

Cabot Energy Limited (the "**Company**")

93-95, Gloucester Place,

London W1U 6JQ

\_\_\_\_\_ June 2020

To: The Company Secretary

## **Restated Facility Agreement**

I/we refer to the loan agreement dated 17 December 2019 entered into by the Company (as borrower), Cabot Energy Inc and Norther Petroleum (UK) Limited (as "**Guarantors**") and High Power Petroleum LLC (as "**Lender**") whereby the Lender provided a USD term loan facility in the amount of up to US \$2,500,000 ("**Facility A**") to the Company (the "**Facilities Agreement**"). I/we understand that it is now proposed that certain amendments are made to the Facilities Agreement by way of an amendment and restatement agreement (the "**Amendment and Restatement Agreement**") and pursuant to which the Facilities Agreement shall be restated (the "**Restated Facilities Agreement**") and a further uncommitted term loan facility of up to US\$8,000,000 ("**Facility B**") shall be made available (together, the "**Loan Transaction**").

## **Key Terms of the Restated Facility Agreement**

I/we understand that the key terms of the Restated Facility Agreement in so far as they relate to Facility B are as follows:

1. Facility B Loan Amount: US\$8,000,000.
2. Maturity Date: 31 May 2022.
3. Interest rate: 12% p.a., to be capitalised and added to the outstanding principal amount of the loans on a quarterly basis.
4. Loan purpose: general corporate purposes of the Group, unless the Lender has specified as a condition to a particular loan that some or all of such amount be applied for a specified purpose.
5. Repayment instalments: to be paid in full at maturity.
6. Warrants: warrants to subscribe for ordinary shares of 1p in the Company ("**Ordinary Shares**") at a price of 1p per share ("**Exercise Price**") for a period of two years ("**Warrants**"), to be granted to the Lender. Warrants will be granted upon each drawdown of Facility B, and the number of Ordinary Shares subject to Warrants will be calculated by dividing the Sterling equivalent of 25% of the drawdown amount by the Exercise Price. The Company and the Lender will also enter into a set-off deed ("**Set-off Deed**") pursuant to which they will agree that on the exercise of any warrants by the Lender (those granted both in respect of Facility A and Facility B) the exercise price may, if the Lender so elects, be set-off against the outstanding balance under the Restated Facility Agreement.

## Loan Transaction Documents

I/we understand that, in connection with the Loan Transaction, the following documentation (together, the "**Loan Transaction Documents**") will be entered into:

1. the Amendment and Restatement Agreement;
2. an instrument constituting the Warrants and granting such Warrants to the Lender;
3. the Set-off Deed; and
4. such other security, documents, and agreements the Lender or its legal counsel may reasonably request.

## Consents

*Consents under the Company's articles of association (the "**Articles**")*

In accordance with the Articles, I/we being a member of the Company hereby confirm that:

1. for the purposes of articles 3.2.6 and 3.2.11 of the Articles, I/we consent to the Loan Transaction and entry into the Loan Transaction Documents; and
2. for the purposes of article 3.2.2 of the Articles, I/we consent to the grant of Warrants to the Lender in accordance with the terms of the Loan Transaction Documents.

## *Statutory consent*

I/we understand that, pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "**Act**"), it is proposed that the following special resolution (the "**Resolution**") be passed to authorise the directors of the Company (the "**Directors**") to allot shares in the Company on a non-pre-emptive basis in connection with the Warrants to be granted to the Lender as part of the Loan Transaction:

THAT:

- (a) the Directors be authorised pursuant to section 551 of the Act (in addition and without prejudice to any subsisting like authority to allot shares in the Company ("**Shares**")) generally and unconditionally to exercise all powers of the Company to allot Shares up to an aggregate nominal amount of £2,500,000 in connection with the Warrants to be granted as part of the Loan Transaction (the "**Warrant Shares**"); and
- (b) the Directors be empowered in accordance with section 571 of the Act (in addition and without prejudice to any subsisting like power) to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred on them by part (a) of this resolution, as if section 561(1) of the Act did not apply to such allotment, provided that the power conferred by this part of this resolution shall be limited to the allotment of equity securities for cash up to a maximum nominal amount of £2,500,000,

and provided that that authorities conferred on the Directors in this resolution shall expire on 31 July 2020 and that the Company may, at any time before the expiry of these authorities make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the

Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

I/we, being an "eligible member" (as defined in Section 289 of the Act) and entitled to vote on the Resolution on 19 June 2020 (the "**Circulation Date**"), hereby irrevocably agree to the Resolution.

I/we hereby acknowledge that:

1. the consents/agreements provided within this document cannot be revoked once given;
2. to the extent that I/we are signing this consent on behalf of another person under a power of attorney or other authority, I/we have provided a copy of the relevant power of attorney or authority to the Company with this consent; and
3. once written consent of members holding in aggregate not less than 75% of the voting rights attaching to the issued ordinary shares in the Company from time to time has been received by the Company (provided that such consent is received by 17 July 2020 (being 28 days from the Circulation Date) the Directors shall be permitted to (a) effect the Transaction and (b) allot the Warrant Shares on a non-pre-emptive basis.

**Non-corporate member:**

Signed by .....

Date .....

**Corporate member:**

Signed by ..... for and

on behalf of .....

Date .....

Please return by email scan or photo

to:

[info@cabot-energy.com](mailto:info@cabot-energy.com)

or by post to:

The Company Secretary, Cabot Energy Limited, 93-95, Gloucester Place, London W1U 6JQ