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COMPANIES FORM No 395

Particulars of a mortgage or charge

FEE

395

CHFP000

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

£13

116436/26

Please do not write in this margin

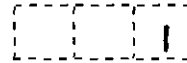
Please complete legibly, preferably in black type or bold block lettering

Pursuant to section 395 of the Companies Act 1985

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

For Official use

Company Number



05392552

Name of Company

*insert full name of company

Severn Power Limited (the "Chargor")

Date of creation of the charge

15 February 2007

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

Fixed and floating security document dated 15 February 2007 between the Chargor and Deutsche Bank AG London (the "Bank") (the "Debenture")

Amount secured by the mortgage or charge

(PLEASE SEE ATTACHED CONTINUATION SHEET)

Name and address of the mortgagees or persons entitled to the charge

Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London

Postcode

EC2N 2DB

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

Linklaters

One Silk Street

London EC2Y 8HQ

Tel: 020 7456 2000

Please return

via

London Courier

Ref: Clare Merrifield / Andrew Heyworth

Time critical reference

For official Use
Mortgage Section

Post room



LD3
COMPANIES HOUSE

437
22/02/2007

(PLEASE SEE ATTACHED CONTINUATION SHEET)

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)

Signed Linklaters

Date: 21 February 2007

On behalf of company

A fee of £13 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Note

[†] 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, e.g. "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 including 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:-

Companies House, Crown Way, Cardiff CF4 3UZ

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Name of Company

Severn Power Limited

Company Number

05392552

Amount secured by the mortgage or charge

"Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred by the Chargor to the Bank under or in connection with any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

Short particulars of all the property mortgaged or charged**1 Fixed Charges**

The Chargor, with full title guarantee and as security for the payment of all Liabilities, charges in favour of the Bank:

- (a) by way of first legal mortgage, all Real Property in England and Wales now belonging to it;
- (b) by way of first fixed equitable charge, all other Real Property now belonging to it and all Real Property, other than Prohibited Property, acquired by it in the future; and
- (c) by way of first fixed charge, all its present and future:
 - (i) Book Debts;
 - (ii) Bank Accounts;
 - (iii) Investments;
 - (iv) uncalled capital and goodwill;
 - (v) Intellectual Property;
 - (vi) beneficial interest in any pension fund;
 - (vii) plant and machinery (except that mortgaged or charged by paragraph (a) or (b) of this Clause 1); and
 - (viii) Insurances and all related proceeds, claims of any kind, returns of premium and other benefits.

2 Floating Charge**2.1 Creation**

The Chargor, with full title guarantee and as security for the payment of all Liabilities, charges in favour of the Bank by way of first floating charge its undertaking and all its assets, both present and future (including assets expressed to be charged by Clause 1 (*Fixed Charges*) above or assigned by clause 5 (*Assignment*) of the Debenture).

2.2 Qualifying Floating Charge

- (a) The floating Charge created by the Chargor pursuant to Clause 2.1 (*Creation*) above is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to the Debenture and the Bank may appoint an Administrator of the Chargor pursuant to that paragraph.

2.3 Ranking

The floating Charge created by the Chargor ranks:

- (a) behind all the fixed Charges created by the Chargor; but
- (b) in priority to any other Security over the Charged Assets except for Security ranking in priority in accordance with paragraph (f) of schedule 1 (*Rights of Receivers*) of the Debenture.

Short particulars of all the property mortgaged or charged**2.4 Conversion by notice**

The Bank may convert the floating Charge over all or any of the Charged Assets into a fixed Charge by notice to the Chargor specifying the relevant Charged Assets (either generally or specifically):

- (a) if it considers it desirable to do so in order to protect or preserve the Charges over those Charged Assets and/or the priority of those Charges; and/or
- (b) while an Enforcement Event is continuing.

2.5 Automatic conversion

If:

- (a) the Chargor takes any step to create any Security in breach of clause 6.1 (*Security*) of the Debenture over any of the Charged Assets not subject to a fixed Charge; or
- (b) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of those Charged Assets,

the floating Charge over the relevant Charged Assets shall automatically and immediately be converted into a fixed Charge.

3 Assignment

The Chargor, with full title guarantee, hereby assigns absolutely to the Bank all its present and future right, title and interest in and to the Assigned Contracts, including all moneys payable to the Chargor, and any claims, awards and judgments in favour of receivable or received by the Chargor, under or in connection with pursuant to the Assigned Contracts.

Note (1): the Charge provides that:

1 Security

The Chargor shall not create or permit to subsist any Security over any Charged Asset, nor do anything else prohibited by clause 11.3 (*Negative pledge*) of the LC Agreement, except as permitted by that clause.

2 Disposal

The Chargor shall not (nor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, license, sub-license, transfer or otherwise dispose of any Charged Asset except as permitted by clause 11.4 (*Disposals*) of the LC Agreement.

3 Further assurance

The Chargor shall promptly do whatever the Bank requires:

- (a) to perfect or protect the Charges or the priority of the Charges; or
- (b) to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Bank or any Receiver,

Short particulars of all the property mortgaged or charged

including executing any transfer, conveyance, charge, assignment or assurance of the Charged Assets (whether to the Bank or its nominees or otherwise), making any registration and giving any notice, order or direction.

Note (2): In this Form, except to the extent that the context requires otherwise:

"Administrator" means an administrator appointed under Schedule B1 to the Insolvency Act 1986.

"Assigned Contracts" means the contracts and documents listed in schedule 3 (Assigned Contracts) of the Debenture, as set out in Note (3).

"Bank Accounts" of the Chargor means all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts.

"Book Debts" of the Chargor means all book and other debts of any nature, and all other rights to receive money (excluding Bank Accounts), now or in the future due, owing or payable to it and the benefit of all related negotiable instruments, rights, Security, guarantees and indemnities of any kind.

"Charges" means all or any of the Security created or expressed to be created by or pursuant to the Debenture.

"Charged Assets" means the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets.

"Enforcement Event" means an Event of Default.

"Event of Default" means any event or circumstance specified as such in clause 12 (*Events of Default*) of the LC Agreement.

"Finance Document" means the LC Agreement, each Security Document and each other document designated as such by the Bank and the Chargor.

"Fixtures" means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus.

"Insurances" of the Chargor means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest.

"Intellectual Property" of the Chargor means all trade marks, service marks, trade names, domain names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, topography rights, database rights, rights in confidential information and know-how, and any associated or similar rights anywhere in the world, which it now or in the future owns or (to the extent of its interest) in which it now or in the future has an interest (in each case whether registered or unregistered and including any related licences and sub-licences of the same granted by it or to it, applications and rights to apply for the same).

"Investments" of the Chargor means:

- (a) securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit);
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;

Short particulars of all the property mortgaged or charged

- (c) all rights relating to securities and investments which are deposited with, or registered in the name of, any depository, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

"LC Agreement" means the letter of credit counter-indemnity agreement dated on or about the date of the Debenture between the Chargor and the Bank.

"Real Property" means freehold and leasehold property in England and Wales and other real property anywhere in the world (in each case including any estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon).

"Receiver" means a receiver and manager or other receiver appointed in respect of the Charged Assets and shall, if allowed by law, include an administrative receiver.

"Prohibited Property" means an interest in Real Property which has been granted on terms that:

- (a) prohibit the creation of a charge over such interest; or
- (b) prohibit the creation of a charge over such interest unless a consent is granted or another condition is fulfilled, and such consent has not been granted or such condition has not been fulfilled provided that the Chargor shall have used reasonable endeavours to obtain such consent or fulfil such conditions.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person.

"Security Document" means the Debenture and the Share Charge.

"Share Charge" means the share charge between Carron Acquisition Company Limited and the Bank dated on or around the date of the LC Agreement in respect of the shares in the Chargor owned by Carron Acquisition Company Limited.

Note (3): The Assigned Contracts set out in schedule 3 (Assigned Contracts) of the Debenture are:

- (a) Land Sale Agreement for the sale and purchase of land at Uskmouth Power Station, West Nash Road, Newport, Gwent between Uskmouth Power Company Limited and the Chargor dated 14 February 2007; and
- (b) Connection and Use of System Code Construction Agreement Ref A/SEV/05/5167-1EN(0) between National Grid Electricity Transmission plc and the Chargor dated 4 November 2005.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05392552

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A FIXED AND FLOATING SECURITY DOCUMENT DATED THE 15th FEBRUARY 2007 AND CREATED BY SEVERN POWER LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO DEUTSCHE BANK AG LONDON 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 22nd FEBRUARY 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th FEBRUARY 2007.

HC DMU



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES