



Registration of a Charge

Company name: **PREMIER OIL PLC**

Company number: **SC234781**



X6CBGKBV

Received for Electronic Filing: **07/08/2017**

Details of Charge

Date of creation: **28/07/2017**

Charge code: **SC23 4781 0002**

Persons entitled: **GLAS TRUST CORPORATION LIMITED (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **TOM FORRESTER**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 234781

Charge code: SC23 4781 0002

The Registrar of Companies for Scotland hereby certifies that a charge dated 28th July 2017 and created by PREMIER OIL PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th August 2017 .

Given at Companies House, Edinburgh on 10th August 2017

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**

EXECUTION VERSION

APPLEBY

Dated 28 July 2017

(1) PREMIER OIL PLC

(2) GLAS TRUST CORPORATION LIMITED

SECURITY INTEREST AGREEMENT

relating to certain intangible moveable property situate in Jersey

Allen & Overy LLP
03/08/2017

Allen & Overy LLP

Except for material redacted pursuant to
s859G of the Companies Act 2006
I certify that this is a correct copy
of the original document

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436106.0001

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PARTIES

- (1) **PREMIER OIL PLC**, a public limited company incorporated under the laws of Scotland with registered number SC234781, whose registered office is at 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN (the **Grantor**); and
- (2) **GLAS TRUST CORPORATION LIMITED**, as security trustee for the Secured Parties (as defined in the Intercreditor Agreement defined below) (the **Security Agent**).

BACKGROUND

- (A) The Grantor and the Security Agent enter into this Security Agreement in connection with the Secured Documents (as defined in the Intercreditor Agreement (as defined below)).
- (B) The Grantor is satisfied that entering into this Security Agreement is for its purposes and to its benefit.

AGREED TERMS

1. INTERPRETATION

In this Security Agreement unless the context otherwise requires:

Acceleration Event: has the meaning given to that term in the Intercreditor Agreement.

Additional Shares: means any present or future shares issued by the Issuer and owned by, issued or transferred to or otherwise acquired by the Grantor from time to time (including, for the avoidance of doubt any Preference Shares).

Agreed Security Principles: has the meaning given to it in the Override Agreement.

Business Day: has the meaning given to it in the Override Agreement.

Collateral: means all the rights, interests, assets, property and undertaking from time to time subject (or intended to be subject) to the Security including those set out in clause 4.1.

Constitution: means, in relation to a company, its memorandum and articles of association.

Derived Assets: means any of the following and any right to receive the same:

- (a) all stocks, shares, units or other securities substituted for the Shares or other any Derived Assets or added thereto from time to time;
- (b) all stocks, shares, units or other securities, rights, moneys or other property accruing or offered at any time by way of redemption, bonus, preference, option, consolidation, sub-division or otherwise to, or in respect of, the Shares or any Derived Assets; and
- (c) all Derived Income.

Derived Income: means all distributions, interest and other income paid or payable after the date hereof in respect of the Shares or any Derived Assets.

Further Advance: has the meaning given to that term in Article 33(4) of the Security Interests Law.

Identified Shares: means the shares in the Issuer owned by, issued or transferred to or otherwise acquired by the Grantor at the date hereof (including, without limitation, the shares set out in Schedule 1 Part 2).

Intercreditor Agreement: means the intercreditor agreement dated on or about the date of this Security Agreement between (amongst others) the Original Obligors, the Original Creditors, the Super Senior Creditors, the Global Agent and the Security Agent (each as defined therein).

Issuer: means the entity whose particulars are set out in Schedule 1.

Preference Shares: means each of or the following classes of shares in the Issuer:

- (a) exchangeable redeemable preference shares of no par value in the capital of the Issuer; or
- (b) exchangeable redeemable B preference shares of no par value in the capital of the Issuer; or
- (c) exchangeable redeemable C preference shares of no par value in the capital of the Issuer.

Secured Obligations: means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Secured Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity, including, for the avoidance of doubt, any obligations and liabilities in respect of any Further Advances.

Security: means each and every Security Interest created or intended to be created under or pursuant to this Security Agreement.

Security Interests Law: means the Security Interests (Jersey) Law 2012.

Security Interest: means a security interest, mortgage, charge, set-off, pledge, lien or other encumbrance, equity or other right whatsoever which shall take effect in accordance with the law of the jurisdiction in which the relevant asset is situate and, without limit to the foregoing, shall include an interest in property created pursuant to the provisions of the Security Interests Law.

Security Period: means the period beginning on the date of this Security Agreement and ending on the Secured Obligations Discharge Date.

Shares: means the Identified Shares and any Additional Shares.

2. **CONSTRUCTION**

In this Security Agreement:

- (a) capitalised words and expressions which are not otherwise defined shall have the meaning given to them in the Intercreditor Agreement;
- (b) the provisions of clause 1.2 (Construction) of the Intercreditor Agreement apply to this Security Agreement as though they were set out in full in this Security Agreement, except that references to the Intercreditor Agreement will be construed as references to this Security Agreement;
- (c) the expressions Grantor, Creditors and the Security Agent shall each be deemed to include successors in title, permitted assigns and permitted transferees;
- (d) references to the Collateral include references to any part thereof and are to such of the Collateral in which the Grantor has any right, title or interest whether present or future actual or contingent;
- (e) references to clauses and schedules are, unless otherwise specified, to clauses and schedules of this Security Agreement;
- (f) references to (or to any provision of) any agreement, deed or other instrument or any memorandum and articles of association, trust instrument or other constitutional document is to be construed as a reference to it as it may have been or hereafter be, from time to time, amended, varied, supplemented, restated or novated (however fundamentally) in accordance with the terms of the Finance Documents;
- (g) without prejudice to the generality of the above, references to a Finance Document and to any provision of it shall be construed as references to it as in force for the time being and as amended, varied, supplemented, restated, substituted or novated from time to time including, for the avoidance of doubt, any amendment, variation, supplement, restatement or substitution that increases the amount of any loan or credit facility made available under any Finance Document or increases the amount of any interest, fees, costs or expenses or any other sums due or to become due under any Finance Document or extends the date for full and final repayment of the facility made available under any Finance Document;
- (h) reference to a statute, statutory instrument, by-law, rule, regulation, order, notice, direction, consent or permission is to be construed as a reference to it as the same may have been or may from time to time hereafter be amended or re-enacted;
- (i) any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (j) references to consents shall include references to any approvals, authorisations, consents, licences, permits and/or registrations;

- (k) references to an Attorney shall include a reference to any substitute attorney;
- (l) references to a representative of the Security Agent shall include any Attorney, agent, trustee, delegate, nominee or representative thereof;
- (m) unless the context otherwise requires **after-acquired property, attach, control, financing statement, financing change statement, further advance, intangible moveable property, investment security, securities, perfect or perfected, proceeds, security agreement, transfer, value and writing** have the meanings given to them in the Security Interests Law and the Security Agent shall be secured party for the purpose of the Security Interests Law;
- (n) words importing the singular shall include the plural and the masculine shall include the feminine and neutral genders and vice versa;
- (o) clause headings are used for convenience only and shall not affect the interpretation hereof; and
- (p) to the extent that there is a conflict or inconsistency between the provisions of the Intercreditor Agreement and this Security Agreement, the provisions of the Intercreditor Agreement shall prevail, unless this would prejudice the Security Interests constituted or intended to be constituted by this Security Agreement.

2.2 **Execution by Security Agent**

The Security Agent executes this Security Agreement in its capacity as security agent in the exercise of the powers and authority conferred and vested in it under the Intercreditor Agreement for and on behalf of the Secured Parties for whom it acts. It will exercise its powers and authority under this Security Agreement in the manner provided for in this Security Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Intercreditor Agreement. In the event of any inconsistency between this Security Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

3. **COVENANT TO PAY**

Secured Obligations and interest

The Grantor must pay or discharge the Secured Obligations in the manner provided for in the Secured Documents.

4. **CREATION OF SECURITY**

4.1 **Security Interests**

To give security to the Security Agent for the payment and discharge of the Secured Obligations, the Grantor grants to the Security Agent a first ranking security interest under the Security Interests Law extending to all of its right, title and interest, present and future, in and to:

- (a) the Shares;
- (b) the Derived Assets; and
- (c) any proceeds (not being Derived Assets) derived directly or indirectly from a dealing with any of the above or from a dealing with such proceeds,

and, for the avoidance of doubt, includes any after-acquired property falling within any of the above.

5. **ATTACHMENT**

5.1 **Confirmation of attachment**

The Grantor agrees that:

- (a) in respect of the Collateral referred to in clause 6, the Security Interests in that Collateral will attach by the Security Agent having control of that Collateral in accordance with clause 6; and
- (b) without prejudice to clause 5.1(a), in the case of any Collateral that is, for any reason or at any time, not within the possession or control of the Security Agent, the Security Interests in that Collateral will attach to such Collateral by virtue of Article 18(1)(c)(ii) of the Security Interests Law.

5.2 **Point of attachment**

The Grantor agrees that the Security will attach:

- (a) to the extent that the Collateral is not after-acquired property, immediately upon execution of this Security Agreement; and
- (b) to the extent that the Collateral is after-acquired property, immediately on the Grantor acquiring any rights in such Collateral (without the need for any specific appropriation of the property).

5.3 **Value given**

The Grantor acknowledges that value has been given by the Security Agent in respect of this Security Agreement.

6. **CONTROL**

6.1 **Identified Shares**

The Grantor agrees that, for the purposes of Articles 3(5) and 18(1)(c)(i) of the Security Interests Law, the Security Agent shall have control of the Identified Shares by being in possession of the certificates of title representing the Identified Shares and, at the discretion of the Security Agent, after the Security Interests constituted by this Security Agreement become enforceable by being registered in the Issuer's register of members as the holder of those Identified Shares.

6.2 **Delivery of certificates of title**

In accordance with clause 6.1, the Grantor shall deliver to the Security Agent (or its representative):

- (a) on or before the date hereof:
 - (i) all certificates of title representing the Identified Shares;
 - (ii) two duly executed blank transfer forms in respect of the Identified Shares; and
 - (iii) a copy of the Issuer's register of members (certified as true and correct by a director or secretary of the Issuer) showing the Grantor as the registered holder of the Identified Shares and noting the security interest in favour of the Security Agent.
- (b) promptly following any Security Interest attaching to any Additional Shares in accordance with clause 5.2(b) (unless the Issuer proposes to redeem any Preference Shares which have been transferred to or otherwise acquired by the Grantor in circumstances permitted by the Intercreditor Agreement):
 - (i) all certificates of title representing those Additional Shares;
 - (ii) two duly executed blank transfer forms in respect of those Additional Shares; and
 - (iii) a copy of the Issuer's register of members (certified as true and correct by a director or secretary of the Issuer) showing the Grantor as the registered holder of those Additional Shares and noting the security interest in favour of the Security Agent.

so as to enable the Identified Shares and Additional Shares to be registered in the name of the Security Agent or any purchasers of the Identified Shares and Additional Shares.

7. **PERFECTION**

7.1 **Means of perfection**

The Grantor and the Security Agent agrees for the purpose of Article 22 of the Security Interests Law that the Security shall be perfected by:

- (i) the Security Agent having control of the Shares for the purpose of Article 22(3) of the Security Interests Law; or
- (ii) by the registration of a financing statement in accordance with Article 22(4) of the Security Interests Law.

7.2 **More than one method of perfection**

Nothing in this clause 7 shall preclude the Security Agent from pursuing more than one

method of perfecting the Security.

7.3 Registration

For the avoidance of doubt, the Security Agent may register any financing statements or financing change statements it thinks fit during the Security Period as a means of continuously perfecting the Security.

7.4 Waive delivery of statements

The Grantor waives any right it has to receive a copy of any verification statement.

8. SECURITY CONTINUING AND INDEPENDENT

8.1 Security continuing

The Security Interests constituted by this Security Agreement are 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.

8.2 Further advances

The Security Interests constituted by this Security Agreement shall not be affected or discharged by the Security Agent determining increasing or varying any credit or banking facilities of the Grantor or any other Obligor, including for the avoidance of doubt any Further Advance, or any amendment made to any of the Finance Documents.

9. REPRESENTATIONS AND WARRANTIES

9.1 Time representations given and warranties made and repeated

The Grantor makes the representations and gives the warranties set out in this clause to the Security Agent on the date of this Security Agreement and on the Restructuring Effective Date. Each representation and warranty under this Security Agreement is deemed to be repeated on each date on which the Repeating Representations (as defined in the Override Agreement) are repeated pursuant to the terms of the Override Agreement.

9.2 The Grantor and the Collateral

- (a) For the purposes of Article 18(1)(b) of the Security Interests Law, it has (or will have on acquisition) rights in all its Collateral and the power to grant rights in its Collateral to the Security Agent.
- (b) It is able to pay its debts as they fall due and it will not become unable to do so as a result of entering into or performing this Security Agreement.
- (c) Except for any Preference Shares in issue on any date on which this representation is deemed to be repeated in accordance with clause 9.1, the Identified Shares represent the whole of the issued share capital of the Issuer.
- (d) The Identified Shares are fully paid up and they are not subject to any option to purchase or similar rights.

- (e) It is the sole legal, and it is the sole beneficial, owner of the Collateral.
- (f) As at the date of this Security Agreement the Identified Shares are free of any Security Interests and, except as disclosed to the Security Agent at the time that any Additional Shares become subject to the Security Interests constituted by this Security Agreement, any other rights or interests in favour of third parties (other than as permitted by the Finance Documents).

9.3 **Reliance**

The Grantor acknowledges that the Security Agent enters into this Security Agreement in reliance on the representations and warranties given in this clause 9.

10. **UNDERTAKINGS**

10.1 **Undertakings**

The Grantor gives the undertakings set out in this clause 10 to the Security Agent and they shall remain in force throughout the Security Period.

10.2 **The Collateral**

- (a) The Grantor shall not (except to the extent permitted by the Finance Documents) take any action or allow the taking of any action on its behalf which may result in the rights attaching to the Collateral being altered or any further shares in the Issuer being issued.
- (b) The Grantor must pay all calls or other payments due and payable in respect of any Collateral. If the Grantor fails to do so, the Security Agent may pay the calls or other payments on behalf of that Grantor. The Grantor must, immediately on demand, reimburse the Security Agent for any payment made by the Security Agent under this clause.
- (c) The Grantor must promptly copy to the Security Agent and comply with any request for information which is within its knowledge and which is made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of the Collateral. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the Grantor.
- (d) The Grantor must comply with all other conditions and obligations assumed by it in respect of any of the Collateral.
- (e) The Grantor shall not:
 - (i) create or permit to subsist any Security over any Collateral; or
 - (ii) sell, transfer, licence, lease or otherwise dispose of any Collateral,except to the extent permitted by the Finance Documents.

10.3 **The Security Agent**

- (a) The Security Agent is not obliged to:
 - (i) perform any obligation of the Grantor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Grantor; 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 Security Agreement,
- in respect of the Collateral.

10.4 **Reliance**

The Grantor acknowledges that the Security Agent enters into this Security Agreement in reliance on the undertakings given in this clause 10.

11. **DELEGATION**

11.1 **Power of Attorney**

The Security Agent may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Security Agreement.

11.2 **Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Agent may think fit.

11.3 **Liability**

The Security Agent will not be in any way liable or responsible to the Grantor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

12. **FURTHER ASSURANCE**

12.1 Subject to the Agreed Security Principles and the terms of this Security Agreement, the Grantor must, at its own expense, take whatever action the Security Agent may reasonably require for:

- (a) creating, perfecting or protecting any security over the Collateral; or
- (b) facilitating the realisation of the Collateral, or the exercise of any right, power or discretion exercisable, by the Security Agent or any of its respective delegates or sub-delegates in respect of any of the Collateral.

12.2 The action that may be required under clause 12.1 includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Security Agent or to its nominee; or
- (b) 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 reasonably think expedient.

13. **RESTRICTION ON RIGHTS RELATING TO THE SHARES**

13.1 Before the Security Interests constituted by this Security Agreement become enforceable:

- (a) the Grantor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of the Shares in a manner which (other than pursuant to a matter specified in the Finance Documents) would not adversely affect the validity or enforceability of the Security or cause an Event of Default; and
- (b) all dividends, distributions or other income paid or payable in relation to the Shares must be paid directly to the Grantor.

13.2 After the Security Interests constituted by this Security Agreement become enforceable:

- (a) the Security Agent may exercise (or refrain from exercising), in the name of the Grantor and without any further consent or authority on the part of the Grantor, any voting rights and any other rights or powers which may be exercised by the legal or beneficial owner of the Shares;
- (b) if the Shares remain registered in the name of the Grantor, the Grantor irrevocably appoints the Security Agent as its proxy to exercise the voting rights and other rights or powers in respect of the Shares; and
- (c) all dividends, distributions or other income paid or payable in relation to the Shares must be paid directly to the Security Agent or as the Security Agent otherwise directs and the Grantor acknowledges that any such dividends, distributions or other income paid or payable in relation to the Shares received by it shall be held on trust for the Security Agent and immediately be paid or transferred to the Security Agent or as the Security Agent otherwise directs.

13.3 The Grantor must indemnify the Security Agent against any cost, loss or liability incurred by the Security Agent as a consequence of the Security Agent acting (or refraining from acting) in respect of the Shares as directed by the Grantor.

- 13.4 Subject only to the other provisions of this clause 13, nothing in this Security Agreement shall be taken to impliedly or otherwise authorise any dealing in the Collateral for the purposes of Article 24 of the Security Interests Law.

14. ENFORCEMENT

14.1 When enforceable

The power of enforcement in respect of the Security will become exercisable over the Collateral immediately when:

- (a) an Acceleration Event occurs; and
- (b) the Security Agent has served on the Grantor written notice specifying the Acceleration Event.

14.2 Powers

The Security Agent may exercise any power of enforcement set out in Article 43 (Enforcement) of the Security Interests Law in relation to all or any part or item of Collateral and as many times as the Security Agent thinks fit.

14.3 Exercise of power of sale

The Security Agent may exercise the power of sale over the whole or any part of the Collateral, in any way, at any time, on such terms and in whatever order or combinations as it thinks fit including (without limitation):

- (a) by auction, public tender, private sale or another method;
- (b) for cash, investment securities or other valuable consideration;
- (c) that payment of all or any of the purchase price is deferred or is paid in instalments spread over any period (with or without interest or security);
- (d) in one lot or in parcels;
- (e) whether or not in conjunction with the sale of other property by the Security Agent;
- (f) with or without special provisions as to title; or
- (g) to the Security Agent or any subsidiary of the Security Agent or any subsidiary of any holding body of the Security Agent.

14.4 Waiver of rights

The Grantor waives its right to:

- (a) receive notice of appropriation of any Collateral pursuant to Article 44(4) of the Security Interests Law; and/or

- (b) reinstate this Security Agreement pursuant to Article 54 of the Security Interests Law.

14.5 Protection of third parties

No person (including a purchaser) dealing with the Security Agent shall be concerned to enquire:

- (a) whether an Acceleration Event has occurred or is continuing;
- (b) whether the Secured Obligations have become payable;
- (c) whether any power which the Security Agent or any person who may act on its behalf are purporting to exercise has become exercisable;
- (d) as to the propriety or regularity of any of its actions;
- (e) whether any money remains due under the Finance Documents; or
- (f) how any money paid to the Security Agent is to be applied.

14.6 Statement of account

Within 14 days after the day on which any Collateral is appropriated or sold, the Security Agent will give a written statement of account, prepared in accordance with Article 48 of the Security Interests Law, to the Grantor and any other person entitled to receive it.

14.7 Application of proceeds of enforcement

Subject to the Security Interests Law all amounts from time to time received or recovered by the Security Agent pursuant to the terms of this Security Agreement or in connection with the realisation or enforcement of all or any part of the Security will be held by the Security Agent and applied in or towards payment of or provision for the Secured Obligations in accordance with the terms of the Intercreditor Agreement. This clause does not prejudice the right of any Secured Party to recover any shortfall from the Grantor.

14.8 Prior claims

Clause 14.7 is subject to the payment of any claim having priority over the Security.

14.9 Payment of surplus into court

The Security Agent may, if it thinks fit, pay any surplus from the proceeds of enforcement into court.

14.10 Protection of the Security Agent

- (a) To the extent permitted by law, neither the Security Agent nor any representative will be liable for any:

- (i) conduct, delay, negligence or breach of duty in the exercise or non-exercise of any right or the performance of any obligation or duty under this Security Agreement or provided by law; or
 - (ii) loss that results from anything referred to in clause 14.10(a)(i),
unless it arises from wilful misconduct or gross negligence.
- (b) In no event shall the Security Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent has been advised of the possibility of such loss or damages and regardless of whether the claim for loss or damage is made for negligence, for breach of contract or otherwise.
 - (c) In exercising the power of enforcement, the Security Agent or the Creditors will not become liable to pay or discharge the liabilities or obligations of the Grantor in relation to any Collateral (for which the Grantor will remain liable).

14.11 Contingencies

If the power of enforcement is exercised when any of the Secured Obligations are contingent or future, the Security Agent may pay the proceeds of enforcement into an interest bearing suspense account of its choosing for so long as the Security Agent thinks fit provided that the Security Agent will apply such proceeds to discharge the Security Agent or the Creditors if such application would discharge all the Secured Obligations.

14.12 Non-monetary obligations

Where any power of enforcement under this Security Agreement is exercised in relation to any non-monetary obligation of the Grantor, the monetary value of such obligation (for the purposes of Article 51 of the Security Interests Law) shall be the amount of the total losses, costs and expenses (including professional fees) suffered by the Creditors calculated on a full indemnity basis.

14.13 No restriction on enforcement

The Security Agent is not obliged to marshal, enforce, apply, appropriate, recover or exercise any security, guarantee or other right held by it, or any moneys or property that it holds or is entitled to receive, before the power of enforcement is exercised.

14.14 Credit for proceeds or value received

The Security Agent will be accountable (and the Grantor is entitled to be credited) only for actual value or proceeds received by the Security Agent arising from the appropriation, sale or other realisation of any Collateral by the Security Agent.

14.15 Liability for shortfall

If the value or proceeds of the appropriation, sale or other realisation of any Collateral are insufficient to discharge the Secured Obligations in full, the Grantor will remain liable to the Security Agent for any shortfall.

14.16 Prior Security Interests

- (a) In addition to the powers specified above, the Security Agent may:
 - (i) redeem any prior Security Interest against any Collateral;
 - (ii) procure the transfer of that Security Interest (and any guarantee, document or right ancillary or collateral to it) to itself; and/or
 - (iii) settle and pass the accounts of the holder of that Security Interest and those accounts will be, in the absence of manifest error, conclusive and binding on the Grantor.
- (b) All sums paid by the Security Agent to redeem or transfer a prior Security Interest will be owed by the Grantor to the Security Agent, will be repayable on demand, will bear interest at the Default Rate and will form part of the Secured Obligations.

15. RELEASE OF SECURITY

- 15.1 At the end of the Security Period, the Secured Parties must, at the request and cost of the Grantor, take whatever action is necessary to release the Collateral from the Security Interests created pursuant to this Security Agreement.
- 15.2 The Security Agent must, at the request and cost of the Grantor, take whatever action is necessary to release any Preference Shares which are comprised in the Collateral and which are proposed to be redeemed by the Issuer in circumstances permitted by the Intercreditor Agreement provided that such release shall become effective simultaneously with the redemption.

16. POWER OF ATTORNEY

The Grantor, by way of further security for the payment of all the Secured Obligations of the Grantor, irrevocably and severally appoints the Security Agent and its respective delegates and sub-delegates to be its attorney (with full power of substitution in accordance with Article 8 of the Powers of Attorney (Jersey) Law 1995) with the full power and authority of the Grantor 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 and which the Grantor has failed to take or which any attorney in its absolute discretion may deem necessary for carrying out any obligation of the Grantor under or pursuant to this Security Agreement or generally for enabling the Security Agent to exercise its powers conferred on it under this Security Agreement or by law. The Grantor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause.

17. RIGHTS AND POWERS OF THE SECURITY AGENT

17.1 Consents

The giving by the Security Agent of any consent to the doing of any act, which by the terms of this Security Agreement requires the consent of the Security Agent, shall not prejudice the

right of the Security Agent to give or withhold as it thinks fit its consent to the doing of any other such similar act.

17.2 Remedies cumulative

Every power and remedy given to the Security Agent under this Security Agreement shall be in addition to and not a limitation of any and every other power and remedy vested in the Security Agent hereunder and all the powers so vested in the Security Agent may be exercised from time to time and as often as the Security Agent may deem expedient and the Security Agent shall, without prejudice to its other rights and powers under this Security Agreement, be entitled (but not bound) at any time after the occurrence of an Acceleration Event and as often as may be necessary, to take any such action as it may in its absolute discretion think fit for the purpose of protecting the Security.

17.3 Unfettered discretion

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Instructing Group direct.

17.4 Payments

The Security Agent is not obliged to fulfil any obligation of the Grantor in respect of its Collateral or to make any payment, or make any enquiry as to the nature or sufficiency of any payment received by it or the Grantor, or to 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 Security Agreement.

18. COSTS AND EXPENSES

The Grantor must:

- (a) promptly 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 Security Agreement 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.

19. NOTICES

Any communication to be made under or in connection with this Security Agreement shall be made in accordance with clause 23 of the Intercreditor Agreement which shall apply to this Security Agreement mutatis mutandis as if set out in full herein.

20. MISCELLANEOUS

20.1 Waiver and consent in writing

No amendment or variation of this Security Agreement or any waiver, consent or authorisation given hereunder shall be valid unless it is in writing, is signed by the Security Agent and is effected in accordance with the terms of the Intercreditor Agreement.

20.2 Severability

If a term of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Security Agreement; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Security Agreement.

20.3 Counterparts

This Security Agreement may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this Security Agreement.

20.4 Stamp Duty

The Grantor shall:

- (a) pay all stamp duty, registration and other similar taxes payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Security Agreement; and
- (b) within five Business Days of demand, indemnify the Security Agent against any cost, loss or liability that the Security Agent incurs in relation to any stamp duty, registration or other similar tax paid or payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Security Agreement.

21. GOVERNING LAW, JURISDICTION AND WAIVER OF IMMUNITY

21.1 Governing Law

This Security Agreement shall be governed and construed in accordance with the laws of Jersey.

21.2 Jurisdiction

The Grantor hereby irrevocably:

- (a) agrees to submit to the nonexclusive jurisdiction of the Jersey Courts in connection herewith; and

- (b) waive any objection which it may have now or hereafter to the commencement of any proceedings in any such court as is referred to in this clause 21 and any claim that any such proceedings have been commenced in an inconvenient forum and further irrevocably agrees that a judgment in any proceedings brought in any such court as is referred to in this clause 21 shall be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

21.3 No limitation on enforcement

Subject to any applicable law, nothing contained in this clause 21 shall limit the right of the Security Agent to institute proceedings against the Grantor in any other court of competent jurisdiction nor shall the institution of proceedings in one or more jurisdictions preclude the institution of proceedings in any other jurisdiction, whether concurrently or not.

21.4 Immunity from suit

The Grantor irrevocably and unconditionally:

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

22. SERVICE OF PROCESS

22.1 Process agent

Without prejudice to any other mode of service allowed under any relevant law, the Grantor:

- (a) irrevocably appoints the Issuer as its agent for service of process in relation to any proceedings before the Jersey courts in connection with this Security Agreement; and
- (b) agrees that failure by an agent for service of process to notify the Grantor of the process will not invalidate the proceedings concerned.

22.2 Security Agent right to appoint in default

If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Grantor shall forthwith (and in any event within five Business Days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent on behalf of the Grantor for this purpose.

Schedule 1

Part 1: The Issuer

Premier Oil Finance (Jersey) Limited, a company incorporated under the laws of Jersey with registered number 97486, whose registered office is at 13 Castle Street St Helier Jersey JE4 5UT

Part 2: The Identified Shares

Issuer	Shares
Premier Oil Finance (Jersey) Limited	2 ordinary shares of no par value

SIGNATORIES TO SECURITY AGREEMENT

The Parties have duly executed this Security Agreement on the date stated at the beginning of it.

THE GRANTOR

SIGNED for and on behalf of)

PREMIER OIL PLC)

) By: _____

Name: ANDREW GIBB

Position: ATTORNEY

THE SECURITY AGENT

SIGNED for and on behalf of)

GLAS TRUST CORPORATION)

LIMITED)

By

Name:

Boris Betremieux
Transaction Manager

Address:

45 Ludgate Hill
London EC4M 7JU