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CHFP004

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

* insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

COMPANIES HOUSE

(Address overleaf - Note 6)

Name of company

CPS Number 2 Limited (the "Owner")

Date of creation of the charge

6 September 2001

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

General Assignment (the "Deed") dated 6 September 2001 between (i) the Owner and (ii) Citibank International plc (the "Security Trustee")

Amount secured by mortgage or charge

The "Secured Liabilities" being all liabilities which the Borrowers, the Security Parties or any of them have, at the date of the Deed or at any later time or times, to the Security Trustee or any other Creditor Party under or in connection with any Finance Document or any judgment relating to any Finance Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

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

Citibank International plc

336 The Strand

London

Postcode

WC2R 1HB

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

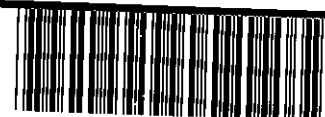
Watson, Farley & Williams
15 Appold Street
London EC2A 2HB

MYLK1/4523.20037/16505460

Time critical reference

For official Use
Mortgage Section

Post room



LD2
COMPANIES HOUSE

LW8YH46E

0441
18/09/01

Short particulars of all the property mortgaged or charged

The "**Assigned Property**" being all rights and interests of every kind which the Owner now or at any later time has to, in or in connection with:

- (a) the Earnings of the Ship;
- (b) the Insurances of the Ship;
- (c) any Charter;
- (d) any Charter Guarantee; and
- (e) any Requisition Compensation for the Ship.

Negative Pledge

In Clause 3.5 of the Deed, the Owner has agreed that it shall not sell, create any Security Interest (as defined in the Loan Agreement) (except Permitted Security Interests (as defined in the Loan Agreement)) not exclusively securing the Secured Liabilities over or otherwise dispose of any Assigned Property on any right relating to any Assigned Property.

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Particulars as to commission allowance or discount (note 3)

None

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 6)

Signed Watson Faray J Williams

Date 18 September 2001

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 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.

5 Cheques and postal orders are to be made payable to **Companies House**

6 The address of the Registrar of Companies is:-

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 1
to Form No 395 and 410 (Scot)

Company number
4165720

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

Name of company

CPS Number 2 Limited (the "Owner")

Limited *

* delete if
inappropriate

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

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Definitions

"Charter" means any charter relating to the Ship, or other contract for its employment, for a period of 6 months or more (or which, by its terms, may be extended to or beyond a period of 6 months) whether or not already in existence.

"Charter Guarantee" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"CPSH" means CP Ships Holdings Inc., a corporation organised under the laws of Alberta, Canada whose registered office is at 1800 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta, T2P 4Z5, Canada and includes any such other entity which assumes the obligations of CP Ships Holdings Inc. (or such successor entity) pursuant to the Permitted Reorganisation (as defined in the Loan Agreement) (including, for the avoidance of doubt, entities described as "CPSHI", "New CPSHI" and "CP Ships Limited" in Schedule 7 of the Loan Agreement).

"Creditor Party" means the Agent, the Security Trustee or any Lender, whether as at the date of this Agreement or at any later time.

"Earnings" means, in relation to the Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Owner or the Security Trustee and which arise out of the use or operation of the Ship, including (but not limited to):

- (a) all freight, hire and passage moneys, compensation payable to the Owner or the Security Trustee in the event of requisition of the Ship for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Ship;
- (b) all moneys which are at any time payable under Insurances in respect of loss of earnings; and
- (c) if and whenever the Ship is employed on terms whereby any moneys falling within paragraphs (a) or (b) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Ship.

"Finance Documents" means the Loan Agreement, the Deed and any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, CPSH or a Designated Line Guarantor (as defined in the Loan Agreement) pursuant to the Loan Agreement or any of the other documents referred to in the definition of Finance Documents in the Loan Agreement as security for any amount payable to the Lenders under the Loan Agreement.

"Insurances" means, in relation to the Ship:

- (a) all policies and contracts of insurance, including entries of the Ship in any protection and indemnity or war risks association, which are effected in respect of the Ship, its Earnings or otherwise in relation to the Ship; and
 - (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium,
- but shall exclude general policies of insurance not related to the Ship or to the liability for the operation or charter of the Ship.

"Loan Agreement" means the loan agreement dated 2 August 2001 between (i) CPS Number 1 Limited and CPS Number 2 Limited (the **"Borrowers"**), (ii) The Banks and Financial Institutions listed in Schedule 1 of the Loan Agreement (the **"Lenders"**) and (iii) the Security Trustee (also acting as the **"Agent"** relating to a secured revolving credit facility of US\$175,000,000.

"Requisition Compensation" includes all compensation or other moneys payable by reason of any act or event such as is referred to in paragraph (b) of the definition of **"Total Loss"** (as defined in the Loan Agreement).

Continued

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

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"Security Party" means CPSH, any Designated Line Guarantor (as defined in the Loan Agreement) and any other person (except a Creditor Party) who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the last paragraph of the definition of "Finance Documents" in the Loan Agreement.

"Ship" means the vessel "CAST PROGRESS" documented in the name of the Owner under the laws and flag of Bermuda under Official Number 727435 and includes any of the Owner's share or interest in that vessel and its engines, machinery, boats, tackle, outfit, spare gear, fuel, consumable or other stores, belongings and appurtenances whether on board or ashore and whether now owned or hereafter acquired by the Owner.

Short particulars of all the property mortgaged or charged (continued)

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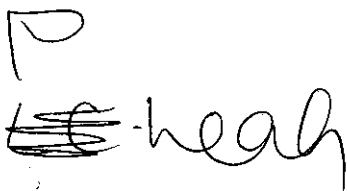
CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04165720

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GENERAL ASSIGNMENT DATED THE 6th SEPTEMBER 2001 AND CREATED BY CPS NUMBER 2 LIMITED FOR SECURING ALL LIABILITIES DUE FROM THE BORROWERS, THE SECURED PARTIES (AS DEFINED) OR ANY OF THEM TO CITIBANK INTERNATIONAL PLC OR ANY OTHER CREDITOR PARTY (AS DEFINED) UNDER OR IN CONNECTION WITH ANY FINANCE DOCUMENT (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th SEPTEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th SEPTEMBER 2001 .

A handwritten signature in black ink, appearing to read "P. Leah".



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —