

**THIS AGREEMENT** is dated the 14<sup>th</sup> January 2008 and is made

**BETWEEN:**

**NEW EGDON PLC**, a company registered in England and Wales under number 6409716 whose registered office is at Suite 2, 90 – 96 High Street, Odiham, Hampshire RG29 1LP (hereinafter known as the “**Company**”) (and to be renamed “Egdon Resources plc”);

**WALTER ROOKEHURST ROBERTS**, of  
(hereinafter known as the “**Director**”); and

**EGDON RESOURCES PLC**, a company registered in England and Wales under number 3424561 whose registered office is at Suite 2, 90 – 96 High Street, Odiham, Hampshire RG29 1LP (hereinafter known as the “**Old Egdon**”).

**IT IS HEREBY AGREED** as follows:

**1. Condition Precedent, Effective Date and Appointment**

- 1.1 The “**Effective Date**” of this contract is the date when the demerger of Portland Gas Limited and Old Egdon becomes effective and they cease either to be a Subsidiary of the other as defined in the Section 736 Companies Act 1985 (the “**Demerger**”).
- 1.2 This agreement is conditional upon the Demerger taking place and failing the Demerger taking place shall be of no value, force or effect.
- 1.3 Conditional upon the Demerger taking place, on the Effective Date the service agreement between Old Egdon and the Director dated 1<sup>st</sup> August 2001 shall terminate and be replaced by this service agreement between the Company and the Director.
- 1.4 Conditional upon the Demerger taking place, the Company shall employ the Director and the Director shall serve the Company under the terms of this Agreement as Non-Executive Director.

**2. Term**

- 2.1 The employment hereunder shall commence on the Effective Date and shall continue (subject to the provisions of Clause 7) unless and until terminated by the Company or the Director giving to the other not less than 6 months notice in writing. In the event that the Director is not re-elected by shareholders when retiring by rotation at the Annual General Meeting the employment hereunder will terminate with immediate effect.

**3. Duties**

- 3.1 The Director shall comply with any direction given or regulation made by the board of directors of the Company (“the Board”) and (unless prevented by sickness or accident or any other cause beyond his control) shall perform his duties in a satisfactory and proper manner. He shall use all reasonable endeavours to promote the interests and business of the Company and any subsidiary companies (as defined in Section 736 of the Companies Act 1985) and he shall undertake such non-executive duties for any of such subsidiary companies as may be required by the Board consistent with his office as aforesaid.

- 3.2 The Director shall devote such time and attention to his duties as he may deem necessary or as may be reasonably required by the Board having regard to the nature of his appointment, there being no fixed hours of work.
- 3.3 The duties of the Director's appointment hereunder shall relate primarily to the United Kingdom, but shall extend to occasional travel abroad when so required by the Company.

#### **4. Remuneration**

- 4.1 The Director shall be entitled by way of remuneration for his services to an annual salary of £15,000 (inclusive of all director's fees or emoluments receivable from the Company or any subsidiary company, except Portland Gas Limited), such salary to be reviewed at least annually. The salary shall be paid monthly or in such other manner as may be agreed by the parties from time to time.
- 4.2 Time worked by the Director carrying out his duties in excess of 9 days in any twelve month period shall be remunerated at the rate of £1,000 per day or pro rata and paid by the Company in arrears. Before working for more than 9 days in any twelve month period the Director shall first obtain the approval of an executive director of the Company. Unworked or excess days shall neither be carried forward nor carried back.

#### **5. Expenses**

- 5.1 The Director shall be entitled to be repaid all hotel, travel and entertainment expenses reasonably and properly incurred in the performance of his duties and the exercise of his powers hereunder and on production of evidence satisfactory to the Board of such expenditure.

#### **6. Benefits**

- 6.1 The Director will not be entitled during his employment hereunder to participate in the pension and life assurance arrangements made by the Company.
- 6.2 The Director shall be entitled during his employment hereunder to participate in any share option and/or bonus schemes made by the Company (if any) for senior executives or such other arrangements as may be made by the Company from time to time with the approval of the Director. At the date of this Agreement, the Company is putting in place an interim bonus scheme and the Director will be entitled to participate in that scheme.
- 6.3 The Director will not be entitled to membership of the medical insurance scheme arranged by the Company.
- 6.4 The Company will take out and the Director shall be entitled to benefit from Directors' Liability Insurance.

#### **7. Termination**

- 7.1 The Company may, without prejudice to any other rights it may have, by notice in writing to the Director terminate his employment hereunder forthwith if he shall:-
- 7.1.1 become bankrupt or make any arrangement or composition with his creditors;  
or

- 7.1.2 become or be unable properly to perform his duties hereunder by reason of incapacity, ill-health, accident or otherwise for a period or periods aggregating at least 180 days in any period of 12 consecutive calendar months; or
- 7.1.3 fail or neglect efficiently and diligently to discharge his duties hereunder or be guilty of any material breach or non-observance of any of the provisions of this agreement on his part to be performed or observed; or
- 7.1.4 be guilty of serious misconduct or any other conduct calculated or likely to affect prejudicially the interests of the Company and/or its subsidiaries; or
- 7.1.5 be convicted of a criminal offence other than a traffic offence; or
- 7.1.6 be disqualified from being a director by reason of any order made under the Companies Act 1985;

PROVIDED that no notice under Clause 7.1.2 above shall be given by the Company to the Director after the expiration of three calendar months from the end of any such period or periods aggregating at least 180 days.

## 8. Confidential Information and Company Documents

- 8.1 For the purposes of clauses 8 and 9 of this Agreement the following words have the following meanings:

“**Confidential Information**” means technical and other data, information and interpretations relating to any area in which the Company or the Group is currently interested or has been interested, details of co-venturers and their businesses, details of contractors and their terms of business, details of customers and their requirements, the prices charged to and terms of business with customers, marketing plans and sales forecasts, financial information, results and forecasts (save to the extent that these are included in published audited accounts), any proposals relating to the acquisition or disposal of a company or business or any part thereof or to any proposed expansion or contraction of activities, details of employees and officers and of the remuneration and other benefits paid to them, information relating to research activities, inventions, secret processes, designs, software, formulae and product lines, any information which the Director is told is confidential and any information which has been given to the Company or any Group Company in confidence by customers, suppliers or other persons whether or not under the terms of a confidentiality agreement or undertaking;

“**Employment**” means the Director’s employment on the terms set out in this Agreement;

“**the Group**” means the Company and the Group Companies;

“**Group Company**” means any holding company for the time being of the Company or any subsidiary for the time being of the Company or of any such holding company (for which purpose the expressions “holding company” and “subsidiary” shall have the meanings ascribed thereto by section 736 Companies Act 1985 (as amended));

“**Termination Date**” means the date of termination of the Employment.

- 8.2 The Director recognises that, whilst performing his duties for the Company he will have access to and come into contact with Confidential Information belonging to or in the custody of the Company and/or any Group Company and will obtain personal knowledge of and influence over its or their customers and/or employees. The

Director therefore agrees that the restrictions set out in this clause 0 are reasonable and necessary to protect the legitimate business interests of the Company and the Group both during and after the Termination Date.

8.3 The Director shall neither during the Employment (except in the proper performance of his duties) nor at any time (without limit) after the Termination Date directly or indirectly:

8.3.1 divulge or communicate to any person, company, business entity or other organisation;

8.3.2 use for his own purposes or for any purposes other than those of the Company or any Group Company; or

8.3.3 through any failure to exercise due care and diligence, cause any unauthorised disclosure of,

any trade secrets or Confidential Information which amounts to or is in the nature of a trade secret of or relating to the Company or any Group Company or of any third party for which the Company or any Group Company is responsible or has an obligation not to disclose (which shall include for the avoidance of doubt any information which is subject to the confidentiality provisions of any joint operating agreement to which the Company is a party or any other information which the Company is obliged to keep confidential pursuant to any confidentiality agreement with a third party). These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default of the Director.

8.4 The Director shall neither during the Employment (except in the proper performance of his duties) nor at any time during a period of 12 months after the Termination Date directly or indirectly:

8.4.1 divulge or communicate to any person, company, business entity or other organisation;

8.4.2 use for his own purposes or for any purposes other than those of the Company or any Group Company; or

8.4.3 through any failure to exercise due care and diligence, cause any unauthorised disclosure of,

any Confidential Information of or relating to the Company or any Group Company or of any third party for which the Company or any Group Company is responsible or has an obligation not to disclose and which does not fall within clause 8.3. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default of the Director.

8.5 All notes, memoranda, records, lists of customers and suppliers and employees, correspondence, documents, computer and other discs and tapes, data listings, codes, designs and drawings and other documents and material whatsoever (whether made or created by the Director or otherwise) relating to the business of the Company or any Group Company (and any copies of the same):

8.5.1 shall be and remain the property of the Company or the relevant Group Company; and

8.5.2 shall be handed over by the Director to the Company or to the relevant Group Company on demand and in any event on the Termination Date.

8.6 If so requested by the Company delete all Confidential Information from any computer disks, tapes or other re-useable material in his possession or under his control and destroy all other documents and tangible items in his possession or under his control which contain or refer to any Confidential Information. However this requirement shall not apply to Confidential Information which is part of a regular computer backup, in which case the Director will take appropriate measures to preserve confidentiality.

8.7 Notwithstanding the other provisions of this clause, the Director shall be permitted to retain permanently and use as precedents copies of such documents developed during the course of his work as it is usual for professionals to retain as precedents for other work provided that all proprietary information in those documents shall remain confidential.

## 9. Restrictive Covenants and Avoidance of Conflict

9.1 For the purposes of this clause 9 the following words have the following meanings:

“**Co-venturer**” means any person, firm, company or other organisation whatsoever who was a co-venturer with the Company or any Group Company for the purpose of obtaining and operating licences to search for hydrocarbons or a co-venturer for any other purpose during the 12 months immediately preceding the Termination Date and with whom or which during such period:

- (a) the Director had personal dealings in the course of his employment; or
- (b) any employee who was under the direct supervision of the Director had personal dealings in the course of his employment;

“**Prospective Co-venturer**” means any person, firm, company or other organisation whatsoever with whom the company or any Group Company shall have had negotiations or material discussions regarding a possible co-venture for the purpose of obtaining and operating licences to search for hydrocarbons or a possible co-venture for any other purpose during the 12 months immediately preceding the Termination Date and with whom or which, during such period:

- (a) the Director shall have had personal dealings in the course of his employment during the 12 months immediately preceding such date; or
- (b) any employee who was under the direct supervision of or reported to the Director shall have had personal dealings in the course of his employment during the 12 months immediately preceding such date; or
- (c) the Director was directly responsible in a client management capacity on behalf of the Company during the 12 months immediately preceding such date;

“**Customer**” means any person, firm, company or other organisation whatsoever who was a customer of or in the habit of dealing with the Company or any Group Company during the 12 months immediately preceding the Termination Date and with whom or which, during such period:

- (a) the Director had personal dealings in the course of his employment; or

- (b) any employee who was under the direct supervision of or reported to the Director had personal dealings in the course of his employment;

**“Prospective Customer”** means any person, firm, company or other organisation whatsoever with whom or which the Company or any Group Company shall have had negotiations or material discussions regarding the possible distribution, sale or supply of Restricted Goods or Restricted Services during the 12 months immediately preceding the Termination Date and with whom or which, during such period:

- (a) the Director shall have had personal dealings in the course of his employment during the 12 months immediately preceding such date; or
- (b) any employee who was under the direct supervision of or reported to the Director shall have had personal dealings in the course of his employment during the 12 months immediately preceding such date; or
- (c) the Director was directly responsible in a client management capacity on behalf of the Company during the 12 months immediately preceding such date.

**“Restricted Area”** means any area within the United Kingdom and France in which, as at the Termination Date, the Company or the Group is engaged in the Restricted Business and any other area in which, as at the Termination Date, the Company or the Group is engaged in the Restricted Business;

**“Restricted Business”** means the business of the Company and the Group at the commencement of the Restricted Period with which the Director was involved to any material extent at any time during the period of 12 months ending on the date of commencement of the Restricted Period;

**“Restricted Employee”** means any person who at the Termination Date was at the level of director or senior employee or any other employee who had access to Confidential Information with whom the Director had material contact or dealings during the 12 months preceding the Termination Date;

**“Restricted Goods”** means any product sold by the Company with which the duties of the Director were involved or for which he was responsible during the 12 months immediately preceding the Termination Date, but shall exclude hydrocarbons as commodities;

**“Restricted Period”** means the period of 12 months immediately following the Termination Date;

**“Restricted Services”** means any services provided by the Company with which the duties of the Director were concerned or for which he was responsible during the 12 months immediately preceding the Termination Date; and

**“Restricted Supplier”** means any person, company, business entity or other organisation whatsoever who has supplied goods or suppliers to the Company or any Group Company (other than utilities and goods or services supplied for administrative purposes) during any part of the 12 months immediately preceding the Termination Date or who has agreed prior to the Termination Date to supply goods or services to

the Company to commence at any time in the 12 months following the Termination Date.

- 9.2 The Director recognises that, whilst performing his duties for the Company he will have access to and come into contact with Confidential Information belonging to or in the custody of the Company and/or any Group Company and will obtain personal knowledge of and influence over its or their customers and/or employees. The Director therefore agrees that the restrictions set out in this clause 9 are reasonable and necessary to protect the legitimate business interests of the Company and the Group both during and after the Termination Date. The Director hereby undertakes with the Company that he will not either during the Employment nor during the Restricted Period without the prior written consent of the Company whether by himself, through his employees or agents or otherwise howsoever and whether on his own behalf or on behalf of any other person, firm, company or other organisation, directly or indirectly:
- 9.2.1 within the Restricted Area, be employed or engaged or otherwise interested in any business concern which is in competition with the Restricted Business;
  - 9.2.2 in competition with the Company, solicit business from or endeavour to entice away or canvass any Customer or Prospective Customer if such solicitation or canvassing is in respect of Restricted Goods or Restricted Services;
  - 9.2.3 in competition with the Company, accept orders or facilitate the acceptance of any orders or have any business dealings for Restricted Goods or Restricted Services from any Customer or Prospective Customer;
  - 9.2.4 solicit or induce or endeavour to solicit or induce any Restricted Employee to cease working for or providing services to the Company, whether or not any such person would commit a breach of contract;
  - 9.2.5 employ or otherwise engage in the business of or be personally involved to a material extent in employing or otherwise engaging in the business with any Restricted Employee;
  - 9.2.6 interfere with the supply of or endeavour to interfere with the provision of goods or services to the Company or to induce the cessation of the provision of goods or services from any Restricted Supplier;
  - 9.2.7 in competition with the Company solicit or induce or endeavour to solicit or induce any Co-venturer or Prospective Co-venturer to enter into a co-venture for the purpose of obtaining and/or operating licenses to search for hydrocarbons or for any other purpose whatsoever.
- 9.3 Clause 9.2 shall also apply as though there were substituted for references to “the Company” references to any Group Company in relation to which the Director has in the course of his duties for the Company or by reason of rendering services to or holding office in such Group Company:
- 9.3.1 acquired knowledge of its Confidential Information; or
  - 9.3.2 had personal dealings with its Customers or Prospective Customers; or
  - 9.3.3 supervised directly or indirectly employees having personal dealings with its Customers or Prospective Customers,

- 9.3.4 but so that references in clause 9.2 to “the Company” shall for this purpose be deemed to be replaced by references to the relevant Group Company. The obligations undertaken by the Director pursuant to this clause 9 shall, with respect to each such Group Company, constitute a separate and distinct covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of any other Group Company or the Company.
- 9.4 The Director hereby undertakes with the Company that he will not at any time after the Termination Date in the course of carrying on any trade or business, claim, represent or otherwise indicate any present association with the Company or any Group Company or for the purpose of carrying on or retaining any business or custom, claim, represent or otherwise indicate any past association with the Company or any Group Company to its detriment.
- 9.5 While the restrictions in this Agreement (which for the avoidance of doubt shall include but are not limited to the restrictions set out in clauses 0 and 9) (on which the Director has had the opportunity to take independent advice, as the Director hereby acknowledges) are considered by the parties to be reasonable in all the circumstances, it is agreed that if any such restrictions, by themselves, or taken together, shall be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Company or a Group Company but would be adjudged reasonable if part or parts of the wording thereof were deleted, the relevant restriction or restrictions shall apply with such deletion(s) as may be necessary to make it or them valid and effective.
- 9.6 During his employment hereunder the Director shall not directly or indirectly enter into or be concerned or in any manner interested in any other business whatsoever except with the consent in writing of the Company, provided always that such consent may be given subject to any terms or conditions which the Company requires and any breach of such terms or conditions by the Director shall ipso facto be deemed to be a breach of the terms of this Agreement. For the purpose of this clause and notwithstanding the other provisions of this clause 9, the Company consents to the Director being concerned in other businesses and activities as set out in the Schedule hereto, provided always that if the Director becomes aware of any conflict of interest he immediately declares it to the Board and withdraws from any further involvement on behalf of the Company involving that conflict.

## **10. Disciplinary and Grievance Procedures**

- 10.1 All matters of discipline will be decided upon by the Board to which the Director should also apply with any grievances he may have against the Company.

## **11. Sharedealing**

- 11.1 The Director will adopt and abide by the Model Code of the London Stock Exchange in relation to sharedealings, subject thereto, nothing in this Agreement shall prevent the Director from being the holder or beneficial owner of any class of securities in any company.
- 11.2 The Director will comply with the sharedealing protocol promulgated by the Company.



## **12. Notices**

- 12.1 Any notice or other information required or authorised by this Agreement to be given by either party to the other shall be given by:—
- 12.1.1 delivering it by hand;
  - 12.1.2 sending it by pre-paid registered post; or
  - 12.1.3 sending it by facsimile transmission or email;
- to the other party at the address given in Clause 12.4.
- 12.2 Any notice or information given by post in the manner provided by Clause 12.1.2 which is not returned to the sender as undelivered shall be deemed to have been given 1 week after the envelope containing it was so posted; and proof that the envelope containing any such notice or information was properly addressed, pre-paid, registered and posted, and that it has not been so returned to the sender, shall be sufficient evidence that the notice or information has been duly given.
- 12.3 Any notice or information sent by facsimile or email shall only be deemed to have been duly given on the date that the recipient has positively confirmed that it has been received in a complete and intelligible form.
- 12.4 Service of any document for the purposes of any legal proceedings concerning or arising out of this Agreement shall be effected by either party by causing it to be delivered to the other party at its registered or principal office, or to such other address as may be notified to it by the other party in writing from time to time.

## **13. Applicable Law and Jurisdiction**

- 13.1 English law shall apply to the whole of this Agreement.
- 13.2 The parties hereby agree to the non-exclusive jurisdiction of the English Courts.

IN WITNESS whereof this Agreement has been executed on the day and year first above written.

For and on behalf of New Egdon PLC

\_\_\_\_\_  
Director

\_\_\_\_\_  
SIGNED by Walter Roberts

For and on behalf of Egdon Resources Plc

\_\_\_\_\_  
Director

**Schedule of Approved Activities referred to in Clause 9.6**

Activity	Restrictions, Terms & Conditions
Director of Pinnacle Energy Limited engaged with providing legal and commercial services to participants in the oil and gas industry	Care is to be exercised with respect to confidential information.  Any potential conflicts of interest are to be discussed as soon as possible with another executive director and a mechanism agreed to obviate them.
Director of Portland Gas plc	Ditto
Non-Executive Director of Bow Valley Petroleum (UK) Limited and other Bow Valley group companies	Ditto
Company Secretary of:— Brooklands Oil & Gas Limited Concordia Resources UK Ltd. Portland Gas plc (and Affiliates) Trent Energy Plc Yates Company (UK) YCI Resources Limited	Ditto
Other activities not directly related to oil or gas exploration or production or gas storage.	Ditto — Any activity involving gas storage as a principal activity must be referred to the Board for approval.