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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



(Address overleaf - Note 6)



4165720

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)

Deed of Covenant (the "Deed") dated 6 September 2001 between (i) the Owner and (ii) Citibank International plc (the "Security Trustee") collateral to a first priority Bermuda statutory ship mortgage dated the same date as the Deed

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 this 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

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

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

MYLK1/4523.20037/16505464

Time critical reference

For official Use
Mortgage Section

Post room



LD2
COMPANIES HOUSE

LW8YG46D

0442
18/09/01

Short particulars of all the property mortgaged or charged

The "Ship" being the vessel "CAST PROGRESS" registered in the name of the Owner under the laws and flag of Bermuda at the port of Hamilton 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.

Negative Pledge

In Clause 3.4 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 the Ship or any right relating to the Ship except in circumstances where the provisions of Clause 8.8 of the Loan Agreement are complied with.

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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, Farley & Williams

Date

18/12/01

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 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.
- 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
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inappropriate

Name of company	
CPS Number 2 Limited (the "Owner")	Limited *

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

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Definitions

"**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.

"**Finance Documents**" means the Loan Agreement, the Deed and any other document (whether creating a Security Interest (as defined in the Loan Agreement) 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.

"**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 the "**Agent**") relating to a secured revolving credit facility of US\$175,000,000.

"**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.

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

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

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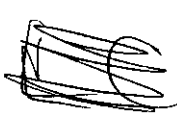
CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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 DEED OF COVENANT COLLATERAL TO A FIRST PRIORITY BERMUDA STATUTORY SHIP MORTGAGE DATED THE SAME AS THE DEED 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 .

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Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES