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COMPANIES FORM No. 395

Particulars of a mortgage or charge

216063/13

395

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[] [] [] [] [] []

05054461

Name of company

* Imperial Energy Corporation plc of 6-8 York Place, LS1 2DS Leeds, United Kingdom (the
"Chargor")

Date of creation of the charge

21 March 2007

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

Equitable charge over shares dated 21 March 2007 (the "Charge") between the Chargor and ABN
AMRO Bank N.V., London Branch, as security trustee for on behalf of the Secured Creditors (the
"Security Trustee").
In this Form 395, unless otherwise defined, terms shall have the meaning given in Part I of the
Schedule.

Amount secured by the mortgage or charge

See Part II of the attached Schedule.

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

ABN AMRO Bank N.V., London Branch, 250 Bishopsgate, London, United Kingdom as Security
Trustee for and on behalf of the Secured Creditors.

Postcode EC2M 4AA

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

White & Case
5 Old Broad Street
London
EC2N 1DW

For official Use (02/01
Mortgage Section



LD2
COMPANIES HOUSE

248
29/03/2007

Ref GA:arb.

Time critical reference

See Part III of the attached Schedule.

NB Part IV of the attached Schedule contains covenants by and restrictions on the Chargor which protect and further define the charges and which must be read as part of the charges created.

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

White Case LLP

Date 29 March 2007

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [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

Schedule

Part I - Definitions

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

"Agent" means ABN AMRO Bank N.V., London Branch, as agent of the other Finance Parties.

"Arranger" means ABN AMRO Bank N.V., London Branch, as mandated lead arranger.

"Borrower" means Imperial Energy Limited.

"Charged Property" means the Initially Charged Shares and any other shares in the Borrower specified in Schedule 1 of the Charge of which the Chargor is or becomes the beneficial or registered owner together with all dividends, stocks, shares, warrants, securities, rights, monies or other property accruing on or derived from such shares including any such property as may result from the exercise by the Security Trustee of any of its rights under Clause 4.2 (*After Security Enforceable*) of the Charge.

"Charged Shares" means any shares from time to time forming part of the Charged Property.

"Encumbrance" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Enforcement Date" shall have the meaning given to such term in Clause 9.1 (*Security Enforceable*) of the Charge.

"Event of Default" has the meaning given to such term in the Facility Agreement.

"Facility Agreement" means the facility agreement dated on or about the date of the Charge made between, among others, the Borrower, ABN AMRO Bank N.V., London Branch, as arranger, agent and security trustee and the financial institutions party thereto as lenders.

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

"Finance Document" means:

- (a) the Facility Agreement;
- (b) each Security Document;
- (c) each Russian Subsidiary Guarantee;
- (d) any Fee Letter;
- (e) any Accession Letter;
- (f) any Resignation Letter; and
- (g) any other agreement or document designated in writing a "Finance Document" by the Agent and Imperial Energy Limited.

"Finance Party" means the Agent, the Arranger, the Security Trustee or a Lender.

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

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

Continuation Sheet to Form 395 – Imperial Energy Corporation plc

"Initially Charged Shares" means the shares in the Borrower specified in Schedule 1 of the Charge of which the Chargor is the beneficial or registered owner on the date of the Charge, as described in that Schedule.

"Law" means:

- (a) common or customary Law;
- (b) any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction; and
- (c) any present or future directive, regulation, practice, concession or requirement which, in each case, has the force of Law and which is issued by any governmental body, agency or department or any central bank or other fiscal, monetary, regulatory, self-regulatory or other authority or agency.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 22 (*Changes to the Lenders*) of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement.

"Liability" means any obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether owed as principal or surety or in any other capacity.

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

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

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

"Receiver" means an administrative receiver, a receiver and manager or a receiver (whether appointed pursuant to the Charge or any statute, by a court or otherwise) of the Charged Property or any part of it.

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

"Russian Subsidiary Guarantee" has the meaning given to such term in the Facility Agreement.

"Secured Creditors" means the Finance Parties and any and every Receiver.

"Secured Obligations" means all present and future Liabilities of the Borrower and of the Chargor to the Secured Creditors (or any of them) under or in relation to any one or more of the Finance Documents (including, without limitation, all Liabilities arising out of any extension, variation, modification, restatement or novation of such Finance Documents whatsoever) provided that no Liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Security (or any part thereof) or any other provision of the Charge would be unlawful or prohibited by any applicable Law, and "Secured Obligation" means any of the foregoing, as the context requires.

"Security" means the security created or intended to be created by the Charge.

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

Continuation Sheet to Form 395 – Imperial Energy Corporation plc

"Security Period" means the period beginning on the date of the Charge and ending on the date upon which the Security Trustee is satisfied that:

- (a) none of the Secured Creditors is under any obligation (whether actual or contingent) to make advances or provide other financial accommodation to the Borrower under any of the Finance Documents; and
- (b) the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

Part II - Amount secured by the mortgage or charge

The Secured Obligations.

(See Part I above of this Schedule)

Part III - Short particulars of all the property mortgaged or charged

The Chargor charges with full title guarantee the Charged Property to the Security Trustee to hold the same on trust for the Secured Creditors on the terms set out in the Facility Agreement as security for the payment and discharge of the Secured Obligations.

Schedule 1 of the Charge referred to in the definitions of "Charged Property" and "Initially Charged Shares" is as follows:

Imperial Energy Limited		Company No: 04491635
NUMBER OF SHARES	SHARE TYPE	CERTIFICATE NUMBER
1	Ordinary £1	2

Part IV – Covenants and Restrictions

Negative Pledge

Subject to certain exceptions as contained in the Facility Agreement, the Chargor provides the following covenants in the Facility Agreement:

- (a) The Chargor shall not create or permit to subsist any Encumbrance over any of its assets.
- (b) The Chargor shall not unless consented to in writing by the Agent:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

The above covenant remains in force from the date of the Facility Agreement for so long as any amount is outstanding under the Finance Documents or any commitment under the Facility Agreement is in force.

Other Covenants and Restrictions

Clause 3.2 of the Charge provides that:

Immediately upon execution of the Charge, the Chargor shall deposit with the Security Trustee:

- (a) all share certificates and other documents of title relating to the Initially Charged Shares; and
- (b) undated stock transfer forms in respect of the Initially Charged Shares duly executed in blank by or on behalf of the Chargor.

Clause 3.3 of the Charge provides that:

Immediately upon the Chargor becoming the beneficial or registered owner of any Charged Shares (other than the Initially Charged Shares) the Chargor shall ensure that such Charged Shares (unless already so registered) are registered in the name of the Chargor and shall promptly notify the Security Trustee of such circumstances and deposit with the Security Trustee any share certificates and other documents of title representing such Charged Shares together with undated stock transfer forms in respect of such Charged Shares duly executed in blank by or on behalf of the Chargor.

Clause 3.4 of the Charge provides that:

The Chargor shall pay when due all calls or other requests for payments made in respect of any of the Charged Property, but if the Chargor fails to make any such payment the Security Trustee may (but shall not be obliged to) make such payment on behalf of the Chargor and if the Security Trustee does so the Chargor shall promptly on demand of the Security Trustee pay to the Security Trustee an amount equal to such payment.

Clause 4.1 of the Charge provides that:

Unless and until the Enforcement Date occurs, the Chargor shall continue to be entitled to:

- (a) receive and retain all dividends, interest and other monies arising from the Charged Property; and
- (b) exercise all voting rights, powers and other rights in relation to the Charged Shares for all purposes not inconsistent with the terms of the Charge or the Finance Documents;

provided that the Chargor shall not exercise such voting rights, powers and other rights or otherwise permit or agree to (i) any variation of the rights attaching to or conferred by all or any part of the Charged Property or (ii) any increase in the issued share capital of any company whose shares are charged pursuant to the Charge, in any manner which, in the opinion of the Security Trustee, would, or would be reasonably likely to, impair the value of, or prejudice the ability of the Security Trustee to realise, the Security.

Clause 4.2 of the Charge provides that:

At any time on or after Enforcement Date the Security Trustee shall be entitled to cause the Charged Shares to be registered in its name and may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise or refrain from exercising any voting rights in respect of the Charged Shares and revoke, or cause to be revoked, any proxies given pursuant to Clause 4.1 (*Before Security Enforceable*) of the Charge;
- (b) apply all dividends, interest and other monies arising from the Charged Property as if they were proceeds of sale under the Charge;

- (c) exercise or refrain from exercising the rights of a legal owner of the Charged Property, including the right, in relation to any company whose shares or other securities are included in the Charged Property, to concur or participate in:
- (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),
 - (ii) the realisation, modification or variation of any rights or liabilities attaching to any such shares or securities and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any such shares or securities,

in each case in such manner and on such terms as the Security Trustee may think fit.

Clause 5.1 of the Charge provides that:

The Charge shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Security Trustee or any other Secured Creditor may have at any time for the Secured Obligations or any of them.

Clause 8 of the Charge provides that:

The Chargor shall from time to time and at its own expense give all such assurances and do all such things as the Security Trustee may require (acting reasonably) or consider desirable to enable the Security Trustee to perfect, preserve or protect the security created or intended to be created by the Charge or to enable any Secured Creditor to exercise any of the rights conferred on such Secured Creditor by the Charge or by law and to that intent the Chargor shall execute all such instruments, deeds and agreements and give all such notices and directions as the Security Trustee may consider expedient, including the filing at court of a Stop Notice under part 73 of the Civil Procedure Rules. The obligations of the Chargor under Clause 8 are in addition to the covenants for further assurance implied by the Law of Property (Miscellaneous Provisions) Act 1994.

Clause 9.1 of the Charge provides that:

The Security shall become immediately enforceable upon the occurrence of any of the following (the "Enforcement Date"):

- (a) an Event of Default has occurred; or
- (b) any corporate action or other steps are taken or legal proceedings are started by or in respect of any member of the Group with a view to the appointment of an administrator pursuant to Schedule B1 of the Insolvency Act 1986.

Clause 20.1 of the Charge provides that:

None of the rights and benefits of the Chargor under the Charge shall be capable of being assigned or transferred and the Chargor undertakes not to seek to assign or transfer all or any of such rights and benefits.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05054461

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN EQUITABLE CHARGE OVER SHARES DATED THE 21st MARCH 2007 AND CREATED BY IMPERIAL ENERGY CORPORATION PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE BORROWER AND FROM THE COMPANY TO THE SECURED CREDITORS (OR ANY OF THEM) 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 29th MARCH 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th APRIL 2007.

Pangels



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES