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CHFP041

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in black type, or
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* insert full name
of company

COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

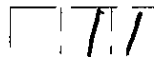
410

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

Pursuant to section 410 of the Companies Act 1985

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

For official use Company number



SC147994

Name of company

* EPR SCOTLAND LIMITED, a company incorporated in Scotland, having its registered
office at 191 West George Street, Glasgow, G2 2LB (the "Assignor")

Date of creation of the charge (note 1)

Dated 9 and 16 December 2004 and intimated on 16 December 2004

Description of the instrument (if any) creating or evidencing the charge (note 1)

Supplemental Scottish Assignment in Security (the "Charge")

Amount secured by the charge

All present and future obligations and liabilities of the Assignor to the Bank under the Charge and under the Agreement and the other Finance Documents and/or any deed or document supplemental thereto, whether actual, contingent, sole, joint and/or several or otherwise including, without prejudice to the foregoing generality, all obligations to indemnify the Bank.

See Paper Apart for Definitions.

Names and addresses of the persons entitled to the charge

The Governor and Company of the Bank of Scotland acting through its Corporate Banking Division based at New Uberior House, 11 Earl Grey Street
Edinburgh, EH3 9BN (the "Bank")

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

Dundas & Wilson CS LLP
20 Castle Terrace
Edinburgh
EH1 2EN

PJR/KAA/MPS/BOS001.2073

For official use (10/03)

Charges Section

Post room



Short particulars of all the property charged

Its whole right, title, interest and benefit in and to:

1. the Contracts; and
2. all Rights of the Assignor relative to the Contracts.

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

Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provision (note 2)

1. The security granted by the Assignor, and any security interest constituted by the Assignor, pursuant to the Charge shall rank in point of security in priority to the floating charge created by the Floating Charge and to all other Encumbrances created or subsisting from time to time over all or any part of the Assigned Rights.

2. The Assignor, undertakes that except with the prior written consent of the Bank or as expressly permitted by the terms of any Finance Document it shall not during the Security Period create, incur, assume or permit to subsist any Encumbrance, save for any Permitted Encumbrance, on all or any part of the Assigned Rights.

See Paper Apart for Definitions.

Particulars as to commission, allowance or discount paid (see section 413(3))

N/A

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

Signed

Date

23/12/04

On behalf of [company] [chargee]†

Notes

1. A description of the instrument e.g. "Standard Security" "Floating Charge" etc, should be given. For the date of creation of a charge see section 410(5) of the Act. (Examples - date of signing of an Instrument of Charge; date of recording/registration of a Standard Security; date of intimation of an Assignment.)

† delete as
appropriate

2. In the case of a floating charge a statement should be given of (1) the restrictions, if any, on the power of the company to grant further securities ranking in priority to, or pari passu with the floating charge; and/ or (2) 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 which is the subject of the floating charge or any part of it.

3. A certified copy of the instrument, if any, creating or evidencing the charge, 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 the creation of the charge. In the case of a charge created out of the United Kingdom comprising property situated outside the U.K., within 21 days after the date on which the copy of the instrument creating it could, in due course of post, and if despatched with due diligence, have been received in the U.K. Certified copies of any other documents relevant to the charge should also be delivered.

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 House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh or LP-4 Edinburgh 2

This is the Paper Apart referred to in the foregoing Form 410 in respect of a Supplemental Scottish Assignment in Security created on 16 December 2004 and intimated on 16 December 2004 granted by EPR Scotland Limited in favour of the Governor and Company of the Bank of Scotland.

In the Interpretation of this Form 410:-

"Agreement" means the Facility Agreement between the Assignor and the Bank dated 25 July 1997 as supplemented on 13 February 1998 and 4 May 1999 and amended and restated by an amendment and restatement agreement dated 21 and 22 June 2004 (**the Agreement**).

Amendment and Restatement Agreement means the amendment and restatement agreement relating to the Agreement between the parties to the Agreement.

Amendment and Restatement Effective Date means the Effective Date (as defined in the Amendment and Restatement Agreement).

"Assigned Rights" means the assets and rights assigned or to be assigned in security by or pursuant to the Charge.

"Bank Accounts" means each of the Proceeds Account, the Debt Service Reserve Account, the Operation and Maintenance Reserve Account, the Insurances Account and the Compensation Account.

"Bank Engineer" means PB Power Limited or such other firm of independent consulting engineers as may be appointed by the Bank from time to time with the consent of the Borrower, such consent not to be unreasonably withheld or delayed.

"Bank Insurance Consultant" means Sedgwick Bankrisk Limited in their capacity as insurance advisers to the Bank in relation to the Project and/or such other insurance advisers as the Bank may appoint with the approval of the Borrower (such approval not to be unreasonably withheld or delayed) as such from time to time.

"Borrower" means the Assignor.

"Compensation Account" means an account opened by the Borrower pursuant to Clause 8.5 of the Agreement.

"Contracts" means each of:-

- (a) the management, technical and administration services agreement dated 9 December 2004 between the Assignor and Energy Power Resources Limited in relation to the provision of Services (as defined therein) by Energy Power Resources Limited to the Assignor; and
- (b) the ash purchase agreement dated 9 December 2004 between the Assignor and Fibrophos Limited in relation to the sale of ash produced at the Plant.

"Debt Service Reserve Account" means a deposit account opened by the Borrower pursuant to Clause 8.2 of the Agreement.

"Direct Agreements" means the Supplier's Direct Agreement, the Purchasers' Direct Agreements and the Equity Providers' Direct Agreement, any direct agreement delivered pursuant to Clause 3.1 of the Equity Provider's Direct Agreement and any other agreement designated as such by the Bank and the Borrower in writing.

"Effective Date" has the meaning given to it in the Agreement.

"Electra" means Electra Fleming Private Equity Partners, acting through its general partner Electra Fleming GP (Unquoted UK) Limited.

"Electricity Purchase Contract" means the document referred to as such in paragraph 4 of Part 5 of the Schedule of the Agreement, pursuant to which Scottish Power UK plc (formerly known as Scottish Power plc) and Scottish and Southern Energy plc (formerly known as Scottish Hydro-Electric plc) (as each may have transferred its undertaking thereunder by virtue of a Transfer Certificate under paragraphs 2(1) and 3(1) of Schedule 7 to the Utilities Act 2000) agree to purchase the projected output of 9.8MW of electricity from the Plant and includes any New Electricity Purchase Contract.

"Encumbrance" includes fixed or floating security including, without limiting the generality, any standard security, assignation in security, pledge, floating charge, hypothecation, security interest, title retention or other preferential right having the effect of creating security.

"Equity Provider" means the Parent and its assignees and transferees permitted by the terms of the Agreement or the Equity Provider's Direct Agreement.

"Equity Providers' Direct Agreement" means the direct agreement between the Equity Provider, the Borrower and the Bank relating (inter alia) to the provision of equity finance and any further direct agreement granted pursuant to Clause 3.1 thereof as amended by a Supplemental Equity Providers' Direct Agreement (the "Supplemental Equity Providers' Direct Agreement") between the same parties and dated on or around the Amendment and Restatement Effective Date.

"Finance Documents" means the Agreement, the Security Documents, the Inter-Creditor Agreement, the Ranking Agreement, the Direct Agreements, the Insurance Programme, each Letter of Credit and any other document designated as such by the Bank and the Assignor.

"Financial Close" means 13 February 1998.

"Floating Charge" means a Bond and Floating Charge by the Assignor in favour of the Bank dated 13th February 1998.

"Insurance Account" means an account opened by the Borrower pursuant to Clause 8.5 of the Agreement.

"Insurance Programme" means the programme of insurances required by the Bank from time to time following consultation with the Bank Engineer and the Bank Insurance Consultant and notified to the Borrower and being initially in the form set out in Part 4 of the Schedule to the Agreement.

"Insurances" has the meaning given to it in the Agreement.

"Inter-Creditor Agreement" means the inter-creditor agreement to be entered into prior to Financial Close between the Borrower (1), the Bank (2) and the Subordinated Creditor (3) as amended by a supplemental inter-creditor agreement between the same parties and dated on or around the Amendment and Restatement Effective Date.

"Letter of Credit" has the meaning given to it in the Agreement.

"Marshall Supply Contract" means the document referred to as such in paragraph 3 of Part 5 of the Schedule of the Agreement, pursuant to which Marshall Food Group Limited agrees to supply poultry litter to the Borrower.

"New Administration Services Agreement" means an agreement between the Borrower and the Parent in the Required Form relating to the provision of administration services for the Borrower for the payment of an administration fee.

"New Ash Purchase Contract" means an agreement between the Borrower and Fibrophos Limited in the Required Form pursuant to which Fibrophos Limited will agree to purchase ash produced by the Plant.

"New Electricity Purchase Contract" means a replacement purchase contract between the Borrower and the Non-Fossil Purchasing Agency Limited on similar terms to the Electricity Purchase Contract concluded in connection with the implementation of the new British Electricity Trading and Transmission Arrangements in Scotland presently targeted for in or around April 2005.

"Operation and Maintenance Reserve Account" means a deposit account opened by the Borrower pursuant to Clause 8.4 of the Agreement.

"Parent" means Energy Power Resources Limited (registered in England and Wales number 03302734).

