



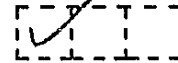
Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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legibly, preferably
in black type or
bold block
lettering*Insert full name
of company

To the Registrar of Companies

For official use Company number



1421481

Name of company

*
Kelt UK Limited (the "Company")

Date of creation of the charge

16 February 1990

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

Subordinate Debenture (the "Debenture")

Amount secured by the mortgage or charge

All the actual or contingent present or future liability of the Company under the Guarantee and the Debenture and/or any deed or document supplemental to any one or more of the same or varying or amending any one or more of them, together with all costs, charges and expenses incurred by the Bank in connection with the protection, preservation or enforcement of the rights of the Bank under the Guarantee and the Debenture (the "Indebtedness")

The "Guarantee" means the guarantee entered into by the company with the Bank to guarantee the obligations of Kelt Energy Plc (the "Borrower") under the Stand-by Facility Letter.

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

American Express Bank Ltd. (the "Bank")

60 Buckingham Palace Road

London

Postcode

SW1W 0RU

Presentor's name, address and
reference (if any):S. J. BERWIN & CO
236 GRAY'S INN ROAD
LONDON WC1X 8HB

127/A256.79/48020/alk

For official use
Mortgage section

Post room

REGISTERED

23 FEB 1990

Time critical reference

Short particulars of all the property mortgaged or charged

As security for the payment and discharge of the Indebtedness, the Company, as beneficial owner, charges to the Bank, which shall rank as a second such charge, subordinate only to and ranking in priority subsequent to the First Debenture:

- (a) by way of fixed charge, all estates or interests in any freehold and leasehold property of the Company now and in the future vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property;

cont/d

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Particulars as to commission allowance or discount (note 3)

Nil

Signed

JP Bence Co

Date

22/2/98

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

*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.

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Particulars of a mortgage or charge (continued)

Continuation sheet No. 1
to Forms Nos 395 and 410 (Scot)

Company number

1421481

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bold block lettering

Name of company

Kelt UK Limited (the "Company")

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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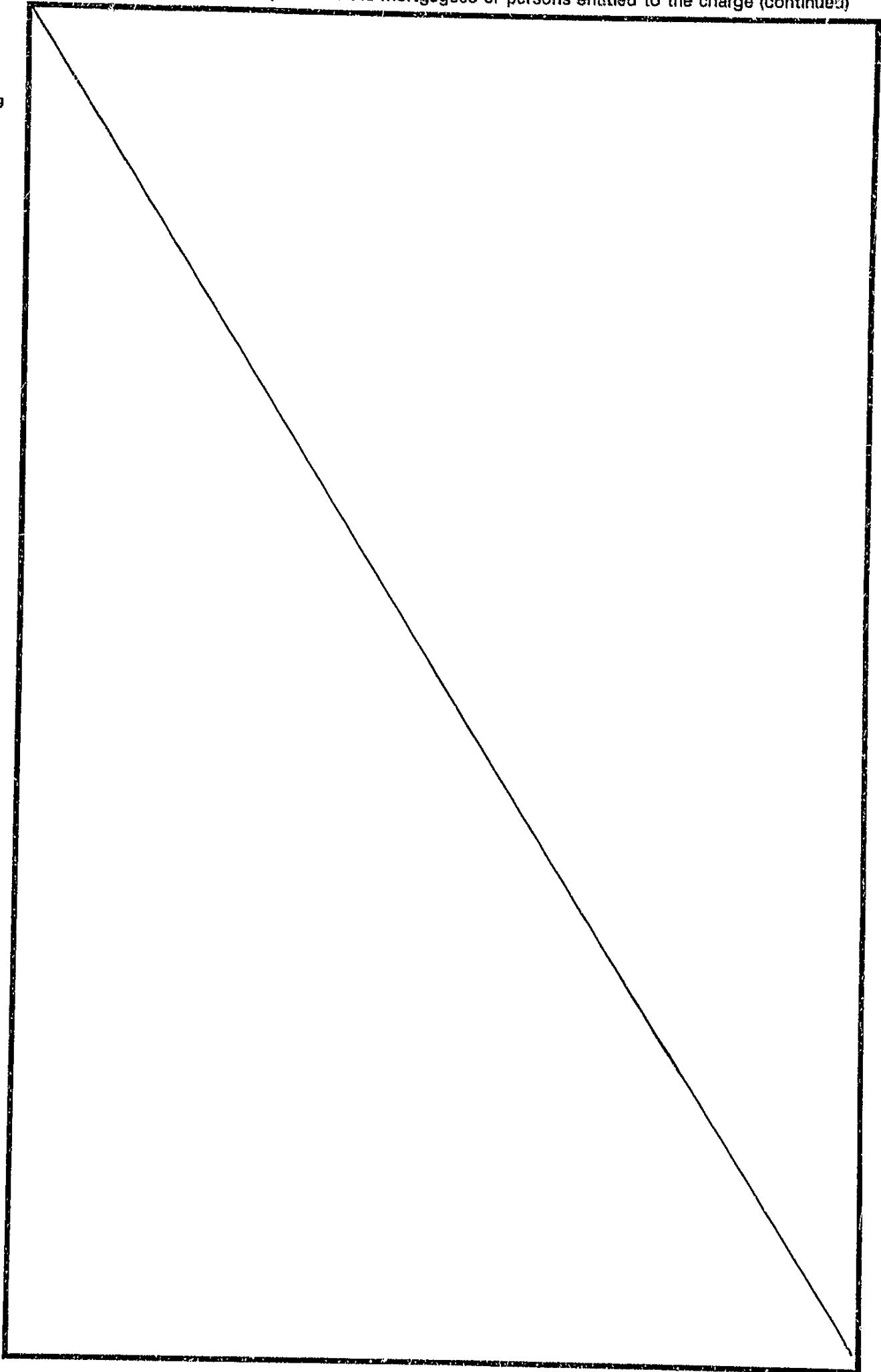
The "Stand-by Facility Letter" means a facility letter dated 16 February 1990 by which the Bank agreed to make available to the Borrower a stand-by revolving cash advance facility.

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in black type, or
bold block lettering

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)



- (b) by way of fixed charge, all the goodwill and uncalled capital for the time being of the Company;
- (c) by way of fixed charge, all intellectual property rights, choses in action and claims (other than book debts) now and in the future belonging to the Company; and
- (d) by way of floating charge, all the Company's present and future undertaking and assets, whatever and wherever, including (without limitation) all other property and assets not subject to a fixed charge under this Debenture.

"First Debenture" means a debenture dated 17 January 1989 by which the Company charged to the American Express Bank Ltd. (the "Agent") as agent for itself and the Syndicate Banks as defined in the Loan Agreement by way of first fixed and floating charge, its rights, titles and interests therein described as security for the performance of the obligations of the Company to the Agent and the Syndicate Banks under the Loan Agreement, the First Debenture and the other security documents related thereto.

"Loan Agreement" means a loan agreement dated 14 October 1988 as amended and restated on 2 November 1988 (as further amended by supplemental agreements dated 12 January 1989 and subsequent dates and an extension and conversion agreement dated 18 October 1989,) between Kelt Energy PLC (the "Borrower") (1), the Syndicate Banks (2) and the Agent (3), the Banks have agreed to make available to the Borrower a loan facility of up to £199,200,000 on the terms and conditions set out in the Loan Agreement.

Note:

The Company shall not:

- (a) (except as permitted by Clause 12(b) of the Loan Agreement and for charges in favour of the Agent on behalf of the Syndicate Banks created under or pursuant to the First Debenture and the other security documents referred to in the Loan Agreement and in favour of the Bank created under or pursuant to the Debenture) create or permit to subsist any mortgage, charge or lien on any of its undertaking or assets; and
- (b) (except as permitted by Clause 12(d) of the Loan Agreement) sell, transfer or otherwise dispose of its undertaking and other assets or any part of them.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

I hereby certify that a Subordinate Debenture dated 16th FEBRUARY 1990 and created byt KELT UK LIMITED for securing all moneys due or to become due from the Company to AMERICAN EXPRESS BANK LTD under the terms of the Guarantee and the Debenture and/or any deed supplemental to any one of them (as defined therein) was registered pursuant to Chapter I Part XII of the Companies Act 1985, on the 23rd FEBRUARY 1990

Given under my hand at the Companies Registration Office,
Cardiff the 5th MARCH 1990

No. 1421481

M.A. SMITH

an authorised officer

Certificate and instrument received by

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Date