



COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

D/W 991926



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

To the Registrar of Companies

For official use

Company number

M 364

[U][I][I][I]

1483729

Name of company

* PEKO OIL NORTH SEA PLC

* Insert full name
of company

Date of creation of the charge

26th January 1989

Description of the instrument (if any) creating or evidencing the charge (note 2)

An Account Agreement (" Account Agreement ") made between (1) Emerald Field Contracting Limited (" EFCL "), (2) the " Participants ", namely Midland & Scottish (See Continuation Sheet 1)

Amount secured by the mortgage or charge

<p>Charge (g)</p> <p>(i) <u>Participants' (EFPA) Liabilities</u> owed by Peko to the <u>Section 10 Creditor</u>; and</p> <p>(ii) <u>Participants' (EFPA) Liabilities</u> owed by Peko to the <u>Project Lenders</u>.</p> <p>N.B: For underlined expressions see Continuation Sheet 2</p>
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Names and addresses of the mortgagees or persons entitled to the charge

See Continuation Sheet 1.	
	Postcode

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Jordans

JORDAN & SONS LIMITED
JORDAN HOUSE
BRUNSWICK PLACE
LONDON W1 6EE
TELEPHONE 01 253 3030
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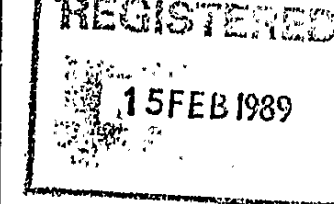
Presentor's name address and
reference (if any):
Norton Rose
Kempson House
Camomile Street
LONDON EC3A 7AN
Tel: 01-283-2434
(Ref: DNH/25/L173262/D.12)

149

Time critical reference

For official Use

Mortgage Section



Post room



20/2

Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

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

Charge (g)

Peko's Earnings Account and its Related Assets.

(See Continuation Sheet 1)

N.B: For underlined expressions see Continuation Sheet 2

Particulars as to commission allowance or discount (note 3)

Nil

Signed

North Rose

Date

15th February 1989

On behalf of ~~company~~ (mortgagee/chargee)[†]

[†] delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

CONTINUATION SHEET 1

Description of the instrument (if any) creating or evidencing the charge

Resources Limited ("MSR"), Sovereign Oil & Gas PLC ("Sovereign" or "Operator"), Peko Oil North Sea PLC ("Peko"), Nedlloyd Energy (UK) Limited ("Nedlloyd") and Westburne Drilling & Exploration (UK) Limited ("Westburne"), (3) Sovereign (as operator of the Emerald Field on behalf of the Participants), (4) The Secretary of State for Trade and Industry ("SOSTI"), (5) Barclays Bank PLC ("Barclays") for itself and as agent and trustee for itself and for each other person capable of being or becoming the Section 10 Creditor (in this capacity the "Section 10 Creditor's Agent"), (6) Barclays as agent and trustee for itself and each of the Project Lenders (in this capacity the "Project Lenders' Agent"), (7) Bergen Bank A/S as agent and trustee for itself and each of the Bergen (Jebsens) Lenders (in this capacity the "Bergen (Jebsens) Lenders' Agent"), (8) Bergen Bank A/S as agent and trustee for itself and each of the Bergen (MSR) Lenders (in this capacity the "Bergen (MSR) Lenders' Agent"), (9) Barclays de Zoete Wedd Limited ("BZW") as the initial Account Bank and (10) The Law Debenture Trust Corporation p.l.c. ("Trustee") *and a Deed made on 26th January, 1989 between Peko and the Trustee.*

N.B: For underlined expressions see Continuation Sheet 2

Names and addresses of the mortgagees or persons entitled to the charge continued

Charge (g)

- (i) as first fixed chargee:
Barclays Bank PLC (as Section 10 Creditor's Agent)
54 Lombard Street
London EC3P 3AH
- (ii) as second fixed chargee:
Barclays Bank PLC (as Project Lenders' Agent)
54 Lombard Street,
London EC3P 3AH

Short particulars of all the property mortgaged or charged continued

Note:

1. In the Account Agreement and herein, all references to documents include all amendments thereof and replacements therefor and supplements thereto.
2. The charges referred to above are expressed in the Account Agreement to take effect as fixed charges; to the extent that any of those charges fail to take effect as fixed charges, it is provided in the Account Agreement that they shall take effect as floating charges.

3. The Account Agreement contains restrictions on the creation of further security over, or the disposal of, the assets subject to the charges created by the Account Agreement.
4. All references to "Accounts" include sub-accounts of those Accounts and replacement and substitute Accounts.

CONTINUATION SHEET 2

"Account Bank" means BZW or any other bank or financial institution with whom the Accounts, with the agreement of EFCL, the Operator, the Project Lenders' Agent, SOSTI, the Section 10 Creditor, the Bergen (MSR) Lenders' Agent and the Bergen (Jebsens) Lenders' Agent, are from time to time maintained.

"Account Holder" means a person in whose name an Account is maintained.

"Account Investments" means any Permitted Investments acquired from time to time pursuant to Clause 8.2 of the Account Agreement.

"Accounts" means the accounts maintained from time to time in accordance with Clause 3 of the Account Agreement and any Investment Accounts relating to such Accounts.

"Bergen (Jebsens) Lenders" means Bergen Bank A/S, Norges Hypotekinstitutt A/S and A/S Kreditt Garanti and includes any permitted assignee or successor in title of any such person.

"Bergen (MSR) Lenders" means Bergen Bank A/S, A/S Kreditt Garanti and Norges Hypotekinstitutt A/S (including any other branch through which any such bank or financial institution may be acting from time to time pursuant to Clause 12.02 of the Bergen (MSR) Loan Agreement) and, where the context so admits, their successors and any other bank or financial institution to which any one of them may assign or transfer or have agreed to assign or transfer some or all of its rights or obligations under the Bergen (MSR) Loan Agreement pursuant to Clause 12.02 thereof.

"Bergen (MSR) Loan Agreement" means an agreement dated 26th January 1989 between (1) the Bergen (MSR) Lenders, (2) MSR and (3) the Bergen (MSR) Lenders' Agent.

"Compensation Allocation Agreement" means the agreement so called dated 26th January 1989 between certain of the parties to the Account Agreement and EFCL relating to the disposal of insurance and compensation proceeds in relation to, inter alia, certain equipment and facilities used or to be used in the Emerald Field and each of UK Offshore Petroleum Production Licence No. P234, No. P327 and No. P330.

"Deed of Co-ordination and Priorities" means the deed so called dated 26th January 1989 between (1) SOSTI, (2) Barclays as Section 10 Lender and as agent and trustee for itself as Section 10 Lender and each other person capable of being or becoming the Section 10 Creditor, (3) the Project Lenders' Agent, (4) the Bergen (Jebsens) Lenders' Agent, (5) the Bergen (MSR) Lenders' Agent, (6) BZW, (7) EFCL, (8) MSG, (9) MSR, (10) Westburne and (11) Jebsens.

"Dollars" and "\$" means the lawful currency for the time being of the United States of America.

"Earnings Account" means each of the two separate Accounts in the name of Peko designated "EMERALD FIELD EARNINGS ACCOUNT" of which one is

maintained in Dollars and one in Sterling or any set of two such Accounts in the name of Peko.

"EDA" means the Emerald Development Agreement dated 26th January 1989 between (1) the Operator and (2) EFCL.

"EFPA" means the Emerald Field Participants' Agreement dated 26th January 1989 between (1) the Operator, (2) the Participants, (3) SOSTI, (4) the Section 10 Creditor's Agent and (5) the Project Lenders' Agent.

"Emerald Field" means all or any structures containing hydrocarbons and lying within the co-ordinates set out in Exhibit E of the UOA in blocks 2/10a (Tract E), 2/15a and 3/11b of the United Kingdom Continental Shelf.

"FSU" means the turbine tanker or other vessel used or to be used as a floating storage unit in connection with the Emerald Field.

"FSU Owner" means FOSCO N.V. or such other owner from time to time of the FSU.

