

# M

## 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.

CHFP025

Please do not write in this margin

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

\*insert full name of Company

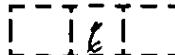
Pursuant to section 395 of the Companies Act 1985

000000107

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

For official use

Company number



05392552

Name of company

\* Severn Power Limited (the "**Borrower**")

Date of creation of the charge

28 March 2008

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

A debenture dated 28 March 2008 (the "**Debenture**") made by the Borrower 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

All the Liabilities and all other present and future obligations at any time due, owing or incurred by any Obligor, Severn Power Holdings Limited and/or Severn Power Funding Limited to any Secured Party under the Finance Documents, including any liability in respect of further advances under the Finance Documents, whether present or future, actual or contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (the "**Secured Liabilities**")

Definitions contained in Schedule 1 (Definitions) to this Form 395

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

The Royal Bank of Scotland plc, Project & Export Finance, 7th Floor, 135 Bishopsgate, London EC2M 3UR, as the Security Trustee

Postcode EC2M 3UR

Presenter's name address and reference (if any)

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

Time critical reference

JS/70-40328181/JC

For official Use (02/00)

Mortgage Section

Post room

THURSDAY



LD4

"LOV2IYRD"

10/04/2008

40

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Schedule 1 (Definitions), Schedule 2 (Short particulars of all property mortgaged or charged), Schedule 3 (Details of Real Property) and Schedule 4 (Shares) to this form 395

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

9 April 2008

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

**"Acceptable Collateral"** means, at any time, a letter of credit in the form specified in the Facility Agreement or a guarantee or similar on-demand promissory note on terms and documentary conditions acceptable to the Agent (acting reasonably), issued in favour of the Security Trustee in relation to the Debt Service Reserve Account by a person having at such time

- (a) a short-term debt securities credit rating of at least P-1 by Moody's or A-1 by S&P;
- (b) a long-term debt securities credit rating of at least A2 by Moody's or A by S&P, or
- (c) such credit rating as may otherwise be agreed by the Agent,

in each case which have their registered head office in the United Kingdom and which is callable in accordance with the terms of the Facility Agreement provided (x) any such letter of credit shall be non recourse to any Obligor and (y) the costs of procuring any such letter of credit shall not be a project cost or otherwise be borne by any Obligor (unless such payment is made from the Distributions Account).

**"Accession Agreement"** means the accession agreement entered into by the Borrower in respect of the Connection and Use of System Code.

**"Account"** means (1) the account with sort code 20-18-27 and account number 20435082 held by the Borrower with Barclays Bank Plc, and (2) any account opened or maintained by the Borrower (other than the Distributions Account) with the Account Bank or any other person (and any replacement account or subdivision or subaccount of that account), the debt or debts represented thereby and all Related Rights

**"Account Bank"** means The Royal Bank of Scotland plc and any financial institution that becomes an Account Bank pursuant to the Accounts Agreement

**"Accounts Agreement"** means the accounts agreement between the Security Trustee, the Agent, the Borrower, the Guarantor, the Shareholder, SPFL and the Account Bank dated 28 March 2008

**"Additional Lender"** means any entity which becomes a party as an additional lender in accordance with the terms of the Intercreditor Agreement

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company

**"Agent"** means the Royal Bank of Scotland plc

SCHEDULE 1 TO FORM 395 DATED 9 APRIL 2008 RELATING TO A DEBENTURE DATED 28 MARCH 2008  
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OF SCOTLAND PLC AS SECURITY TRUSTEE

**"Allowances"** means either "allowances", "CERs" or "ERUs" as defined in Directive 2003/87/EC of the European Parliament and Council of 13 October 2003 (as amended from time to time)

**"ARCA"** means the Advanced Reservation of Capacity Agreement to be entered into between the Borrower and WWU

**"Arrangers"** means The Royal Bank of Scotland plc, Calyon and ING Bank N V

**"Assigned Account"** means (1) any Project Account (other than the Distributions Account), and (2) any Account that may from time to time be identified in writing as an Assigned Account by the Security Trustee, acting reasonably, (including any renewal or redesignation of such account)

**"Bilateral Connection Agreement"** means the agreement for connection to and use of the electricity transmission network dated 4 November 2005 between the Borrower and NGET

**"Book Debts"** means all book debts and other debts of any nature, and all other rights to receive money (excluding Project Accounts, rights arising out of or in relation to any Assigned Accounts, the Specific Contracts and the insurance policies and Insurance Proceeds), 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

**"BSC"** means the Balancing and Settlement Code.

**"Charged Property"** means all the assets and undertaking of the Borrower (other than the Distributions Account) which from time to time are the subject of the security created or expressed to be created in favour of the Security Trustee by or pursuant to the Debenture and any Mortgage

**"Civil Works Collateral Warranty"** means the collateral warranty given by the civil works subcontractor engaged by the EPC Contractor to perform civil works forming part of the Construction Works in favour of the Borrower or the Lenders in the form specified in the EPC Contract

**"Collateral Letter of Credit"** means a letter of credit designated as such in the Facility Agreement

**"Compensation Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286354

**"Consent Letter"** means those letters made between (1) each and every freehold or leasehold owner of the Gas Pipeline Site and (2) SGTL pursuant to which each respective freehold or leasehold owner consents to the construction and operation of the Gas Pipeline over that part of the Gas Pipeline Site to which it has a freehold or leasehold interest.

**"Construction Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286303

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**"Construction Bonds"** means the EPC Performance Bond, the Gas Pipeline Performance Bond and any other form of security provided in favour of the Borrower or the Guarantor in accordance with the Construction Contracts

**"Construction Contracts"** means the EPC Contract and the Gas Pipeline Construction Contract

**"Construction Works"** means all works associated with the design, development, engineering, construction, equipping, completion, testing, installation and commissioning of the Power Station, the Gas Pipeline, the works under the NGET Switchgear Agreement and all works ancillary thereto including without limitation, all necessary interfaces and other facilities and equipment required up to the delivery points for the operation of the Power Station and any other works contemplated by Project Documents

**"Core Lenders"** means The Royal Bank of Scotland plc, Calyon and ING Bank N V

**"Credit Support Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286346

**"Debt Service Reserve Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286389

**"Deed of Easement"** means those deeds of easement entered into between (1) each freehold or leasehold owner of the Gas Pipeline Site and (2) SGTL

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

**"Design and Construction Agreement"** means the agreement for the design and construction of gas connection facilities to be entered into between the Borrower and WWU

**"Distributions Account"** an account in London denominated in Sterling with sort code 16-04-00 and account number 31286362

**"Dividends"** means, in relation to any Share, all present and future

- (a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share,
- (b) rights, shares, money or other assets accruing or offered by way of redemption, bonus, option or otherwise in respect of that Share,
- (c) allotments, offers and rights accruing or offered in respect of that Share, and
- (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, that Share

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**"Electricity Connection Construction Agreement"** means the construction agreement in relation to the electricity transmission connection entered into on 4 November 2005 between the Borrower and NGET (as amended by an amendment agreement dated 16 August 2007)

**"EPC Contract"** means the contract dated 28 March 2008 and entered into between the Borrower and the EPC Contractor for the design, construction and commissioning of the Power Station by the EPC Contractor

**"EPC Contractor"** means Siemens plc and Siemens AG acting jointly and severally

**"EPC Performance Bond"** means the performance bond in relation to the EPC Contract given in favour of the Borrower by ING Bank N V , Frankfurt Branch

**"Euro Operating Account"** means an account in London denominated in Euros with sort code 16-04-00 and account number 10016877

**"Equity Contribution Agreement"** means the equity contribution agreement dated 28 March 2008 between the Borrower, the Shareholder, SPFL and the Agent

**"Facility Agreement"** means the facility agreement dated 28 March 2008 made between, amongst others, the Borrower and the Security Trustee, as amended, varied, novated or supplemented from time to time.

**"Finance Document"** means

- (a) the Facility Agreement,
- (b) the arrangers fee letter dated 28 March 2008 made between the Borrower and the Arrangers,
- (c) the agency fee letter dated 28 March 2008 made between the Borrower and the Agent,
- (d) any Hedging Document,
- (e) each Collateral Letter of Credit,
- (f) each Project Letter of Credit,
- (g) the Intercreditor Agreement,
- (h) the Equity Contribution Agreement,
- (i) each Security Document,
- (j) any Syndication Agreement,
- (k) the Accounts Agreement,
- (l) any Acceptable Collateral,
- (m) the Syndication Letter, and

(n) any other document designated as such by the Agent and the Borrower

**"Financial Close"** means 28 March 2008

**"Gas Pipeline"** means the gas pipeline of approximately 6 kilometres between the connection point with the WWU gas distribution system at Marshfield and the Power Station, to be constructed pursuant to the Gas Pipeline Construction Contract.

**"Gas Pipeline Asset Sale"** means the transfer of ownership of the Gas Pipeline from the Guarantor to any third party

**"Gas Pipeline Construction Contract"** means the contract for the construction of the Gas Pipeline to be entered into between SGTL and the Gas Pipeline Contractor

**"Gas Pipeline Contractor"** means the counterparty to the Gas Pipeline Construction Contract with SGTL, being either Murphy Group, Laing O'Rourke, Lane & Marine or another contractor (as approved by the Agent acting reasonably) with an equivalent level of expertise and experience in respect of construction projects similar to the Gas Pipeline

**"Gas Pipeline Maintenance Agreement"** means, if entered into by the Borrower in order to comply with its obligations under the Facility Agreement, an agreement entered into between the Borrower and a Gas Pipeline Maintenance Contractor for the maintenance of the Gas Pipeline

**"Gas Pipeline Maintenance Contractor"** means a contractor party to a Gas Pipeline Maintenance Agreement with the Borrower

**"Gas Pipeline Performance Bond"** means a performance bond or similar security, if applicable, to be given in favour of SGTL in relation to the Gas Pipeline Construction Contract

**"Gas Pipeline Site"** means the land on which the Gas Pipeline is to be constructed, as more particularly described in the certificate of title prepared by Morgan Cole on behalf of the Borrower and the Lenders.

**"Gas Pipeline Transfer"** means, the first to occur of

- (a) a Gas Pipeline Asset Sale, and
- (b) a change of control of the Guarantor,

in each case, with the prior written consent of the Majority Lenders (acting reasonably), provided that in the case of a transfer of ownership of the Gas Pipeline or control of the Guarantor to WWU, the identity of the new owner of the Gas Pipeline and (if consistent with the standard terms of WWU at that time) the terms for the use by the Borrower and/or the Guarantor of the Gas Pipeline after the Gas Pipeline Transfer shall not require the consent of the Majority Lenders

**"Gas Supply Agreement"** means the gas supply agreement between the Borrower and Sempra Energy Europe Limited together with the related confirmation entered into by the Borrower and Sempra Energy Europe Limited and novation agreement amongst the Borrower, Sempra Energy Europe Limited and The Royal Bank of Scotland plc

**"Gas Transporter Licence"** means the gas transporter licence dated 25 October 2007 awarded to the Guarantor by Ofgem

**"Grid Code"** means the Grid Code drawn up pursuant to the transmission licence of the NGET

**"Group Relief Agreement"** means the deed entered into on 28 March 2008 whereby the Shareholder agrees to surrender tax losses by way of group relief to the Borrower

**"Guarantor"** means SGTL, whilst it is an Obligor

**"Hedging Bank"** means a Lender (or an Affiliate of a Lender) having a credit rating on its long term unsecured debt of not worse than A from S&P (or equivalent from Moody's) and which has become a party to the Intercreditor Agreement as a Hedging Bank in accordance with the Intercreditor Agreement

**"Hedging Document"** means each of the documents entered into between the Borrower and the Hedging Banks for the purpose of hedging interest rate liabilities in accordance with the Facility Agreement and the Intercreditor Agreement

**"Holding Company"** means, in relation to a company, corporation or other legal entity, any other company, corporation or other legal entity in respect of which it is a Subsidiary

**"Industry and Interconnection Agreements"** means any and all agreements regulating the generation, transmission, supply and trading of electricity in England and Wales and the connection of the Power Station to the high voltage electricity transmission network, or which are otherwise necessary to ensure the Power Station's connection to the high voltage electricity transmission network and any and all agreements regulating the supply, transportation and/or distribution of natural gas in England and Wales and the connection of the Power Station to the gas distribution network, or which are otherwise necessary to ensure the Power Station's connection to the gas distribution network including, without limitation:

- (a) the Connection and Use of System Code;
- (b) the Grid Code,
- (c) the BSC,
- (d) the Bilateral Connection Agreement,
- (e) any use of system agreement with a transmission network operator,
- (f) any bilateral industry document, and

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- (g) any wayleave, easement or other right necessary in connection with any interconnection,

in each case, as the same may be amended, novated, modified or replaced from time to time.

**"Insurance Proceeds"** means any proceeds received by the Borrower (or, for the purposes of the assignment of insurances contained in Clause 2 (*Assignments*) of Schedule 2 (*Short particulars of all property mortgaged or charged*) of this form 395 only, payable to or received by the Borrower) under or pursuant to any Project Insurances or any other insurance policy after the date of the Facility Agreement

**"Insurance Proceeds Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286370

**"Intellectual Property"** means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights

**"Intercreditor Agreement"** means the intercreditor agreement dated 28 March 2008 between, amongst others, the Borrower and the Security Trustee, as amended, varied, novated or supplemented from time to time

**"Investments"** means

- (a) any stocks, shares, debentures, securities and certificates of deposit,
- (b) all interests in collective investment schemes, and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b),

in each case whether held directly by or to the order of the Borrower or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system)

**"Issuing Bank"** means The Royal Bank of Scotland plc

**"Key Project Documents"** means

- (a) the Construction Contracts,
- (b) the Construction Bonds and the O&M Guarantee,
- (c) the O&M Agreement;
- (d) the ARCA, the NGET Switchgear Agreement, the Electricity Connection Construction Agreement and the Design and Construction Agreement,
- (e) the Network Exit Agreement,

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- (f) any Gas Pipeline Maintenance Agreement(s),
- (g) the SGTL Agreement,
- (h) the Trading Agreement,
- (i) the Industry and Interconnection Agreements,
- (j) the Leases,
- (k) the Group Relief Agreement,
- (l) the SGTL Loan Agreement,
- (m) the Shareholder Loan Agreement,
- (n) the SGTL Land Agreements, and
- (o) any other document designated as a Key Project Document by the Agent with the consent of the Borrower (not to be unreasonably withheld or delayed)

**"Leases"** means

- (a) the lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower relating to land more particularly delineated on a plan annexed thereto and otherwise known as the AGI area,
- (b) the lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower relating to land more particularly delineated on a plan annexed thereto and otherwise known as the carbon capture area,
- (c) a deed of grant dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower in relation to the grant of certain rights in favour of the Borrower, and
- (d) a construction lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower

**"Lender"** means

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

which in each case has not ceased to be a Lender in accordance with the Facility Agreement

**"Lender Accession Undertaking"** means an undertaking in substantially the form set out a schedule to the Intercreditor Agreement

**"Liabilities"** means all present and future liabilities and obligations at any time of any Obligor, the Shareholder and/or SPFL to any Lender under the Finance Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations

- (a) any refinancing, novation, deferral or extension,
- (b) any claim for damages or restitution; and
- (c) any claim as a result of any recovery by any Obligor, the Shareholder and/or SPFL of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings

**"Majority Lenders"** has the meaning given to it in the Facility Agreement.

**"Monetary Claims"** means any book and other debts and monetary claims owing to the Borrower and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any Insurance Proceeds, any court order or judgment, any contract or agreement to which the Borrower is a party and any other assets, property, rights or undertaking of the Borrower) excluding Project Accounts, rights arising out of or in relation to any Assigned Accounts, the Specific Contracts and the insurance policies and Insurance Proceeds

**"Mortgage"** means a mortgage or legal charge in respect of all or any part of the Real Property in accordance with the terms of the Debenture in the form scheduled to the Debenture

**"Network Exit Agreement"** means the network exit agreement to be entered into between WWU, the Borrower and the Guarantor containing provisions relating to, or to the offtake of, gas from the gas distribution system of WWU as referred to in Section J of the Transportation Principal Document of the Uniform Network Code

**"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

**"NGET Switchgear Agreement"** means the inter-connection agreement to be entered into between NGET and the Borrower relating to the design, engineering, supply and commissioning of two generator circuits at the proposed Uskmouth 275kV Substation.

**"Obligor"** means (i) the Borrower and/or (ii) SGTL as Guarantor (but in the case of SGTL only until (a) the occurrence of a Gas Pipeline Transfer by way of change of control of SGTL or (b) the occurrence of a Gas Pipeline Transfer by way of a Gas Pipeline Asset Sale where on or following such Gas Pipeline Transfer the Borrower has demonstrated to the Agent

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(acting reasonably) that SGTL has no remaining material assets (other than the Gas Transporter Licence))

**"Original Lender"** means each of Calyon, The Royal Bank of Scotland plc and ING Bank N V

**"O&M Agreement"** means the operation and maintenance agreement in respect of the Power Station dated 28 March 2008 between the O&M Contractor and the Borrower

**"O&M Contractor"** means Siemens plc.

**"O&M Guarantee"** means the parent company guarantee provided by the O&M Guarantor in favour of the Borrower and dated 28 March 2008

**"O&M Guarantor"** means Siemens AG

**"Power Station"** means the 850MW combined cycle gas turbine Severn Power Station and all related buildings and equipment in Nash, near Newport, Wales owned and operated by the Borrower

**"Prepayment Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31286311

**"Project Accounts"** means the Construction Account, Euro Operating Account, Sterling Operating Account, Prepayment Account, Compensation Account, Insurance Proceeds Account, Debt Service Reserve Account, Credit Support Account or Distributions Account or such other accounts as may be permitted under the terms of the Facility Agreement

**"Project Documents"** means

- (a) the Key Project Documents,
- (b) the Trading Contracts and the Trading Transactions,
- (c) the Civil Works Collateral Warranty, and
- (d) any other document designated as a Project Document by the Agent with the consent of the Borrower (not to be unreasonably withheld or delayed)

**"Project Insurances"** means all insurances which the Borrower and/or the Guarantor is required to maintain under the terms of the Facility Agreement

**"Project Letter of Credit"** means a letter of credit designated as such in the Facility Agreement

**"Real Property"** means

- (a) any freehold, leasehold or immovable property (including the freehold and leasehold property in England and Wales specified in Schedule 3 (*Details of Real Property*) to this form 395), and

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- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights

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

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of sale of any part 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,
- (d) any monies and proceeds paid or payable in respect of that asset,
- (e) all rights, powers, benefits in and to the use of the Gas Pipeline, and
- (f) any option or interest in or over any Real Property

**"Secured Parties"** means the Agent, the Senior Lenders, the Security Trustee, any Receiver or Delegate, but, in the case of the Agent or any Senior Lender, only if it is a party to the Intercreditor Agreement or has delivered to the Security Trustee a duly executed Lender Accession Undertaking accepted by the Security Trustee and (if relevant) the appropriate Agent.

**"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 Document"** means each of

- (a) the Intercreditor Agreement,
- (b) the Debenture,
- (c) the SCTL Debenture,
- (d) the share security agreement dated 28 March 2008 entered into by the Shareholder in favour of the Security Trustee,
- (e) the Mortgage in respect of the Real Property detailed in Schedule 3 (*Details of Real Property*) to this form 395,
- (f) to the extent entered into, the mortgage between the Guarantor and the Security Trustee in substantially the same form of mortgage as specified in the SCTL Debenture,

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- (g) the account security agreement dated 28 March 2008 entered into by the Shareholder in favour of the Security Trustee,
- (h) the account security agreement dated 28 March 2008 entered into by SPFL in favour of the Security Trustee,
- (i) the EPC direct agreement entered into between the Borrower, the EPC Contractor and the Security Trustee on 28 March 2008,
- (j) the O&M direct agreement entered into between the Borrower, the O&M Contractor and the Security Trustee on 28 March 2008,
- (k) if and when obtained in accordance with the terms of the Facility Agreement, the gas pipeline construction direct agreement between the Borrower, the Guarantor, the Security Trustee and the Gas Pipeline Contractor in respect of the Gas Pipeline Construction Contract,
- (l) if and when obtained in accordance with the terms of the Facility Agreement, the electricity connection construction direct agreement between the Borrower, the Agent, the Security Trustee and NGET in respect of the Bilateral Connection Agreement and the Electricity Connection Construction Agreement,
- (m) if and when obtained in accordance with the terms of the Facility Agreement, the gas connection direct agreement between the Borrower, the Agent, the Security Trustee and WWU in respect of the ARCA and the Design and Construction Agreement,
- (n) if and when obtained in accordance with the terms of the Facility Agreement, the direct agreement between the Borrower, the Guarantor, the Agent, the Security Trustee and WWU in respect of the Network Exit Agreement, and
- (o) any other document entered into by any person creating, evidencing or perfecting any Security created as security for all or part of the obligations of the Borrower under any of the Finance Documents

**"Senior Lenders"** means the Core Lenders, the Hedging Banks and the Additional Lenders

**"SGTL"** means Severn Gas Transportation Limited

**"SGTL Agreement"** means the agreement between the Borrower and SGTL in relation to the construction and use of the Gas Pipeline to be entered into between the Borrower and SGTL within 18 months from Financial Close in form and substance satisfactory to the Agent (acting reasonably) pursuant to the terms of the Facility Agreement

**"SGTL Debenture"** means the debenture dated 28 March 2008 entered into by SGTL in favour of the Security Trustee

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**"SGTL Land Agreements"** means each Consent Letter and, upon the replacement of each such Consent Letter with a Deed of Easement, each Deed of Easement in relation to the Gas Pipeline Site

**"SGTL Loan Agreement"** means the loan agreement dated 28 March 2008 and entered into between the Borrower and SGTL setting out the terms on which the Borrower will make available to SGTL a loan to fund the construction costs in relation to the Gas Pipeline and ancillary matters relating thereto.

**"Shareholder"** means Severn Power Holdings Limited, a company registered in England and Wales with company number 06454112

**"Shareholder Loan Agreement"** means the loan agreement between the Shareholder and the Borrower dated 28 March 2008

**"Shares"** means

- (a) all present and future shares owned by the Borrower in SGTL, including the shares issued and outstanding at the date of the Debenture described in Schedule 4 (*Shares*) to this form 395,
- (b) all warrants, options or other rights to subscribe for, purchase or otherwise acquire those shares, and
- (c) all rights relating to any of those shares which are deposited with, or registered in the name of, any depositary, 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).

**"Specific Contracts"** means the following agreements once duly executed

- (a) the EPC Contract;
- (b) the EPC Performance Bond,
- (c) the Electricity Connection Construction Agreement,
- (d) the NGET Switchgear Agreement,
- (e) the Design and Construction Agreement,
- (f) the Construction Bonds,
- (g) the O&M Guarantee,
- (h) the O&M Agreement;
- (i) the ARCA,
- (j) the Network Exit Agreement;

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- (k) any Gas Pipeline Maintenance Agreement(s),
- (l) the Trading Agreement,
- (m) the Bilateral Connection Agreement,
- (n) the Accession Agreement,
- (o) the Leases,
- (p) the Group Relief Agreement,
- (q) the SGTL Loan Agreement,
- (r) the Shareholder Loan Agreement,
- (s) the Trading Contracts,
- (t) the Trading Transactions,
- (u) the Civil Works Collateral Warranty;
- (v) the Hedging Documents,
- (w) the Gas Supply Agreement, and
- (x) any other contract that may from time to time be identified in writing as a Specific Contract by the Security Trustee, acting reasonably

**"SPFL"** means Severn Power Funding Limited

**"Sterling Operating Account"** means an account in London denominated in Sterling with sort code 16-04-00 and account number 31284475

**"Subsidiary"** means a subsidiary within the meaning of section 736 of the Companies Act 1985

**"Syndication Agreement"** means any agreement entered into between the parties to the Facility Agreement to novate rights and obligations and, if relevant, the provision of additional commitments under the Facility Agreement to persons becoming parties as a result of the syndication of the facilities

**"Syndication Letter"** means the letter dated 28 March 2008 between the Arrangers, the Borrower and Welsh Power Group Limited setting out certain matters in relation to the syndication of the facilities under the Facility Agreement

**"Tangible Moveable Property"** means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of the Borrower's stock in trade or work in progress) and all Related Rights

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**"Trading Agreement"** means an agreement to be entered into between the Borrower and Carron Energy Limited in a form which is consistent with the principles set out in the Trading Agreement Term Sheet and is otherwise satisfactory to the Agent (acting reasonably) and which shall be secured in favour of the Secured Parties in a manner satisfactory to the Security Trustee

**"Trading Agreement Term Sheet"** means the term sheet setting out the key terms and principles of the Trading Agreement delivered to the Agent pursuant to the terms of the Facility Agreement

**"Trading Contracts"** means ISDA, GTMA or other industry standard documentation for the sale, purchase or hedging of gas, electricity and Allowances to be entered into as Project Documents in the generally accepted standard form (with copies to be provided by the Borrower to the Agent) or, if not in such form, in a form satisfactory to the Agent acting reasonably and which shall be secured in favour of the Secured Parties in a manner satisfactory to the Security Trustee between the Borrower and various counterparties

**"Trading Transaction"** means any contract, agreement, confirmation or transaction (whether or not in writing) for the sale, purchase or hedging of electricity, gas or Allowances entered into pursuant to a Trading Contract

**"Uniform Network Code"** means the document of that name prepared by the gas transporters pursuant to Standard Special Condition A11(6) of their respective gas transporter licences

**"WWU"** means Wales and West Utilities

**SCHEDULE 2**  
**SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED**

**1 FIXED CHARGES**

Pursuant to the Debenture, the Borrower has charged with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Liabilities, by way of first fixed charge all the Borrower's right, title and interest from time to time in and to the following

- 1 1 the Real Property (which so far as it relates to land in England and Wales vested in the Borrower at the date of the Debenture shall be a charge by way of legal mortgage) (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party),
- 1 2 the Tangible Moveable Property,
- 1 3 the Shares and the Dividends and all interests and other monies payable in respect of the shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise),
- 1 4 the Accounts except to the extent effectively assigned by Clause 3 2 below,
- 1 5 except to the extent effectively assigned by Clause 2 2 below, the Specific Contracts,
- 1 6 the Intellectual Property,
- 1 7 any goodwill and rights in relation to the uncalled capital of the Borrower,
- 1 8 the Investments,
- 1 9 except to the extent effectively assigned by Clause 2 1 below, the Insurance Proceeds, and
- 1 10 all Monetary Claims and all Related Rights other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Debenture

**2 ASSIGNMENTS**

Pursuant to the Debenture, the Borrower has assigned and has agreed to assign absolutely with full title guarantee to the Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Liabilities all the Borrower's present and future rights, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party)

- 2 1 the Insurance Proceeds (other than claims monies payable under the liability insurances),

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2 2 each of the Specific Contracts, and

2 3 all rights and claims in relation to any Assigned Account.

**3 FLOATING CHARGE**

3 1 Pursuant to the Debenture, the Borrower with full title guarantee has charged in favour of the Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Liabilities by way of first floating charge all present and future assets (including Book Debts and assets expressed to be charges by Clause 1 (*Fixed Charges*)) and undertakings of the Borrower, but in relation to Project Documents, only to the extent their terms permit charging in accordance with this clause 3

3 2 The floating charge created by paragraph 3.1 above shall be deferred in point of priority to all fixed Security validly and effectively created by the Borrower under the Finance Documents in favour of the Security Trustee as trustee for the Secured Parties as security for the Secured Liabilities

3 3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3 (*Floating Charge*)

**4 FURTHER ASSURANCE**

The Debenture contains covenants for further assurance

**5 NEGATIVE PLEDGE**

The Debenture contains a negative pledge

**SCHEDULE 3**  
**DETAILS OF REAL PROPERTY**

<b>Description of Property</b>	<b>Title Number</b>
(A) All that freehold land formerly forming part of Uksmouth Power Station, Uksmouth	CYM375800
(B) The leasehold interest more particularly defined in the lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower relating to land more particularly delineated on a plan annexed thereto and otherwise known as the AGI area	Lease is pending registration at the Land Registry The Landlord's title number is WA804901
(C) The leasehold interest more particularly defined in the lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower relating to land more particularly delineated on a plan annexed thereto and otherwise known as the carbon capture area	Lease is pending registration at the Land Registry The Landlord's title number is WA804901
(D) All rights and entitlements more particularly defined in a deed of grant dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower in relation to the grant of certain rights in favour of the Borrower	Grantor's title number is WA804901
(E) The leasehold interest more particularly defined in the construction lease dated 19 March 2008 made between Uskmouth Power Company Limited and the Borrower	Lease is pending registration at the Land Registry The Landlord's title number is WA804901

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**SCHEDULE 4  
SHARES**

<b>Name of Obligor in which Shares are held</b>	<b>Class of Shares</b>	<b>Total Share Capital</b>	<b>Issued Share Capital</b>	<b>Percentage Ownership</b>
Severn Gas Transportation Limited	Ordinary	£1	£1	100%



## **CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE**

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

**COMPANY NO. 5392552  
CHARGE NO. 6**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A DEBENTURE DATED 28 MARCH  
2008 AND CREATED BY SEVERN POWER LIMITED FOR  
SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY  
OBLIGOR, SEVERN POWER HOLDINGS LIMITED AND/OR  
SEVERN POWER FUNDING LIMITED TO ANY SECURED 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 10 APRIL 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 17 APRIL 2008

*P. Selb.*



Companies House  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES