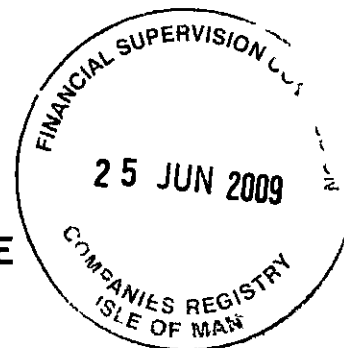


Co No

003294V

* Amended Form IM16 *



THE COMPANIES ACT 2006

APPLICATION FOR REGISTRATION OF A CHARGE

Pursuant to Section 138(2)

Note This application must be filed within one month of the date of creation or date of acquisition of property charged

Company Name	Bumerz Limited
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- 1 We, the undermentioned, hereby apply to register the following charge created by the above company

A deed of charge dated 29 May 2009 (the "**Deed**") over shares in Pal Shipping Trader One Co Ltd (the "**Owner**") by Bumerz Limited (the "**Chargor**") in favour of Stock Company "Parex Banka" (the "**Chargee**")

- 2 Details of the Charge

Date of creation, or if the charge is a charge existing on property acquired by the company, the date on which the property was acquired	29 May 2009 Words and expressions used in this Form IM16 but not otherwise defined herein are defined in the Schedule hereto
Short description of the liability secured by the charge	To secure payment of the Indebtedness and the observance and performance by the Chargor of all its obligations under or arising out of the Security Documents All as more particularly detailed in the Deed a copy of which is annexed hereto and forms part of this Form IM16
Short description of the property charged	The Chargor, with full title guarantee assigns, pledges and charges to the Chargee by way of first fixed charge the Charged Securities and all other rights, titles and interests (present and future) of the Chargor in and to all certificates in respect of the Charged Securities and all voting and other consensual powers pertaining to the Charged Securities All as more particularly detailed in the Deed a copy of which is annexed hereto and forms part of this Form IM16
Name and address of the chargee	Stock Company "Parex Banka" 3 Smilsu iela, Riga LV-1522, Latvia



02506200900040

<p>Note</p> <p>The Registrar of Companies has no duty to verify the contents of this form or that the Memorandum & Articles of the company provide authority with respect to the matters contained in this form</p>	<p>For Official Use only</p>
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3 Details of the charge (continued)

<p>Details of any prohibition or restriction contained in the instrument creating the charge on the company creating any future charge ranking in priority to or equally with the charge</p>	<p>The Chargor covenants that it will not exercise any voting or consensual or preferential rights attaching to the Charged Securities in a manner which contravenes the provisions of the Security Documents or which is otherwise inconsistent with the interests of the Chargee</p>
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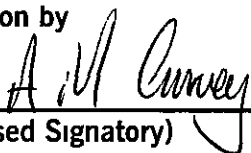
4 Details of the person filing application

Name	Cains Advocates Limited
Address	15-19 Athol Street Douglas Isle of Man IM1 1LB

5 Certification

We certify that we are authorised to file this application on behalf of ~~the company~~/the chargee* and that the particulars given are an accurate description of the charge

* Delete whichever does not apply

<p>Signed on behalf of the person filing the application by</p> <p></p> <hr/> <p>(Authorised Signatory)</p> <p>Full Name of Signatory Ann-Marie Garvey</p> <hr/> <p>(Print Name)</p>	<p>Dated 25 / 06 / 2009 (dd) (mm) (yyyy)</p>
--	--

SCHEDULE

Definitions

“Charged Securities” means (a) the Initial Shares, (b) the Further Shares, (c) all dividends, interest or other distributions paid or payable or made on or in respect of the Initial Shares or the Further Shares at any time and from time to time during the Facility Period, (d) all stocks, shares, rights, money or property accruing or offered by way of redemption, bonus, preference, option or otherwise to or in respect of the Initial Shares or the Further Shares at any time and from time to time during the Facility Period

“Further Shares” means any further shares in the Owner at any time and from time to time during the Facility Period issued to the Chargor, whether in addition to or in exchange or substitution for or replacement of any of the Initial Shares

“Indebtedness” means the aggregate from time to time of the amount of the Loan outstanding, all accrued and unpaid interest on the Loan, all other sums of any nature (together with all accrued and unpaid interest on any of those sums) payable to the Chargee under the Security Documents, any damages payable as a result of any breach by any of the Security Parties of any of the Security Documents, and any damages or other sums payable as a result of any of the obligations of any of the Security Parties under or pursuant to any of the Security Documents being disclaimed by a liquidator or any other person

“Initial Shares” means the shares in the Owner owned by the Chargor

“Loan” means the amount not exceeding \$18,400,000 agreed to be lent to the Chargor by the Chargee on the terms and subject to the conditions set out in a loan agreement dated October 23, 2008 (the **“Loan Agreement”**)

“Security Documents” shall have the meaning as set out in the Loan Agreement

“Security Parties” shall have the meaning as set out in the Loan Agreement

Certified a true copy this 18 day of
June 2009
Stephenson Harwood
STEPHENSON HARWOOD
One St Paul's Churchyard
London EC4M 8SH

WARNING TO CHARGOR

This is an important document. You should take independent legal advice before signing and sign only if you want to be legally bound. If you sign and the Chargee is not paid you may lose the assets charged. Your liability under this document is limited to the value of the assets charged.

DATED 29 May 2009

BUMERZ LIMITED

- to -

STOCK COMPANY "PAREX BANKA"

DEED OF CHARGE
over shares in
PAL SHIPPING TRADER ONE CO LTD
No 2 1 22 1 -08/19 - DCh1

STEPHENSON HARWOOD
One, St Paul's Churchyard
London EC4M 8SH
Tel 020-7329 4422
Fax 020-7329 7100
Ref 1124/47-00598

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DEED OF CHARGE

Dated *29 May* 2009

BY

- (1) **BUMERZ LIMITED**, a company incorporated according to the law of the Isle of Man, with registered office at Clarendon House, Victoria Street, Douglas, Isle of Man IM1 2LN (the "**Chargor**")

IN FAVOUR OF

- (2) **STOCK COMPANY "PAREX BANKA"** registered with the Registrar of Enterprises of Latvia on 14 May 1992 and put on the records of the Commercial register on 7 May 2004, Joint registration No 40003074590 whose legal address is 3 Smilšu iela, Rīga LV-1522, Latvia (the "**Chargee**")

WHEREAS

- (A) The Chargee has agreed to lend to the Chargor, an amount not exceeding eighteen million four hundred thousand Dollars (\$18,400,000) (the "**Loan**") on the terms and subject to the conditions set out in a loan agreement dated October 23, 2008 made between the Chargor (as borrower) and the Chargee (as lender) having reference number 2 1 22 1 -08/19 (the "**Loan Agreement**")
- (B) Pursuant to the Loan Agreement, and as a condition precedent to the obligation of the Chargee to make the Loan available to the Chargor, the Chargor has, amongst other things, agreed that all the issued share capital of Pal Shipping Trader One Co Ltd (the "**Owner**") be charged to the Chargee as security for the payment of the Indebtedness
- (C) At the date of this Deed the Owner has an authorised share capital of one thousand five hundred and seventy five Dollars (\$1575) consisting of five hundred and twenty five (525) ordinary shares, each of a nominal value of three Dollars (\$3) all of which have been issued and are fully paid and all of which are legally and beneficially owned by the Chargor, who has acquired such shares from Pal Trader Holding Company Limited pursuant to a share purchase agreement dated October 17, 2008

THIS DEED WITNESSES as follows

1 Definitions and Interpretation

1.1 In this Deed

"**the Charge Documents**" means -

- (a) all certificates in respect of the Initial Shares,
- (b) executed, undated stock transfer forms in respect of all of the Initial Shares,
- (c) undated letters of resignation signed by each of the directors and officers of the Owner materially in the form set out in Appendix A,
- (d) all (if any) unissued share or stock certificates of the Owner,
- (e) an undertaking on behalf of the Owner materially in the form set out in Appendix B,
- (f) a notice relating to this Deed from the Chargor to the Owner materially in the form set out in Appendix C,
- (g) a notice relating to this Deed from the Owner to the Chargee materially in the form set out in Appendix D,
- (h) executed Form G pursuant to Regulation 37(2) of the Maltese Merchant Shipping (Shipping Organisations - Private Companies) Regulations 2004 ("**Regulations**") in respect of the Owner materially in the form set out in Appendix E ("**Form G**"),
- (i) executed notice of pledge by the Chargor to the Owner materially in the form set out on Appendix F, and
- (j) executed letter of appointment by a company or individual resident in Malta which is acceptable to the Chargee to act as judicial representative for and on behalf of the Chargor under this Deed, materially in the form set out in Appendix G

"**Charged Securities**" means

- (a) the Initial Shares,
- (b) the Further Shares,
- (c) all dividends, interest or other distributions paid or payable or made on or in respect of the Initial Shares or the Further Shares at any time and from time to time during the Facility Period,
- (d) all stocks, shares, rights, money or property accruing or offered by way of redemption, bonus, preference, option or otherwise to or in respect of the Initial Shares or the Further Shares at any time and from time to time during the Facility Period, and
- (e) all allotments, accretions, offers, rights, benefits and other advantages and all other consensual rights accruing, offered or arising in respect of the Initial Shares or the Further Shares at any time and from time to time during the Facility Period

"Further Shares" means any further shares in the Owner at any time and from time to time during the Facility Period issued to the Chargor, whether in addition to or in exchange or substitution for or replacement of any of the Initial Shares

"Indebtedness" means the aggregate from time to time of the amount of the Loan outstanding, all accrued and unpaid interest on the Loan, all other sums of any nature (together with all accrued and unpaid interest on any of those sums) payable to the Chargee under the Security Documents, any damages payable as a result of any breach by any of the Security Parties of any of the Security Documents, and any damages or other sums payable as a result of any of the obligations of any of the Security Parties under or pursuant to any of the Security Documents being disclaimed by a liquidator or any other person

"Initial Shares" means the shares in the Owner owned by the Chargor and referred to in Recital (C)

1 2 Unless otherwise specified in this Deed, or unless the context otherwise requires, all words and expressions defined in the Loan Agreement shall have the same meaning when used in this Deed

1 3 In this Deed

- 1 3 1 words denoting the plural number include the singular and vice versa,
- 1 3 2 words denoting persons include corporations, partnerships, associations of persons (whether incorporated or not) or governmental or quasi-governmental bodies or authorities and vice versa,
- 1 3 3 references to Clauses are references to clauses of this Deed,
- 1 3 4 references to this Deed include the recitals to this Deed,
- 1 3 5 the headings and contents page(s) are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Deed,
- 1 3 6 reference to any document (including, without limitation, to any of the Security Documents) are, unless the context otherwise requires, references to that document as amended, supplemented, novated or replaced from time to time,
- 1 3 7 references to statutes or provisions of statutes are references to those statutes, or those provisions, as from time to time amended, replaced or re-enacted, and
- 1 3 8 references to the Chargee include its successors, transferees and assignees,

2 Representations and Warranties

The Chargor represents and warrants to the Chargee at the date of this Deed and (by reference to the facts and circumstances then pertaining) at each Interest Payment Date as follows -

- 2 1 It is a body corporate duly constituted and existing and in good standing under the law of its country of incorporation with perpetual corporate existence and the power to sue and be sued, to own its assets, to carry on its business and to enter into this Deed, and all of the corporate shareholders (if any) of the Chargor are duly constituted and existing under the laws of their countries of incorporation with perpetual corporate existence and the power to sue and be sued, to own their assets and to carry on their business

- 2.2 It is not insolvent or bankrupt or in liquidation or administration or subject to any other insolvency or bankruptcy procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of the Chargor or all or any part of his assets
- 2.3 This Deed when executed and delivered by the Chargor will constitute the legal, valid and binding obligations of the Chargor enforceable in accordance with its terms
- 2.4 All acts, conditions and things required to be done and satisfied and to have happened prior to the execution and delivery of this Deed in order to constitute this Deed the legal, valid and binding obligations of the Chargor in accordance with its terms have been done, satisfied and have happened in compliance with all applicable laws
- 2.5 All (if any) consents, licences, approvals and authorisations of, or registrations with or declarations to, any governmental authority, bureau or agency which may be required in connection with the execution, delivery, performance, validity or enforceability of this Deed have been obtained or made and remain in full force and effect and the Chargor is not aware of any event or circumstance which could reasonably be expected adversely to affect the right of the Chargor to hold and/or obtain renewal of any such consents, licences, approvals or authorisations
- 2.6 It is not aware of any material facts or circumstances which have not been disclosed to the Chargee and which might, if disclosed, have adversely affected the decision of a person considering whether or not to make loan facilities of the nature contemplated by the Loan Agreement available to the Borrower
- 2.7 There is no action, suit, arbitration or administrative proceeding nor any contemplated action, suit, arbitration or administrative proceeding pending or to its knowledge about to be pursued before any court, tribunal or governmental or other authority which would, or would be likely to, have a materially adverse effect on the assets, financial condition or creditworthiness of the Chargor
- 2.8 The execution, delivery and performance of this Deed will not contravene any contractual restriction or any law binding on the Chargor or the constitutional documents of the Chargor, nor result in the creation of, nor oblige the Chargor to

create, any Encumbrance over all or any of its assets with the exception of the Encumbrances created pursuant to the Security Documents

- 2 9 It is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of this Deed that it be filed, recorded or enrolled with any governmental authority or agency in any country nor stamped with any stamp or similar transaction tax
- 2 10 The Chargor is not in breach of or default under any agreement of any sort binding on it or on all or any part of its assets
- 2 11 The authorised and issued share capital of the Owner is as stated in Recital (C) and all the Initial Shares have been issued fully paid
- 2 12 There are no options or rights outstanding in relation to the Charged Securities nor is there any other agreement by virtue of which any person is entitled to have issued or transferred to him, or to acquire any other right over, any shares of any of the Owner
- 2 13 The Chargor is the sole legal and beneficial owner of the Charged Securities, has full right to and control of the Charged Securities, has not sold or agreed to sell or otherwise transfer the benefit of or any or all of its right, title and interest in and to the Charged Securities, and the Charged Securities are free from any Encumbrance of any kind, except as created pursuant to this Deed or other Permitted Encumbrance, and free from any trust or similar nominee agreement

Default

- 3 1 Following the occurrence of an Event of Default and upon giving notice by judicial act to the Chargor, the Borrower and the Owner (hereafter the "Notice of Default"), the security constituted by this Deed shall become immediately enforceable and the Chargee shall be entitled to exercise all or any of the rights, powers, discretions and remedies vested in the Chargee by this Clause or granted to it by law or otherwise without any requirement for any court order or declaration that an Event of Default has occurred (and without any restrictions imposed by Section 93 or Section 103 of the Law of Property Act 1925), the Chargee may exercise, in relation to the Charged Securities, all the rights and remedies possessed by it under this Deed and in particular

- 3 1 1 exercise all rights relating to the Charged Securities including, without limitation, all voting and other consensual powers, appointing proxies, calling meetings, removing directors or officers of the Owner by dating any undated letters of resignation, approving accounts or otherwise dealing with accounts, increasing or reducing capital, purchasing or selling assets, declaring dividends, undertaking or repaying loans or other indebtedness and all other actions which in its sole and absolute discretion is deemed necessary to preserve the value of the Charged Securities,
- 3 1 2 appoint directors and officers of the Owner and vest in them the powers to manage the Owner in question,
- 3 1 3 receive and retain all dividends and other distributions made in respect of all or any part of the Charged Securities and apply them in or towards satisfaction, or by way of retention on account, of the Indebtedness,
- 3 1 4 dispose of or appropriate and acquire the Charged Securities in accordance with Maltese law, including, for the avoidance of doubt, the completion of any blank form of transfer of all or any part of the Charged Securities by inserting the date and name of the Chargee or its nominee as transferee, and
- 3 1 5 apply to the Courts of Malta for the judicial auction of the Charged Securities in accordance with the Maltese Civil Code if necessary

These remedies are in addition to the remedies granted to the Chargee under Maltese law and in so far as it is necessary to do so the Chargor irrevocably authorises the Chargee in its interest and by way of security to avail itself of all and any of the above remedies in protection of its rights

3 2 It is agreed that, in the event that the Chargee decides to exercise the rights specified in Regulation 37(6) of the Regulations and in order to be able to establish the "fair value" in accordance with the terms of Regulation 37(7) of the Regulations, the following rules shall be observed in order to achieve a fair and reasonable position for the parties to this Deed

3 2 1 the parties to this Deed shall, within five (5) business days of the Notice of Default, meet to determine by agreement the value of the Charged

Securities or, if this is not possible, the method and time-frame for the final determination of such value,

- 3.2.2 in the event that the Chargor fails to attend such a meeting or co-operate as set out above, or in the event that there be agreement on the method of valuation only but not on the value, the determination of the "fair value" for the sale or appropriation of the Charged Securities shall be referred to and finally resolved by arbitration with one (1) arbitrator (the "**Arbitrator**") in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this Clause shall take place in Malta and be administered by the Malta Arbitration Centre. To the extent that the provisions contained in this Clause vary or depart from the rules set out in the Malta Arbitration Rules 2004 (the "**Rules**"), the provisions of this Clause shall override the Rules. No appeal shall lie from any arbitral award.
- 3.2.3 the Arbitrator shall observe the following rules, unless he directs otherwise based on his assessment of the circumstances of the case:
- (a) the value of the Charged Securities shall be established by the Arbitrator (who shall also have the power to appoint a certified public accountant or a certified public accountant and auditor or an experienced ship broker to assist him as an expert) on the basis of commonly used methods (as at the time of the establishment of the value) to value businesses of the type operated by the Owner or shares in a company operating substantially the same business of the Owner, including by reference to the value of any ship owned by the Owner,
 - (b) the Arbitrator shall then take into consideration any material events which have, in the view of either the Chargee or the Chargor, an impact on the valuation,
 - (c) in the event that the Owner's audited accounts are not available or are outdated or have not been maintained according to law, the Arbitrator is authorised to base himself on the most recent drafts and management accounts available,

- (d) in the event that such drafts and management accounts are not available, the Arbitrator shall not be obliged to procure the drawing up of accounts and audit them according to law but shall be entitled to receive evidence from the Owner, the Chargor and the Chargee or such other person as they deem necessary on the value of assets in the Owner and to reach a reasonable conclusion as to the value of the Charged Securities,
- (e) the Arbitrator must collect all the necessary information to enable him to determine the "fair value" of the Charged Securities within fifteen (15) business days of his appointment and must, in addition, reach a reasonable conclusion as to the fair value within a further fifteen (15) business days from the collection of such information. This time-frame is necessary to achieve a fair and reasonable position for the parties to this Deed in view of the provisions of Regulation 37(8) of the Regulations, and it is acknowledged that if more than thirty (30) business days elapse from the Notice of Default, there may be fluctuations in the value of the Charged Securities which may prejudice the parties to this Deed,
- (f) notwithstanding Regulation 37(8) of the Regulations, should the Arbitrator at any time note that between the date of the Notice of Default and the date of the valuation award, events have taken place which will materially affect the value of the Charged Securities, whether increasing or decreasing their value, the Arbitrator shall take them into account in making his valuation award,
- (g) the non-co-operation of the Chargor (including the failure to co-operate in meeting and establishing the method and time-frame for valuation in terms of Clause 3.2.1 above) or the Owner shall not hinder the Arbitrator from giving his award in accordance with this Deed,
- (h) if the Chargee applies to the Arbitrator for a valuation to be made pursuant to the Regulations, the Chargee shall be entitled to

present as evidence to the Arbitrator any documents in its possession relating to the Owner, its ship and the value of such ship, including existing valuations, insurance and banking documents, and make submissions thereon

- 3 3 The Arbitrator referred to in Clause 3 2 shall also have the following ancillary powers
- 3 3 1 in the event that the Chargee is unable to find a buyer for the Charged Securities at the fair price as established in accordance with Clause 3 2, the Arbitrator may authorise the sale at a lower price in accordance with Regulation 38(9) of the Regulations,
- 3 3 2 in the event that it is necessary for the Chargor to execute any document, including a share transfer instrument, in relation to the exercise of the rights of sale or appropriation of the Charged Securities, the Arbitrator shall have the power to appoint a person to act in the name and on behalf of the Chargor and execute and deliver any such documents to the Chargee,
- 3 3 3 the Arbitrator shall also have jurisdiction to determine any dispute as to whether it is possible or not to sell only part of the Charged Securities and to authorise the sale of all the Charged Securities even if the price exceeds the value of the Indebtedness,
- 3 3 4 generally to determine all and any disputes which arise between the Chargor and the Chargee in relation to the enforcement of this Deed except when the Chargee demands the judicial sale of the Charged Securities in which case the courts shall exercise their ordinary jurisdiction
- 3 4 Notwithstanding Clauses 3 2 and 3 3 above or any action taken by the Chargee to exercise its rights to sell or appropriate the Charged Securities privately, the Chargee shall be entitled at any time to apply to the court for the judicial sale of the Charged Securities
- 3 5 Any purchaser from the Chargee of all or any part of the Charged Securities shall take those Charged Securities free of any claim or right of any third party

(including, without limitation, any right of redemption of the Chargor which the Chargor by its execution of this Deed expressly waives)

3 6 Following the occurrence and during the continuation of any Event of Default, the Chargor shall procure that all dividends and other distributions in respect of any of the Charged Securities shall be paid to the Chargee, and shall procure that all benefits (including, without limitation, all allotments, rights and property accruing at any time in respect of the Charged Securities by way of redemption, bonus, preference, option or otherwise) shall accrue to the Chargee, the Chargee being entitled at its discretion to appropriate and apply the same towards satisfaction or reduction, or by way of retention on account, of the Indebtedness. The Chargor undertakes that if, despite this Deed, it receives any payment or other benefit in respect of any of the Charged Securities following the occurrence and during the continuation of any Event of Default, it will immediately notify the Chargee, will hold the amount or benefit received on trust for the Chargee, and will pay that amount or transfer that benefit to or to the order of the Chargee on the Chargee's first written demand.

3 7 Unless and until an Event of Default occurs -

3 7 1 the Chargor shall be entitled to exercise all rights and powers relating to the Charged Securities for all purposes not inconsistent with the terms of this Deed, and

3 7 2 the Chargor shall be entitled to receive and retain all dividends and other distributions in respect of the Charged Securities, and

3 7 3 the Chargee shall not complete or otherwise attempt to enforce any undated letter of resignation of any of the directors or officers of the Owner

Assignment, Pledge and Charge

4 1 In order to secure the payment of the Indebtedness and the observance and performance by the Chargor of all its obligations under or arising out of the Security Documents the Chargor with full title guarantee assigns, pledges and charges to the Chargee by way of first fixed charge the Charged Securities and all other rights, titles and interests (present and future) of the Chargor in and to all

certificates in respect of the Charged Securities and all voting and other consensual powers pertaining to the Charged Securities

- 4.2 The Chargor with full title guarantee assigns and agrees to assign to the Chargee all benefits present and future, actual and contingent, accruing in respect of the Charged Securities and all the Chargors' right, title and interest to and in the Charged Securities, including (without limitation) all voting and other consensual powers pertaining to the Charged Securities

5 **Covenants and Ancillary Provisions**

- 5.1 The Chargor covenants that it is, and will throughout the Facility Period be, solely and beneficially entitled to all rights in relation to the Charged Securities, subject only to the rights created in favour of the Chargee by the Security Documents
- 5.2 The Chargor will procure that (unless the Chargee shall agree otherwise in writing and then only subject to such terms and conditions as the Chargee may impose) the Owner shall issue no further shares or other rights of any nature which would constitute Charged Securities
- 5.3 The Chargor warrants that it has not disposed of, nor created or permitted any Encumbrance or other third party right to arise or exist on or over, any of the Charged Securities and covenants that it will not dispose of or deal with nor create or permit any Encumbrance or other third party right to arise or exist on or over any of the Charged Securities
- 5.4 The Chargor will not exercise any voting or consensual or preferential rights attaching to the Charged Securities in a manner which contravenes the provisions of the Security Documents or which is otherwise inconsistent with the interests of the Chargee
- 5.5 The Chargor will duly and punctually observe and perform all obligations imposed on him in relation to the Charged Securities
- 5.6 The Chargor will forthwith deliver or cause to be delivered to the Chargee the Charge Documents and will immediately on the appointment of any further director or officer of the Owner (whether by way of addition or substitution) cause that director or officer to sign and deliver to the Chargee an undated letter of

resignation and a letter of authority materially in the forms set out in Appendices A and B

- 5 7 The security constituted by this Deed shall be continuing and shall not be satisfied by any intermediate payment or satisfaction until the Indebtedness shall have been paid in full and the Chargee shall be under no further actual or contingent liability to any third party in relation to any matter referred to in the Security Documents. The security constituted by this Deed shall be in addition to any other security now or in the future held by the Chargee for or in respect of the Indebtedness, and shall not merge with or prejudice or be prejudiced by any such security or any other contractual or legal rights of the Chargee nor be affected by any irregularity, defect or informality or by any release, exchange or variation of any such security. Section 93 of the Law of Property Act 1925, or any provision which the Chargee considers analogous to that provision under the law of any other relevant jurisdiction, shall not apply to the security constituted by this Deed.
- 5 8 That in the event of the nomination of a new judicial representative in Malta, it shall procure the delivery of an appointment from such judicial representative in the form set out in Appendix G.
- 5 9 Any purchaser from the Chargee of all or any part of the Charged Securities shall take those Charged Securities free of any claim or right of any third party (including, without limitation, any right of redemption of the Chargor which the Chargor by its execution of this Deed expressly waives).
- 5 10 The Chargor will do or permit to be done everything which the Chargee may from time to time require to be done for the purpose of enforcing the Chargee's rights under this Deed, and will allow its name to be used as and when required by the Chargee for that purpose.
- 5 11 The Chargor undertakes to reimburse the Chargee on demand for all sums which the Chargee may from time to time pay or become liable for in or about the protection, maintenance or enforcement of the rights created in favour of the Chargee by this Deed or in or about the exercise by the Chargee of any of the powers vested in it under or pursuant to this Deed, together in each case with interest at the Default Rate from the date when those sums were paid by the Chargee until the date of actual receipt, before or after any relevant judgment, and

to keep the Chargee fully and effectually indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities which the Chargee may suffer or incur under or in connection with the Charged Securities

5 12 No failure to exercise, nor any delay in exercising, on the part of the Chargee, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law

5 13 The Chargee may at any time and from time to time delegate to any person all or any of its rights, powers, discretions and remedies pursuant to this Deed on such terms as the Chargee may consider appropriate (including the power to sub-delegate)

5 14 Neither the Chargee nor any agent or employee of the Chargee shall be liable for any losses which may be incurred in or about the exercise of any of the rights, powers, discretions or remedies of the Chargee under or pursuant to this Deed

6 Receiver

6 1 At any time after the occurrence and during the continuation of an Event of Default the Chargee may (but shall not be obliged to) appoint any person to be receiver and/or manager of the Charged Securities

6 2 The appointment of a receiver and/or manager by the Chargee may be made in writing under the hand of any authorised signatory of the Chargee

6 3 The Chargee shall have the power to authorise any joint receiver and/or manager to exercise any or all of his powers independently of any other joint receiver and/or manager

6 4 The Chargee may at any time and from time to time remove any receiver and/or manager from office and appoint a replacement

6 5 The Chargee shall have the power from time to time to fix the remuneration of any receiver and/or manager on the basis of charging from time to time adopted by him or his firm and any receiver and/or manager shall not be limited to any maximum amount or rate specified by law

- 6 6 Any receiver and/or manager appointed pursuant to this Clause shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for the payment of his remuneration
- 6 7 Any receiver and/or manager appointed pursuant to this Clause shall have all the powers provided for in Schedule 1 of the Insolvency Act 1986 without restriction, and in particular without the restrictions contained in Section 103 of the Law of Property Act 1925 or any other statutory or other restriction which the Chargee may consider analogous under the laws of any other jurisdiction
- 6 8 Without limitation, any receiver and/or manager shall have power on behalf of the Chargor (and at the Chargor's expense) to do or omit to do anything which the Chargor could do or omit to do in relation to the Charged Securities and may exercise all or any of the rights, powers, discretions and remedies conferred on the Chargee by the Security Documents or at law
- 6 9 No receiver and/or manager shall be liable as mortgagee in possession to account or be liable for any loss on realisation of, or any default of any nature in connection with, the Charged Securities or the exercise of any of the rights, powers, discretions and remedies vested in the receiver and/or manager by virtue of the Security Documents or at law

7 Power of Attorney

- 7 1 The Chargor by way of security irrevocably appoints the Chargee and any receiver and/or manager appointed by the Chargee severally to be its attorney (with unlimited power of substitution and delegation) with power (in the name of the Chargor or otherwise) to do all acts that the Chargor could do in relation to the Charged Securities, including, without limitation, to give a good receipt for any purchase price
- 7 2 The Chargee agrees that it will not exercise any of its powers as attorney of the Chargor unless an Event of Default shall have occurred, but the exercise of any such powers by the Chargee shall not put any person dealing with the Chargee on enquiry as to whether an Event of Default has occurred and any such person shall not be affected by notice that no Event of Default has in fact occurred

7 3 The exercise by the Chargee or by any receiver and/or manager of any of their powers as attorney of the Chargor shall be conclusive evidence of their right to do so

8 **Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired

9 **Further Assurance**

The Chargor agrees that from time to time on the written request of the Chargee he will immediately execute and deliver to the Chargee all further documents which the Chargee may require for the purpose of obtaining the full benefits of this Deed

10 **Waiver of Rights as Surety**

10 1 The rights of the Chargee under this Deed, the security constituted by this Deed and the warranties, covenants and obligations of the Chargor contained in this Deed shall not in any way be discharged, impaired or otherwise affected by

10 1 1 any forbearance (whether as to payment or otherwise) or any time or other indulgence granted to any of the other Security Parties under or in connection with any of the Security Documents,

10 1 2 any amendment, variation, novation or replacement of any of the other Security Documents,

10 1 3 any failure of any of the Security Documents to be legal, valid, binding and enforceable in relation to any of the other Security Parties for any reason,

10 1 4 the winding-up or dissolution of any of the other Security Parties,

10 1 5 the release (whether in whole or in part) of, or the entering into of any compromise or composition with, any of the other Security Parties, or

10 1 6 any other act, omission, thing or circumstance which would or might, but for this provision, operate to discharge, impair or otherwise affect the same

10 2 Until the Indebtedness has been unconditionally and irrevocably paid and discharged in full, the Chargor shall not by virtue of any payment made under this Deed on account of the Indebtedness or by virtue of any enforcement by the Chargee of its rights under, or the security constituted by, this Deed or by virtue of any relationship between or transaction involving, the Chargor and any of the other Security Parties

10 2 1 exercise any rights of subrogation in relation to any rights, security or moneys held or received or receivable by the Chargee or any other person, or

10 2 2 exercise any right of contribution from any of the other Security Parties under any of the Security Documents, or

10 2 3 exercise any right of set-off or counterclaim against any of the other Security Parties, or

10 2 4 receive, claim or have the benefit of any payment, distribution, security or indemnity from any of the other Security Parties, or

10 2 5 unless so directed by the Chargee (when the Chargor will prove in accordance with such directions), claim as a creditor of any of the other Security Parties in competition with the Chargee

and the Chargor shall hold in trust for the Chargee and forthwith pay or transfer (as appropriate) to the Chargee any such payment (including an amount equal to any such set-off), distribution or benefit of such security, indemnity or claim in fact received by it

11 Miscellaneous

11 1 In the event of there being any conflict between this Deed and the Loan Agreement, the Loan Agreement shall prevail

11 2 All the covenants and agreements of the Chargor in this Deed shall bind the Chargor and its successors and permitted assignees and shall inure to the benefit of the Chargee and its successors, transferees and assignees

11 3 The representations and warranties on the part of the Chargor contained in this Deed shall survive the execution of this Deed

11 4 The rights of the Chargee under this Deed shall not be affected by any change in the constitution of the Chargor or by the liquidation, bankruptcy or insolvency of the Chargor

11 5 No variation or amendment of this Deed shall be valid unless in writing and signed on behalf of the Chargor and the Chargee

11 6 A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed

11 7 The Chargor hereby agrees that the Chargee is entitled to collect, collate, record and maintain any personal data relating to the Chargor as the Chargee deems necessary for the purposes of exercising its rights under this Deed or generally in connection with any of the matters contemplated by this Deed, including but not limited to requesting and receiving the Chargor's personal data from any third party and databases being created pursuant to law

12 Discharge of Security

Following the expiry of the Facility Period the Chargee will, at the cost of and on the request of the Chargor, execute and deliver to the Chargor a discharge of this Deed and redeliver the Charge Documents to or to the order of the Chargor

13 Notices

The provisions of clause 15 of the Loan Agreement shall (*mutatis mutandis*) apply to this Deed as if it were set out in full with references to this Deed substituted for references to the Loan Agreement and with references to the Chargor substituted for references to the Borrower

14 **Counterparts**

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

15 **Law and Jurisdiction**

15 1 This Deed shall in all respects be governed by and interpreted in accordance with English law

15 2 The parties agree and confirm that any Proceedings, dispute or claim arising out of or in connection with this Deed shall be

15 2 1 referred to and finally settled at the Rīga International Arbitration Court (Rīgas Starptautiskajā Šķīrējtiesā), in Rīga, Latvia in accordance with its Arbitration Rules and legislation of the Republic of Latvia in respect of the arbitration procedure on the basis of the submitted documents, provided that, the number of arbitrators being one (1) and English being the language of arbitration,

15 2 2 notwithstanding the arbitration agreement in Clause 15 2 1 above, if the Chargee is the claimant, pursuant to the choice of the Chargee, referred either to any state court of the Republic of Latvia at the place of the Chargee's seat or to the English courts This Clause 15 2 2 is not a limitation to the Chargee's rights to refer any Proceedings, dispute or claim arising out of or in connection with this Deed to the arbitration court in accordance with the arbitration agreement in Clause 15 2 1

15 3 The arbitration agreement set forth in Clause 15 2 1 shall not be applicable to any dispute or claim arising out of or in connection with this Deed, which, according to mandatory applicable law, cannot be within the competence of the said arbitration court

15 4 The Chargor agrees that the procedure for dispute settlement as it is determined in Clause 15 2, including but not limited to the competence of the Rīga International Arbitration Court (Rīgas Starptautiskā Šķīrējtiesa) concerning any dispute and claim arising out of this Deed, shall be binding and enforceable by any assignee

of the Chargee's rights regardless of when a right to claim is assigned and accepted

15 5 Nothing contained in this Clause shall limit the right of the Chargee to commence any proceedings against the Chargor in any other court of competent jurisdiction nor shall the commencement of any proceedings against the Chargor in one or more jurisdictions preclude the commencement of any proceedings in any other jurisdiction, whether concurrently or not

15 6 The Chargor irrevocably waives any objection which he may now or in the future have to the laying of the venue of any proceedings in any court referred to in this Clause and any claim that those proceedings have been brought in an inconvenient or inappropriate forum, and irrevocably agrees that a judgment in any proceedings commenced in any such court shall be conclusive and binding on him and may be enforced in the courts of any other jurisdiction

15 7 Without prejudice to any other mode of service allowed under any relevant law, the Chargor

15 7 1 irrevocably appoints the Process Agent at the Address for Service as its agent for service of process in relation to any proceedings before the English courts, and

15 7 2 agrees that failure by a process agent to notify the Chargor of the process will not invalidate the proceedings concerned

IN WITNESS of which this Deed has been duly executed and delivered the day and year first before written

SIGNED and DELIVERED

as a **DEED**

by **BUMERZ LIMITED**

acting by

as a director

and by

as a director/secretary

in the presence of *MUBARIZ MANSIMOV*

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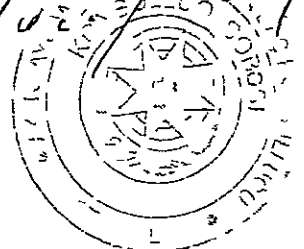
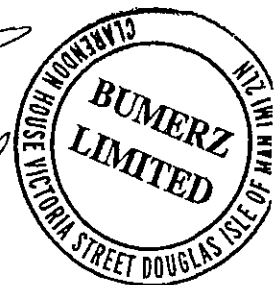
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ZIYA ILGEN

NIHAL TOKDEMIR



**CONSUL
GISMAT GOZALOV**

SIGNED and DELIVERD
as a DEED
by STOCK COMPANY
"PAREX BANKA"

acting by **JORENS RAITUMS**
its duly authorised

in the presence of

VLADIMIRS BURHANOVs



Appendix A

Letter of Resignation

To The Secretary

PAL SHIPPING TRADER ONE CO LTD

Level 12

Portomaso Business Towers

St Julians

Malta

and to whomsoever else it may concern

Date

Dear Sirs

I, [], hereby resign as a [director/secretary or other officer] of **PAL SHIPPING TRADER ONE CO LTD** (the "Company") and confirm that I have no claim against the Company, whether for remuneration, loss of office or otherwise

Yours faithfully

Appendix B

(headed paper of Pal Shipping Trader One Co Ltd)

Undertaking

Date 2009

To **STOCK COMPANY "PAREX BANKA"**

We irrevocably and unconditionally undertake to register on presentation by you or on your behalf when accompanied by the appropriate share certificates any transfer of all or any part of the shareholding of 525 shares in Pal Shipping Trader One Co Ltd which have been charged to you

Yours faithfully

For and on behalf of
Pal Shipping Trader One Co Ltd

Appendix C

Notice of Charge

To The Board of Directors
Pal Shipping Trader One Co Ltd (the "Company")

Date 2009

Dear Sirs

This is to inform you that, by virtue of a charge over shares dated 2009, (the "Charge"), a true copy of which is enclosed herewith, our five hundred and twenty five (525) shares in the Company (the "Shares") have been charged to Stock Company "Parex banka" (the "Bank") as security for the repayment of the Indebtedness (as such term is defined in a loan agreement dated 2008 made between Palmali Holding Company Limited as borrower and the Bank as lender having reference number 2 1 22 1 -01/427)

We hereby notify you of the Charge and request you to register the Charge in the Company's Register of members and on any share certificates you may issue throughout the duration of the Charge in relation to the Shares

We also request you to acknowledge the Charge in favour of the Bank in the form attached and to observe its terms

We wish to confirm that henceforth we have no right to dispose of the Shares other than to or to the order of the Bank in accordance with the terms and conditions of the Charge and our rights to receive notice of or vote at or attend any meeting of the Company are only as stated in the Charge

Yours faithfully

For and on behalf of
Pal Trader Holding Company Limited

Appendix D

Notice of Charge

(headed notepaper of Pal Shipping Trader One Co Ltd)

To **STOCK COMPANY "PAREX BANKA"**

Date 2009

Dear Sirs

This is to confirm that we have been informed by **PAL TRADER HOLDING COMPANY LIMITED** (the "Shareholder"), the holder of all five hundred and twenty five (525) shares in the company, of a charge of the Shares in accordance with the terms and conditions of a charge over shares granted by the Shareholder in your favour dated 2007 (the "Charge")

We expressly acknowledge the Charge without reservations and confirm that we have made or shall, as soon as reasonably practicable, make note of this in the Company Register of Members
We undertake to act in accordance with its terms

We acknowledge the fact that the Share Certificates have been delivered to you or to your order

We recognise the ability of you to carry out acts in certain circumstances in relation to the Shares, even against the wishes of the Shareholder

We undertake to advise any person requesting information on your behalf relating to the Shares

Yours faithfully

For and on behalf of
Pal Shipping Trader One Co Ltd

Appendix E

Form G

No of Company C40981

MERCHANT SHIPPING (Shipping Organisations - Private Companies)
REGULATIONS, 2004

Notice of pledge of securities

Pursuant to Regulation 37 (2)

Name of Company Pal Shipping Trader One Co Ltd

Delivered by Bumerz Ltd

To the Registrar of Companies

I hereby give notice in accordance with Regulation 37(2) of the Merchant Shipping (Shipping Organisations - Private Companies) Regulations, 2004 that with effect from 2009 the undermentioned securities have been pledged as follows

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
		Number	Type	Nominal Value
Pal Trader Holding Company Limited Level 12 Portomaso Business Towers St Julians Malta	Stock Company "Parex banka", 3 Smilsu iela, Riga LV-1522, Latvia			
		525	Ordinary	\$3

Signature

Pledgor

I hereby certify that this is the true signature of Mr/Mrs
authorised to sign this Form on behalf of the Pledgor

who is

Signed
(name), Lawyer

Dated this _____ day of _____ of the year 2009

This form must be completed in typed form.

Appendix F

Form of Notice of Pledge

To **Pal Shipping Trader One Co Ltd** (the "Company")

We, **BUMERZ LIMITED** (the "Chargor") **GIVE NOTICE** that, by a Charge over Shares dated 2009 between the Chargor, and Stock Company "Parex banka" acting through its office at 3 Smilšu iela, Rīga LV-1522, Latvia, (the "Bank") (the "Charge"), a copy of which is attached hereto, we charged to the Bank all our right, title and interest (present and future) to and in the Charged Securities (as defined in the Charge) and all certificates in respect thereof, and we assigned to the Bank all benefits present and future, actual and contingent, accruing in respect of the Charged Securities and all the Charged right, title and interest to and in the Charged Securities, including (without limitation) all voting and other consensual powers pertaining to the Charged Securities

Signed _____
For and on behalf of
BUMERZ LIMITED

Appendix G

Letter of Appointment

To Stock Company "Parex banka"
3 Smilsu iela
Rīga LV-1522
Latvia

, 2009

Dear Sirs

I, [] of [], Malta refer to the Charge over Shares in Pal Shipping Trader One Co Ltd of Malta (the "Owner") dated 2009 (the "Shares Charge") between yourselves as Chargee and Bumerz Limited (the "Chargor") relating to advances made by yourselves to the Chargor as per a loan agreement dated 2008 between yourselves and the Chargor having reference number 21221-01/427. Words and expressions defined in the Shares Charge shall have the same meaning in this letter.

I am pleased to confirm that I accept my appointment as agent to receive service of process issued out of the Maltese courts on behalf of the Chargor under the provisions of the Shares Charge, and also promptly to forward to the Chargor, at the address specified in the Shares Charge, copies of any legal process, summons, notices or other documents received by the undersigned as mandatory for service as aforesaid, subject to the conditions that

- (a) I will not be held personally responsible for any costs and/or fees connected with and incidental thereto, and
- (b) I will give you prompt notice of any failure by the Chargor to keep us in sufficient funds for the purpose of acting as agent for service of process in Malta and agree not to terminate my said appointment without giving you reasonable notice to pay such funds and a reasonable period to effect payment

I hereby undertake to notify you forthwith in the event that I shall cease to be located at my address aforesaid and to advise you forthwith of any new address

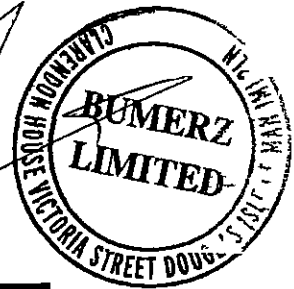
Yours sincerely

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SIGNED in the presence of

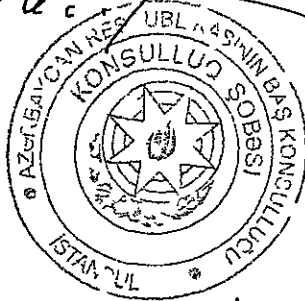
Name

Address of witness



This document contains
32 numbered, bound
together and sealed pages

IN THE PRESENCE OF MUBARIZ MANSMOV



CONSUL
GISMAT GOZALOV