



Registration of a Charge

Company name: **IOG UK LTD**

Company number: **08619688**



X7EVKY21

Received for Electronic Filing: **20/09/2018**

Details of Charge

Date of creation: **13/09/2018**

Charge code: **0861 9688 0006**

Persons entitled: **LONDON OIL & GAS LIMITED**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ELYSSIA WHITE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8619688

Charge code: 0861 9688 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th September 2018 and created by IOG UK LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th September 2018 .

Given at Companies House, Cardiff on 24th September 2018

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**

IOG NORTH SEA LIMITED

as Chargor

IOG UK LTD

as Chargor

INDEPENDENT OIL AND GAS PLC

as Chargor

IOG INFRASTRUCTURE LIMITED

as Chargor

LONDON OIL & GAS LIMITED

as Secured Creditor

Security Agreement

THIS SECURITY AGREEMENT IS SUBJECT TO, AND THE RIGHTS OF THE SECURED CREDITOR ARE LIMITED BY, A DEED OF PRIORITIES DATED 4th DECEMBER 2015 (AS AMENDED AND/OR RESTATED ON 30 DECEMBER 2015, 20 JULY 2016, 22 DECEMBER 2017, 20 FEBRUARY 2018 AND ON OR ABOUT THE DATE HEREOF)

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THIS SECURITY AGREEMENT ("Deed") is made the 13 day of September 2018

BETWEEN:

- (1) **IOG NORTH SEA LIMITED**, a company registered in England and Wales under company registration number 07632999 with its registered offices at 6th Floor, 60 Gracechurch Street, London EC3V 0HR ("IOG NSL");
- (2) **IOG UK LTD**, a company registered in England and Wales under company registration number 08619688 with its registered offices at 6th Floor, 60 Gracechurch Street, London EC3V 0HR ("IOG UK");
- (3) **INDEPENDENT OIL AND GAS PLC**, a company registered in England and Wales with company number 07434350 whose registered office is at 6th Floor, 60 Gracechurch Street, London EC3V 0HR (the "Parent");
- (4) **IOG INFRASTRUCTURE LIMITED**, a company registered in England and Wales under company registration number 07632910 with its registered offices at 6th Floor, 60 Gracechurch Street, London EC3V 0HR ("IOG IL"); and
- (5) **LONDON OIL & GAS LIMITED**, a company registered in England and Wales under company registration number 09734575 with its registered offices at 10 Arthur Street, London EC4R 9AY (the "Secured Creditor").

IT IS AGREED:

1. Interpretation

1.1 Definitions In this Deed:

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"Chargor" means each of the IOG NSL, IOG UK, the Parent and IOG IL and together the "Chargors";

"Charged Property" means all the assets and undertaking of a Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Secured Creditor by or pursuant to this Deed;

"Consent" means, in relation to any Relevant Field Document, any consent and/or waiver from any party (other than a Chargor) to that Relevant Field Document which is required pursuant to that Relevant Field Document in order for a Chargor to grant the Security contemplated by this Deed over its rights to and title and interest in that Relevant Field Document without the relevant Chargor being in breach of that Relevant Field Document;

"Deed of Priorities" means a deed of priorities dated 4 December 2015 (as amended and/or restated on 30 December 2015, 20 July 2016, 22 December 2017, 20 February 2018 and on or about the date hereof) and made between, amongst others, each Chargor and the Secured Creditor;

"Event of Default" means an Event of Default as such term is defined in the Deed of Priorities;

"Guaranteed Documents" has the meaning given to that term in the Loan Agreement;

"Loan Agreement" means the £15,000,000 loan agreement entered into between the Secured Creditor, IOG NSL, IOG UK, the Parent and IOG IL dated on or about the date hereof;

"LPA" means the Law of Property Act 1925;

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property;

"Related Rights" means, in relation to any property, asset or right:

- (a) the proceeds of sale and / or other realisation of that property, asset or right;
- (b) all Security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such property, asset or right;
- (c) all rights under any agreement for lease, sale or use in respect of such property or asset or right; and
- (d) any monies and proceeds paid or payable in respect of that asset;

"Relevant Assets" means each of:

- (a) the Skipper field lying within UK offshore production licence P.1609 Block 9/21a;
- (b) the Blythe field lying within UK offshore production licence P.1736 Block 48/22b and 48/23a;
- (c) the Elgood field lying within UK offshore production licence P.2260 Block 48/22c;
- (d) the Harvey field lying within UK offshore production licences P. 2085 and P.2441, Blocks 48.23c, 48.24a and 48/24b;
- (e) the Nailsworth field lying within UK offshore production licence P.130, Block 48/25b and a licence P.2342 relating to Block 48/25a;
- (f) the Elland field lying within UK offshore production licence P.039 and UKCS petroleum production sub licence P.039, each relating to Block 49/21a;
- (g) the Southwark field lying within UK offshore production licence P.1915 Block 49/21c; and
- (h) any other fields for which a Chargor has now or may in the future obtain an offshore production licence;

"Relevant Field Documents" means:

- (a) each joint operating agreement and / or unitisation and unit operating agreement relating to the transportation, processing and / or storage of production from the Relevant Assets, each agreement for the sale or marketing of production from the Relevant Assets and each other material agreement relating to the Relevant Assets and / or hydrocarbons produced relating to the Relevant Assets; and
- (b) any document and / or agreement relating to the acquisition by a Chargor of any interest in any Relevant Field Licence relating to a development or operating asset, including, without limitation the documents listed in Schedule 1 (*Relevant Field Documents*);

"Relevant Field Licences" means all of each Chargor's applicable working interest in the UK petroleum production licences listed below:

- (a) P.1609 Block 9/21a (Skipper);
- (b) P.1736 Block 48/22b and 48/23a (Blythe);
- (c) P.2260 Block 48/22c (Elgood);
- (d) P.2085 Block 48/23c and 48/24b and P.2441 Block 48/24a (Harvey);
- (e) P.130, Block 48/25b and P.2342, Block 48/25a (Nailsworth, formerly North-West Vulcan);
- (f) P.039, Block 49/21a (Elland formerly Vulcan East);

- (g) P.1915, Block 49/21c (Southwark, formerly Vulcan South);
- (h) P.2438 Blocks 48/11c & 48/12b (Goddard formerly Glein);
- (i) P.2442 Block 53/1b (Abbeydale formerly Aberdonia); and
- (j) any other licence which a Chargor has now or may in the future obtain.

"Secured Liabilities" means the aggregate amount of all present and future liabilities and obligations of each Chargor to the Secured Creditor under or in connection with the Guaranteed Documents and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature; and

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

1.2 Incorporation of terms

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Deed of Priorities shall have the same meanings in this Deed.

1.3 Implied covenants

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

1.4 Interpretation

In this Deed, unless the context otherwise requires:

- (a) words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- (b) the term **"assets"** includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- (c) references to a **"guarantee"** include an indemnity or any other form of surety;
- (d) an Event of Default is **"continuing"** if it has not been remedied to the satisfaction of the Secured Creditor or waived;
- (e) all references to documents include all variations and replacements of such documents and supplements to such documents;
- (f) all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- (g) references to persons include bodies corporate, unincorporated associations and partnerships;
- (h) words and phrases defined in the Companies Act 2006 have the same meanings in this Deed but the word **"company"** includes any body corporate;
- (i) headings are for reference purposes only and shall not affect the construction of anything in this Deed; and
- (j) references to **"Clauses"** are to the clauses or sub-clauses of this Deed and references to the **"Schedule"** are to the schedule to this Deed. The Schedule shall be treated as an integral part of this Deed and references to this Deed shall include the Schedule

2. Deed of Priorities

This Deed and all its terms are subject to the terms of the Deed of Priorities.

3. **Covenant to Pay**

Each Chargor covenants with the Secured Creditor to pay to the Secured Creditor or discharge all the Secured Liabilities when due in accordance with the terms of the Guaranteed Documents.

4. **Fixed Security**

4.1 Common provisions as to all Security

All the Security created by or pursuant to this Deed is created with full title guarantee and as continuing security for the payment and discharge of all the Secured Liabilities.

4.2 Fixed Charge

Each Chargor with full title guarantee charges by way of fixed charge to the Secured Creditor all its right, title and interest from time to time in any and each of the following:

- (a) the Relevant Field Licences; and
- (b) the Relevant Field Documents and together with all Related Rights relating thereto.

5. **Floating Security**

5.1 Floating charge

Each Chargor charges by way of floating charge the whole of its present and future business, undertaking and assets to the extent that they are not effectively charged to the Secured Creditor by way of fixed security under Clause 4 (**Fixed Security**).

5.2 Conversion

Subject to Clause 5.3 (**Moratorium under Insolvency Act**), the Secured Creditor may, at any time, by written notice to a Chargor, convert the floating charge created by that Chargor by Clause 5.1 (**Floating charge**) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred;
- (b) the Secured Creditor considers such 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 to be at risk of becoming subject to any Security (other than this Security); or
- (c) the Secured Creditor considers it is necessary in order to protect the value of the Relevant Asset or the priority of this Security.

5.3 Moratorium under Insolvency Act

The Secured Creditor shall not be entitled to convert the floating charge created by Clause 5.1 (**Floating charge**) into a fixed charge as a result only of a Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

5.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (**Floating charge**), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

5.5 Automatic conversion

The floating charge created by Clause 5.1 (**Floating charge**) will convert automatically into a fixed charge over all of the Chargors' assets, rights and property not already subject to an effective fixed charge:

- (a) upon the presentation of an application to the court for the making of an administration order in relation to any Chargor or the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of any Chargor or the filing of such a notice with the court or if the Secured Creditor receives notice of an intention to appoint an administrator of any Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of any Chargor or over all or any of its assets, or if such person is appointed;
- (c) if a petition is presented for the compulsory winding-up of any Chargor, a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor or a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor;
- (d) if any Chargor takes any step to create Security over any Charged Property in breach of Clause 7 (Restrictions on dealing);
- (e) on the crystallisation of any other floating charge over the Charged Property;
- (f) if any person takes any step to seize, attach, charge, take possession of or sell any Charged Property under any form of distress, sequestration, execution or other process; or
- (g) in any other circumstances prescribed by law.

5.6 Reconversion to floating charge

Any floating charge which has crystallised under Clause 5.2 (**Conversion**) or Clause 5.5 (**Automatic conversion**) may, by notice in writing given at any time by the Secured Creditor to the relevant Chargor(s), be reconverted into a floating charge under Clause 5.1 (**Floating charge**) in relation to the assets, rights and property specified in such notice.

6. Provisions relating to Security

6.1 Trust

If or to the extent that for any reason the charging of any Charged Property is prohibited, the relevant Chargor shall hold it on trust for the Secured Creditor.

6.2 Further assurance

Each Chargor shall take all such action as may be lawfully available to it and which are necessary, in the opinion of the Secured Creditor (acting reasonably), for the purpose of creating, perfecting or maintaining the Security created or intended to be created pursuant to this Deed including the obtaining of any necessary consent (in form and content satisfactory to the Secured Creditor, acting reasonably) to enable its assets to be charged pursuant to this Deed or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Secured Creditor or any Receiver by this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Deed. The Parent shall promptly deliver a copy of each such consent to the Secured Creditor.

6.3 Consents

Without prejudice to Clause 6.2 (*Further assurance*), to the extent that any Relevant Field Document cannot be secured as provided hereunder without the Consent of a party to that Relevant Field Document:

- (a) the relevant Chargor shall, as soon as possible, notify the Secured Creditor of the requirement for such Consent;
- (b) the relevant Chargor shall use all reasonable endeavours to obtain any consents necessary or to remove any restriction on the creation of Security (in each case in form and substance satisfactory to the Secured Creditor, acting reasonably) to enable the Relevant Field Document to be the

subject of Security pursuant to this Deed and forthwith upon obtaining that Consent, give written notice of the same to the Secured Creditor (together with a copy of that Consent) and immediately upon obtaining any such Consent, the asset concerned will become subject to the Security created pursuant to this Deed; and

- (c) until such time as such Consent is obtained the Security created by or pursuant to this Deed will secure all amounts which each Chargor may receive, or has received, under the Relevant Field Document but (to the extent such Consent is required) exclude such Relevant Field Document (other than any amounts received or to be received thereunder).

6.4 No liability

Notwithstanding anything contained in this Deed:

- (a) the Secured Creditor shall be under no obligation or liability under or in respect of the Charged Property or be liable to make any payment under or in respect of the Charged Property;
- (b) the Secured Creditor shall not be obliged to take any steps necessary to preserve any of the Charged Property or enforce against a Chargor or any other person any term of any Relevant Field Document or Relevant Field Licence, or to make any enquiries as to the nature or sufficiency of any payment received by a Chargor pursuant to any term of any Relevant Field Document or Relevant Field Licence; and
- (c) the relevant Chargor shall remain solely and fully liable under or in respect of the Relevant Field Documents and Relevant Field Licences to perform all the obligations and to pay all losses, costs, expenses, taxes and damages payable by it under or in connection with them.

6.6 Custodians and nominees

The Secured Creditor may appoint and pay any person to act as a custodian or nominee on any terms in relation to all or any part of the Charged Property as the Secured Creditor may (acting reasonably) determine and the Secured Creditor shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any such person or be bound to supervise the proceedings or acts of any such person.

7. Restrictions on dealing

No Chargor shall:

- (a) create or permit to subsist any Security over any of the Charged Property; or
- (b) sell, transfer, licence, lease, dispose or otherwise deal with any of the Charged Property charged to the Secured Creditor by way of fixed security pursuant to Clause 4 (*Fixed Security*);
- (c) sell, transfer, licence, lease, dispose or otherwise deal with any of the Charged Property charged to the Secured Creditor by way of floating security pursuant to Clause 5 (*Floating Security*) otherwise than in the ordinary course of its business, in each case, except as expressly permitted to do so under the Deed of Priorities.

8. Representations

Each Chargor makes the representations and warranties set out in this Clause to the Secured Creditor.

8.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

8.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Guaranteed Documents to which it is a party and the transactions contemplated by those Guaranteed Documents.

8.3 Binding obligations

The obligations expressed to be assumed by it in each Guaranteed Document are, subject to any general principles of law limiting its obligations, legal, valid, binding and enforceable obligations.

8.4 Non-conflict with other obligations

The entry into and performance by it, of and the transactions contemplated by, the Guaranteed Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents;
- (c) the agreement for the supply and purchase and marketing of crude oil from the Skipper oil field between the Chargors and BP Oil International Limited entered into in or about May 2012; or
- (d) the agreement for the supply and purchase and marketing of gas from the Blythe gas field between IOG NSL and BP Gas Marketing Limited entered into on 21 February 2014.

8.5 No event of default

No Event of Default is continuing.

8.6 Authorisations

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Guaranteed Documents to which it is a party; and
- (b) to make the Guaranteed Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

8.7 Project Documents

Each of the Relevant Field Licences and Relevant Field Documents is in full force and effect, and no default or event of default has occurred and is continuing with respect to any Relevant Field Licences and Relevant Field Documents.

8.8 Pari passu ranking

Its payment obligations under the Guaranteed Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

8.9 Relevant Assets

The Relevant Assets comprise all the fields for which each Chargor has a UK offshore production licence.

9. Undertakings

9.1 Change of business

Each Chargor shall procure that no substantial change is made to the general nature of its business from that carried on at the date of this Deed.

9.2 Compliance with laws

Each Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Guaranteed Documents.

9.3 Insurance

(a) Save in respect of risks in respect of which it is the responsibility of the operator under the applicable joint operating agreement, each Chargor shall maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

(b) All insurances must be with reputable independent insurance companies or underwriters.

9.4 Project Documents

(a) Subject to Clause 9.4(c) below, each of IOG NSL, IOG IL and IOG UK shall:

(i) obtain and maintain all material Authorisations necessary in order to lawfully enter into and exercise and enforce any ownership or other material rights under any Relevant Field Licence and Relevant Field Document;

(ii) take all necessary action that is available to it to ensure that all Relevant Field Licences and Relevant Field Documents remain in full force and effect and to prevent the termination of any such Relevant Field Licence or Relevant Field Document in accordance with the terms thereof or otherwise, and duly perform its material obligations and exercise its material rights thereunder; and

(iii) exercise its material rights under the Relevant Field Licence and Relevant Field Document consistently with its obligations under the Secured Creditor Documents.

(b) Subject to Clause 9.4(c) below, neither IOG NSL, IOG IL nor IOG UK shall:

(i) without the prior written consent of the Secured Creditor, make any material amendment to any Relevant Field Licence and Relevant Field Document, unless such amendment could not reasonably be expected to have a material adverse effect on the Secured Creditor's rights under any Secured Creditor Document or otherwise prejudice the validity or enforceability of the Security;

(ii) exercise its rights in relation to the development of the Relevant Field Licences or under or in relation to any Relevant Field Document in a way that could reasonably be expected to be materially prejudicial to the interests of the Secured Creditor's rights under any Secured Creditor Document; or

(iii) enter into any new agreement after that could be reasonably expected to be materially prejudicial to the interests of the Secured Creditor's rights under any Secured Creditor Document or otherwise prejudice the validity or enforceability of the Security created pursuant to the Security Documents.

(c) Clauses 9.4(a) and (b) above shall not apply to the expiry, termination or lapse of the Harvey and Truman Licence in accordance with its terms.

9.5 Pari passu ranking

Each Chargor shall ensure that its payment obligations under the Guaranteed Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

9.6 Information

Each Chargor shall from time to time on request of the Secured Creditor and in a reasonable timeframe having regard to the nature of the information requested, furnish the Secured Creditor with such information as the Secured Creditor may reasonably require about that Chargor's business and affairs, the Charged Property and its compliance with the terms of this Deed and each Chargor shall permit the Secured Creditor, its representatives, professional advisers and contractors, access at all reasonable times and on reasonable notice:

(a) to inspect and take copies and extracts from the books, accounts and records of that Chargor; and

(b) to view the Charged Assets (without becoming liable as mortgagee in possession),

provided that the Secured Creditor shall ensure that in accessing any Charged Property that is a physical asset the Senior Creditor's representatives, professional advisers and contractors comply with all health and safety regulations or directions of the IOG NSL or IOG UK, as the case may be and all other regulations of the IOG NSL or IOG UK, as the case may be which a reasonably prudent operator of such assets would implement. The Chargors shall not be entitled to charge the Secured Creditor for providing such access unless the request is to access offshore facilities and an Event of Default is not then continuing.

10. Demand and Enforcement

10.1 Enforcement

The Security created under this Deed shall become immediately enforceable against the Chargors at any time on or after the occurrence of an Event of Default which is continuing, following which the Secured Creditor may, without notice to any Chargor or prior Authorisation from any court, in its absolute discretion:

(a) secure and perfect its title to all or any part of the Charged Property;

(b) enforce all or any part of that Security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Charged Property (and any assets of any Chargor which, when got in, would be part of the Charged Property) at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration); and

(c) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

10.2 Demand for payment

Any demand for payment, and any other notice to be given by the Secured Creditor under this Deed, shall be in writing and may be signed by any authorised signatory on behalf of the Secured Creditor.

11. Receivers

11.1 Appointment

At any time after the Security created under this Deed has become enforceable (and without prejudice to Clause 10.1) in respect of and against the Chargors, the Secured Creditor may appoint any person or

persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargors charged under this Deed or appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986. An appointment over part only of such Charged Property shall not preclude the Secured Creditor from making any subsequent appointment over any other part of such Charged Property.

11.2 Appointment in writing

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Secured Creditor. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

11.3 Remuneration

The Secured Creditor may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

11.4 Consolidation

Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Secured Creditor shall have the right (to the extent permitted by law, without notice to a Chargor) to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time.

11.5 Power of sale

Section 103 of the LPA shall not apply to this Deed and the power of sale arising under the LPA shall arise on the date of this Deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Secured Creditor at any time on or after the date that this Deed has become enforceable.

11.6 Powers

The Receiver shall be the agent of a Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until that Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Secured Creditor, and the Receiver shall have and be entitled to exercise in relation to the Charged Property all the powers:

- (a) of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- (b) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- (c) and rights that an absolute owner would have in relation to any Charged Property; and
- (d) to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, a Chargor; the collection and/or realisation of Charged Property in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of a Chargor (whether under hand, or by way of deed or by utilisation of the company seal of a Chargor)

12. Power of Attorney

12.1 Appointment

Each Chargor hereby irrevocably and by way of security appoints:

(a) the Secured Creditor (whether or not a Receiver has been appointed); and also

(b) (as a separate appointment) each Receiver,

severally as the attorney and attorneys of that Chargor with power after the occurrence of an Event of Default that is continuing or if that Chargor has failed to do any act or to execute any document within 5 business days of a request by the Secured Creditor to do so, to do any act, and execute and deliver any deed or other document on behalf of and in the name of the relevant Chargor, which that Chargor could be required to do or execute under any provision of this Deed, or which the Secured Creditor may consider necessary (acting reasonably and in good faith) for perfecting the Secured Creditor's title to any of the Charged Property of that Chargor or enabling the Secured Creditor or the Receiver to exercise any of its or his rights or powers under this Deed.

12.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 12.1 (*Appointment*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 12.1 (*Appointment*).

13. Application of Moneys

All sums received by virtue of this Deed by the Secured Creditor or the Receiver shall be applied towards payment of the Secured Liabilities in accordance with the Deed of Priorities.

14. Protection of Third Parties

14.1 Purchasers

No purchaser from or other person dealing with the Secured Creditor, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

14.2 Receipts

The receipt of the Secured Creditor or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Secured Creditor.

15. Protection of the Secured Creditor and any Receiver

15.1 No liability

The Secured Creditor and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Deed.

15.2 Indemnity

Each Chargor shall indemnify and keep indemnified the Secured Creditor, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and

- 15.2 liabilities which they may suffer or incur arising in any way out of the taking or holding of this Deed, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Deed or the Charged Property.

15.3 Exoneration

Neither the Secured Creditor, nor any Receiver, shall by reason of it or the Receiver entering into possession of the Charged Property or any part thereof, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable; but every Receiver duly appointed under this Deed shall **for** all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions of this Deed shall prevail and every such Receiver and the Secured Creditor shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

15.4 Continuing protection

The provisions of this Clause 15 shall continue in full force and effect notwithstanding any release or discharge of this Deed, or the discharge of any Receiver from office.

16. Provisions relating to the Secured Creditor

16.1 Powers and discretions

The rights, powers and discretions given to the Secured Creditor in this Deed:

- (a) may be exercised as often as, and in such manner as, the Secured Creditor thinks fit;
- (b) are cumulative, and are not exclusive of any of its rights under the general law; and
- (c) may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

16.2 Certificates

A certificate by an authorised officer of the Secured Creditor as to any sums payable to the Secured Creditor under this Deed shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

16.3 Assignment

The Secured Creditor may assign this Deed if it also assigns its rights under the Deed of Priorities in accordance with clause 13 of the Deed of Priorities and the Secured Creditor may disclose any information in its possession relating to the Chargors, its affairs or the Secured Liabilities to any actual or prospective assignee.

17. Preservation of security

17.1 Continuing Security

This Deed shall be a continuing security to the Secured Creditor and shall remain in force until expressly discharged in writing by the Secured Creditor notwithstanding any intermediate settlement of account or other matter or thing whatsoever and shall be without prejudice and in addition to any other right, remedy or Security of any kind which the Secured Creditor may have now or at any time in the future for or in respect of any of the Secured Liabilities.

17.2 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Chargors under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Secured Creditor) including:

- (a) *any time*, waiver or consent granted to, or composition with, a Chargor or other person;
- (b) the release of a Chargor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of a Chargor 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 a Chargor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of any Guaranteed Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Guaranteed Document or any other document; or
- (g) an insolvency, liquidation, administration or similar procedure.

17.3 Order of Recourse

This Deed may be enforced against the Chargors without the Secured Creditor first having recourse to any other right, remedy, guarantee or Security held by or available to any of them.

17.4 Reinstatement

If any payment by a Chargor or discharge given by the Secured Creditor (whether in respect of the obligations of that Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liability of that Chargor and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Creditor shall be entitled to recover the value or amount of that Security or payment from that Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

17.5 Chargor intent

Without prejudice to the generality of Clause 17.2 (***Waiver of Defences***), each Chargor expressly confirms that it intends that the Security created under this Deed and all rights, powers and remedies of the Secured Creditor provided by or pursuant to this Deed or by law 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 Guaranteed Documents and/or any facility or amount made available under any of the Guaranteed 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.

17.6 Deferral of rights

Until the Secured Liabilities are discharged in full, no Chargor will exercise any rights which it may have by

reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by a Chargor or in respect of any other person;
- (b) to claim any contribution from any guarantor or any other person in respect of any Chargor's obligations under the Guaranteed 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 Creditor under the Guaranteed Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Guaranteed Documents by the Secured Creditor;
- (d) to bring legal or other proceedings for an order requiring any Chargor or other person to make any payment, or perform any obligation, in respect of which any Chargor or other person has given a guarantee, undertaking or indemnity under any Guaranteed Document;
- (e) to exercise any right of set-off against any Chargor or other person; and/or
- (f) to claim or prove as a creditor of any Chargor or other person in competition with the Secured Creditor.

If any Chargor receives any benefit, payment or distribution in relation to such rights 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 Creditor by the Chargors under or in connection with the Guaranteed Documents to be repaid in full on trust for the Secured Creditor and shall promptly pay or transfer the same to the Secured Creditor or as the Secured Creditor may direct for application in accordance with Clause 13 (*Application of Moneys*).

17.7 Additional Security

The Security created by the Chargors under this Deed are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by the Secured Creditor.

18. Release

18.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities the Secured Creditor shall, or shall procure that its appointees will, at the request and cost of the Chargors release the Charged Property from this Deed.

18.2 No amount paid, repaid or credited to the Secured Creditor shall be treated for the purposes of this Deed as having been irrevocably paid if in the reasonable opinion of the Secured Creditor, the payment or credit of such amount is likely to be avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws. If any amount paid, repaid or credited to the Secured Creditor is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between the Secured Creditor and a Chargor shall be deemed not to have occurred and the Secured Creditor shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

19. Miscellaneous Provisions

19.1 Severability

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability of any other provision, in any jurisdiction; or
- (b) the validity or enforceability of that particular provision, in any other jurisdiction.

19.2 Costs, charges and expenses

All costs, charges and expenses incurred or paid by the Secured Creditor or by the Receiver in the exercise of any power or right given by this Deed (including its enforcement) or in relation to any consent requested by the Chargors, or in perfecting or otherwise in connection with this Deed or the Charged Property and all sums recoverable under Clause 15 (***Protection of the Secured Creditor and any Receiver***), shall form part of the Secured Liabilities.

19.3 Contracts (Rights of Third Parties) Act 1999

The Secured Creditor, any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person, but no other person who is not a party to this Deed has any right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or to enjoy the benefit of any term of this Deed.

19.4 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

20. **Notices**

20.1 Communications in Writing

Each communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

20.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Deed is:

(a) in the case of each Chargor, that identified with its name above; and

(b) in the case of the Secured Creditor, for the attention of David Elliot at the following email address david.elliott@pcplc.com and to the postal address 10 Arthur Street London EC4R 9AY for the attention of David Elliot,

or any substitute address, fax number, or department or officer as a Chargor may notify to the Secured Creditor (or the Secured Creditor may notify to the Chargors, if a change is made by the Secured Creditor) by not less than five Business Days' notice.

20.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (***Addresses***) of this Deeds if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Secured Creditor will be effective only when actually received by the Secured Creditor and then only if it is expressly marked for the attention of the department or officer identified with the Secured Creditor's signature below (or any

substitute department or officer as the Secured Creditor shall specify for this purpose).

21. Expenses, Stamp Taxes and Indemnity

21.1 Expenses

Each Chargor shall, from time to time on demand of the Secured Creditor, reimburse the Secured Creditor for all the costs and expenses (including legal fees) on a full indemnity basis together with any VAT thereon incurred by it in connection with the exercise, preservation and/or enforcement of any of its right under, or the Security contemplated by, this Deed or any proceedings instituted by or against the Secured Creditor as a consequence of taking or holding the Security or of enforcing its rights under this Deed.

21.2 Stamp Taxes

Each Chargor shall pay all stamp, registration, notarial and other taxes and fees to which this Deed, the Security contemplated in this Deed or any judgment given in connection with it is or at any time may be subject and shall, from time to time, indemnify the Secured Creditor on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in **paying** any such tax.

21.3 Indemnity

21.4 Each Chargor shall, notwithstanding any release or discharge of all or any part of the Security created by or pursuant to this Deed, indemnify the Secured Creditor, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by any Chargor of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on them by this Deed or otherwise relating to the Charged Property.

22. Governing law

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

EXECUTED as a deed and delivered by the Chargors and the Secured Creditor on the date stated at the beginning of this document

Schedule 1

The Relevant Field Documents

Blythe

Document	Filename In VDR
BP Gas Sales & Marketing	IOG North Sea BPGM Sale & Purchase Gas Agreement EXECUTED.pdf
Licence	P1736 Seaward Production Licence 19Aug10 DECC-ATPUK Ebor Energy.pdf
Licence Novation to IOG	P1736 Deed of Interest Assignment
Licence Assignment to IOG	P1736 Deed of Licence Assignment-17Aug2012
Licence Variation	P1736 Deed of Variation dated 28 March 2012.
SPA	Sale & Purchase Agreement dated 18 April 2016 entered into between the Parent, Operator and Alpha Petroleum Resources Limited (including any amendments and supplements thereto).

Elgood

Document	Filename in VDR
Licence	P2260 Seaward Production Licence Block 48-22c EXECUTED.pdf

Harvey

Document	Filename in VDR
Licence (Blocks 48/23c & 48/24b)	P2085 Seaward Production Licence Blocks 48-23c 48-24b EXECUTED.pdf
Assignment	Deed of Interest Assignment dated 30 June 2017
Variation	Deed of Variation to extend initial term by 2 years dated 14 December 2017
Offer of Licence	Dara Verification Letter 48 24a-corrected.pdf P2441 Data Verification Letter dated 28 June 2018 from OGA to IOG North Sea Limited regarding block 48/24a, Innovate Licence with 1 October 2018 start date
Acceptance of Licence	09 July 2018 – Provisional Licence P2441 – Data Verification.pdf Letter from IOG to OGA dated 9 July 2018 accepting the provisional offer of licence P.2441, block 48/24a

Skipper

Document	Filename in VDR
Licence	MOST P1609 dated 11 May 2010.pdf
Letter Agreements	Letter Agreement dated 11 May 2010, Letter Agreement dated 6 February 2014
Letters to DECC	Letter to DECC 9 December 2013 and 18 December 2013
BP Crude Sales & Marketing	BP-IOG Skipper Crude Supply & Purchase Agreement EXECUTED.pdf
Licence Novation to IOG	P1609 Deed of Interest Assignment8
Licence Assignment to IOG	P1609 Deed of Licence Assignment-17Aug2012.pdf
Skipper SPA Alpha to IOG	Skipper SPA EXECUTED 3 June 2015.pdf
Amendment 1 to SPA	Amendment 1 to Skipper Sale and Purchase Agreement EXECUTED.pdf
Amendment 2 to SPA	IOG & Alpha Amendment 2a to SPA.pdf
Amendment 3 to SPA	Amendment 3 to Sale and Purchase Agreement APRL.pdf

Nailsworth (formerly Vulcan North-West) Interest

1. LICENCES and other

- 1.1 United Kingdom Petroleum Production Licence P.130 dated 28 February 1972 (Block 48/25b).
- 1.2 United Kingdom Petroleum Production Licence P.2342 dated 1 August 2017 (Block 48/25a).
- 1.3 Deed of Amendment P.130 dated 12 December 2017.
- 1.4 Execution Deed Transfer into Oyster Petroleum Ltd (now IOG UK Ltd.) dated 20 October 2016.
- 1.5 OGA consent – P.130 dated 7 October 2016.
- 1.6 Put and Call Option Agreement relating to the acquisition of the entire issued share capital of Oyster Petroleum Limited (now IOG UK Ltd.) dated 10 June 2016.

2. LICENCE INTEREST

Blocks	Co-ventures	Existing Percentage Interest
48/25b	IOG UK LTD	100%
48/25a	IOG UK LTD	100%

Elland (formerly Vulcan East) Interest

1. LICENCES and other

- 1.1 United Kingdom Petroleum Production Licence P.039 dated 17 September 1964
- 1.2 Sub-Licence in respect of Block 49/21 relating to UKCS Petroleum Production Licence P.039 dated 20 September 1971.
- 1.3 Execution Deed Transfer into Oyster Petroleum Ltd (now IOG UK Ltd.) dated 20 October 2016.
- 1.4 OGA consent – P.039 dated 7 October 2016.
- 1.5 Put and Call Option Agreement relating to the acquisition of the entire issued share capital of Oyster Petroleum Limited (now IOG UK Ltd.) dated 10 June 2016

2. LICENCE INTEREST

Blocks	Co-ventures	Existing Percentage Interest
49/21a	IOG UK LTD	100%

Southwark (formerly Vulcan South) Interest

1. LICENCES

- 1.1 United Kingdom Petroleum Production Licence P.1915 dated 19 July 2012
- 1.2 Execution Deed Transfer into Oyster Petroleum Ltd (now IOG UK Ltd.) dated 20 October 2016.
- 1.3 OGA consent - P.1915 dated 7 October 2016
- 1.4 Put and Call Option Agreement relating to the acquisition of the entire issued share capital of Oyster Petroleum Limited (now IOG UK Ltd.) dated 10 June 2016.

2. LICENCE INTEREST

Blocks	Co-ventures	Existing Percentage Interest
49/21c	IOG UK LTD	100%

Goddard (formerly Glein) Interest

1. LICENCES

- 1.1 Data Verification Letter_48_11c_48-12b-corrected.pdf. Offer of Licence. P2438 Data Verification Letter dated 28 June 2018 from OGA to IOG North Sea Limited regarding blocks 48/11c & 48/12b. Innovate Phase C Licence with 1 October 2018 start date.
- 1.2 09 July 2018 - Provisional Licence P2438 - Data Verification.pdf. Acceptance of Licence.

2. LICENCE INTEREST

Blocks	Co-venturers	Existing Percentage Interest
48/11c & 48/12b	IOG North Sea Ltd	100%

Abbeydale (formerly Aberdonia) Interest

1. LICENCES

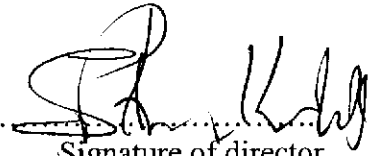
- 1.1 Data Verification Letter_53-1b-corrected.pdf. Offer of Licence. P2442 Data Verification Letter dated 28 June 2018 from OGA to IOG North Sea Limited regarding blocks 48/11c & 48/12b. Innovate Phase C Licence with 1 October 2018 start date.
- 1.2 09 July 2018 - Provisional Licence P2442 - Data Verification.pdf. Acceptance of Licence.


2. LICENCE INTEREST

Blocks	Co-venturers	Existing Percentage Interest
53/1b	IOG North Sea Ltd	100%

The Secured Creditor

EXECUTED as a **DEED** by **LONDON OIL & GAS LIMITED** acting
by a director in the presence of:


Signature of director

Signature of witness 
Print name **DAVID RONALD ELLIOTT**
Address **10 ARTHUR ST. LONDON**
..... **EC4R 9AY**
Occupation **ACCOUNTANT**


The Chargors

EXECUTED as a **DEED** by **INDEPENDENT OIL**

AND GAS PLC acting

by a director in the presence of:

Signature of witness
Print name **ANDREW R. HOLKEY**
Address **10 ARTHUR ST**
..... **LONDON**
..... **EC4R 3AY**
Occupation **COMPANY DIRECTOR**



.....
Signature of director

EXECUTED as a **DEED** by **IOG NORTH SEA**

LIMITED acting

by a director in the presence of:

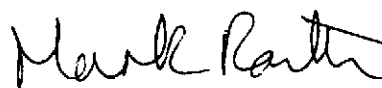
Signature of witness
Print name **ANDREW R. HOLKEY**
Address **10 ARTHUR ST**
..... **LONDON**
..... **EC4R 3AY**
Occupation **COMPANY DIRECTOR**


.....
Signature of director

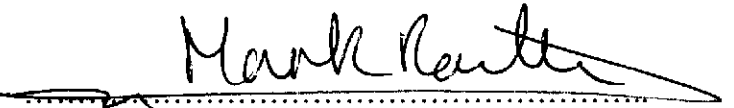
EXECUTED as a **DEED** by **IOG UK LTD** acting

by a director in the presence of:

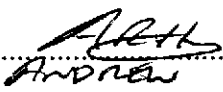
Signature of witness
Print name **ANDREW R. HOLKEY**
Address **10 ARTHUR ST**
..... **LONDON**
..... **EC4R 3AY**
Occupation **COMPANY DIRECTOR**


.....
Signature of director

EXECUTED as a **DEED** by **IOG**
INFRASTRUCTURE LIMITED acting
by a director in the presence of:



Signature of director

Signature of witness 
Print name ANDREW R. HOCKLEY
Address 10 KATHUR ST
..... LONDON
..... EC4R 9AY
Occupation COMPANY DIRECTOR