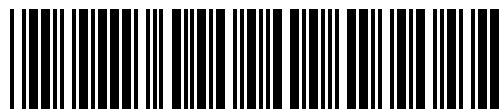




Registration of a Charge

Company Name: **SERICA ENERGY PLC**

Company Number: **05450950**



XCV2JKA2

Received for filing in Electronic Format on the: **19/01/2024**

Details of Charge

Date of creation: **17/01/2024**

Charge code: **0545 0950 0014**

Persons entitled: **DNB BANK ASA, LONDON BRANCH**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **JOEL PADI**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5450950

Charge code: 0545 0950 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th January 2024 and created by SERICA ENERGY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th January 2024 .

Given at Companies House, Cardiff on 19th January 2024

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**

BRACEWELL

COMPOSITE DEBENTURE

dated 17 January 2024

between

THE COMPANIES LISTED IN SCHEDULE 1
each as a Chargor

and

DNB BANK ASA, LONDON BRANCH
as Security Trustee

CONTENTS

	Page
1. DEFINITIONS AND INTERPRETATION	1
2. COVENANT TO PAY	6
3. GRANT OF SECURITY	6
4. FURTHER ASSURANCE.....	9
5. REPRESENTATIONS AND WARRANTIES.....	12
6. GENERAL COVENANTS.....	13
7. SHARES COVENANTS	15
8. ACCOUNT PROCEEDS COVENANTS.....	16
9. WHEN SECURITY BECOMES ENFORCEABLE.....	17
10. POWERS OF THE SECURITY TRUSTEE	17
11. ENFORCEMENT OF SECURITY	19
12. RECEIVER.....	21
13. POWERS OF RECEIVER.....	22
14. DELEGATION	24
15. APPLICATION OF PROCEEDS.....	25
16. POWER OF ATTORNEY	25
17. RELEASE.....	26
18. ASSIGNMENT AND TRANSFER.....	27
19. FURTHER PROVISIONS.....	27
20. NOTICES.....	28
21. GOVERNING LAW.....	28
22. ENFORCEMENT	28

SCHEDULES

SCHEDULE 1 THE CHARGORS	30
SCHEDULE 2 SHARES	31
SCHEDULE 3 DESIGNATED ACCOUNTS.....	32
SCHEDULE 4 FORM OF NOTICE.....	33

This deed (this “**Debenture**”) is made as a deed and is dated 17 January 2024 and made between:

- (1) THE COMPANIES listed in Schedule 1 (*The Chargors*) as chargors (each a “**Chargor**” and together, the “**Chargors**”); and
- (2) DNB BANK ASA, LONDON BRANCH, as agent and trustee for the Secured Parties (as defined in the Facility Agreement (as defined below)) (the “**Security Trustee**”).

BACKGROUND

- (A) The Lenders have agreed, pursuant to the Facility Agreement, to provide the Borrowers with a credit facility on a secured basis.
- (B) Under this Debenture, each Chargor provides security to the Security Trustee (as agent and trustee for the Secured Parties) for the credit facility made available under the Facility Agreement.
- (C) The board of directors of each Chargor is satisfied that that Chargor giving the security contained or provided for in this Debenture is in its best interest and has passed a resolution to that effect.
- (D) The Security Trustee (as agent and trustee for the Secured Parties) holds the benefit of this Debenture on trust for the Secured Parties on the terms of the Finance Documents.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Debenture, have the same meanings when used in this Debenture. In addition, the following definitions apply in this Debenture:

“**Account Proceeds**” means all moneys, in any currency, from time to time deposited in or standing to the credit of any of the Designated Accounts, including all moneys in any currency representing the renewal or replacement of or for any such deposits, all interest from time to time accrued or accruing on all such moneys, all or any moneys payable or repayable pursuant to such deposits or in respect of the Designated Accounts and in each case the debts represented thereby.

“**Administrator**” means an administrator appointed pursuant to Clause 10.7 (*Appointment of an Administrator*) to manage the affairs, business and property of any Chargor.

“**Borrowing Base Asset Licences**” means:

- (a) each licence held by any Chargor relating to a Borrowing Base Asset as identified in schedule 12 (*Borrowing Base Assets*) to the Facility Agreement; and
- (b) any other licence designated by the Security Trustee as a “**Borrowing Base Asset Licence**” for the purposes of this Debenture.

“**Declared Default**” means an Event of Default which is continuing in respect of which the Agent has issued a notice in accordance with clause 28.23 (*Acceleration*) of the Facility Agreement (provided that a Declared Default will be treated as having occurred for the purpose

Agreement (provided that a Declared Default will be treated as having occurred for the purpose of this Debenture only for so long as that notice has been issued and has not been withdrawn or revoked).

“**Delegate**” means any person appointed by the Security Trustee or any Receiver pursuant to Clause 14 (*Delegation*) and any person appointed as attorney of the Security Trustee, Receiver or Delegate.

“**Designated Account**” means each of the following accounts:

- (a) each Project Account of a Chargor listed in Schedule 3 (*Designated Accounts*); and
- (b) any other account of any Chargor nominated by the Security Trustee as a “Designated Account” for the purposes of this Debenture,

and, in each case, including any replacement account or sub-division of that account.

“**Excluded Assets**” has the meaning given to that expression in Clause 3.6(b) (*Excluded Assets and Excluded Rhum Assets*).

“**Excluded Rhum Asset**” means all the present and future rights, title and interest of any Chargor:

- (a) from time to time in the share capital of Serica Holdings UK Limited and Serica Energy (UK) Limited and all allotments, rights, benefits and advantages (including all voting rights) whatsoever at any time accruing, offered or arising in respect of or incidental to those shares and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of those shares, whether the same are held legally or beneficially by any Chargor, directly by or to the order of any Chargor or by any trustee, fiduciary, clearance system, custody system or custodian on its behalf or whether the same have been delivered to or to the order of the Security Trustee or its nominee including all Related Rights and all rights against any such trustee, fiduciary, clearance system or other person holding such to the order of that Chargor;
- (b) in the Rhum Asset or Rhum-related Equipment (including the proceeds of any disposal of all or part of the Rhum Asset or any Rhum-related Equipment);
- (c) in any Hydrocarbons produced from the Rhum Asset;
- (d) in any Intercompany Loans to fund or support the Rhum Asset or Rhum-related Equipment;
- (e) in any Insurances, including all claims, the proceeds of all claims and all returns of premium in connection with any Insurances, relating to the Rhum Asset or Rhum-related Equipment; and
- (f) under any Hedging Agreement (or amounts thereunder) to which it is a party in respect of or related to the Rhum Asset and/or its interest therein.

“**Expenses**” means all charges, costs (including legal fees), damages and expenses sustained or incurred by the Security Trustee or any Receiver or Delegate at any time in connection with the Secured Assets or the Secured Liabilities or in taking, holding or perfecting this Debenture or in defending, enforcing, preserving or protecting the Security constituted by this Debenture or in exercising any powers, remedies or rights provided by or pursuant to this Debenture

(including any power or right to make payments on behalf of any Chargor under the terms of this Debenture) or by law in each case on a full indemnity basis.

“**Facility Agreement**” means the \$525,000,000 senior secured borrowing base facility agreement dated 15 December 2023 between, amongst others, the Chargors and the Security Trustee.

“**Financial Collateral**” has the meaning given to that expression in the Financial Collateral Regulations.

“**Financial Collateral Regulations**” means the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

“**Floating Charge Assets**” means the assets subject to the floating charge under Clause 3.4 (*Floating charge*).

“**Intercompany Loans**” means any loan or other indebtedness from time to time owing from any member of the Group to any Chargor.

“**JOA**” means any contract, agreement, joint venture or other arrangement entered into by a Chargor and a third party regulating joint operations, physical facilities and profits in relation to a Borrowing Base Asset (and all amendments and supplements thereto).

“**JV Partners**” means the parties to the JOAs other than the relevant Chargors.

“**LPA 1925**” means the Law of Property Act 1925.

“**Party**” means a party to this Debenture.

“**Receiver**” means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets (in whole or part or parts) appointed by the Security Trustee under Clause 12 (*Receiver*).

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

- (a) the proceeds of sale and/or other realisation of that property or asset (or any part thereof or interest therein);
- (b) all Security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title held by any Chargor in respect of such property or asset; and
- (c) all of each Chargor’s rights under any lease, licence or agreement for lease, sale or use in respect of such property or asset.

“**Related Shares Rights**” means all allotments, rights, benefits and advantages (including all voting rights) whatsoever at any time accruing, offered or arising in respect of or incidental to any Shares and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of any Shares.

“**Secured Assets**” means all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this Debenture.

“**Secured Liabilities**” means all present and future monies, indebtedness, obligations and liabilities owed by each Obligor to all or any of the Secured Parties, whether actual or

contingent, in whatever currency denominated and whether owed jointly or severally, as principal or surety or in any other capacity whatsoever, under or in connection with the Finance Documents (including those arising under Clause 17.2 (*Discharge conditional*) of this Debenture and any liabilities arising pursuant to an increase in Commitments under the Facility whether pursuant to clause 2.5 (*Accordion*) of the Facility Agreement or otherwise), together with all interest (including default interest) accruing in respect of such monies or liabilities and including any liability in respect of any further advances made under the Finance Documents, together with all Expenses and all interest under clause 13 (*Interest*) of the Facility Agreement.

“**Security Financial Collateral Arrangement**” has the meaning given to that expression in the Financial Collateral Regulations.

“**Security Period**” means the period starting on the date of this Debenture and ending on the Final Discharge Date.

“**Shares**” means all share capital legally and beneficially owned by a Chargor from time to time in the entities included in the column entitled “Company” in Schedule 2 (*Shares*) and all Related Shares Rights whether the same are held directly by or to the order of any Chargor or by any trustee, fiduciary, clearance system, custody system or custodian on its behalf or whether the same have been delivered to or to the order of the Security Trustee or its nominee including all Related Rights and all rights against any such trustee, fiduciary, clearance system or other person holding such to the order of that Chargor.

1.2 Interpretation

- (a) The rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facility Agreement shall apply to this Debenture (or in any notice given under or in connection with this Debenture) *mutatis mutandis* as if set out in full in this Debenture. In addition, unless a contrary indication appears, a reference in this Debenture to:
 - (i) the “**Security Trustee**”, any “**Chargor**”, any “**Secured Party**”, any “**Party**”, any “**Obligor**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Debenture and, in the case of the Security Trustee, shall include any person for the time being appointed as a security trustee in accordance with the Facility Agreement; and
 - (ii) any Clause or Schedule shall be to a Clause or Schedule of this Debenture.
- (b) Where the term “**Secured Party**” is used in, and construed for the purposes of, this Debenture, a Hedge Counterparty shall be a Secured Party.
- (c) Any words following the terms “**including**”, “**include**”, “**in particular**”, “**for example**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- (d) The absence of or incomplete details of any Secured Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.3 Implied covenants for title

The obligations of each Chargor under this Debenture shall be in addition to the covenant for title deemed to be included in this Debenture by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

1.4 Law of Property (Miscellaneous Provisions) Act 1989

To the extent necessary for any agreement for the disposition of the Secured Assets in this Debenture to be a valid agreement under Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Debenture are incorporated into this Debenture.

1.5 Joint and Several

The obligations of the Chargors under this Debenture are joint and several.

1.6 Third party rights

- (i) The rights expressly conferred on each of the Secured Parties and each officer of the Security Trustee or a Receiver under this Debenture are enforceable by each of them under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017.
- (ii) No other term of this Debenture is enforceable under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017 by anyone who is not a Party (other than a permitted successor or assign, any Receiver or any Delegate) save as otherwise permitted pursuant to this Debenture.

1.7 Perpetuity Period

If the rule against perpetuities applies to any trust created by this Debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.8 Security Trustee provisions

Each Chargor agrees that the terms of clause 32 (*The Security Trustee*) of the Facility Agreement are incorporated into this Debenture as if those terms were set out in full in this Debenture, with references to “this Agreement” being construed as a reference to this Debenture.

1.9 Conflict

In the event of a conflict between the terms of:

- (i) this Debenture and the Facility Agreement, the terms of the Facility Agreement shall prevail; or
- (ii) this Debenture and the Subordination Deed, the terms of the Subordination Deed shall prevail,

to the extent permitted by law.

1.10 Effect as a deed

This document is intended to take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.

1.11 Schedules

The Schedules form part of this Debenture and shall have effect as if set out in full in the body of this Debenture. Any reference to this Debenture includes the Schedules.

2. COVENANT TO PAY

2.1 Covenant to Pay Secured Liabilities

Each Chargor shall, on demand, pay to the Security Trustee and discharge the Secured Liabilities, in each case, when they become due for payment or discharge in accordance with the terms of the Finance Documents, whether by acceleration or otherwise, and whether such Secured Liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to a Secured Party or purchased (whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

2.2 Potential Invalidity

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Liabilities*) nor the obligation to pay interest pursuant to Clause 2.3 (*Interest*) nor the security created by this Debenture 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.

2.3 Interest

- (a) Each Chargor hereby agrees to pay to the Security Trustee, in respect of any amount demanded from it in accordance with this Debenture (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between the relevant Chargor and the relevant Secured Party), interest from first demand by the Security Trustee of the relevant Chargor:
 - (i) at the rate of interest payable or deemed to be payable by the relevant Chargor in respect of the amount demanded as calculated and compounded in accordance with any agreement between the relevant Secured Party and the relevant Chargor with respect to such amount; or
 - (ii) failing such agreement, at the rate per annum which is two per cent. (2%) per annum above the interest cost to the relevant Secured Party (as conclusively determined by that Secured Party) of funding the amount demanded, such interest being calculated daily on the basis of a 360 day year and compounded at monthly intervals.
- (b) Such interest shall accrue due on a daily basis from the demand by the Security Trustee until actual payment by the relevant Chargor (both before and after any further demand or judgment or the liquidation of such Chargor).

3. GRANT OF SECURITY

3.1 Fixed charges

Subject to Clause 3.6 (*Excluded Assets and Excluded Rhum Assets*), as a continuing security for the payment, performance and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee (as agent and trustee for the Secured Parties) by way of first fixed charge:

- (a) all its rights, title and interests in the Borrowing Base Asset Licences;
- (b) all its rights, title and interests in the Shares;
- (c) (to the extent not effectively assigned under Clause 3.2 (*Assignment*)), all its rights, title and interests in:
 - (i) any Insurances to which it is a party and all related proceeds, claims of any kind, returns of premium and other benefits;
 - (ii) any Intercompany Loans and all rights, claims, proceeds, premium and other benefits in connection with these; and
 - (iii) the Hedging Agreements to which it is a party and all rights, claims, proceeds, premium and other benefits in connection with these;
- (d) the Designated Accounts; and
- (e) the Account Proceeds,

and in each case, with all Related Rights in respect thereof.

3.2 Assignment

Subject to Clause 3.6 (*Excluded Assets and Excluded Rhum Assets*), as a continuing security for the payment, performance and discharge of the Secured Liabilities, each Chargor with full title guarantee assigns to the Security Trustee (as agent and trustee for the Secured Parties) absolutely, by way of a first legal assignment, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights, title and interest in each Insurance, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance;
- (b) all its present and future rights and interest in any Intercompany Loan to which it is a party; and
- (c) all its present and future rights and interests in any Hedging Agreement to which it is a party,

and in each case, with all Related Rights in respect thereof.

3.3 Preservation of fixed charge

Without prejudice to Clause 3.1 (*Fixed Charges*) if, in accordance with the terms of any Finance Document, any Chargor is entitled to withdraw the proceeds of any amounts standing to the credit of a Designated Account or other account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clause 3.1 (*Fixed Charges*) and stand subject to the floating charge created pursuant to Clause 3.4 (*Floating Charge*), the release will in no way derogate from the continuance and subsistence of the fixed charge on all other amounts standing to the credit of the Designated Accounts and such other accounts.

3.4 Floating charge

Subject to Clause 3.6 (*Excluded Assets and Excluded Rhum Assets*) as a continuing security for the payment, performance and discharge of the Secured Liabilities, each Chargor with full title guarantee (or, in respect any undertaking, property, assets or rights situated in Scotland or

governed by the laws of Scotland, absolute warrandice) charges to the Security Trustee (as agent and trustee for the Secured Parties), by way of first floating charge, all of its undertaking, property, assets and rights whatsoever, present and future (including those situated in Scotland or governed by the laws of Scotland), including all property, assets and rights not otherwise validly and effectively mortgaged, charged or assigned (whether at law or in equity) by way of fixed security pursuant to Clause 3.1 (*Fixed Charges*) of any Chargor at any time not effectively mortgaged or assigned pursuant to Clause 3.2 (*Assignment*).

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.4 (*Floating Charge*).

3.6 Excluded Assets and Excluded Rhum Assets

- (a) The Security created by Clauses 3.1 (*Fixed Charges*) to Clause 3.4 (*Floating Charge*) shall not apply to any Excluded Rhum Asset.
- (b) To the extent that any Floating Charge Asset contains any prohibition or restriction on the ability of any Chargor to create any Security over it or its rights and/or interests in such Floating Charge Asset (each, an "Excluded Asset"), the Security created by Clause 3.4 (*Floating charge*) will include and extend only to all amounts which any Chargor may receive, or has received, under that Excluded Asset but shall not extend to and shall exclude that Excluded Asset itself and any Chargor's rights and/or interests under such Excluded Asset.

3.7 Automatic crystallisation of floating charge

Notwithstanding Clause 3.8 (*Crystallisation of floating charge by notice*) and without prejudice to any law which may have similar effect, but subject to Clause 3.9 (*Scottish Assets*), the floating charge created by Clause 3.4 (*Floating Charge*) shall automatically and immediately (without notice) be converted into a fixed charge over all of the undertaking and the assets subject to that floating charge if:

- (a) any Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, any Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Debenture or the Facility Agreement); or
 - (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, expropriation, attachment, execution or other process against all or any part of the Secured Assets;
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor; or
- (d) an Administrator is appointed or any step intended to result in such appointment is taken.

3.8 Crystallisation of floating charge by notice

Subject to Clause 3.9 (*Scottish Assets*), the Security Trustee may, in its sole discretion, by written notice to any Chargor, convert the floating charge created under this Debenture into a fixed charge as regards any part of the Secured Assets specified by the Security Trustee in that notice:

- (a) upon the occurrence of a Declared Default; or
- (b) if the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy or the Security Trustee reasonably believes that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding up of any Chargor.

Each conversion shall take effect immediately upon the giving of the relevant notice.

3.9 Scottish Assets

The floating charge created by Clause 3.4 (*Floating charge*) may not be converted into a fixed charge pursuant to Clause 3.7 (*Automatic crystallisation of floating charge*) or Clause 3.8 (*Crystallisation of floating charge by notice*) in respect of any property or assets situated in Scotland or governed by Scots law if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion or conversion by notice.

3.10 Assets acquired after any floating charge has crystallised

Any asset acquired by any Chargor after any crystallisation of the floating charge created under this Debenture that, but for that crystallisation, would be subject to a floating charge under this Debenture, shall (unless the Security Trustee confirms otherwise to that Chargor in writing) be charged to the Security Trustee by way of first fixed charge.

4. FURTHER ASSURANCE

4.1 Further assurance

- (a) Each Chargor shall, at its own expense, take whatever action is required in accordance with clause 27.16 (*Transaction Security Documents and Further Assurance*) of the Facility Agreement.
- (b) Without prejudice to the obligations of each Chargor under paragraph (a) above, each Chargor shall, at the direction of the Security Trustee given at any time, promptly on request by the Security Trustee execute and deliver to the Security Trustee all transfers and other documents and do all such things as the Security Trustee may reasonably require:
 - (i) to register all or any of the Secured Assets in the name of the Security Trustee or its nominee;
 - (ii) for creating, registering, perfecting, maintaining or protecting the Security created or intended to be created by this Debenture;
 - (iii) for creating a fixed charge over any of the Secured Assets;
 - (iv) to confer on the Security Trustee any Security over any asset or undertaking of any Chargor which is located in any jurisdiction outside England and Wales

equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture; or

- (v) to facilitate the realisation of all or any of the Secured Assets after this Debenture has become enforceable, or the exercise of any right, power or discretion vested in the Security Trustee or any Delegate in relation to any Secured Assets or this Debenture.

4.2 Subordination

The Security created by this Debenture over any Chargor's rights and interest in the JOAs shall be:

- (a) subordinated to the express rights of the JV Partners specified under the JOAs; and
- (b) without prejudice to the provisions thereof,

provided that, nothing in this Clause 4.2 shall:

- (i) release any Chargor from any obligation to fulfil any requisite condition in connection with any JOA to which it is a party; or
- (ii) impose on the Security Trustee or any Receiver or Administrator appointed by it, or any Secured Party an obligation to perform any of the obligations of any Chargor under any JOA or procure the performance by any Chargor of any such obligation.

4.3 Avoidance of payment and reinstatement

- (a) No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws.
- (b) If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor will continue or be reinstated as if the discharge, release or arrangement had not occurred.

4.4 Waiver of defences

The obligations of each Chargor under this Debenture will not be affected by any act, omission, matter or thing which, but for this Clause 4.4 would reduce, release or prejudice any of its obligations under this Clause 4.4 (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of any Obligor

or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
- (g) any insolvency or similar proceedings.

4.5 Chargor Intent

Without prejudice to the generality of Clause 4.4 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security created (or intended to be created) under this Debenture shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

4.6 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

4.7 Appropriations

Until all Secured Liabilities have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, Security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of that Chargor's liability under this Debenture,

but only until the amount being held is or amounts being held are, in aggregate and taken together with any other funds available to the Security Trustee for the same purpose, sufficient to fully discharge all Liabilities under the Finance Documents.

4.8 Deferral of Chargor's rights

Until all Secured Liabilities have been irrevocably paid in full and unless the Security Trustee otherwise directs or a Chargor is expressly permitted to do so under any Finance Document, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Debenture:

- (a) to be indemnified by a Transaction Party;
- (b) to claim any contribution from any other guarantor of any Transaction Party's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Transaction Party to make any payment, or perform any obligation, in respect of which the relevant Chargor has given a guarantee, undertaking or indemnity under any Finance Documents;
- (e) to exercise any right of set-off against any Transaction Party; and/or
- (f) to claim or prove as a creditor of any Transaction Party in competition with any Secured Party.

If any Chargor receives any benefit, payment or distribution in relation to such rights (unless permitted to do so as aforesaid) it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Transaction Parties under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as the Agent may direct for application in accordance with the Facility Agreement.

5. REPRESENTATIONS AND WARRANTIES

Each Chargor makes the representations and warranties set out in this Clause 5 to the Security Trustee (as agent and trustee for the Secured Parties).

5.1 Avoidance of security

No Security expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of any Chargor or otherwise.

5.2 No conflicting rights or breaches

There is no prohibition on assignment by way of security in any Insurance, Intercompany Loan or Hedging Agreement and the entry into this Debenture by each Chargor does not, and will not, constitute a breach of any Insurance, Intercompany Loan, Hedging Agreement or any other agreement or instrument binding on any Chargor or its assets.

5.3 Times for making representations and warranties

The representations and warranties set out in this Clause 5 are made by each Chargor on the date of this Debenture and shall be deemed to be repeated by each Chargor on each day of the Security Period with reference to the facts and circumstances then existing.

6. GENERAL COVENANTS

Each Chargor covenants with the Security Trustee, during the Security Period, in accordance with the terms set out in this Clause 6 (*General Covenants*).

6.1 Negative pledge and disposal restrictions

No Chargor shall at any time:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Assets, other than any Security created by this Debenture;
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets; or
- (c) create or grant (or purport to create or grant) any interest in any Secured Assets in favour of a third party,

in each case, except as expressly permitted by the Facility Agreement.

6.2 No adverse actions or variations

No Chargor shall cause or permit to be done anything which will adversely affect the Security created by this Debenture or which is a variation or abrogation of the rights attaching to or conferred on all or any part of the Secured Assets by this Debenture in a manner adverse to the interests of the Secured Parties, without the prior written consent of the Security Trustee or unless expressly permitted by the Facility Agreement.

6.3 Title documents

Each Chargor shall, on the date of the execution of this Debenture (or, if later, the date of acquisition of the relevant Secured Asset), deposit (or procure the deposit) with the Security Trustee and the Security Trustee shall, for the duration of this Debenture be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of that Chargor (and if these are not within the possession or control of that Chargor, that Chargor undertakes to obtain possession of all these deeds and documents of title);
- (b) copies of all Borrowing Base Asset Licences;
- (c) copies of all Insurances; and
- (d) copies of all the Intercompany Loans (if documented in writing) and Hedging Agreements.

6.4 Notices to be given by the Chargors

- (a) Each Chargor shall as soon as practicable and in any event within ten (10) days of the date of this Debenture or, in the case of any subsequent Borrowing Base Asset Licence

issued to any Chargor within ten (10) days of the creation of the Security in relation to such Borrowing Base Asset Licence, deliver to the North Sea Transition Authority (or procure the delivery of) a notice in form and substance satisfactory to the Security Trustee of the creation of the charge under this Debenture pursuant to and in accordance with the Open Permission (Creation of Security Rights over Licences) 2012 granted by the Secretary of State on 6 February 2012;

- (b) Each Chargor shall on the date of the execution of this Debenture (or, if later, within 5 Business Days of the relevant policy coming into existence) give notice (in the form set out in Schedule 3 (*Form of Notice*)) to each insurer that it has assigned its rights and interest in and under each Insurance pursuant to this Debenture and shall use its reasonable endeavours to procure that each addressee of any such notice promptly provides to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest (in the form annexed to the notice in Schedule 3);
- (c) Each Chargor shall on the date of the execution of this Debenture (or, if later, within 3 Business Days of the relevant Hedging Agreement or Intercompany Loan Agreement which is documented in writing being entered into and having effect) give notice (in the form set out in Schedule 3 (*Form of Notice*)) to each counterparty to a Hedging Agreement or Intercompany Loan that it has assigned its rights and interest in and under that Hedging Agreement or Intercompany Loan pursuant to this Debenture and shall use its reasonable endeavours to procure that each addressee of any such notice promptly provides to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest (in the form annexed to the notice in Schedule 3), save that this Debenture shall constitute notice in writing by each Chargor to each other Chargor that it has assigned its rights and interest in and under any Intercompany Loan in existence on the date of this Debenture and acknowledgment of such notice by each other Chargor; and
- (d) Each Chargor shall on the date of the execution of this Debenture (or, if later, within 3 Business Days of the relevant Designated Account being opened) give notice (in the form set out in Schedule 3 (*Form of Notice*)) to any bank, financial institution or other person (excluding the Security Trustee) with whom it has a Designated Account that it has charged to the Security Trustee its rights and interests under that account pursuant to this Debenture and shall use its reasonable endeavours to procure that each addressee of any such notice promptly provides to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest (in the form annexed to the notice in Schedule 3).

The obligations of each Chargor under this Clause 6.4 (*Notices to be given by the Chargors*) to procure the acknowledgement to any such notice issued in accordance with this Clause 6.4 (*Notices to be given by the Chargors*), shall, provided that such Chargor has used its reasonable endeavours to obtain such acknowledgement, cease at the expiry of 10 Business Days after service of such notice (whether or not such acknowledgement has been obtained).

6.5 Information

Each Chargor shall following a Default:

- (a) give to the Security Trustee such information concerning the location, condition, use and operation of the Secured Assets as the Security Trustee may require; and
- (b) permit any persons designated by the Security Trustee and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice.

7. SHARES COVENANTS

7.1 Deposit

Without prejudice to the obligations of each Chargor pursuant to Clause 6.3 (*Title documents*), each Chargor shall:

- (a) on the execution of this Debenture, deposit with (or procure that the same are held to the order of) the Security Trustee all stock or share certificates or other documents of title to or representing the Shares owned by it at that time;
- (b) within 5 Business Days of the purchase or acquisition by it of any Shares after the date of this Debenture, deposit with the Security Trustee all stock or share certificates or other documents of title to, or representing, such Shares (provided that if any stock transfer form or similar document of title in respect of any such purchase or acquisition is required to be stamped or otherwise made subject to stamp or similar taxes, the period of 5 Business Days referred to above will commence on the date that the relevant stock transfer form(s) are received by the Chargor from the relevant tax office or authority duly stamped or otherwise made subject to such tax); and
- (c) within 5 Business Days of the accrual, creation, issue or receipt of any Related Shares Rights, deliver or pay or procure the delivery or payment to the Security Trustee of all such Related Shares Rights, and deposit with the Security Trustee the stock or share certificates or other documents of title to or representing such Related Shares Rights (provided that if any stock transfer form or similar document of title in respect of any such Related Rights, or any Shares to which such Related Rights relate, is required to be stamped or otherwise made subject to stamp or similar taxes before such Related Rights accrue, or are created, issued or received as the case may be, the period of 5 Business Days referred to above will commence on the date that the relevant stock transfer form(s) are received by the Chargor from the relevant tax office or authority duly stamped or otherwise made subject to such tax),

together with such executed blank transfers or assignments as the Security Trustee may require so that the Security Trustee may at any time after the occurrence of a Declared Default without notice present them for registration.

7.2 Calls

Each Chargor shall duly and promptly pay all calls, instalments or other payments which may be or become due and payable in respect of the Shares. No Secured Party shall incur any liability in respect of any amounts due by any Chargor in respect of the Shares.

7.3 Dividends

- (a) Before the occurrence of a Declared Default, each Chargor shall be entitled to receive all dividends, interest or other distributions which may be paid in respect of the Shares.
- (b) On and after the occurrence of a Declared Default:
 - (i) the Security Trustee (or its nominee) shall be entitled to receive all dividends, interest or other distributions which may be paid in respect of the Shares and all dividends, interest or other distributions shall immediately be paid into an account designated by the Security Trustee and applied in accordance with Clause 15 (*Application of proceeds*);

- (ii) to the extent that such dividends, interest or other distributions have not been paid directly to the Security Trustee (or its nominee), such dividends, interest or other distributions shall be held on trust by the relevant Chargor for the Security Trustee (or its nominee) and shall be paid to the Security Trustee (or its nominee); and
- (iii) each Chargor undertakes to take all required steps to ensure that such dividends, interest or other distributions are paid to the Security Trustee (or its nominee).

7.4 Voting rights

- (a) Before the occurrence of a Declared Default, each Chargor shall exercise all voting and other rights and powers in respect of the Shares provided that each Chargor shall not exercise such rights or powers in any manner which, in the reasonable opinion of the Security Trustee, may prejudice the value of or the ability of the Security Trustee (or its nominee) to realise the Security over the Shares created pursuant to this Debenture.
- (b) Subject to paragraph (c) below, following the occurrence of a Declared Default, all voting and other rights and powers in respect of the Shares shall be exercised by, or at the discretion of, the Security Trustee (or its nominee) and each Chargor shall procure that it or its nominee shall, comply with any directions the Security Trustee may, in its absolute discretion, give concerning the exercise of those rights and powers.
- (c) The Security Trustee shall not be entitled to exercise any voting rights or any other powers or rights under paragraph (b) above if and to the extent that:
 - (i) a notifiable acquisition would, as a consequence, take place under section 6 of the National Security and Investment Act 2021 (the “NSI Act”) and any regulations made under the NSI Act; and
 - (ii) either:
 - (A) the Secretary of State has not approved that notifiable acquisition in accordance with the NSI Act; or
 - (B) the Secretary of State has approved that notifiable acquisition in accordance with the NSI Act but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the NSI Act.

8. ACCOUNT PROCEEDS COVENANTS

8.1 Account Proceeds: prior to enforcement

Subject to Clause 8.2 (*Account Proceeds: after enforcement*), each Chargor shall, subject to any restrictions in the Finance Documents preventing or regulating the withdrawal of the same, be entitled to withdraw any Account Proceeds.

8.2 Account Proceeds: after enforcement

Following the occurrence of a Declared Default, no Chargor shall be entitled to be paid, withdraw or otherwise transfer any Account Proceeds, except with the consent of the Security Trustee.

8.3 Control by Security Trustee

Following the occurrence of a Declared Default, the Security Trustee shall be entitled to apply all or any Account Proceeds in or towards reduction (as and when they fall due) of amounts outstanding under the Finance Documents and such other payments and obligations of the Obligors as it may agree (in such order and from such Account Proceeds as it thinks fit).

