

No. 2811366

SD 28/9/98



THE COMPANIES ACT 1985

A COMPANY LIMITED BY SHARES



**SPECIAL RESOLUTIONS OF
BKG RESOURCES PLC**

PASSED 28 SEPTEMBER, 1998

At an Extraordinary General Meeting of the Company duly convened and held at 10.15 a.m. on 28 September 1998 at Kempson House, Camomile Street, London EC3A 7AN the following Resolutions were duly passed as Special Resolutions:

SPECIAL RESOLUTIONS

THAT:

- 1 The authorised share capital of the Company be converted from £6,000,000 divided into 60,000,000 Ordinary Shares of 10 pence each to £6,000,000 divided into 238,608,024 Ordinary Shares of 1 penny each and 40,154,664 Deferred Shares of 9 pence each and that such conversion be effected by:-
 - (a) sub-dividing each existing issued Ordinary Share of 10 pence in the capital of the Company into one Ordinary Share of 1 penny (an "Ordinary Share") and one Deferred Share of 9 pence (a "Deferred Share") each credited as fully paid and each Deferred Share carrying the special rights and restrictions set out in paragraph (c) of this Resolution;
 - (b) sub-dividing each unissued Ordinary Share of 10 pence into 10 Ordinary Shares of 1 penny each;
 - (c) the special rights and restrictions attaching to the Deferred Shares arising from the sub-division and re-designation under paragraph (a) of this Resolution shall be as follows:
 - (i) the Deferred Shares shall not entitle the holders thereof to receive any dividend or other distribution;

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- (ii) the Deferred Shares shall not entitle the holders to receive notice of or to attend or vote at any General Meeting of the Company;
- (iii) on a return of capital on a winding-up or otherwise the holders of Deferred Shares shall only be entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £1,000,000 for each Ordinary Share held by them and shall have no other right to participate in the assets of the Company available for distribution;
- (iv) the Company:
 - (A) is authorised at any time to appoint any person to execute on behalf of the holders of the Deferred Shares, a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as being beneficially entitled thereto;
 - (B) shall not be obliged to issue certificates for all or any of the Deferred Shares;
- (v) neither:
 - (A) the passing by the Company of any resolution for a reduction of capital (by way of cancellation of the Deferred Shares or otherwise) or the reduction of the share premium account of the Company or the obtaining by the Company or the making by the Court of an order confirming any such reduction of capital or of the share premium account or the making effective of such order; nor
 - (B) the purchase by the Company in accordance with the provisions of the Companies Act 1985 (the "Act") of any of its own shares or other securities or the passing of a resolution to permit any such purchase;

shall constitute a variation, modification, alteration or abrogation of the rights attaching to the Deferred Shares; and
- (vi) the rights conferred by the Deferred Shares shall not be varied, modified, altered or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares;
- (d) in substitution for any existing power under Section 80 of the Act, but without prejudice to the exercise of any such power prior to the date hereof the directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Act to

exercise all the powers of the Company to allot relevant securities (as defined in that Section) up to an aggregate nominal amount of £1,760,535 provided that this authority shall expire at the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 1999 save that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority hereby conferred had not expired;

- (e) in substitution for any existing power under Section 95 of the Act, but without prejudice to the exercise of any such power prior to the date hereof the directors be and they are hereby empowered in accordance with Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority given in accordance with Section 80 of the Act by paragraph (d) of this Resolution as if Section 89(1) of the Act did not apply to any such allotment provided that the power hereby conferred shall be limited to the allotment of equity securities:
 - (i) in connection with the grant of options under the Share Option Schemes of the Company;
 - (ii) if exercised, pursuant to the terms of the Option Agreement dated 10 July, 1997 between the Company and Gerald Metals Inc. (as further described in the Circular to shareholders of the Company dated 4 September, 1998 (the "Circular"));
 - (iii) in an amount of 660,000 Ordinary Shares to T. Hoare & Co. Limited and 1,000,000 Ordinary Shares to Nabarro Wells & Co. Limited in lieu of part of the fees payable in association with the Acquisition (as defined in paragraph (f) below);
 - (iv) where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of Ordinary Shares in proportion (as nearly practicable) to the respective numbers of Ordinary Shares held by them but subject to such exclusion or other arrangement as the directors may consider appropriate, necessary or expedient to deal with legal, practical, or regulatory problems in respect of overseas shareholders, fractional entitlements or otherwise; and
 - (v) other than pursuant to paragraphs (i), (ii), (iii) and (iv) above, an issue for cash up to a maximum aggregate nominal amount of £159,013 representing approximately 9.9 per cent. of the issued share capital of the Company after the implementation of the Acquisition;

such power (unless previously revoked, varied or extended by the Company in General Meeting) to expire at the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 1999, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in the pursuance of such offers or agreements as if the power conferred hereby had not expired;

- (f) the proposed acquisition by the Company of the whole of the issued share capital of Conpor Inc. (the "Acquisition") pursuant to the terms of the conditional agreement between the Company and Conpor Inc. dated 18 May, 1998 as further described in the Circular be and is hereby approved; notwithstanding that completion of the Acquisition would result in the Vendors (as defined in the Circular) (when taken together with those persons deemed to be acting in concert with them for the purposes of the City Code on Takeovers and Mergers (the "Code") receiving new Ordinary Shares conferring, in aggregate, more than 30 per cent. of the voting rights of the Company, and that subject to the consent of the Panel on Takeovers and Mergers being obtained, the Vendors (and those persons so deemed to be acting in concert with them) should not be under any obligation under Rule 9 of the Code to make a general offer to acquire the entire issued equity share capital of the Company.

THAT:

- 2 the name of the Company be changed to "GTL Resources Plc".

THAT:

4.

- (a) subject to and conditional on the approval of Resolution 1 as set out in the notice of the Meeting
- (i) clause 6 of the Memorandum of Association of the Company be deleted and the following clause adopted in substitution therefor:
- "6. The authorised share capital of the Company is £60,000,000 divided into 238,608,024 Ordinary Shares of 1 penny each and 40,154,664 Deferred Shares of 9 pence each"; and
- (ii) the Articles of Association of the Company be amended as follows:
- (A) by the deletion of the existing Articles 4 and 6 and the substitution therefor of the following new Article 4:

"4.1 The share capital of the Company at the date of adoption of this Article is £6,000,000 divided into 238,608,024 Ordinary Shares of 1 penny each and 40,154,664 Deferred Shares of 9 pence each" and

- (B) by the addition of a new Article 4.2 setting out the rights attaching to the Deferred Shares as set out in paragraph (c) of Resolution 1 set out in this notice;

and that the remaining Articles be renumbered accordingly; and

(b)

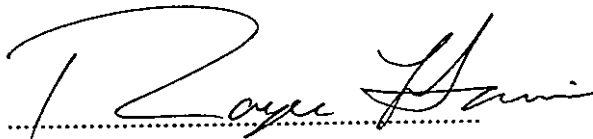
subject to and conditional on the approval of Resolution 3 set out in the Notice of the Meeting and such Resolution becoming effective:

- (i) clause 6 of the Memorandum of Association of the Company (as adopted pursuant to paragraph (4)(a)(i) above) be deleted and the following clause adopted in substitution therefor:

"6. The authorised share capital of the Company is £2,386,080.24 divided into 238,608,024 Ordinary Shares of 1 penny each";

- (ii) the Articles of Association of the Company be altered by the deletion of Article 4 (as adopted pursuant to paragraph 4(a)(ii) above) and the substitution therefor of the following new Article 4:

"4. The share capital of the Company at the date of the adoption of this Article is £2,386,080.24 divided into 238,608,024 Ordinary Shares of 1 penny each."

A handwritten signature in black ink, appearing to read 'R. Zayed', is written over a horizontal dotted line.

Chairman