

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

03618559

Note
Please read the notes
on page 3 before
completing this form.

Name of company

* DRAX OUSE

* insert full name
of company

- insert name(s) and address(es) of all the directors

XWe (1) GORDON CHRISTOPHER HORSFIELD of 1 Embankment Place, London WC2N 6RH; (2) GORDON ALEXANDER BOYD of 30 Coniston Avenue, Bristol, Avon BS9 3SA; (3) DOROTHY CARRINGTON THOMPSON of 11 Cross Street, London N1 2BH; (4) PETER RICHARD EMERY of Stud Farm, Middlethorpe, York YO23 2QB; and (5) PATRICK MICHAEL GRASSY of Woodview, St Lawrence Avenue, Bidborough TN4 0XB; together with the remaining director of the Company who is swearing a Form 155(6)a on a separate form today in exactly the same form as this Form 155(6)a (and so it is our intention that the two forms should constitute one and the same statutory declaration sworn by all the directors of the Company), being (6) TIMOTHY GWYNNE BARKER of Thorpe Hall, Thorpe Morieux, Bury St Edmunds, Suffolk IP30 0NW.

† delete as appropriate

~~Director~~ [all the directors] † of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~XXXXXXXXXXXXXXXXXXXX~~

Limited† †

The assistance is for the purpose of ~~the acquisition of~~ [reducing or discharging a liability incurred for the purpose of that acquisition]. †

The number and class of the shares acquired or to be acquired is: 1,000,001 ordinary shares of
£1.00 each

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

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN
DX 85 London

JDSS/AA85243/BD-#4.340.926

For official Use
General Section

Post room



LD3
COMPANIES HOUSE

313
13/12/2005

The assistance is to be given to: (note 2) See section 1 of attached schedule

Please do not
write in this
margin

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

The assistance will take the form of:

See section 2 of attached schedule

The person who ~~will acquire~~ [will acquire] † the shares is:

† delete as
appropriate

See section 1 of attached schedule

The principal terms on which the assistance will be given are:

See section 3 of attached schedule

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

The date on which the assistance is to be given is within 8 weeks of today's date

* delete either (a) or (b) as appropriate

SCHEDULE TO FORM 155(6)a

in respect of
DRAX OUSE
(the Company)

(Company Number 03618559)

- 1 The assistance will be given to Drax Limited, a company registered in the Cayman Islands with registered number 91616 and whose registered office is at the offices of CITCO Trustees (Cayman) Ltd., PO Box 3116 SMB, Corporate Centre, West Bay Road, George Town, Grand Cayman, Cayman Islands (**Drax Limited**).
- 2 The financial assistance will take the form of the execution, delivery and enforcement by the Company of:
 - (a) an accession agreement (the **Senior Accession Agreement**) to be entered into between, *inter alios*, (1) Drax Finance Limited, a company incorporated under the laws of England and Wales under the Companies Act 1985 with registered number 05562058 and having its registered office at Drax Power Station, PO Box 3, Selby, North Yorkshire, YO8 8PQ (**Drax Finance**) and (2) the Company, in respect of the accession by the Company as an additional guarantor under the senior credit agreement dated 27 October 2005, as amended from time to time, and made between, *inter alios*, (1) Drax Finance, as borrower and guarantor, (2) Drax Power Limited, a limited liability company incorporated under the laws of England and Wales under the Companies Act 1985 with registered number 04883589 and having its registered office at Drax Power Station, P.O. Box 3, Selby, North Yorkshire, YO8 8PQ (**Drax Power**), as borrower and guarantor, (3) Barclays Bank PLC, as facility agent (the **Senior Facility Agent**), and (4) the lenders thereto (the **Senior Lenders**) (the **Senior Credit Agreement**);
 - (b) an accession agreement (the **Bridge Accession Agreement**) to be entered into between (1) Drax Finance and (2) the Company, in respect of the accession by the Company as an additional guarantor under the bridge credit agreement dated 27 October 2005, as amended from time to time, and made between, *inter alios*, (1) Drax Finance, as borrower, (2) Drax Power, as guarantor, (3) Barclays Bank PLC, as facility agent (the **Bridge Facility Agent**), and (4) the lenders thereto (the **Bridge Lenders**) (the **Bridge Credit Agreement**);
 - (c) a security agreement to be entered into between, *inter alios*, (1) Drax Finance and the Company, as chargers, and (2) Barclays Bank PLC as security agent (the **Security Agreement**); and
 - (d) a priority deed to be entered into between, *inter alios*, (1) Drax Finance, (2) the Company and (3) Barclays Bank PLC (in its capacity as Senior Facility Agent and Bridge Facility Agent) (the **Priority Deed**).
- 3 The principal terms on which the assistance will be given are:
 - (a) pursuant to the terms of the Senior Accession Agreement, the Company will accede to the Senior Credit Agreement, under which the Senior Lenders will:
 - (i) make available to Drax Finance a term loan facility in an aggregate amount of up to £500,000,000 for the purpose of, *inter alia*, the refinancing and purchasing part of the outstanding interest coupons (the **Original Eurobond Coupon**) relating to the £1,725,000,000 8.86 per cent. guaranteed secured bonds due 2015 issued by Drax Holdings and guaranteed by Drax Limited, the Company, Drax Electric Limited, Drax Group Limited, Drax Intermediate Holdings Limited and Drax Power;
 - (ii) make available to Drax Power a revolving credit facility in an aggregate amount of up to £100,000,000 for the purpose of, *inter alia*, refinancing and purchasing a certain part of the Original Eurobond Coupon,

and the Company will agree, jointly and severally and irrevocably and unconditionally with each other guarantor thereunder, that it will, *inter alia*, (a) guarantee the punctual performance by each borrower under the Senior Credit Agreement of all its obligations under the Senior Finance Documents (as that term is defined in the Senior Credit Agreement), (b)

undertake with each Senior Finance Party that whenever a borrower under the Senior Credit Agreement does not pay any amount due under or in connection with any Senior Finance Document, it must immediately on demand by the Senior Facility Agent pay that amount as if it were the principal obligor in respect of that amount, and (c) indemnify each Senior Finance Party immediately on demand against any loss or liability suffered by that party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;

- (b) pursuant to the terms of the Bridge Accession Agreement, the Company will accede to the Bridge Credit Agreement, under which the Bridge Lenders will make available to Drax Finance a term loan bridge facility in an aggregate amount of up to £77,000,000 for the purpose of, *inter alia*, the payment of fees, expenses and other amounts due in connection with the refinancing of part of the Original Eurobond Coupon, and the Company will agree, jointly and severally and irrevocably and unconditionally with each other guarantor thereunder, that it will, *inter alia*, (a) guarantee the punctual performance by each borrower under the Bridge Credit Agreement of all its obligations under the Bridge Finance Documents, (b) undertake with each Bridge Finance Party that, whenever a borrower under the Bridge Credit Agreement does not pay any amount due under or in connection with any Bridge Finance Document, it must immediately on demand by the Bridge Facility Agent pay that amount as if it were the principal obligor in respect of that amount, and (c) indemnify each Bridge Finance Party immediately on demand against any loss or liability suffered by that party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;
- (c) under the Security Agreement the Company will, *inter alia*:
 - (i) covenant that it must pay or discharge the Secured Liabilities in the manner provided for in the Secured Debt Finance Documents;
 - (ii) charge, mortgage and/or assign the whole of its property, undertaking and assets in favour of the Security Agent to secure the Secured Liabilities;
 - (iii) promptly on demand pay the amount of all costs and expenses (including legal fees) reasonably incurred in connection with the Security Agreement by certain parties including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise and keep each of those persons indemnified against any failure or delay in paying those costs and expenses;
 - (iv) take whatever action the Security Agent or a receiver may reasonably require for, *inter alia*, creating, perfecting or protecting any security intended to be created by or pursuant to the Security Agreement; and
 - (v) by way of security, irrevocably and severally with the other chargors thereunder appoint the Security Agent, each receiver and each of their respective delegates and sub-delegates to be its attorney to take any action which that chargor is obliged to take under the Security Agreement and fails to take and ratify and confirms whatever any attorney does or purports to do under its appointment,
- (d) under the Priority Deed the Company will, *inter alia*, agree to subordinate and postpone its rights to certain of the other parties thereto and to turnover to such parties certain non-permitted payments to it.

4 Other obligations

By acceding to the Senior Credit Agreement and the Bridge Credit Agreement and entering into the Security Agreement and the Priority Deed, the Company gives certain other undertakings, representations, indemnities and warranties.

5 Amendments

The Company's obligations as described in paragraphs 3 and 4 above continue in relation to the Senior Finance Documents and the Bridge Credit Agreement as they may be amended, supplemented, modified, varied, restated, novated and/or assigned from time to time including, without

limitation, under a transfer and assumption agreement in relation to the Senior Credit Agreement and the Bridge Credit Agreement.

6 Interpretation and definitions

6.1 Any reference in this schedule to a party or person includes its successors in title, permitted assigns and permitted transferees. Unless the context or the express provisions of this schedule requires otherwise, in this schedule words importing the singular shall include the plural and *vice versa*.

6.2 Where used in this Form 155(6)a, the following definitions shall have the meanings set out below:

Bridge Finance Documents means:

- (a) the Bridge Credit Agreement;
- (b) the Priority Deed;
- (c) the Escrow and Distribution Agreement
- (d) a Security Document
- (e) certain fee letters entered into by Drax Finance and/or Drax Power in connection with the Bridge Credit Agreement;
- (f) a transfer certificate substantially in the form of schedule 5 to the Bridge Credit Agreement which such amendments as the Bridge Facility Agent may approve or reasonably require or any other form agreed between the Bridge Facility Agent and Drax Finance;
- (g) an accession agreement, substantially in the form of schedule 8 to the Bridge Credit Agreement, with such amendments as the Bridge Facility Agent and Drax Finance may agree; and
- (h) any other document designated as such by the Bridge Facility Agent and Drax Finance;

Bridge Finance Party means:

- (a) the original lenders listed in schedule 1 to the Senior Credit Agreement;
- (b) any person which becomes a lender after the date of the Senior Credit Agreement;
- (c) a mandated lead arranger;
- (d) the Bridge Facility Agent;
- (e) the Security Agent; or
- (f) the account bank;

Escrow and Distribution Agreement means the escrow and distribution agreement dated 27 October 2005 and made between, *inter alios*, J.P. Morgan Corporate Trustee Services Limited, as escrow trustee, and the Company;

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each borrower or guarantor to the Secured Creditors (as such term is defined in the Priority Deed) under any Secured Debt Finance Documents (as such term is defined in the Priority Deed), except for any obligation or liability which, if so included, would result in the Security Agreement contravening any law (including section 151 of the Companies Act 1985);

Security Document means:

- (a) a composite debenture to be entered into between, *inter alios*, the Security Agent and Drax Finance;
- (b) a third party charge to be entered into between, *inter alios*, the Security Agent and Drax Group plc;
- (c) each share mortgage in respect of shares in any borrower or guarantor incorporated in the Cayman Islands;
- (d) any other document evidencing or creating security over any asset of a borrower or guarantor to secure any obligation of such borrower or guarantor;

Senior Finance Party means:

- (a) the original lenders listed in schedule 1 to the Senior Credit Agreement;
- (b) any person which becomes a lender after the date of the Senior Credit Agreement;
- (c) a mandated lead arranger;
- (d) an issuing bank;
- (e) the Senior Facility Agent;
- (f) the Security Agent; or
- (g) the account bank; and

Senior Finance Documents means:

- (a) the Senior Credit Agreement;
- (b) the Priority Deed;
- (c) a letter of credit substantially in the form set out in schedule 11 to the Senior Credit Agreement or in any other form agreed by the relevant issuing bank and the Senior Facility Agent;
- (d) the Escrow and Distribution Agreement
- (e) a Security Document
- (f) certain fee letters entered into by Drax Finance and/or Drax Power in connection with the Senior Credit Agreement;
- (g) a transfer certificate substantially in the form of schedule 6 to the Senior Credit Agreement which such amendments as the Senior Facility Agent may approve or reasonably require or any other form agreed between the Senior Facility Agent and Drax Finance;
- (h) an accession agreement, substantially in the form of schedule 9 to the Senior Credit Agreement, with such amendments as the Senior Facility Agent and Drax Finance may agree; and
- (i) any other document designated as such by the Senior Facility Agent and Drax Finance.