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CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

COMPANIES FORM No. 395

00400107

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

[13]

05392552

Name of company

* SEVERN POWER LIMITED (the "Company")

Date of creation of the charge

19 December 2007

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

A deed of assignment and charge of VAT receivables (the "VAT Charge") dated
19 December 2007 made by the Company in favour of The Royal Bank of
Scotland plc as security trustee for the Secured Parties (the "Security
Trustee")

Amount secured by the mortgage or charge

See Schedules 1 (Definitions) and 2 (Amount Secured by the Mortgage or
Charge).

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

See Schedule 3 (Name and Address of Persons Entitled to the Charge).

Postcode

Presentor's name address and
reference (if any)
(Via CH London Counter)
Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Time critical reference

JAQC/EJH/70-40328181

For official Use (06/2005)
Mortgage Section

Post room

THURSDAY



LUGUYVUC

LD3

27/12/2007

120

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Schedules 1 (Definitions) and 4 (Short Particulars of all the Property Charged).

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)

None

Signed

Clifford Chance LLP

Date

24th December 2007

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] † The Royal Bank of Scotland plc

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

†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,
 - (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

SCHEDULE 1

DEFINITIONS

In this form 395:

"Agent" means The Royal Bank of Scotland plc in its capacity as agent of the other Finance Parties and any person for the time being appointed as agent for the purpose of, and in accordance with, the Facility Agreement

"Arranger" means The Royal Bank of Scotland plc in its capacity as mandated lead arranger and any person for the time being appointed as arranger for the purpose of, and in accordance with, the Facility Agreement

"Borrower Debenture" means the document so entitled dated 19 December 2007 and granted by the Company in favour of the Security Trustee, in form and substance acceptable to the Security Trustee and the Agent

"Charged Property" means all the assets and undertaking of the Company which from time to time are, or are expressed to be, the subject of the Transaction Security

"DBLC" means a letter of credit provided by Deutsche Bank AG London to NGET in respect of the NGT Collateral

"Delegate" means any delegate, agent, attorney, or co-trustee appointed by the Trustee

"Deutsche Bank" means Deutsche Bank AG, London

"Facility Agreement" means the facility agreement dated 19 December 2007 made between, amongst others, the Company as borrower and the Security Trustee, as amended, varied, novated or supplemented from time to time.

"Fee Letter" means the letter dated 19 December 2007 between the Arranger and the Company setting out the upfront fee.

"Finance Document" means the Facility Agreement, the Fee Letter, the Intercreditor Agreement, each Security Document and any other document designated as a "Finance Document" by the Agent and the Company

"Finance Party" means the Agent, the Arranger, the Security Trustee or a Lender

"Intercreditor Agreement" means the intercreditor agreement dated 19 December 2007 between, amongst others the Company, Deutsche Bank, Carron Energy Limited, WPGL, STGL, the Agent and the Security Trustee.

"Lender" means

- (a) any Original Lender, and
- (b) any bank, financial institution, trust, fund or other entity which has become a party to the Facility Agreement in accordance with the terms of the Facility Agreement,

which in each case has not ceased to be a party to the Facility Agreement in accordance with the terms of the Facility Agreement

"Letter of Credit Counter-Indemnity" means the letter of credit counter-indemnity dated 15 February 2007 (as amended from time to time) related to the DBLC and any other letter of credit counter-indemnity from time to time issued under or pursuant to any other DBLC

"NGET" means National Grid Electricity Transmission plc (formerly named National Grid Company plc) or any of its subsidiaries or successors or assignees that holds the transmission licence

"NGT Collateral" means collateral payable by the Company to NGET pursuant to its obligations under the Connection and Use of System Code Construction Agreement in respect of Uskmouth dated 4 November 2005 and entered into between NGET and the Company (as amended from time to time).

"Obligor" means the Company and SGTL

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any of the Charged Property

"Related Rights" means, in relation to any asset

- (a) the proceeds of sale of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset, and
- (d) any monies and proceeds paid or payable in respect of that asset

"Secured Parties" means the Agent from time to time under the Facility Agreement, the Arranger from time to time under the Facility Agreement, each Lender from time to time under the Facility Agreement, the Security Trustee, Deutsche Bank AG London and any Receiver or Delegate.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Security Documents" means the Borrower Debenture, the SGTL Debenture, the Share Charge, the VAT Charge and any other document designated as a **"Security Document"** by the Agent and the Borrower

"Severn Power VAT Group" means the VAT Group of which the Company and Uskmouth are members

"SGTL" means Severn Gas Transportation Limited

"SGTL Debenture" means the document so entitled dated 19 December 2007 and between SGTL and the Security Trustee

"Share Charge" means the document so entitled dated 19 December 2007 between WPGL and the Security Trustee

"Transaction Security" means the Security created or expressed to be created in favour of the Security Trustee pursuant to the Security Documents

"Uskmouth" means Uskmouth Power Company Limited, a company registered in England and Wales with company number 5104786

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature

"VATA" means the Value Added Tax Act 1994

"VAT Group" means a group for the purposes of the VAT Grouping Legislation

"VAT Grouping Legislation" means (a) sections 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups eligibility) Order 2004

"VAT Receivables" means any debts or monetary claims or other amounts due and/or payable to the Company (or any other member of the Severn Power VAT Group) in respect of VAT or the VAT affairs of the Company (or any other member of the Severn Power VAT Group or the Severn Power VAT Group) from HM Revenue & Customs, and the proceeds of such debts or claims

"WPGL" means Welsh Power Group Limited

SCHEDULE 2
AMOUNT SECURED BY THE MORTGAGE OR CHARGE

All obligations owing to the Finance Parties by the Obligors under or pursuant to the Finance Documents and any Letter of Credit Counter-Indemnity including any liability in respect of any further advances made under the Finance Documents and any Letter of Credit Counter-Indemnity, whether present or future, actual or contingent (and whether incurred by the Obligors alone or jointly, and whether as principal or surety or in some other capacity) except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful or prohibited by any applicable law (the "**Secured Obligations**")

SCHEDULE 3

Name and Address of Persons Entitled to the Charge

The Royal Bank of Scotland plc, Level 7, 135 Bishopsgate, London, EC2M 3UR, as Security Trustee, which expression shall include any person for the time being appointed as security trustee or as an additional security trustee for the purpose of and in accordance with the Intercreditor Agreement

SCHEDULE 4
SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

Fixed Charge, Assignment and Floating Charge

In the VAT Charge, the Company

- (a) assigned absolutely for and on behalf of all the members of the Severn Power VAT Group and with full title guarantee to the Security Trustee all of its right, title and interest, present and future, in, under and to the VAT Receivables and all Related Rights, together with all present and future claims causes of action payments and proceeds in respect thereof.
- (b) charged with full title guarantee in favour of the Security Trustee with the payment and discharge of the Secured Obligations, by way of first fixed charge all the Company's right, title and interest, present and future, in and to all VAT Receivables and all Related Rights other than any claims which are otherwise subject to an assignment (at law or in equity) pursuant to the VAT Charge
- (c) with full title guarantee charged in favour of the Security Trustee with the payment and discharge of the Secured Obligations by way of first floating charge the VAT Receivables and all Related Rights

The VAT Charge provides that the floating charge created by the VAT Charge shall be deferred in point of priority to all fixed Security validly and effectively created by the Company under the Finance Documents in favour of the Security Trustee as security for the Secured Obligations

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to the VAT Charge

FURTHER ASSURANCE

The VAT Charge contains covenants for further assurance

NEGATIVE PLEDGE

The VAT Charge does not contain a negative pledge

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 DEED OF ASSIGNMENT AND CHARGE OF VAT RECEIVABLES DATED THE 19th DECEMBER 2007 AND CREATED BY SEVERN POWER LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO THE FINANCE PARTIES 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 27th DECEMBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th JANUARY 2008

L. C.
C. W.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES