

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ITHACA ENERGY (U.K.) LIMITED

Registered in Scotland No SC272009 (the "Company")

1 PRELIMINARY

- 1 1 The articles hereinafter set forth and (subject to this article) the Regulations contained in Table A shall constitute the Articles of Association of the Company
- 1 2 Regulations 6, 8, 18, 24, 35, 40, 41, 46, 47, 51, 52, 62, 64, 73 to 81 inclusive, 94 to 97 inclusive, 101, 105, 117 and 118 of Table A shall not apply to the Company
- 1 3 Any other Regulations of Table A which are inconsistent with the articles hereinafter set forth shall not apply to the extent of such inconsistency

2 INTERPRETATION

- 2 1 In these articles, unless the context otherwise requires

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force

"Table A" means Table A in The Companies (Tables A F) Regulations 1985 as amended by Companies (Tables A F) (Amendment) Regulations 1985 and as amended by The Companies Act 1985 (Electronic Communications) Order 2000 (S I 2000 No 3373)

"the Articles" means the Articles of Association of the Company

"the Auditors" means

(a) the auditors of the Company holding office at the time when the transfer notice is served, or

(b) in the event that no auditors hold office at the time when the transfer notice is served, the reporting accountants of the Company holding office at such time, or

(c) in the event that no auditors or reporting accountants hold office at the time when the transfer notice is served, or in the event that

FRIDAY



SW3VK1P

SCT

18/07/2008

344

COMPANIES HOUSE

auditors or reporting accountants (as the case may be) hold office but decline to act, an expert nominated by agreement between the directors and the transferor or, in the absence of such agreement, an expert appointed by the president for the time being of the Institute of Chartered Accountants of Scotland on the application of either the directors or the transferor

- "clear days" in relation to the period of a notice means that period excluding the day which the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
- "director" means a director of the Company
- "executed" includes any mode of execution
- "the holder" and "member" in relation to a share means the person whose name is entered in the register of members as the holder of the share
- "registered office" means the registered office of the Company
- "sale shares" means the shares in the Company which are detailed in or are deemed to be detailed in the transfer notice
- "secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary
- "transferor" means a member who has or has been deemed to have served a transfer notice
- "transfer notice" means written notice served or deemed to have been served by the transferor specifying the number and class of the sale shares which he wishes or is deemed to wish to transfer
- 2 2 Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force on the date of adoption of these articles
- 2 3 Headings are inserted for convenience only and shall not affect the interpretation of these articles
- 2 4 In these articles, unless the context otherwise requires
- (a) the singular shall include the plural and vice versa,
- (b) the masculine shall include the feminine and neuter, the feminine shall include

the masculine and neuter, and the neuter shall include the masculine and feminine,

- (c) "person" means all legal and natural persons (including individuals, firms and companies),
- (d) a reference to a sub article is to another sub article of the same article in which the reference appears, and
- (e) a reference to a paragraph is to another paragraph of the same article or sub article (as the case may be) in which the reference appears

3 SHARE CAPITAL

The share capital of the Company is £1,000 divided into 1,000 ordinary shares of £1 each

4 ALLOTMENT OF SHARES

4.1 PRE EMPTION ON ALLOTMENT

The provisions of sections 89(1), and 90(1) to (6) of the Act shall not apply to the Company

Unless in any particular case all the holders for the time being of the issued shares in the capital of the Company otherwise agree, all shares (whether forming part of the original share capital of the Company or hereafter created) which it is determined to issue shall be offered in the first instance to all the holders of shares in the Company in proportion to the number of shares in the Company held by them respectively. The person to whom the offer is made may elect to accept such offer in respect of a lesser number of shares than his entitlement and to decline in respect of the balance. Such offer shall be made by notice specifying the number of shares to which each holder is entitled and prescribing a time (not being less than fourteen days) after which the offer, if not previously accepted, shall be deemed to be declined.

After the expiration of that time or on receipt of an intimation from the person to whom the offer is made that he declines to accept any or all of the shares offered those shares so declined or deemed to be declined shall be offered in the proportion aforesaid to the persons who have within the prescribed time accepted all the shares offered to them. Such further offer shall be made in the same manner and limited by a like prescribed time as the original offer. Such further offer shall be repeated until such time as either (1) all the shares have been accepted, or (2) each member has or is deemed to have declined to accept any further shares.

Any shares not accepted pursuant to such offer or further offers as aforesaid shall be under the control of the directors who may dispose of such remaining shares in such manner as they deem most beneficial to the Company.

The directors may, in such manner as they deem most beneficial to the Company dispose of any shares which (by reason of the ratio which the shares which it is determined to issue bear to the shares held by a person entitled to receive notice as aforesaid) cannot in the opinion of the directors be conveniently offered under this sub article.

For the purposes of this sub article only the executors or administrators of a deceased member who was a sole holder shall be treated as the holders of the shares registered in the name of the deceased member

4.2 **OVERRIDING PROVISION**

Notwithstanding the provisions of sub article 1, such number of shares may be allotted and issued to such person, whether or not that person is a member of the Company, and at such price as the whole members of the Company may agree in writing

4.3 **DIRECTORS AUTHORITY TO ALLOT**

The directors are unconditionally authorised for the purpose of section 80 of the Act to exercise for a period of one year from the date of incorporation of the Company any power of the Company to allot any shares of the Company from time to time unissued (including "relevant securities" as defined in section 80(2) of the Act) up to the total amount of the authorised share capital of the Company at incorporation

5 **SHARE CERTIFICATES**

Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares held by him (and, upon transferring a part of his holding of shares, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall specify the number and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them

6 **LIEN**

The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it. The lien conferred by this article shall attach to all shares registered in the name of any person indebted or under liability to the Company, whether such person is the sole holder thereof or one of two or more joint holders thereof

7 **FORFEITURE OF SHARES**

If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days notice requiring payment of the amount unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited

8 TRANSFERS OF SHARES

8.1 REGISTRATION

Subject to the provisions of sub article 4(b), the directors shall register any transfer made in accordance with this Article, provided always that the transfer

- (a) is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,
- (b) is in respect of only one class of shares, and
- (c) is in favour of not more than four transferees

The directors shall refuse to register any transfer made in breach of this article

8.2 TRANSFER NOTICE

- (a) References in this sub article to the transfer of any share shall be construed as including reference to the sale or other disposal of the beneficial ownership of such share
- (b) If at any time a transferor wishes to transfer any shares he shall serve upon the directors a transfer notice in writing and such transfer notice shall constitute the directors the transferor's agent to sell the sale shares at a price to be mutually agreed between the transferor and the directors or, failing agreement within twenty-eight days of the date of service of such transfer notice, at a price fixed pursuant to sub article 6 on the application of either the transferor or the directors. The directors shall provide all information required by the Auditors in connection with such valuation

A transfer notice shall be irrevocable except with the consent of the directors provided that in any case where the price has been fixed pursuant to sub-article 6 the transferor may revoke the transfer notice within fourteen days of receiving notice of the price so fixed. The Auditors' fee shall be borne by the Company unless the transferor shall revoke the transfer notice as aforesaid in which case the transferor shall bear the cost

Upon (1) the price being agreed as aforesaid or (2) the period within which the transferor may revoke the transfer notice having elapsed or (3) the transferor having indicated that he is satisfied with the price fixed as aforesaid, the sale shares shall be dealt with in the following manner

- (i) the sale shares shall be offered in the first instance to all the remaining members of the Company and so that in the case of competition the sale shares shall be sold to the members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing shareholdings, and if and to the extent to which such members shall not accept such offer, the sale shares shall be dealt with as provided in sub article 4,

- (ii) any offer under paragraph (i) shall be in writing (and shall intimate the price agreed or fixed as aforesaid) and if and insofar as accepted shall be accepted within twenty eight days of its being served by notice in writing to the directors stating the number of the sale shares the member making such acceptance wishes to take (and if not so accepted shall be deemed to have been refused),
- (iii) if and to the extent to which any offer is accepted, the transferor shall be bound upon demand to transfer the sale shares accepted and the member accepting the offer shall be bound upon demand to pay for the sale shares accepted the price agreed or fixed as aforesaid

8 3 TOTAL TRANSFER PROVISION

The transfer notice may contain a total transfer provision whereby unless all the sale shares comprised in the transfer notice are transferred pursuant to this article none shall be transferred Any such total transfer provision shall be binding on the Company

8 4 SURPLUS SALE SHARES FOLLOWING ORIGINAL OFFER

Where the sale shares have been offered pursuant to sub article 2 (b)(i) and not all have been accepted then the remainder of the sale shares shall be offered in the proportions referred to in sub article 2 (b) (i) to the persons who had within the time prescribed by sub article 2 (b) (ii) accepted all the sale shares offered to them Such further offer shall be made in the same manner and limited by a like prescribed time as the original offer Such further offer shall be repeated until such time as either (1) all the sale shares have been accepted or (2) each member has or is deemed to have declined to accept any further sale shares If and to the extent to which such further offer or offers are accepted, the transferor shall be bound upon demand to transfer the sale shares accepted and the member accepting such further offer or offers shall be bound upon demand to pay for the sale shares accepted the price agreed or fixed as aforesaid If any of the sale shares have not been accepted following the final further offer then

- (a) the directors may direct that all or any of the sale shares be transferred to any person willing to purchase the same whom in the opinion of the directors it is desirable to admit to the membership of the Company and the sale shares shall be transferred accordingly The transferor shall be bound upon demand to transfer such sale shares and the person to whom they are to be transferred shall be bound upon demand to pay for such sale shares the price agreed or fixed as aforesaid,
- (b) if within three months of the date on which the price is agreed or fixed in manner provided in sub article 2 (b) no purchaser has been found for some or all of the sale shares the directors shall forthwith so notify the transferor and the transferor shall at any time within three months of being so notified by the directors be at liberty to sell and transfer the sale shares not purchased to any person at a price not lower than the fair value determined as aforesaid provided that the directors shall be able to refuse to register a transfer pursuant to this paragraph

8 5 POWER OF ATTORNEY

If the transferor shall fail to transfer the sale shares pursuant to this article, the directors shall appoint some other person who by virtue of said appointment shall be deemed to have been appointed attorney of the transferor with full power to execute, complete and deliver in the name and on behalf of the transferor, transfers of the sale shares accepted to any person pursuant to this article. On payment of the price to the Company any such person shall be deemed to have obtained a good discharge for such payment and on execution and delivery of the transfer any such person shall be entitled to insist upon his name being entered in the register of members as a holder by virtue of transfer of the sale shares so transferred. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the transferor.

8 6 VALUATION

Where the price is to be fixed pursuant to this sub article, the price shall be fixed by the Auditors, acting as experts not arbiters, who shall determine the fair value of the sale shares as between a willing buyer and a willing seller dealing at arm's length valuing the sale shares as a rateable proportion of the value of the entire issued share capital of the Company and disregarding whether the sale shares constitute a minority or majority holding. The directors shall endeavour to procure that the Auditors shall fix the price within six weeks of the application being made to them.

8 7 OVERRIDING PROVISION

Notwithstanding the provisions of this article, a member shall be entitled to transfer his shareholding or any part thereof to such person, whether or not that person is a member of the Company, and for such consideration as the whole members of the Company may agree in writing.

8A TRANSFERS IN SECURITY

Notwithstanding anything contained in these articles

- (1) Article 8 and any pre-emption rights conferred on existing members or any other person by these articles or otherwise and any other restrictions on transfer of shares contained in these articles or otherwise shall not apply to, and
- (2) the directors shall not decline to register, nor suspend the registration of, any transfer of shares where such transfer is
 - (a) in favour of any person, bank or institution (or any agent, trustee, nominee or nominees of such person, bank or institution) to whom such shares are being transferred by way of security, or
 - (b) duly executed by a receiver or administrator appointed by a person, bank or institution pursuant to any security document which creates any security interest over such shares, or
 - (c) duly executed by any person, bank or institution (or any agent, trustee, nominee or nominees of such person, bank or institution) to whom such

shares have been transferred by way of security pursuant to any security document which creates any security interest over such shares,

and a certificate by any official of such bank or institution or any such receiver or administrator that the shares are or are to be subject to such a security and that the transfer is executed in accordance with the provisions of this article shall be conclusive evidence of such facts

Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a bank or institution or a subsidiary of a bank or institution or which are transferred in accordance with the provisions of this article

9 PURCHASE OF OWN SHARES

Subject to the provisions of the Act, any shares of the Company may be purchased by the Company on such terms and conditions as the Company, before it enters into a contract or contingent contract for the purchase of such shares, may by special resolution determine. A payment in respect of such a purchase by the Company may, with the sanction of a special resolution, be made otherwise than out of the distributable profits of the Company (within the meaning of Section 152(1)(b) of the Act) or the proceeds of a fresh issue of shares made for the purpose of the purchase, notwithstanding that such payment may constitute a payment out of capital

10 QUORUM AT GENERAL MEETINGS

Subject as aftermentioned, no business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a corporate representative of a member, shall be a quorum. If such a quorum is not present within half an hour from the time appointed for the meeting or if during a meeting such a quorum ceases to be present then the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. Notice of such adjourned meeting will be given by the Company as soon as reasonably practicable. At such adjourned meeting, those present will be a quorum

11 POLLS

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless, before or on the declaration of the result of the show of hands, a poll is demanded by at least one member (or by at least a proxy or corporate representative of one member). Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against the resolution. A poll demanded on the election of a chairman or on a question of adjournment or on any other question shall be taken forthwith

12 PROXIES

The instrument appointing a proxy or corporate representative and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the registered office or at such other place within the

United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy or in any invitation to appoint a proxy sent out by the Company in relation to the meeting at which the person named in the instrument proposes to vote

13 NUMBER OF DIRECTORS

The number of directors shall be not less than one but shall not be subject to any maximum. A sole director shall have authority to exercise all the powers and discretions conferred on or vested in the directors generally

14 POWERS OF DIRECTORS

For the avoidance of doubt, the powers conferred on the directors by Regulation 70 of Table A shall specifically include the power to cease trading and the power to present a petition in the name of the Company to have the Company wound up

15 DIRECTORS' BENEFITS

In addition to the powers conferred upon them by Regulation 87 of Table A, the directors may exercise the powers of the Company conferred by Clause III (19) of the memorandum of association. The directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any of the powers conferred upon them by Regulation 87 and Clause III (19)

16 DURATION OF DIRECTOR'S OFFICE

Every director shall be a permanent director of the Company and not subject to retirement by rotation

17 DIRECTORS' INTERESTS

Subject to the provisions as to disclosure contained in Regulations 85 and 86 of Table A, a director may vote as a director in regard to any contract, arrangement or other matter in which he is interested and if he shall so vote his vote shall be counted and he shall be counted in determining whether a quorum is present when any such contract, arrangement or other matter is under consideration

18 APPOINTMENT AND REMOVAL OF DIRECTORS

18.1 A member or members holding more than one half of the issued ordinary share capital of the Company may at any time appoint any person to be a director, either to fill a vacancy or as an additional director, and to remove from office any director howsoever appointed. The appointment or removal shall be effected by notice in writing to the Company signed by the member or members giving it or (in the case of a corporate member) signed by a director, and shall take effect when the notice is delivered to the registered office

18.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director

18.3 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director

18 4 The office of a director shall also be vacated if

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) he becomes incapable by reason of mental disorder of managing and administering his property and affairs, or
- (d) he resigns his office by notice to the Company, or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated

19 **DIVIDENDS AND RESERVES**

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or in part by the distribution of specific assets, and in particular of paid up shares in the Company or in any other company. The directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may

- (a) issue fractional certificates,
- (b) fix the value for distribution of such specific assets or any part thereof,
- (c) determine that cash payment shall be made to the members on the basis of the value so fixed in order to adjust the rights of all parties, and/or
- (d) vest any such specific assets in trustees upon such trusts for the person or persons entitled to the dividend or bonus as may seem expedient

Where requisite a proper contract shall be filed in accordance with section 88 of the Act, and the directors may appoint any person to sign such contract on behalf of the person entitled to the dividend or bonus

20 **WINDING UP**

If the Company shall be wound up the liquidator shall divide amongst the members in specie or in kind the whole or any part of the surplus assets of the Company (whether they shall consist of property of the same kind or not) and shall, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members

The liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the whole or any part of the members or different classes of members as he shall think fit but so that no member shall be compelled in any circumstances to accept any share or other securities upon which there is a liability

21 INDEMNITY

- 21 1 Insofar as consistent with the Act, every director, secretary, auditor and other officer of the Company and their respective representatives and administrators shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of that office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether criminal or civil, in which he is acquitted or judgement is given in his favour, or in connection with any application made under section 727 of the Act in which he is granted relief by the court, and no director or other officer of the Company shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of that office or in relation thereto
- 21 2 The Company may purchase and maintain for any director, secretary, auditor or other officer of the Company insurance against any liability which by virtue of any rule of law would attach to him in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company

Names, Addresses and Descriptions of Subscriber

Director, Golden Square Nominees Limited

Golden Square Nominees Limited
Johnstone House
52 54 Rose Street
Aberdeen

One

Dated the 10th day of August 2004

Name, address and description of witness to the above Signature

MARLENE WESTON

Marlene Weston
Registrar
77 Argyll Place
Aberdeen