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COMPANIES FORM No. 395

RBOS 7804

395

Particulars of a mortgage or charge

7804

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

* insert full name
of company

To the Registrar of Companies
(Address overleaf)

For official use

Company number

[] [2] [] [] [] []

3466081

Name of company

* Bellhouse Energy Limited (the "Chargor")

Date of creation of the charge

1st July 1999

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

Supplemental Debenture (the "Charge")

Amount secured by the mortgage or charge

All present and future obligations and liabilities covenanted to be paid or discharged, under or pursuant to Clause 2 of the Original Debenture (a copy of which Clause is annexed as relative hereto as Paper Apart 1) (the "Secured Liabilities")

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

The Governor and Company of the Bank of Scotland acting through its Corporate Banking Division at
Orchard Brae House, 30 Queensferry Road, Edinburgh (the "Bank")

Postcode EH4 2UG

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

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
EDINBURGH EH1 2EN
Ref: AMLL/MPS/BOS001.0541

For official Use
Mortgage Section



Time critical reference

Short particulars of all the property mortgaged or charged

See Paper Apart 2

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

N/A

Signed 

Date 13/7/99

On behalf of ~~[company]~~ [chargee]*

*
delete as
appropriate

The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ

This is Paper Apart 1, being an extract of Clause 2 of the Original Debenture referred to in the foregoing Form 395 relating to a Supplemental Debenture dated 1st July 1999 and between, inter alia, Bellhouse Energy Limited and The Governor and Company of the Bank of Scotland

2. SECURED OBLIGATIONS

2.1 Covenant to Pay: Guarantees

Each Company hereby:

- (a) covenants that it will on demand pay to the Bank all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Bank under or pursuant to this Deed; and
- (b) guarantees that it will on demand pay to the Bank all moneys and discharge all liabilities now or hereafter due, owing or incurred to the Bank (including, without limitation, all moneys and liabilities due, owing or incurred under or pursuant to the Facility Agreement) by each other Company,

in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Bank or purchased or otherwise acquired by it; denominated in Sterling or in any other currency; or incurred on any banking account or in any other manner whatsoever.

2.2 Certain Liabilities

The liabilities referred to in Clause 2.1 shall, without limitation, include:

- (a) all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into between any Company and the Bank for the purpose of limiting exposure to fluctuations in interest or exchange rates; and
- (b) interest (both before and after judgment) to date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other proper costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Bank in relation to any such moneys, obligations or liabilities or generally in respect of such Company.

2.3 Company as Principal Debtor Indemnity

As a separate and independent stipulation, the Companies agree that if any purported obligation or liability of any Company or other person which would have been the subject of a Guarantee had it been valid and enforceable is not or ceases to be valid or enforceable against such Company or other person on any ground whatsoever whether or not known to the Bank (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or

breach of duty by, any person purporting to act on behalf of such Company or other person or any legal or other limitation, whether under the Limitation Acts or otherwise, any disability or Incapacity or any change in the constitution of such Company or other person) the Companies shall nevertheless be jointly and severally liable to the Bank in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Companies were the principal debtors in respect thereof. The Companies hereby jointly and severally agree to keep the Bank fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of a Company or other person to perform or discharge any such purported obligation or liability.

2.4 Statements of Account Conclusive

Any statement of account of a Company or other person liable, signed as correct by an officer of the Bank, showing the amount of the indebtedness and liabilities of that Company or other person, shall, in the absence of manifest error, be binding and conclusive on and against all the Companies.

2.5 No Security taken by Companies

Each Company warrants that it has not taken or received, and undertakes that until all the Secured Liabilities have been paid or discharged in full it will not take or receive, any security from any other Company or person liable in respect of its obligations under its Guarantee.

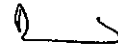
2.6 Interest

Each Company agrees to pay interest on each amount demanded of it under its Guarantee from the date of such demand until payment (after as well as before judgment) at the Default Rate. Such interest shall be compounded at the end of each period determined for this purpose by the Bank in the event of it not being paid when demanded but without prejudice to the Bank's right to require payment of such interest.

