



Registration of a Charge

Company Name: **ARCHER ASSETS UK LIMITED**

Company Number: **06370628**



XC2VB501

Received for filing in Electronic Format on the: **05/05/2023**

Details of Charge

Date of creation: **25/04/2023**

Charge code: **0637 0628 0009**

Persons entitled: **NORDIC TRUSTEE AS (AS SECURITY AGENT FOR THE BENEFIT OF THE SECURED PARTIES)**

Brief description:

Contains fixed charge(s).

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: **CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6370628

Charge code: 0637 0628 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th April 2023 and created by ARCHER ASSETS UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th May 2023 .

Given at Companies House, Cardiff on 9th May 2023

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**

ARCHER ASSETS UK LIMITED

as Grantor

and

NORDIC TRUSTEE AS

as Security Agent

SECURITIES PLEDGE AGREEMENT

April 25, 2023

STIKEMAN ELLIOTT LLP

SECURITIES PLEDGE AGREEMENT

Securities pledge agreement dated as of April 25, 2023 made by Archer Assets UK Limited to and in favour of Nordic Trustee AS, as Security Agent for the benefit of the Secured Parties.

RECITALS:

- (a) Reference is made to the intercreditor agreement dated as of the date hereof among, *inter alios*, Archer Limited (the "**Parent**"), the subsidiaries of the Parent as debtors, DNB Bank ASA, Skandinaviska Enskilda Banken AB (publ) and Sparebank 1 SR-Bank ASA as original hedge counterparties, DNB Bank ASA as senior facility agent, Nordic Trustee AS as bond trustee for the second lien bondholders and the Security Agent as security agent for the Secured Parties (as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the "**Intercreditor Agreement**"); and
- (b) The Security Agent shall hold the Transaction Security for the benefit of the Secured Parties pursuant to the terms and conditions of the Intercreditor Agreement.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Grantor agrees as follows.

Section 1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Agreement" means this securities pledge agreement.

"Collateral" has the meaning specified in Section 3.

"Expenses" has the meaning specified in Section 4(b).

"Grantor" means Archer Assets UK Limited, a corporation incorporated and existing under the laws of England and Wales with registered company number 06370628, and its successors and permitted assigns.

"Issuer" means Archer BCH (Canada) Ltd.

"Secured Obligations" has the meaning specified in Section 4(a).

"Security" means a security (as defined in the STA) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

"Security Agent" means Nordic Trustee AS, acting as security agent on behalf of the Secured Parties, and any successor security agent appointed under the Intercreditor Agreement, and its successors and permitted assigns.

"Security Interest" has the meaning specified in Section 4.

"ULC" means an unlimited company, an unlimited liability company or an unlimited liability corporation incorporated pursuant to or otherwise governed by the laws of any of the provinces of Canada.

"ULC Shares" means shares in any ULC at any time owned or otherwise held by the Grantor.

Section 2 Interpretation.

- (1) Terms defined in the *Personal Property Security Act* (Alberta) ("**PPSA**") or the *Securities Transfer Act* (Alberta) ("**STA**") and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms "**investment property**", "**money**" and "**proceeds**" have the meanings given to them in the PPSA; and the terms "**certificated security**", "**control**", "**deliver**", "**entitlement holder**", "**financial asset**", "**securities account**", "**securities intermediary**", "**security**", "**security entitlement**" and "**uncertificated security**" have the meanings given to them in the STA.
- (2) Capitalized terms used in this Agreement but not defined herein have the respective meanings given to such terms in the Intercreditor Agreement.
- (3) Any reference in any Debt Document to Security permitted by the Debt Documents and any right of the Grantor to create or suffer to exist Security permitted by the Intercreditor Agreement are not intended to and do not and will not subordinate the Security Interest to any such Security or give priority to any Person over the Secured Parties.
- (4) In this Agreement the words "**including**", "**includes**" and "**include**" mean "**including (or includes or include) without limitation**". The expressions "Section" and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (5) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (6) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (7) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (8) Any reference to this Agreement or any Debt Document refers to this Agreement or such Debt Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 3 Grant of Security.

The Grantor grants to the Security Agent, for the benefit of the Secured Parties, a security interest in, and assigns, charges, hypothecates and pledges to the Security Agent, for the benefit of the Secured Parties, the following (collectively, the "**Collateral**"):

- (a) all Securities now owned or hereafter acquired by the Grantor in the capital of the Issuer, including the Securities listed in Schedule "A", as such schedule may be

amended, supplemented or modified from time to time, all security certificates and other instruments representing such Securities and all rights and claims of the Grantor in such Securities;

- (b) all substitutions and replacements of, increases and additions to the property described in Section 3(a), including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a) and Section 3(b), including the proceeds of such proceeds.

Section 4 Secured Obligations.

The security interest, assignment, charge, hypothecation and pledge granted by this Agreement (collectively, the "**Security Interest**") secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by any Obligor to the Secured Parties, or any one or more of them, in any currency, under, in connection with or pursuant to the Intercreditor Agreement and any other Debt Document, and whether incurred by any Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "**Secured Obligations**"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Secured Parties in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Parties' interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Debt Document (collectively, the "**Expenses**").

Section 5 Attachment.

- (1) The Grantor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer, rights in the Collateral to the Security Agent (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Grantor acquires any Securities in the capital of the Issuer, the Grantor will notify the Security Agent in writing and provide the Security Agent with a revised Schedule "A" recording the acquisition of and particulars relating to such Securities upon such acquisition.
- (3) The Grantor will cause the Security Agent to have control over each security and all other investment property that are now or at any time become Collateral, and will take all action that the Security Agent deems advisable to cause the Security Agent to have control over such Collateral, including (i) causing the Collateral to be transferred to or registered in the name of the Security Agent or its nominee or otherwise as the Security Agent may direct, (ii)

endorsing any certificated securities to the Security Agent or in blank by an effective endorsement, (iii) delivering the Collateral to the Security Agent or someone on its behalf as the Secured Parties may direct (iv) delivering to the Security Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Security Agent or any third party and (v) entering into control agreements with the Security Agent and the Issuer in respect of any Collateral in form and substance satisfactory to the Security Agent. At the request of the Security Agent, the Grantor will take similar actions, as applicable, with respect to any other Securities.

- (4) The Grantor irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Security Agent and the Secured Parties or any of them.

Section 6 Care and Custody of Collateral.

- (1) The Security Agent may, after the Security Interest is enforceable assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Security Agent has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Security Agent has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, or is subject to the control of, the Security Agent, the Grantor or any other person. In the physical keeping of any Securities, the Security Agent is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.
- (3) The Security Agent may, after the Security Interest is enforceable, sell, transfer, use or otherwise deal with any investment property included in the Collateral over which the Security Agent has control, on such conditions and in such manner as the Security Agent in its sole discretion may determine.

Section 7 Rights of the Grantor.

- (1) Until the Security Interest is enforceable, the Grantor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Whenever the Security Interest is enforceable, all rights of the Grantor to vote (under any proxy given by the Security Agent (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Security Agent.
- (2) Any distributions or dividends received by the Grantor contrary to Section 7(1) or any other moneys or property received by the Grantor after the Security Interest is enforceable will be received as trustee for the Security Agent and the Secured Parties and shall be immediately paid over to the Security Agent.

Section 8 Expenses.

The Grantor is liable for and will pay on demand by the Security Agent any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Grantor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Whenever the Security Interest is enforceable, the Security Agent may realize upon the Collateral and enforce the rights of the Security Agent and the Secured Parties by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Security Agent were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Security Agent or its nominee if not already done);
- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction or order to any issuer or securities intermediary pursuant to any control the Security Agent has over the Collateral;
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 19(12);
- (f) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (h) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Exercise of Remedies.

The remedies under Section 10 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Security Agent and the Secured Parties however arising or created. The Security Agent and the Secured Parties are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Security Agent and the Secured Parties in respect of the Secured Obligations including the right to claim for any deficiency.

Section 12 Receiver's Powers.

- (1) Any receiver appointed by the Security Agent is vested with the rights and remedies which could have been exercised by the Security Agent in respect of the Grantor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Security Agent.

- (2) Any receiver appointed by the Security Agent will act as agent for the Security Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Grantor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Grantor or as agent for the Security Agent as the Security Agent may determine in its discretion. The Grantor agrees to ratify and confirm all actions of the receiver acting as agent for the Grantor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Security Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Grantor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 13 Appointment of Attorney.

The Grantor hereby irrevocably constitutes and appoints the Security Agent (and any officer of the Security Agent) the true and lawful attorney of the Grantor. As the attorney of the Grantor, the Security Agent has the power to exercise for and in the name of the Grantor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Grantor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Security Agent, its nominees or transferees, and the Security Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Grantor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Grantor. This power of attorney extends to and is binding upon the Grantor's successors and permitted assigns. The Grantor authorizes the Security Agent to delegate in writing to another Person any power and authority of the Security Agent under this power of attorney as may be necessary or desirable in the opinion of the Security Agent, and to revoke or suspend such delegation.

Section 14 Dealing with the Collateral.

- (1) The Security Agent and the Secured Parties are not obliged to exhaust their recourse against the Grantor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Security Agent may consider desirable.
- (2) The Security Agent and the Secured Parties may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Grantor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Grantor or the rights of the Security Agent and the Secured Parties in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Security Agent and the Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 15 Standards of Sale.

Without prejudice to the ability of the Security Agent to dispose of the Collateral in any manner which is commercially reasonable, the Grantor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of the Collateral may be the Security Agent, a Secured Party or customer of any such Person;
- (d) any sale conducted by the Security Agent will be at such time and place, on such notice and in accordance with such procedures as the Security Agent, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Security Agent, in its sole discretion, may deem advantageous; and
- (g) the Security Agent may establish an upset or reserve bid or price in respect of the Collateral.

Section 16 Dealings by Third Parties.

- (1) No Person dealing with the Security Agent, any of the Secured Parties or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Security Agent or the Secured Parties by the Grantor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Security Agent or any Secured Party with the Collateral, or (vi) how any money paid to the Security Agent or the Secured Parties has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Security Agent or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Grantor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Grantor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 17 ULC Shares.

- (1) Notwithstanding anything else contained in this Agreement or any other document or agreement among all or some of the parties hereto, the Grantor is the sole registered and beneficial owner of all Collateral that is ULC Shares and will remain so until such time as such ULC Shares are effectively transferred into the name of the Security Agent, any of the Secured Parties, or any nominee of the foregoing or any other Person on the books and records of such ULC. Accordingly, the Grantor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of ULC Shares that are Collateral and shall have the right to vote such ULC Shares and to control the direction, management and policies of any ULC to the same extent as the Grantor would if such ULC Shares were not pledged to the Security Agent for the benefit of the Secured Parties pursuant hereto. Nothing in this Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Security Agent, any of the Secured Parties or any Person other than the Grantor, a member of any ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia), the *Business Corporations Act* (Alberta) or any other applicable legislation until such time as notice is given to the Grantor and further steps are taken hereunder or thereunder so as to register the Security Agent, any of the Secured Parties or any nominee of the foregoing, as specified in such notice, as the holder of shares of such ULC. To the extent any provision hereof would have the effect of constituting the Security Agent or any of the Secured Parties a member of a ULC prior to such time, such provision shall be severed herefrom and ineffective with respect to Collateral that is shares of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral that is not shares of such ULC.
- (2) Except upon the exercise of rights to sell or otherwise dispose of Collateral that is ULC Shares once the Security Interest is enforceable, the Grantor shall not cause or permit, or enable any ULC in which it holds ULC Shares that are Collateral to cause or permit, the Security Agent or any other Secured Party to: (a) be registered as a shareholder or member of a ULC; (b) have any notation entered in its favour in the share register of a ULC; (c) be held out as a shareholder or member of a ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from a ULC by reason of the Security Agent or any other Secured Party holding a security interest in a ULC or ULC Shares; or (e) act as a shareholder or member of a ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, a ULC.

Section 18 Representations, Warranties and Covenants.

The Grantor represents and warrants and covenants and agrees, acknowledging and confirming that the Security Agent and each Secured Party is relying on such representations, warranties, covenants and agreements, that:

- (a) The Grantor will not sell, assign, convey, exchange, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in the Intercreditor Agreement.
- (b) The Grantor will not create or suffer to exist, any Security on the Collateral, except for Security permitted by the Intercreditor Agreement and will not grant control over any investment property to any person other than the Security Agent.

- (c) Schedule "A" lists all Securities owned or held by the Grantor in the capital of the Issuer on the date of this Agreement. Schedule "A" sets out, for each class of such Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class in the capital of the Issuer and whether such Securities are certificated or uncertificated.
- (d) The Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (e) Except as described in Schedule "A", no transfer restrictions apply to the Securities listed in Schedule "A". The Grantor has delivered to the Security Agent copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Grantor's possession and confirms that any interest in a partnership or limited liability company that now, or at any time, forms part of the Collateral is, and will be, a "security" for the purposes of the STA.
- (f) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.
- (g) The Securities that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Grantor of such Collateral, enforceable in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (h) The pledge, assignment, delivery to and control by the Security Agent of the Collateral pursuant to this Agreement creates a valid and perfected first ranking security interest in such Collateral and the proceeds of it. Such Collateral and the proceeds from it are not subject to any prior Security or any agreement purporting to grant to any third party a Security on or control of the property or assets of the Grantor which would include the Collateral. The Security Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property securities legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (i) The Grantor does not know of any claim to or interest in any Collateral, including any adverse claims. If any Person asserts any Security, encumbrance or adverse claim against any Securities that form part of the Collateral, the Grantor will promptly notify the Security Agent.
- (j) The Grantor has not consented to, will not consent to, and has no knowledge of any control by any person with respect to any Collateral, other than the Security Agent.
- (k) The Grantor will notify the Security Agent immediately upon becoming aware of any change in an "issuer's jurisdiction" in respect of any uncertificated Securities that are Collateral.
- (l) The Grantor agrees that to the extent any interest in a partnership or limited liability company held now or in the future by the Grantor:

- (i) is a "security" within the meaning of the STA or other applicable securities transfer legislation, each such interest shall at all times hereafter continue to be a security;
- (ii) is not a "security" within the meaning of the STA or other applicable securities transfer legislation, the Grantor shall ensure that (x) the terms of the interest do not and will not provide that the interest is a "security" within the meaning of the STA or other applicable securities transfer legislation and (y) the interest is not represented by a certificate, in each case, unless the Grantor provides prior written notification to the Security Agent and such interest is thereafter represented by a certificate that is promptly delivered to the Security Agent pursuant to the terms hereof together with any applicable endorsements and, if applicable, the Grantor otherwise complies with Section 5(3).
- (m) The Grantor will grant to the Security Agent, for the benefit of the Secured Parties, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Grantor that is not subject to a valid and perfected first ranking security interest (subject only to Security permitted by the Intercreditor Agreement) constituted by the Security Documents, in each relevant jurisdiction as determined by the Security Agent. The Grantor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Security Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including (i) executing, recording and filing financing or other statements, and paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Security permitted by the Intercreditor Agreement), (iv) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Security Agent.

Section 19 General.

- (1) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Intercreditor Agreement.
- (2) The Security Interest will not be discharged except by a written release or discharge signed by the Security Agent. The Grantor will be entitled to require a discharge by notice to the Security Agent upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations and (b) the Security Agent and the Secured Parties having no obligations under any Debt Document. Upon discharge of the Security Interest and at the request and expense of the Grantor, the Security Agent will execute and deliver to the Grantor such financing statements and other documents or instruments as the Grantor may reasonably require and the Security Agent will redeliver to the Grantor, or as the Grantor may otherwise direct the Security Agent, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Security Agent or any of the Secured Parties will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in

substitution for, any other security now or hereafter held by the Security Agent and the Secured Parties in respect of the Secured Obligations. The representations, warranties and covenants of the Grantor in this Agreement survive the execution and delivery of this Agreement and any advances under the Intercreditor Agreement. Notwithstanding any investigation made by or on behalf of the Security Agent or the Secured Parties the covenants, representations and warranties continue in full force and effect.

- (4) The Grantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Security Agent may require and take all further steps relating to the Collateral or any other property or assets of the Grantor that the Security Agent may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Security Agent. After the Security Interest becomes enforceable, the Grantor will do all acts and things and execute and deliver all documents and instruments that the Security Agent may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Security Agent or the Secured Parties.
- (6) This Agreement is binding on the Grantor, its successors and assigns, and enures to the benefit of the Security Agent, the Secured Parties and their respective successors and assigns. This Agreement may be assigned by the Security Agent without the consent of, or notice to, the Grantor, to such Person as the Security Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Security Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Grantor will not assert against the assignee any claim or defence which the Grantor now has or may have against the Security Agent or any of the Secured Parties. The Grantor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Security Agent which may be unreasonably withheld.
- (7) The Grantor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Securities that any of the amalgamating corporations then own in the capital of the Issuer, (B) all of the Securities in the capital of the Issuer that the amalgamated corporation thereafter acquires, (C) all of the Securities in the capital of the Issuer in which any of the amalgamating corporations then has any interest, and (D) Securities in the capital of the Issuer in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Secured Parties in any currency, under, in connection with or pursuant to the Intercreditor Agreement and any other Debt Document, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Grantor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.

- (8) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (9) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Security Agent (with the consent of any Secured Parties as required in the Intercreditor Agreement) and the Grantor.
- (10) No consent or waiver by the Security Agent or the Secured Parties in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Security Agent (with the consent of any Secured Parties as required in the Intercreditor Agreement). Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (11) A failure or delay on the part of the Security Agent or the Secured Parties in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Security Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Security Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Security Agent or the Secured Parties.
- (12) All monies collected by the Security Agent upon the enforcement of the Security Agent's or the Secured Parties' rights and remedies under the Security Documents and the Security created by them including any sale or other disposition of the Collateral, together with all other monies received by the Security Agent and the Secured Parties under the Security Documents, will be applied as provided in the Intercreditor Agreement. To the extent any other Debt Document requires proceeds of collateral under such Debt Document to be applied in accordance with the provisions of this Agreement, the Security Agent or holder under such other Debt Document shall apply such proceeds in accordance with this Section.
- (13) In the event of any conflict between the provisions of this Agreement and the provisions of the Intercreditor Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Intercreditor Agreement will prevail to the extent of such conflict.
- (14) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[The remainder of this page is intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Grantor has executed this Agreement.

ARCHER ASSETS UK LIMITED

By: _____


Espen Jøbranger
Authorized Signing Officer

By: _____

Adam Todd
Authorized Signing Officer

IN WITNESS WHEREOF the Grantor has executed this Agreement.

ARCHER ASSETS UK LIMITED

By: _____

Espen Joranger
Authorized Signing Officer

By: _____

Adam Todd
Authorized Signing Officer

**SCHEDULE "A"
SECURITIES**

Issuer		Class of Securities	Number of Securities	% of issued Securities	Certificated & Uncertificated	Certificate Number
Archer (Canada) Ltd.	BCH	Common Shares	77,222,847	66%	Certificated	C-12
Archer (Canada) Ltd.	BCH	Common Shares	39,781,466	34%	Certificated	C-13
TOTAL:			117,004,313	100%		

TRANSFER RESTRICTIONS

No shares of Archer BCH (Canada) Ltd. may be transferred without the approval of the Board of Directors.