

DATED 29 JUNE 2006

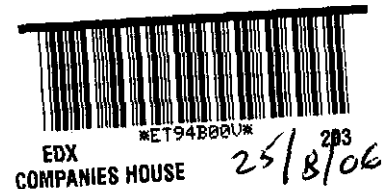
5402305

RONALD JOHN GROVES

V-FUELS LIMITED

and

EURO BIODIESEL LIMITED




SHARE EXCHANGE AGREEMENT

relating to

the entire issued share capital in
Euro Biodiesel Limited

**CERTIFIED TRUE COPY
OF THE ORIGINAL**

The Endeavour Partnership LLP
**THE ENDEAVOUR PARTNERSHIP LLP
SOLICITORS
STOCKTON ON TEES**

ENDEAVOUR PARTNERSHIP 
Business Lawyers

Westminster, St. Mark's Court, Teesdale Business Park, Teesside, TS17 6QP
T: 01642 610 300 F: 01642 610 330 W: www.endeavourpartnership.com

PARTIES:

- (1) **RONALD JOHN GROVES** of 15 Danyon Close, Rainham, Essex RM13 9LS (the '**Seller**');
- (2) **V-FUELS LIMITED** (Company No 5402305) whose registered office is at c/o Endeavour Partnership LLP, Westminster, St Mark's Court, Teesdale Business Park, Teesside TS17 6QP (the '**Purchaser**'); and
- (3) **EURO BIODIESEL LIMITED** (Company No 04518608) whose registered office is at Unit 5, Mead Park, Riverway, Harlow, Essex CM20 2SE (the '**Company**')

BACKGROUND

- (A) The Seller is the registered holder of 1000 Ordinary Shares of £1.00 each in the capital of the Company, being the entire issued share capital of the Company (the '**Sale Shares**').
- (B) The Seller has agreed with the Purchaser to sell all of his Sale Shares to the Purchaser on the terms contained in this Agreement.
- (C) The Company has joined into this Agreement solely for the purposes set out in **clause 4.3**.

OPERATIVE PROVISIONS**1 Interpretation**

- 1.1 In this Agreement the following expressions (where capitalised) shall have the following meanings :-

'Business Day'	any day which is not a Saturday, a Sunday or a public holiday in England and Wales
'Contracts Act'	the Contracts (Rights of Third Parties) Act 1999;
'Consideration Shares'	the 5 Ordinary shares of £1.00 each in the capital of the Purchaser to be issued and allotted to the Seller pursuant to this Agreement;
'Encumbrance'	any option, trust, power of sale, title retention, pre-emption right, right of first refusal, Security Interest or other right, claim or interest, whether legal or equitable, of any third party (or an

agreement or commitment to create any of them); and

'Notice'

any demand, notice or communication given or made under or in connection with this Agreement.

1.2 In this Agreement (unless inconsistent with the context) references to:-

- 1.2.1 a clause or a sub-clause is to a clause or sub-clause of this Agreement
- 1.2.2 words importing the singular shall include the plural and vice versa
- 1.2.3 statutes shall be construed to include any subordinate legislation made under them and to the corresponding provisions of earlier legislation;
- 1.2.4 persons shall be construed to include unincorporated associations and partnerships;
- 1.2.5 the word "include" shall be construed without limitation; and
- 1.2.6 headings are for ease of reference only and shall not affect the interpretation of this Agreement.

2 Sale of the Sale Shares

2.1 The Seller agrees to sell and the Purchaser agrees to buy the Sale Shares, in consideration of the Purchaser issuing and allotting the Consideration Shares to the Seller.

2.2 The Seller covenants with the Purchaser that:-

- 2.2.1 the Seller has the right to dispose of his Sale Shares on the terms set out in this Agreement;
- 2.2.2 the Seller shall at his own cost do everything possible to give the Purchaser full and unrestricted legal and beneficial title to such Sale Shares; and
- 2.2.3 such Sale Shares shall be sold and transferred free from any Encumbrance including any which:-
 - (a) the Seller does not know or could not reasonably be expected to know about; or
 - (b) at the time of transfer is, within the actual knowledge, or is a necessary consequence of facts then within the actual knowledge, of the Purchaser;

and the transfer of the Sale Shares to the Purchaser shall be deemed to include expressly and be made subject to all the above provisions of this **clause 2.2.3**.

- 2.3 Title to, beneficial ownership of, and any risk attaching to, the Sale Shares shall pass on Completion and the Sale Shares shall be sold and purchased together with all rights and benefits attached or accruing to them at Completion (including the right to receive any dividends, distributions or returns of capital declared, paid or made by the Company on or after Completion).
- 2.4 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares is completed simultaneously.
- 2.5 The Consideration Shares shall be issued credited as fully paid at par and will rank *pari passu* in all respects with the Ordinary shares of the Purchaser in issue at the date of this Agreement.

3 Completion

- 3.1 Completion shall take place at the offices of the Company on the date of this Agreement, when all (but, subject to **clauses 3.4 and 3.5** not part only unless the parties shall so agree) of the business set out in **clauses 3.2 and 3.3** shall be transacted.
- 3.2 On or before Completion the Seller shall deliver to the Purchaser :-
- 3.2.1 all share certificates in respect of the Sale Shares (or an indemnity in a form approved by the Purchaser in respect of any missing share certificate); and
- 3.2.2 a duly executed transfer of the Sale Shares to enable the Purchaser to become the registered holder of the Sale Shares.
- 3.3 Following compliance with the provisions of **clause 3.2**, the Purchaser shall convene a meeting of the board of directors of the Purchaser to resolve to allot and issue to the Seller the Consideration Shares and to irrevocably instruct the Secretary of the Purchaser to register the name of the Seller as the holder of the Consideration Shares in the register of members of the Purchaser and to issue to the Seller a share certificate in respect of the Consideration Shares.
- 3.4 If the Seller shall fail or be unable to comply with any of its obligations under the provisions of **clause 3.2** the Purchaser may without prejudice to any other rights or remedies under this Agreement or under the general law:-
- 3.4.1 defer Completion for not more than 15 Business Days (or such longer period as the Purchaser may reasonably specify) in which case the provisions of this **clause 3.4** shall apply to Completion as so deferred; or
- 3.4.2 proceed to Completion so far as practicable.

3.5 If the Purchaser shall fail or be unable to comply with any of its obligations under the provisions of **clause 3.3** the Seller may without prejudice to any other rights or remedies under this Agreement or under the general law:-

3.5.1 defer Completion for not more than 15 Business Days (or such longer period as they may reasonably specify) in which case the provisions of this **clause 3.5** shall apply to Completion as so deferred; or

3.5.2 proceed to Completion so far as practicable.

4 Power of Attorney

4.1 The Seller appoints the Purchaser as his lawful attorney for the purpose of receiving notices of and attending and voting at all meetings of the members of the Company from Completion to the day on which the Purchaser is entered in the register of members of the Company as the holder of the Sale Shares and for that purpose the Seller authorises and instructs :-

4.1.1 the Company to send any notices or other communications in respect of his holding of Sale Shares to the Purchaser; and

4.1.2 the Purchaser to complete in such manner as it thinks fit and to return proxy forms, consents to short notice and any other document required to be signed by him in his capacity as a member.

4.2 The Seller declares that for so long as he remains the registered holder of any of the Sale Shares after Completion he shall :-

4.2.1 hold the Sale Shares and the dividends and other distributions of profits or surplus or other assets declared, paid or made in respect of them after Completion and all rights arising out of or in connection with them in trust for the Purchaser; and

4.2.2 deal with and dispose of the Sale Shares and all such dividends, distributions and rights as are described in **clause 4.2.1** as the Purchaser or any such successor may direct

and the Seller hereby authorises and instructs the Company to pay any such dividends and distributions so declared paid or made direct to the Purchaser and to accept the receipt of the Purchaser as a good receipt for any such payment or distribution.

4.3 The Company acknowledges the said power of attorney granted to the Purchaser by the Seller and the authorities and instructions given to the Company by the Seller and undertakes to recognise and give effect to them accordance with their terms.

5 Interest

If any party fails to pay any sum when due under this Agreement it will be liable to pay interest on such sum from the due date for payment until the date of actual payment (inclusive) at the annual rate of 2 per cent above the base lending rate from time to time of Barclays Bank plc, accruing on a daily basis and compounded monthly whether before or after any judgement.

6 Notices

6.1 Any Notice shall be in writing to the relevant party at its address stated in this Agreement (or such other address as that party may notify to the other parties from time to time).

6.2 Notice will be deemed to have been given:-

6.2.1 if sent by prepaid first class post, on the second Business Day after the date of posting;
or

6.2.2 if delivered by hand, on delivery

6.2.3 if sent by fax, when a confirmatory copy is posted by pre-paid first class post

EXCEPT that where Notice would be deemed to be given on a day which is not a Business Day or after 4.00 p.m. (London time) it will be deemed to have been given on the next Business Day.

7 General

7.1 This Agreement will be binding on and enforce for the benefit of each party's successors and assigns.

7.2 The Contracts Act shall not apply to this Agreement. No person (including any employee, officer, agent, representative or sub-contractor of a party) other than a party to this Agreement shall have the right (whether under the Contracts Act or otherwise) to enforce any term of this Agreement which expressly or by implication confers a benefit on that person without the express prior agreement in writing of the parties. No consent shall be required from any person having rights under this Agreement by virtue only of the Contracts Act to any amendment, variation, waiver or settlement of this Agreement or any right or claim arising from or under it which (in each case) has been agreed by any party to it.

7.3 Except for any obligation fully performed at Completion the provisions of this Agreement will continue in full force and effect notwithstanding Completion.

7.4 The parties agree that they will do or procure the doing of anything which may be required on or after Completion to give effect to the terms of this Agreement.

- 7.5 Failure or delay by any party in exercising any right or remedy under this Agreement will not operate as a waiver of it, nor will any single or partial exercise of any right or remedy preclude any further exercise of it or the exercise of any other right or remedy. No waiver of any breach of, or default under, any of the terms of this Agreement shall be deemed a waiver of any subsequent breach or default nor affect any other term of this Agreement.
- 7.6 The rights and remedies expressly provided for by this Agreement will not exclude any other rights or remedies provided by law.
- 7.7 This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, each of which so executed and delivered will be an original, but all will together constitute one and the same agreement
- 7.8 The formation, existence, construction, performance, validity and all aspects of this Agreement will be governed by English law. The English Courts will have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. The parties agree to submit to that jurisdiction.
- 7.9 Each party to this Agreement shall bear its own costs and expenses of the completion and implementation of this Agreement but the Purchaser shall bear the costs and expenses of the preparation of this Agreement.

SIGNED AS A DEED by the said

RONALD JOHN GROVES

(acting by his duly authorised attorney

STEPHEN JOHN DAVIS) in the presence of

Witness signature:

Address:

Occupation:

THE ENDEAVOUR PARTNERSHIP LLP

Westminster

ST Mark's Court

Teesdale

Stockton on Tees

TS17 6QP

Solicitor

CERTIFIED TRUE COPY
OF THE ORIGINAL

SIGNED AS A DEED by

V-FUELS LIMITED

acting by a director

and its secretary/two directors

The Endeavour Partnership LLP
THE ENDEAVOUR PARTNERSHIP LLP
SOLICITORS
STOCKTON ON TEES

Director

Director/Secretary

Signed for and on behalf of
Endeavour Secretary Limited

SIGNED AS A DEED by

EURO BIODIESEL LIMITED

acting by a director

and its secretary/two directors

Director

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Endeavour Secretary Limited