



HERBERT  
SMITH  
FREEHILLS

Execution version

30 October 2019

**IOG INFRASTRUCTURE LIMITED**  
**IOG UK LTD**  
**IOG NORTH SEA LIMITED**  
as Guarantors

and

**NORDIC TRUSTEE AS**  
as the Security Agent

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**DEED OF GUARANTEE**

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Herbert Smith Freehills LLP

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**THIS DEED OF GUARANTEE** dated 30 October 2019 and made between:

- (1) **IOG NORTH SEA LIMITED** (a company registered in England and Wales with registered number 07632999) whose registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR;
- (2) **IOG INFRASTRUCTURE LIMITED** (a company registered in England and Wales with registered number 07632910) whose registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR;
- (3) **IOG UK LTD** (a company registered in England and Wales with registered number 08619688) whose registered office is at 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR; and
- (4) **NORDIC TRUSTEE AS** as security trustee for itself and each of the other Secured Parties (the "**Security Agent**").

**WITNESSES** as follows:

## 1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

### 1.1 Definitions

1.1.1 Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Guarantee or unless a contrary intention appears, bear the same meanings when used in this Guarantee and the following terms shall have the following meaning:

**"Finance Documents"** means the Senior Debt Documents and the Junior Finance Documents.

**"Free Cash"** has the meaning given in the Senior Secured Bond Terms.

**"Guarantee"** means this deed of guarantee.

**"Guaranteed Liabilities"** means all moneys, obligations and liabilities owing or payable or expressed to be owing or payable by the Debtors to the Security Agent or any Secured Party under or in connection with Finance Documents from time to time.

**"Guarantors"** means:

- (A) each of the persons listed in Schedule 1 (*The Guarantors*); and
- (B) each person that has become a guarantor and a Party in accordance with Clause 16 (*Additional Guarantors*),

and **"Guarantor"** means any of them.

**"Harvey"** means the Harvey field located offshore in the North Sea basin, part of blocks 48/23c & 48/24b and covered by United Kingdom Seaward Production Licence P.2085.

**"Hydrocarbon Licence"** has the meaning given in the Senior Secured Bond Terms.

**"Intercreditor Agreement"** means the intercreditor agreement dated on or about the date of this Guarantee between among others (1) the Parent; (2) the Security Agent; and (3) Nordic Trustee AS as senior secured bonds trustee.

**"Junior Debt"** has the meaning given in the Senior Secured Bond Terms.

**"Licence Document"** has the meaning given in the Senior Secured Bond Terms.

**"Material Adverse Effect"** has the meaning given in the Senior Secured Bond Terms.

**"Net Profit"** has the meaning given in the Senior Secured Bond Terms.

**"Obligor Group"** has the meaning given in the Senior Secured Bond Terms.

"Parent" means Independent Oil and Gas PLC.

"Party" means a party to this Guarantee.

"Project Licence" has the meaning given in the Senior Secured Bond Terms.

"Project Merlin I" has the meaning given in the Senior Secured Bond Terms.

"Project Merlin II" has the meaning given in the Senior Secured Bond Terms.

1.1.2 Unless a contrary intention appears, words defined in the Companies Act 2006 have the same meanings in this Guarantee.

## 1.2 Construction and Third Party Rights

1.2.1 Except as set out in this Clause 1.2 (*Construction and third party rights*), clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Guarantee as if set out in full herein and as if each reference to the Intercreditor Agreement were a reference to this Guarantee.

1.2.2 In addition, unless a contrary indication appears, any reference in this Guarantee to:

- (A) the singular includes the plural and vice versa;
- (B) the "**Security Agent**" or any "**Secured Party**" shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
- (C) "**assets**" includes present and future properties, revenues and rights of every description;
- (D) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (E) a provision of law is a reference to that provision as amended or re-enacted;
- (F) a Clause or a Schedule is a reference to a clause of or schedule to this Guarantee;
- (G) this Guarantee shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- (H) another agreement or document shall be construed as a reference to such agreement or document as the same may have been modified, extended, amended, varied or supplemented or novated from time to time;
- (I) references to any form of property or asset shall include a reference to all or any part of that property or asset; and
- (J) the word "**including**" is without limitation.

1.2.3 Clause and Schedule headings are for ease of reference only.

1.2.4 The words "**other**", "**or otherwise**" and "**whatsoever**" shall not be construed eiusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

### 1.2.5 Third party rights

- (A) Unless expressly provided to the contrary in this Guarantee, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Guarantee.

- (B) Any Receiver, Delegate or any of their officers, employees or agents may, subject to this Clause 1.2.5 and the Third Parties Act, rely on any Clause of this Guarantee which expressly confers rights on it.

**1.3 Effect as a Deed**

This Guarantee is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

**1.4 Security Trust Provisions**

The Security Agent holds the benefit of this Guarantee on trust for the Secured Parties in accordance with clause 18.1 (*Common Security Agent as trustee*) of the Intercreditor Agreement.

**1.5 Intercreditor Agreement**

This Guarantee is subject to the terms of the Intercreditor Agreement. In the event of a conflict between the terms of this Guarantee and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

**2. GUARANTEE AND INDEMNITY**

**2.1 Each Guarantor irrevocably and unconditionally:**

- 2.1.1 guarantees to the Security Agent (as agent and trustee for each Secured Party) punctual performance by each Debtor of all of the Guaranteed Liabilities;
- 2.1.2 undertakes with each Secured Party that whenever a Debtor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
- 2.1.3 agrees with each Secured Party that, if any obligation guaranteed by it under this Guarantee is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation and as principal debtor and primary obligor indemnify that Secured Party immediately against any cost, loss or liability it incurs as a result of a Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of a guarantee.

**2.2 The obligations and liabilities of the Guarantors under this Guarantee are joint and several obligations and liabilities in connection with all of the Guaranteed Liabilities. No failure of any Guarantor to pay shall affect the liability of any other Guarantor.**

**3. CONTINUING GUARANTEE**

This Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Debtor or any Guarantor under or in connection with the Finance Documents, regardless of any intermediate payment or discharge in whole or in part or other matter whatsoever.

**4. REINSTATEMENT**

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or Guarantor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred.

## 5. **WAIVER OF DEFENCES**

The obligations of each Guarantor under this Guarantee will not be affected by (and the intention of each Guarantor is that its obligations shall continue in full force and effect notwithstanding) an act, omission, matter or thing which, but for this Clause 5, would reduce, release or prejudice any of its obligations under this Guarantee (without limitation and whether or not known to it or any Secured Party) including:

- 5.1.1 any time, waiver or consent granted to, or composition with, any Debtor or other person;
- 5.1.2 the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any Debtor or any member of the Group;
- 5.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 5.1.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
- 5.1.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- 5.1.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- 5.1.7 any insolvency or similar proceedings; or
- 5.1.8 any act or omission which would not have discharged or affected the liability of any Guarantor had it been a principal debtor instead of a guarantor or by anything done or omitted which but for this provision might operate to exonerate any Guarantor.

Without prejudice to the foregoing, each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

## 6. **IMMEDIATE RECOURSE**

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

## 7. **APPROPRIATIONS**

Until all amounts which may be or become payable by the Debtors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- 7.1.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- 7.1.2 hold in an interest bearing suspense account any moneys received from any Debtor or on account of any Guarantor's liability under this Guarantee.

## 8. DEFERRAL OF GUARANTORS' RIGHTS

- 8.1 Until all amounts which may be or become payable by the Debtors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Security Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable or any liability arising under this Guarantee, including:
  - 8.1.1 to be indemnified by a Debtor;
  - 8.1.2 to claim any contribution from any other Guarantor or any other guarantor of any Debtor's obligations under the Finance Documents;
  - 8.1.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
  - 8.1.4 to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 2 (*Guarantee and Indemnity*);
  - 8.1.5 to claim, rank, prove or vote as a creditor of any Debtor or Guarantor or its estate in competition with the Security Agent or any of the other Secured Parties; and/or
  - 8.1.6 to exercise or claim any right of set off or counterclaim against any other Guarantor or any Debtor or any other person liable for any of the Guaranteed Liabilities or claim or prove in competition with the Secured Parties in the bankruptcy or liquidation of any other Guarantor or any Debtor or any other person liable or have the benefit of, or share in, any payment from or composition with, any other Guarantor or any Debtor or any other person liable or any other Security now or hereafter held by the Secured Parties for any of the Guaranteed Liabilities or for the obligations or liabilities of any other person liable but so that, if so directed by the Security Agent, it will prove for the whole or any part of its claim in the liquidation or bankruptcy of any other Guarantor or any Debtor on terms that the benefit of such proof and of all of the money received by it in respect thereof shall be held on trust for the Secured Parties and applied in or towards discharge of the Guaranteed Liabilities in such manner as the Security Agent shall deem appropriate; or
  - 8.1.7 to demand or accept repayment in whole or in part of any indebtedness now or hereafter due to any Guarantor from any other Guarantor or any Debtor or from any other person liable or accept any Security in respect of the same or dispose of the same.
- 8.2 If any Guarantor fails to claim or prove in the liquidation or bankruptcy of any other Guarantor or any Debtor promptly upon being directed to do so by the Security Agent as contemplated by Clause 8.1.5:
  - 8.2.1 the Security Agent may, and is irrevocably authorised on behalf of such Guarantor to, file any claims or proofs in such liquidation or bankruptcy on its behalf; and
  - 8.2.2 the trustee in bankruptcy, liquidator, assignee or other person distributing the assets of any other Guarantor or any Debtor or their proceeds is directed to pay

distributions on the obligations or liabilities of such Guarantor or Debtor direct to the Security Agent on behalf of the Secured Parties until the Guaranteed Liabilities have been irrevocably paid in full.

**9. ADDITIONAL SECURITY**

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

**10. FURTHER ASSURANCE**

Each Guarantor agrees that it shall promptly, upon the reasonable request of the Security Agent, execute and deliver at its own expense any document (executed as a deed or under hand as the Security Agent may direct) and do any act or thing in order to confirm or establish the validity and enforceability of the guarantee and indemnity intended to be created by it under this Guarantee, provided that, at any time when there is an Event of Default which is continuing or where the document, act or thing requested by the Security Agent is a requirement of law, the requirement that any request by the Security Agent under this Clause must be reasonable shall not apply.

**11. REPRESENTATIONS AND WARRANTIES**

**11.1 General**

Each Guarantor makes the representations and warranties set out in this Clause 11 (*Representations and warranties*), in respect of itself and in respect of each other Guarantor to the Security Agent (on behalf of the Secured Parties) at the following times and with reference to the facts and circumstances then existing:

11.1.1 on the date of this Guarantee;

11.1.2 on the Issue Date (as defined in the Senior Secured Bond Terms);

11.1.3 on each date of disbursement of proceeds from the Escrow Account; and

11.1.4 at the date of issuance of any Additional Bonds (as defined in the Senior Secured Bond Terms).

**11.2 Status**

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

**11.3 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Guarantee and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

**11.4 Valid, binding and enforceable obligations**

Subject to the principle that certain types of Security expressed to take effect as fixed security may, as a result of its ability to deal with the assets subject to that Security on the terms permitted under the Finance Documents, take effect as a floating security, this Guarantee and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

### 11.5 **Non-conflict obligations**

The entry into and performance by it of this Guarantee and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order applicable to it; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

### 11.6 **No Event of Default**

11.6.1 No Event of Default exists or is likely to result from the granting of the guarantee under this Guarantee or the entry into, the performance of, or any transaction contemplated by, any Finance Document to which it is a party.

11.6.2 No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

### 11.7 **Authorisations and consents**

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarisations or registrations required:

11.7.1 to enable it to enter into, exercise its rights and comply with its obligations under this Guarantee or any other Finance Document to which it is a party have been obtained or effected and are in full force and effect or will have been obtained or effected and be in full force and effect by the time of entry into the relevant Finance Documents; and

11.7.2 to carry on its business as presently conducted and as contemplated by this Guarantee or any other Finance Document to which it is a party have been obtained or effected and are in full force and effect or will have been obtained or effected and be in full force and effect at the time required, if failure to obtain or effect such authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarisations or registrations has or is reasonably likely to have a Material Adverse Effect.

### 11.8 **Litigation**

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any member of the Obligor Group.

### 11.9 **Material Adverse Effect**

Since the date of the most recent Financial Reports (as defined in the Senior Secured Bond Terms), there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

### 11.10 **No misleading information**

Any factual information provided by it to the Security Agent or any Secured Party in connection with this Guarantee or any Finance Document to which it is a party was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

### 11.11 **Pari passu ranking**

Its payment obligations under this Guarantee and any other Finance Document to which it is a party rank at least *pari passu* with all its other obligations (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

### 11.12 **Security**

Immediately prior to the date of the First Disbursement (as defined in the Senior Secured Bond Terms), no Security exists over any of the present assets of any member of the Group in conflict with the Senior Secured Bond Terms.

### 11.13 **Main place of interest**

It has its main place of interest and establishment in England.

## 12. **UNDERTAKINGS**

### 12.1 **Compliance with laws**

Each Guarantor undertakes to ensure that the operations of the Group in all material respects are conducted in accordance with acknowledged, careful and sound practices and in compliance with applicable laws and regulations of material importance to the business of the Group.

### 12.2 **Insurances**

12.2.1 Each Guarantor undertakes to take out and maintain (or procure that the same is taken out and maintained) adequate insurances with respect to their assets, operations, liabilities and contingencies, including an offshore energy package insurance (covering each Hydrocarbon Licences in which a Guarantor holds an interest) including a third party liability insurance (or a similar insurance package), in each case on such terms and against such risks as are normally insured against by prudent owners of comparable assets (provided that no business interruption insurance is maintained) and ensure that each insurance is maintained with one or more reputable insurance companies.

12.2.2 No Guarantor shall do, or knowingly permit to be done anything, which may make any insurance void, voidable, unavailable or unenforceable or render any sums which may be paid out under any insurance repayable in whole or in part. Each Guarantor shall promptly pay all premiums, calls and contributions due from it and do all other things necessary to keep each Insurance (as defined in the Senior Secured Bond Terms) taken out by or for it maintained in full force and effect. No Secured Party shall have any liability for the payment of premiums or any other amount owing in respect of any insurances. If any Guarantor fails to pay any costs relating to any insurance, the Security Agent may, at its sole discretion, pay any costs due and that Guarantor shall immediately pay to the Security Agent the cost of such insurance.

### 12.3 **Authorisations**

To the extent any Project Licences or other authorisation, approval, licence or consent required for the conduct of its business are registered in the name of the Parent or any Guarantor, each Guarantor undertakes to not render any of them liable to forfeiture or revocation and not surrender, relinquish or amalgamate any part of any of them, other than any partial surrender or relinquishment in the ordinary course of the conduct of its business.

#### 12.4 **Transaction Security**

Each Guarantor shall ensure that this Guarantee and the Security Documents to which it is party remain in full force and effect, and do all acts, and ensure that all acts are taken, which may be necessary to ensure that such Transaction Security remains duly created, enforceable and perfected with such ranking and priority contemplated by the Senior Secured Bond Terms, at the expense of the Guarantors.

#### 12.5 **Licence Documents**

Each Guarantor shall:

12.5.1 perform all material obligations under the Licence Documents applicable to it; and

12.5.2 not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Licence Documents,

in each case which might have a Material Adverse Effect and promptly upon request provide the Security Agent with copies of any Licence Document to the extent permitted under any applicable confidentiality restrictions.

#### 12.6 **Disposals of assets/business**

12.6.1 No Guarantor shall transfer, assign or otherwise dispose of any legal or beneficial interest in any of its assets to any party, other than:

- (A) to another Debtor;
- (B) disposals of obsolete, worn out or redundant assets or equipment;
- (C) disposals of Hydrocarbon Licences which are not Project Licences as of the Issue Date;
- (D) disposals of assets relating to Project Merlin I and disposals of assets relating to Harvey in connection with Project Merlin II; or
- (E) disposals in the ordinary course of business (not including Project Licences),

subject in each case under Clauses 12.6.1(A) to (C) to the transaction being on arm's length terms, at fair market value, on terms and conditions customary for such transaction, no Event of Default existing or be expected to materialise as a result of the disposal and which do not have a Material Adverse Effect.

12.6.2 Notwithstanding Clause 12.6.1, there shall be no restrictions or limitations of any disposals made by a Ring-fenced Group Company or any disposal of any shares of any Ring-fenced Group Company (save for the shares in Avalonia Energy Limited which are the subject of the Transaction Security).

#### 12.7 **Pari passu ranking**

Each Guarantor shall ensure that its obligations under this Guarantee and any other Finance Document to which it is a party shall at all times rank at least *pari passu* with all its other obligations (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

#### 12.8 **Financial Support**

No Guarantor shall grant or permit to subsist any Financial Support (as defined in the Senior Secured Bond Terms) to or for the benefit of any third party other than the Permitted Financial Support (as defined in the Senior Secured Bond Terms).

## 12.9 **Financial Indebtedness**

No Guarantor shall incur or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

## 12.10 **Negative Pledge**

No Guarantor shall create, permit to subsist or allow to exist any Security over any of its present or future prospective assets or its revenues, or enter into arrangement having a similar effect, except for Permitted Encumbrances (as defined in the Senior Secured Bond Terms).

## 12.11 **Continuation of business**

12.11.1 No Guarantor shall cease to carry on its business, always provided that a member of the Obligor Group which is not an owner of (directly or indirectly) any Project Licences, or otherwise involved in the operation of (directly or indirectly) the Project Licences, may cease to carry on its business if it would not have a Material Adverse Effect.

12.11.2 Each Guarantor shall procure that no material change is made to the general nature of its business from that carried on at the date of this Guarantee.

## 12.12 **Mergers**

No Guarantor shall carry out any merger, scheme of arrangement or other business combination or corporate reorganisation, involving a consolidation of the assets and obligations of that Guarantor or any other member of the Obligor Group with any other company or entity not being another member of the Obligor Group.

## 12.13 **North Sea Continental Shelf**

No Guarantor shall take part in any petroleum activities or related activities in any geographical area other than on the UK continental shelf, the Dutch continental shelf, the Danish continental shelf and the Norwegian continental shelf.

## 12.14 **De-mergers**

No Guarantor shall carry out any de-merger, scheme or arrangement or other corporate reorganisation involving a split of that Guarantor or any other member of the Obligor Group into two or more separate companies or entities other than intra-group de-mergers or a de-merger in connection with Project Merlin II.

## 12.15 **Corporate status**

No Guarantor shall change its type of organisation or jurisdiction of incorporation.

## 12.16 **Related party transactions**

No Guarantor shall engage in, directly or indirectly, any transaction with any related party (including, without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and upon fair and reasonable terms and, except for any transaction within the Obligor Group, on terms that are not less favourable to the that Guarantor than those which might be obtained in an arm's length transaction at the time.

## 12.17 **Investments**

Each Guarantor shall:

12.17.1 only invest, make acquisitions or take part in any activity into a Ring-fenced Group Company in the form of Free Cash or Permitted Shareholder Loan; and

12.17.2 not invest, make acquisitions or take part in any activity other than:

- (A) the exploration, appraisal, development and production relating to the Project Licences;
- (B) acquisitions of any Hydrocarbon Licences by Debtors, provided that such acquisition is funded by Junior Debt, Permitted Shareholder Loan, Free Cash and/or retained cash of the Obligor Group (for the avoidance of doubt, excluding any remaining proceed from the issue of the Senior Secured Bonds);
- (C) exploration and appraisal of Hydrocarbon Licences by Debtors that is fully funded by Junior Debt, Permitted Shareholder Loan, Free Cash or from 1 January 2022; 50% of Net Profit in the financial year 2021 or 50% of the Net Profit in any following financial year (and where any unutilized portion of such annual Net Profit may not be carried forward);
- (D) development and production of Harvey following equity funded successful exploration; and
- (E) development and production of other Hydrocarbon Licences by Debtors, provided that such development or production is funded by Junior Debt, Permitted Shareholder Loan, Free Cash and/or retained cash of the Obligor Group (for the avoidance of doubt, excluding any remaining proceeds from the Senior Secured Bonds).

### 13. AMOUNTS PAYABLE

#### 13.1 Interest

Each Guarantor hereby agrees to pay to the Security Agent, in respect of any amount demanded from it in accordance with this Guarantee (to the extent that interest on such amount is not otherwise being paid pursuant to any agreement between any Guarantor and the relevant Secured Party), interest from first demand by the Security Agent of any Debtor:

13.1.1 at the rate of interest payable or deemed to be payable by such Debtor in respect of the amount demanded as calculated and compounded in accordance with any agreement between the relevant Secured Party and such Debtor with respect to such amount; or

13.1.2 failing such agreement, at the rate per annum which is two per cent. (2%) per annum above the interest cost to the relevant Secured Party (as conclusively determined by that Secured Party) of funding the amount demanded, such interest being calculated daily on the basis of a 360 day year and compounded at monthly rests.

13.2 Such interest shall accrue due on a daily basis from the demand by the Security Agent until actual payment by the Guarantor (both before and after any further demand or judgment or the liquidation of any Guarantor or any Debtor).

#### 13.3 No Deduction

All payments to be made by a Guarantor under this Guarantee shall be made without any set-off, counterclaim or equity and (subject to the following sentence) free from, clear of and without deduction for any taxes, duties, levies, imposts or charges whatsoever, present or future. If a Guarantor is compelled by the law of any applicable jurisdiction (or by an order of any regulatory authority in such jurisdiction) to withhold or deduct any sums in respect of taxes, duties, levies, imposts or charges from any amount payable to the

Security Agent (or any other Secured Party) under this Guarantee or, if any such withholding or deduction is made in respect of any recovery under this Guarantee, such Guarantor shall pay such additional amount so as to ensure that the net amount received by the Security Agent (or such other Secured Party) shall equal the full amount due to it under the provisions of this Guarantee (had no such withholding or deduction been made).

#### 13.4 **Currency of Payment**

The obligation of each Guarantor under this Guarantee to make payments in any currency shall not be discharged or satisfied by any tender, or recovery pursuant to any judgment or otherwise, expressed in or converted into any other currency, except to the extent that tender or recovery results in the effective receipt by the Security Agent (or any other Secured Party) of the full amount of the currency expressed to be payable under this Guarantee.

#### 13.5 **Currency Indemnity**

13.5.1 If any sum due from any Guarantor under this Guarantee (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (A) making or filing a claim or proof against any Guarantor;
- (B) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or
- (C) applying the Sum in satisfaction of any of the Guaranteed Liabilities,

each Guarantor shall, as an independent obligation, within three Business Days of demand, indemnify the relevant Secured Party against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that Secured Party at the time of its receipt of that Sum.

13.5.2 Each Guarantor waives any right it may have in any jurisdiction to pay any amount under this Guarantee in a currency unit other than that in which it is payable.

#### 13.6 **Turnover of receipts**

If contrary to this Guarantee any Guarantor takes or receives the benefit of any security or receives or recovers any money or other property, such security, money or other property shall be held on trust for the Security Agent and the Secured Parties and shall be delivered to the Security Agent on demand and if such asset or property is no longer capable of delivery the Guarantor shall pay to the Security Agent an amount equal to the value of such asset or property.

#### 14. **SET OFF**

The Security Agent and each other Secured Party may (but is not obliged to) set off any matured obligation in respect of Guaranteed Liabilities which is due from a Guarantor against any matured obligation owed by the Security Agent or such other Secured Party to that Guarantor (regardless of the place of payment, booking, branch or currency of either obligation) and apply any credit balance to which that Guarantor is entitled on any account with the Security Agent or such other Secured Party in such order as it shall deem appropriate. The Security Agent or such other Secured Party may, at the cost of that Guarantor, convert either obligation at a market rate of exchange in its usual course of business for the purpose of such set-off.

15. **MISCELLANEOUS**

- 15.1 If this Guarantee ceases to be continuing for any reason whatsoever the Security Agent and each Secured Party may nevertheless continue any account of the Debtors or open one or more new accounts and the liability of the Guarantors under this Guarantee shall not in any manner be reduced or affected by any subsequent transactions or receipts or payments into or out of any such account.
- 15.2 Each person who shall have executed this Guarantee as a Guarantor or on whose behalf this Guarantee has been executed agrees to be bound by this Guarantee notwithstanding that any other person intended to execute or to be bound by this Guarantee may not do so or may not be effectually bound and notwithstanding that this Guarantee may be determined or be or become invalid or unenforceable against any other person, whether or not the deficiency is known to the Security Agent or any Secured Party.
- 15.3 If there is more than one Guarantor under this Guarantee:
- 15.3.1 any demand for payment made by the Security Agent under this Guarantee on any Guarantor shall be deemed to be a demand made on all of the Guarantors;
  - 15.3.2 the release or discharge of any of the Guarantors shall not affect the liability of the remaining Guarantors under this Guarantee;
  - 15.3.3 the Security Agent may make any composition or arrangement with any of the Guarantors without affecting the liability of the remaining Guarantors under this Guarantee; and
  - 15.3.4 any termination of this Guarantee by any of the Guarantors shall not affect the liability of the remaining Guarantors under this Guarantee.
- 15.4 No failure to exercise, nor delay in exercising, on the part of the Security Agent or any other Secured Party any right or remedy under this Guarantee shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. No waiver by the Security Agent or any Secured Party shall be effective unless it is in writing. The rights and remedies of the Security Agent and each Secured Party are cumulative and not exclusive of any rights or remedies provided by law.
- 15.5 This Guarantee is binding on the successors in title and assigns of each Guarantor.
- 15.6 If, at any time, any provision of this Guarantee is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Guarantee, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction, shall be affected or impaired in any way.
- 15.7 No Guarantor may assign any of its rights or transfer any of its rights or obligations under this Guarantee. The Security Agent may assign and transfer all or any part of its rights and obligations under this Guarantee to a replacement Security Agent appointed pursuant to the Intercreditor Agreement. Such replacement Security Agent will, from the date of such assignment or transfer, be the agent of and trustee for each other Secured Party under this Guarantee instead of the previous Security Agent.
- 15.8 A Secured Party may disclose to:
- 15.8.1 any of its professional advisers;
  - 15.8.2 any person to (or through) whom the Secured Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Guarantee;
  - 15.8.3 a receiver, prospective receiver or administrator of any Guarantor;
  - 15.8.4 any person (together with professional advisers) who may have an interest in the benefits arising under this Guarantee and/or the Finance Documents;

- 15.8.5 any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation;
  - 15.8.6 any person which is a rating agency;
  - 15.8.7 any person which is a governmental, banking, taxation or other regulatory authority or a stock exchange, listing authority or similar body; or
  - 15.8.8 any person in connection with any securitisation,
- any information about any Guarantor, the Intercreditor Agreement or this Guarantee as that Secured Party shall consider appropriate.

## 16. **ADDITIONAL GUARANTORS**

- 16.1 Each Guarantor shall procure that each member of the Group (other than the Parent) accedes to this Guarantee as a Guarantor, in each case, no later than contemporaneously with becoming a member of the Group. That member of the Group shall become a Guarantor if it:
  - 16.1.1 (a) delivers to the Security Agent a duly completed and executed Debtor Accession Deed pursuant to the terms of clause 20.12 (*New Debtor*) of the Intercreditor Agreement and (b) executes and enters into all other documents and takes all such other steps as the Security Agent may reasonably require in connection with its accession to, or entry into, all relevant Finance Documents (including procuring the delivery of any legal opinions); and
  - 16.1.2 has acceded to the Intercreditor Agreement as a 'Debtor' and an 'Intra-Group Lender' in accordance with the terms of the Intercreditor Agreement.
- 16.2 The delivery of a Debtor Accession Deed pursuant to the terms of clause 20.12 (*New Debtor*) of the Intercreditor Agreement constitutes confirmation by the relevant intended Guarantor that the representations and warranties referred to in Clause 11 (*Representations and Warranties*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

## 17. **CALCULATIONS AND CERTIFICATES**

- 17.1 In any litigation or arbitration proceedings arising out of or in connection with this Guarantee, the entries made in the accounts maintained by the Security Agent in connection with this Guarantee are prima facie evidence of the matters to which they relate.
- 17.2 Any certification or determination by the Security Agent of a rate or amount under this Guarantee is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## 18. **NOTICES**

### 18.1 **Communications in writing**

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be given by post.

### 18.2 **Addresses**

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Guarantee is that identified with its name below, or any substitute address or department or officer as a Guarantor may notify to the Security Agent by not less than five Business Days' notice.

#### **The Guarantors:**

10 Arthur Street  
London

EC4R 9AY  
United Kingdom  
Attn: James Chance  
Email: [james.chance@independentoilandgas.com](mailto:james.chance@independentoilandgas.com)

**The Security Agent:**

Office address

Nordic Trustee AS  
Kronprinsesse Märthas plass 1  
N-0160 Oslo  
Norway

Mailing address

Nordic Trustee AS  
P.Box. 1470 Vika  
N-0116 Oslo  
Norway  
Attn: Corporate Bond & Loan Transactions, Ellen Søiland  
Email: [mail@nordictrustee.no](mailto:mail@nordictrustee.no)

**18.3 Delivery**

Any communication or document made or delivered by one person to another under or in connection with this Guarantee will only be effective when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details under Clause 18.2 (*Addresses*), if addressed to that department or officer.

- 18.3.1 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Security Agent shall specify for this purpose).
- 18.3.2 Any communication or document made or delivered to a Guarantor in accordance with this Clause 0 will be deemed to have been made or delivered to each of the Guarantors.
- 18.3.3 Any communication or document which becomes effective, in accordance with Clause 18.3.1 to 18.3.3, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

**18.4 Electronic communication**

- 18.4.1 Any communication to be made between any two Parties under or in connection with this Guarantee may be made by electronic mail or other electronic means (including by way of posting to a secure website) if those two Parties:
  - (A) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
  - (B) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- 18.4.2 Any such electronic communication as specified in Clause 18.4.1 above to be made between a Guarantor and the Security Agent may only be made in that way

to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

- 18.4.3 Any such electronic communication as specified in Clause 18.4.1 made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Guarantor to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- 18.4.4 Any electronic communication which becomes effective, in accordance with Clause 18.4.2, after 5.00pm in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Guarantee shall be deemed only to become effective on the following day.
- 18.4.5 Any reference in this Guarantee to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 18.4.