9. WHEN SECURITY BECOMES ENFORCEABLE

At any time following the occurrence of a Declared Default, the Security created pursuant to this Debenture shall be immediately enforceable and the Security Trustee may in its absolute discretion and without further notice to any Chargor or the prior authorisation of any court:

- (a) enforce all or any part of the Security created by this Debenture and take possession of or dispose of all or any of the Secured Assets in each case at such times and upon such terms as it sees fit; and
- (b) whether or not the Security Trustee has appointed a Receiver, exercise all of the powers, authorities and discretions:
 - (i) conferred from time to time on mortgagees by the LPA 1925 (as varied or extended by this Debenture) or by law; and/or
 - (ii) granted to a Receiver by this Debenture or by law.

10. POWERS OF THE SECURITY TRUSTEE

10.1 Power to remedy

- (a) The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by any Chargor of any of its obligations contained in this Debenture.
- (b) Each Chargor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by any Chargor of its obligations contained in this Debenture shall be reimbursed by any Chargor to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 21 (*Costs and Expenses*) of the Facility Agreement.

10.2 Exercise of rights

- (a) The rights of the Security Trustee under Clause 10.1(a) (*Power to remedy*) are without prejudice to any other rights of the Security Trustee under this Debenture. The exercise of any rights of the Security Trustee under this Debenture shall not make the Security Trustee liable to account as a mortgagee in possession.
- (b) The Security Trustee shall not, in connection with the Secured Assets, have any duty or incur any liability for:
 - (i) any loss on realisation;
 - (ii) any failure to present any interest coupon or other document in respect of the Secured Assets;

- (iii) ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Secured Assets or the nature or sufficiency of any payment whether or not the Security Trustee has or is deemed to have knowledge of such matters;
- (iv) taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Secured Assets;
- (v) any negligence or default by its nominees; or
- (vi) any other loss of any nature whatsoever arising as a result of the exercise or non-exercise of any rights or powers attaching or accruing to the Secured Assets which may be exercised by the Security Trustee (or its nominee).

10.3 Protection of interests

The powers conferred on the Security Trustee by this Debenture are solely to protect its interests in the Secured Assets and shall not impose any duty on the Security Trustee to exercise any of those powers.

10.4 Security Trustee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by law or by this Debenture on a Receiver may, after the Security constituted by this Debenture has become enforceable, be exercised by the Security Trustee in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

10.5 New accounts

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for the relevant Chargor in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the relevant Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under Clause 10.5(a) (*New accounts*) then, unless the Security Trustee gives express written notice to the contrary to the relevant Chargor, all payments made by the relevant Chargor to the Security Trustee shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Security Trustee.

10.6 Indulgence

The Security Trustee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a Party (whether or not any such person is jointly liable with any Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Debenture or to the liability of any Chargor for the Secured Liabilities.

10.7 Appointment of an Administrator

- (a) The Security Trustee may, without notice to any Chargor, appoint any one or more persons to be an Administrator of any Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Debenture becomes enforceable.
- (b) Any appointment under this Clause 10.7 (*Appointment of an Administrator*) shall:
 - (i) be in writing signed by a duly authorised signatory of the Security Trustee; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this Clause 10.7 (*Appointment of an Administrator*) appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

11. ENFORCEMENT OF SECURITY

11.1 Enforcement

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Debenture) shall, as between the Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this Debenture, but the Security Trustee shall not exercise such power of sale or other powers until the Security constituted by this Debenture has become enforceable under Clause 9 (*When Security becomes enforceable*).
- (b) Section 103 of the LPA 1925 does not apply to the Security constituted by this Debenture.

11.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Security Trustee and any Receiver, at any time after the Security constituted by this Debenture has become enforceable, whether in its own name or in that of any Chargor, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of any Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Security Trustee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

11.3 Access on enforcement

- (a) At any time after the occurrence of a Declared Default, each Chargor will allow the Security Trustee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular to take possession of any

Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Security Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to any Chargor for, or by any reason of, that entry.

- (b) At all times, each Chargor must use its reasonable endeavours to allow the Security Trustee or its Receiver access to any premises for the purpose of Clause 11.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

11.4 Prior Security

At any time after the Security constituted by this Debenture has become enforceable, or after any powers conferred by any Security having priority to this Debenture shall have become exercisable, the Security Trustee may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on each Chargor. All monies paid by the Security Trustee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Security Trustee, be due from any Chargor to the Security Trustee on current account and shall bear interest at the default rate of interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

11.5 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with the Security Trustee, any Receiver or Delegate shall be concerned to enquire:
 - (i) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
 - (ii) whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise, pursuant to any Finance Document, has become exercisable or is properly exercisable;
 - (iii) whether any consents, directions, regulations or restrictions relating to such rights have been obtained or complied with;
 - (iv) otherwise as to the propriety or regularity of acts intended, or purporting, to be in exercise of any such rights; or
 - (v) as to the application of any money paid to the Security Trustee, any Receiver or any Delegate.
- (i) All the protection to purchasers contained in sections 104 and 107 of the LPA 1925, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Trustee, any other Secured Party, any Receiver or any Delegate.

11.6 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

11.7 No liability as mortgagee in possession

Neither the Security Trustee, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

11.8 Conclusive discharge to purchasers

The receipt of the Security Trustee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Security Trustee, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he or she thinks fit.

11.9 Right of appropriation

(a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this Debenture and the obligations of each Chargor under it constitute a Security Financial Collateral Arrangement,

the Security Trustee shall have the right, at any time after the Security constituted by this Debenture has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Security Trustee may, in its absolute discretion, determine.

- (b) The value of any Secured Assets appropriated in accordance with this Clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any independent valuation instructed by the Security Trustee.
- (c) Each Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

12. RECEIVER

12.1 Appointment

At any time after the Security constituted by this Debenture has become enforceable, or at the request of any Chargor, the Security Trustee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

12.2 Removal

The Security Trustee may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

Subject to Section 36 of the Insolvency Act 1986, the Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Debenture, which shall be due and payable immediately on its being paid by the Security Trustee.

12.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Debenture shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

12.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Debenture or by statute) shall be, and remain, exercisable by the Security Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

12.6 Agent of the Chargors

Any Receiver appointed by the Security Trustee under this Debenture shall be the agent of each Chargor and each Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until any Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

13. POWERS OF RECEIVER

13.1 General

- (a) Any Receiver appointed by the Security Trustee under this Debenture shall, in addition to the powers conferred on him by statute, have the powers set out in this Debenture and have all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Debenture individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by Clause 13 (*Powers of Receiver*) may be on behalf of any Chargor, the directors of any Chargor (in the case of the power contained in Clause 13.11 (*Make calls on Chargor members*)) or himself.

13.2 Employ personnel and advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he or she thinks fit. A Receiver may discharge any such person or any such person appointed by any Chargor.

13.3 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to any Tax as he or she thinks fit.

13.4 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Security Trustee may prescribe or agree with him.

13.5 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

13.6 Manage or reconstruct any Chargor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of any Chargor.

13.7 Disposal of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including by public auction or private sale) and generally on any terms and conditions as he or she thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

13.8 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

13.9 Make settlements

A Receiver may make any arrangement, settlement or compromise between any Chargor and any other person that he may think expedient.

13.10 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he or she thinks fit.

13.11 Make calls on Chargor members

A Receiver may make calls conditionally or unconditionally on the members of any Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of that Chargor on its directors in respect of calls authorised to be made by them.

13.12 Insure

A Receiver may, if he or she thinks fit, but without prejudice to the indemnity in clause 19.4 (*Indemnity to Security Trustee*) of the Facility Agreement, effect with any insurer any policy of

Insurance either in lieu or satisfaction of, or in addition to, the Insurance required to be maintained by any Chargor under the Finance Documents.

13.13 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

13.14 Borrow

A Receiver may, for any of the purposes authorised by this Clause 13 (*Powers of Receiver*), raise money by borrowing from the Security Trustee (or from any other person) either unsecured or on the Security of all or any of the Secured Assets in respect of which he is appointed on any terms that he or she thinks fit (including, if the Security Trustee consents, terms under which that security ranks in priority to this Debenture).

13.15 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on any Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

13.16 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

13.17 Incidental powers

A Receiver may do any other acts and things:

- (a) that he may consider desirable or necessary for realising any of the Secured Assets;
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Debenture or law; and
- (c) that he lawfully may or can do as agent for any Chargor.

14. DELEGATION

14.1 Delegation

The Security Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Debenture (including the power of attorney granted under Clause 16.1 (*Appointment of Attorneys*)).

14.2 Terms

The Security Trustee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

14.3 Liability

Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate, except to the extent caused by such Delegate's own negligence or wilful misconduct.

15. APPLICATION OF PROCEEDS

15.1 Order of application of proceeds

All monies received or recovered by the Security Trustee, any Receiver or any Delegate pursuant to this Debenture, after the security constituted by this Debenture has become enforceable, shall be applied in accordance with clause 33 (*Application of Proceeds*) of the Facility Agreement.

15.2 Appropriation

Neither the Security Trustee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 Suspense account

All monies received by the Security Trustee, a Receiver or a Delegate under this Debenture:

- (a) may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to any interest-bearing suspense or Shares realised account; and
- (b) may be held in that account for so long as the Security Trustee, Receiver or Delegate thinks fit (but only until the amount being held is or amounts being held are, in aggregate and taken together with any other funds available to the Security Trustee for the same purpose, sufficient to fully discharge all Liabilities under the Finance Documents).

16. POWER OF ATTORNEY

16.1 Appointment of attorneys

- (a) By way of security, each Chargor irrevocably appoints the Security Trustee, every Receiver and every Delegate severally as its attorneys (with full power of substitution) in its name, on its behalf, or otherwise, at such time and in such manner as the attorney thinks fit, to execute any documents, exercise any rights and do any acts and things that:
 - (i) any Chargor is required to execute, exercise and do under any Finance Document to which it is a party (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Secured Assets); and
 - (ii) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Debenture or by law on the Security Trustee, any Receiver or any Delegate in relation to the Secured

Assets or under any Finance Document, the LPA 1925 or the Insolvency Act 1986.

- (b) The power of attorney granted under this Clause 16.1 may be exercised at any time following:
 - (i) the expiry of five Business Days following notice by the Security Trustee to the relevant Chargor notifying it of its failure to comply with any further assurance or perfection of security obligations required by the terms of this Debenture; or
 - (ii) the occurrence of an Event of Default which is continuing.
- (c) Each Chargor reaffirms clause 32.30 (*Obligors' Power of Attorney*) of the Facility Agreement and agrees to irrevocably appoint the Security Trustee to be its attorney as per the terms of that clause.

16.2 Ratification of acts of attorneys

Each Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in Clause 16.1 (*Appointment of Attorneys*).

17. RELEASE

17.1 Security Period

Subject to Clause 17.2 (*Discharge conditional*), on the expiry of the Security Period (but not otherwise, save as set out in Clause 17.3 (*Permitted Reorganisation*)), the Security Trustee shall, at the request and cost of any Chargor, take whatever action is necessary to:

- (a) release the Secured Assets from the Security constituted by this Debenture; and
- (b) reassign the Secured Assets to the relevant Chargor.

17.2 Discharge conditional

Any release, discharge or settlement between each Chargor and the Security Trustee shall be deemed conditional on no payment or Security received by the Security Trustee or any other Secured Party in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement, the Security Trustee may recover the value or amount of such Security or payment from any Chargor subsequently as if the release, discharge or settlement had not occurred.

17.3 Permitted Reorganisation

The Security Trustee shall, at the request and cost of any Chargor, take whatever action is necessary to:

- (a) release the relevant Secured Assets from the Security constituted by this Debenture; and
- (b) reassign the relevant Secured Assets to the relevant Chargor,

in each case, to give effect to a Permitted Reorganisation.

18. ASSIGNMENT AND TRANSFER

18.1 Assignment by Security Trustee

- (a) At any time the Security Trustee may assign or transfer the whole or any part of the Security Trustee's rights and/or obligations under this Debenture to any person in accordance with the terms of the Facility Agreement.
- (b) The Security Trustee may disclose to any actual or proposed assignee or transferee any information about any Chargor, the Secured Assets and this Debenture that the Security Trustee considers appropriate, subject to any obligations of confidentiality binding on the Security Trustee under the terms of the Facility Agreement.

18.2 Assignment by Chargor

No Chargor may assign any of its rights, or transfer any of its obligations, under this Debenture, or enter into any transaction that would result in any of those rights or obligations passing to another person.

19. FURTHER PROVISIONS

19.1 Independent security

This Debenture shall be in addition to, and independent of, any other security or guarantee that the Security Trustee may hold for any of the Secured Liabilities at any time. No prior security held by the Security Trustee or any other Secured Party over the whole or any part of the Secured Assets shall merge in the security created by this Debenture.

19.2 Continuing security

This Debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account, or intermediate payment, or other matter or thing, unless and until the Security Trustee discharges this Debenture in writing.

19.3 Certificates

A certificate or determination by the Security Trustee as to any rate or amount for the time being due to it from any Chargor under this Debenture shall be, in the absence of any manifest error, conclusive evidence of the matters to which it relates.

19.4 Partial invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

19.5 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Secured Party any right or remedy under this Debenture shall operate as a waiver of any such right or remedy or constitute an election to affirm this Debenture. No election to affirm this Debenture on the part of any Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

19.6 Property

This Debenture is and will remain the property of the Security Trustee.

19.7 Amendments

Clause 44 (*Amendments and waivers*) of the Facility Agreement shall apply to this Debenture *mutatis mutandis* as if the same had been set out herein in full.

19.8 Costs and Expenses

Clause 21 (*Costs and expenses*) of the Facility Agreement shall apply to this Debenture *mutatis mutandis* as if the same had been set out herein in full.

19.9 Tax

Clause 17 (*Tax Gross up and indemnities*) of the Facility Agreement shall apply to this Debenture *mutatis mutandis* as if the same had been set out in full herein with references in such clause to:

- (a) “Obligors” being construed as if the context so requires a reference to the Chargors;
- (b) the “Agreement” being construed as a reference to this Debenture; and
- (c) the “Agent” being, if the context so requires, construed as a reference to the Security Trustee.

19.10 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Debenture.

19.11 Counterparts

This Debenture may be executed in any number of counterparts which, together, have the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

20. NOTICES

Clause 40 (*Notices*) of the Facility Agreement shall apply to this Debenture *mutatis mutandis* as if the same had been set out herein in full.

21. GOVERNING LAW

This Debenture and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the law of England and Wales.

22. ENFORCEMENT

22.1 Jurisdiction of English courts

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

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 22.1 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

This Debenture has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1

The Chargors

Company Name	Original Jurisdiction	Company Number
Serica Energy PLC	England	05450950
Serica Holdings UK Limited	England	01814572

SCHEDULE 2

Shares

Company	Chargor	Description and Number of Shares	Share Certificate Number(s)
Tailwind Energy Investments Ltd	Serica Energy PLC	291 Ordinary shares of £1.00 each	4

SCHEDULE 3

Designated Accounts

Company Name	Currency	Account Number	Sort Code
Serica Energy PLC	GBP	██████	██████
	USD	██████	██████
Serica Holdings UK Limited	GBP	██████	██████

SCHEDULE 4

Form of Notice

[Insert Company letterhead]

To: *[debtor(s)]*

[insert date]

Dear Sirs,

Debenture dated [●] between [the Chargors] and the Security Trustee (the “Debenture”)

Terms defined in the Debenture shall, unless otherwise defined in this notice, have the same meaning when used herein.

We hereby give you notice that, pursuant to the Debenture, we have [charged (by way of first fixed charge)] [OR assigned] in favour of [the Security Trustee (as agent and trustee of the Secured Parties (the “Security Trustee”))] all of our rights to and title and interest from time to time [in the Assigned / Secured Assets] (the “Assigned / Secured Assets”).

We hereby irrevocably instruct and authorise you to:

1. disclose to the Security Trustee such information regarding the [Assigned / Secured Assets] as the Security Trustee may from time to time request;
2. send copies of all notices relating to the [Assigned / Secured Assets] to the Security Trustee;
3. comply with the terms of any written notice or instruction relating to the [Assigned / Secured Assets] received by you from the Security Trustee; and
4. following written confirmation from the Security Trustee that a Declared Default has occurred and the Security constituted by the Debenture has become enforceable, make all payments due to us in respect of the [Assigned / Secured Assets] to the Security Trustee as *[insert details]* unless and until the Security Trustee notified you otherwise.

[The Security Trustee has agreed that the relevant Chargor may withdraw any moneys from any of the [Designated Accounts] without any reference to or further authority from the Security Trustee except to the extent that the Security Trustee gives you notice that a Declared Default has occurred. Upon and after the giving of such notice, each Chargor shall cease to be entitled to make any such withdrawal to the extent specified in the notice.]¹

[We will remain liable to perform all our obligations under or in relation to the [Assigned / Secured Assets] and the Security Trustee shall not be under any obligation or liability under or in relation to the [Assigned / Secured Assets] by reason of the assignment or anything arising therefrom.

We also remain entitled to exercise all our rights, powers and discretions under the [Assigned / Secured Assets] and you should continue to give notices under the [Assigned / Secured Assets] to us, in each case unless and until you receive notice from the Security Trustee to the contrary stating that the assignment has become enforceable. In such event, all the rights, powers and discretions under the

¹ Insert in respect of any notice issued relating to security over bank accounts.

[Assigned / Secured Assets] will be exercisable by, and notices should be given to, the Security Trustee or as it directs.]²

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by English law.

Please confirm your agreement to this above by sending the attached acknowledgement to the Security Trustee at [*insert address*], for the attention of [*insert name / position*] with a copy to ourselves.

Yours faithfully,

.....
(Authorised signatory)
for and on behalf of
[Chargor]

² Insert in respect of any notice relating to security over the Insurances/Intercompany Loans / Hedging Agreements.

ANNEX³

[Insert Company letterhead]

To: [the Security Trustee]
Attention: *[insert name / position]*
Copy: [the Chargors]

Dear Sirs,

Debenture dated [●] between [the Chargors] and the Security Trustee (the “Debenture”)

[insert description of the [Assigned / Secured Assets]]

We acknowledge receipt of the notice of the [assignment / charge] dated [●] relating to the Debenture (the “Notice”).

Terms and expressions defined in that Notice shall have the same meanings when used in this acknowledgment. We confirm the following:

1. we have not received notice of any other charge, assignment or other third party right or interest whatsoever in, of, over or affecting any of the [Assigned / Secured Assets];
2. we will comply with the instructions set out in the Notice[; and]
3. [we shall not permit the relevant Chargor to make any withdrawal from any of the Designated Accounts after receipt by us of a notice from the Security Trustee advising that a Declared Default has occurred and prohibiting such withdrawals to the extent specified in that notice.]⁴

This acknowledgement and any non-contractual obligations arising out of or in connection with this letter are governed by English law.

Yours faithfully,

.....
duly authorised signatory for and on
behalf of [*debtor*]

³ To be included on the copy of the Notice.

⁴ To be included in any notice relating to accounts.

SIGNATURE PAGES

THE CHARGORS

SERICA ENERGY PLC

EXECUTED AS A DEED acting by

By



Name: Andrew Bell

Title: Director

By:



Name: Mitchell Flegg

Title: Director

SERICA HOLDINGS UK LIMITED
EXECUTED AS A DEED acting by

By:



Name: Andrew Bell

Title: Director

By:



Name: Stephen Lambert

Title: Director

THE SECURITY TRUSTEE

Signed for and on behalf of **DNB BANK
ASA, LONDON BRANCH**, as Security
Trustee by:



Authorised Signatory

Name:

Shane Gillogley

Title:

Authorised Signatory



Authorised Signatory

Name:

Kay Newman

Title:

Authorised Signatory