



Registration of a Charge

Company Name: **CLEARSTONE ENERGY LIMITED**

Company Number: **10270371**



XAA9MCBS

Received for filing in Electronic Format on the: **05/08/2021**

Details of Charge

Date of creation: **05/08/2021**

Charge code: **1027 0371 0002**

Persons entitled: **SHELL NEW ENERGIES UK LTD**

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

Certified by: **LIZZIE WILSON OF TAYLOR VINTERS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10270371

Charge code: 1027 0371 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th August 2021 and created by CLEARSTONE ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th August 2021 .

Given at Companies House, Cardiff on 9th August 2021

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**

DATED 5 August 2021

CLEARSTONE ENERGY LIMITED
AS THE CHARGOR

CSE23 LIMITED
AS THE COMPANY

IN FAVOUR OF
SHELL NEW ENERGIES UK LTD.

SECURITY OVER SHARES AGREEMENT

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THIS AGREEMENT is made by way of deed on 5 August 2021

BY

- (1) **CLEARSTONE ENERGY LIMITED** (registered number 10270371), a company incorporated in England whose registered office is at 8 Devonshire Square, London, United Kingdom, EC2M 4PL (the "**Chargor**"); and
- (2) **CSE23 LIMITED** registered in England and Wales with company number 10824252 whose registered office is at 8 Devonshire Square, London, England, EC2M 4PL (the "**Company**");

in favour of

- (3) **SHELL NEW ENERGIES UK LTD.** (registered number 04153040), a company incorporated in England, whose registered office is at Shell Centre, London, SE1 7NA, United Kingdom ("**Buyer**").

RECITALS:

- (A) Further to a SPA (as defined below), the Chargor has agreed to sell to the Buyer the Shares on the terms and conditions of the SPA.
- (B) It is a condition to the Buyer entering into the SPA that the Chargor enters into this Agreement.
- (C) The Company is a party to this Agreement to give certain warranties and undertakings to the Buyer.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

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

"**Charged Portfolio**" means the Shares and all dividends, interest and other monies at any time payable in respect of the Shares and all other rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, Security, guarantees, indemnities, covenants for title, proceeds of sale and other monies and proceeds in respect of or derived from the Shares (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order of, or on behalf of the Chargor at any time.

"**Collateral Rights**" means subject always to the provisions of Clause 6 in relation to the exercise of voting rights, all rights, powers and remedies of the Buyer provided by or pursuant to this Agreement, the SPA or by law in relation to the Charged Portfolio.

"SPA" means the agreement for the sale and purchase of the entire issued share capital of the Company entered into between the Chargor and the Buyer on or around the date of this Agreement.

"Party" means a party to this Agreement.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by the Chargor to the Buyer on any account (whether actual or contingent) pursuant to, under or in connection with the SPA, except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful, prohibited or invalid by or under any applicable law.

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

"Security Period" means the period beginning on the date of this Agreement and ending on the later of the date on which (i) the Buyer is satisfied that the Secured Obligations have been irrevocably and unconditionally performed, satisfied and discharged in full in accordance with the terms of the SPA and (ii) the date of Completion.

"Shares" means all of the shares from time to time in the capital of the Company from time to time held by, to the order or on behalf of the Chargor.

1.2 Construction

In this Agreement:

- (a) the rules of interpretation contained in clause 1 (*Interpretation*) of the SPA shall apply to the construction of this Agreement, or in any notice given under or in connection with this Agreement;
- (b) an Event of Default is "continuing" if it has not been remedied in accordance with any cure periods set out in the SPA or waived in writing by the Buyer;
- (c) any reference to the "**Chargor**", the "**Company**" or "**Buyer**" shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests; and
- (d) references in this Agreement to any Clause or Schedule shall be to a Clause or Schedule contained in this Agreement and Section, Clause and Schedule headings are for ease of reference only.

1.3 Incorporation of definitions and provisions from the SPA

- (a) Capitalised terms used but not defined under this Agreement shall have the meanings given to them under the SPA

- (b) The provisions of clauses 20.1 (*Assignment by the Buyer*), 21 (*General provisions*) and 23.2 (*Arbitration*) of the SPA are incorporated into this Agreement as if expressly set out in full in this Agreement, but so that references in those clauses to the SPA are references to this Agreement.
- (c) The provisions of clause 22 (*Notices*) of the SPA are incorporated into this Agreement as if expressly set out in full in this Agreement, but so that references in those clauses to the SPA are references to this Agreement, provided that for the purposes of this Agreement the address of the Company is as follows:

CSE23 LIMITED

To:

CSE23 LIMITED

Address:

The Company's registered office from time to time.

Email:

ben@clearstoneenergy.com and
justin.kilduff@clearstoneenergy.com

For the attention of:

Ben Pratt and Justin Kilduff

1.4 Present and future assets

A reference in this Agreement to any Shares or other asset includes, unless the contrary intention appears, present and future Shares and other assets.

2. COVENANT TO SATISFY SECURED OBLIGATIONS

The Chargor covenants with the Buyer that it shall, on demand of the Buyer pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

3. CHARGE

The Chargor charges, with full title guarantee and by way of first fixed charge in favour of the Buyer, as continuing security for the performance and discharge of all of the Secured Obligations, all of its rights, title and interest from time to time in and to the Charged Portfolio.

4. PROVISIONS AS TO SECURITY AND PERFECTION

4.1 Negative pledge and restriction on dealings

The Chargor and the Company shall not at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Portfolio or dispose of or otherwise deal with any part of the Charged Portfolio, in each case, without the prior written consent of the Buyer.

4.2 Implied covenants for title

- (a) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charge*).
- (b) It shall be implied in respect of Clause 3 (*Charge*) that the Chargor is disposing of the Charged Portfolio free from all charges and encumbrances (whether

monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4.3 Delivery of stock transfer forms

The Chargor shall:

- (a) on the date of this Agreement deposit with the Buyer (or procure the deposit of) stock transfer forms (executed in blank by it or on its behalf) in respect of the Shares; and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Charged Portfolio (or upon acquiring any interest therein) notify the Buyer of that occurrence and deposit with the Buyer (or procure the deposit of) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Buyer may require.

4.4 Custodians and nominees

The Buyer 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 Portfolio as the Buyer may determine and the Buyer 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.

5. FURTHER ASSURANCE

5.1 Extension of implied covenant

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 5.2 below.

5.2 Further assurance

The Chargor and the Company shall promptly, at their own cost, take all such action (including making all filings, registrations and notarisations) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Buyer may specify (and in such form as the Buyer may require) in favour of the Buyer or its nominee(s):

- (a) to create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Charged Portfolio (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Charged Portfolio) or for the exercise of the Collateral Rights; and/or
- (b) to facilitate the realisation of the Charged Portfolio.

6. VOTING RIGHTS AND DIVIDENDS

6.1 Voting rights and dividends before Security becomes enforceable

- (a) Before the security constituted by this deed becomes enforceable, the Chargor shall, subject to the terms and conditions of the SPA and subject to Clause 6.3 (*Voting rights generally*), be entitled to exercise all voting rights in relation to the Charged Portfolio.
- (b) Before the security constituted by this deed becomes enforceable, the Chargor may, subject to the terms and conditions of the SPA, retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Charged Portfolio and, if any are paid or payable to the Buyer or any of its nominees, the Buyer will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.

6.2 Voting rights and dividends after Security becomes enforceable

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), the Buyer may, at its discretion, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor) or instruct the Chargor to:

- (a) apply all dividends, interest and other monies arising from the Charged Portfolio as though they were the proceeds of sale under this Agreement;
- (b) exercise (or refrain from exercising) any voting rights in respect of the Charged Portfolio;
- (c) transfer the Charged Portfolio into the name of the Buyer or such nominee(s) of the Buyer as the Buyer shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Portfolio including the right, in relation to any company whose shares or other securities are included in the Charged Portfolio, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Buyer thinks fit, and the proceeds of any such action shall form part of the Charged Portfolio.

6.3 Voting rights generally

The Chargor shall not, without the prior written consent of the Buyer, exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights and powers in relation to the Charged Portfolio in any manner, or otherwise permit or agree to, or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Charged Portfolio;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
- (d) reconstruction, amalgamation, sale or other disposal of any company or any of the assets of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged pursuant to this Agreement,

which, in the opinion of the Buyer (acting reasonably) would prejudice the value of, or the ability of the Buyer to realise, the Security created by this Agreement **provided that** the proceeds of any such action shall form part of the Charged Portfolio.

7. WARRANTIES AND UNDERTAKINGS

- (a) The Chargor or the Company (as the case may be) make the warranties set out in Schedule 1 (*Warranties*) to the Buyer on the date of this Agreement.
- (b) The warranties set out in sections 1 and 2 of Schedule 1 shall be repeated by the Chargor or the Company (as the case may be) on the date of each Milestone Payment and shall be deemed to be made by the Chargor or the Company (as the case may be) (by reference to the facts and circumstances then existing) on such dates.

8. ENFORCEMENT OF SECURITY

Any time after the occurrence of:

- (a) an Event of Default;
- (b) any breach by the Buyer of its obligations under clause 7 (*Completion*) of the SPA; or
- (c) any event or the receipt by the Buyer of any information or the coming to the attention of the Buyer of any other matter or thing whatsoever which causes the Buyer to believe that all or any part of the Charged Portfolio is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Agreement is otherwise, for any reason whatsoever, in jeopardy; or

- (d) a request from the Chargor to the Buyer that it exercise any of its powers under this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable and the Buyer may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (i) secure and perfect its title to all or any part of the Charged Portfolio (including transferring the Charged Portfolio into the name of the Buyer or its nominees);
- (ii) enforce all or any part of the 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 Portfolio (and any assets of the Chargor which, when got in, would be part of the Charged Portfolio) at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration); and
- (iii) 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 Agreement) on mortgagees or otherwise conferred by law on mortgagees.

9. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

9.1 Extension of power of sale

The power of sale or other disposal conferred on the Buyer by this Agreement shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due for that purpose) on the date of this Agreement.

9.2 Restrictions

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Buyer of its right to consolidate all or any of the Security created by or pursuant to this Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Buyer without notice to the Chargor on or at any time after the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*) .

9.3 Right of Appropriation

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, (the "**Regulations**") apply to the Charged Portfolio, the Buyer shall have the right to appropriate all or any part of that Charged Portfolio in or towards the satisfaction, performance or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the parties agree that the value of the Charged Portfolio shall be the Purchase Price.

9.4 **Statutory powers**

The powers conferred by this Agreement on the Buyer are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law (as extended by this Agreement) and such powers shall remain exercisable from time to time by the Buyer in respect of any part of the Charged Portfolio. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Agreement, the terms of this Agreement shall prevail.

10. **PROTECTION OF PURCHASERS**

10.1 **Consideration**

The receipt of the Buyer shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Portfolio or making any acquisition, the Buyer may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

10.2 **Protection of purchasers**

No purchaser or other person dealing with the Buyer shall be bound to inquire whether the right of the Buyer to exercise any of its powers has arisen or become exercisable or be concerned to inquire whether that power has been properly or regularly exercised by the Buyer in such dealings.

11. **POWER OF ATTORNEY**

11.1 **Appointment and powers**

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), each of the Chargor and the Company by way of security irrevocably appoints the Buyer to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor by this Agreement or any other agreement binding on the Chargor to which the Buyer is a party (including the execution and delivery of any deeds, charges, assignments or other Security and any transfers of the Charged Portfolio and perfecting and/or releasing the Security created or intended to be created in respect of the Charged Portfolio); and
- (b) enabling the Buyer to exercise or delegate the exercise of, any of the Collateral Rights (including, after the occurrence of an Event of Default, the exercise of any right of a legal or beneficial owner of the Charged Portfolio).

11.2 **Ratification**

Each of the Chargor and Company:

- (a) shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of the attorney's powers; and
- (b) undertake to do all things which the Buyer may consider to be required or desirable to effect Completion and the transfer of the entire legal and beneficial ownership of the Shares from the Seller to the Buyer with full title guarantee free from all Encumbrances (including, entry of the Buyer or its nominee in the register of members of the Company as holder(s) of the Shares).

12. EFFECTIVENESS OF SECURITY

12.1 Continuing security

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until terminated in accordance with the terms of the SPA.
- (b) No part of the Security from time to time intended to be created by this Agreement will be considered satisfied or discharged by an intermediate performance, discharge or satisfaction of the whole or any part of the Secured Obligations.

12.2 Cumulative rights and additional security

The Security created by or pursuant to this Agreement, and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Buyer may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Buyer or any of the other Secured Parties over the whole or any part of the Charged Portfolio shall merge into the Security created by this Agreement. The Security created by the Chargor under this Agreement and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by the Buyer.

12.3 No prejudice

The Security created by or pursuant to this Agreement, and the Collateral Rights, shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person by the Buyer or by any other thing which might otherwise prejudice that Security or any Collateral Right.

12.4 Remedies and waivers

No failure on the part of the Buyer to exercise, nor any delay on its part in exercising, any Collateral Right, shall operate as a waiver of that Collateral Right or constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Buyer shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

12.5 No liability

None of the Buyer, its nominee(s) shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Charged Portfolio or taking possession of or realising all or any part of the Charged Portfolio,

except in the case of gross negligence or wilful default upon its part.

12.6 Partial invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

12.7 Chargor intent

The Chargor expressly confirms that it intends that the Security created under this Agreement, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

12.8 Immediate recourse

The Chargor waives any right it may have of first requiring the Buyer to proceed against or enforce any other rights or Security before claiming from the Chargor under this Agreement or enforcing the Security created by this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

13. PRIOR SECURITY INTERESTS

13.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any part of the Charged Portfolio or in case of exercise by the Buyer of any power of sale or right of appropriation or application under this Agreement, the Buyer may redeem such prior security or procure the transfer thereof to itself.

13.2 Accounts

The Buyer may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.

13.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Buyer on demand.

14. RELEASE OF SECURITY

14.1 Upon the termination of the SPA by the Buyer in accordance with its terms, the Buyer shall (at the request of the Chargor) promptly release and cancel the Security created by this Agreement in accordance with and subject to the terms of the SPA, without recourse to, or any representation or warranty by, the Buyer or any of its nominees.

14.2 If requested by the Chargor, the Buyer shall (at the Chargor's cost) take all such action and execute all such documents as the Chargor may specify (and in such form as the Chargor may require) to document and confirm the release of the Security pursuant to clause 14.1.

15. ASSIGNMENT

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Agreement.

16. EXPENSES, STAMP TAXES, INDEMNITY

16.1 Expenses

The Chargor shall, from time to time on demand of the Buyer, reimburse the Buyer 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:

- (a) the completion of the transactions and perfection of the Security contemplated in this Agreement; and
- (b) the exercise, preservation and/or enforcement of any of the Collateral Rights or the Security contemplated by this Agreement or any proceedings instituted by or against the Buyer as a consequence of taking or holding the Security or of enforcing the Collateral Rights.

16.2 Stamp Taxes

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

16.3 Indemnity

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

16.4 Payments Free Of Deduction

All payments to be made to the Buyer under this Agreement shall be made free and clear of and without deduction for or on account of tax unless the Chargor is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to tax such deduction or withholding has been made receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

17. DISCRETION

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Buyer may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

18. GOVERNING LAW

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

THIS AGREEMENT has been signed by the Buyer and executed as a deed by the Chargor and is delivered by it as a deed on the date stated at the beginning of this Agreement.

SCHEDULE 1 WARRANTIES

1. Company warranties

1.1 The Company warrants to the Buyer that:

- 1.1.1 it is a corporation, duly incorporated and validly existing under the laws of its jurisdiction of England;
- 1.1.2 it has all requisite corporate powers and authority to own its assets and to conduct the business being carried on by it;
- 1.1.3 it has full power and authority to enter into and perform this Agreement and, assuming due authorization, execution and delivery by the other parties to it, this Agreement constitutes or will, when executed, constitute binding obligations on the Company in accordance with its terms, subject to any principles of equity or insolvency law;
- 1.1.4 the Company has obtained all authorisations and permits required to empower it to enter into and to perform its obligations under the Transaction Documents and there are no actions by or before any competent Authority pending or, to the knowledge of the Company, threatened in any written notice, against the Company that, if adversely determined, would prohibit the consummation of the Transaction or the entry into and performance of the Company's obligations under this Agreement;
- 1.1.5 it is not in insolvency, administration, liquidation or receivership (and no order or resolution therefor has been presented and no notice of appointment of any liquidator, receiver, administrative receiver or administrator has been given), nor are there any valid grounds or circumstances on the basis of which any such procedure may be requested;
- 1.1.6 it is able to pay its debts when due;
- 1.1.7 the Chargor beneficially and legally owns and has full power and the right to sell and transfer the legal and beneficial title in the Shares and the Charged Portfolio on the terms of the SPA;
- 1.1.8 the Shares represent the entire allotted and issued share capital of the Company and are free from Security and Encumbrances (other than any Security created pursuant to this Agreement) and no other shares or other loan or share capital of the Company exist;
- 1.1.9 all of the Shares are validly allotted and issued and fully paid or properly credited as fully paid and no Share has been issued in violation of any pre-emptive rights, rights of first refusal or similar rights; and
- 1.1.10 There are no rights to or options for the issue, allotment or transfer of any loan or share capital of the Company nor any rights to convert any loan or share capital into share capital or share capital of a different description.

2. **Chargor and Company warranties**

2.1 Each of the Chargor and the Company jointly and severally warrant to the Buyer that:

- 2.1.1 no active Security exists over any present or future Shares other than the Security created pursuant to this Agreement;
- 2.1.2 the Security created by this Agreement has or will have first ranking priority and it is not subject to any prior ranking or pari passu Security;
- 2.1.3 this Agreement validly creates the Security which is expressed to be created pursuant to Clause 3 (*Charge*) and evidences the Security it is expressed to evidence; and
- 2.1.4 The constitutional documents of the Company or any other document or arrangement do not and could not restrict or inhibit any transfer of the Shares on creation or on enforcement of the Security created pursuant to this Agreement.

3. **Chargor and Company undertakings**

3.1 Each of the Chargor and the Company undertake to the Buyer that:

- 3.1.1 it shall promptly (i) obtain, comply with and do all that is necessary to maintain in full force and effect and (ii) supply certified copies to the Buyer of, any Authorisation required under any law or regulation of any relevant jurisdiction to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in any relevant jurisdiction of this Agreement;
- 3.1.2 it 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 this Agreement;
- 3.1.3 The Chargor shall pay when due all calls or other payments which may be or become due in respect of any part of the Charged Portfolio, and in any case of default by it in such payment, the Buyer may, if it thinks fit, make such payment on behalf of the Chargor. Any sums so paid by the Buyer shall be reimbursed by the Chargor to the Buyer on demand;
- 3.1.4 it shall not enter into any amalgamation, demerger, merger or corporate reconstruction (other than the Transaction);
- 3.1.5 The Chargor shall (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from the Company (if the Company is covered under the relevant provision) and (ii) promptly provide the Buyer with a copy of that notice;
- 3.1.6 The Chargor shall not do or permit to be done any act or thing which might jeopardise the rights of the Buyer in the Charged Portfolio or which might adversely affect or diminish the value of the Charged Portfolio; and

- 3.1.7 The Chargor shall, and shall ensure that each member of the Seller's Group whose shares constitute all or any part of the Charged Portfolio shall, on request of the Buyer, provide the Buyer with any information as the Buyer may reasonably require about the Charged Portfolio and the Chargor's compliance with the terms of this Agreement. The Chargor shall permit the Buyer, its representatives, delegates, professional advisers and contractors, free access at all reasonable times and on reasonable notice at the Chargor's cost to inspect and take copies and extracts from the books, accounts and records of that company and to view the Charged Portfolio (without becoming liable as mortgagee in possession).
- 3.2 The Company undertakes to the Buyer that, after the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), it shall (upon demand of the Buyer):
- (a) deliver (or cause to be delivered) to the Buyer the items listed in part 1 of schedule 4 to the SPA; and
 - (b) procure that all necessary steps are or have been taken properly to effect the matters listed in part 2 of schedule 4 to the SPA at board meetings of the Company and deliver to the Buyer duly signed minutes of all of those board meetings.

EXECUTION PAGE

Chargor

EXECUTED AS A DEED)
by CLEARSTONE ENERGY LIMITED)
)

DocuSigned by:

A4F52A5E098A407..... Signature of director
Benjamin Pratt Name of director

DocuSigned by:

7682B510FC8845C..... Signature of director
Justin Kilduff Name of director

Company

EXECUTED AS A DEED)
By CSE23 LIMITED)
)

DocuSigned by:

A4F52A5E098A407..... Signature of director
Benjamin Pratt Name of director

DocuSigned by:

7682B510FC8845C..... Signature of director
Justin Kilduff Name of director

Buyer

EXECUTED AS A DEED)
by SHELL NEW ENERGIES UK LTD.)
)

DocuSigned by:

9E27EF842EC945D..... Signature of director
Colin Crooks Name of director

DocuSigned by:

EE08456480534A2..... Signature of director/ secretary
Roger Hunter Name of director/ secretary