## 18.5 **English language**

- 18.5.1 Any notice given under or in connection with this Guarantee must be in English.
- 18.5.2 All other documents provided under or in connection with this Guarantee must be:
  - (A) in English; or
  - (B) if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## 19. **COUNTERPARTS**

This Guarantee may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Guarantee.

## 20. **LAW**

This Guarantee and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

## 21. **ENFORCEMENT**

### 21.1 **Jurisdiction of English courts**

- 21.1.1 The courts of England have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Guarantee or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) (a "**Dispute**").
- 21.1.2 Subject to Clause 21.1.3 below, the parties to this Guarantee agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Guarantor will:
  - (A) argue to the contrary; or
  - (B) initiate or pursue any proceedings relating to a Dispute in any jurisdiction other than England.
- 21.1.3 This Clause 21.1 is for the benefit of each of the Secured Parties only. As a result, a Secured Party shall not be prevented from initiating or pursuing proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, a Secured Party may initiate or pursue:
  - (A) proceedings in any other court; and

(B) concurrent proceedings in any number of jurisdictions, irrespective of whether proceedings have already been initiated by any party in England. Each Guarantor irrevocably waives any right that it may have to claim that the action has been brought in an inconvenient forum.

**IN WITNESS** whereof this Guarantee has been executed and delivered as a deed on the date first above written.

**SCHEDULE 1**  
**THE GUARANTORS**

<b>Name</b>	<b>Registered Office</b>	<b>Registered Number</b>
IOG North Sea Limited	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR	07632999
IOG Infrastructure Limited	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR	07632910
IOG UK Ltd	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR	08619688

SIGNATURE PAGE TO GUARANTEE

The Guarantors

Executed as a Deed by  
IOG INFRASTRUCTURE LIMITED  
acting by

  
.....  
(Signature of director)

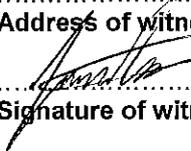
ANDREW R. LOCKETT  
.....  
(Name of director)

in the presence of

SEAN-LUC ESPOSITO  
.....  
(Name of witness)

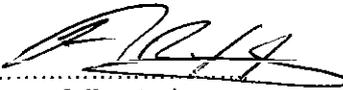
.....  
.....  
.....  
(Address of witness)

**Fieldfisher  
Riverbank House  
2 Swan Lane  
London  
EC4R 3TT**

  
.....  
(Signature of witness)

SIGNATURE PAGE TO GUARANTEE

Executed as a Deed by  
IOG UK LTD  
acting by

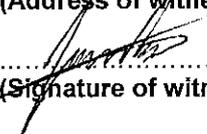
  
.....  
(Signature of director)

  
.....  
(Name of director)

in the presence of

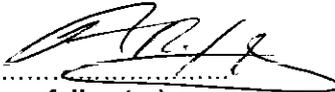
SEAN-LUC ESPOSITO  
.....  
(Name of witness)

.....  
.....  
.....  
(Address of witness) Fieldfisher  
Riverbank House  
2 Swan Lane  
London  
EC4R 3TT

  
.....  
(Signature of witness)

SIGNATURE PAGE TO GUARANTEE

Executed as a Deed by  
IOG NORTH SEA LIMITED  
acting by

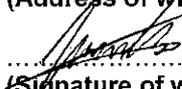
  
.....  
(Signature of director)

  
.....  
(Name of director)

in the presence of  
SEAN-LUC ESPOSITO  
.....  
(Name of witness)

.....  
.....  
.....  
(Address of witness)

Fieldfisher  
Riverbank House  
2 Swan Lane  
London  
EC4R 3TT

  
.....  
(Signature of witness)

**SIGNATURE PAGE TO GUARANTEE**

**The Security Agent**

**SIGNED** by

for and on behalf of  
**NORDIC TRUSTEE AS**

)  
)  
)  
)   
**Lars Erik Lærum**