2.7 No Set-Off Or Counterclaim

All payments to be made by a Company under this Deed shall be made in full, without any set-off or counterclaim whatsoever and, subject as provided below, free and clear of any deductions or withholdings in the relevant currency on the due date to such account as the Bank may from time to time specify. If at any time a Company is required to make any deduction or withholding in respect of taxes from any payment due under this Deed for the account of the Bank the sum due from that Company in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bank receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the relevant Company shall indemnify the Bank against any losses or costs incurred by it by reason of any failure of such Company to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. Each Company shall promptly deliver to the Bank any receipts, certificates

or other proof evidencing the amount (if any) paid or payable in respect of any deduction or withholding as aforesaid.

A handwritten mark, possibly a signature or initials, consisting of a loop followed by a horizontal line and a small upward curve.

This is Paper Apart 2 referred to in the foregoing Form 395 relating to a Supplemental Debenture dated 1st July 1999 and between Bellhouse Energy Limited and The Governor and Company of the Bank of Scotland

As security for the payment of all Secured Liabilities, the Company hereby assigns and agrees to assign with full title guarantee to the Bank absolutely (but subject always to the Company's right of redemption) all its rights, titles, benefits and interests whatsoever present and future whether proprietary contractual or otherwise under or arising out of or evidenced by the Bellhouse Operation and Maintenance Agreement and the Bellhouse O&M Novation Deed as the same are from time to time entered into and as from time to time varied, amended or supplemented, with the full benefit of all negotiable or non-negotiable instruments, guarantees, indemnities, debentures, mortgages, charges, liens, collateral warranties and other security in respect of the same including but not limited to all claims for damages or other remedies in respect of any breach thereof, reservation of proprietary rights, right of tracing, rights in the nature of security and all other rights and remedies of whatsoever nature now or hereafter held by it in respect of all or any of the foregoing and all moneys from time to time becoming due or owing thereunder or in connection therewith but so that the Bank shall not in any circumstances incur any liability whatsoever in respect of any of the foregoing, together with any agreements (whether written, oral or implied) or instruments entered into in connection therewith as the same may from time to time be varied, amended or supplemented.



Definitions referred to in the foregoing Form 395 relating to a Supplemental Debenture dated 1st July 1999 and between, inter alia, Bellhouse Energy Limited and The Governor and Company of the Bank of Scotland

Accession Deed means a deed supplemental to the Original Debenture executed by an Additional Project Company or, as the case may be, any other Subsidiary of the Borrower pursuant to Clause 9.8 of the Original Debenture by virtue of which such Additional Project Company or, as the case may be, such other Subsidiary becomes bound by the Original Debenture in the capacity of a Company;

Additional Project Company means each of Bellhouse Energy Limited (Company No. 3466081) and Whinney Hill Energy Limited (Company No. 3466084) whose registered offices are both at 20-22 Queen Street, Mayfair, London W1X 7PJ;

Borrower means CLP Projects 2 Limited (Company No. 3465468) whose registered office is at 20-22 Queen Street, Mayfair, London W1X 7PJ;

Bellhouse Equipment Supply Contract means the equipment supply contract dated 7th January 1998 entered into between the Chargor and the Equipment Supplier for the supply and installation of certain generator sets and associated generation compound at the Bellhouse Site.

Bellhouse Plant means the generating facilities to be constructed on the Bellhouse Site under the Bellhouse Equipment Supply Contract;

Bellhouse Site means the site on which each of the Bellhouse Plant is to be constructed;

Bellhouse O&M Novation Deed means the operations, repair and maintenance agreement dated 4th December 1997 entered into between the Chargor and CLPS, pursuant to which CLPS, inter alia, was to operate and maintain the Bellhouse Plant after Project Completion as novated in favour of Ridgewood CLP pursuant to the terms of a novation deed dated 1st July 1999 entered into between, CLPS, the Chargor and Ridgewood CLP pursuant to which Ridgewood CLP will, as operator, inter alia, operate and maintain or procure the operation and maintenance of the Bellhouse Plant (the "**Bellhouse Operation and Maintenance Agreement**");

CLPS means CLP Services Limited, (Company No. 3320076), whose registered office is at 20-22 Queen Street, Mayfair, London W1X 7PJ;

Company means the Chargor, the Borrower, Chelson Meadow Energy Limited, United Mines Energy Limited and each other Additional Project Company or, as the case may be, each Subsidiary (if any) of the Borrower, which becomes a party to the Original Debenture pursuant to an Accession Deed in accordance with the provisions of Clause 9.8 of the Original Debenture;

Deed means the Original Debenture;

Default Rate means the rate specified in Clause 12.6 of the Facility Agreement and interest payable at such rate shall be payable after, as well as before, judgment or decree until actual payment in full of the Secured Liability concerned;

Equipment Supplier means Clarke Energy Limited, (Company No. 1341453) of 15 Unity Grove, Knowsley Industrial Park South, Knowsley, Liverpool L34 9GT or, such other person who is with the prior written approval of the Bank, the equipment supplier party to an Equipment Supply Contract;

Facility Agreement means the facility agreement dated 12th March 1998 as amended by an extension letter dated 1st April 1999 and further amended and restated by the Supplemental Agreement and made between the Borrower, the Chargor, the other Project Companies, the Scottish Subsidiary and the Bank;

Original Debenture means the Composite Guarantee and Debenture dated 12th March 1998 between the Borrower, Chelson Meadow Energy Limited, United Mines Energy Limited and the Bank as acceded to by each of (a) the Chargor (as an Additional Project Company) pursuant to the terms of an Accession Deed dated 11th October 1998 and (b) Whinney Hill Energy Limited (as an Additional Project Company) pursuant to the terms of an Accession Deed dated 24th June 1998;

Project Companies means the companies whose respective names, registered numbers and registered offices are set out in Schedule 1 of the Charge (a copy of which Schedule 1 is annexed as relative hereto);

Ridgewood CLP means Ridgewood CLP Management Limited, (Company No. 3720203), whose registered office is at 115 Colmore Row, Birmingham B3 3AL;

Scottish Subsidiary means Summerston Energy Limited;

Subsidiary means (a) a subsidiary as defined in Section 736 of the Companies Act 1985 (as amended by Section 144 of the Companies Act 1989) and (b) a subsidiary undertaking as defined in Section 21 of the Companies Act 1989; and

Supplemental Agreement means the Supplemental Agreement dated 1st July 1999 and made between the Borrower, the Chargor, the other Project Companies, the Scottish Subsidiary and the Bank.

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This is the annexure referred to in the definition "Project Companies" contained in the Definitions sheet relative to the foregoing Form 395, being an extract of Schedule 1 of the Charge

SCHEDULE 1

Project Companies

| Company | Company No. | Registered Office |
|-------------------------------|-------------|--|
| Bellhouse Energy Limited | 3466081 | 20-22 Queen Street, Mayfair, London W1X 7PJ |
| Chelson Meadow Energy Limited | 3363593 | 20-22 Queen Street, Mayfair, London W1X 7PJ |
| United Mines Energy Limited | 3267862 | 20-22 Queen Street, Mayfair, London W1X 7PJ |
| Whinney Hill Energy Limited | 3466084 | 20-22 Queen Street, Mayfair, London W1X 7PJ |

1

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03466081

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEBENTURE DATED THE 1st JULY 1999 AND CREATED BY BELLHOUSE ENERGY LIMITED FOR SECURING ALL MONIES AND ALL OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND UNDER OR PURSUANT TO THIS DEED AND ALL MONIES AND ALL LIABILITIES DUE OR TO BECOME DUE FROM EACH OTHER COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND UNDER OR PURSUANT TO THE FACILITY AGREEMENT (AS DEFINED) AND ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 14th JULY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th JULY 1999.

P. J. Jones



C O M P A N I E S H O U S E



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES