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COMPANIES FORM No. 466(Scot)

466

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

COMPANIES HOUSE
FEE PAID
EDINBURGH

CHFP025

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Pursuant to section 410 and 466 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

1115

SC256532

Name of company

* ELONICS LIMITED (the "Company")

Date of creation of the charge (note 1)

15 July 2010

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

Bond and Floating Charge

Names of the persons entitled to charge

SEP III (acting by its general partner SEP III GP Limited)

Short particulars of all the property charged

The whole of the property, assets and undertaking (including uncalled capital) from time to time of the Company including, without prejudice to the foregoing, the IPR.

"IPR" means patents, trade marks, trade names, domain names, designs, semiconductor topography rights, database rights, design right, copyrights (in each case in any part of the world whether or not registered or registrable and if registered or registrable for their full period of registration with all extensions and renewals, and including all applications for registration), know how, inventions, formulae, confidential or secret processes and information, rights in computer software and any licences and permissions in connection with any of the above rights or information belonging to the Company.

Presenter's name address and reference (if any):

Maclay Murray & Spens LLP
Quartermile One
15 Lauriston Place
Edinburgh
EH3 9EP

DX ED137 Edinburgh

For official use (06/2005)

Charges Section

THURSDAY



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29/07/2010

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Names, and addresses of the persons who have executed the instrument of alteration (note 2)

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write in
this margin

Bank of Scotland plc, The Mound, Edinburgh EH1 1YZ ("BoS");
Braveheart Ventures Limited (as security trustee for the 2009 Secured Noteholders), Cherrybank
Centre, Cherrybank Gardens, Perth PH2 0PF (the "2009 Security Trustee");
David Milne (as security trustee for the March 2010 Secured Noteholders), 18 Napier Road,
Edinburgh EH10 5AY (the "March 2010 Security Trustee");
David Milne (as security trustee for the July 2010 Secured Noteholders), 18 Napier Road,
Edinburgh EH10 5AY (the "July 2010 Security Trustee");
SEP III (acting by its general partner SEP III GP LIMITED), 17 Blythswood Square, Glasgow G2 4AD
("SEP III"); and
Elonics Limited, Alba Centre, Alba Campus, Livingston EH54 7EG.

Please complete
legibly, preferably
in black type, or
bold block lettering

Date(s) of execution of the instrument of alteration

13 and 15 July 2010

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the
creation by the company of any fixed security or any other floating charge having, priority over, or ranking
pari passu with the floating charge

The Company shall not grant any further fixed or floating charges over all or
any of the Assets including its heritable, real or leasehold property without
the prior written consent of the BoS or the Postponed Creditors.

(Please see paper apart for definitions).

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

Please complete
legibly, preferably
in black type or
bold block lettering

Termination of Existing Ranking Agreement

Each of BoS, the 2009 Security Trustee, the March 2010 Security Trustee and the Company hereby irrevocably agree to terminate, with effect from the date of this Agreement, the Existing Ranking Agreement which shall be superseded by the provisions of this Agreement in respect of the ranking of the BoS Security and the Postponed Creditors' Security.

Ranking of Securities

1. BoS, the Postponed Creditors and the Company agree that the sums secured or to be secured by the BoS Security and the Postponed Creditors' Security shall rank in the following order of priority:

1.1 the BoS Security to the extent of the BoS Priority Debt; then

1.2 the 2009 Postponed Creditors' Security to the extent of the 2009 Postponed Creditors' Debt, the July 2010 Postponed Creditors' Security to the extent of the July 2010 Postponed Creditors' Debt and the SEP III Security to the extent of the SEP III Debt *pari passu* so that the sums realised under those securities shall be payable to the 2009 Postponed Creditors, the July 2010 Security Trustee and SEP III *pro rata* according to the proportion which the amount remaining due to each of them on the date of distribution bears to the aggregate of such amounts; then

1.3 the March 2010 Postponed Creditors' Security to the extent of the March 2010 Postponed Creditors' Debt *pari passu* so that the sums realised under those securities shall be payable to the March 2010 Postponed Creditors *pro rata* according to the proportion which the amount remaining due to each of them on the date of distribution bears to the aggregate of such amounts

1.4 the BoS Security to the extent of the balance (if any) of the BoS Debt.

2. The ranking and priority set out in Clause 3.1 of the Ranking Agreement (set out above) shall take effect notwithstanding any of the following:

2.1 the nature of the securities created by BoS Security and the Postponed Creditors' Security and the dates of execution and registration of them;

2.2 any provision contained in any of the Securities;

2.3 the date or dates on which moneys have been or may be advanced or become due, owing or payable, drawn by, or debited to, the Company by BoS or the Postponed Creditors;

2.4 any fluctuation from time to time in the amounts secured by the BoS Security and the Postponed Creditors' Security including any reduction of those amounts to nil;

2.5 any present or future mortgage or other charge granted by the Company to BoS or any of the Postponed Creditors (other than the Securities) (unless otherwise agreed in writing by BoS and the Postponed Creditors);

2.6 the appointment of a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Company or over all or any part of the Assets;

2.7 the granting of time or any other indulgence to the Company or any other person or the release, compounding or otherwise dealing with the Company or any other person or the receipt of moneys whether arising from a voluntary sale of any Assets subject to any of the Securities or in respect of any security or guarantee held by BoS or any of the Postponed Creditors in respect of such BoS Debt or Postponed Creditors' Debt respectively or otherwise prior to enforcement;

2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce any rights or remedies against the Company or any other person by BoS or any of the Postponed Creditors;

2.9 the sale or other disposal of any land or buildings or any interest in any land or buildings prior to enforcement;

2.10 the provisions of Sections 464 and 466 of the Companies Act 1985 or any other rule of law which might operate to the contrary.

Security to be Continuing

The Securities shall rank as provided in the Ranking Agreement as continuing securities for repayment of the amounts owing to each of the BoS and the Postponed Creditors from time to time by the Company.

Variation

The BoS Security and the Postponed Creditors' Security are varied to the extent specified in the Ranking Agreement and the Ranking Agreement shall be construed and receive effect as an Instrument of Alteration within the meaning of Section 466 of the Companies Act 1985.

(Please see paper apart for definitions).

Please complete
legibly, preferably
in black type, or
bold block lettering

A fee is payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Signed [Signature] for Shady Energy & Services Ltd Date 29.07.10
On behalf of [Signature] [chargee] †

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc, as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP - 4 Edinburgh 2

† delete as
appropriate

This is the paper apart to the foregoing form 466 relative to a ranking agreement between, amongst others, Elonics Limited and Bank of Scotland plc with respect to a floating charge that was granted by Elonics Limited in favour of SEP III dated 15 July 2010.

In the foregoing form 466, the following terms have the following meanings:

"2009 Loan Note Instrument" means the loan note instrument created by the Company dated 23 October 2009 constituting a maximum aggregate nominal amount of £700,000 10% Secured Convertible Loan Notes 2009;

"2009 Postponed Creditors" means the 2009 Secured Noteholders and **"2009 Postponed Creditor"** means any of them;

"2009 Postponed Creditors' Debt" means in respect of each 2009 Postponed Creditor all sums due by the Company to such 2009 Postponed Creditor under and by virtue of the 2009 Loan Note Instrument together with interest on that amount and all commission, charges, fees, costs and expenses arising or incurred in connection with it and **"2009 Postponed Creditors' Debt"** means the aggregate of all such sums;

"2009 Postponed Creditors Security" means the bond and floating charge granted by the Company in favour of the 2009 Security Trustee as security trustee for the 2009 Postponed Creditors in security for that 2009 Postponed Creditors' Debt;

"2009 Secured Noteholders" means those persons details of which are listed in Part I of the Schedule to this paper apart and any successor, assignee, replacement or other person who becomes a "Secured Noteholder" for the purposes of the bond and floating charge granted by the Company in favour of the 2009 Security Trustee on 23 October 2009;

"Assets" means the whole of the property, (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company;

"BoS Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to BoS by the Company, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not BoS shall have been an original party to the relevant transaction, and including interest (and interest capitalised by BoS on its standard interest application dates and interest thereon), discount, commission and other lawful charges or expenses which BoS may in the course of its business charge or incur in respect of any of those matters or for keeping the Company's account, and so that interest shall be computed and compounded according to the usual BoS rates and practice as well as before any demand made or decree obtained;

"BoS Priority Debt" means the BoS Debt actually drawn and owing to BoS and not exceeding £150,000 (or such greater amount, if any, as shall be agreed in writing between BoS and each of the Postponed Creditors from time to time) together with any all costs commission, fees, expenses, interest and charges arising or incurred in connection with it;

"BoS Security" means (i) the bond and floating charge granted by the Company in favour of BoS over the Assets dated 25 August 2004 and registered with the Registrar of Companies on 7 September 2004 and (ii) the letter of postponement dated 2 September 2004 in security for BoS Debt;

"enforce" (and all derivations from it) means the taking of any of the following actions:

- (a) the appointing of a receiver pursuant to or in respect of any of the Securities;

- (b) the exercising of a power of sale or otherwise utilising the rights given to a creditor under any of the Securities;
- (c) the suing for payment of any of the Postponed Creditors' Debt;
- (d) the petitioning for an administration order of the Company; or

the exercising of any rights of set-off, retention combination or accounts or similar right in respect of the Postponed Creditors' Debts;

"Existing Ranking Agreement" means the ranking agreement dated 10 and 15 March 2010 entered into between BoS, the Company, the 2009 Security Trustee and the March 2010 Security Trustee regulating the ranking of the BoS Security, the 2009 Postponed Creditors' Security and the March 2010 Postponed Creditors' Security;

"July 2010 Loan Note Instrument" means the loan note instrument created by the Company dated on or around the date of the Ranking Agreement constituting a maximum aggregate nominal amount of £350,000 10% secured convertible loan notes 2010 of which £100,000 will be issued to the July 2010 Postponed Creditors;

"July 2010 Postponed Creditors' Debt" means all sums due by the Company to the July 2010 Postponed Creditors under and by virtue of the July 2010 Loan Note Instrument together with interest on that amount and all commission, charges, fees, costs and expenses arising or incurred in connection with it and **"July 2010 Postponed Creditors' Debt"** means all aggregate of all such sums;

"July 2010 Postponed Creditors' Security" means the bond and floating charge to be granted by the Company in favour of the July 2010 Security Trustee as security trustee for the July 2010 Postponed Creditors in security for the July 2010 Postponed Creditors' Debt;

"July 2010 Postponed Creditors" means the July 2010 Secured Noteholders and **"July 2010 Postponed Creditor"** means any of them;

"July 2010 Secured Noteholders" means those persons details of which are listed in Part II of the Schedule to this paper apart and any successor, assignee, replacement or other person who becomes a "Secured Noteholder" for the purposes of the bond and floating charge granted by the Company in favour of the July 2010 Security Trustee dated on or around the date of the Ranking Agreement;

"March 2010 Loan Note Instrument" means the loan note instrument created by the Company dated 10 March 2010 constituting 10% Secured Convertible Loan Notes 2010;

"March 2010 Postponed Creditors" means the March 2010 Secured Noteholders and **"March 2010 Postponed Creditor"** means any of them;

"March 2010 Postponed Creditors' Debt" means in respect of each March 2010 Postponed Creditor all sums due by the Company to such March 2010 Postponed Creditor under and by virtue of the March 2010 Loan Note Instrument together with interest on that amount and all commission, charges, fees, costs and expenses arising or incurred in connection with it and **"March 2010 Postponed Creditors' Debt"** means the aggregate of all such sums;

"March 2010 Postponed Creditors' Security" means a bond and floating charge dated 4, 8 and 10 March 2010 granted by the Company in favour of the March 2010 Security Trustee as security trustee for the March 2010 Postponed Creditors in security for that March 2010 Postponed Creditors' Debt;

“March 2010 Secured Noteholders” means those persons details of which are listed in Part III of the Schedule to this paper apart and any successor, assignee, replacement or other person who becomes a 'Secured Noteholder' for the purposes of the bond and floating charge granted by the Company in favour of the March 2010 Security Trustee on 10 March 2010;

“Postponed Creditors” means the 2009 Postponed Creditors, the March 2010 Postponed Creditors, the July 2010 Postponed Creditors and SEP III (or the SEP III Manager on behalf of SEP III);

“Postponed Creditors’ Debts” means the 2009 Postponed Creditors’ Debt, the March 2010 Postponed Creditors’ Debt, the July 2010 Postponed Creditors’ Debt and the SEP III Debt;

“Postponed Creditors Security” means the 2009 Postponed Creditors’ Security, the March 2010 Postponed Creditors’ Security, the July 2010 Postponed Creditors’ Security and the SEP III Security;

“Ranking Agreement” means the ranking agreement amongst BoS, the 2009 Security Trustee as security trustee for the 2009 Secured Noteholders, the March 2010 Security Trustee as security trustee for the March 2010 Secured Noteholders, the July 2010 Security Trustee as security trustee for the July 2010 Secured Noteholders, SEP III acting by its general partner SEP III GP LIMITED and the Company dated 13 and 15 July 2010; and

“Securities” means BoS Security, 2009 Postponed Creditors’ Security, the March 2010 Postponed Creditors’ Security, the July 2010 Postponed Creditors’ Security and the SEP III Security;

“SEP III Debt” means all sums due by the Company to SEP III under and by virtue of the SEP III Loan Note Instrument together with interest on that amount and all commission, charges, fees, costs and expenses arising or incurred in connection with it and **“SEP III Debt”** means the aggregate of all such sums;

“SEP III Manager” means Scottish Equity Partners LLP, a limited liability partnership registered in Scotland (registered number S0301884) and having its registered office at 17 Blythswood Square, Glasgow G2 4AD in its capacity as investment manager of SEP III;

“SEP III Loan Note Instrument” means the loan note instrument created by the Company dated on or around the date of the Ranking Agreement constituting a maximum aggregate nominal amount of £350,000 10% secured convertible loan notes 2010 of which £250,000 will be issued to SEP III;

“SEP III Security” means the bond and floating charge to be granted by the Company in favour of SEP III in security for the SEP II Debt;

Part I**The 2009 Secured Noteholders**

Name	Address
Braveheart Investment Group plc (company number SC247376)	The Cherrybank Centre Cherrybank Gardens Perth PH2 0PF
Brain Souter	Algo Business Centre Glenearn Road Perth PH2 0NJ
Sir Tom Farmer	Maidencraig House 192 Queensferry Road Edinburgh EH4 2BN
Scottish Enterprise	Atrium Court 50 Waterloo Street Glasgow G2 6HQ
John Carey	15320 Peach Hill Road Saratoga California 95070 USA
Peter Frith	35 Oxbgangs Farm Grove Edinburgh EH13 9PP
David Milne	18 Napier Road Edinburgh EH10 5AY

Part II

The July 2010 Secured Noteholders

Name	Address
Brain Souter	Algo Business Centre Glenearn Road Perth PH2 0NJ
Sir Tom Farmer	Maidencraig House 192 Queensferry Road Edinburgh EH4 2BN
Scottish Enterprise	Atrium Court 50 Waterloo Street Glasgow G2 6HQ
Peter Frith	35 Oxbgangs Farm Grove Edinburgh EH13 9PP
David Milne	18 Napier Road Edinburgh EH10 5AY
Braveheart Investment Group plc (company number SC247376)	The Cherrybank Centre Cherrybank Gardens Perth PH2 0PF
John Carey	15320 Peach Hill Road Saratoga California 95070 USA

Part III**The March 2010 Secured Noteholders**

Name	Address
Brain Souter	Algo Business Centre Glenearn Road Perth PH2 0NJ
Sir Tom Farmer	Maidencraig House 192 Queensferry Road Edinburgh EH4 2BN
Scottish Enterprise	Atrium Court 50 Waterloo Street Glasgow G2 6HQ
John Carey	15320 Peach Hill Road Saratoga California 95070 USA



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 256532

CHARGE NO. 5

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 15 JULY 2010

WERE DELIVERED PURSUANT TO SECTION 878 OF THE
COMPANIES ACT 2006
ON 29 JULY 2010

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 15
JULY 2010

BY ELONICS LIMITED

IN FAVOUR OF
SEP III

FOR SECURING ALL SUMS DUE OR TO BECOME DUE

GIVEN AT COMPANIES HOUSE, EDINBURGH 29 JULY 2010



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES