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Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not
write in
this margin

Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies

For official use Company number

00025139

Note
Please read the
notes on page 3
before completing
this form

Name of company

* HEART OF ENGLAND NEWSPAPERS LIMITED

*Insert full name
of company

†Insert name(s) and
address(es) of all
the directors

We†FREDERICK PATRICK MAIR JOHNSTON, residing at 1 Grange Terrace, Edinburgh, TIMOTHY JOHN BOWDLER, residing at 62 Northumberland Street, Edinburgh and MARCO LUIGI AUTIMIO CHIAPPELLI, residing at 21 Braid Farm Road, Edinburgh (it being acknowledged and declared that the said FPM Johnston has signed one copy of this form 155(6)a at one venue and that the said TJ Bowdler and MLA Chiappelli have signed a separate copy thereof at another venue but with the intent that the declarations given thereon should be regarded as the same statutory declaration required by and complying with Section 155(6) of the Companies Act 1985).

§ Delete as
appropriate

†Delete whichever
is inappropriate

~~the sole director~~ [all the directors] of the above company do solemnly and sincerely declare that:

The business of the company is:

~~(a) that of a recognised bank or licensed institution within the meaning of the Banking Act 1979~~ †
~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~ †

(c) something other than the above †

The company is proposing to give financial assistance in connection with the acquisition of shares in the ~~company~~ [company's holding company] s Courier Publishing Limited

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].

The number and class of the shares acquired or to be acquired is: 1,999,300 Ordinary Shares of £1 each and 10 Preferred US Dollars Shares of 0.1 US Cent each.

Presentor's name, address and
reference (if any):
Dundas & Wilson CS
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN
Ref:RM/ASM/MPS/R2000.159

For official use
General Section

Post room



The assistance is to be given to: (note 2)

Johnston Press plc (Company Number 15382) with its Registered Office at 53 Manor Place, Edinburgh EH3 7EG

Please do not
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Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

See Paper Apart 1

The person who [has acquired] ~~[will acquire]~~* the shares is:
Johnston Press plc

*Delete as
appropriate

The principal terms on which the assistance will be given are:

See Paper Apart 2

The amount of cash to be transferred to the person assisted is £

Nil

The value of any asset to be transferred to the person assisted is £

Nil

The date on which the assistance is to be given is

First July

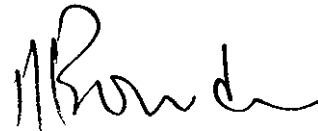
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Page 2

Paper Apart to Form 155(6)a

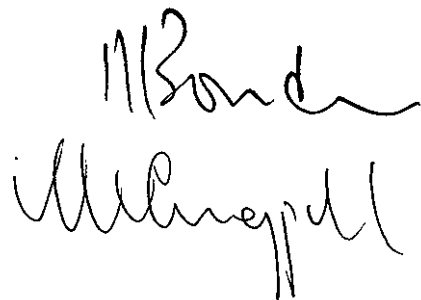
Paper Apart 1

1. The Company will enter into an Accession Agreement ("the Accession Agreement") with The Royal Bank of Scotland plc as arranger and agent for itself and for the Banks from time to time party to the Facility Agreement referred to below ("the Agent") in terms of which the Company will affirm and ratify a Facility Agreement ("the Facility Agreement") dated 4th June 1996 among *inter alia* the Company, the Banks (as defined therein), the Agent, and RBS as security trustee, for itself and for the Agent, the Banks and RBS as provider of the RBS Facilities referred to therein (in this capacity "the Security Trustee") in terms of which the Company will affirm and ratify the Facility Agreement and will agree to observe and be bound by and to perform the terms and provisions of the Facility Agreement as if it were an original party to the Facility Agreement including, but without limitation, the obligations contained in Clause 11 of the Facility Agreement *inter alia* to guarantee due and punctual payment of all monies and performance of all other obligations expressed to be payable as performed by each other Debtor Party under the Finance Documents (including the Facility Agreement).
2. In security of the obligations assumed *inter alia* pursuant to the Accession Agreement the Company will enter into a Debenture ("the Debenture") in favour of The Royal Bank of Scotland plc as Security Trustee comprising fixed charges over certain of the Company's assets and a floating charge over its whole property and undertaking present and future.
3. In security of the obligations assumed *inter alia* pursuant to the Accession Agreement the Company will enter into an Unlimited Inter Company Composite Guarantee ("the Guarantee") in favour of RBS pursuant to which the Company will guarantee to discharge all the Obligations of each Debtor defined therein.



Paper Apart 2

1. The principal terms of the Accession Agreement are that the Company will affirm and ratify the Facility Agreement and agrees to observe and be bound by and perform the terms and provisions of the Facility Agreement insofar as they apply to an Operating Subsidiary (as defined therein) as if it were an original party to the Facility Agreement including, but without limitation, the provisions of Clause 11 of the Facility Agreement in terms of which each Debtor Party (as therein defined) *inter alia*:
 1. guarantees the due and punctual payment of all moneys and performance of all other obligations expressed to be payable or performed by each other Debtor Party under the Finance Documents (including the Facility Agreement); and
 2. agrees that, if at any time or from time to time any of the moneys expressed to be payable by any other Debtor Party under any Finance Document (whether at any stated date of payment, by acceleration, on demand or otherwise) are not paid on the stated due date therefor, or if any of its other obligations are not performed, the Guarantor will forthwith upon demand therefor made by the Agent (or by any Bank, through the Agent) upon it unconditionally pay for the account of the person or persons beneficially entitled thereto in the manner and currency required by the relevant Finance Document the moneys the payment of which has not been made as aforesaid; to the intent that the amounts so payable shall be such amounts as will result in such person or persons receiving the same amounts as would have been received had such payments been duly made by the other Debtor Party in accordance with the terms of the relevant Finance Document, or (as appropriate) procure the performance of the other obligations in question.
2. The principal terms of the Debenture are that the Company will pay or discharge all the Secured Liabilities (as therein defined) on the due date therefor in accordance with the terms of the Funding Documents (as therein referred to) to which it is a party and grants the Debenture referred to at paragraph 2 of Rider 1 in security therefor.
3. The principal terms of the Guarantee are that the Company will jointly and severally guarantee to discharge on demand all the Obligations (as therein defined) of each Debtor (as therein defined) with interest at the rate(s) charged to each Debtor (as therein defined) by RBS in respect of that Debtor's Obligations from the date of demand.



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this margin

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Delete either (a) or
(b) as appropriate

~~We~~ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~We~~ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date] † (note 3)

(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.] † (note 3)~~

And ~~We~~ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Edinburgh

Declarants to sign below

the First day of Jan

One thousand nine hundred and ninety eight

before me

[Signature]
Notary Public

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

[Signature]
[Signature]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account-see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

Edinburgh

AUDITORS' REPORT TO THE DIRECTORS OF HEART OF ENGLAND NEWSPAPERS
LIMITED ("THE COMPANY") PURSUANT TO SECTION 156 (4) OF THE COMPANIES
ACT 1985

We have examined the attached statutory declaration of the directors dated 1 July 1996 in connection with the proposal that the company should give financial assistance for the purchase of the whole issued capital of its holding company Courier Publishing Limited.

Respective responsibilities of directors and auditors

The company's directors are responsible for the statutory declaration. It is our responsibility to review the bases for the declaration, based on our enquiries into the state of the company's affairs, and to provide a report to the directors.

Basis of opinion

We have enquired into the state of the company's affairs so far as necessary for us to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.



Arthur Andersen
Chartered Accountants
Registered Auditors
1 July 1996