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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

nw/027663/£40x4

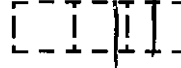


395

To the Registrar of Companies

For official use

Company number



1742061

Name of company

* CASTLE OILS LIMITED

Date of creation of the charge

31 August 1999

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

Composite Guarantee and Debenture (the "Debenture")

Amount secured by the mortgage or charge

All monies, obligations and liabilities on the part of each Obligor to any of the Beneficiaries to be paid, performed or discharged under the Facility Letter, the Management Facility Letter, Clause 3.14 of the Priority Agreement and/or the Debenture, whether at the date of the Debenture or thereafter and whether actual or contingent, whether alone or jointly and in whatever name, firm or style and whether as principal or surety, together with all Expenses (the "Secured Obligations")

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

NatWest Ventures (Nominees) Limited of 101 Finsbury Pavement, London EC2A 1EJ (the "Security Trustee") as security trustee for itself and Roger Hewitt

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

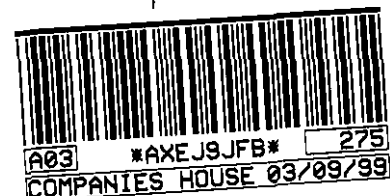
Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2AL

jzb - 1151878

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Under the Debenture each Obligor (save in respect of the charge contained in Clause 2.1.12 which is charged by Hillbridge Investments Limited alone) with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations charges to the Security Trustee:-

1.1 by way of legal mortgage each property specified in Schedule 2 to the Debenture which is set opposite its name;

1.2 by way of equitable mortgage its Property, other than the property or properties specified in Schedule 2 to the Debenture and set opposite its name;

1.3 by way of specific charge and agrees to mortgage to the Security Trustee its Investments;

1.4 by way of specific charge its Debts, its Intellectual Property, its Licences and all deeds and documents from time to time relating to its Charged Assets;

1.5 by way of specific charge the goodwill (including without limitation

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Particulars as to commission allowance or discount (note 3)

Nil

Signed

Travers Smith Gmth

Date

1 September 1999.

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 Form No 395 and 410 (Scot)

CHA 116

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Company Number

1742061

Name of Company

CASTLE OILS LIMITED

~~limited~~

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

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

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all brand names) and the uncalled capital both at the date of the Debenture and thereafter of such Obligor;

1.6 by way of specific charge all the rights, title and interest of such Obligor in and to the Policies and to the compensation monies referred to in Clause 6.1.12 of the Debenture;

1.7 by way of specific charge all the rights, title and interest of such Obligor in and to all chattels from time to time hired, leased or rented by such Obligor to any other person together, in each case, with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligation of any person under or in respect of such contract;

1.8 by way of specific charge the benefit of any covenants for title given or entered into by any predecessor in title of such Obligor to its Property, all proceeds of a capital nature in relation to the disposal of its Property, the benefit of any contract for the sale, letting or other disposal of its Property and all present and future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to its Property;

1.9 by way of specific charge the benefit of all rights and claims of such Obligor against all lessees from time to time of the whole or any parts of its Property and all guarantors and sureties for the obligations of such lessees and against all persons who are under any obligation to such Obligor in respect of any works of design, construction, repair or replacement to, on or about its Property;

1.10 by way of specific charge all such Obligor's fixed plant, machinery and equipment from time to time in or on its Property (and not comprised in its Property) and the benefit of all such Obligor's rights and claims against any person in respect of the design, construction, repair or replacement of the same;

1.11 so far as permitted under the relevant document, by way of specific charge all such Obligor's rights, title and interest in and to all contracts, agreements or warranties affecting its Property with building contractors, architects, quantity surveyors, structural and mechanical engineers and other like professionals; and

1.12 charges and assigns by way of security all of the Company's rights, title and interest (both present and future) in and to the Litigation Proceeds.

2 Floating Charge - Each Obligor with full title guarantee and as a continuing security for the payment, performance and discharge of the Secured Obligations charges to the Security Trustee by way of floating charge the undertaking and all property, assets and rights of such Obligor, whatsoever and wheresoever, both at the Date of the Debenture and thereafter (save insofar as any of the same shall for the time being be effectively mortgaged or charged by way of specific charge under the provisions of the Debenture).

The Debenture also contains the following negative pledge:

Each Obligor agrees that it will not without the prior consent of the Security Trustee create or permit to subsist any encumbrance on or over its Charged Assets or any interest therein ranking in priority to, *pari passu* with or subsequent to the security constituted or intended to be constituted by the Debenture other than a Permitted Encumbrance or sell, transfer, assign, lease out, lend or otherwise dispose of (whether outright, by a sale and repurchase or sale and leaseback arrangement or otherwise), or grant any rights (whether of pre-emption or otherwise) over its Charged Assets or any interest therein nor enter into any

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

1742061

Name of Company

CASTLE OILS LIMITED

~~limited~~

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

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

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of the same other than where such agreement is conditional upon the consent of the Security Trustee being obtained (save in the ordinary course of its operations in the case of assets of such Obligor charged by the Debenture by way of floating charge only or as permitted by the Priority Agreement).

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Throughout this form 395 the following words and phrases shall have the following meanings:

Acquisition Agreement: means the sale and purchase agreement dated on or about 27 February 1998 relating to the sale and purchase of all the issued share capital of Kenal Services Holdings Limited and made between Hillbridge and Moresfield Limited, Kenneth Swift and the trustees of the JSS UK Beneficial Trust;

Act: the Law of Property Act 1925;

Beneficiaries: Management and the Security Trustee;

Charged Assets: in relation to each Obligor, all of its property or properties and/or other assets and, where the context so admits, each of them and any part thereof and the proceeds of the disposal of the same and all rights, title and interest in and to the same, in each such case as may now or in the future be the subject of the security constituted or intended to be constituted by the Debenture;

Debts: in relation to each Obligor, (i) all book debts, both at the date of the Debenture and thereafter, due or owing to such Obligor and all other monetary debts and claims, choses in action and other rights and benefits both at the date of the Debenture and thereafter (including, in each such case, the proceeds thereof and all damages and dividends in relation thereto) due or owing to such Obligor and the benefit of all related rights and remedies (including under negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing and liens) and (ii) all sums, both at the date of the Debenture and thereafter, due or owing to such Obligor by way of grant, subsidy or refund by any statutory, legal or governmental body, authority or institution or by any body, authority or institution of the European Union;

Derivative Assets: all assets deriving from any of the Securities owned by any Obligor including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Securities and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof;

Expenses: all banking, legal and other costs, charges, expenses and/or liabilities (including any VAT thereon) paid or, if earlier, incurred by or on behalf of the Security Trustee or any Receiver in each case on a full indemnity basis in relation to any of the Charged Assets or in protecting, preserving, improving, considering the enforcement or exercise of or enforcing or exercising or attempting to enforce or exercise, any rights arising under or pursuant to any finance document and/or in procuring the payment, performance or discharge of any of the Secured Obligations and including, without limitation, the principal amount of any borrowings together with interest thereon and all other expenses and/or liabilities of the Security Trustee or any Receiver paid or incurred from time to time in relation to the exercise of any right or power on the part of the Security Trustee or any Receiver;

Facility Letter: the facility letter dated on or about the date of the Debenture pursuant to the terms of which the Security Trustee has agreed

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Particulars of a mortgage or charge (continued)

Continuation sheet No 3
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

1742061

Name of Company

CASTLE OILS LIMITED

~~limited~~

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

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

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to make available a working capital facility to Hillbridge Investments Limited;

Intellectual Property: in relation to each Obligor, all patents, patent applications, trade marks, trade names, service marks, service mark applications, registered designs, copyrights, other protectable rights and assets, know-how, trade secrets and other confidential information and all related licences and connected rights at the date of the Debenture or thereafter belonging to or held by such Obligor or any nominee of such Obligor;

Investments: in relation to each Obligor, its Securities and the Derivative Assets relating to such Securities;

Licences: in relation to each Obligor, all licences, consents and authorisations (statutory or otherwise) at the date of the Debenture or thereafter held or acquired by such Obligor, or held by a nominee of such Obligor, in connection with any business carried on by such Obligor or the use of any of the Charged Assets of such Obligor;

Life Policies: in relation to each Obligor, the policies of life assurance in which such Obligor may at the date of the Debenture or thereafter have an interest;

Litigation: means any proceedings or other dispute resolution procedure arising directly or indirectly out or in connection with the Acquisition Agreement or the acquisition of Kenal Services Holdings Limited, Kenal Services Limited and/or Castle Oils Limited;

Litigation Proceeds: means, in respect of the Litigation, all fruits of action and other proceeds or other amounts whatsoever (including any amounts in respect of interest and costs) paid to any Obligor under or in discharge of any order, judgement, arbitral award, expert determination, settlement, compromise or otherwise in connection with the Litigation (or any claim or any settlement in respect thereof), after deduction of any amounts (including any amounts in respect of costs other than costs paid to TSB) paid by any Obligor under or in discharge of any order, judgement, arbitral award, expert determination, settlement, compromise or otherwise in connection with the Litigation (or any claim or any settlement in respect thereof), such deductions to be calculated on an ongoing basis and in respect of each sum received in the Litigation Proceeds Account in respect of any Litigation;

Litigation Proceeds Account: means such account from time to time with National Westminster Bank Plc designated as such by National Westminster Bank Plc and notified as such to Hillbridge Investments Limited;

Management: means Roger Hewitt;

Management Facility Letter: the facility letter dated with the date of the Debenture made between the Management and Hillbridge Investments Limited under which a working capital facility is made available by the Management;

NatWest Facility Letter: the facility letter dated with the date of the Debenture made between Hillbridge Investments Limited and National Westminster Bank PLC under which a working capital facility is made available by National Westminster Bank PLC;

Obligors: Hillbridge Investments Limited (3460361), Kenal Services Holdings Limited (3092243), Kenal Services Limited (1359619) and Castle Oils Limited (1742061);

Permitted Encumbrance: any encumbrance which is permitted under the terms of the NatWest Facility Letter and/or the Facility Letter and/or which is subject to the Priority Agreement;

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Particulars of a mortgage or charge (continued)

Continuation sheet No 4
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

1742061

Name of Company

CASTLE OILS LIMITED

~~limited~~

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

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

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Policies: in relation to each Obligor, the policies of insurance in which such Obligor at the date of the Debenture and thereafter have an interest including the Life Policies in which such Obligor is interested;

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Prior Encumbrances: any encumbrance which is expressed to have priority to any encumbrance constituted by the Debenture in the Priority Agreement;

Priority Agreement: the priority and subordination agreement dated with the date of the Debenture made between the Obligors, National Westminster Bank Plc, the Security Trustee, the Investors (as defined therein), Roger Hewitt and Travers Smith Braithwaite;

Property: in relation to each Obligor, all freehold and leasehold properties and other real property both at the date of the Debenture and thereafter of such Obligor (including the property or properties specified in Schedule 2 to the Debenture and set opposite the name of such Obligor) including all buildings and other structures from time to time erected thereon and all fixtures (trade or otherwise) from time to time thereon or therein;

Receivables Account: any separate and denominated account as may be maintained by any Obligor with a bank or other financial institution (other than the Security Trustee) in accordance with the provisions of Clause 7.3 of the Debenture;

Receiver: a receiver and/or manager (including, as the context admits, an administrative receiver) appointed under the Debenture;

Securities: in relation to each Obligor, all shares, stocks, debentures, debenture stock, bonds and securities of any kind whatsoever owned by such Obligor (including rights to subscribe for, convert into or otherwise acquire the same) whether marketable or otherwise, and all other interests (including loan capital) of such Obligor both at the date of the Debenture and thereafter in any company, firm, consortium or entity wherever situate including those details of which appear in Schedule 3 to the Debenture and set opposite the name of such Obligor;

Subsidiary: a subsidiary (as that term is defined in section 736 Companies Act 1985);

TSB: Travers Smith Braithwaite, solicitors;

VAT: value added tax or any similar tax substituted therefor.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01742061

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 31st AUGUST 1999 AND CREATED BY CASTLE OILS LIMITED FOR SECURING ALL MONIES, OBLIGATIONS AND LIABILITIES DUE FROM EACH OBLIGOR (AS DEFINED) TO ANY OF THE BENEFICIARIES (AS DEFINED) UNDER THE FACILITY LETTER, THE MANAGEMENT FACILITY LETTER, CLAUSE 3.14 OF THE PRIORITY AGREEMENT (ALL AS DEFINED) AND/OR THIS DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd SEPTEMBER 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th SEPTEMBER 1999.

Handwritten signature



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



COMPANIES HOUSE