

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

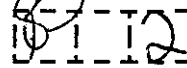
A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



04958135

Name of company

* Scotia Gas Networks PLC (the "Company")

Date of creation of the charge

13 June 2005

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

Share Pledge dated 1 June 2005 and extract register of member re the Shares (the "Charge")

Amount secured by the mortgage or charge

The payment and discharge of all obligations and liabilities at the Charge Date or in the future (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to any Finance Party under each Finance Document to which the Company is a party, except for any obligation which, if it were so included, would result in the Charge contravening Section 151 of the Companies Act 1985 (the "Secured Liabilities").

(Capitalised terms not defined in this Form 395 shall have the meaning in the schedule annexed hereto.)

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

Barclays Bank PLC (Number 01026167) formerly of 54 Lombard Street, London, EH3P 3AH and now at 1 Churchill Place, London in its capacity as agent and trustee for the Finance Parties (the "Facility Agent")

Postcode E14 5HP

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

Tods Murray LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

FMB.IAW.B01650.1009

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

The Company's whole right, title, interest and benefit in and to the shares and/or other securities described in part 2 of the schedule annexed hereto (the "Shares") and all other shares, stocks, debentures, bonds or other securities and investments (if any) together with any dividends, interest or other distribution and any allotments, accretions, offers, rights and benefits at any time accruing, offered or arising in respect thereof whether by way of conversion, redemption, bonus, preference, option, subscription or exchange or otherwise which are, or the certificates or other documents for which are, at the Charge Date or thereafter held by, transferred or delivered to or registered in the name of the Facility Agent or its nominee or otherwise agreed to be held on the terms of the Charge (all of which being together with the Shares (the "Securities")).

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 (note 3)

Not applicable.

Signed Gina Judanar Partner for Todd Murray Date 29/6/05
LLP

On behalf of ~~Company~~ [mortgagee/chargee] †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Notes

† delete as appropriate

- 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;
 - (a) subscribing 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

This is the schedule of definitions referred to in the foregoing Form 395 in relation to a Share Pledge by the Scotia Gas Networks plc in favour of the Facility Agent.

"Administrative Party"	means a Bookrunner, a Mandated Lead Arranger or the Facility Agent;
"Affiliates"	means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company;
"Bond Mandate Letter"	means the bond mandate letter entered into between, <i>inter alia</i> , Barclays Capital, Citigroup Global Markets Limited, Dresdner Kleinwort Wasserstein Limited and the Royal Bank of Scotland plc and the Shareholders on 24 th June 2004;
"Bookrunners"	means: <ul style="list-style-type: none">(a) Barclays Capital;(b) Citigroup Global Markets Limited(c) Dresdner Kleinwort Wasserstein Limited;(d) the Royal Bank of Scotland plc each a "Bookrunner" ;
"Capital Markets Financing Scenarios"	has the meaning given to it in the Credit Agreement;
"Charge Date"	means 1 st June 2005;
"Credit Agreement"	means the £2,250,000,000 credit agreement dated 31 st August 2004, between (among others) the Company and the Facility Agent;
"English Security Agreement"	means a security agreement between the Company and the Facility Agent in the form of Schedule 7 (Form of English Security Agreement) of the Credit Agreement with such amendments as the Facility Agent may approve;
"Fee Letter"	means the letter dated 24 th June 2004 between the Shareholders and the Bookrunners setting out, among other things, the arrangement fees payable in respect of the facility under the Credit Agreement and any other letter entered into by reference to the Credit Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in the Credit Agreement;

"Finance Documents"

means:

- (a) the Credit Agreement;
- (b) a Security Document;
- (c) the Mandate Letter;
- (d) the Bond Mandate Letter;
- (e) the Priority Agreement;
- (f) the Hedging Letter;
- (g) a Hedging Document;
- (h) a Fee Letter;
- (i) a Transfer Certificate; or
- (j) any other document designated as such by the Facility Agent and the Company;

"Finance Parties"means a Lender, an Administrative Party or a Hedging Bank each a **"Finance Party"**;**"Group"**

means the Company and its Subsidiaries;

"Hedging Bank"

has the meaning given to it in the Priority Agreement;

"Hedging Document"

has the meaning given to it in the Priority Agreement;

"Hedging Letter"

means a letter dated on or about the date of the Credit Agreement between the Company and the Facility Agent relating to the Group's hedging strategy to protect a BBB (or equivalent) or better rating for the Capital Markets Financing Scenarios;

"Holding Company"

means a holding company within the meaning of section 736 of the Companies Act 1985 and, in the case of Borealis Infrastructure Management, Inc. only, means Ontario municipal Employees Retirement System;

"Lender"

means:

- (a) an Original Lender;
- (b) any person which becomes a Lender after the date of the Credit Agreement;

"Mandate Letter"

means the joint mandate letter entered into

between, *inter alia*, the Bookrunners and the Shareholders on the 24th June 2004;

“Mandated Lead Arrangers”

means:

- (a) Barclays Capital;
- (b) Citigroup Global Markets Limited
- (c) Dresdner Kleinwort Wasserstein Limited;
- (d) the Royal Bank of Canada; and
- (e) the Royal Bank of Scotland plc;

each a “Mandated Lead Arranger”;

“Original Lender”

means:-

- (a) Barclays Bank plc;
- (b) Citibank, N.A.;
- (c) Dresdner Bank AG London Branch;
- (d) The Royal Bank of Scotland plc; and
- (e) Royal Bank of Canada;

“Priority Agreement”

means the priority agreements between, *inter alia*, the Finance Parties and the Company in the form of Schedule 8 (Form of Priority Agreement) with such amendments as the Facility Agent may approve;

“Security Document”

means:

- (a) the English Security Agreement;
- (b) the Charge; and
- (c) any other documents evidencing or creating security over any asset of the Company to secure any obligation of the Company to a Finance Party under the Finance Documents;

“Shareholders”

means Scottish and Southern Energy Plc, Borealis Infrastructure Management, Inc and Ontario Teachers' Pension Plan Board or, where the context so requires, their Affiliates (each a “Shareholder”);

“Subsidiary”

means:

(a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and

(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

"Transfer Certificate"

means a certificate, substantially in the form Schedule 5 (Form of Transfer Certificate) of the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company;

PART 2

The Shares

Number	Type	Nominal Value	Company Name & Number
100	Ordinary	£1	Blackwater SC A Limited (SC 264065)

gms

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04958135

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SHARE PLEDGE DATED THE 13th JUNE 2005 AND CREATED BY SCOTIA GAS NETWORKS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 29th JUNE 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th JULY 2005.

PO
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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —