

**RECORDATION FORM COVER SHEET  
PATENTS ONLY**



101041871

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof

<p>1. Name of conveying party(ies): <u>Victoria Oilfield Development Limited</u></p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>3. Nature of Conveyance:</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Assignment  <input type="checkbox"/> Security Agreement  <input type="checkbox"/> Correction of Assignment Recordation              (previously recorded at Reel _____, Frame _____).  <input checked="" type="checkbox"/> Other Deed of Charge and Assignment       </div> <div> <input type="checkbox"/> Merger  <input type="checkbox"/> Change of Name       </div> </div> <p>Execution Date: <u>4 February 1999</u></p>	<p>2. Name and address of receiving party(ies):          Name: <u>Brovig Offshore ASA</u>          Address: <u>Radhusgt 5b, 0151 Oslo, NORWAY</u> </p> <p>Additional name(s) &amp; address(es) attached? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>4. Application number(s) or patent number(s):          If this document is being filed together with a new application, the execution date of the application is: _____          A. Patent Application Number(s) <u>08/770,738</u>                      B. Patent Number(s) _____       </p> <p>Additional number(s) attached? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>	
<p>5. Name and address of party to whom correspondence concerning document should be mailed:          Name: <u>Allan Ratner</u></p> <p>Internal Address: <u>Ratner &amp; Prestia</u></p> <p>Street Address: <u>Suite 301, One Westlakes, Berwyn,</u>  <u>P.O. Box 980</u>          City: <u>Valley Forge</u>    State: <u>PA</u>    ZIP: <u>19482-0980</u> </p>	<p>6. Total number of applications and patents involved: <u>1</u></p> <hr/> <p>7. Total fee (37 CFR 3.41):        \$ <u>40</u></p> <div style="display: flex; align-items: center;"> <input checked="" type="checkbox"/> Enclosed  <input type="checkbox"/> Authorized to be charged to deposit account     </div> <hr/> <p>8. Deposit account number: <u>18-0350</u>          (Attach duplicate copy of this page if paying by deposit account.)       </p>

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9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

Allan Ratner  
 Name of Person Signing  
19,717  
 Registration. No.

Signature

5/13/99  
 Date

Total number of pages including cover sheet, attachments, and document: 28

OMB No. 0651-0011 (exp. 4/94)

**Do not detach this portion**

Mail documents to be recorded with required cover sheet information to:

**Commissioner of Patents and Trademarks****Box Assignments****Washington, D.C. 20231**

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**SCHEDULE 1**  
**Description of the Property**

**VALVES**

Pusnes 20" female hose coupling valve, for use with DP tanker loading/transfer ID PV00313;  
5 x 6" gear ball valves ID GV00301, 330, 433, 535, 570;  
2 x 3" Class 300 lever ball valves ID LV00338, 339;  
2 x 3" Class 600 lever ball valves ID Lv00428, 429;

**SPOOLS & SWIVELS**

Reducing Spool Crossover 20"-12", ID RS00314;  
Reducing Spool 8"-6" ID RS00315;  
Swivel Joint Adaptor, 8" diameter, ID SA00311;  
Swivel Assembly, Style 20, 12" diamter, ID SA00332  
Assorted pipe spools;

**UMBILICALS**

8 x Assorted Multiflex multi-core Bundle Hydraulic/Electrical/Control/Injection umbilicals;

**DELUGE SYSTEM**

2 x part prefabricated/demountable seawater deluge system and nozzles, ID DS00853;

**EMERGENCY HYDRAULIC RELEASE SYSTEMS**

Beatic hydraulically operated coupling emergency release system ID HR00493;  
Woodfield hydraulically operated coupling emergency release system (twin ball valve);

**CHAINS & ACCESSORIES & LOAD CELLS**

2 x chain link load calls (one readout requires repair) ID LC00396/312;  
K4 84mm chain, various lengths;  
K4 92mm chain, various lengths;  
2 x 55 tonne load cell shackles c/w cables and readouts, ID Lc00386;  
8 x 23 tonne chain clump weights, ID CW00564;  
Assorted chain, blocks, links, connectors, chain blocks, mooring accessories, tripods etc  
24 x 10tonne concrete mattresses, ID CM00218;  
24 x 3tonne concrete mattresses, ID CM00560;

*Ian Williams*  
4/2/99

Page 1 of 2  
*[Signature]*  
4 Feb 99

**THIS DEED OF CHARGE AND ASSIGNMENT** is made on 4th February, 1999

**BETWEEN:-**

- (1) **VICTORIA OILFIELD DEVELOPMENT LIMITED**, a company incorporated in England (registered number 2806863) whose registered office is at Ground Floor 7/9 King Henry Terrace, Sovereign Close, off Wapping Lane, London E1 9HE ("Victoria"); and
- (2) **BROVIG OFFSHORE ASA**, registered in Norway (registered number 851634142) Radhusgt 5b, 0151 Oslo, Norway ("Brovig").



**WHEREAS:-**

- (A) Nordlandsbanken has agreed to issue to RBS a letter of credit to secure facilities made available by RBS to Victoria in a maximum aggregate amount of £800,000 for a period of six months and thirty days from the date of this Deed.
- (B) Pursuant to the terms of the Pledge of Account, Brovig has granted a first priority pledge in favour of Nordlandsbanken over £800,000 held by it in an account with Nordlandsbanken.
- (C) Pursuant to the Victoria Indemnity, Victoria has agreed to indemnify Brovig in respect of any and all amounts paid or liabilities incurred, by Brovig pursuant to or in connection with the Pledge of Account.
- (D) Victoria has agreed to convey, transfer and assign by way of security its right, title, interest and benefit in and to: (i) the assets listed in Schedule 1; (ii) the Intellectual Property and (iii) the Insurances, in favour of Brovig as security for its obligations under the Victoria Indemnity.

**NOW THIS DEED WITNESSES:-**

**1. INTERPRETATION**

**(1) DEFINITIONS**

In this Deed:

"Act"

means the Law of Property Act 1925;

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"Charged Property"	means the whole of the right, title, benefit and interest of Victoria in the assets and rights of Victoria for the time being comprised in or subject to the Security Interests contained in this Deed; and references to the Charged Property include references to any part of it;
"Co-operation Agreement"	means the co-operation agreement of even date herewith and made between Victoria and Brovig;
"Event of Default"	means: (i) the failure to pay any amount upon demand under or in connection with the Victoria Indemnity and/or (ii) failure by Victoria to procure the release of the Letter of Credit by the date which is six months and thirty days after the date of this Deed;
"Finance Documents"	means the Victoria Indemnity and this Deed and any other deed or document executed in accordance with the provisions thereof;
"Insurances"	means all contracts and policies of insurance taken out by or on behalf of Victoria or (to the extent of its interest) in relation to or in connection with the Montrose Equipment and the Intellectual Property;
"Intellectual Property":	means the patents and trademark registrations and pending applications therefor (and any patents and trade mark registrations maturing therefrom) particularised in Schedule 2;
"Letter of Credit"	means an irrevocable standby letter of credit granted or to be granted by Nordlandsbanken in favour of RBS;
"Licence Agreement"	means the licence agreement of even date herewith and made between Victoria and Brovig;
"Nordlandsbanken"	means Nordlandsbanken ASA, whose registered office is at Rosenkrantzgate 21, 0160 Oslo;
"Option Agreement"	means the option agreement of even date herewith and made between Victoria and Brovig;

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"Pledge of Account"	means a pledge of account made or to be made between Brovig and Nordlandsbanken;
"RBS"	means The Royal Bank of Scotland plc acting through its Aberdeen branch of 9 Rubislaw Terrace, Aberdeen, AB10 1YR;
"Secured Liabilities"	means the aggregate of all monies and other liabilities (whether actual or contingent) for the time being due or owing by Victoria to Brovig under and pursuant to or in connection with the Victoria Indemnity together with all costs, charges and expenses and also all losses and damages that may be sustained, suffered or incurred by Brovig or the Receiver arising out of or in connection with any act, matter or thing omitted to be done by Victoria under this Deed or the Victoria Indemnity (on a full indemnity basis) incurred by Brovig or any Receiver in connection with the protection, preservation or enforcement of its rights under the Victoria Indemnity and this Deed or any other document evidencing or securing any such liabilities or in relation to the Charged Property;
"Security Interest"	means any mortgage, charge, assignation, encumbrance, option, lien (other than a lien arising in the ordinary course of business or by operation of law), title transfer or retention arrangement or agreement, hypothecation, right of set-off or any security interest whatsoever, howsoever created or arising;
"Security Period"	means the date beginning on the date of this Deed and ending on the date on which Brovig is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;
"Transaction Documents"	means the Co-operation Agreement, the Licence Agreement and the Option Agreement; and

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**"Victoria Indemnity"**

means an indemnity given or to be given by Victoria in favour of Brovig pursuant to which Victoria has agreed to indemnify Brovig in respect of all and any amounts paid or liabilities incurred by Brovig under or in connection with the Pledge of Account.

**(2) INTERPRETATION****(a) In this Deed:-**

1. Clause headings are inserted for convenience only and shall not affect the construction of this Deed and unless otherwise specified, all references to Clauses and Schedules are to clauses of, and schedules to, this Deed;
2. unless the context otherwise requires, words denoting the singular number shall include the plural and vice versa;
3. references to persons include bodies corporate and unincorporated and vice versa;
4. references to assets include property, rights and assets of every description and includes, unless the context otherwise requires, present and future assets;
5. references to any document are to be construed as references to such document as amended supplemented or novated from time to time;
6. references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment.

**2. COVENANT TO PAY**

Victoria covenants with and undertakes to Brovig that it will duly and punctually pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

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**3. SECURITY**

(1) Victoria, by way of first fixed security for the payment and discharge of the Secured Liabilities, with full title guarantee, hereby charges, conveys, transfers and assigns to and in favour of Brovig all its right, title, interest and benefit, present and future, in and to:

- (a) the Montrose Equipment;
- (b) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with the ownership and use of any Charged Property and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (c) the Intellectual Property.

(2) Victoria, with full title guarantee and as continuing security for the payment, discharge and performance of the Secured Liabilities, hereby assigns and agrees to assign to Brovig by way of security all its right, title and interest in and to the Insurances.

**4. WARRANTY AND COVENANTS BY VICTORIA**

- (1) Victoria hereby warrants that:-
- (a) it is duly incorporated with limited liability and validly existing under the laws of England;
  - (b) the documents which contain or establish its constitution include provisions which give power for it to own its assets, carry on its business and operations as they are now being conducted and to sign and deliver, and perform the transactions contemplated in the Victoria Indemnity and this Deed; all necessary corporate and shareholder authority has been obtained and action taken to authorise the execution and performance by it of the Victoria Indemnity and this Deed and it has taken all necessary steps to enable it to charge or assign as security the Charged Property in accordance with Clause 3, and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Property;
  - (c) the Victoria Indemnity and this Deed constitute its valid and binding obligations enforceable in accordance with their respective terms;
  - (d) neither the signing and delivery of the Victoria Indemnity or this Deed nor the performance of any of the transactions contemplated in any of them does

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or will, contravene or constitute a default under, or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:

1. any law or order (having the force of law) of any court or other governmental authority by which it or any of its assets are bound;
2. any documents which contains or establishes its constitution; or
3. any agreement to which it is a party or by which any of its assets is bound,

or require it to create any Security Interest (other than a Security Interest created pursuant to this Deed);

- (e) no material litigation is existing, pending or to the best of its knowledge, information and belief, having made all due enquiries, threatened against it;
- (f) all consents, approvals, authorisations or other orders required for or in connection with the execution and performance of the Victoria Indemnity and this Deed and any other matters contemplated hereby or thereby have been unconditionally obtained and are in full force and effect;
- (g) no receiver or liquidator (or similar person) has been appointed in respect of Victoria or in respect of any part of the assets or undertaking of Victoria; no resolution, order of any court, regulatory body, governmental body or otherwise, or petition or application for an order, has been passed, made or presented for the winding up of Victoria or for the protection of Victoria from its creditors; and Victoria has not stopped or suspended payments of its debts, become unable to pay its debts or otherwise become insolvent;
- (h) there has been no exercise, purported exercise or claim for any Security Interest in respect of the Charged Property and there is no dispute directly or indirectly relating to any of the Charged Property;
- (i) the Intellectual Property is valid and subsisting and vested in Victoria absolutely free of encumbrances;
- (j) Victoria has not by act or omission caused or permitted anything to be done which might jeopardise any Intellectual Property or invalidate any registration thereof or application therefor;



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- (k) Victoria is the sole beneficial owner of the Intellectual Property and (where such property is capable of registration) the registered proprietor thereof or applicant therefor in the jurisdictions specified in Schedule 2. Other than pursuant to the provisions of the Transaction Documents, no person has been authorised to make any use whatsoever of any Intellectual Property;
  - (l) no third party has any right, title or interest in any Intellectual Property;
  - (m) to the best of its knowledge, information and belief, having made all due enquires, none of the Intellectual Property is being used, claimed, opposed or attacked by any person other than pursuant to the Transaction Documents;
  - (n) it is not aware of any infringement by any third party of any Intellectual Property anywhere in the world;
  - (o) all registrations of Intellectual Property and applications therefor are listed in Schedule 2; and
  - (p) all application and renewal fees, costs and charges relating to the Intellectual Property listed in Schedule 2 have been duly paid on time.
- (2) Victoria covenants with Brovig that until the Secured Liabilities have been repaid and discharged in full:
- (a) it will not create or permit to subsist any Security Interest in, over or affecting any of the Charged Property whatsoever other than the Security Interests created by this Deed;
  - (b) subject to the provisions of the Transaction Documents it will not sell, transfer, lend, part with, grant or lease or otherwise dispose of any of the Charged Property without the prior written consent of Brovig;
  - (c) it shall observe and comply with the obligations and provisions binding on it under and pursuant to this Deed and the Victoria Indemnity;
  - (d) it shall maintain the Insurances in full force and effect and shall ensure that the interest of Brovig is noted on the Insurances;
  - (e) it will hold on trust for Brovig all money received under any insurance of the Charged Property and at the option of Brovig will apply the same in making good the relevant loss or damage or in or towards reduction of the facilities advanced by RBS;

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- (f) it will comply or procure compliance with all statutes and all orders, rules, regulations, bye-laws and other instruments made in the exercise of a power conferred by any statute affecting the Charged Property or its use;
- (g) it will get in and realise any royalties, fees and income of like nature in relation to the licences and Intellectual Property and will hold the same on trust for Brovig;
- (h) it will only use the Montrose Equipment in relation to its business and will at all times maintain the same within the United Kingdom except to the extent required to use the same outside the United Kingdom provided that:
  - 1. the use outside the United Kingdom is pursuant to a contract which reduces or is intended to reduce Victoria's indebtedness to RBS; and
  - 2. Victoria is required to and will procure the return of the same to the United Kingdom upon expiry of any such contract; and
  - 3. Brovig has been notified of such use and the location of the Montrose Equipment;
- (i) it shall keep the Montrose Equipment in a good and substantial state of repair and in good working order and condition and shall use such equipment for the purpose for which such equipment is intended to be used and for the purpose of ascertaining due observance and performance by Victoria of the foregoing, Brovig shall be entitled from time to time, upon giving notice to Victoria, to enter the Montrose Base (without rendering Brovig liable as mortgagee in possession) to examine the condition of the Montrose Equipment;
- (j) immediately upon execution of this Deed it will send a notice in substantially the form set out in Schedule 3 in respect of the Insurances;
- (k) it will notify Brovig in advance of any actual or proposed movement of the Montrose Equipment from the Montrose Base and will maintain at the address referred to in Clause 7(7) a detailed record of the location of the Montrose Equipment and details of any contracts pursuant to which the Montrose Equipment is located outside the Montrose Base, such record to be available to Brovig upon request;
- (l) it will deliver to Brovig on demand copies of the Insurances and will duly pay or cause to be paid on the due date the premiums and other sums of

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money payable in respect of any Insurances and immediately after payment to produce to Brovig the receipt for the same;

- (m) it shall maintain all registrations of any Intellectual Property in force for the full terms thereof;
- (n) it shall diligently prosecute to grant all subsisting applications listed in Schedule 2 for any Intellectual Property;
- (o) it shall take all reasonable steps as may be necessary to restrain any infringement of which it is aware anywhere in the world by any third party of any Intellectual Property and to recover full relief in respect thereof;
- (p) it shall not by any act or omission cause or permit anything to be done which might jeopardise any Intellectual Property or invalidate any registration thereof;
- (q) it shall render such assistance as Brovig may reasonably request in recording the Security Interest against any registration of any Intellectual Property or application therefor in any Registry anywhere in the world; and
- (r) it shall pay any amounts payable from time to time to Brovig under or in connection with this Deed with interest at such rate or rates and upon such terms as may from time to time be agreed, or failing agreement, at such rate or rates as may be notified by Brovig to Victoria and interest shall be computed and compounded accordingly and shall be payable as well after as before any demand made, judgments obtained or liquidation or administration of Victoria.

## **5. PRESERVATION OF SECURITY**

### **(1) CONTINUING SECURITY**

Victoria declares and agrees that:-

- (a) without prejudice to the generality of Clause 2, the security created by and covenants and provisions contained in this Deed shall remain in force as a continuing security to Brovig notwithstanding any intermediate payments, settlement of account or any other act, event or matter whatsoever, except only the execution by, or on behalf of Brovig of an absolute and unconditional release or the execution by or on behalf of Brovig of a receipt for all (and not part only) of the Secured Liabilities;

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- (b) Brovig shall not be bound to enforce any guarantee or other security or proceed or take any other steps against any other person before enforcing this Deed; and
- (c) this Deed shall be in addition to, and not in substitution for, any other rights which Brovig may now or hereafter have under or by virtue of any guarantee or other security or agreement or any lien or by operation of law or under any collateral or other security now or hereafter held by Brovig or to which Brovig may be entitled.

## **6. POWER OF SALE, RECEIVERS AND RECEIVER'S POWERS**

### **(1) WHEN SECURITY BECOMES ENFORCEABLE**

The security constituted by this Deed shall become immediately enforceable upon the occurrence of an Event of Default and the power of sale and other powers conferred by Section 101 of the Act, as varied or amended by this Deed, shall be immediately exercisable upon the occurrence of any Event of Default. After the security constituted by this Deed has become enforceable, Brovig may in its absolute discretion enforce all or any part of the security in any manner it sees fit subject to the terms of this Deed.

### **(2) EXCLUSION OF CERTAIN PROVISIONS OF LAW OF PROPERTY ACT 1925**

For the purposes of all powers implied by statute, the Secured Liabilities shall be deemed to have become due and payable on the date hereof and 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 the security constituted by this Deed. The statutory powers of leasing conferred on Brovig are extended so as to authorise Brovig to lease, make agreements for leases, accept surrenders of leases and grant options as Brovig shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Act.

### **(3) REDEMPTION OF PRIOR CHARGES**

At any time after the security hereby constituted shall have become enforceable, Brovig may redeem any prior Security Interest against the Charged Property or any part thereof or procure the transfer thereof to itself and may settle or pass the accounts of any holder of such charge and any accounts so settled and passed shall be conclusive and binding on Victoria.

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**(4) DEFINITION OF RECEIVER**

In this Deed any reference to a Receiver shall be deemed to include a reference to a receiver and manager and any reference to the Charged Property shall mean and include the whole of the Charged Property or any part or parts thereof.

**(5) APPOINTMENT OF RECEIVER**

At the request of Victoria or, at any time after the security constituted by this Deed becomes enforceable Brovig may without further notice appoint by writing one or more persons to be a Receiver of the Charged Property or any part thereof upon such terms as to remuneration and otherwise as it shall think fit and shall agree with such Receiver and may from time to time remove any Receiver so appointed and appoint another in his stead. A Receiver so appointed shall give notice of his appointment (inter alia) to Victoria and shall be deemed to act as the agent of Victoria in the exercise of the powers granted hereunder or by statute or otherwise and Victoria shall be responsible for such Receiver's acts and defaults (save in the event of his wilful default or gross negligence) and for his remuneration, costs, charges and expenses to the exclusion of liability on the part of Brovig.

**(6) JOINT RECEIVERS**

Where more than one person is appointed as a Receiver the powers of such persons may be exercised either jointly or individually by any one of such persons.

**(7) RECEIVER'S POWERS**

A Receiver appointed in accordance with Clause 6(5) hereof (and Brovig if it goes into possession as Mortgagee) shall have all the powers conferred on a Receiver by the Act and all such powers as are set out in Schedule 1 to the Insolvency Act 1986 (the "1986 Act") notwithstanding that such Receiver may not be an Administrative Receiver and in addition to but without limitation thereof shall have power to:-

- (a) take possession of and get in all or any of the Charged Property and for this purpose to make demands and take proceedings as he may think fit in respect thereof in such manner as he thinks fit;
- (b) carry on or concur in carrying on such of the business of Victoria to which he is appointed (and for this purpose to borrow money on the security of the Charged Property in priority to this charge or otherwise as he may consider expedient and carrying interest at such rate as he may consider necessary) and manage, conduct, amalgamate, develop and reconstruct the same (and concur in so doing) in such manner and to such extent as he may think fit;

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- (c) make and effect all repairs and maintain, renew, increase or surrender insurances and do all such other acts and things which Victoria might do in the ordinary course of its business for the protection and/or for the improvement of the Charged Property;
- (d) make calls conditionally or unconditionally on the members of Victoria concerned in respect of uncalled capital;
- (e) effect any policy or policies of insurance for any purpose in connection with the receivership and without prejudice to the generality of the foregoing particularly to support and underwrite any indemnity given by Victoria hereunder;
- (f) make any arrangement or compromise or disclaim, alter, enter into or cancel any contract or liability which he shall think expedient;
- (g) sign any document, execute any deed and do all such other acts and things as he may in his absolute discretion consider to be incidental or conducive to any of the matters and powers aforesaid or to the realisation of the security hereby granted;
- (h) present or, as the case may be, defend a petition for the winding up of Victoria;
- (i) employ or engage, upon such terms (as to remuneration or otherwise) as he may think proper, such professional advisers, managers, servants and agents as he considers necessary including, without limiting the generality of the foregoing, solicitors, valuers, auctioneers, surveyors and accountants;
- (j) bring or defend any action or legal proceedings or discontinue the same on behalf of Victoria;
- (k) obtain, renew, extend, amend or otherwise deal with such permissions, consents and/or licences for the benefit of or otherwise connected with or ancillary to all or part of the Charged Property;
- (l) do all such other acts and things as may be considered to be expedient for the protection or realisation of the Charged Property or to be incidental or conducive to any of the above matters and powers or any other act or thing which he could do if he were absolutely entitled to the Charged Property and which the Receiver may lawfully do as agent for Victoria;

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- (m) use the name of Victoria for all or any of the above purposes with full power to convey, transfer or assign the whole or any part of the Charged Property sold in the name of Victoria.

**(8) APPLICATION OF PROCEEDS**

Any moneys received by Brovig in respect of the Charged Property after the security constituted by this Deed has become enforceable shall be applied by Brovig or the Receiver, in the following order:

- FIRST** in payment of all costs, charges and expenses of the exercise of all or any of the powers aforesaid and of all other outgoings properly payable by the Receiver (or as the case may be by Brovig);
- SECOND** (if applicable) in payment of remuneration to the Receiver at such rate as may be agreed between him and Brovig;
- THIRD** in or towards payment of the Secured Liabilities in such order as Brovig sees fit; and
- FOURTH** the surplus (if any) shall be paid to Victoria or to whomsoever else may be entitled thereto in priority to Victoria.

**(9) INDEMNITY**

Victoria will indemnify and save harmless the Receiver and Brovig and each agent or attorney appointed under or pursuant to this Deed from and against any and all expenses, claims, liabilities, losses, taxes, costs, duties, fees and charges suffered, incurred or made by the Receiver or Brovig or such agent or attorney (and whether arising out of contract or in tort or in any other way):-

- (a) in the exercise or purported exercise of any rights, powers or discretions vested in them pursuant to this Deed; or
- (b) in the preservation or enforcement (or attempted preservation or enforcement) of Brovig's rights under this Deed; or
- (c) in the registration of this Deed and on the release of any part of the Charged Property from the security created by this Deed; or
- (d) as a direct or indirect result of any actual or alleged breach by Victoria of any of its warranties expressed or implied herein,

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and the Receiver or Brovig or such agent or attorney may retain and pay all sums in respect of the same out of money received under the powers conferred by this Deed. All amounts recoverable by the Receiver or Brovig or such agent or attorney shall be recoverable on a full indemnity basis.

**(10) PROTECTION OF PURCHASER**

No person or persons (including a purchaser) dealing with Brovig or any Receiver or its or his agents shall be concerned to enquire whether any event has happened upon which any of the powers herein contained may have arisen or be exercisable or otherwise as to the propriety or regularity of any exercise thereof or of any act purporting or intended to be in exercise thereof or whether any monies remain owing upon the security of this Deed and all the protection of the Act shall apply to any person purchasing from or dealing with Brovig or any Receiver.

**(11) DELEGATION OF BROVIG'S POWERS**

Brovig may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons or fluctuating body of persons (being in the reasonable opinion of Brovig responsible persons) all or any of the powers authorities and discretions which are for the time being exercisable by Brovig under this Deed in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions and subject to such regulations as Brovig may think fit and Brovig shall not be in any way liable or responsible to Victoria for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate.

**(12) BROVIG'S LIABILITY**

Neither Brovig nor its agents, managers, officers, employees, delegates and advisers shall in any circumstances (other than gross negligence, fraud or wilful misconduct) be liable to Victoria for any claim, demand, liability, loss, damage, cost or expense from any exercise, purported exercise or non-exercise by Brovig of any power, authority, right or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Deed or by the Act or the 1986 Act.

**(13) RECEIVER'S LIABILITY**

All the provisions of Clause 6(12) shall apply in relation to the liability of any Receiver and in respect of the liability of any such delegate as aforesaid in all respects as though every reference in Clause 6(12) to Brovig were instead a reference to such Receiver or (as the case may be) to such delegate.



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**(14) NOT MORTGAGEE IN POSSESSION**

Neither Brovig nor any Receiver shall by reason of the taking of possession of the whole or any part of the Charged Property by any of them be liable to account as mortgagee-in-possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee-in-possession might be liable.

**7. MISCELLANEOUS**

It is hereby agreed and declared that:-

**(1) RIGHTS CUMULATIVE**

The rights, powers, and remedies herein provided are cumulative and not exclusive of any rights, powers and remedies provided by law and may be exercised from time to time and as often as Brovig deems expedient.

**(2) PROVISIONS SEVERABLE**

If at any time one or more of the provisions in this Deed is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions of this Deed shall not be in any way affected or impaired thereby.

**(3) OTHER SECURITY**

The security hereby created is in addition to any other security or securities which Brovig may now or from time to time hold or take from Victoria or from any other person firm or body corporate and shall not operate so as in any way to prejudice or affect (or be prejudiced or affected by) the security created by any deposit which may already have been or hereafter be made with Brovig of any agreements, deeds, documents, papers, bills or other items (whether relating to the Charged Property or otherwise) or by any bill note, guarantee, debenture, mortgage, charge, pledge or other security or remedy or lien on any property whether real, personal or in action which Brovig may now or at any time hereafter hold for or in respect of the monies herein covenanted to be paid to the intent that the security hereby created shall not merge therein nor shall any such security merge herein.

**(4) GIVING OF TIME**

Brovig shall be at liberty from time to time to give time for payment of any liability of Victoria to Brovig as Brovig shall in its discretion think fit without in any manner releasing Victoria or affecting the security hereby made.

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**(5) TIME OF THE ESSENCE**

Subject to Clause 7(4) time shall be of the essence in this Deed.

**(6) NO WAIVER**

No delay or omission on the part of Brovig in exercising any right, power or remedy under this Deed shall impair such right, power or remedy or be construed as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy.

**(7) NOTICES**

Any notice, demand or other communication to be served under this Deed will be in writing and in English and will be served only by posting by first class post or by personally delivering the same or sending the same by facsimile transmission to the party to be served at its address or facsimile number shown below or at its registered office or at such other address or number as it may from time to time notify to the other party hereto in writing. Notices and communications sent by personal delivery shall be duly given or made upon delivery at the address of the addressee. Notice and communications by facsimile shall be duly given or made when received by the addressee. Proof of posting or despatch of any notice or communication shall be deemed proof of receipt in the case of a letter sent by first class post in the United Kingdom 48 hours after posting and overseas by airmail 72 hours after posting

Any notice given hereunder shall be addressed as follows:

**Victoria Oilfield Development Limited**

Victoria House  
Scotstown Road  
Bridge of Don  
Aberdeen AB23 8HG

Facsimile: 01224 83505  
Attention: Managing Director

**Brovig Offshore ASA**

Radhusgt 5b,  
0151 Oslo  
Norway

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Facsimile: 0047 23 10 0910  
Attention: Jan Fr Fosse

**(8) BROVIG'S CERTIFICATE FINAL**

A certificate by a duly authorised official of Brovig as to the money or liabilities for the time being due or accrued or incurred to Brovig from or by Victoria shall (save for manifest error) be conclusive evidence against Victoria in any legal proceedings against Victoria.

**(9) VAT**

All monies payable hereunder by Victoria which attract or which when initially paid by Brovig or the Receiver attracted value added tax shall be paid by Victoria together with the relevant tax.

**(10) DISCHARGE**

Upon the expiry of the Security Period (but not otherwise) Brovig shall, at the request and cost of Victoria, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

**(11) COMPANY'S CONTINUING OBLIGATIONS**

Notwithstanding anything to the contrary herein contained, Victoria shall remain liable to observe and perform all of the material conditions and obligations relating to the Charged Property and neither Brovig nor any Receiver shall be under any obligation or liability with respect thereto by reason of or arising out of this Deed. Neither Brovig nor any Receiver shall be required in any manner to perform or fulfill any obligations of Victoria in respect of the Charged Property, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce any of the Charged Property.

**(12) WITHHOLDINGS**

All payments under this Deed shall be made without any set-off, counterclaim or equity and free from, clear of and without deduction for any taxes whatsoever, present or future. If Victoria is compelled by the law of any applicable jurisdiction (or by an order of any regulatory authority in such jurisdiction) to withhold or deduct at source any sums in respect of taxes, duties, levies, imposts or charges from any amount payable to Brovig under this Deed or, if such withholding or deduction is made in respect of any recovery under this Deed, Victoria shall pay such additional amount as

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may be necessary to ensure that the amount received by Brovig shall equal the full amount due to it under the provisions of this Deed.

**8. FURTHER COVENANTS AND DECLARATIONS BY COMPANY**

**(1) FURTHER ASSURANCE**

Victoria hereby covenants with Brovig that Victoria immediately on demand at Victoria's expense will:-

- (a) execute and deliver to Brovig or Brovig's nominees such further and additional legal charge or mortgage or registered charge or charge or assignment comprising the Charged Property or any part thereof for further securing the Secured Liabilities in such form as shall be consistent with this Deed;
- (b) do all such assurances, acts and things as Brovig in its absolute discretion may require for:-
  - 1. perfecting, preserving or protecting the security created (or intended to be created) by this Deed or any of the rights of Brovig under this Deed; or
  - 2. facilitating the appropriation or realisation of the Charged Property or any part thereof and enforcing the security constituted by this Deed on or at any time after the same shall have become enforceable; or
  - 3. the exercise of any power, authority or discretion vested in Brovig under this Deed.

**(2) FREE FROM CHARGES**

Victoria warrants and declares that it is absolutely entitled to all of the Charged Property vested in it as at the date of this Deed free from all Security Interests and claims whatsoever.

**9. APPOINTMENT OF ATTORNEY AND DECLARATION OF TRUST**

- (1) Victoria hereby irrevocably and severally and by way of security appoints:-
  - (a) such one of Brovig's officers for the time being as Brovig shall from time to time in writing designate and any of its delegates or sub-delegates to be Victoria's Attorney for and in Victoria's name and on Victoria's behalf and

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as Victoria's act and deed or otherwise to take any action which Victoria is obliged to take, under this Deed including, without limitation, under Clause 8(1) (Further Assurances) provided that prior to an Event of Default such Attorney shall only take any action which Victoria has failed to take;

- (b) any Receiver appointed by Brovig pursuant to this Deed to be Victoria's Attorney for and in Victoria's name and on Victoria's behalf and as Victoria's act and deed to sign and deliver such documents or deed or to take such action as such Receiver shall think fit for the better exercise of all or any of the powers conferred on such Receiver by this Deed.
- (c) Victoria ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause.

(2) To the extent that the charges contained in Clause 3 of this Deed shall fail Victoria declares that Victoria will henceforth stand possessed of the Charged Property on trust for Brovig by way of further securing payment of the said monies due or to become due and the discharge of the said liabilities incurred or to be incurred as aforesaid and Victoria declares that it shall be lawful for Brovig (or its duly authorised officer) by an instrument under seal to appoint a new trustee or new trustees of the Charged Property and in particular at any time or times to appoint a new trustee or new trustees thereof in place of Victoria or any trustee or trustees appointed under this power.

#### **10. ASSIGNMENT AND MERGER**

This Deed shall be binding upon and shall enure to the benefit of Brovig and Victoria and their respective successors and assigns and references in this Deed to either of them shall be construed accordingly, provided that neither Victoria nor Brovig may assign or transfer all or any part of its rights and/or obligations under this Deed.

#### **11. COUNTERPARTS**

This Deed may be executed in any number of counterparts, all of which when taken together, shall constitute one and the same instrument and any party may enter into this Deed by executing a counterpart.

#### **12. LAW AND JURISDICTION**

- (1) This Deed shall be governed by, and construed in accordance with, English law.
- (2) In relation to any dispute arising out of or in connection with this Deed, each of the parties hereto hereby irrevocably and unconditionally submits to the

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non-exclusive jurisdiction of the courts of England and waives any objection to such proceedings with respect to this Deed in such courts on the grounds of venue or inconvenient forum.

IN WITNESS whereof this Deed has been executed by Victoria and is intended to be and is hereby delivered and has been signed on behalf of Brovig the day and year first above written.

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## ROPES

Steelite polymer core rope, approx 1,514 metres, ID ST00413,4,5,6,7,8,420;  
3 x Karat multi-plait rope 68mm diameter, soft eyes both ends, ID MP00732,3,4;  
2 x Karat multi-plait rope 70mm diameter, soft eyes both ends, ID MP00408,9;

## HOSES

9 x 60 or 61m lengths of 6" custom made flexible hose ID VH00460,470,2,3,9,480,1,4,9;  
4 x 300 m lengths of 6" Manuli flexible hose, ID MH00320,1,2,5 (two with some wear);  
2 x 260m lengths of 6" Manuli flexible riser, ID MH00323,4 (one with some wear);

## BUOYANCY COLLARS

8 x buoys, surface and chain-through;  
27 x hose buoyancy collars (pairs) ID FC00359;

## BREAKAWAY COUPLINGS

4 x Gall Thompson 6" diameter breakaway hose couplings ID BC00302,8,9,341;

## CAROUSEL HOSE SPOOLING SYSTEM

Main hose carousel assembly c/w twin independent hydraulic drive motors ID CA00487;  
Level winding column with hydraulic vertical travelling lead-in guide, ID LW00505;  
Carousel overboard roller/chute assembly;  
2 x containerised zone 1 compliant diesel driven hydraulic power packs, ID PP00488,489;

## OVERBOARD CHUTES

2 x rig overboard chute assemblies;  
2 x tanker overboard chute assemblies;  
ID OS00537,307,340,300

## MOORING WINCH ASSEMBLIES (HYDRAULIC)

2 x 45tonne mooring winch assemblies ID MV00559,560;  
2 x 200tonne bowstopper skid assemblies with matching fairleads;  
2 x 300tonne bowstopper assemblies;  
2 x telemetry units.

*Ian Williams*  
4/2/99

Page 2 of 2  
SOUTH  
L.R.G.A.

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**SCHEDULE 2****INTELLECTUAL PROPERTY WHICH IS THE SUBJECT OF A REGISTRATION OR A PENDING APPLICATION THEREFOR****Part A: Patents**

Jurisdiction	Title	Number	Date of application	Date of grant (if granted)	Next renewal date (if granted)
United Kingdom	Mooring and Flowline System	2296904	03.03.95	18.12.96	03.03.1999
USA	Mooring and Flowline System	08/770,738	18.12.1996		n/a
Norway	Mooring and Flowline System	960847	1.03.1996		01.03.1999
Europe (Belgium, France, Germany, Italy, Luxembourg, Netherlands, Sweden)	Mooring and Flowline System	96301381.8	1.03.1996		28.02.1999

**Part B: Trade Marks**

Jurisdiction	Mark	Number	Class	Date of application	Date of registration (if registered)
United Kingdom	TCMS	2134954	Classes 6 and 42	n/a	04.06.1997
Norway	TCMS	192544	Classes 6 and 42	15.05.98	
USA	TCMS	75/326,868	Classes 6 and 42	n/a	03.09.98

**PATENT****REEL: 009952 FRAME: 0751**



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**SCHEDULE 3**  
**Form of Notice of Assignment**

From: Victoria Oilfield Development Limited  
To: [Name of insurer]

Date

Dear Sirs

[Insurance Policy] (the "Policy")

We hereby give you notice that by a deed of charge dated [■] February 1999 and made between Victoria Oilfield Development Limited (the "Company") and Brovig Offshore ASA ("Brovig") (the "Deed of Charge") the Company has assigned to Brovig absolutely all the Company's right, title and interest in and to (including the benefit of all moneys owing or to become owing to Victoria and all interest thereon) the Policy.

For and on behalf of  
Victoria Oilfield Development Limited

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EXECUTED as a DEED and )  
 DELIVERED by VICTORIA )  
 OILFIELD DEVELOPMENT )  
 LIMITED acting by )

Director

Director/Secretary

SIGNED on behalf of )  
 BROVIG OFFSHORE ASA )  
 a company incorporated in )  
 Norway by Bernard Linn )  
 Morrison )  
 being a person or persons who, )  
 in accordance with the laws of )  
 that territory, are acting under )  
 the authority of the company )

AS ATTORNEY FOR BROVIG OFFSHORE ASA.

WB1-29734

CERTIFIED TO BE A TRUE  
COPY OF THE ORIGINAL

*Wedlake Bell*

DATED *5 February 1999*.....

**VICTORIA OILFIELD DEVELOPMENT LIMITED**

**BROVIG OFFSHORE ASA**

---

**DEED OF CHARGE  
AND ASSIGNMENT**

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**WEDLAKE BELL  
16 Bedford Street  
Covent Garden  
London WC2E 9HF**

**DX: 40009 Covent Garden**

**Tel: 0171-395 3000  
Fax: 0171-836 9966**

**Ref: HSP/WB1-29734**

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PATENT