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## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

Pursuant to section 395 of the Companies Act 1985

CHA 116

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

\*insert full name  
of company

To the Registrar of Companies

For official use

Company number

7111

02650621

Name of company

\* Derwent Cogeneration Limited (the "Chargor")

Date of creation of the charge

10 September 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

Third Additional Debenture (the "Third Additional Debenture") dated 10 September 1998 between the Chargor and Barclays Bank plc (the "Security Trustee").

Amount secured by the mortgage or charge

All monies, obligations and liabilities whether actual or contingent, now or hereafter due, owing or incurred by the Borrower:

- 6  
1--
- (i) to any Senior Finance Creditor under any Financing Document; *or*
  - (ii) to any Senior Finance Creditor under any Hedging Agreements;
  - AND*
  - (iii) to the Power Purchaser in respect of the payments referred to in the Contract for Differences and any unpaid instalment of the Overrun Loan made under the Contract for Differences; or
  - (iv) *to* the Power Purchaser or Southern Electric Power Generation Limited under the Agreement Re EIB Guarantees (the "Secured Obligations").

(Capitalised terms are defined on the Continuation Sheets)

Names and addresses of the mortgagees or persons entitled to the charge

Barclays Bank plc (as security trustee for and on behalf of the Senior Finance Creditors) of 5 The North Colonnade, Canary Wharf, London E14 14BB

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

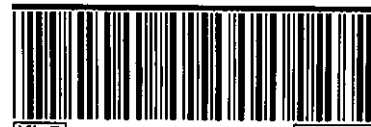
Shearman & Sterling  
199 Bishopsgate  
London  
EC2M 3TY

Ref: WE (9287/4)

Time critical reference

For official use  
Mortgage Section

Post room



KLO \*K5WDS9UT\* 1814  
COMPANIES HOUSE 23/09/98

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1. The Chargor as beneficial owner charges to the Security Trustee by way of first fixed charge (and as regards all those parts of the freehold and leasehold property in England and Wales now vested in the Chargor by way of first legal mortgage insofar as the Chargor has a legal interest therein) as a continuing security for the payment and discharge of the Secured Obligations all of its rights, title, benefit and interest in the following assets, both present and future from time to time:

(a) all freehold and leasehold property (including, without limitation, the property registered under title number DY230705) and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land (other than landlord's fixtures and fittings) together with all rights, easements and privileges appurtenant to, or benefitting, the same;

(b) all plant, machinery, vehicles, computers and office and other equipment and the benefit of all contracts and warranties relating to the same (other than the Assigned Documents Proceeds);

(Continued on page 4)

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Particulars as to commission allowance or discount (note 3)

None

Signed Shearn & Sterling Date 23 September 1998

On behalf of [company] [mortgagee/chargee] †

† delete as  
appropriate

## NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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## Particulars of a mortgage or charge (continued)

Continuation sheet No. 1  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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bold block lettering

Company Number

02650621

Name of Company

Derwent Cogeneration (the "Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Acceptable Bank" means an EIB Guarantor that is a Qualifying Bank under the Agreement Amongst Lenders.

"Accounts" means:

- (i) the account opened in the name of the Chargor designated "Derwent Cogeneration Limited - Proceeds Account" with the Account Bank and any sub-accounts into which any such account may be divided (the "Proceeds Account");
  - (ii) the account opened in the name of the Chargor designated "Derwent Cogeneration Limited - Compensation Account" with the Account Bank (the "Compensation Account");
  - (iii) the account opened in the name of the Chargor designated "Derwent Cogeneration Limited - Guarantee Account" with the Account Bank (the "Guarantee Account");
  - (iv) the account opened in the name of the Chargor designated "Derwent Cogeneration Limited - Pool Settlement Account" with the Account Bank (the "Pool Settlement Account");
  - (v) the account to be opened in the name of the Chargor designated "Derwent Cogeneration Limited - Escrow Account" with the Account Bank (the "Escrow Account");
  - (vi) the account to be opened in the name of the Chargor designated "Derwent Cogeneration Limited - EIB Debt Service Reserve Account" with Barclays Bank plc (the "EIB Debt Service Reserve Account"); and
  - (vii) such other accounts as are agreed between the Chargor and the Agent,
- and "Account" means any one of them.

"Account Bank" means Barclays Bank plc acting through its Pall Mall branch or any other branch or such other Bank as the Chargor and the Majority Banks agree.

"Additional Assigned Documents" means:

- (i) the Construction Contract as novated to effect the replacement of Ebasco (UK) Limited by Ebasco Limited; and
  - (ii) the Construction Contract Guarantee re-issued as a consequence of the replacement of Ebasco (UK) Limited by Ebasco Limited,
- and "Additional Assigned Document" means any one of them.

"Additional Assigned Documents Proceeds" means:

- (i) save as provided in (ii) below, all monies of whatsoever kind payable under the Additional Assigned Documents to, or for the account of the Chargor;
- (ii) all amounts in respect of liquidated and other damages payable to the Chargor under the Additional Assigned Documents and all claims for damages made by the Chargor arising out of any breach of any Additional Assigned Document; and
- (iii) all monies which may at any time become payable to, or for the account of, the Chargor pursuant to any policy of insurance which in any way relates to any Additional Assigned Document (other than the insurance policies required by the Facility Agreement).

"Advance" means each borrowing of a portion of the Commitments under the Term Loan Facility, the Working Capital Facility or the Overdraft Facility (as the case may be) by the Chargor or (as the context may require) the principal amount of such borrowing.

"Agreement Re EIB Guarantees" means the agreement dated 11th August 1993 between the Chargor (1), EIB (2), Southern Electric plc (3), Southern Electric Power Generation Limited (4), the Agent (5) and the EIB Guarantors (6).

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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(c) all stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;

(d) all book and other debts, revenues and claims (other than the Assigned Documents Proceeds), whether actual or contingent, whether arising under contracts or in any other manner whatsoever and whether originally owing to the Chargor or purchased or otherwise acquired by it including, without limitation, all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto including, without limitation, reservations of proprietary rights, rights of tracing an unpaid vendor's liens and associated rights;

(e) the Balances and all its rights, title, benefit and interest whatsoever, present and future, in and to the Balances; and

(f) all uncalled capital, goodwill, patents, patent applications, trade marks and service marks (whether registered or not), trade mark applications, service mark applications, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to, intellectual and intangible property,

provided that the security granted pursuant to the above shall not prevent the Chargor creating any Permitted Encumbrance.

2. The Chargor as beneficial owner charges to the Security Trustee by way of first floating charge, as a continuing security for the payment and discharge of the Secured Obligations, its undertaking and all its other property, assets and rights whatsoever and wheresoever, both present and future, including (without prejudice to the generality of the foregoing) heritable property and all other property and assets in Scotland, provided that the security granted pursuant to the above shall not prevent the Chargor creating any Permitted Encumbrance.

3. The Chargor as beneficial owner assigns absolutely (but subject to Clause 13.9 of the Third Additional Debenture) to the Security Trustee, as a continuing security for the payment and discharge of the Secured Obligations:

(a) the Assigned Documents Proceeds and all its rights, title, benefit and interest whatsoever, present or future, in and to the Assigned Documents Proceeds; and

(b) all its other rights, title, benefit and interest in and under (but none of the Chargor's obligations or liabilities under) the Assigned Documents other than in relation to the Pooling and Settlement Agreement, the Initial Settlement Agreement and the NGC Master Connection and Use of System Agreement.

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 2  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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bold block lettering

Company Number

02650621

Name of Company

Derwent Cogeneration (the "Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Ancillary Guarantee" means the guarantee issued by Southern Electric Power Generation Limited in favour of EIB in the form of Annex 1, Part 4 of the EIB Credit Agreement and any guarantee on such terms issued by Southern Electric or any third party in accordance with the provisions of the Agreement Re EIB Guarantees.

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"Anticipated Steam Default" means either a Continuous Steam Interruption or an Intermittent Steam Interruption for the periods mentioned in the Offtaker Direct Agreement.

"Anticipated Steam Termination Notice" means the notice served by Courtaulds plc upon the other parties to the Offtaker Direct Agreement where an Anticipated Steam Default has occurred.

"Assigned Documents" means:

- (i) each Project Document (other than the Loan Stock Trust Deed, the Loan Stock Security, any documents to which the Chargor and the Security Trustee and/or the Agent are the only parties and any other Project Document agreed by the Security Trustee and the Power Purchaser);
  - (ii) each insurance policy and all other documents in connection with each such policy required to be effected in accordance with the Facility Agreement (other than directors and officers liability and employers liability insurance); and
  - (iii) the Additional Assigned Documents,
- and "Assigned Documents" means any one of them.

"Assigned Document Proceeds" means:

- (i) save as provided in (iii) below, all monies of whatsoever kind payable under the Assigned Documents to, or for the account of, the Chargor;
- (ii) all amounts in respect of liquidated and other damages payable to the Chargor under the Assigned Documents and all claims for damages made by the Chargor arising out of any breach of any Assigned Document;
- (iii) all monies which may at any time become payable to, or for the account of, the Chargor pursuant to any policy of insurance which in any way relates to any Assigned Document (other than the insurance policies required by the Facility Agreement); and
- (iv) the Additional Assigned Documents Proceeds.

"Authorised Investments" means, subject to the Inter-Creditor Agreement:

- (i) UK Government sterling securities with less than 2 years to run to maturity; or
- (ii) bank sterling debt obligations in the form of the Accounts or time deposits and/or bankers acceptances up to £25,000,000 in aggregate and not more than £5,000,000 per bank, such bank to have a long term debt rating of AA or better by Standard & Poors Corporation or Aa2 or better by Moody's Investor's Services Inc. and to be an authorised institution under the Banking Act 1989; or
- (iii) any other investment agreed by the Agent.

"Balances" mean:

- (i) in relation to a Particular Account, all monies from time to time standing to the credit of that Account; or
- (ii) as the context may require, the aggregate of all monies from time to time standing to the credit of the Accounts.

"Banks" means the Term Loan Banks, the Working Capital Bank, the Overdraft Bank and the EIB Guarantors (as the case may be), and "Bank" means any one of them.



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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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The Chargor undertakes to the Security Trustee that, during the Security Period, it shall:

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(a) not permit any Encumbrance (other than a Permitted Encumbrance) by the Chargor to subsist, arise or be created or extended over all or any part of its present or future undertaking, assets, rights or revenues to secure or prefer any present or future Indebtedness of the Chargor or any other person;

(b) not sell, transfer, lend or otherwise dispose of or cease to exercise direct control over any part being (either alone or when aggregated with all other disposals falling to be taken into account pursuant to this clause (b) in any 2 year period) material in the reasonable opinion of the Majority Banks in relation to the undertaking, assets, rights and revenues of the Chargor of its present or future undertaking, assets, rights or revenues whether by one or a series of transactions related or not, other than:

(i) as expressly required or permitted by any Relevant Document;

(ii) those assets, rights or revenues no longer required in connection with the Project because of replacement, obsolescence or otherwise for full cash consideration payable on completion of such sale and negotiated on an arm's length basis and if the cash proceeds arising from such disposal (after deducting Tax and expenses and the costs of replacement of any such assets, rights or revenues) in excess of an aggregate of £150,000 (indexed) when taken together with the net proceeds of all other such disposals in the preceding period of 12 months are applied in prepayment of the Term Loan on the next Repayment Date;

(iii) assets, rights and revenues in the ordinary course of the Chargor's business for full consideration and negotiated on an arm's length basis;

(iv) cash required to be applied in the ordinary course of the Chargor's business; or

(v) as permitted under and in accordance with clause 4.1(h) of the Debenture.

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 3  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Chargor Guarantees" means each guarantee, indemnity, bond or other liability giving rise to any right of subrogation, reimbursement or indemnity from the Chargor issued from time to time in respect of the Chargor's obligations (other than the Chargor's obligations in respect of the SLS Trustee Amounts), and "Chargor Guarantee" means any one of them.

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"Chargor Guarantor" means any Shareholder or other person (other than the Agent, an Arranger or a Bank) that issues a Chargor Guarantee.

"Collateral Instruments" means negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible, directly or indirectly for, any liabilities of any person.

"Commitment" means, in relation to a Bank:

- (i) the amount set opposite its name in the relevant part of Schedule 1 in the case of the Term Loan Facility and Working Capital Facility;
  - (ii) in relation to the Overdraft Bank, £1,000,000 in the case of the Overdraft Facility; or
  - (iii) the amount equal to the percentage set opposite its name in the relevant part of Schedule 1 of the Outstanding Amount under each EIB Guarantee issued pursuant to the EIB Guarantee Facility,
- or, as the case may be, in any relevant Transfer Certificate, as increased, cancelled or reduced by any relevant term of the Facility Agreement or any Transfer Certificate.

"Construction Contract" means the agreement dated 14th April 1992 as novated by the novation agreement dated 31st December 1992 between the Chargor (1) and ENS Limited (the "Contractor")(2).

"Construction Management Agreement" means the agreement dated 14th April 1992 between the Chargor (1) and Mission Energy Services Limited (the "Construction Manager") (2).

"Continuous Steam Interruption" means where the Chargor has failed or is deemed to have failed to supply Primary Steam in the quantities required by Courtaulds plc under the terms of the Steam Agreement for a period of 10 continuous days.

"Contributions" means, in relation to a Bank and:

- (i) in relation to the Term Loan Facility, the Working Capital Facility and the Overdraft Facility, the principal amount of the relevant Loan (which for the avoidance of doubt in relation to the Term Loan Facility shall include the principal amount of any EIB Switch Advance) owing to such Bank under the relevant Facility; and
  - (ii) in relation to the EIB Guarantee Facility, the portion of the Outstanding Amount attributable to such Bank under each EIB Guarantee,
- at any time.

"Default" means any Event of Default or other event which with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof) would constitute an Event of Default.

"Direct Agreements" means the following agreements and each agreement, in the approved form, in relation to any other document which becomes a Project Document pursuant to paragraph (xix) of the definition of Project Document, between the Agent, the Chargor and the other party or parties to such new Project Document:

- (a) The Direct Agreement in relation to the Site Lease and the Environmental Agreement.
- (b) The notice of assignment of and the Direct Agreement in relation to the Construction Contract from the Contractor to the Agent.
- (c) The notice of assignment in relation to the Pooling and Settlement Agreement.
- (d) The notice of assignment of and the Direct Agreement in relation to the Construction Management Agreement.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 4  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please complete  
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- (e) The Direct Agreement in relation to the NGC Master Connection and Use of System Agreement.
- (f) The Direct Agreement in relation to the Generation Licence.
- (g) The notice of assignment of and the Direct Agreement in relation to the Connection Agreement.
- (h) The notice of assignment of and the Direct Agreement in relation to the Operation and Maintenance Agreement.

"EIB" means European Investment Bank.

"EIB Ancillary Guarantee" means a guarantee the form of which is set out in Part 4 of Annex 1 to the EIB Credit Agreement.

"EIB Credit Agreement" means the agreement dated 11th August 1993 between EIB and the Chargor.

"EIB Guarantees" means:

- (i) the EIB Principal Guarantees;
  - (ii) the EIB Tranche B Differential Guarantee; and
  - (iii) the EIB Prepayment Guarantees
- and the "EIB Guarantee" means any one of them.

"EIB Guarantors" means, subject to the Agreement Amongst Lenders, the Term Loan Banks in their capacity as guarantors under the EIB Guarantees and includes their successors in title and Transferees.

"EIB Loan" means the aggregate Sterling amount advanced by EIB pursuant to the terms of the EIB Credit Agreement and from time to time outstanding.

"EIB Prepayment Guarantee" means a bank guarantee in favour of EIB to be issued by the EIB Guarantors under the EIB Guarantee Facility in the form set out in the EIB Credit Agreement or otherwise in a form agreed by the Majority Banks and includes an EIB Prepayment Guarantee following a novation of such EIB Prepayment Guarantee in accordance with its terms.

"EIB Principal Guarantee" means a bank guarantee in favour of EIB to be issued by the EIB Guarantors under the EIB Guarantee Facility in the form set out in the EIB Credit Agreement or otherwise in a form agreed by the Majority Banks and includes an EIB Principal Guarantee following a novation of such EIB Principal Guarantee in accordance with its terms.

"EIB Switch Advance" means an Advance made under the Term Loan Facility in an amount, and in the circumstances referred to in the Agreement Amongst Lenders.

"EIB Tranche B Differential Guarantee" means a bank guarantee in favour of EIB to be issued by the EIB Guarantors under the EIB Guarantee Facility in the form set out in the EIB Credit Agreement or otherwise in a form agreed by the Majority Banks and includes an EIB Tranche B Differential Guarantee following a novation of such EIB Tranche B Differential Guarantee in accordance with its terms.



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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 5  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest or other encumbrance of any kind securing or any right conferring a priority of payment in respect of any obligation of any person but does not include liens arising in the ordinary course of trading by operation of law and not by way of contract and, for the avoidance of doubt, also excluding any reservation of title.

"Enforcement Date" means the date on which a Suspension Notice is given in accordance with the Offtaker Direct Agreement.

"Event of Default" means any of the events or circumstances so described in the Facility Agreement.

"Facilities" means:

- (i) the term loan facility made available to the Chargor in accordance with the Facility Agreement (the "Term Loan Facility");
  - (ii) the working capital facility made available to the Chargor in accordance with the Facility Agreement (the "Working Capital");
  - (iii) the overdraft facility made available to the Chargor in accordance with the Facility Agreement (the "Overdraft Facility"); and
  - (iv) the guarantee facility made available to the Chargor pursuant to the Facility Agreement. (the "EIB Guarantee Facility"),
- and "Facility" means any one of them.

"Facility Agreement" means the facility agreement dated 14th April 1992 between the Chargor (1), Barclays Bank plc, Credit Lyonnais, the Long-term Credit Bank of Japan, Ltd., Swiss Bank Corporation and Union Bank of Switzerland (the "Arrangers") (2), Barclays Bank plc, Credit Lyonnais, Swiss Bank Corporation and Union Bank of Switzerland (the "Term Loan Banks") (3), Barclays Bank plc and Credit Lyonnais (the "Working Capital Banks") (4), Barclays Bank plc (the "Overdraft Bank") (5) and Barclays Bank plc (the "Agent") (6) as amended from time to time and, in particular, as amended by an amendment agreement dated 31st December 1992 between, amongst others, the Chargor and the Agent and further amended by an amendment and restatement agreement dated 11th August 1993 and an amendment and restatement agreement dated 1st May 1995 between the original parties to the Facility Agreement.

"Fee Letters" means:

- (i) the letter of 14th April 1992 from the Agent to the Chargor in relation to the agency fees referred to in the Facility Agreement, being described on its face as the Agent's Fee Letter;
- (ii) the letter of 14th April 1992 from the Account Bank to the Chargor in relation to the fees referred to in the Facility Agreement, being described on its face as the Account Bank's Fee Letter.

"Final Maturity Date" means 30th June 2010.

"Financing Documents" means:

- (i) the Facility Agreement;
- (ii) the Fee Letters;
- (iii) the Agreement Re EIB Guarantee;
- (iv) the Security Documents;
- (v) the EIB Guarantees; and
- (vi) the EIB Credit Agreement.

"First Release Test Date" means a date falling 11 calendar months after 1st May 1995 (the "Completion Date").

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 6  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"First Repayment Date" means 31st March 1996.

"Floating Charge Assets" means the assets of the Chargor from time to time charged by the Debenture by way of floating charge.

"Further Release Test Date" means any date after the First Release Test Date and Second Release Test Date.

"Guarantee" means each of (a) the Ancillary Guarantee, (b) each Principal Guarantee, (c) the Tranche B Differential Guarantee and (d) each Prepayment Guarantee.

"Hedging Agreements" means:

- (i) any agreement between the Chargor and a Hedge Provider under which each party assumed a liability to make a payment or payments to the other on future specified dates calculated by reference to the value of a notional amount multiplied by a specified rate of interest for a specified period or periods as against the notional amount of the same or (if a currency swap) another amount multiplied by a different specified rate of interest for the same or different periods; and
- (ii) any other agreement between the Chargor and a Hedge Provider in relation to the hedging of floating rate interest exposure including without limitation, a cap, floor, collar or option.

"Hedge Providers" means:

- (i) any Bank; and
  - (ii) any other person that is or becomes prior to entry into the relevant Hedging Agreement a party to the Inter-Creditor Agreement,
- which is a party to the Hedging Agreement with the Chargor and "Hedge Provider" means any one of them.

"Indebtedness" means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent.

"Initial Settlement Agreement" means the initial settlement agreement dated 30th March 1990 to which the Chargor became a party by an accession agreement dated 27th March 1992 between the Chargor (1) and NGC Settlements Limited (2).

"Intended Bank Enforcement Notice" means, where a Loan Default has occurred under the Offtaker Direct Agreement, a notice served by the agent to the other parties.

"Intended Bank Termination Notice" means, where an Anticipated Steam Default has occurred under the Offtaker Direct Agreement, a notice served by Courtaulds plc in exercising its right to terminate the Steam Agreement.

"Intermittent Steam Interruption" means where the Chargor has failed or is deemed to have failed to supply Primary Steam in the quantities required by Courtaulds plc under the terms of the Steam Agreement for a total of 40 days in any period of 12 months under the Offtaker Direct Agreement.

"Lender" means the Banks and EIB, and "Lender" means any one of them.

"Lending Exposure" means, in relation to a Lender, the aggregate amount of all present and future sums, liabilities and obligations payable or owing to or guaranteed by such Lender under the Financing Documents (excluding, in the case of EIB, all amounts guaranteed pursuant to an EIB Guarantee).

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 7  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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bold block lettering

Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Lessor" means Courtaulds Chemicals (Holdings) Limited or such other person approved by the Majority Banks in accordance with the Direct Agreement in relation to the Site Lease.

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"Loan" means the aggregate principal amount owing to the Term Loan Banks in relation to the Term Loan Facility under the Facility Agreement at any relevant time (including, for the avoidance of doubt, any EIB Switch Advance) (the "Term Loan"), the aggregate principal amount owing to the Working Capital Bank in relation to the Working Capital Facility under the Facility Agreement at any relevant time (the "Working Capital Loan") and/or the aggregate amount owing to the Overdraft Bank in relation to the Overdraft Facility under the Facility Agreement at any relevant time (the "Overdraft") as the case may be.

"Majority Banks" means:

(a) prior to the Further Release Test Date, Banks (including for this purpose EIB (A) to the extent it has been subrogated to a Bank's rights pursuant to the Agreement Amongst Lenders and/or (B) to the extent that a Bank has become an Unacceptable Bank and such Bank has failed to transfer its obligations under the EIB Guarantees to Acceptable Banks in accordance with the Agreement Amongst Lenders, or, where such Bank has failed to cash collateralise its obligations under the EIB Guarantees in accordance with the Agreement Amongst Lenders and which obligations have not been assumed by any other person pursuant to the Agreement Amongst Lenders except in either case to the extent the amount of the EIB Guarantees Released have been reduced by the aggregate liability of such Bank in accordance with the EIB Credit Agreement (EIB's exposure in (B) being referred to below as the "EIB Exposure"):

(i) the aggregate of whose Total Contributions and (if relevant) the EIB Exposure at any relevant time exceeds 66.66 per cent. of the aggregate of each Loan, the Outstanding Amount of each Guarantee and the EIB Exposure (if any);

(ii) if no Advance has been made, the aggregate of whose Total Commitments and (if relevant) the EIB Exposure exceeds 66.66 per cent. of the Total Commitments of all the Banks and the EIB Exposure (if any);

(iii) if there are no Contributions outstanding and the Commitments of all the Banks have been reduced to zero, the aggregate of whose Total Commitments and (if relevant) the EIB Exposure exceeded 66.66 per cent. of the Total Commitments of all the Banks and the EIB Exposure (if any) immediately before such reduction; or

(b) after the Further Release Test Date, Banks and EIB the aggregate of whose Lending Exposures (including, in the case of EIB, (A) to the extent it has been subrogated to a Bank pursuant to the Agreement Amongst Lenders and/or (B) to the extent that a Bank has become an Unacceptable Bank and such Bank has failed to transfer its obligations under the EIB Guarantees to Acceptable Banks in accordance with the Agreement Amongst Lenders, or, where it has failed to cash collateralise its obligations under the EIB Guarantees in accordance with the Agreement Amongst Lenders and which obligations have not been assumed by any other person pursuant to the Agreement Amongst Lenders except in either case to the extent the amount of the EIB Guarantees Released have been reduced by the aggregate liability of such Bank in accordance with the EIB Credit Agreement) at any relevant time exceed 66.66 per cent. of the aggregate of the Lending Exposures of all the Banks and EIB; in relation to a decision only of relevance to one of the Facilities, Majority Banks shall be determined as above but on the basis of the Commitments or, as the case may be, Contributions only in respect of the relevant Facility.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 8  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Operator" means Edison Mission Services Limited or such other person previously approved by the Majority Banks in accordance with the Facility Agreement appointed to operate, maintain and repair the Power Station.

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"Outstanding Amount" means :

(i) in relation to an EIB Principal Guarantee and at any relevant time:

(a) the outstanding principal amount guaranteed pursuant to such EIB Principal Guarantee;

(b) default interest guaranteed pursuant to such EIB Principal Guarantee whether or not as a result of the operation of the Agreement Re EIB Guarantees;

(c) the extra 3 months floating rate EIB interest if guaranteed by the EIB Guarantors pursuant to such EIB Principal Guarantee as a result of the operation of the Agreement Re EIB Guarantees; and

(d) breakage costs if guaranteed by the EIB Guarantors pursuant to such EIB Principal Guarantee as a result of the operation of the Agreement Re EIB Guarantees;

as reduced in accordance with the terms of the EIB Credit Agreement, including, without limitation, clause 16 of the EIB Credit Agreement, such EIB Principal Guarantee and clause 11 of the Agreement Amongst Lenders, less, in relation only to the Outstanding Amount of a Bank in default of its obligations under such EIB Principal Guarantee, any interest guaranteed pursuant to such EIB Principal Guarantee not paid by a Bank flowing solely from its default under such EIB Principal Guarantee;

(ii) in relation to an EIB Prepayment Guarantee and at any relevant time, the principal amount of the EIB Loan guaranteed pursuant to such EIB Prepayment Guarantee; and

(iii) in relation to the EIB Tranche B Differential Guarantee, the EIB Tranche B Differential Amount, save in the case of (ii) and (iii) above to the extent that such amount is guaranteed as at that date by an EIB Principal Guarantee.

"Overdraft Bank" means Barclays Bank plc in its capacity as provider of the Overdraft Facility.

"Permitted Encumbrance" means:

(i) Encumbrances arising under any Financing Document;

(ii) Encumbrances arising under any Project Document;

(iii) Encumbrances arising under the Loan Stock Security;

(iv) a lien or right of set-off arising solely by operation of law or under an agreement to substantially similar effect (in circumstances where such lien or right of set-off would otherwise have existed by operation of law) in respect of a liability which has been due for less than 45 days or which is being contested in good faith;

(v) a lien or other Encumbrance over any Authorised Investments in favour of a clearing or custody system within which such Authorised Investments are held; and

(vi) Encumbrances created with the prior written consent of the Agent acting on the instructions of the Majority Banks.

"Power Purchaser" means Southern Electric plc or such other person previously approved in accordance with the terms of the Offtaker Direct Agreement.



Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 9  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

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inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Power Station" means the gas fired cogeneration (combined heat and power) power station built on the Site and all related buildings and equipment or, after conversion as envisaged by the Facility Agreement, a combined cycle gas turbine power station and all related buildings and equipment.

"Prepayment Guarantee" means a guarantee issued to EIB by or on behalf of the EIB Guarantors in the form of Annex 1, Part 7 to the EIB Credit Agreement.

"Primary Steam" means [under the Offtaker Direct Agreement].

"Principal Guarantee" means a guarantee issued to EIB by or on behalf of the EIB Guarantors in the form of Annex 1, Part 1 to the EIB Credit Agreement.

"Project" means the ownership, operation and maintenance of the Power Station and all related ancillary works (whether on or off the Site).

"Project Documents" means:

- (i) the agreement dated 14th April 1992 between Courtaulds Chemicals (Holdings) Limited (1), Mission Energy Company (UK) Limited (2), Southern Electric Power Generation Limited (3), the Chargor (4), Courtaulds plc (5), Edison Mission Energy (6) and Southern Electric plc (7) (the "Shareholders Agreement");
- (ii) the agreement dated 14th April 1992 between Courtaulds Chemicals (Holdings) Limited (1), Southern Electric Power Generation Limited (2), Mission Energy Company (UK) Limited (3) and the Chargor (4) (the "Consortium Relief Agreement");
- (iii) the agreement dated 14th April 1992 between the parties to the Shareholders Agreement (the "Agreement Re Consortium Relief");
- (iv) a trust deed dated 14th April 1992 between the Chargor (1) and the Law Debenture Trust Corporation and/or any replacement or co-trustee for the purposes of the Loan Stock Trust Deed (the "SLS Trustee"), constituting the Subordinated Loan Stock (the "Loan Stock Trust Deed");
- (v) the document, in the approved form, by which the Chargor grants security to the SLS Trustee for the holders of the Subordinated Loan Stock (the "Loan Stock Security");
- (vi) the lease dated 14th April 1992 between Courtaulds Fibres Limited (1), the Chargor (2) and Courtaulds plc (3) in relation to the Site as amended from time to time (the "Site Lease");
- (vii) the agreement dated 14th April 1992 between the Chargor (1) and the Power Purchaser (2) and as amended by an agreement dated 11th August 1993 between the Chargor (1) and the Power Purchaser (2) (the "Contract For Differences");
- (viii) the pooling and settlement agreement dated 30th March 1990 to which the Chargor became a party by an accession agreement dated 27th March 1992 between the Chargor (1) and NGC Settlements Limited (2) (the "Pooling and Settlement Agreement");
- (ix) the agreement dated 14th April 1992 made between East Midlands Electricity plc (1) and the Chargor (2) for the construction, maintenance and operation of the connection between the Power Station and the East Midlands Electricity plc distribution system (the "Connection Agreement");
- (x) the master connection and use of system agreement dated 30th March 1990 to which the Chargor acceded by an accession agreement, in the approved form, between the National Grid Company plc (1) and the Chargor (2) both dated 9th April 1992 (the "NGC Master Connection and Use of System Agreement");
- (xi) the agreement dated 14th April 1992 between the Chargor (1), Courtaulds Chemicals (Holdings) Limited (2) and Courtaulds plc (3) for the sale of steam by, and the supply of water and effluent discharge and site services to, the Chargor or such other agreement or arrangement approved by the Majority Banks in accordance with the Offtaker Direct Agreement for the sale of steam by the Chargor (the "Steam Supply and Services Agreement");
- (xii) the agreement, in the approved form, made between Centrica (1) and the Chargor (2) (which includes the General Conditions, the Special Conditions, Annexes and the side letter) all dated 14th October 1991 (the "Gas Supply Agreement");

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 10  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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bold block lettering

Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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- (xiii) each agreement for the supply of gas oil to the Chargor as may be made by the Chargor in accordance with the Fuel Management Agreement (the "Gas Oil Supply Agreements");
- (xiv) the agreement dated 14th April 1992 between the Chargor (1), Courtaulds Chemicals (Holdings) Limited (2) and Southern Electric plc (3) for the management of the Gas Supply Agreement, the Gas Oil Supply Agreements and other supplies of natural gas or distillate fuel oil (the "Fuel Management Agreement");
- (xv) the agreement dated 14th April 1992 between the Chargor (1), Mission Energy Services Limited (2) and Edison Mission Energy (3) for the operation, maintenance and repair of the Power Station or such other agreement or arrangement previously approved by the Majority Banks in accordance with the Facility Agreement for the operation, maintenance and repair of the Power Station (the "Operation and Maintenance Agreement");
- (xvi) the agreement dated 23rd December 1992 between The British Railways Board (1) and Courtaulds Fibres Limited (2) (the "BR Sidings Agreement");
- (xvii) the agreement dated 14th April 1992 between Courtaulds Chemicals (Holdings) Limited (1), Courtaulds plc (2), the Lessor (3), the Chargor (4), the Power Purchaser (5), Edison Mission Energy (6) and the Agent (the "Environmental Agreement");
- (xviii) the letter dated on or about 11th August 1993 from the Chargor to the Steam Purchaser and Courtaulds plc, relating to the Steam Supply and Services Agreement (the "Supplemental Steam Agreement"); and
- (xix) such other agreements, in the approved form, as may be entered into from time to time by the Chargor in relation to the Project.

"Qualifying Bank" means a person which is a "bank" as defined for the purposes of section 349 of the Income and Corporation Taxes Act 1988.

"Relevant Documents" means the Financing Documents and the Project Documents, and "Relevant Document" means any one of them.

"Repayment Dates" means the First Repayment Date and, thereafter, each date occurring 6 months thereafter up to and including the Final Maturity Date.

"Second Release Test Date" means a date falling 11 calendar months after the First Release Test Date.

"Security Documents" means:

- (i) the debenture dated 14th April 1992 given by the Chargor in favour of the Agent as trustee for the Senior Creditors as amended by an amending deed dated 26th February 1993 between the Chargor and the Security Trustee (the "Debenture");
- (ii) the additional debenture dated 31st December 1992 given by the Chargor in favour of the Security Trustee as trustee for the Senior Creditors (the "First Additional Debenture");
- (iii) the second additional debenture dated 11th August 1993 given by the Chargor in favour of the Security Trustee as trustee for the Senior Creditors (the "Second Additional Debenture");
- (iv) the third additional debenture dated on or about the 10th September 1998 by the Chargor in favour of the Security Trustee as trustee for the Senior Creditors (the "Third Additional Debenture");
- (v) each Direct Agreement;
- (vi) an agreement dated 14th April 1992 between the Chargor (1), the Shareholders (2), the Operator (3), the Power Purchaser (4), the Chargor Guarantors (by accession) (8), the Account Bank (9), the Agent (10) and the Security Trustee (11) as amended and restated by an agreement dated 11th August 1993 between the same parties and EIB (the "Inter-Creditor Agreement");



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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 11  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

- (vii) an agreement dated 14th April 1992 between the Steam Purchaser (1), the Chargor (2), Courtaulds plc (3), the Power Purchaser (4), the Agent (5) and the Security Trustee (6) (the "Offtaker Direct Agreement");
- (viii) the agreement dated 14th April 1992 between the Chargor (1), the Power Purchaser (2), the Account Bank (3) and the Agent (4) as amended by an agreement dated 11th August 1993 between the same parties or such other Bank as account bank as the Chargor may appoint with the consent of the Majority Banks (the "Account Bank Agreement");
- (ix) the agreement dated 14th April 1992 between the Chargor (1) and the Agent (2) in relation to certain matters regarding the Project Documents (the "Project Document Agreement");
- (x) each guarantee, in the approved form, to be given by a Shareholder Guarantor (the "Shareholder Guarantees");
- (xi) the agreement dated 11th August 1993 between the Banks (1), EIB (2), Credit Lyonnais as technical bank (3), the Security Trustee (4), the Agent (5) and the Chargor (the "Agreement Amongst Lenders");
- (xii) such other documents as may be entered into from time to time by the Chargor in order to secure its obligations in relation to the financing of the Project.

"Security Trustee" means Barclays Bank plc or such other person as may be appointed as security trustee for the Senior Creditors in accordance with the Facility Agreement and the Inter-Creditor Agreement.

"Senior Creditors" means:

- (i) each Senior Finance Creditor;
  - (ii) the Power Purchaser;
- and "Senior Creditor" means any of them.

"Senior Finance Creditor" means:

- (i) the Agent;
- (ii) the Security Trustee;
- (iii) the Arrangers;
- (iv) the Banks in their capacity as providers of the Facilities;
- (v) the Account Bank; and
- (vi) any Bank Hedge Provider to which the Chargor owes obligations under a Hedging Agreement.

"Shareholders" means Courtaulds Chemicals (Holdings) Limited, Mission Energy Company (UK) Limited and Southern Electric Power Generation Limited and/or any other shareholder of the Chargor from time to time, and "Shareholder" means any one of them.

"Shareholder Guarantor" means each of:

- (i) Southern Electric plc;
  - (ii) Courtaulds plc;
  - (iii) Edison Mission Energy; and
  - (iv) any other guarantor of a Shareholder,
- for so long as they are bound by the Direct Agreement in relation to the Shareholders Agreement.

"Site" means the land at Spondon described in more detail in the Site Lease.

"Site Lease" means the lease dated 14th April 1992 between Courtaulds Fibres Limited (1), the Chargor (2) and Courtaulds plc (3) in relation to the Site as amended from time to time.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 12  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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in black type, or  
bold block lettering

Company Number

02650621

Name of Company

Derwent Cogeneration ("the Chargor")

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"SLS Trustee Amounts" means all amounts owing or incurred by the Chargor to the SLS Trustee in respect of remuneration or in reimbursement or discharge of any costs, charges, liabilities or expenses properly suffered or incurred by the SLS Trustee or any agent, attorney, delegate or other person appointed by the SLS Trustee in connection with the Loan Stock Trust Deed or the Loan Stock Security as permitted by the Inter-Creditor Agreement.

"Southern Electric plc Ancillary Guarantee" means an EIB Ancillary Guarantee issued by Southern Electric plc or by a third party in accordance with the Agreement Re EIB Guarantees.

"Southern Electric Power Generation Limited EIB Ancillary Guarantee" means the EIB Ancillary Guarantee issued by Southern Electric Power Generation Limited. "Steam Agreement" means the Steam Supply and Services Agreement.

"Steam Purchaser" means Courtaulds Chemicals (Holdings) Limited or such other person as previously approved in accordance with the Offtaker Direct Agreement to purchase steam from the Chargor.

"Subordinated Loan Stock" means subordinated loan stock of the Chargor to be issued by the Chargor constituted by the Loan Stock Trust Deed and the rights of the holder of such stock to be governed by the terms of the Loan Stock Trust Deed and the Inter-Creditor Agreement.

"Suspension Notice" means service of any of:  
(i) an Intended Bank Termination Notice;  
(ii) an Intended Bank Enforcement Notice; or  
(iii) an Anticipated Steam Termination Notice,  
under the Offtaker Direct Agreement.

"Taxes" includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature together with interest thereon and penalties in respect thereof and "Tax" and "Taxation" shall be construed accordingly.

"Term Loan Bank" means Barclays Bank plc and includes its successors in title and transferees.

"Total Commitments" means the aggregate at any relevant time of the Commitments of a Bank or, as the case may be, all the Banks under the Facilities.

"Total Contributions" means the aggregate at any relevant time of the Contributions of the Banks under the Facilities.

"Transfer Certificate" means a certificate substantially in the terms of Schedule 6 to the Facility Agreement.

"Transferees" has the meaning given to it in the Facility Agreement.

"Unacceptable Bank" means an EIB Guarantor that ceases to be a Qualifying Bank under the Agreement Amongst Lenders.

"Working Capital Bank" means Barclays Bank plc and includes its successors in title and transferees.



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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02650621

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A THIRD ADDITIONAL DEBENTURE DATED THE 10th SEPTEMBER 1998 AND CREATED BY DERWENT COGENERATION LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO BARCLAYS BANK PLC AS SECURITY TRUSTEE FOR AND ON BEHALF OF THE SENIOR FINANCE CREDITORS UNDER THE TERMS OF ANY FINANCING DOCUMENT OR ANY HEDGING AGREEMENTS AND TO THE POWER PURCHASER IN RESPECT OF THE PAYMENTS REFERRED TO IN THE CONTRACT FOR THE DIFFERENCES AND ANY UNPAID INSTALMENT OF THE OVERRUN LOAN MADE UNDER THE CONTRACT FOR DIFFERENCES OR TO THE POWER PURCHASER OR SOUTHERN ELECTRIC POWER GENERATION LIMITED UNDER THE AGREEMENT RE EIB GUARANTEES WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd SEPTEMBER 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th SEPTEMBER 1998 .

*W. Grandon*  
W. GRANDON

for the Registrar of Companies

A large, stylized handwritten signature in the bottom left corner.



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