"Permitted Encumbrances" means:

- (a) Encumbrances in favour of the Bank;
- (b) any lien arising solely by operation of law in the ordinary course of the business of the Borrower in respect of any obligation which is not overdue for settlement;
- (c) servitudes, wayleaves, reservations, conditions, burdens and other Encumbrances referred to in the certificate of title provided to the Bank by the Borrower's solicitors;
- (d) Encumbrances arising out of title retention provisions in a supplier's standard conditions of supply of goods entered into in the ordinary course of business; and
- (e) Encumbrances granted with the prior written consent of the Bank.

"Plant" means the generating facilities and ancillary equipment installed and commissioned in relation to the Project.

"Proceeds Account" means an account opened by the Borrower pursuant to Clause 8.1 of the Agreement.

"Project" means the construction, commissioning and operation of the biomass electricity generating power station referred to in Recital (A) of the Agreement.

"Project Documents" means the documents referred to in Part 5 of the Schedule of the Agreement.

"Purchasers' Direct Agreements" means the direct agreements entered into between the Bank, the Borrower, and, respectively, Scottish Power UK plc (formerly known as Scottish Power plc) and Scottish and Southern Energy plc (formerly known as Scottish Hydro-Electric plc) relating, *inter alia*, to termination of the Electricity Purchase Contract (and any replacement direct agreement with any counterparty delivered in connection with any New Electricity Purchase Contract and/or pursuant to Clause 19.4.4 of the Agreement).

"Ranking Agreement" means an agreement between the Bank and Electra in relation to the Securities Charge and Electra's Securities Charge (as defined in the Ranking Agreement) in the Required Form.

"Required Form" means, in relation to any document, as required in respect of both the form and substance thereof by the Bank.

"Rights" in relation to any contract, document, agreement or arrangement includes:-

- (a) the right to receive all and any moneys payable thereunder;
- (b) the proceeds of any payment thereunder;
- (c) all claims for damages for any breach thereof (except for a breach by the Assignor);
- (d) the benefit of all warranties and indemnities contained therein;
- (e) any right to terminate the same; and
- (f) the right to perform and observe the provisions of the same and to compel the performance and observance of the same.

"Secured Liabilities" means all present and future obligations and liabilities of the Assignor to the Bank under the Charge and under the Agreement and the other Finance Documents and/or any deed or document supplemental thereto, whether actual, contingent, sole, joint and/or several or otherwise including, without prejudice to the foregoing generality, all obligations to indemnify the Bank.

"Site" means that part of the site at Westfield Development Centre, Westfield, Fife, Scotland owned by the Borrower and on which *inter alia* the Plant has been constructed and is being operated.

"Subordinated Creditor" means the Parent.

"Supplier's Direct Agreement" means the direct agreement entered into between Marshall Food Group Limited, the Borrower and the Bank relating *inter alia* to the termination of the Marshall Supply Contract.

"Security Documents" means:

- (a) standard securities granted by the Borrower over its interest in the Site (each a **Standard Security**);
- (b) an assignment in security granted by the Borrower, over its rights, title and interest in and to, respectively, *inter alia* the Project Documents, the Bank Accounts and the Insurances (**the Assignment**);
- (c) a bond and floating charge granted by the Borrower over all its assets (**the Floating Charge**);
- (d) a fixed security over all the issued share capital of the Borrower held by the Parent and entered into between the Parent and the Bank (**the Securities Charge**); and
- (e) any security granted from time to time pursuant to (i) Clause 3.1 of the Equity Provider's Direct Agreement or (ii) Clause 4.2 of the Inter-Creditor Agreement or (iii) any further assurance undertaking or covenant in any Finance Document;
- (f) a supplemental assignment in security granted by the Borrower, over its rights, title and interest in and to, the New Ash Purchase Contract and the New Administration Services Agreement (**the Supplemental Assignment**);

- (g) any assignation in security of a New Electricity Purchase Contract granted by the Borrower pursuant to Clause 19.4.3.13 of the Agreement;
- (h) any assignation in security of any power purchase contracts granted by the Borrower pursuant to Clause 19.4.4 of the Agreement; and
- (i) any other document which the Bank and the Borrower agrees to in writing is a Security Document;

all in the Required Form.

"Security Period" means the period beginning on the date of the Charge and ending on the date upon which all the Secured Liabilities which have arisen or which may arise have been irrevocably paid and discharged or the security created by the Charge has been finally released and discharged.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number 147994

I hereby certify that a charge created by

EPR SCOTLAND LIMITED

on 16 DECEMBER 2004

for securing

ALL SUMS DUE UNDER THE CHARGE AND UNDER THE AGREEMENT AND
THE OTHER FINANCE DOCUMENTS

in favour of

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

was delivered pursuant to section 410 of the Companies Act, 1985,
on 23 DECEMBER 2004 given at Companies House, Edinburgh
30 DECEMBER 2004



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



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES