



Registration of a Charge

Company Name: **CAPRICORN EGYPT LIMITED**

Company Number: **12716481**



Received for filing in Electronic Format on the: **25/06/2021**

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Details of Charge

Date of creation: **24/06/2021**

Charge code: **1271 6481 0001**

Persons entitled: **SOCIETE GENERALE, LONDON BRANCH**

Brief description: **N/A**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ZSOFIA CASSIDY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12716481

Charge code: 1271 6481 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th June 2021 and created by CAPRICORN EGYPT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th June 2021 .

Given at Companies House, Cardiff on 25th June 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**

WHITE & CASE

Dated 24 June 2021

Offshore Security Agreement

between

Capricorn Egypt Limited

and

Cheiron Oil & Gas Limited

as the Chargors

and

Societe Generale, London Branch

as the Security Agent

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

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This Deed (the “**Deed**”) is dated 24 June 2021 and is made

Between:

- (1) **The companies listed in Schedule 1** (*Chargors*) as chargors (the “**Chargors**”); and
- (2) **Societe Generale, London Branch** (the “**Security Agent**”) as security trustee for the Secured Parties.

Background:

- (A) Each **Chargor** enters into this Deed in connection with the Intercreditor Agreement (as defined below).
- (B) The board of directors of each **Chargor** is satisfied that entering into this Deed is for the purposes, and to the benefit, of the relevant **Chargor** and its business.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Deed:

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

“**Charged Debt**” means the debt owed by the Offshore Account Bank to a **Chargor** represented by the Credit Balances.

“**Credit Balances**” means the credit balances from time to time on each of the Offshore Project Accounts, including all interest accrued on each such balance.

“**Enforcement Date**” means the date on which any action is taken pursuant to clause 24.21 (*Acceleration*) of the Initial Senior Facility Agreement (or any Senior Refinancing Equivalent) or clause 23.23 (*Acceleration*) of the Initial Junior Facility Agreement (or any Junior Refinancing Equivalent) in compliance with the Intercreditor Agreement.

“**Excluded Asset**” means any right, title, interest or any other right under an agreement or instrument the terms of which prohibit, or require the prior consent of any third party to, the creation of a charge over any such right, title, interest or right under that agreement or instrument, where such consent has not been obtained after the relevant **Chargor** has used all reasonable endeavours to obtain such consent.

“**Insurance Rights**” has the meaning given to such term in Clause 2.7(a) (*Insurances*).

“**Intellectual Property**” means:

- (a) any patents, petty patents, utility models, registered trade marks and service marks, registered designs, domain names and copyrights (and any applications for registration of any of the same), business names, database rights, design rights, and rights in inventions, confidential information and trade secrets and other intellectual property rights and interests (which may now or in the future subsist) in any part of the world, whether registered or unregistered; and

- (b) the benefit of all rights to use such assets of a Chargor (which may now or in the future subsist).

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of this Deed and made between, among others, the Chargors, the Security Agent and the Shareholders.

“Investments” means:

- (a) all shares in any member of a Borrower Group (other than itself) owned by a Chargor or held by any nominee or trustee on its behalf; and
- (b) all other shares, stocks, debentures, bonds or other securities or investments owned by a Chargor or held by any nominee or trustee on its behalf.

“Offshore Project Accounts” means:

- (a) each Project Account held with the Offshore Account Bank; and
- (b) any other account designated an *“Offshore Project Account”* by the Offshore Account Bank, the Facility Agent and the relevant Chargor from time to time,

and, each of the above accounts includes:

- (i) any other accounts which are successors to any such accounts; or
- (ii) any renumbering or re-designation of accounts and any account into which all or part of a balance from the account is transferred for investment or administrative purposes.

“Party” means a party to this Deed.

“Receiver” means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

“Relevant Document” means:

- (a) each of the Acquisition Documents governed by English law;
- (b) each Hedging Agreement to which it is a party;
- (c) each Subordinated Debt Document to which it is a party;
- (d) each Offtake Agreement to which it is a party; and
- (e) any other agreement, instrument or document to which a Chargor is a party and which has been designated a *“Relevant Document”* pursuant to Clause 8.5 (*New Relevant Documents*).

“Secured Obligations” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document (including any increase in the Senior Facility pursuant to clause 2.4 (*Accordion*) of the Initial Senior Facility Agreement (or any Senior Financing Equivalent)), except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006.

“Security Asset” means any asset of a Chargor which is, or is expressed to be, subject to any Security created by this Deed.

“Security Period” means the period beginning on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Intercreditor Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) a Finance Document, a Relevant Document or a Transaction Document or any other agreement or instrument is a reference to that Finance Document, Relevant Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) any **“rights”** in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,in each case, in respect of or derived from that asset;
 - (iii) a **“Security Asset”** includes:
 - (A) any part of that Security Asset;
 - (B) the proceeds of that Security Asset; and
 - (C) the proceeds of sale of that Security Asset;
 - (iv) any **“share”, “stock”, “debenture”, “bond” or “other security” or “investment”** includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,in each case, in respect of that share, stock, debenture, bond or other security or investment; and
 - (v) the term **“this Security”** means any Security created by this Deed.
- (d) All covenants of a Chargor under this Deed (other than a payment obligation which has been discharged) will remain in force during the Security Period.
- (e) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Intercreditor Agreement

- (a) This Deed is entered into subject to, and with the benefit of, the terms of the Intercreditor Agreement.
- (b) Notwithstanding anything to the contrary in this Deed, the terms of the Intercreditor Agreement will prevail if there is a conflict between the terms of this Deed and the terms of the Intercreditor Agreement.
- (c) The fact that a provision of this Deed is expressed to be subject to the terms of the Intercreditor Agreement does not mean, and will not be taken to mean, that any other provision of this Deed is not so subject.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

2. Creation of Security

2.1 Covenant to Pay

Each Chargor must pay or discharge the Secured Obligations in the manner provided for in the Finance Documents.

2.2 General

- (a) All the security created under this Deed is:
 - (i) created in favour of the Security Agent;
 - (ii) created over present and future assets of a Chargor;
 - (iii) security for the payment of all the Secured Obligations; and
 - (iv) made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

2.3 Investments

Each Chargor charges by way of a first fixed charge its interest in all its Investments.

2.4 Plant and Machinery

To the extent not already secured in favour of the Secured Parties under another Security Document, each Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.

2.5 Credit balances

- (a) Each Chargor charges by way of a first fixed charge all of its rights in respect of the Charged Debt.
- (b) Each Chargor charges by way of a first fixed charge all of its rights in respect of any bank account (other than a bank account held in Egypt) it has with any person other than the accounts referred to in paragraph (a), any amount standing to the credit of any such account and the debt represented by it.

2.6 Book debts etc.

To the extent that they have not been effectively assigned under Clause 2.8 (*Relevant Documents*) below, the Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other moneys due and owing to it; and
- (c) the benefit of all rights in relation to any item under paragraphs (a) and (b) above.

2.7 Insurances

- (a) The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest (together, the “**Insurance Rights**”).
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, the Chargor charges by way of a first fixed charge all of its Insurance Rights.

2.8 Relevant Documents

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under:
 - (i) each Relevant Document to which it is a party; and
 - (ii) any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment.
- (b) Each Chargor charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party except an Excluded Asset and to the extent that it is subject to any fixed security created under any other term of this Clause 2.
- (c) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a) above.

2.9 Intellectual Property

The Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) its Intellectual Property rights;
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case, whether registered or not and including all applications for the same.

2.10 Miscellaneous

The Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of each Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above;
- (e) its uncalled capital; and
- (f) the benefit of all rights in relation to any item under paragraphs (a) to (e) above.

2.11 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2 (*Creation of Security*) but excluding any Excluded Asset.
- (b) Except as provided below, the Security Agent may by notice to a Chargor convert the floating charge created by this Clause 2.11 (*Floating charge*) into a fixed charge as regards a Chargor's assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause 2.11 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- (d) Paragraph (c) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The floating charge created by this Clause 2.11 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically convert

into a fixed charge over all of each Chargor's assets if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.

- (f) The floating charge created by this Clause 2.11 (*Floating charge*) is a “**qualifying floating charge**” for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. Representations and Warranties

3.1 General

Each Chargor makes the representations and warranties set out in this Clause 3 to the Security Agent and each other Secured Party.

3.2 Nature of Security

- (a) Each Chargor is the sole legal and beneficial owner of each Security Asset that relates to it.
- (b) Each Security Asset which relates to it is free of any Security (except those created by or under this Deed) and any other rights or interests in favour of third parties.
- (c) Subject to the Legal Reservations, this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

3.3 Times for making Representations

- (a) The representations and warranties set out in this Deed (including in this Clause 3.3) are made by each Chargor on the date of this Deed.
- (b) Each representation and warranty under this Deed is deemed to be made by each Chargor on each date during the Security Period by reference to the facts and circumstances existing at the time of repetition.

4. Restrictions on Dealings

4.1 Security

Except as expressly allowed under this Deed or the other Finance Documents, each Chargor must not create or permit to subsist any Security on any Security Asset.

4.2 Disposals

Except as expressly allowed under this Deed or the other Finance Documents, each Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

5. Investments

5.1 General

In this Clause 5:

“**Investments**” means all shares, stocks, debentures, bonds or other securities and investments included in the definition of Security Assets in Clause 1.1 (*Definitions*).

5.2 Deposit

Each Chargor must promptly:

- (a) unless deposited with the Offshore Account Bank, deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
- (b) execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.3 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments in accordance with the Finance Documents.
- (b) If each Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any of its Investments on behalf of each Chargor.
- (c) Each Chargor must promptly on request reimburse the Security Agent for any payment made by the Security Agent under this Clause 5.3 (*Calls*).

5.4 Other obligations in respect of Investments

- (a) Each Chargor must promptly send a copy to the Security Agent of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of each Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of each Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or each Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any of its Investments.

5.5 Voting rights

- (a) Before this Security becomes enforceable:
 - (i) the voting rights, powers and other rights in respect of its Investments will be exercised:
 - (A) by each Chargor; or

- (B) if exercisable by the Security Agent, in any manner which each Chargor may direct the Security Agent in writing; and
 - (ii) all dividends, distributions or other income paid or payable in relation to any of its Investments entered into in accordance with the Intercreditor Agreement must be paid into the Offshore Proceeds Account.
- (b) Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of any of its Investments as permitted by this Deed on the direction of each Chargor.
- (c) After this Security has become enforceable, the Security Agent may exercise (in the name of each Chargor and without any further consent or authority on the part of each Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

6. Credit Balances

6.1 Withdrawals

Except as permitted under the Intercreditor Agreement, each Chargor must not withdraw any part of any Credit Balance.

6.2 Book debts and receipts

- (a) Each Chargor must get in and realise its book and other debts and other moneys due and owing to it, in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into a Project Account if required in accordance with paragraph (b) below) on trust for the Security Agent.
- (b) Each Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into a Project Account in accordance with the Intercreditor Agreement.

6.3 Notices of charge

Unless otherwise provided for in another Finance Document, each Chargor must:

- (a) promptly serve a notice of charge, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Offshore Account Bank*), on the Offshore Account Bank and any other financial institution with which it holds an offshore bank account; and
- (b) use reasonable endeavours to ensure that the Offshore Account Bank and any other financial institution with which it holds an offshore bank account acknowledges the notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Offshore Account Bank*).

6.4 Applying Credit Balances

The Security Agent may at any time after this Security becomes enforceable require the Offshore Account Bank to pay the Credit Balance to the Security Agent or as the Security Agent may direct and the Security Agent may apply all or any part of the Credit Balance against all or any part of the Secured Obligations in accordance with clause 16 (*Application of Proceeds*) in the Intercreditor Agreement.

7. Insurances

7.1 Insurances: Before the Security becomes Enforceable

Until the occurrence of the Enforcement Date and subject to the rights and claims of any person having prior rights thereto, all proceeds relating to any Insurance Rights shall be applied:

- (a) if such moneys arise from a claim in respect of a liability to a third party, in payment directly to that third party in settlement of that claim (or, as the case may be, in payment to the Chargor by way of reimbursement of expenditure in so doing); and
- (b) in all other cases, in accordance with clause 7 (*Project Accounts*) of the Intercreditor Agreement.

7.2 Insurances: After the Security has become Enforceable

At all times after the occurrence of the Enforcement Date, all proceeds relating to any Insurance Rights shall be applied in payment to the Security Agent (pending which, where the same are held by a Chargor, they shall be held by it on trust for the Security Agent) for application in accordance with the Intercreditor Agreement.

7.3 Enforceability

Each Chargor shall not do, or omit to do, or permit to be done or omitted anything which might render any Insurance Rights void, voidable or unenforceable.

7.4 Notices of Assignment: Insurances

Each Chargor must:

- (a) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (*Forms of Letter for Insurers*), on each counterparty to an Insurance; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (*Forms of Letter for Insurers*).

8. Relevant Documents

8.1 Exercise of Rights

- (a) Subject to the terms of this Deed, the Security Agent (on behalf of each Secured Party) agrees that each Chargor will continue to be entitled to receive payments and exercise all of the rights, powers, discretions and remedies which would (but for this Deed) be vested in each Chargor under and in respect of the Relevant Documents, unless and except to the extent that either:
 - (i) any such exercise is prohibited by or would contravene, or result in a contravention of, any provision of the Finance Documents; or
 - (ii) following the occurrence of the Enforcement Date, the Security Agent requires otherwise by notice to a Chargor and the relevant counterparty under a Relevant Document in accordance with Clause 9 (*When Security Becomes Enforceable*).
- (b) The Security Agent may upon the giving of notice under paragraph (a)(ii) above, exercise all rights and powers in respect of that Relevant Document in accordance with the terms of this Deed without any further consent or authority on the part of each Chargor and irrespective of any direction given by such Chargor.

8.2 Performance of Obligations

- (a) Each Chargor will remain at all times liable to perform all its obligations assumed under or in respect of any Relevant Document, in each case, to the extent as if this Deed had not been effected.
- (b) Other than as provided for in the Finance Documents, neither the Security Agent nor any of the other Secured Parties will, by reason of this Deed or anything arising out of this Deed or anything done under or in connection with it, be under any obligation in relation to the Relevant Document or have any obligation or liability whatsoever to any person (including each Chargor, any counterparty to a Relevant Document and any other Secured Party) to:
 - (i) perform any of the obligations assumed by each Chargor under or in respect of any Relevant Document and the Finance Documents; or
 - (ii) enforce payment or performance of any obligations of any counterparty or any person under any Relevant Document or the Finance Documents (as applicable) other than in accordance with Clause 9 (*When Security becomes enforceable*).

8.3 Notice of Assignment: General

Unless otherwise provided for in another Finance Document, each Chargor must, at the request of the Security Agent:

- (a) promptly serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Relevant Documents*), on each counterparty to a Relevant Document (other than a Hedging Agreement); and
- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Relevant Documents*).

8.4 Notice of Assignment: Hedging Agreements

Unless otherwise provided for in another Finance Document, each Chargor must:

- (a) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Hedge Counterparty*), on each counterparty to a Hedging Agreement to which is a party promptly following entry into such Hedging Agreement; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Hedge Counterparty*).

8.5 New Relevant Documents

If a Chargor enters into a new contract or document which, if it had been entered into on or before the date of this Deed, would have constituted a Relevant Document, it must promptly notify the Security Agent and, unless the Security Agent requires otherwise, designate such contract as a Relevant Document and either:

- (a) promptly serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Relevant Documents*) or Part 1 of Schedule 3 (*Forms of Letter for Hedge Counterparty*) (as applicable) to the relevant counterparty to the Relevant Document; and

- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Relevant Documents*) or Part 2 of Schedule 3 (*Forms of Letter for Hedge Counterparty*) (as applicable).

9. When Security Becomes Enforceable

9.1 Enforcement Date

This Security will become immediately enforceable on the Enforcement Date.

9.2 Discretion

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Intercreditor Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. Enforcement of Security

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

10.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its agents will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;

- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

10.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

10.7 Financial collateral

- (a) To the extent that the Security Assets constitute “*financial collateral*” and this Deed and the obligations of each Chargor under this Deed constitute a “*security financial collateral arrangement*” (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) Where any financial collateral is appropriated:
 - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and each Secured Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

11. Receiver

11.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) each Chargor so requests to the Security Agent at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The Security Agent may not appoint an “*administrative receiver*” (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargors alone are responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to any Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. Powers of Receiver

12.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 12 in addition to those conferred on it by any law. This includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset.

12.3 Carry on business

A Receiver may carry on any business of a Chargor in any manner he/she thinks fit.

12.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- (b) A Receiver may discharge any person appointed by a Chargor.

12.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

12.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

12.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee on a surrender).

12.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of each Chargor or relating in any way to any Security Asset.

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

12.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

12.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Security Asset.

12.12 Delegation

A Receiver may delegate its powers in accordance with this Deed.

12.13 Lending

A Receiver may lend money or advance credit to any person.

12.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case, as he/she thinks fit.

12.15 Other powers

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (c) use the name of a Chargor for any of the above purposes.

13. Application of Proceeds

- (a) All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Intercreditor Agreement.
- (b) This Clause 13:
 - (i) is subject to the payment of any claims having priority over this Security; and
 - (ii) does not prejudice the right of any Secured Party to recover any shortfall from a Chargor.

14. Expenses and Indemnity

Each Chargor must:

- (a) immediately on demand pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- (b) keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

15. Delegation

15.1 Power of Attorney

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

15.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

15.3 Liability

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

16. Further Assurances

- (a) Each Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

- (b) The action that may be required under paragraph (a) above includes:
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider necessary or desirable.

17. Power of Attorney

17.1 Power of Attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of that Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law.

17.2 Ratification

Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17.

18. Preservation of Security

18.1 Continuing Security

This Security is a continuing security and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part.

18.2 Reinstatement

If any payment by a Chargor or any discharge given by a Secured Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of such Chargor and the Security Assets shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Secured Party shall be entitled to recover the value or amount of that security or payment from such Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

18.3 Waiver of Defences

Neither the obligations of a Chargor under this Deed nor the Security Assets will be affected by an act, omission, matter or thing which, but for this Clause 18.3, would reduce, release or prejudice any of its obligations under any Finance Document or any of the Security Assets (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with a Chargor, any Obligor or any other person;

- (b) the release of a Chargor, any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, a Chargor, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of a Chargor or other person under any Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

18.4 Chargor Intent

Without prejudice to the generality of Clause 18.3 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security Assets shall extend from time to time to any (however fundamental) 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 and any fees, costs and/or expenses associated with the foregoing.

18.5 Immediate Recourse

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

18.6 Appropriations

Until the end of the Security Period, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and each Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from a Chargor or on account of such Chargor's liability under this Deed.

18.7 Deferral of Chargor's Rights

Until the end of the Security Period and unless the Security Agent otherwise directs, each Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other provider of Security for or any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any guarantee or other security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

18.8 Additional Security

The Security Assets are in addition to and are not in any way prejudiced by any other guarantees or security now or subsequently held by any Secured Party.

18.9 No Other Prejudicial Conduct

Each Chargor shall not do, or permit to be done, anything which could prejudice the Security Assets.

19. Miscellaneous

19.1 Tacking

Each Lender must perform its obligations under the Finance Documents (including any obligation to make available further advances).

19.2 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the relevant Chargor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligation.

19.3 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

19.4 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by each Chargor to any Obligor and contained in any other Security Document.

20. Release

At the end of the Security Period, the Finance Parties must, at the request and cost of each Chargor, take whatever action is necessary to release its Security Assets from this Security.

21. Governing Law

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

22. Enforcement

22.1 Enforcement Process

The provisions set out in clause 30 (*Enforcement*) of the Intercreditor Agreement will apply in respect of the enforcement of this Deed as if expressly set out herein and any references therein to a Finance Document shall be construed as a reference to this Deed.

22.2 Waiver of Immunity

Each Chargor irrevocably and unconditionally:

- (a) waives and agrees not to claim any immunity from proceedings brought by the Security Agent or any Secured Party against it in relation to this Deed and to ensure that no such right is asserted or claim is made on its behalf;
- (b) consents generally to the giving of any relief or interim relief or the issue of any process in connection with such proceedings; and
- (c) waives and agrees not to claim any right of immunity in respect of it or any of its assets.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

Schedule 1

Chargors

Chargor	Jurisdiction	Company Registration Number
Capricorn Egypt Limited	England	12716481
Cheiron Oil & Gas Limited	England	13207893

Schedule 2

Forms of Letter for Offshore Account Bank

Part 1

Notice to Offshore Account Bank

To: [Offshore Account Bank]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited
and [Security Agent] (the “Security Agreement”)**

1. This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the “**Security Agent**”) all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the “**Accounts**”).
2. We irrevocably instruct and authorise you to:
 - (a) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
 - (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent;
 - (c) hold all sums standing to the credit of any Account to the order of the Security Agent; and
 - (d) in respect of any Account other than our account with [●] (account number [●], sort code [●]) (the “[●] **Account**”), pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Security Agent.
3. We are not permitted to withdraw any amount from any Account other than the [●] Account without the prior written consent of the Security Agent.
4. In respect of the [●] Account, we are permitted to withdraw any amount from the [●] Account for any purpose unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from the [●] Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the [●] Account without the prior written consent of the Security Agent.
5. We acknowledge that you may comply with the instructions in this letter without any further permission from us.
6. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....

(Authorised Signatory)

[Chargor]

Part 2

Acknowledgement of Offshore Account Bank

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited and [Security Agent] (the “Security Agreement”)

1. We confirm receipt from [Chargor] (the “**Chargor**”) of a notice dated [●] (the “**Notice**”) of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor’s accounts with us (the “**Accounts**”).
2. We confirm that we:
 - (a) accept the instructions contained in the Notice and agree to comply with the Notice;
 - (b) have not received notice of any prior security over, or the interest of any third party in, any Account;
 - (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
 - (d) will not permit any amount to be withdrawn from any Account other than the [●] Account (as defined in the Notice) without your prior written consent; and
 - (e) will comply with any notice we may receive from the Security Agent in respect of the [●] Account.
3. The Accounts maintained with us are:
[Specify accounts and account numbers]
4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

[Offshore Account Bank]

Schedule 3

Forms of Letter for Hedge Counterparty

Part 1

Notice to Hedge Counterparty

To: [Hedge Counterparty]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited and [Security Agent] (the “Security Agreement”)

1. This letter constitutes notice to you that under the Security Agreement we assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the “**Security Agent**”) all our rights under any hedging agreements between you and us (the “**Hedging Agreements**”).
2. We irrevocably instruct and authorise you to:
 - (a) disclose to the Security Agent any information relating to the Hedging Agreements which the Security Agent may request from you; and
 - (b) pay any sum payable by you under the Hedging Agreements to our account held with [Offshore Account Bank], account number [●], sort code [●].
3. The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.
4. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.
5. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
6. Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[Chargor]

Part 2

Acknowledgement of Hedge Counterparty

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited
and [Security Agent] (the “Security Agreement”)**

1. We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) of an assignment upon the terms of the Security Agreement of all the Chargor’s rights under the Hedging Agreements (as defined in the Notice).
2. We confirm that we:
 - (a) accept the instructions contained in the Notice and agree to comply with the Notice;
 - (b) have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreements;
 - (c) must pay any amount payable by us under the Hedging Agreements to the Chargor’s account with you at [●], Sort Code [●], Account No. [●]; and
 - (d) must accept your instructions in relation to the Chargor’s rights under the Hedging Agreements.
3. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

[Hedge Counterparty]

Schedule 4

Forms of Letter for Insurers

Part 1

Notice to Insurer

To: [Insurer]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited and [Security Agent] (the “Security Agreement”)

1. This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the “**Security Agent**”) all our rights in respect of [insert details of contract of insurance] (the “**Insurance**”).
2. We confirm that:
 - (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
 - (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).
3. We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).
4. We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.
5. Please note on the relevant contracts of insurance the Security Agent’s interest as loss payee and as co-insured and the Security Agents interest of those amounts and rights and send to the Security Agent at [●] with a copy to ourselves of the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.
6. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

7. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
8. Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [*address*] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[Chargor]

Part 2

Acknowledgement of Insurer

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited
and [Security Agent] (the “Security Agreement”)**

1. We confirm receipt from [Chargor] (the “**Chargor**”) of a notice dated [●] (the “**Notice**”) of an assignment on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert details of the contract of insurance] (the “**Insurance**”).
2. We confirm that we:
 - (a) accept the instructions contained in the Notice and agree to comply with the Notice;
and
 - (b) will give notices and make payments under the Insurance as directed in the Notice.
3. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

[Insurer]

Schedule 5

Forms of Letter for Relevant Documents

Part 1

Notice to Counterparty

To: [Contract Counterparty]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited
and [Security Agent] (the “Security Agreement”)**

1. This letter constitutes notice to you that under the Security Agreement we have [*assigned absolutely, subject to a proviso for re-assignment on redemption,]*[*charged by way of a first fixed charge*]¹ to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the “**Security Agent**”) all our rights in respect of [*insert details of contract*] (the “**Contract**”).
2. We confirm that:
 - (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
 - (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.
3. We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.
4. We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.
5. We agree that all amounts payable to the Chargor under the Contract shall be paid to the following designated account [●] or such other account as the Security Agent may direct.
6. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.
7. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
8. Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

¹ Delete as applicable.

Yours faithfully,

.....

(Authorised signatory)

[Chargor]

Part 2

Acknowledgement of Counterparty

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between Capricorn Egypt Limited, Cheiron Oil & Gas Limited
and [Security Agent] (the “Security Agreement”)**

1. We confirm receipt from [Chargor] (the “**Chargor**”) of a notice dated [●] (the “**Notice**”) of [an assignment]/[fixed charge]² on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert details of the contract] (the “**Contract**”).
2. We confirm that we:
 - (a) accept the instructions contained in the Notice and agree to comply with the Notice;
and
 - (b) will give notices and make payments under the Contract as directed in the Notice.
3. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

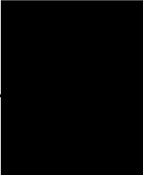
[Contract counterparty]

² Delete as applicable.

SIGNATORIES

Chargors

Executed as a Deed by
Capricorn Egypt Limited
acting by James Smith

}
Director 

Witnessed

}
Witness 

.....
Witness Name: *JOAN GIBB*
Witness Occupation: *SOLICITOR*
Witness Address: *50 LOTHIAN ROAD, EDINBURGH*

Executed as a Deed by
Cheiron Oil & Gas Limited
acting by David Thomas

}

.....
Director

Witnessed by:

Witness name: Amina Taha
Witness occupation: Commercial Manager
Witness address: 7 Road 150 Maadi, Cairo, Egypt

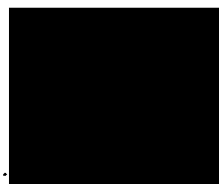
.....
~~Secretary~~ 77

Security Agent

Executed as a Deed by

Societe Generale, London Branch

acting by



.....
Authorised signatory

Name: Vikram Gulati

Title: Director