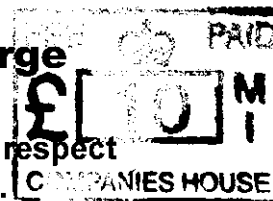


**COMPANIES FORM No. 395****Particulars of a mortgage or charge**

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

**395**

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use

Company number



986309

Name of company

\* Consort North Sea Limited (the "Chargor")

Date of creation of the charge

17th February, 2003

Description of the instrument (if any) creating or evidencing the charge (note 2)

A security agreement dated 17th February, 2003 between the Chargor and the Governor and Company of the Bank of Scotland (for itself and as agent for the Finance Parties) (the "Facility Agent") (hereinafter referred to as the "Security Agreement").

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Finance Party (as defined below) under each Finance Document (as defined below) to which the Chargor is a party (and, for the avoidance of doubt, the term "Finance Document" includes all amendments and supplements including supplements providing for further advances) (the "Secured Liabilities").

Names and addresses of the mortgagees or persons entitled to the charge

The Governor and Company of the Bank of Scotland  
New Ueberior House  
11 Earl Grey Street, Edinburgh

Postcode

EH3 9BN

Presentor's name address and  
reference (if any):

Allen & Overy  
One New Change  
London EC4M 9QQ

For official Use  
Mortgage Section

Post room



LD2  
COMPANIES HOUSE

0224  
20/02/03

Time critical reference

ARS/KGH/PG:252798

Short particulars of all the property mortgaged or charged

1. The Chargor assigns and agrees to assign to the Facility Agent all of the Assigned Assets except, in the case of any rights under any Project Document, to the extent (if any) that:
  - (a) a valid assignment of the rights by the Security Agreement requires the consent of any other party to that Project Document and such consent has, for the time being, not been given; or
  - (b) the assignment of those rights would entitle any other party to that Project Document to terminate it.
2. The Chargor, as security for the payment, discharge and performance of all the Secured Liabilities, charges in favour of the Facility Agent by way of first fixed charge:
  - (a) all of the Assigned Assets to the extent (if any) not effectively assigned under Clause 2.1 (Assignment) of the Security Agreement except, in the case of any rights under any Project Document, to the extent (if any) that:

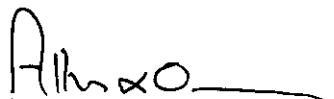
Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

19/2/03

On behalf of [company] [mortgagee/chargee] †

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

**Continuation: 1**

**Short particulars of all the property mortgaged or charged**

- (i) a charge by way of fixed charge of the rights by the Security Agreement requires the consent of any other party to that Project Document and such consent has, for the time being, not been given; or
  - (ii) the charge by way of fixed charge of those rights would entitle any other party to that Project Document to terminate it; and
- (b) all Group Shares held by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares.
- 3. The Chargor, as security for the payment, discharge and performance of all of the Secured Liabilities, charges in favour of the Facility Agent by way of a first floating charge all its undertaking and assets both present and future not otherwise effectively assigned by Clause 2.1 (Assignment) of the Security Agreement or charged by way of first fixed charge by Clause 2.2 (Fixed charge) of the Security Agreement.
- 4. The Chargor shall not:
  - (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Security Agreement or permitted by Clause 19.8 (Negative Pledge) of the Credit Agreement; or
  - (b) sell, transfer or otherwise dispose of any Security Asset, except for the disposal of gas in accordance with the terms of the Anglia Gas Sales Agreement and any disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under Clause 3.1 (Creation of floating charge) of the Security Agreement or permitted by Clauses 19.10(b) and (c) (Disposals) of the Credit Agreement; or
  - (c) take or permit the taking of any action that may result in the rights attaching to any of the Group Shares or Related Rights being altered or further group shares in the relevant company in the Group being issued.
- 5. The Chargor shall not at any time during the Security Period, after a claim has been made under the Security Agreement or after the Security Agreement becomes enforceable:
  - (a) be subrogated to any rights, security or moneys held, received or receivable by the Facility Agent or be entitled to any right of contribution or indemnity in respect of any action taken, payment made or moneys received on account of the Chargor's liability under the Security Agreement;
  - (b) claim, rank, prove or vote as a creditor of any Chargor or their respective estates in competition with the Facility Agent; or
  - (c) receive, claim or have the benefit of any payment, distribution or security from or on account of any Chargor, or exercise any right of set-off as against any Chargor.

Unless the Facility Agent otherwise directs, the Chargor shall hold in trust for and forthwith pay or transfer to the Facility Agent any payment or distribution or benefit of security received by it contrary to Clause 17.9 (Non-competition) of the Security Agreement.

**Continuation: 2**  
**Short particulars of all the property mortgaged or charged**

In this Form 395 unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

**"Account Bank"**

means Barclays Bank PLC or such other bank as the Banks may from time to time agree.

**"Additional Borrower"**

means a member of the Group which becomes a Borrower in accordance with Clause 28.5 (Additional Borrowers) of the Credit Agreement.

**"Additional Guarantor"**

means a member of the Group which becomes a Guarantor in accordance with Clause 28.4 (Additional Guarantors) of the Credit Agreement.

**"Agent"**

means the Facility Agent or the Technical Agent.

**"Ancillary Bank"**

means the Governor and Company of the Bank of Scotland.

**"Ancillary Facility"**

means the ancillary facility described in Clause 2.1(c) (The Facility) of the Credit Agreement.

**"Ancillary Facility Letter"**

means the letter dated 13th October, 2000 between the Ancillary Bank and Consort Caister Limited setting out the terms of the Ancillary Facility and any supplement, amendment or replacement letter relating to similar facilities of up to £2,000,000 for any Obligor(s).

**"Anglia Gas Sales Agreement"**

means the CDL Anglia Gas Sales Agreement dated 28th May, 1992 between Conoco Developments Limited and Total Gas Marketing Limited as amended and varied from time to time and as subsequently transferred to the Chargor.

**"Arranger"**

means Barclays Capital.

**"Assigned Assets"**

means:

- (a) all of the Chargor's present and future right, title and interest in, to, under and in respect of:

**Continuation: 3**

**Short particulars of all the property mortgaged or charged**

- (i) all present and future Project Documents including, without limitation, any gas sales agreement, development plan and any transportation agreements;
  - (ii) the Anglia Gas Sales Agreement and any variation, replacement of, or supplement to, the Anglia Gas Sales Agreement entered into by the Chargor and Total Gas Marketing Limited and any other present or future agreement between the Chargor and Total Gas Marketing Limited;
  - (iii) all present and future Insurances and all claims and returns of premiums in respect of them;
  - (iv) all Compensation received or receivable by the Chargor and its rights to recover and receive the same and the Chargor's right to recover and receive all Compensation which may at any time become payable to it; and
  - (v) all monies constituting Gross Revenues;
- (b) the Chargor's rights to receive the proceeds of sale or other disposal of any Borrowing Base Petroleum;
- (c) all of the Chargor's present and future right, title and interest in, to, under and in respect of each Control Account and each Realisations Account (including, in each case and without limitation, all moneys standing to the credit of such account, all interest accrued on any such account or investment made out of any such moneys or account and all debts represented by any of the above);
- (d) to the extent that the same do not fall within paragraphs (a) to (d) above, all the Chargor's present and future book and other debts and all other moneys due, owing or payable to it (and including, without limitation, the benefit of all rights, securities and guarantees enjoyed or held by it in relation to any of the above),

and including in each case (without limitation) all claims and all monies which may at any time be or become paid or payable to the Chargor, under or in respect of any of the above (including the proceeds of any claims, awards or judgements and any returns of premium).

**"Borrower"**

means an Original Borrower or an Additional Borrower.

**"Borrower Accession Agreement"**

means a letter in the form of Part III of Schedule 5 (Changes to the Parties) of the Credit Agreement.

**"Borrower's Agent"**

means Consort Resources Limited.

**"Borrowing Base Asset"**

means, subject to Clause 16.8 (Additional Borrowing Base Assets) of the Credit Agreement, the petroleum production licences, petroleum fields and pipelines listed in Schedule 8 to the Credit

**Continuation: 4**

**Short particulars of all the property mortgaged or charged**

Agreement and includes (where the context so permits) each Borrowing Base Interest in respect of the relevant asset(s) (or any part of any such interest).

**"Borrowing Base Interest"**

means, in respect of a Field Company and Borrowing Base Asset, all of that Field Company's present and future interest in that Borrowing Base Asset and all Borrowing Base Petroleum, Project Documents, facilities, Insurances and receivables relative to it.

**"Borrowing Base Petroleum"**

means, in respect of a Borrowing Base Asset that is a petroleum field, all petroleum won and saved from that Borrowing Base Asset that accrues to the Borrowing Base Interest in that Borrowing Base Asset (including, without limitation, any such petroleum that is royalty petroleum).

**"Compensation"**

means:

- (a) any proceeds of any Insurances relating to a Borrowing Base Interest received by a Field Company (other than Insurances in respect of delay in start-up, business interruption, liabilities to third-parties, seepage, pollution or the cost of control of wells);
- (b) any compensation or similar payment in respect of:
  - (i) the nationalisation, expropriation, requisitioning or compulsory acquisition or disposal of all or any part of any Borrowing Base Asset or Borrowing Base Interest;
  - (ii) the refusal, revocation, suspension or modification by any governmental or similar authority of any Project Document;
- (c) any proceeds of any disposal of all or any part of any Borrowing Base Asset or Borrowing Base Interest (other than ordinary commercial sales of any Borrowing Base Petroleum);
- (d) any unitisation or redetermination payments in respect of any Borrowing Base Asset; and
- (e) any payment to a Field Company in connection with any renegotiation of any gas sales agreement (or any other variation or waiver of any of its terms), other than any on-going payments of the price for the supply of gas in accordance with the terms of that agreement;

but excluding, for the avoidance of doubt:

- (i) any amount paid or payable by TXU Europe Energy Trading Limited or Eastern Electricity PLC under Clause 3.3 of the Johnston Novation Agreement; or
- (ii) any Further Adjustment Receipt.

**"Compensation Account"**

means an account to be maintained by a Field Company under Clause 17.3 (Compensation Account) of the Credit Agreement.

**Continuation: 5**  
**Short particulars of all the property mortgaged or charged**

**"Control Account"**

means a Revenue Account or Compensation Account.

**"Credit Agreement"**

means the credit agreement dated 7th February, 2001 between the Original Borrowers, the Original Guarantors, the Parent, the Borrower's Agent, the Arranger, the Banks, the Facility Agent, the Technical Agent and the Ancillary Bank.

**"Field Company"**

each of Consort Caister Limited, Consort EU Limited, Consort Europe Resources Limited, Consort Europe Hydrocarbons Limited and any other member of the Group (other than Trading) which for the time being has an interest in a Borrowing Base Asset or any Project Document related to a Borrowing Base Asset.

**"Finance Document"**

means the Credit Agreement, any Hedging Agreement, the Ancillary Facility Letter, a Security Document, a Subordination Agreement, a Novation Certificate, a Borrower Accession Agreement, a Guarantor Accession Agreement or any other document designated as such by the Facility Agent and the Borrowers' Agent.

**"Finance Party"**

means the Arranger, a Hedging Bank, a Bank, the Ancillary Bank or an Agent.

**"Further Adjustment Receipt"**

means any amount received or receivable by a member of the Target Group that, on receipt, would or does constitute a Further Adjustment Amount (as defined in Clause 14.1 of the Sale and Purchase Agreement).

**"Gross Revenues"**

means in respect of a Field Company (without duplication):

- (a) the gross proceeds (without any deductions whatsoever) of any disposal of Borrowing Base Petroleum payable to that Field Company;
- (b) any gross tariffs (without any deductions whatsoever) payable to that Field Company in respect of use or reservation of capacity of any pipeline forming part of, or relating to, any Borrowing Base Asset;
- (c) any tax refunds payable to that Field Company;
- (d) (except for the purposes of any Forecast or calculating the Borrowing Base Amount) interest credited to any of the Control Accounts maintained by that Field Company;
- (e) (subject to Clause 16.2(c)(i) (Redetermination of Assumptions)) of the Credit Agreement any VAT payable by that Field Company on any Gross Revenues;

**Continuation: 6**  
**Short particulars of all the property mortgaged or charged**

- (f) any payment into the Revenue Account maintained by that Field Company from the Compensation Account maintained by that Field Company pursuant to Clause 17.3(c) (Compensation Account) of the Credit Agreement; and
- (g) any other amount payable to that Field Company in respect of any Borrowing Base Petroleum, Borrowing Base Interest or Borrowing Base Asset

but excluding:

- (i) Compensation or any amount payable under insurances in respect of liabilities to third-parties, seepage, pollution or the cost of control of wells; and
- (ii) for the avoidance of doubt:
  - (A) any amount payable or paid by way of loan or contribution to the relevant Field Company's equity capital;
  - (B) any amount paid or payable by TXU Europe Energy Trading Limited or Eastern Electricity plc under Clause 3.3 of the Johnston Novation Agreement; and
  - (C) any Further Adjustment Receipt.

**"Group"**

means, at any time, the Parent and all of its Subsidiaries for the time being (other than any Project Financing Vehicle).

**"Group Shares"**

means any stocks, shares, debentures, bonds or other securities and investments legally and/or beneficially owned by the Chargor in any member of the Group (other than the Chargor).

**"Guarantor"**

means an Original Guarantor or an Additional Guarantor.

**"Guarantor Accession Agreement"**

means a deed in the form of Part II of Schedule 5 to the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require.

**"Hedging Agreement"**

means any interest, currency or commodity swap, cap or collar arrangement entered into by an Obligor which such Obligor, the Facility Agent and the relevant Hedging Bank have, at any time by notice to each other Party, designated as a Hedging Agreement.



**Continuation: 7**  
**Short particulars of all the property mortgaged or charged**

**"Hedging Bank"**

means a person (other than an Obligor) that is party to a Hedging Agreement (in its capacity as such).

**"Intercreditor Agreement"**

means the Intercreditor Agreement of the same date as the Credit Agreement between the Obligors, the Facility Agent, and Dynegy Marketing and Trading SARL and TXU Europe Group PLC as Junior Creditors.

**"Johnston GSA"**

means the Johnston Field Principal Gas Sales Agreement dated 6th April 1993 (as amended, modified, supplemented or replaced from time to time) between the co-venturers in the Johnston Field, Eastern Electricity PLC and TXU Europe Energy Trading Limited.

**"Johnston Novation Agreement"**

means the agreement dated 5th December, 2000 between Eastern Electricity PLC, TXU Europe Energy Trading Limited, Trading, Resources and the Parent relating to the Johnston GSA and all amendments to that agreement executed by the parties to it prior to the first Drawdown Date.

**"Novation Certificate"**

means the certificate in the form of Part I of Schedule 5 to the Credit Agreement.

**"Obligor"**

means a Borrower or Guarantor (in whatever capacity they may be party to the Finance Documents, including without limitation in their capacity as a Field Company, the Parent or the Borrowers' Agent).

**"Original Borrower"**

means Consort Caister Limited and Consort Resources Limited.

**"Original Guarantor"**

means Consort Group Limited, Consort Resources Limited, Consort Caister Limited, Consort EU Limited, Consort Europe Resources, Consort Europe Hydrocarbons Limited, Consort Energy Trading Limited and Consort Median Limited.

**"Parent"**

means Consort Group Limited.

**"Party"**

means a party to the Credit Agreement.

**"Project Documents"**

**Continuation: 8**  
**Short particulars of all the property mortgaged or charged**

means:

- (a) any material agreement to which a Field Company is party and which relates to a Borrowing Base Asset or Borrowing Base Petroleum, including (without limitation) any joint operating agreement, any unitisation or unit operating agreement, any transportation, tariffing or pipeline agreement and any agreement for the processing, storage or sale of Borrowing Base Petroleum;
- (b) any authorisation required for the lawful exploitation, development or operation of any Borrowing Base Asset or the production, transportation or sale of Borrowing Base Petroleum (and including, without limitation, any petroleum production licence);
- (c) any development plan approved by any relevant operating committee and/or any appropriate governmental or other regulatory authority; and
- (d) the Anglia Gas Sales Agreement and any other long-term gas sales agreement to which any Obligor is a party.

**"Project Financing Vehicle"**

means a single-purpose company in respect of which:

- (a) its principal assets and business are a project comprised of the ownership, development and/or operation of a petroleum field (or petroleum facilities) (other than a Borrowing Base Asset);
- (b) it has no assets other than those necessary or desirable for, or derived from, that project and carries on no business or activities other than that project;
- (c) none of its liabilities in respect of the project or its financing are directly or indirectly the subject of a guarantee or Security Interest granted by any Obligor (other than any Security Interest solely over the single-purpose company's shares, without any personal liability on the part of the Chargor);
- (d) no Obligor has any other actual or contingent obligation in favour of it or any other person in respect of it or that project; and
- (e) without limiting any of the above, it has no interest in, or rights or obligations in, any Borrowing Base Asset.

**"Realisations Account"**

means each account maintained from time to time by the Chargor for the purposes of Clause 9.2 (Contingencies) of the Security Agreement at the Account Bank.

**"Related Rights"**

means any dividend or interest paid or payable in relation to any Group Shares and any rights, moneys or property accruing or offered at any time in relation to any Group Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

**"Revenue Account"**

**Continuation: 9**  
**Short particulars of all the property mortgaged or charged**

means an account to be maintained by a Field Company under Clause 17.2 (Revenue Account) of the Credit Agreement.

**"Security Documents"**

mean:

- (a) a security document referred to in paragraph 3(a) of Part I of Schedule 2 of the Credit Agreement; or
- (b) any other document evidencing or creating a Security Interest over any asset of an Obligor to secure any obligation(s) of any Obligor to a Finance Party under or in respect of the Finance Documents.

**"Security Assets"**

means all assets the subject of any security created by the Security Agreement.

**"Security Interest"**

means any mortgage, pledge, lien, charge, assignment by way of security (whether or not expressed to be absolute), hypothecation or security interest or any other agreement or arrangement that has a commercial effect analogous to the conferring security (including, without limitation, any blocked account or "flawed asset" arrangement).

**"Subordination Agreements"**

means:

- (a) the Subordination Agreements, referred to in paragraph 3(b) of Part I of Schedule 2 of the Credit Agreement, including the Intercreditor Agreement; or
- (b) any other document specifically designated as such by the Facility Agent.

**"Target Group"**

means Consort EU Limited, Consort Europe Resources Limited, Consort Europe Hydrocarbons Limited and Offshore Oil and Gas Development Company Limited.

**"Technical Agent"**

means the Governor and Company of the Bank of Scotland.

**"Trading"**

means Consort Energy Trading Limited.

**Continuation: 10**  
**Short particulars of all the property mortgaged or charged**

**"Value Added Tax" or "VAT"**

means:

- (a) value added tax of the United Kingdom as provided for in the Value Added Tax Act 1994 including legislation (declared or otherwise) supplementary thereto, and any similar or substituted tax, or any tax imposed, levied or assessed in the United Kingdom on added value or turnover; and
- (b) any similar tax imposed, levied or assessed in any jurisdiction outside the United Kingdom.

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 00986309

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 17th FEBRUARY 2003 AND CREATED BY CONSORT NORTH SEA LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (THE "FACILITY AGENT") AS FACILITY AGENT AND TRUSTEE FOR THE FINANCE PARTIES ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th FEBRUARY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th FEBRUARY 2003.

C.A



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —