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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

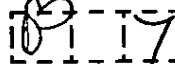
Pursuant to section 395 of the Companies Act 1985

0A 00000107

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 mortgage dated 28 March 2008 (the **"Mortgage"**) entered into 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

Presentor's name address and reference (if any)

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use (C
Mortgage Section



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COMPANIES HOUSE

Time critical reference

JS/70-40328181/JC

THURSDAY

Short particulars of all the property mortgaged or charged

The Borrower has charged with full title guarantee in favour of the Security Trustee with the payment and discharge of the Secured Liabilities, by way of first legal mortgage the Mortgaged Property

Definitions contained in Schedule 1 (Definitions) to this form 395 and further details of the Mortgaged Property contained in Schedule 2 (Details of Mortgaged Property) 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 ~~XXXXXXXX~~ (mortgagee) ~~XXXXXXXX~~ † 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)

"Accounts Agreement" means the accounts agreement dated 28 March 2008 between the Security Trustee, the Agent, the Borrower, the Guarantor, SPHL, Severn Power Funding Limited and the Account Bank

"Account Bank" means The Royal Bank of Scotland plc

"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

"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

"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

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

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

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

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

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

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

"Equity Contribution Agreement" means the equity contribution agreement dated 28 March
2008 between the Borrower, SPHL, Severn Power Funding Limited 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

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

"Guarantor" means SGTL, whilst it is an Obligor

"Hedging Banks" 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

"Issuing Bank" means The Royal Bank of Scotland plc

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

"Lender" means

- (c) any Original Lender, and
- (d) 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 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, SPHL and/or Severn Power Funding Limited 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, SPHL and/or Severn Power Funding Limited 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

"Mortgaged Property" means

- (a) the property specified in Schedule 2 (*Details of Mortgaged Property*) to this form 395, and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property,

and includes all Related Rights

"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

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

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

"O&M Contractor" means Siemens plc

"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

"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 2 (*Details of Mortgaged Property*) to this form 395), and
- (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 moneys 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 agreements to acquire any 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 dated 28 March 2008 entered into by the Borrower in favour of the Security Trustee,
- (c) the SGTL Debenture,
- (d) the share security agreement dated 28 March 2008 entered into by SPHL in favour of the Security Trustee,
- (e) the Mortgage,
- (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 SGTL Debenture,
- (g) the account security agreement dated 28 March 2008 entered into by SPHL in favour of the Security Trustee,
- (h) the account security agreement dated 28 March 2008 entered into by Severn Power Funding Limited in favour of the Security Trustee,
- (i) the EPC direct Agreement dated 28 March 2008 entered into between the Borrower, the EPC Contractor and the Security Trustee,
- (j) the O&M direct Agreement dated 28 March 2008 entered into between the Borrower, the O&M Contractor and the Security Trustee,
- (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 Debenture" means the Debenture dated 28 March 2008 entered into by Guarantor in favour of the Security Trustee

"SPHL" means Severn Power Holdings Limited

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

"Transaction Security" means the Security created or expressed to be created under or pursuant to any of the Security Documents

"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

"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
DETAILS OF MORTGAGED PROPERTY

Description of Property	Title Number	✓ 95.
(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 Uksmouth 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 Uksmouth 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 Uksmouth 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 Uksmouth Power Company Limited and the Borrower	Lease is pending registration at the Land Registry The Landlord's title number is WA804901	



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 5392552
CHARGE NO. 7**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A MORTGAGE 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 16 APRIL 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22 APRIL 2008



Companies House
— for the record —

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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES