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COMPANIES FORM No. 466(Scot)

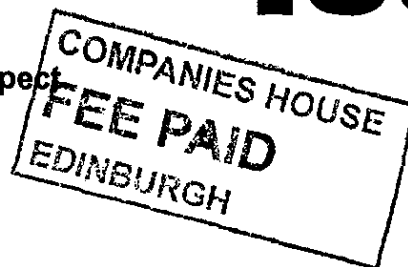
466

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

CHFP025

Please do not
write in this
margin

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.



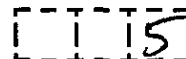
Pursuant to section 410 and 466 of the Companies Act 1985

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

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

For official use

Company number



SC137320

Name of company

BUE Caspian Limited (the "Company")

* insert full name
of company

Date of creation of the charge (note 1)

8 July 1999

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

Floating Charge

Names of the persons entitled to charge

The Governor and Company of the Bank of Scotland as agent and security trustee for the Finance Parties (the "Security Trustee")

For definitions see Paper Apart.

Short particulars of all the property charged

The whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company.

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

McGrigor Donald
Princes Exchange
1 Earl Grey Street
Edinburgh

723301 Edinburgh 43
NAS/00008B.001661/406671

For official use
Charges Section

Post room



Names, and addresses of the persons who have executed the instrument of alteration (note 2)

The Governor and Company of the Bank of Scotland, The Mound, Edinburgh EH1 1YZ ("BoS");
Dresdener Kleinwort Wasserstein Limited, 20 Fenchurch Street, London EC3P 3DB
("Kleinwort");
3i Group plc, 91 Waterloo Road, London SE1 8XP ("3i");
Lloyds TSB Bank plc, 71 Lombard Street, London, EC3P 3BS acting through its Strategic
Asset Finance Department, 25 Gresham Street, London, EC2V 7HN ("Lloyds");
The Company, BUE Cygnet Limited, BUE Marine Turkmenistan Limited, BUE Marine Limited,
BUE Maritime Services Limited, BUE Kazakhstan Limited and BUE Bulkers Limited, all of
Exchange Tower, 19 Canning Street, Edinburgh (together the "Group Companies").

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write in
this margin

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

Date(s) of execution of the instrument of alteration

12 August 2003, 5 August 2003, 30 July 2003 and 1 July 2003.

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

Save as provided for under the Agreement the Company shall not grant any further fixed or floating charges over all or any of its Assets including their heritable, real or leasehold property without the prior written consent of each of BoS, Lloyds and the Postponed Creditors.

See Paper Apart for definitions.

Short particulars of any property released from the floating charge

None

The amount, if any, by which the amount secured by the floating charge has been increased

None

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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

- 1 Ranking of Security
 - 1.1 BoS, Lloyds and the Postponed Creditors and the Group Companies agree that the sums secured or to be secured by the Securities shall rank in the following order of priority:
 - 1.1.1 the Lloyds Security to the extent of all sums secured thereby; then
 - 1.1.2 the BoS Securities to the extent of the BoS Priority Amount;
 - 1.1.3 the Trustee Security to the extent of the Trustee Security Priority Amount;
 - 1.1.4 the 3i Security to the extent of the 3i Priority Amount;
 - 1.1.5 the BoS Securities to the extent of all remaining sums secured thereby;
 - 1.1.6 the Trustee Security to the extent of all remaining sums secured thereby; and
 - 1.1.7 the 3i Security to the extent of all remaining sums secured thereby.
 - 1.2 The ranking and priority set out in Paragraph 1 above shall take effect notwithstanding any of the following:
 - 1.2.1 the nature of the securities created by any of the Securities and the dates of execution and registration and/or, recording of them;
 - 1.2.2 any provision contained in any of the Securities;
 - 1.2.3 the date or dates on which monies have been or may be advanced or become due, owing or payable under the Lloyds Security, BoS Securities and the Postponed Securities respectively;
 - 1.2.4 any fluctuation from time to time in the amounts secured by the Securities including any reduction of those amounts to nil;
 - 1.2.5 the existence of any credit balance on any current or other account of the Group Companies with BoS, Lloyds or either of the Postponed Creditors;
 - 1.2.6 the appointment of a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of any of the Group Companies or over all or any part of their Assets;
 - 1.2.7 the granting of time or any other indulgence to any of the Group Companies or any other person or the release, compounding or otherwise dealing with the Group Companies or any other person or the receipt of monies whether arising from a voluntary sale of any Assets subject to any of the Securities or in respect of any security or guarantee held by any of Lloyds in respect of the debt secured by the Lloyds Security, BoS in respect of the BoS Debt, or any of the Postponed Creditors in respect of the Postponed Debt or otherwise, prior to enforcement;
 - 1.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce any rights or remedies against any of the Group Companies or any other person by any of BoS or the Postponed Creditors;
 - 1.2.9 the sale or other disposal of any land or buildings or any interest in any land or buildings prior to enforcement;
 - 1.2.10 any present or future mortgage or other charge granted by any of the Group Companies to any of BoS, Lloyds or the Postponed Creditors (other than the Securities) (unless otherwise agreed in writing by BoS and the Postponed Creditors as appropriate); or
 - 1.2.11 the provisions of Section 13 of the Conveyancing and Feudal Reform (Scotland) Act 1970 or of Sections 464 and 466 of the Companies Act 1985 or any other rule of law which might operate to the contrary.

- 2 **Security to be Continuing**
The Securities shall rank as provided in the Agreement as continuing securities for repayment of the amounts owing to each of BoS, Lloyds and the Postponed Creditors from time to time by the Group Companies or by any person or company whose obligations to BoS, Lloyds or the Postponed Creditors are guaranteed by the Group Companies.
- 3 **Agreement**
If a receiver or liquidator or administrator of any of the Group Companies regards the Agreement as failing to bind him in the distribution of the proceeds of sale of the assets of the relevant Group Company (and in as far as the refusal of the receiver or liquidator or administrator to be bound by this Agreement causes prejudice to BoS, Lloyds or the Postponed Creditors), BoS, Lloyds and the Postponed Creditors will compensate each other to the extent to which any of them has benefited as a result of this refusal.
- 4 **Preferential Payments**
The ranking provisions in the Agreement shall not prejudice the right of BoS, Lloyds or the Postponed Creditors to receive Preferential Payments provided that any Preferential Payments payable shall not be counted towards repayment of BoS Debt, the Lloyds Debt or the Postponed Debt for the purposes of calculating the extent of any priority to which BoS, Lloyds or the Postponed Creditors are entitled under Paragraph 1 above.
- 5 **Notice of Payment**
During the Security Period, no payments may be made by any Group Company to Kleinwort in reduction or repayment of the Kleinwort Debt or to 3i in reduction or repayment of the 3i Debt without giving 14 days prior written notice to each of Lloyds and Bos of any such proposed payment.

See Paper Apart for definitions.

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Signed M. Gargor Newbold Date 29/8/03
On behalf of ~~[company]~~ [chargee] †

† delete as
appropriate

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc, as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. Cheques and Postal Orders are to be made payable to **Companies House**.

6. The address of the Registrar of Companies is:-
Companies Registration Office, 37 Castle Terrace, Edinburgh, EH1 2EB

BUE CASPIAN LIMITED (SC137320)

Paper Apart re Form 466

Definitions

"3i Debt" means all sums due and to become due to 3i by the Group Companies whether as principal debtor, co-obligant, guarantor, surety or otherwise (including all present, future or contingent obligations owed to 3i, whether such obligations exist now or arise in the future) together with interest and charges, interest on them and all commission, charges, fees, costs and expenses arising or incurred in connection with those sums;

"3i Priority Amount" means all present or future sums, liabilities and obligations whatsoever payable or owing by the Group Companies or any of them to 3i under the Investment Agreements including interest, fees and expenses;

"3i Security" means all fixed and floating charges and other security (including the security listed in Schedule 2 to the Agreement) and all collateral additional or substituted securities for the time being held by 3i and given by the Group Companies (or any of them) as security for the payment and/or discharge of any part of the 3i Debt;

"Agreement" means the Ranking Agreement among BoS in its own right and as the Trustee, Kleinwort, 3i, Lloyds and the Group Companies dated 1 July, 30 July, 5 August and 12 August all in the year 2003;

"Assets" means the whole of the property, (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Group Companies;

"BoS Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to BoS by the Group Companies, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not BoS shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which BoS may in the course of its business charge or incur in respect of any of those matters or for keeping the Group Companies' account, and so that interest shall be computed and compounded according to the usual BoS rates and practice as well as after as before any demand made or decree obtained;

"BoS Fixed Security" means (A) the mortgage over the vessel MV Sea Humber granted by BUE Bulk Ltd in favour of BoS dated 27 June 2003 and registered as a first ranking security in The Register of British Ships at the Registry of Shipping and Seamen in Cardiff, (B) the mortgage over the vessel MV Cygnet granted by BUE Cygnet Limited in favour of BoS dated 27 June 2003 and registered as a first ranking security in the Cayman Islands Shipping Registry, George Town, Grand Cayman, and (C) the mortgage to be created over the vessel MV Swan granted by BUE Marine Turkmenistan Limited in favour of BoS to be registered as a first ranking security in the Ships Registry in the Republic of Turkmenistan or such other registry as may be agreed between BoS and BUE Marine Turkmenistan Limited;

"BoS Floating Charges" means the bonds and floating charges granted by the Group Companies in favour of BoS over the Assets dated 27 June 2003 and to be registered with the Registrar of Companies in security for the BoS Debt;

"BoS Priority Amount" means (1) the BoS Debt to the extent of £2,500,000 plus interest and expenses; and (2) the BoS Debt to the extent of any sums in excess of £2,500,000 plus interest and expenses thereon provided the Requisite Consents have been obtained;

"BoS Securities" means the BoS Fixed Security and the BoS Floating Charges;

"Finance Parties" means both and each of BoS and Kleinwort;

"Investment Agreements" means each of (A) the investment agreement dated 8 July 1999 between (1) BUE Marine Limited; (2) the Directors (as defined therein) and (3) 3i, whereby 3i agreed to provide a facility of £2,000,000 to BUE Marine Limited by way of unsecured loan and equity and (B) the investment agreement dated 10 July 1997 between (1) BUE Marine Limited; (2) the Directors (as defined therein) and (3) 3i, whereby

3i agreed to invest £3,000,000 in BUE Marine Limited by way of secured loan and equity as amended by side letter on 8 July 1999 and **"Investment Agreements"** means all of them;

"Kleinwort Debt" means all sums due and to become due to Kleinwort by the Group Companies whether as principal debtor, co-obligant, guarantor, surety or otherwise (including all present, future or contingent obligations owed to Kleinwort, whether such obligations exist now or arise in the future) together with interest and charges, interest on them and all commission, charges, fees, costs and expenses arising or incurred in connection with those sums;

"Lloyds Debt" means all sums due and to become due to Lloyds by the Group Companies whether as principal debtor, co-obligant, guarantor, surety or otherwise (including all present, future or contingent obligations owed to Lloyds, whether such obligations exist now or arise in the future) together with interest and charges, interest on them and all commission, charges, fees, costs and expenses arising or incurred in connection with those sums, other than the debt secured by the Lloyds Security;

"Lloyds Security" means the securities granted or to be granted in favour of Lloyds by certain Group Companies, details of which are set out in Schedule 3 to the Agreement;

"Mezzanine Agreement" means the Facility Letter dated 8 July 1999 (and amended by Side Letter dated 18 September 2002) between Kleinwort and BUE Marine Limited;

"Postponed Creditors" means the Trustee and 3i;

"Postponed Debt" means the Kleinwort Debt, the 3i Debt and that part of the Lloyds Debt not secured by the Lloyds Security;

"Postponed Securities" means the Trustee Security and the 3i Security;

"Preferential Payments" means payments to which a preference attaches in terms of Section 175 and 386 of the Insolvency Act 1986;

"Requisite Consents" means the consent of each of the Group Companies, Kleinwort and 3i to any increase in the BoS Priority Amount beyond £2,500,000 and interest and expenses thereon;

"Securities" means the Lloyds Security, the BoS Securities and the Postponed Securities;

"Security Period" means the period from the date of the Agreement to the date on which the BoS Securities are fully discharged;

"Trustee" means BoS in its capacity as agent and Security Trustee for and on behalf of Kleinwort in accordance with the terms of the agency agreement between BoS (as senior bank and Security Trustee), Kleinwort and BUE Marine Limited dated 8 July 1999;

"Trustee Security" means all fixed and floating charges and other security and guarantees and all collateral or substituted securities for the time being held by the Trustee and given by the Group Companies (or any of them) as security for the payment and/or discharge of the Kleinwort Debt; and

"Trustee Security Priority Amount" means all present or future sums, liabilities and obligations whatsoever payable or owing by the Group Companies or any of them to Kleinwort under the Mezzanine Agreement including interest, fees and expenses.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF AN ALTERATION TO A FLOATING CHARGE

Company number 137320

I hereby certify that particulars of an instrument of alteration dated
12 AUGUST 2003

were delivered pursuant to section 410 of the Companies Act, 1985,
on 29 AUGUST 2003.

The instrument relates to a charge created on 8 JULY 1999

by BUE CASPIAN LIMITED

in favour of

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND AS AGENT
AND SECURITY TRUSTEE

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
1 SEPTEMBER 2003



C O M P A N I E S H O U S E



N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

REGISTER of Charges, Alterations to Charges,

COMPANY: SC137320 CHARGE: 5

| (1) Date of Registration | (2) Serial Number of Document on File | (3) Date of Creation of each Charge and Description thereof | (4) Date of the aquisition of the Property | (5) Amount secured by the Charge £ | (6) Short Particulars of the Property Charged | (7) Names of the Persons entitled to the Charge |
|--------------------------------|---|--|--|---|--|--|
| 19/07/1999 | | 8/ 7/99 FLOATING CHARGE | | ALL SUMS DUE, OR TO BECOME DUE | UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL | THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND AS AGENT AND SECURITY TRUSTEE |

Memoranda of Satisfaction and Appointments etc. of Receivers

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC137320 CHARGE: 5

| (8) | (9) | (10) | (11) | (12) | | |
|---|--|---|---------------------------|----------|---------------------|------------------------|
| In the case of a floating charge, a statement of the provisions, if any, prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with the floating charge. | In the case of a floating charge, a statement of the provisions if any regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property the subject of the floating charge or any part of it. | Amount or rate per cent of the Commission Allowance or discount | Memoranda of Satisfaction | Receiver | | |
| | | | | Name | Date of Appointment | Date of Ceasing to act |
| <p>COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE</p> | | | | | | |

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC137320 CHARGE: 5

| Instruments of Alteration to a Floating Charge | | | | | |
|--|---|---|---|---|---|
| (13) Date of Execution | (14) Names of the persons who have executed the instrument | (15) The provisions, if any, prohibiting or restricting the creation by the Company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with, the floating charge. | (16) The provisions, if any, varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges. | (17) Short particulars of any property released from the floating charge | (18) The amount, if any, by which the amount secured by the floating charge has been increased. £ |
| | 3I GROUP PLC THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND LLOYDS TSB BANK PLC BUE CASPIAN LLOYDS TSB BANK PLC AND OTHERS 3I GROUP PLC DRESDENER KLEINWORT WASSERSTEIN LIMITED THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND | | | | |