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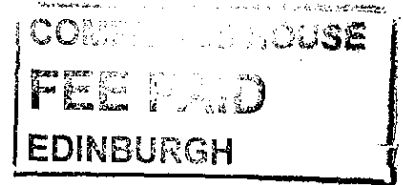
CHWP007

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



Please do not
write in
this margin

Pursuant to section 410 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



SC221042

Name of company

* insert full name
of company

* **ALBA RESOURCE RECOVERY LIMITED (the "Company")**

Date of creation of the charge (note 1)

20 MAY 2004 (the "Charge Date")

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

FLOATING CHARGE (the "Floating Charge")

Amount secured by the charge

The aggregate of all moneys and liabilities whether of principal, interest, charges, commissions, costs (on a full indemnity basis) or otherwise in whatever currency which may at the Charge Date or at any time thereafter (and whether on or at any time after demand by the Security Trustee in accordance with the Financing Documents) be due, owing or incurred by the Borrowers or any other Obligor to each Lender in any manner whatsoever, including without prejudice to the generality of the foregoing under the terms of each of the Financing Documents, and whether actual or contingent and whether alone or jointly with others, as principal, cautioner, guarantor, surety or otherwise, and in whatever name or style (the "Secured Liabilities").

See Paper Apart 1 for definitions

Names and addresses of the persons entitled to the charge

The Royal Bank of Scotland plc**36 St Andrew Square****Edinburgh EH2 2YB**

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

DGME/KRM/6028,484

**Biggart Baillie, Solicitors
Dalmore House,
310 St Vincent Street
Glasgow G2 5QR**

For official use

Charges Section



Short particulars of all the property charged.

All the property (including uncalled capital) which may from time to time, while the Floating Charge is in force, be comprised in the Company's property and undertaking.

Please do not
write in
this margin

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)

Except as may be otherwise agreed in writing by the Security Trustee and subject to sub-section (2) of section 464 of the Companies Act 1985:-

1.1 the Floating Charge shall rank in priority and in preference to:-

1.1.1. any fixed security ("Fixed Security") within the meaning of section 70(1) of the Insolvency Act 1986 which may be created by the Company after the Charge Date, other than any such Fixed Security in favour of the Security Trustee and any Permitted Security Interest which shall in all respects rank in priority and in preference to the Floating Charge; and

1.1.2 any other floating charge which may be created by the Company after the Charge Date,

1.2 no Fixed Security, other than any Fixed Security in favour of the Security Trustee or any Permitted Security Interest, and no other floating charge shall rank in priority or preference prior to or equally with the Floating Charge.

See Paper Apart 1 for definitions

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

N/A

Signed

Bigger & Barker

Date

26 - 5 - 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.)

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

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

† delete as
appropriate

Alba Resource Recovery Limited

Definitions

In this Form 410 the following expressions shall have the meanings shown opposite them: -

| | |
|-----------------------------------|---|
| Bank | RBS and its successors and assignees; |
| Borrowers | MSL, SCC, Scottish Coal Contracts Limited, Castlebridge and the Company; |
| Castlebridge | Castlebridge Plant Limited (registered number 214849); |
| Contractor's Claims | any claims by any opencast contractor against any member of the Group in respect of any opencast contract other than any such claim which is for an amount less than £100,000 provided that the aggregate of such claims of less than £100,000 does not exceed £500,000; |
| Deep Mine | The Scottish Coal (Deep Mine) Company Limited (registered number 180022); |
| Excluded Subsidiaries | Mining (Scotland) Trustees (UK) Limited, (registered number SC154409) Mining (Scotland) Trustees Jersey Limited, and Game Fisheries Limited (registered number SC047223); |
| Facility | the £35,000,000 multi-option facility made available pursuant to the Multi-option Facilities Agreement or (as the context may require) the principal amount owing to the Bank under the Multi-option Facilities Agreement at any relevant time; |
| Facilities | the Facility and the facility provided pursuant to the Term Loan Agreement; |
| Financing Documents | the Term Loan Agreement, the Multi-option Facilities Agreement, the Ranking Agreement and the Security Documents; |
| Group | MSL and its Subsidiaries but excluding the Excluded Subsidiaries and Parkburn Limited (Company Number SC133821); |
| Lenders | the lenders for the time being and from time to time under any of the Financing Documents and "Lender" shall mean any one of them; |
| Multi-option Facilities Agreement | the £35,000,000 multi-option facility agreement dated 4 and 6 July 2001 among (1) MSL, (2) SCC, (3) Deep Mine, (4) Scottish Coal Contracts, (5) Castlebridge (as Borrowers), (6) RBS (as Bank) and (7) RBS (as Security Trustee), as amended and restated pursuant to (i) two supplemental agreements among those parties, other than Deep Mine (dated, respectively, 1 and 6 |

August 2002, and 2 and 8 July 2003) and (ii) a supplemental agreement among those parties, other than Deep Mine, and the Company dated 20 and 24 May 2004;

| | |
|-----------------------------|---|
| MSL | Mining (Scotland) Limited (registered number 143746); |
| Obligor | any person which is expressed to be or which becomes a party to a Financing Document as a borrower or as a guarantor or surety for repayment of all or any part of the Secured Liabilities; |
| Permitted Security Interest | <p>in respect of any member of the Group:-</p> <ul style="list-style-type: none"> (i) any Security Interest created with the consent of the Bank; (ii) any Security Interest constituted by any Security Document; (iii) liens and rights of set-off arising by operation of law in the normal course of business; (iv) any Security Interest by way of title retention arrangements entered into in the ordinary course of business; (v) any Security Interest attaching or constituted pursuant to an order of court restraining disposal of assets arising in connection with court proceedings which are being contested by the relevant member of the Group in good faith and in respect of which the relevant member of the Group has a reasonable prospect of success provided that in the context of the relevant court proceedings a specific sum is sued for and the principal amount of such sum does not exceed £200,000; (vi) any Security Interest created in favour of a pursuer or defender in any court proceedings as security for costs or expenses or for the amount of any prospective or recorded decree where any member of the Group is pursuing or defending such proceedings in good faith (whether at first instance or on appeal and has a reasonable prospect of success in such proceedings provided that in the context of the relevant court proceedings a specific sum is sued for and the principal amount of such sum does not exceed £250,000 save where MSL or SCC enjoys the benefit of a bond of caution or such other form of security or assurance having a similar effect in respect of a Contractors' Claim where no such limit shall apply; (vii) any Security Interest over any assets or Subsidiary acquired by any member of the Group after the date of this Agreement if: <ul style="list-style-type: none"> (a) the relevant Security Interest over the relevant asset existed at the time of its acquisition; |

- (b) such Security Interest was not created in contemplation of such acquisition;
 - (c) the principal amount outstanding and secured thereby at the time of such acquisition does not exceed £500,000;
 - (d) the principal amount outstanding and secured hereby at the time of such acquisition is not thereafter increased; and
 - (e) such Security Interest is discharged within one week of the acquisition of the relevant asset(s);
 - (viii) any Security Interest which any member of the Group is required to create in order to comply with the Coal Industry Act 1994 or comply with a requirement of the Coal Authority established pursuant to Section 1 of the Coal Industry Act 1994; and
 - (ix) the Security Interests constituted by the Secretary of State Security Documents;
- Ranking Agreement the ranking agreement among (1) MSL, (2) SCC, (3) Scottish Coal Contracts, (4) Castlebridge, (5) RBS in various different capacities and (6) The Secretary of State for Trade and Industry, dated on or about the date of the Floating Charge;
- RBS The Royal Bank of Scotland plc;
- Scottish Coal Contracts Scottish Coal Contracts Limited (registered number 209665);
- SCC The Scottish Coal Company Limited (registered number 209665);
- Security Documents all documents executed or to be executed in order to give the Bank security or any other form of support in connection with either of the Facilities;
- Security Trustee RBS having its registered office at 36 St Andrew Square, Edinburgh or any successor in its capacity as security trustee under the Trust Deed;
- Term Loan Agreement the loan agreement dated 4 and 6 July 2001 among SCC, RBS as security trustee, RBS as agent, and the Banks therein referred to, as amended and restated pursuant to (i) two supplemental agreements among those parties (dated, respectively, 1 and 6 August 2002, and 2 and 8 July 2003) (ii) a supplemental agreement of even date with Agreement, in respect of a £30,000,000 secured syndicated term loan facility;
- Trust Deed the Trust Deed dated 29 December 1994 among *inter alia* RBS as security trustee, RBS as agent and the banks therein named in respect of the Security Documents as amended;

| | |
|------------------------------|---|
| Secretary of State Documents | the floating charge granted by MSL in favour of the Secretary of State for Trade and Industry dated 30 December 1994 and registered with the Register of Companies on 5 January 1995, about 31 March, 30 June, 30 September and 31 December in such financial year; |
| Security Interest | any floating charge, standard security, mortgage, charge, pledge, assignation or assignment in security, lien, right of set off, hypothecation, right in security, trust arrangement for the purpose of provision of security, title retention or conditional sale arrangement or any other security interest agreement or arrangement whatsoever, howsoever created or arising but excluding finance leases and hire purchase agreements; and |
| Subsidiary | (a) a subsidiary (as defined in section 736 of the Companies Act 1985) for the time being of MSL and (b) a subsidiary undertaking (as defined in section 258 of the Companies Act 1985) from time to time of MSL (and "Subsidiaries" shall refer to all such subsidiaries and subsidiary undertakings provided that for all purposes of the Financing Documents any reference to a Subsidiary or Subsidiaries shall exclude the Excluded Subsidiaries). |

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number 221042

I hereby certify that a charge created by

ALBA RESOURCE RECOVERY LIMITED

on 20 MAY 2004

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of THE ROYAL BANK OF SCOTLAND plc

was delivered pursuant to section 410 of the Companies Act, 1985,
on 27 MAY 2004 given at Companies House, Edinburgh
1 JUNE 2004



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

Alteration to Charges

Memoranda of Satisfaction

AND

Appointments and Cessations

of Receivers

OF

ALBA RESOURCE RECOVERY LIMITED

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: SC221042 CHARGE: 1

| (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 |
|--------------------------------|---|--|--|---|--|---|
| 27/05/2004 | | 20/ 5/04 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 ROYAL BANK OF SCOTLAND plc |

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: SC221042 CHARGE: 1

| (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> <p>Memoranda</p> <p>...</p> | | | | | | |