepared in accordance with Article 48 (Secured party to give statement of account to grantor and others) of the Security Law, to the Grantor and any other person entitled to receive it.
- (d) All moneys or value received or recovered by the Security Agent after the power of enforcement has become exercisable must be applied by it in accordance with clause 29 of the Facility Agreement.

- (e) To the extent permitted by law, neither the Security Agent nor any representative will be liable for any:
 - (i) conduct, delay, negligence or breach of duty in the exercise or non-exercise of any right or the performance of any obligation or duty under this Agreement or provided by law; or
 - (ii) loss that results from anything referred to in clause 7.3(f)(i),unless it arises from the Security Agent's deliberate misconduct or deliberate default or gross negligence.
- (f) To the extent permitted by law, in exercising the power of enforcement, the Security Agent will not become liable to pay or discharge the liabilities or obligations of the Grantor in relation to any Collateral (for which the Grantor will remain liable).
- (g) The Security Agent is not obliged to marshal, enforce, apply, appropriate, recover or exercise any security, guarantee or other right held by it, or any moneys or property that it holds or is entitled to receive, before the power of enforcement is exercised.
- (h) The Security Agent will be accountable (and the Grantor is entitled to be credited) only for actual value or proceeds realised by the Security Agent arising from the appropriation, sale or other realisation of any Collateral by the Security Agent.
- (i) In addition to the powers specified in Clause 7.3(a) above, the Security Agent may:
 - (i) redeem any prior Security Interest in any Collateral;
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle and approve the accounts of the holder of that Security Interest and any accounts so settled and approved will be, in the absence of manifest error, conclusive and binding on the Grantor.
- (j) All sums paid by the Security Agent to redeem or transfer a prior Security Interest will:
 - (i) be owed by the Grantor to the Security Agent;
 - (ii) be repayable on demand;
 - (iii) bear interest at the Default Rate; and
 - (iv) form part of the Secured Liabilities.
- (k) To the fullest extent permitted by Jersey law, the Security Agent shall incur no liability whatsoever for any loss arising out of an exercise of the power of sale or enforcement pursuant to this Agreement (whether or not the Grantor or any other person would have benefited from a deferral or advancement of the date of sale).
- (l) In the event that at the time the Security Agent exercises a power of sale or of appropriation and the Secured Liabilities are for any reason contingent, the Security Agent may pay the proceeds into a suspense account as a continuing security for the Secured Liabilities and the Grantor hereby expressly consents to this.

8. POWER OF ATTORNEY

8.1 Power of Attorney: General

For the purpose of facilitating the exercise of the powers of the Security Agent under the Security Law or this Agreement, the Grantor hereby irrevocably appoints the Security Agent to be its attorney generally for in its name and on its behalf and as its act and deed:

- (a) to execute and deliver any documents or instruments which the Security Agent may require for creating, maintaining or giving full effect to security over the Collateral or any part of it whether under the Security Law or otherwise; and
- (b) 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 and proper exercise of all or any of the powers conferred on the Security Agent under this Agreement (including to complete, date and/or execute any Transfer Form or Transfer Forms, in respect of the Collateral or any part of it, to exercise any voting rights which may be exercised by the Grantor in relation to the Collateral or any part of it and to deliver valid receipts under Clause 6.2(c)) or which the Grantor is required to do pursuant to this Agreement or which may be deemed expedient by the Security Agent in connection with any preservation, disposition, realisation or getting in by the Security Agent of the Collateral or any part of it or in connection with any other proper exercise of any other power under this Agreement.

8.2 Power of Attorney: Ratification

The Grantor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 8 (Power of Attorney) does or purports to do in exercise of the powers granted by this Clause.

8.3 General Delegation

The Security Agent shall have full power to delegate the powers, authorities and discretions conferred on it or him by this Agreement (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.

9. GENERAL

9.1 Delegation by Security Agent

The Security Agent may delegate by power of attorney or in any other manner any or all of the rights, powers and discretions exercisable by it under this Agreement in such manner upon such terms (including the power to sub-delegate) and to such persons as the Security Agent may in its discretion think fit. The Security Agent will not be in any way liable or responsible to the Grantor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

9.2 Exercise of rights, etc.

Every right, benefit, power, discretion, authority and remedy given to or vested in the Security Agent by or pursuant to this Agreement shall be:

- (a) in addition to and not a limitation of any and every other right, benefit, power, discretion, authority and remedy given to or vested in the Security Agent by or pursuant to this Agreement or any Finance Document; and

- (b) exercisable from time to time and at any time and in any circumstances and without waiving or releasing any other right, benefit, power, discretion, authority or remedy and as often as the Security Agent may in its discretion deem expedient,

and the Security Agent shall without prejudice to its other rights and powers under this Agreement be entitled (but not bound) at any time and as often as may be necessary to take any such action as it may in its discretion think fit for the purpose of protecting the Security Interests created pursuant to this Agreement.

9.3 **Further advances, etc.**

The Jersey Security Interest and Secured Liabilities will extend to and include:

- (a) any further advances made under any Finance Document; and
- (b) any liabilities and obligations pursuant to any Finance Document notwithstanding any transfer or amendment thereof.

9.4 **Rights cumulative**

- (a) The rights of the Security Agent and any representative under this Agreement:
 - (i) may be exercised as often as it thinks fit;
 - (ii) are cumulative and not exclusive of its rights provided by law; and
 - (iii) may be waived only in writing and expressly.
- (b) Any delay in exercising, or the non-exercise of, any right is not a waiver of that right.
- (c) Any single or partial exercise of any right does not prevent any other exercise of that or any other right.

9.5 **No obligation to fulfil Grantor's obligations, enquire, claim or collect**

The Security Agent is not obliged to fulfil any obligation of the Grantor or to make any payment in respect of the Collateral or any part of it, or to make any enquiry as to the nature or sufficiency of any payment received by the Security Agent or the Grantor in respect of the Collateral, or to present or file any claim or take any other action to collect or enforce the payment of any amount in respect of the Collateral to which the Security Agent or the Grantor may be entitled under this Agreement or otherwise.

9.6 **Discretion to fulfil Grantor's obligations**

The Security Agent may elect to satisfy obligations or liabilities of the Grantor and any obligation or liability so satisfied shall be an obligation or liability (as the case may be) owing by the Grantor to the Security Agent and shall be satisfied on demand, and where the Security Agent has paid money to satisfy such an obligation or liability shall be repaid together with interest at the Default Rate from the date of such payment by the Security Agent and pending such reimbursement shall form part of the Secured Liabilities.

9.7 **Certificate shall be prima facie evidence**

Any certificate submitted by the Security Agent to the Grantor as to the amount of the Secured Liabilities or any part of them shall be in the absence of manifest error conclusive evidence of the matters to which it relates.

9.8 Change in constitution of Security Agent

The rights, benefits, powers, discretion, authorities and remedies of the Security Agent under or pursuant to this Agreement shall remain valid and binding for all purposes notwithstanding any change which may be made (whether by amalgamation, consolidation, merger, universal succession or otherwise) in the constitution of the entity by which the business of the Security Agent may from time to time be carried on and shall be available to the entity carrying on that business for the time being.

9.9 Grantor waivers

The Grantor irrevocably and unconditionally waives its right to:

- (a) receive a copy of any verification statement relating to the Jersey Security Interest; and
- (b) reinstate this Agreement pursuant to Article 54 (Entitled persons may redeem collateral; grantor may reinstate agreement) of the Security Law.

9.10 Confidential Information

If confidential information forms part of the Collateral, the Grantor must use reasonable endeavours to procure the consent of any person that may be required to transfer title to and possession of, that confidential information to the Security Agent or its transferee.

9.11 No enquiry by person dealing with Security Agent

No person (including a purchaser) dealing with the Security Agent or a representative of the Security Agent shall be concerned to enquire (whether upon the exercise of any power granted by Clause 7 or otherwise):

- (a) whether or not the Enforcement Date has occurred;
- (b) whether the Secured Liabilities have become due or payable;
- (c) whether any power which any of them is purporting to exercise has become exercisable;
- (d) as to the propriety or regularity of any action of any of them; or
- (e) how any money paid to the Security Agent is to be applied.

9.12 Severability

If at any time one or more provisions of this Agreement becomes invalid, illegal or unenforceable that will not affect the legality, validity or enforceability of any other provision of this Agreement.

9.13 Variations in writing

No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Agreement.

9.14 Possession of Certificates of Title deemed pursuant to this Agreement

If the Security Agent takes possession of any Certificate of Title to the Collateral before the execution of this Agreement, such possession shall be deemed to be pursuant to this Agreement.

9.15 Security Agent holds on trust

The Security Agent holds the benefit of this Agreement on trust for the Secured Parties on the terms set out in the Facility Agreement.

10. PRESERVATION OF SECURITY, ETC.

10.1 Continuing and independent security

- (a) The Jersey Security Interests are a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.
- (b) While all or part of a payment made or other value given by the Grantor or a surety to the Security Agent is liable to avoidance:
 - (i) it shall not be effective to extinguish or reduce the Secured Liabilities; and
 - (ii) the Grantor must not serve a demand for the discharge of a registration of a financing statement made by the Security Agent under or in connection with this Agreement.
- (c) The Jersey Security Interests in respect of each of the relevant property comprising the Collateral from time to time shall be deemed to be separate and independent and the invalidity or failure of this Agreement to take full effect in respect of any part of the Collateral for any reason whatsoever shall not affect the validity hereof in relation to all other such Collateral.

10.2 Reinstatement

If any discharge (whether in respect of the Secured Liabilities or any security for the Secured Liabilities or otherwise) is made in whole or in part, or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on bankruptcy, insolvency, liquidation or otherwise without limitation, the obligations and liabilities of the Grantor under this Agreement shall continue as if the discharge or arrangement had not occurred.

10.3 Specific waiver of customary law rights

Without prejudice to the generality of any waiver granted in any Finance Document, the Grantor irrevocably and unconditionally abandons and waives any right or rights it may have at any time under the existing or future laws of Jersey by virtue of the *droit de discussion* or the *droit de division*.

10.4 Appropriations

The Security Agent or any representative of the Security Agent may at any time during the Security Period without affecting the obligations and liabilities of the Grantor under this Agreement:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by or on behalf of such person in respect of those amounts or apply and/or enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and

- (b) hold in a suspense account any moneys received from the Grantor or on account of the Secured Liabilities.

10.5 **Non-competition**

Unless all amounts which are or may become payable to the Security Agent under or in connection with any Finance Document have been irrevocably paid in full, the Grantor shall not (unless the Security Agent otherwise directs the Grantor in writing) at any time during the Security Period after any claim has been made under this Agreement or by virtue of any payment or performance by it under this Agreement:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Security Agent or any representative of the Security Agent;
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Secured Liabilities;
- (c) claim, rank, prove or vote as a creditor of any person or any person's estate in competition with the Security Agent or any representative of the Security Agent; or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of a debtor of the Security Agent, or exercise any right of set-off as against a debtor of the Security Agent.

10.6 **Turnover**

Without prejudice to clause 10.5, the Grantor shall hold on trust for and forthwith pay or transfer to the Security Agent, any payment or distribution or benefit received by it and a sum equal to any right of set-off exercised by it, which is contrary to clause 10.5.

10.7 **Additional security**

- (a) The Jersey Security Interests are in addition to and are not in any way prejudiced by any other Security Interest (including the Existing Security Interests) for any of the Secured Obligations now or subsequently held by the Security Agent or any representative of the Security Agent.
- (b) The Grantor confirms that, with effect from (and including) the Effective Date, notwithstanding any amendment to the Existing Facility Agreement pursuant to the Amendment and Restatement Agreement, the Existing SIA shall remain in full force and effect and the Existing Security Interests shall continue to secure the payment or performance of the Secured Liabilities under the Finance Documents (including, but not limited to, under the Facility Agreement).
- (c) The Grantor agrees that the execution of this Agreement shall in no way prejudice or affect the Existing Security Interests (or the covenants given by it under the Existing SIA).
- (d) Notwithstanding anything to the contrary in this Agreement, the parties to this Agreement agree that the entry into this Agreement by the Grantor and the performance by the Grantor of its obligations under this Agreement shall not cause any breach of or Event of Default under or in relation to the Existing SIA.

10.8 **Ranking**

Where this Agreement purports to create a first ranking Security Interest, that Security Interest will be a second ranking Security Interest, ranking subject to the Existing Security Interests created by the Existing SIA until such time as the Existing Security Interests cease to have effect, at which time the Security Interests purported to be created by this Agreement shall be a first ranking Security Interest.

11. ASSIGNMENT

11.1 Assignment – Security Agent

The Security Agent shall not assign, novate or transfer any or all of its rights, benefits and/or obligations under this Agreement except in accordance with the terms of the Facility Agreement.

11.2 Assignment – Grantor

The Grantor shall not assign, novate or transfer any or all of its rights, benefits and/or obligations under this Agreement without the prior written consent of the Security Agent.

11.3 Financing change statement

If all or part of the Jersey Security Interest is transferred, the Security Agent or its representative may register a financing change statement to reflect the transfer without any consent of the Grantor.

12. RELEASE

Upon the expiry of the Security Period, the Security Agent shall at the request and cost of the Grantor take the action necessary to release and discharge this Agreement and release the Collateral from the Jersey Security Interests, including:

- (a) deliver back to the Grantor all Certificates of Title delivered by or on behalf of the Grantor to the Security Agent pursuant to this Agreement and which are then in the Security Agent's possession; and/or
- (b) file a financing change statement to reflect the release of the security interest constituted pursuant to this Agreement.

If the Grantor is comprised of more than one person, the Security Agent may release or discharge any one of them from this Agreement without affecting the obligations of any other of them or releasing or discharging any other of them.

13. NOTICES

The provisions of clause 34 (Notices) of the Facility Agreement shall apply, *mutatis mutandis*, to this Agreement.

13.1 Change demands, etc.

Any:

- (a) demand served by the Grantor under Article 75 (Demand for registration of financing change statement) of the Security Law; or
- (b) notice of objection served by the Security Agent under Article 76 (Procedure where no compliance with demand) of the Security Law,

by way of the Jersey Security Interests Register will be taken as given by email (whether or not it is sent by the Registrar to the same email address of the recipient as is specified in this Agreement).

14. ENTIRE AGREEMENT

This Agreement, together with the Facility Agreement and the Finance Documents, constitutes the entire agreement between the Grantor and the Security Agent and supersedes all previous drafts, agreements, arrangements and understandings between them, whether oral or written.

15. PROCESS AGENT

If the Security Agent is or will be unable to effect valid service of process on the Grantor in Jersey, the Grantor (if required by the Security Agent):

- (a) must:
 - (i) irrevocably appoint a process agent acceptable to the Security Agent for service of any proceedings before the Jersey courts in connection with this Agreement; and
 - (ii) deliver to the Security Agent a copy of the process agent's acceptance of that appointment;
- (b) agrees that, if a process agent is not appointed under Clause 15(a) above, the Security Agent may at the cost of the Grantor appoint a process agent on the Grantor's behalf;
- (c) agrees that, if a process agent appointed under Clause 15(a) above ceases to act in that capacity or no longer has an address in Jersey, the Grantor must:
 - (i) appoint a substitute process agent acceptable to the Security Agent within five business days; and
 - (ii) deliver to the Security Agent a copy of the new process agent's acceptance of that appointment and failing this, the Security Agent may at the cost of the Grantor appoint another agent on the Grantor's behalf; and
- (d) agrees that the failure by a process agent to notify it of any proceedings will not invalidate those proceedings.

16. COUNTERPARTS

This Agreement may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

17. JURISDICTION AND WAIVER OF IMMUNITY

17.1 Jurisdiction

- (a) This Agreement shall be governed and construed in accordance with Jersey law and the Grantor irrevocably submits to the non-exclusive jurisdiction of the Jersey courts in connection with this Agreement.
- (b) Subject to any applicable law, nothing contained in this Clause 17 shall limit the right of the Security Agent to institute proceedings against the Grantor in any other court of competent jurisdiction nor shall the institution of proceedings in one or more jurisdictions preclude the institution of proceedings in any other jurisdiction whether concurrently or not.

Execution Version

- (c) The Grantor irrevocably and unconditionally waives any:
 - (i) objection which it may have now or at any time to the commencement of any proceedings in any such court as is referred to in this Clause 17; and
 - (ii) claim that any such proceedings have been commenced in an inconvenient forum.
- (d) The Grantor unconditionally agrees that a judgment in any proceedings brought in any such court as is referred to in this Clause 17 shall be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

Execution Version

SIGNATORIES

The parties to this Agreement have caused it to be duly executed on the date stated at the beginning of this Agreement.

Execution Version

GRANTOR

SIGNED by
for and on behalf of
PHAROS ENERGY PLC

) Duly Authorised Signatory

) Name:

Edmund T. Stanley, Jr.

) Title:

Director

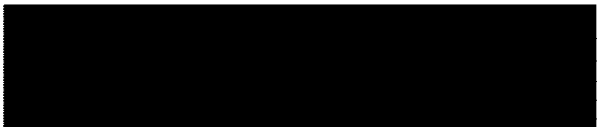
[Signature page to the Jersey Share Security Agreement]


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Execution Version

SECURITY AGENT

SIGNED by
for and on behalf of
BNP PARIBAS

) 
) _____
) Duly Authorised Signatory
)
) Name: Tan Siew Chin
) _____
) Title: Authorised Signatory
) _____
) _____

) 
) _____
) Duly Authorised Signatory
)
) Name: Chen Weihui
) _____
) Title: Authorised Signatory
) _____
) _____

[Signature page to the Jersey Share Security Agreement]