

M

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

7111

5030838

Name of company

* ENDEAVOUR ENERGY UK LIMITED (the "Chargor")

Date of creation of the charge

10 March 2008

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

An amended and restated New York law security agreement dated 10 March 2008
(the "**Security Agreement**") between, among others, the Chargor and BNP
Paribas as security trustee (the "**Security Trustee**").

Amount secured by the mortgage or charge

+ 10
all Obligations of the Chargor and each other Grantor under the Finance
Documents on and from 10 March 2008, as applicable, whether direct or
indirect, absolute or contingent, and whether for principal, reimbursement
obligations, interest, fees, premium, penalties, indemnifications, contract
causes of action, costs, expenses or otherwise (the "**Secured Obligations**")

Terms not defined in this Form 395 have the meaning given to them in the
attached continuation sheet

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

BNP Paribas (the "**Security Trustee**")
16 rue de Hanovre, 75002, Paris, France

Postcode

Presenter's name address and
reference (if any)

Herbert Smith LLP
Exchange House
Primrose Street
London
EC2A 2HS

Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

TUESDAY



A45

A10J7Y4K

18/03/2008

307

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see attached continuation sheets.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Signed Herbert Smith LLP

Date 17 March 2008

On behalf of ~~XXXXXXXXXXXX~~ (chargee) †

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge
(See Note 5)*

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395) If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398) A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No 398 is submitted
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his,
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return The rate of interest payable under the terms of the debentures should not be entered
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 1 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

1. GRANT OF SECURITY

1.1 Under the Security Agreement the Chargor grants to the Security Trustee for the benefit of the Secured Creditors a security interest in the Chargor's right, title and interest in and to the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by the Chargor, wherever located, and whether now or hereafter existing or arising (collectively, the "**Collateral**")

- (A) all equipment in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft, furniture and fixtures, and all parts thereof and all accessions thereto, including, without limitation, computer programs and supporting information that constitute equipment within the meaning of the UCC (any and all such property being the "**Equipment**"),
- (B) all inventory in all of its forms, including, without limitation, (i) all raw materials, work in process, finished goods and materials used or consumed in the manufacture, production, preparation or shipping thereof, (ii) goods in which the Chargor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Chargor has an interest or right as consignee) and (iii) goods that are returned to or repossessed or stopped in transit by the Chargor, and all accessions thereto and products thereof and documents therefor, including, without limitation, computer programs and supporting information that constitute inventory within the meaning of the UCC (any and all such property being the "**Inventory**"),
- (C) all accounts (including, without limitation, health-care-insurance receivables), chattel paper (including, without limitation, tangible chattel paper and electronic chattel paper), instruments (including, without limitation, promissory notes), deposit accounts, letter-of-credit rights, general intangibles (including, without limitation, payment intangibles) and other obligations of any kind, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services and whether or not earned by performance, and all rights now or hereafter existing in and to all supporting obligations and in and to all security agreements, mortgages, liens, leases, letters of credit and other contracts securing or otherwise relating to the foregoing property (any and all of such accounts, chattel paper, instruments, deposit accounts, letter-of-credit rights, general intangibles and other obligations, to the extent not referred to in clause (d), (e) or (f) below, being the "**Receivables**," and any and all such supporting obligations, security agreements, mortgages, Liens, leases, letters of credit and other contracts being the "**Related Contracts**"),
- (D) the following (the "**Security Collateral**")

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 2 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

- (i) the Initial Pledged Equity and the certificates, if any, representing the Initial Pledged Equity, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Initial Pledged Equity and all warrants, rights or options issued thereon or with respect thereto,
- (ii) all additional shares of stock and other Equity Interests in which the Chargor shall from time to time acquire any interest in any manner (such shares and other Equity Interests, together with the Initial Pledged Equity, being the “**Pledged Equity**”), and the certificates, if any, representing such additional shares or other Equity Interests, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares or other Equity Interests and all warrants, rights or options issued thereon or with respect thereto,
- (iii) all indebtedness from time to time owed to the Chargor (such indebtedness, including any indebtedness owed to the Chargor as of 10 March 2008, being the “**Pledged Debt**”) and the instruments, if any, evidencing such indebtedness, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness,
- (iv) the Securities Accounts (if any), all security entitlements with respect to all financial assets from time to time credited to such Securities Accounts, and all financial assets, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such security entitlements or financial assets and all warrants, rights or options issued thereon or with respect thereto, and
- (v) all other investment property (including, without limitation, all (A) securities, whether certificated or uncertificated, (B) security entitlements, (C) securities accounts, (D) commodity contracts and (E) commodity accounts) in which the Chargor has now, or acquires from time to time hereafter, any right, title or interest in any manner, and the certificates or instruments, if any, representing or evidencing such investment property, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such investment property and all warrants, rights or options issued thereon or with respect thereto,

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 3 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

- (E) all contract rights of the Chargor including, without limitation, each of the agreements listed on schedule III to the Security Agreement (but excluding, in any event, each of the agreements listed on schedule IIIA to the Security Agreement) and each Secured Hedging Agreement to which the Chargor is a party on 10 March 2008 or may become a party after that date, in each case as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time (collectively, the **"Assigned Agreements"**), including, without limitation, (i) all rights of the Chargor to receive moneys due and to become due under or pursuant to the Assigned Agreements, (ii) all rights of the Chargor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, (iii) claims of the Chargor for damages arising out of or for breach of or default under the Assigned Agreements and (iv) the right of the Chargor to terminate the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder (all such Collateral being the **"Agreement Collateral"**),
- (F) the following (collectively, the **"Account Collateral"**)
- (i) the Pledged Deposit Accounts (if any) and all funds and financial assets from time to time credited thereto (including, without limitation, all Consolidated Cash and Cash Equivalents (as defined in the Finance Documents), and all certificates and instruments, if any, from time to time representing or evidencing the Pledged Deposit Accounts (if any),
 - (ii) all promissory notes, certificates of deposit, checks and other instruments from time to time delivered to or otherwise possessed by the Security Trustee for or on behalf of the Chargor in substitution for or in addition to any or all of the then existing Account Collateral, and
 - (iii) all interest, dividends, distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Account Collateral, and
- (G) the following (collectively, the **"Intellectual Property Collateral"**)
- (i) all patents, patent applications, utility models and statutory invention registrations, all inventions claimed or disclosed therein and all improvements thereto (**"Patents"**),
 - (ii) all trademarks, service marks, domain names, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered (provided that no security interest shall be granted in United

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 4 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law), together, in each case, with the goodwill symbolized thereby ("**Trademarks**"),

- (iii) all copyrights, including, without limitation, copyrights in Computer Software (as defined in (iv) below), internet web sites and the content thereof, whether registered or unregistered ("**Copyrights**"),
- (iv) all computer software, programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware and documentation and materials relating thereto, together with any and all maintenance rights, service rights, programming rights, hosting rights, test rights, improvement rights, renewal rights and indemnification rights and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing ("**Computer Software**"),
- (v) all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including, without limitation, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information (collectively, "**Trade Secrets**"), and all other intellectual, industrial and intangible property of any type, including, without limitation, industrial designs and mask works,
- (vi) all registrations and applications for registration for any of the foregoing, including, without limitation, those registrations and applications for registration set forth in schedule IV of the Security Agreement, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof,
- (vii) all tangible embodiments of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Chargor accruing thereunder or pertaining thereto,
- (viii) all agreements, permits, consents, orders and franchises relating to the license, development, use or disclosure of any of the

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 5 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

foregoing to which the Chargor on and from 10 March 2008, is a party or a beneficiary, including, without limitation, the agreements set forth in schedule IV of the Security Agreement ("**IP Agreements**"), and

- (ix) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages, but in any event excluding any intellectual property component of any undivided interest of the Chargor in a joint operating agreement, the terms of which preclude the granting of a separate security interest in such intellectual property component, as set forth on schedule VIIIC to the Security Agreement (the "**Excluded IP**")
- (H) to the extent that such commercial tort claims may lawfully be pledged or assigned under the laws of any relevant jurisdiction, the commercial tort claims described in schedule V of the Security Agreement (together with any commercial tort claims as to which the Chargor has complied with the requirements of section 17, the "**Commercial Tort Claims Collateral**"),
- (I) all books and records (including, without limitation, customer lists, credit files, printouts and other computer output materials and records) of the Chargor pertaining to any of the Collateral, and
- (J) all proceeds of, collateral for, income, royalties and other payments due and payable on and from 10 March 2008 with respect to, and supporting obligations relating to, any and all of the Collateral (including, without limitation, proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (i) of this clause 1) and, to the extent not otherwise included, all (A) payments under insurance (whether or not the Security Trustee is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (B) cash

2. FURTHER ASSURANCES

- (A) The Chargor agrees that from time to time, at the expense of the Chargor, the Chargor will promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be necessary or desirable, or that the Security Trustee may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted by the Chargor under the Security Agreement or to enable the Security Trustee to exercise and enforce its rights and remedies under the Security Agreement with

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 6 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

respect to any Collateral of the Chargor. Without limiting the generality of the foregoing, the Chargor will promptly with respect to Collateral of the Chargor (i) if any such Collateral shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Security Trustee under the Security Agreement such note or instrument or chattel paper duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Security Trustee, (ii) file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Security Trustee may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted by the Chargor under the Security Agreement, and (iii) deliver to the Security Trustee evidence that all other actions that the Security Trustee may deem reasonably necessary or desirable in order to perfect and protect the security interest granted or purported to be granted by the Chargor under the Security Agreement has been taken

- (B) The Chargor authorizes the Security Trustee to file one or more financing or continuation statements, and amendments thereto, including, without limitation, one or more financing statements indicating that such financing statements cover all assets or all personal property (or words of similar effect) of the Chargor, regardless of whether any particular asset described in such financing statements falls within the scope of the UCC or the granting clause of the Security Agreement. A photocopy or other reproduction of the Security Agreement shall be sufficient as a financing statement where permitted by law. The Chargor ratifies its authorization for the Security Trustee to have filed such financing statements, continuation statements or amendments filed prior to 10 March 2008.
- (C) The Chargor will furnish to the Security Trustee from time to time statements and schedules further identifying and describing the Collateral of the Chargor and such other reports in connection with such Collateral as the Security Trustee may reasonably request, all in reasonable detail.
- (D) Each Borrower will furnish to the Security Trustee, at any time upon the reasonable request of the Security Trustee, an opinion of counsel, from outside counsel reasonably satisfactory to the Security Trustee, to the effect that all financing or continuation statements have been filed, and all other action has been taken to perfect continuously from 10 March 2008 the security interest granted hereunder.

3. DEFINITIONS AND INTERPRETATION

The terms used in this Form 395 and the attached continuation sheets have the meaning set out below

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 7 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

"Affiliate" means, in relation to any person, a Subsidiary of that person or a holding company of that person or any other Subsidiary of that holding company

"Borrower" means a borrower as defined in the First Lien Credit Agreement or the Second Lien Credit Agreement as appropriate

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interest

"Finance Document" means

- (A) the First Lien Documents,
- (B) the Secured Hedging Agreements,
- (C) the Second Lien Documents,
- (D) the Intercreditor Agreement,
- (E) any accession instrument, and
- (F) any other document that is designated as such by the Security Trustee and Endeavour International Corporation

"First Lien Documents" has the meaning given to that term in the Intercreditor Agreement

"First Lien Credit Agreement" means the \$225,000,000 secured revolving loan and letter of credit facility agreement dated 30 October 2006 between, among others, the Company and BNP Paribas and the Bank of Scotland plc (formerly, The Governor and Company of the Bank of Scotland)

"First Lien Lender" means each of the Finance Parties (as defined in the First Lien Credit Agreement but excluding, for these purposes, the Security Trustee and the Hedging Banks) being

- (a) as at 10 March 2008 the banks and financial institutions named in Part II (First Lien Lenders) of Schedule 1 (Parties) to the First Lien Credit Agreement, and
- (b) each other person that accedes, and becomes a party, to this Agreement as a "First Lien Lender" in accordance with this Agreement,

which, in each case, has not ceased to be a party to the First Lien Credit Agreement in accordance with the terms of that agreement (where a person shall not cease to be a party to the First Lien Credit Agreement solely by reason of the prepayment or repayment of the Facility)

"Grantor" means each of Endeavour International Corporation, END Operating Management Company, Endeavour Operating Corporation, END Management Company, Endeavour

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 8 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

International Holding B V , Endeavour Energy Netherlands B V and the Chargor and **Grantors** means all of them

"Hedging Bank" means

- (a) any First Lien Lender, and
- (b) any Affiliate of any First Lien Lender that executes or accedes to , and becomes a party to, this Agreement and the First Lien Credit Agreement as a "Hedging Bank" in accordance with Clause 13.5 (Accession of Hedging Banks) (provided that such Affiliate shall cease to be a "Hedging Bank" when that First Lien Lender ceases to be a First Lien Lender or, if earlier, when the relevant Affiliate ceases to be an Affiliate of the relevant First Lien Lender)

"Initial Pledged Equity" means shares of stock or other Equity Interests set forth opposite the Chargor's name on and as otherwise described in Part I of Schedule I to the Security Agreement and issued by the persons named therein

"Intercreditor Agreement" means the intercreditor agreement between, among others, Endeavour International Corporation and BNP Paribas as amended and restated on 22 January 2008

"Obligations" means, with respect to any person, any payment, performance or other obligation of such person of any kind, including, without limitation, any liability of such person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any bankruptcy or insolvency. Without limiting the generality of the foregoing, the Security Agreement secures, as to the Chargor, the payment of all amounts that constitute part of the Secured Obligations and would be owed by the Chargor to any Secured Creditor under the Credit Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving an Obligor or a Secured Counterparty

"Obligor" means the obligors set out at part I of schedule I to the Intercreditor Agreement

"Pledged Deposit Accounts" means those deposit accounts owned by the Chargor set forth opposite the Chargor's name in Part I of Schedule II to the Security Agreement

"Second Lien Documents" has the meaning given to that term in the Intercreditor Agreement

"Secured Creditor" means each of

- (a) the Security Trustee,
- (b) the First Lien Lenders,
- (c) the Hedging Banks, and
- (d) the Second Lien Lenders

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

CONTINUATION SHEET 9 OF 9

NAME OF CHARGOR: ENDEAVOUR ENERGY UK LIMITED (5030838)

"Secured Hedging Agreement" means any hedging agreement entered into between any Obligor and any hedging bank in compliance with the Finance Documents on or after the date on which that hedging bank becomes a party hereto in its capacity as hedging bank

"Second Lien Credit Agreement" means the junior facility agreement dated 22 January 2008 between, among others Endeavour International Holding B V, the Chargor, BNP Paribas and Bank of Scotland plc

"Second Lien Lenders" means as at 10 March 2008 the banks and financial institutions listed at schedule 1 (*Parties*) to the Second Lien Credit Agreement as initial second lien lenders

"Secured Counterparties" has the meaning given to that term in the Security Agreement

"Securities Accounts" means the securities accounts set forth opposite such Borrower's name and with such financial intermediary and at such location listed on Part II Schedule II to the Security Agreement

"Subsidiary" means a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York, provided that, if perfection or the effect of perfection or non perfection or the priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non perfection or priority



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 5030838
CHARGE NO. 7**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT AN AMENDED AND RESTATED NEW
YORK LAW SECURITY AGREEMENT DATED 10 MARCH 2008
AND CREATED BY ENDEAVOUR ENERGY UK LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE
COMPANY AND EACH OTHER GRANTOR TO BNP PARIBAS
(THE SECURITY TRUSTEE) ON ANY ACCOUNT WHATSOEVER
UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT
CREATING OR EVIDENCING THE CHARGE WAS REGISTERED
PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT
1985 ON THE 18 MARCH 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21 MARCH 2008

70
A+1



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES