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

CHFP025

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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

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

For official use

Company number

[1/13]

137656

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

Name of company

* FIFE ENERGY LIMITED (the "Company")

* insert full name
of company

Date of creation of the charge (note 1)

25 September 1998

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

EL PASO ENERGY INTERNATIONAL COMPANY, a Delaware limited liability company
having its principal place of business at 1001 Louisiana Street, Houston,
Texas 77002, USA for itself and as trustee for any member of the El Paso
Group (as hereinafter defined)

Short particulars of all the property charged

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

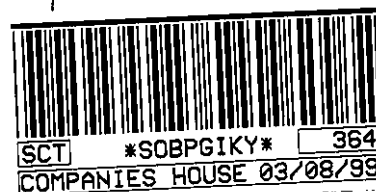
Presentor's name address and
reference (if any):

Maclay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

DX: ED137 Edinburgh
IHR/AJM/ELP/1/1/klh

For official use
Charges Section

Post room



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

1. Fife Energy Limited (Company Number 137656) having its registered office at Westfield Development Centre, Cardenden, Fife, KY5 0HP ("the Company").
2. The Governor and Company of the Bank of Scotland acting through its Corporate Banking (International) Division based at Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2UG for itself and as agent for the Senior Creditors pursuant to the Senior Facility Agreement and the Subordinated Creditors pursuant to the Subordinated Facility Agreement ("the Security Trustee").
3. El Paso Energy International Company, a Delaware limited liability company having its principal place of business at 1001 Louisiana Street, Houston, Texas 77002 ("El Paso Energy") for itself and as trustee for any member of the El Paso Group (El Paso Energy for itself and as trustee foresaid being herein referred to as "El Paso")

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bold block lettering

Date(s) of execution of the instrument of alteration

20 July 1999

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

Any present or future standard security, floating charge or other charge granted by the Company to either the Security Trustee or El Paso (other than the Securities (as after defined)) shall (unless otherwise agreed in writing between the Security Trustee and El Paso) not prejudice the ranking provisions detailed in the instrument of alteration notwithstanding any provision contained in any of the Securities or any such future charge or any rule to the contrary.

Short particulars of any property released from the floating charge

Not applicable

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

Not applicable

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

The Securities shall rank in the following order of priority:-

(FIRST) The Security Trustee's Share Pledge in respect of all sums secured thereby and the El Paso Standard Securities in respect of all sums secured thereby;

(SECOND) The Security Trustee's Floating Charge in respect of all sums secured thereby to the extent that such charge extends to the Shares and the El Paso Floating Charge in respect of all sums secured thereby to the extent that such charge extends to any assets of the Company other than the Shares;

(THIRD) The El Paso Floating Charge in respect of all sums secured thereby;

(FOURTH) The Security Trustee's Floating Charge in respect of all sums secured thereby;

and that notwithstanding the dates on which the Securities are registered or the terms of the Securities or the terms of any instruments of alteration dated prior to this instrument of alteration affecting any of the Securities.

The above provisions as to ranking shall be valid and effective, and the Securities shall be given effect subject to the above provisions as to ranking, all irrespective of the date or dates on which sums due or becoming due to the Security Trustee or El Paso Energy or any member of the El Paso Group have or shall become due, and irrespective of fluctuations in such sums.

Further definitions:-

"the Additional Property" means the areas of ground at Westfield Development Centre, Cardenden, Fife (such areas currently forming part of the subjects registered in the Land Register of Scotland under Title Number FFE 28926 and part of the subjects registered in the Land Register of Scotland under Title Number FFE 14844) all as more particularly described in and secured by the El Paso 1999 Standard Security;

"the Security Trustee's Share Pledge" means a pledge of shares over the Shares dated 20 July 1999 and to be delivered to the Registrar of Companies for registration;

"the Security Trustee's Floating Charge" means a floating charge dated 20 July 1999 and to be delivered to the Registrar of Companies for registration;

"the El Paso Floating Charge" means a floating charge dated 25 September 1998 and delivered to the Registrar of Companies for registration on 1 October 1998;

"the El Paso 1998 Standard Security" means a standard security over the Property dated 24 September 1998 and registered in the Land Register of Scotland on 1 October 1998 under Title Number FFE5984;

Continuation of the 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

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"the El Paso 1999 Standard Security" means a standard security over the Additional Property dated 20 July 1999 and to be registered in the Land Register of Scotland;

"the El Paso Standard Securities" means the El Paso 1998 Standard Security and the El Paso 1999 Standard Security;

"the El Paso Group" means any company in which El Paso Energy directly or indirectly holds 50% or more of the issued equity share capital;

"the Property" means the areas of ground at Westfield Development Centre, Cardenden, Fife, registered in the Land Register of Scotland under Title Number FFE 5984 as more particularly described in the El Paso 1998 Standard Security;

"the Shares" means the entire issued share capital of Fife Limited;

"the Securities" shall mean the Security Trustee's Share Pledge, the Security Trustee's Floating Charge, the El Paso Standard Securities and the El Paso Floating Charge;

"the Senior Creditors" is as defined in the Senior Facility Agreement;

"the Senior Facility Agreement" means the facility agreement dated 20 July 1999 between Fife Power (Registered Number SC162872), the Senior Creditors and the Security Trustee providing for credit facilities aggregating £55,000,000;

"the Subordinated Creditors" is as defined in the Subordinated Facility Agreement"

"the Subordinated Facility Agreement" means the facility agreement dated 20 July 1999 between Fife Power (registered number SC162872), the Subordinated Creditors and the Security Trustee providing for credit facilities aggregating £3,000,000.

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

Signed MacRae Date 3/8/99

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



**CERTIFICATE OF THE REGISTRATION OF
AN ALTERATION TO A FLOATING CHARGE**

Company number 137656

I hereby certify that particulars of an instrument of alteration dated
20 JULY 1999

were delivered pursuant to section 410 of the Companies Act, 1985,
on 3 AUGUST 1999.

The instrument relates to a charge created on 25 SEPTEMBER 1998
by FIFE ENERGY LIMITED

in favour of
EL PASO ENERGY INTERNATIONAL FOR ITSELF AND AS TRUSTEE FOR
ANY MEMBER OF THE EL PASO GROUP

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
5 AUGUST 1999



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



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

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: SC137656 CHARGE: 13

(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
01/10/1998		25/ 9/98 BOND & FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	EL PASO ENERGY INTERNATIONAL FOR ITSELF AND AS TRUSTEE FOR ANY MEMBER OF THE EL PASO GROUP

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: SC137656 CHARGE: 13

(8) 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.	(9) 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.	(10) Amount or rate per cent of the Commission Allowance or discount	(11) Memoranda of Satisfaction	(12) Receiver		
				Name	Date of Appointment	Date of Ceasing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						

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

COMPANY: SC137656 CHARGE: 13

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. £
	EL PASO ENERGY INTERNATIONAL COMPANY THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND FIFE ENERGY LIMITED				