

DATED

29 JUNE

2006

5856270

**SHAREHOLDERS IN V-FUELS LIMITED**

**V-FUELS BIODIESEL LIMITED**

and

**V-FUELS LIMITED**

**SHARE EXCHANGE AGREEMENT**

relating to

the entire issued share capital in  
V-Fuels 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  
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**PARTIES:**

- (1) THE PARTIES NAMED IN COLUMN (1) OF THE SCHEDULE (the 'Sellers' and each a 'Seller');
- (2) **V-FUELS BIODIESEL LIMITED** (Company No 5856270) 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) **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 'Company')

**BACKGROUND**

- (A) The Company has an authorised share capital of £1,000,000 (One Million) divided into 1,000,000 Ordinary shares of £1.00 each, 192 of which have been issued and are fully paid and which are registered in the names of the Sellers as specified in **column (3) of the Schedule**.
- (B) The Purchaser has an authorised share capital of £1,000,000 (One Million) divided into 1,000,000 Ordinary shares of £1.00 each, of which one ordinary share of £1.00 (being the original subscriber share) (the '**Subscriber Share**') has been issued and fully paid and at the date hereof is held in the name of Endeavour Partnership LLP.
- (C) The Sellers have agreed with the Purchaser to sell all of the Sale Shares (as defined below) to the Purchaser on the terms contained in this Agreement.
- (D) The Company has joined into this Agreement solely for the purposes set out in **clause 5.3**.

**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;

<b>'Consideration Shares'</b>	the 191,999 Ordinary shares of £1.00 each in the capital of the Purchaser to be issued and allotted pursuant to <b>clause 3.1.2</b> ;
<b>'Encumbrance'</b>	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);
<b>'Notice'</b>	any demand, notice or communication given or made under or in connection with this Agreement; and
<b>'Sale Shares'</b>	in relation to each Seller, the number of Ordinary shares in the capital of the Company, as listed in the Schedule, of which that Seller is the registered holder.

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 Each of the Sellers shall sell to the Purchaser and the Purchaser shall purchase from each of the Sellers the number of Sale Shares set opposite their respective names in **column (3) of the Schedule**.
- 2.2 Each of the Sellers severally covenants with the Purchaser that :-
  - 2.2.1 such Seller has the right to dispose of his Sale Shares on the terms set out in this Agreement;
  - 2.2.2 such 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) that 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 Each of the Sellers waives any rights of pre-emption conferred on him by the articles of association of the Company or otherwise :-

2.5.1 over those of the Sale Shares agreed to be sold by the other Sellers; and

2.5.2 over those of the Consideration Shares to be issued and allotted to the other Sellers pursuant to **clause 3.1.2**.

### 3 Consideration

3.1 In consideration for the sale of the Sale Shares, the Purchaser shall:-

3.1.1 credit the Nil Paid Share as fully paid; and

3.1.2 allot and issue the Consideration Shares, credited as fully paid, to the Sellers as specified in **column (4) of the Schedule**.

3.2 The Consideration Shares shall be issued credited as fully paid and will rank *pari passu* in all respects with the Ordinary shares of the Purchaser in issue at the date of this Agreement.

#### 4 Completion

- 4.1 Completion shall take place at the offices of the Company (or at such other place as the Purchaser may reasonably specify) on the date of this Agreement when all (but, subject to **clauses 4.4 and 4.5** not part only unless the parties shall so agree) of the business set out in **clauses 4.2 and 4.3** shall be transacted.
- 4.2 On or before Completion each Seller shall deliver to the Purchaser :-
- 4.2.1 all share certificates in respect of the relevant Sale Shares (or an indemnity in a form approved by the Purchaser in respect of any missing share certificate); and
- 4.2.2 duly executed transfers of the Sale Shares to enable the Purchaser to become the registered holder of the Sale Shares.
- 4.3 Following compliance with the provisions of **clause 4.2**, the Purchaser shall convene a meeting of the board of directors of the Purchaser to resolve to :-
- 4.3.1 allot and issue to each of the relevant Sellers the Consideration Shares to the Sellers pursuant to **clause 3.1.2**; and
- 4.3.2 irrevocably instruct the Secretary of the Purchaser to register the names of the relevant Sellers as the holders of the relevant Consideration Shares in the register of members of the Purchaser;
- 4.3.3 and to issue to each of the Sellers a share certificate in respect of the number of Consideration Shares specified against their respective names in **column (4) of the Schedule**.
- 4.4 If any Seller shall fail or be unable to comply with any of its obligations under the provisions of **clause 4.2** the Purchaser may without prejudice to any other rights or remedies under this Agreement or under the general law:
- 4.4.1 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 4.4** shall apply to Completion as so deferred; or
- 4.4.2 proceed to Completion so far as practicable.
- 4.5 If the Purchaser shall fail or be unable to comply with any of its obligations under the provisions of **clause 4.3** the Sellers (acting by the decision of those holding a majority of the Sale Shares) may without prejudice to any other rights or remedies under this Agreement or under the general law :-

4.5.1 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 4.5** shall apply to Completion as so deferred; or

4.5.2 proceed to Completion so far as practicable.

## **5 Power of Attorney**

5.1 Each of the Sellers 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 relevant Sale Shares and for that purpose the Seller authorises and instructs :-

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

5.1.2 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.

5.2 Each of the Sellers declares that for so long as he remains the registered holder of any of the Sale Shares after Completion he shall :

5.2.1 hold such 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;

5.2.2 deal with and dispose of such Sale Shares and all such dividends, distributions and rights as are described in **clause 5.2.1** as the Purchaser or any such successor may direct

and each 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.

5.3 The Company acknowledges the powers of attorney granted to the Purchaser by the Sellers and the authorities and instructions given to the Company by the Sellers and undertakes to recognise and give effect to them in accordance with their terms.

## **6 Interest**

- 6.1 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.

## **7 Notices**

- 7.1 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)

- 7.2 Notice will be deemed to have been given:-

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

7.2.2 if delivered by hand, on delivery

7.2.3 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

## **8 General**

- 8.1 This Agreement will be binding on and enure for the benefit of each party's successors and assigns.

- 8.2 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.

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

- 8.4 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.

- 8.5 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.
- 8.6 The rights and remedies expressly provided for by this Agreement will not exclude any other rights or remedies provided by law.
- 8.7 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.
- 8.8 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.
- 8.9 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.



### The Schedule

(1)	(2)	(3)	(4)	(5)
Name of Seller	Address of Seller	No and Class of shares held in the Company	No and Class of Consideration Shares	Resulting number and Class of shares held in the Purchaser following Completion
Climate Change Technologies Limited	Endeavour Partnership, Westminster, St Marks Court, Teesdale Business Park, Teesside, TS17 6QP	10 Ordinary shares of £1.00 each	10,000 Ordinary shares of £1.00 each	10,000 Ordinary shares of £1.00 each
Daniel John Cross	139 Doulton Close, Church Langley, Harlow, Essex, CM17 9RL	5 Ordinary shares of £1.00 each	5,000 Ordinary shares of £1.00 each	5,000 Ordinary shares of £1.00 each
Endeavour Partnership LLP	Westminster, St Mark's Court, Teesdale Business Park, Stockton on Tees, TS17 6QP	2 Ordinary shares of £1.00 each	1,999 Ordinary shares of £1.00	2,000 Ordinary shares of £1.00 each (Note : this includes the Subscriber Share)
Trafalgar Nominees Limited	PO Box 165, Trafalgar Court, Admiral Park, St Peter Port, Guernsey, GY1	148 Ordinary shares of £1.00 each	148,000 Ordinary shares of £1.00 each	148,000 Ordinary shares of £1.00 each

	3JJ			
Ronald John Groves	15 Danyon Close Rainham Essex RM13 9LS	5 Ordinary shares of £1.00 each	5,000 Ordinary shares of £1.00 each	5,000 Ordinary shares of £1.00 each
Adam Simcock	248 Gosforth Crescent Kyalami Estates Midrand RSA South Africa	10 Ordinary shares of £1.00 each	10,000 Ordinary shares of £1.00 each	10,000 Ordinary shares of £1.00 each
Alastair Waite	Mill Farm House Middleton on Leven Yarm TS15 0JX	12 Ordinary shares of £1.00 each	12,000 Ordinary shares of £1.00 each	12,000 Ordinary shares of £1.00 each
<b>Total</b>		<b>192 Ordinary shares of £1.00 each</b>	<b>191,999 Ordinary shares of £1.00 each</b>	<b>192,000 Ordinary shares of £1.00 each</b>

EXECUTED AS A DEED by the said

CLIMATE CHANGE TECHNOLOGIES LIMITED

acting by a director

and its secretary/two directors

Director.....

Director/Secretary .....

Signed for and on behalf of  
Endeavour Secretary Limited

SIGNED AS A DEED by the said

DANIEL JOHN CROSS

(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

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OF THE ORIGINAL

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

EXECUTED AS A DEED by the said

ENDEAVOUR PARTNERSHIP LLP

acting by a director

and its secretary/two directors

Director.....

Director/Secretary .....

**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:* .....

**EXECUTED AS A DEED** by the said

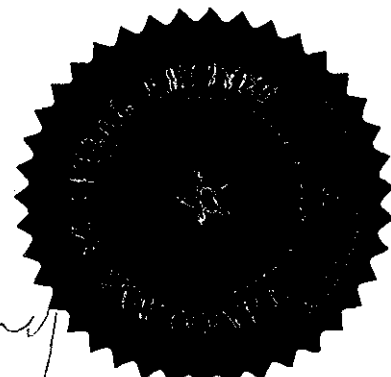
**TRAFALGAR NOMINEES LIMITED**

acting by a director

and its secretary/two directors

Director .....

Director/Secretary .....



**SIGNED AS A DEED** by the said

**ADAM LESLIE SIMCOCK**

(acting by his duly authorised attorney

**STEPHEN JOHN DAVIS)**

in the presence of:

*Witness signature:* .....

*Address:* .....

*Occupation:* .....

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OF THE ORIGINAL**

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

SIGNED AS A DEED by the said

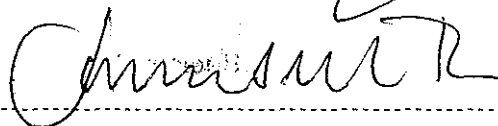
RONALD JOHN GROVES

(acting by his duly authorised attorney

STEPHEN JOHN DAVIS)

in the presence of:

Witness signature:



Address:

THE ENDEAVOUR PARTNERSHIP LLP

Westminster

ST Mark's Court

Teesdale

Stockton on Tees

TS17 6QP

Occupation:

Solicitor

EXECUTED AS A DEED by the said

TRAFALGAR NOMINEES LIMITED

acting by a director

and its secretary/two directors

Director: .....

Director/Secretary .....

CERTIFIED TRUE COPY  
OF THE ORIGINAL

SIGNED AS A DEED by the said

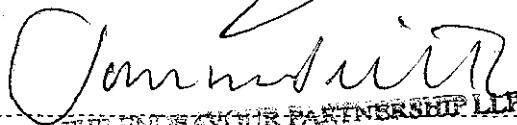
ADAM LESLIE SIMCOCK

(acting by his duly authorised attorney

STEPHEN JOHN DAVIS)

in the presence of:

Witness signature:



Address:

THE ENDEAVOUR PARTNERSHIP LLP

Westminster

ST Mark's Court

Teesdale

Stockton on Tees

TS17 6QP

Occupation:

Solicitor

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

SIGNED AS A DEED by the said


ALASTAIR WAITE

in the presence of:

Witness signature:

Address:

Occupation:



Westminster St Marks  
Cumbresable Business Park  
Selchester

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OF THE ORIGINAL

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

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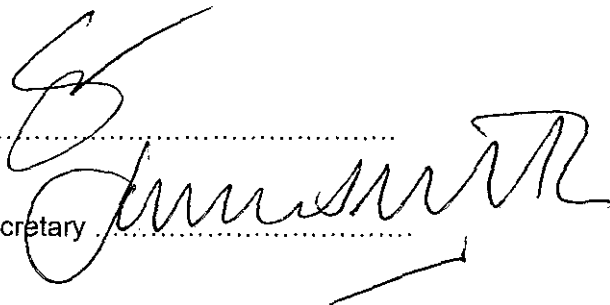
V-FUELS BIODIESEL LIMITED

acting by a director

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Director

Director/Secretary



Signed for and on behalf of  
Endeavour Secretary Limited

EXECUTED AS A DEED by

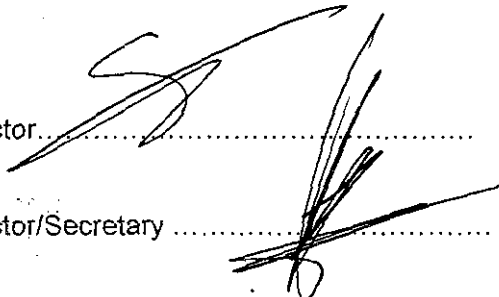
V-FUELS LIMITED

acting by a director

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Director

Director/Secretary



Signed for and on behalf of  
Endeavour Secretary Limited