



Registration of a Charge

Company Name: **PREMIER OIL E&P UK EU LIMITED**

Company Number: **02907493**



Received for filing in Electronic Format on the: **30/06/2021**

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Details of Charge

Date of creation: **25/06/2021**

Charge code: **0290 7493 0010**

Persons entitled: **DNB BANK ASA, LONDON BRANCH AS SECURITY TRUSTEE**

Brief description: **2.2 LAND (A) THE CHARGOR CHARGES: (I) BY WAY OF A FIRST LEGAL MORTGAGE ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY NOW OWNED BY IT; THIS INCLUDES THE REAL PROPERTY (IF ANY) SPECIFIED IN SCHEDULE 1 (REAL PROPERTY); AND (II) (TO THE EXTENT THAT THEY ARE NOT THE SUBJECT OF A MORTGAGE UNDER PARAGRAPH (A)(I) ABOVE) BY WAY OF A FIRST FIXED CHARGE ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY NOW OR SUBSEQUENTLY OWNED BY IT (OTHER THAN IN RESPECT OF AN EXCLUDED ASSET). (B) A REFERENCE IN THIS CLAUSE 2 (CREATION OF SECURITY) TO A MORTGAGE OR CHARGE OF ANY FREEHOLD OR LEASEHOLD PROPERTY INCLUDES: (I) ALL BUILDINGS, FIXTURES, FITTINGS AND FIXED PLANT AND MACHINERY ON THAT PROPERTY; AND (II) THE BENEFIT OF ANY COVENANTS FOR TITLE GIVEN OR ENTERED INTO BY ANY PREDECESSOR IN TITLE OF THE CHARGOR IN RESPECT OF THAT PROPERTY OR ANY MONEYS PAID OR PAYABLE IN RESPECT OF THOSE COVENANTS. FOR MORE DETAILS PLEASE REFER TO THE CHARGING INSTRUMENT.**

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: **WATSON FARLEY & WILLIAMS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2907493

Charge code: 0290 7493 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th June 2021 and created by PREMIER OIL E&P UK EU LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th June 2021 .

Given at Companies House, Cardiff on 1st July 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**

Execution version

Dated 25 June **2021**

PREMIER OIL E&P UK EU LIMITED
as Chargor

and

DNB BANK ASA, LONDON BRANCH
as Security Trustee

SECURITY AGREEMENT

WATSON FARLEY
&
WILLIAMS

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THIS SECURITY AGREEMENT is made on 25 June 2021

PARTIES

- (1) **PREMIER OIL E&P UK EU LIMITED** (the "**Chargor**") incorporated and registered in England and Wales with company number 02907493 whose registered office is at 23 Lower Belgrave Street, London, England SW1W 0NR
- (2) **DNB BANK ASA, LONDON BRANCH** (the "**Security Trustee**") as security trustee for the Secured Parties

BACKGROUND

- (A) Pursuant to an accession deed dated on or about the date of this Deed, the Chargor has acceded to the Intercreditor Agreement (as defined below).
- (B) The Chargor enters into this Deed in connection with the Intercreditor Agreement.
- (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.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Account Bank**" has the meaning given to such term in the Senior Facility Agreement.

"**Act**" means the Law of Property Act 1925.

"**Authorisation**" has the meaning given to such term in the Senior Facility Agreement.

"**Borrowing Base Asset**" has the meaning given to such term in the Senior Facility Agreement.

"**Enforcement Event**" means the occurrence of an Event of Default which is continuing.

"**Excluded Asset**" means:

- (a) any asset owned or held by the Chargor solely in its capacity as an operator of a Borrowing Base Asset (or any other Petroleum Asset); and
- (b) 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 floating charge over any such right, title, interest or right under that agreement or instrument.

"**Finance Document**" means a Junior Finance Document or a Senior Finance Document.

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

"Intercreditor Agreement" means the intercreditor agreement dated 30 January 2017, as amended and restated from time to time, and made between, amongst others, the Company, the Security Trustee, the Senior Lenders and the Junior Lender.

"Investments" means:

- (a) all shares in any member of the Group (other than itself) owned by the Chargor or held by any nominee or trustee on its behalf;
- (b) all Permitted Deposits (as such term is defined in the Senior Facility Agreement); and
- (c) all other shares, stocks, debentures, bonds or other securities or investments owned by the Chargor or held by any nominee or trustee on its behalf.

"Joint Operating Agreement" means:

- (a) each agreement identified in bold as a joint operating agreement in Schedule 2 (*Operating Agreements*); and
- (b) any other joint operating agreements to which any Obligor is party relating to (i) the Borrowing Base Assets or (ii) the facilities or infrastructure serving the Borrowing Base Assets, provided that any such joint operating agreement is capable of being secured by way of fixed or floating charge, or under which the rights are capable of being assigned by way of security, without consent from a third party (excluding any member of the Group),

all as may have been amended or novated from time to time.

"Licence" means:

- (a) each licence held by the Chargor relating to a Borrowing Base Asset and identified in schedule 10 (*Borrowing Base Assets*) of the Senior Facility Agreement; and
- (b) any other licence designated as such by the Chargor and the Security Trustee.

"Mortgaged Property" means all freehold or leasehold property included in the definition of Security Asset.

"Operating Agreement" means each operating agreement (including each Joint Operating Agreement) as listed in Schedule 2 (*Operating Agreements*) and any other operating agreements to which any Obligor is party relating to (i) the Borrowing Base Assets or (ii) the facilities or infrastructure serving the Borrowing Base Assets, all as may have been amended or novated from time to time.

"Party" means a party to this Deed.

"Petroleum Asset" has the meaning given to such term in the Senior Facility Agreement.

"Project Account" has the meaning given to such term in the Senior Facility Agreement.

"Project Document" has the meaning given to such term in the Senior Facility Agreement.

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

"Relevant Contract" means the contracts listed in Schedule 3 (*Relevant Contracts*).

"Security Asset" means any asset of the 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 Final Discharge Date.

"Third Parties Act" has the meaning given to such term in the Senior Facility Agreement.

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) Section 1 (*Interpretation*) of the Intercreditor Agreement will apply as if incorporated in this Deed or in any notice given under or in connection with this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) a Finance Document or any other agreement or instrument is a reference to that Finance Document or that 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) any **"share", "stock", "debenture", "bond" or "other security" or "investment"** includes:
 - (A) any dividend, interest or other distribution paid or payable; and
 - (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
 - (iv) the term **"this Security"** means any Security created by this Deed.
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any

freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

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

1.3 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.

1.4 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.

2 CREATION OF SECURITY

2.1 General

- (a) The Chargor must pay or discharge the Secured Obligations in the manner provided for in the Finance Documents.
- (b) All the security created under this Deed:
 - (i) is created in favour of the Security Trustee;
 - (ii) is created over present and future assets of the Chargor;
 - (iii) is security for the payment of all the Secured Obligations; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

- (c) The Security Trustee holds the benefit of this Deed and this Security on trust for the Secured Parties pursuant to and in accordance with the Intercreditor Agreement.
- (d) Each of the fixed charges created by this Deed in respect of a Security Asset is a separate and independent Security and if any one of them is construed and categorised as a floating charge, that construction and categorisation will not result in the others being so construed or categorised.

2.2 Land

- (a) The Chargor charges:
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 1 (*Real Property*); and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (a)(i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it (other than in respect of an Excluded Asset).
- (b) A reference in this Clause 2 (*Creation of Security*) to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

The Chargor charges by way of a first fixed charge its interest in all its Investments (other than in respect of an Excluded Asset).

2.4 Plant and machinery

To the extent that they are not the subject of a mortgage or a first fixed charge under Clause 2.2 (*Land*), the 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 other than in respect of an Excluded Asset.

2.5 Credit balances

- (a) The Chargor charges by way of a first fixed charge all of its rights in respect of each Project Account held by it and any amount standing to the credit of such Project Account and the debt represented by it.
- (b) The Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person other than the accounts referred to in paragraph (a) above (or any other account which is an Excluded Asset), 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 Contracts*) 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 other than in respect of an Excluded Asset (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 Contracts

- (a) The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption on and from the date of this Deed, all of its rights under each Relevant Contract to which it is a party referred to in Schedule 3 (*Relevant Contracts*).
- (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 rights listed under paragraph (a) above.
- (c) The Security Trustee agrees and acknowledges that:
 - (i) it shall have no greater rights to the Operating Agreements than the Chargor;
 - (ii) to the extent applicable, its rights shall be subordinated to the rights of the counterparties to the Operating Agreements; and
 - (iii) the assignment or charge created by this Deed over the Operating Agreements shall be without prejudice to the rights of the counterparties to the Operating Agreements, including any right of such counterparty to require the transfer, assignment or conveyance of the Operating Agreements pursuant to its terms.

2.9 Licences and miscellaneous

The Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) the benefit of each Licence and any other Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Licence and any other Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital; and

- (e) the benefit of all rights in relation to any item under paragraphs (a) to (d) above.

2.10 Floating charge

- (a) The 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 Trustee may by notice to the Chargor convert the floating charge created by this Clause 2.10 (*Floating charge*) into a fixed charge as regards any of the Chargor's assets specified in that notice if:
 - (i) an Enforcement Event has occurred; or
 - (ii) the Security Trustee 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 2.10 (*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 Part A1 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 2.10 (*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 the Chargor's assets if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator.
- (f) The floating charge created by this Clause 2.10 (*Floating charge*) is a "qualifying floating charge" for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (g) The floating charge created by this Clause 2.10 (*Floating charge*) shall be deferred in point of priority to all fixed security validly and effectively created by the Chargor under the Finance Documents in favour of the Security Trustee as security for the Secured Obligations.

3 RESTRICTIONS ON DEALINGS

3.1 Security

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

3.2 Disposals

Except as expressly allowed under the Finance Documents or this Deed, the 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.

4 LAND

4.1 Notices to tenants

If applicable, the Chargor must:

- (a) serve a notice of assignment, substantially in the form of Part A of Schedule 4 (*Forms of Letter for Occupational Tenants*), on each tenant of the Mortgaged Property, such notice to be served on the date of this Deed for all tenants in place on that date; and
- (b) use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part B of Schedule 4 (*Forms of Letter for Occupational Tenants*).

4.2 Acquisitions

If the Chargor acquires any freehold or leasehold property in England and Wales in accordance with the Finance Documents after the date of this Deed it must:

- (a) notify the Security Trustee promptly;
- (b) promptly on request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage over that property in favour of the Security Trustee in any form which the Security Trustee may require; and
- (c)
 - (i) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
 - (ii) if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

4.3 Land Registry

The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register or their conveyancer".

4.4 Deposit of title deeds

The Chargor must promptly:

- (a) deposit with the Security Trustee all deeds and documents necessary to show good and marketable title to any property referred to in Clause 4.2 (*Acquisitions*) (the "**Title Documents**");
- (b) procure that the Title Documents are held at the applicable Land Registry to the order of the Security Trustee; or
- (c) procure that the Title Documents are held to the order of the Security Trustee by a firm of solicitors approved by the Security Trustee for that purpose.

5 INVESTMENTS

5.1 Deposit

The Chargor must promptly (and in any event no later than 3 Business Days from the date of making any Investment):

- (a) deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments (other than in respect of any Permitted Deposits with a duration of less than 3 Business Days); and
- (b) execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.2 Calls

- (a) The 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 the Chargor fails to do so, the Security Trustee may pay the calls or other payments in respect of any of its Investments on behalf of the Chargor. The Chargor must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under this Clause 5.2 (*Calls*).

5.3 Other obligations in respect of Investments

- (a) The Chargor must promptly send a copy to the Security Trustee 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 Trustee may elect to provide such information as it may have on behalf of the Chargor.
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Security Trustee is not obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the 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.

5.4 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 the Chargor; or
 - (B) if exercisable by the Security Trustee, in any manner which the Chargor may direct the Security Trustee in writing; and
- (ii) all dividends, distributions or other income paid or payable in relation to any of its Investments in accordance with the Finance Documents must be paid in accordance with the terms of the Senior Facility Agreement.
- (b) The Chargor must indemnify the Security Trustee against any loss or liability incurred by the Security Trustee as a consequence of the Security Trustee acting in respect of any of its Investments as permitted by this Deed on the direction of the Chargor.
- (c) After this Security has become enforceable, the Security Trustee may exercise (in the name of the Chargor and without any further consent or authority on the part of the 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 ACCOUNTS

6.1 Book debts and receipts

- (a) The 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 Trustee.
- (b) The Chargor must, except to the extent that the Security Trustee otherwise agrees, pay all the proceeds of the getting in and realisation into a Project Account in accordance with the Senior Facility Agreement.

6.2 Notices of charge

Unless a contrary intention appears in the Senior Facility Agreement, including pursuant to clause 22.7(d) (*Security*) of the Senior Facility Agreement, the Chargor must:

- (a) promptly serve a notice of charge, substantially in the form of Part A of Schedule 5 (*Forms of Letter for Account Bank*), on each Account Bank; and
- (b) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part B of Schedule 5 (*Forms of Letter for Account Bank*).

7 HEDGING

The Chargor must:

- (a) serve a notice of assignment, substantially in the form of Part A of Schedule 6 (*Forms of Letter for Hedge Counterparty*), on each counterparty to a Hedging Agreement to which it 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 B of Schedule 6 (*Forms of Letter for Hedge Counterparty*).

8 INSURANCES

The Chargor must:

- (a) promptly serve a notice of assignment, substantially in the form of Part A of Schedule 7 (*Forms of Letter for Insurers*), on each counterparty to a policy to which Insurance Rights relate and following the taking out of any such policy conferring Insurance Rights; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part B of Schedule 7 (*Forms of Letter for Insurers*).

9 RELEVANT CONTRACTS

Other than as contemplated by Clause 20.5 (*Notice to Chargor*) and any equivalent provision in any Transaction Security Document, the Chargor shall as soon as reasonably practicable:

- (a) serve a notice of assignment or charge (as applicable), substantially in the form of Part A of Schedule 8 (*Forms of Letter for Other Contracts*), on each counterparty to a Relevant Contract; and
- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part B of Schedule 8 (*Forms of Letter for Other Contracts*).

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Enforcement Event

This Security will become immediately enforceable if an Enforcement Event occurs.

10.2 Discretion

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

10.3 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.

11 ENFORCEMENT OF SECURITY

11.1 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 Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

11.2 No liability as mortgagee in possession

Neither the Security Trustee 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.

11.3 Privileges

The Security Trustee 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.

11.4 Protection of third parties

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

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Security Trustee 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 Trustee or to that Receiver is to be applied.

11.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Trustee 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 the Chargor.
- (b) The Chargor must pay to the Security Trustee, within 5 Business Days of demand, the costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

11.6 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 Trustee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

11.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the 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 Trustee 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 Trustee 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.

12 RECEIVER

12.1 Appointment of Receiver

- (a) Except as provided below, the Security Trustee 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) the Chargor so requests to the Security Trustee 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 Trustee 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 Part A1 of the Insolvency Act 1986.
- (e) The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee 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.

12.2 Removal

The Security Trustee 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.

12.3 Remuneration

The Security Trustee 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.

12.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the 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 Chargor alone is 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 the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

12.5 Relationship with Security Trustee

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 Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

13 POWERS OF RECEIVER

13.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 13 (*Powers of Receiver*) 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.

13.2 Possession

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

13.3 Carry on business

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

13.4 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 the Chargor.

13.5 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.

13.6 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.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

13.7 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 or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

13.8 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 the Chargor or relating in any way to any Security Asset.

13.9 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.

13.10 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.

13.11 Subsidiaries

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

13.12 Delegation

A Receiver may delegate his/her powers in accordance with this Deed.

13.13 Lending

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

13.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the 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.

13.15 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 the Chargor for any of the above purposes.

14 APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Trustee 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 Trustee and applied in accordance with the Intercreditor Agreement. This Clause 14 (*Application of Proceeds*):

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

15 EXPENSES AND INDEMNITY

The Chargor must:

- (a) within 5 Business Days of 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.

16 DELEGATION

16.1 Power of Attorney

The Security Trustee 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.

16.2 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 Trustee or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

16.3 Liability

Neither the Security Trustee 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.

17 FURTHER ASSURANCES

- 17.1 The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):

- (a) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Trustee or the Secured Parties provided by or pursuant to the Finance Documents or by law;
- (b) to confer on the Security Trustee or confer on the Secured Parties Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents;
- (c) following the occurrence of an Enforcement Event, to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security; and/or
- (d) to confer on the Security Trustee Security over any assets acquired after the date of this Deed.

- 17.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Secured Parties by or pursuant to the Finance Documents.

18 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the 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 the Chargor under or pursuant to this Deed or generally for enabling the Security Trustee or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 18 (*Power of Attorney*).

19 INCORPORATION OF SENIOR FACILITY AGREEMENT PROVISIONS

19.1 Incorporation of specific provisions

The following provisions of the Senior Facility Agreement apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications:

- (a) clause 16.2 (*Tax gross-up*);
- (b) clause 34.7 (*Set-off by Obligors*);
- (c) clause 37 (*Notices*);
- (d) clause 39 (*Partial invalidity*);
- (e) clause 40 (*Remedies and waivers*); and
- (f) clause 45 (*Counterparts*).

19.2 Incorporation of general provisions

Clause 19.1 (*Incorporation of specific provisions*) is subject to the application to this Deed of any provision of the Intercreditor Agreement which, by its terms, applies or relates to the Finance Documents generally or this Deed specifically.

20 MISCELLANEOUS

20.1 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.

20.2 Tacking

The Security is intended to secure further advances. Each Primary Creditor must perform its obligations under the applicable Facility Agreements (including any obligation to make available further advances).

20.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the 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.

20.4 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 the 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.

20.5 Notice to Chargor

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

20.6 Cumulative rights

The Security created by or pursuant to this Deed and the rights, powers and remedies of the Security Trustee shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security created by this Deed.

20.7 No prejudice

None of the Security created by or pursuant to this Deed or the rights, powers or remedies of the Security Trustee shall be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the Security or by any other thing which might otherwise prejudice the Security or any rights, powers or remedies of the Security Trustee.

21 RELEASE

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

22 GOVERNING LAW

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

23 JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

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

SCHEDULE 1
REAL PROPERTY

None

SCHEDULE 2**OPERATING AGREEMENTS**

Asset	Operator	Licence	Interest %	Relevant Operating Agreements
RESID	Premier Oil E&P UK EU Limited	P380	72.22%	Joint Operating Agreement for U.K. Petroleum Production Licence P.380 (Block 43/26) dated 1 August 1984, as amended on 1 November 2012, and as amended, assigned, novated or restated from time to time
	Premier Oil E&P UK EU Limited	P686	42.22%	Joint Operating Agreement relating to Licence P.380, P.686, Block 43/27a dated 24 February 1992, as amended on 19 January 2011, and as amended, supplemented and novated from time to time

SCHEDULE 3

RELEVANT CONTRACTS

The following documents:

- 1 each Hedging Agreement (as defined in the Senior Facility Agreement) to which the Chargor is a party;
- 2 each Joint Operating Agreement to which the Chargor is a party;
- 3 each agreement or instrument documenting a Decommissioning Security Arrangement (as defined in the Senior Facility Agreement) to which the Chargor is a party; and
- 4 each agreement or instrument documenting any Intra-Group Debt and any Intra-Obligor Debt (as such terms are defined in the Senior Facility Agreement) to which the Chargor is a party.

SCHEDULE 4

FORMS OF LETTER FOR OCCUPATIONAL TENANTS

PART A

NOTICE TO OCCUPATIONAL TENANT

To: [Occupational tenant]

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

[•]

Dear Sirs,

Re: [Property address]

Security Agreement dated [•] between Premier Oil E&P UK EU Limited and [•] as Security Trustee (the "Security Agreement")

We refer to the lease dated [•] and made between [•] and [•] (the "**Lease**").

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 Trustee] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
- (b) none of the Security Trustee, 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 Lease.

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Security Trustee 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 all notices must be given to, the Security Trustee or as it directs.

We irrevocably instruct and authorise you to pay all rent and all other moneys payable by you under the Lease to our account [with the Security Trustee] at [•], Account No. [•], Sort Code [•] (the "**Rent Account**").

The instructions in this letter apply until you receive notice from the Security Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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 signing the attached acknowledgement and returning it to the Security Trustee at [●] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
Premier Oil E&P UK EU Limited

PART B

ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: [Security Trustee] (as Security Trustee)

Attention: [●]

[●]

Dear Sirs,

Re: [Property address]

Security Agreement dated [●] between [●] and [●] as Security Trustee (the "Security Agreement")

We confirm receipt from Premier Oil E&P UK EU Limited (the "**Chargor**") of a notice dated [●] (the "**Notice**") in relation to the Lease (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease;
- (c) must pay all rent and all other moneys payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (d) must continue to pay those moneys into the Rent Account (as defined in the Notice) until we receive your written instructions to the contrary.

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

Yours faithfully,

.....

For

[Occupational tenant]

SCHEDULE 5

FORMS OF LETTER FOR ACCOUNT BANK

PART A

NOTICE TO ACCOUNT BANK

To: [Account Bank]

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

[•]

Dear Sirs,

Security Agreement dated [•] between Premier Oil E&P UK EU Limited and [•] as Security Trustee (the "Security Agreement")

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 Trustee (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") 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**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Trustee any information relating to any Account requested from you by the Security Trustee;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Trustee;
- (c) hold all sums standing to the credit of any Account to the order of the Security Trustee; and
- (d) in respect of any Account other than our account with [•] (account number [•], sort code [•]) (the "**General Account**"), pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Security Trustee.

We are not permitted to withdraw any amount from any Account other than the General Account without the prior written consent of the Security Trustee.

In respect of the General Account, we are permitted to withdraw any amount from the General Account for any purpose unless and until you receive a notice from the Security Trustee to the contrary stating that we are no longer permitted to withdraw any amount from the General 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 General Account without the prior written consent of the Security Trustee.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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 Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
Premier Oil E&P UK EU Limited

PART B

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: [Security Trustee] (as Security Trustee)

Copy: Premier Oil E&P UK EU Limited

[●]

Dear Sirs,

Security Agreement dated [●] between Premier Oil E&P UK EU Limited and [●] as Security Trustee (the "Security Agreement")

We confirm receipt from Premier Oil E&P UK EU Limited (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**").

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 General Account (as defined in the Notice) without your prior written consent; and
- (e) will comply with any notice we may receive from the Security Trustee in respect of the General Account.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

.....
(Authorised signatory)
[Account Bank]

SCHEDULE 6

FORMS OF LETTER FOR HEDGE COUNTERPARTY

PART A

NOTICE TO HEDGE COUNTERPARTY

To: [Hedge Counterparty]

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

[•]

Dear Sirs,

Security Agreement dated [•] between Premier Oil E&P UK EU Limited and [•] as Security Trustee (the "Security Agreement")

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 Trustee] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") all our rights under any hedging agreements between you and us (the "**Hedging Agreements**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Trustee any information relating to the Hedging Agreements which the Security Trustee may request from you; and
- (b) pay any sum payable by you under the Hedging Agreements to our account with [the Security Trustee] at [•], account number [•], sort code [•].

The instructions in this letter apply until you receive notice from the Security Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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 signing the attached acknowledgement and returning it to the Security Trustee at [•] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
Premier Oil E&P UK EU Limited

PART B

ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY

To: [●] (as Security Trustee)

Copy: Premier Oil E&P UK EU Limited

[●]

Dear Sirs,

Security Agreement dated [●] between Premier Oil E&P UK EU Limited and [●] as Security Trustee (the "Security Agreement")

We confirm receipt from Premier Oil E&P UK EU Limited (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).

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.

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 7

FORMS OF LETTER FOR INSURERS

PART A

NOTICE TO INSURER

To: [Insurer]

Copy: [•] (as Security Trustee as defined below)

[•]

Dear Sirs,

Security Agreement dated [•] between Premier Oil E&P UK EU Limited and [•] as Security Trustee (the "Security Agreement")

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 Trustee] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") all our rights in respect of *[insert details of contract of insurance]* (the "**Insurance**").

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 Trustee, 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).

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 Trustee in respect of the Insurance), unless and until you receive notice from the Security Trustee 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 Trustee 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 Trustee in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Insurance requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [●] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
Premier Oil E&P UK EU Limited

PART B

ACKNOWLEDGEMENT OF INSURER

To: [●] (as Security Trustee)

Copy: Premier Oil E&P UK EU Limited

[●]

Dear Sirs,

Security Agreement dated [●] between Premier Oil E&P UK EU Limited and [●] as Security Trustee (the "Security Agreement")

We confirm receipt from Premier Oil E&P UK EU Limited (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**").

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.

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 8

FORMS OF LETTER FOR OTHER CONTRACTS

PART A

NOTICE TO COUNTERPARTY

To: [Contract Counterparty]

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

[•]

Dear Sirs,

Security Agreement dated [•] between Premier Oil E&P UK EU Limited and [•] as Security Trustee (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have [assigned by way of security]/[charged by way of a first fixed charge] to Security Trustee (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") all our rights in respect of [*insert details of contract*] (the "**Contract**").

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 Trustee, 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.

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 Trustee 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 Trustee or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Contract requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [●] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

Premier Oil E&P UK EU Limited

PART B

ACKNOWLEDGEMENT OF COUNTERPARTY

To: [●] (as Security Trustee)

Copy: Premier Oil E&P UK EU Limited

[●]

Dear Sirs,

Security Agreement dated [●] between Premier Oil E&P UK EU Limited and [●] as Security Trustee (the "Security Agreement")

We confirm receipt from Premier Oil E&P UK EU Limited (the "**Chargor**") of a notice dated [●] (the "**Notice**") of a [security assignment]/[fixed charge] on the terms of the Security Agreement of all the Chargor's assets.

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.

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]

EXECUTION PAGE

The Chargor
EXECUTED as a **DEED** by
PREMIER OIL E&P UK EU LIMITED

acting by:



Director

Phil Kirk

Name



Director/Secretary

Howard Landes

Name

The Security Trustee
for and on behalf of
DNB BANK ASA, LONDON BRANCH

Signature:  _____
Name: Gemma Coppen

Signature:  _____
Name: Kay Newman