"FSU Side Letter" means a letter from the FSU Owner to or the agreement between the FSU Owner and each of Barclays (as **Financial Agent**), the Section 10 Creditor and Sovereign relating to the FSU.

"Investment Accounts" means accounts maintained with the Account Bank in respect of all Permitted Investments.

"Jebsens" means Jebsens Drilling PLC.

"Liabilities" means, in relation to a person and an agreement, all present and future obligations and liabilities (whether actual or contingent and whether sole or joint or otherwise) of such person to another person under or in connection with such agreement, together with all costs, charges and expenses incurred by such other person in connection with the preservation or enforcement of any of its rights thereunder and, for the avoidance of doubt, where any reference is made to Liabilities owed by one person to another "under" an agreement, such phrase shall include liabilities owed to that other person by virtue of such other person having rights of subrogation, contribution, indemnity or similar rights.

"MSG" means Midland & Scottish Group Limited.

"MSG Participants' Agreement" means the agreement so called dated 26th January 1989 and made between (1) MSR, (2) Westburne, (3) MSG, (4) SOSTI, (5) the Section 10 Creditor's Agent and (6) the Project Lenders' Agent.

"Obligor" means each of EFCL, Jebsens, MSR, MSG and Westburne.

"Participants' (EFPA) Liabilities" means all Liabilities of the Participants under the EFPA and any document entered into after the date of the Account Agreement supplemental to the EFPA.

"Permitted Investments" means:-

- (i) interest bearing deposits in a demand account with a prime bank (including but not limited to the Account Bank) denominated in Dollars or Sterling;
- (ii) time deposits with a prime bank (including but not limited to the Account Bank) denominated in Dollars or Sterling; and
- (iii) with the prior written consent of the Project Lenders' Agent and the Section 10 Creditor, gilts and CDs issued by a prime bank (including but not limited to the Account Bank).

"Project Credit Agreement" means an agreement dated 26th January, 1989 between EFCL as borrower, Barclays and Deutsche Bank AG as Arranging Banks, the lead managers specified therein, the several banks specified therein, Barclays as Financial Agent and Deutsche Bank AG as **Technical Agent** and BZW as the initial Account Bank.

"Project Financing Documents" means:-

- (i) the Project Credit Agreement;
- (ii) the Account Agreement;
- (iii) the Compensation Allocation Agreement;
- (iv) the Deed of Co-ordination and Priorities;
- (v) the EFPA;
- (vi) the FSU Side Letter;
- (vii) any agreements entered into by the Financial Agent, the Technical Agent or any of the Project Lenders in order to hedge a currency exposure of any Relevant Obligor (whether such agreement is entered into with such Relevant Obligor or otherwise) in connection with the Project and the terms of which are approved by the Financial Agent or the Technical Agent. In this paragraph (vii):-
 - (a) "Relevant Obligor" means any Obligor (as defined in the Project Credit Agreement) which is a member of the MSG Group (being MSG and each body corporate of which it (aa) has direct or indirect control or (bb) owns directly or indirectly more than 50 per cent. of the share capital or similar right of ownership (provided that Jebsens shall always be deemed to be a member of the MSG Group)); and
 - (b) (and in paragraph (xvi) below) "Project" means the development and, when the context so requires, the operation of the Emerald Field in accordance with the plan for the development of and production of petroleum from the Emerald Field approved by the Secretary of State for Energy

from time to time, together with all amendments thereof and supplements thereto and any consents to produce given by the Secretary of State for Energy from time to time in connection therewith;

- (viii) the letter dated 26th January, 1989 from EFCL to the Project Lenders' Agent, the Section 10 Creditor's Agent and Bergen Bank A/S relating to EFCL's obligations in respect of insurance;
- (ix) the guarantees dated 26th January, 1989 from each of Jebsens and MSG to the Project Lenders' Agent in respect of (inter alia) all amounts outstanding under the Project Credit Agreement;
- (x) the MSG Participants' Agreement;
- (xi) each of the deeds of assignment dated 26th January, 1989 between Neste Oy and (respectively) Sovereign, MSR, Westburne, Peko and Nedlloyd;
- (xii) the Return Bond issued by National Westminster Bank PLC to the Financial Agent in connection with a series of down-payments aggregating £24,800,000 due from EFCL to Davy Offshore Limited under an agreement dated 30th November, 1988 between (1) Davy Offshore Limited and (2) EFCL as amended by Addenda Nos. 1 and 2;
- (xiii) a risk participation agreement dated 26th January, 1989 between each of the Project Lenders and EFCL in respect of the Section 10 Credit Agreement;
- (xiv) each of the documents listed in Schedule 2 to the Deed of Co-ordination and Priorities and any other documents relating to the securing of amounts due from EFCL under the Project Credit Agreement;
- (xv) any letters or documents setting out the terms (if any) upon which compliance with any provision of any Project Financing Documents is waived by the Financial Agent or the Project Lenders;
- (xvi) any other document to which the Project Lenders and/or the Financial Agent and/or the Technical Agent are party relating to the Project.

"Project Lenders" and "Banks" means the Banks (as defined in the Project Credit Agreement) viz:-

- (i) Barclays, Deutsche Bank AG, The Hongkong and Shanghai Banking Corporation and The Industrial Bank of Japan Limited;
- (ii) each assignee of any such person pursuant to Clause 27 of the Project Credit Agreement;
- (iii) any person (other than the Financial Agent and the Technical Agent and EFCL or any other Obligor as defined in the Project

Credit Agreement) which assumes rights and/or obligations pursuant to Clause 27 of the Project Credit Agreement; and

- (iv) any permitted assignee or successor in title of any of the foregoing

except that a Bank shall only be such so long as it has any rights or obligations under the Project Financing Documents (or would have had such rights or obligations but for any breach of any obligation, representation or warranty of any Obligor (as defined in the Project Credit Agreement) under any of the Project Financing Documents).

"Receipts Accounts" means the Accounts (in respect of receipts assigned absolutely by Peko to the Trustee) in the name, in each case, of the Trustee and designated by the words "EMERALD FIELD RECEIPTS ACCOUNT" preceded in each case by the name of Peko, which Accounts are maintained in Dollars.

"Related Assets" in relation to an Account means:-

- (i) the balance from time to time standing to the credit thereof together with all interest accrued and accruing thereon and the debt represented thereby; and
- (ii) all Account Investments (together with all moneys payable in respect thereof (whether on redemption and whether by way of interest or dividend or otherwise however), all rights relating thereto and all debts represented thereby) acquired from time to time with amounts standing to the credit of such Account; and
- (iii) the rights under the Account Agreement of an Account Holder to have monies transferred to such Account from any of the Receipts Accounts and the benefit of any security conferred by the Account Agreement for performance of the obligations to credit such monies to such Account.

"Section 10 Credit Agreement" means the financial agreement dated 26th January 1989 between (1) Barclays and (2) EFCL.

"Section 10 Creditor" means:-

- (i) Barclays for so long as it is owed any Section 10 Senior Liabilities and SOSTI is not the Section 10 Creditor in accordance with paragraph (ii) of this definition; and
- (ii) SOSTI after it has paid Barclays in full, whether at its option or upon demand by Barclays, any amount payable by it under and in accordance with the Section 10 Guarantee and for so long as it is owed any Section 10 Liabilities

"Section 10 Financing Documents" means:-

- (i) the Section 10 Credit Agreement;
- (ii) the Shipowner's Agreement;

- (iii) a guarantee by Den norske Creditbank PLC (endorsed with the undertaking of Den norske Creditbank to procure the performance of such guarantee) dated 26th January 1989 in favour of Barclays acting on behalf of itself and certain other banks;
- (iv) a guarantee by Jebsens dated 26th January 1989 in favour of Barclays acting on behalf of itself and certain other banks;
- (v) a guarantee by MSG dated 26th January 1989 in favour of Barclays acting on behalf of itself and certain other banks;
- (vi) a first priority statutory ship Mortgage (in account current form) in respect of the FPF and a Deed of Covenant relating thereto each to be executed by EFCL in favour of Barclays acting on behalf of itself and certain other banks;
- (vii) a second priority statutory ship Mortgage (in account current form) in respect of the FPF and a Deed of Covenant relating thereto, each to be executed by EFCL in favour of SOSTI;
- (viii) an assignment dated 26th January 1989 executed by EFCL in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent);
- (ix) Bonds and Floating Charges dated 26th January 1989 executed by EFCL in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent);
- (x) a second (becoming first) priority statutory ship Mortgage in respect of each of the drilling rigs "ALADDIN" and "SINDBAD SAXON" and a Deed of Covenant relating thereto each dated 26th January 1989 and executed by Jebsens in favour of Barclays acting on behalf of itself and certain other banks;
- (xi) a charge dated 26th January 1989 executed by Jebsens in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent) over the shares of EFCL;
- (xii) an agreement entitled the "Section 10 Cash Collateral Agreement" to be made between (1) EFCL, (2) Barclays and (3) BZW;
- (xiii) the Account Agreement;
- (xiv) the Compensation Allocation Agreement;
- (xv) the Deed of Co-ordination and Priorities;
- (xvi) the EFPA;
- (xvii) the FSU Side Letter;
- (xviii) the MSG Participants' Agreement;

- (xix) a deed of subordination dated 26th January 1989 and made between (1) Den norske Creditbank PLC, (2) SOSTI, (3) Barclays in its capacity as Section 10 Lender and as Section 10 Creditor's Agent, (4) Barclays as Project Lenders' Agent, (5) Bergen Bank A/S as Bergen (Jebsens) Lenders' Agent, (6) Bergen Bank A/S as Bergen (MSR) Lenders' Agent and (7) M.W. Deaner;
- (xx) assignments in security dated 26th January 1989 executed by MSR in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent);
- (xxi) bonds and floating charges dated 26th January 1989 executed by MSR in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent);
- (xxii) a debenture dated 26th January 1989 executed by MSR in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent);
- (xxiii) assignments in security dated 26th January 1989 executed by Westburne, Peko, Nedlloyd and Sovereign in favour of, inter alios, Barclays (as (inter alia) the Section 10 Creditor's Agent); and
- (xxiv) debentures dated 26th January 1989 executed by Westburne, Peko, Nedlloyd and Sovereign in favour of, inter alia, Barclays (as (inter alios) the Section 10 Creditor's Agent).

"Section 10 Guarantee" means a guarantee dated 26th January 1989 given by SOSTI to Barclays (as the Section 10 Lender) in respect of certain Section 10 Liabilities.

"Section 10 Junior Liabilities" means all Liabilities of EFCL to SOSTI under the Shipowner's Agreement.

"Section 10 Liabilities" means the Section 10 Junior Liabilities and the Section 10 Senior Liabilities.

"Section 10 Senior Liabilities" means all Liabilities of the Obligors to the Section 10 Creditor under the Section 10 Financing Documents other than the Shipowner's Agreement.

"Shipowner's Agreement" means an agreement so entitled dated 26th January 1989 between (1) SOSTI and (2) EFCL.

"Sterling" means the lawful currency for the time being of the United Kingdom.

"UOA" means the Unit Operating Agreement dated 26th January 1989 between Sovereign, MSR and others.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

I hereby certify that an Account Agreement dated 26th January 1989 and created by (Stop00) PEKO OIL NORTH SEA PLC("Company") between (inter alios) the Company and Barclays Bank PLC ("Bank") (and expressions defined in the Account Agreement shall have the same meanings in this Certificate) over the Company's Earnings Account and its Related Assets in favour of the Bank as first fixed chargee (in its capacity as Section 10 Creditor's Agent) and as second fixed chargee (in its capacity as Project Lenders' Agent) for securing the Participants' (EFPA) Liabilities owed by the Company to the Section 10 Creditor and to the Project Lenders was registered pursuant to Chapter I Part XII of the Companies Act 1985, on the 15th February 1989

Given under my hand at the Companies Registration Office,
Cardiff the 20 MAR 1989

No. 1483729 (Stop00)

P. T. Harrington

P. T. HARRINGTON
an authorised officer

Certificate and instrument received by

..... *W/C N/R*

..... *24*

Date *22/3*