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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

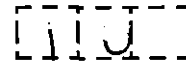
A fee of £10 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



03076445

Name of company

* BRITISH ENERGY GENERATION LIMITED (the "Chargor")

Date of creation of the charge

14 January, 2005 (the "Execution Date")

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

Debenture creating fixed and floating charges to secure the Secured Liabilities, entered into pursuant to the Contribution Agreement between the Secretary of State for Trade and Industry (the "Secretary of State"), the Chargee, the Chargor and other Obligors (the "Debenture"). (For definitions used in this Form 395 please see Schedule 1 attached).

Amount secured by the mortgage or charge

Full and punctual payment, performance and discharge of the Secured Liabilities.

See dep.

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

Nuclear Generation Decommissioning Fund Limited of 16 Rothesay Place, Edinburgh (registered in Scotland No. SC164685) (to be renamed Nuclear Liabilities Fund Limited) (the "Chargee")

Postcode EH3 7SQ

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

Slaughter and May (Ref:
KIH/TP/CPYM)
One Bunhill Row
London **PLEASE RETURN VIA**
EC1Y 8YY **THE LONDON COUNTER**
(395.BEG.1dd)

Time critical reference

For official Use
Mortgage Section

Post room



1. Fixed Security

As continuing security for the full and punctual payment, performance and discharge of all Secured Liabilities, the Chargor, with full title guarantee (other than in respect of the Scottish Assets) and free from any other security interest (other than as permitted by the Negative Pledge covenant described in paragraph 3 below), creates the security interests set out below in favour of the Chargee.

(A) It charges its rights in respect of the Key Properties by way of first legal mortgage.

(B) It charges by way of first fixed charge all of its rights in and to the Charged Securities which are not Scottish Charged Securities.

(C) It pledges and transfers to the Chargee (or the Chargee's nominee) all of its rights, title and interest in and to the Scottish Charged Securities and undertakes to pledge and transfer to the Chargee, all its rights, title and interest in and to any other Securities which become Scottish Charged Securities.

Please see attached continuation sheets

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Date 14/1/2005

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

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

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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF14 3UZ

2. Floating Charge

(A) As continuing security for the full and punctual payment, performance and discharge of all Secured Liabilities, the Chargor, with full title guarantee (other than in respect of the Scottish Assets) and free from any other security interest (other than as permitted by the Negative Pledge covenant described in paragraph 3 below), charges in favour of the Chargee by way of first floating charge, all its present and future assets, property, business, undertaking and uncalled capital, and all rights under and in respect of any of the foregoing, including all the Security Assets expressed to be mortgaged or charged by the provisions referred to in paragraph 1 above.

(B) The following assets are excluded from the Security Assets which are subject to the floating charge:

(i) the Chargor's rights and benefits under the Nuclear Liabilities Funding Agreement and the Historic Liabilities Funding Agreement, including in each case any and all rights to make claims or otherwise require payment of any amount under, or performance of, any provision of any such agreement;

(ii) any Necessary Security used to secure obligations of either the Chargor, BEG(UK), British Energy Power and Energy Trading Limited, Eggborough Power Limited, British Energy Trading Services Limited or the Electricity Supply Subsidiary pursuant to any Underlying Arrangement, provided that: (a) such Underlying Arrangement is entered into in the ordinary course of the Chargor's business; and (b) the entry into such Underlying Arrangement, and the grant of the Necessary Security is not in breach of the Chargor's undertakings in the Contribution Agreement; (iii) the Credit Card Collateral, provided that: (a) the grant of a floating charge over the Credit Card Collateral would result in a breach of any of the Credit Card Facility Agreements (or the deed of charge dated 12 September 2003 and entered into between HSBC Bank plc and British Energy in connection with the Credit Card Facility Agreements (as in effect as at the Execution Date)); and (b) the security interest over the Credit Card Collateral pursuant to the Credit Card Facility Agreements is granted in the ordinary course of the Chargor's business and complies with the relevant covenants applicable under the terms and conditions of the Bonds.

(C) The Chargor shall, at its own cost, promptly execute and deliver to the Chargee, in such form as the Chargee may require, such other security over such of its assets and rights as shall be required by the Chargee (whether generally or specifically, and whether for the purpose of obtaining legal title to the relevant assets or rights, creating security which is effective under the laws of a foreign jurisdiction or otherwise) provided that the creation of such further security interests shall not cause a material default under any contracts to which any member of the Group is a party or a breach of law.

(D) Each floating charge shall rank behind all the fixed charges and mortgages referred to in paragraph 1 above but shall rank in priority to any other security created on or after the Execution Date, except for any security interest permitted to rank ahead of, or pari passu with, the floating charge by the Negative Pledge covenant described in paragraph 3 below or as specified in the Debenture.

(E) The Chargee may (except in relation to Scottish Assets): (i) at any time after any Administration Step has occurred (provided this is continuing); or (ii) if the Chargee considers any of the Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy, convert the floating charge into a fixed charge on all or such of the Security Assets of the Chargor as shall be specified (whether generally or specifically) by notice to the Chargor.

(F) If, without the prior written consent of the Chargee: (i) the Chargor creates or permits to subsist any security interest (other than as permitted by the Negative Pledge covenant described in paragraph 3 below) on, over or with respect to any of the Security Assets, or attempts to do so; or (ii) any person levies or attempts to levy any distress, attachment, execution or other legal process against any of the Security Assets; or (iii) an Enforcement Event occurs, the floating charge shall, with effect from the instant before such event occurs, automatically convert into a fixed charge over the Security Assets (other than the Scottish

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British Energy Generation Limited
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Assets) which are the subject of such security interest or process or, in the case of the occurrence of an Enforcement Event, over all of the Chargor's Security Assets (other than its Scottish Assets).

3. Negative Pledge

The Chargor shall not, and shall procure that no member of the Group shall, except with the prior written consent of the Chargee and the Secretary of State, directly or indirectly create or agree to create or permit to arise or subsist any Security Interest, other than:

- (i) any Security Interest existing on the Issue Date;
- (ii) any Security Interest required to be granted pursuant to, or as a condition precedent to, the Liabilities Documents, including to secure the payment of the Decommissioning Default Payment;
- (iii) any guarantee, indemnity or credit support in favour of a third party providing agency, brokerage, clearing or settlement services in respect of Trading Arrangements provided such guarantee, indemnity or credit support is for such services to the relevant member of the Group;
- (iv) any Security Interest under court judgements or court orders to the extent that the same are adequately bonded and appeals have not been exhausted;
- (v) any Security Interest arising by reason of taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith;
- (vi) deposits to secure public, regulatory or statutory obligations or in lieu of surety bonds incurred in the ordinary course of business;
- (vii) any lien arising by operation of law;
- (viii) any rights of set-off with respect to demand or time deposits with financial institutions and banker's liens and any depositary institution's security in bank accounts with it in the ordinary course of business, except where the relevant member of the Group indicates that such deposit is made by way of collateral;
- (ix) any Security Interest created by a member of the Group to secure certain financial indebtedness owing to another member of the Group;
- (x) any Security Interest the principal purpose and effect of which is to allow the setting-off or netting of obligations of a member of the Group with those of a financial institution in the ordinary course of the cash management arrangements of that Group member;
- (xi) any Security Interest represented by good faith deposits in connection with tenders, leases and contracts (other than contracts for the payment of money) of the relevant member of the Group;
- (xii) any Security Interest to secure performance bonds, leases (including statutory and common law landlord's liens), statutory obligations, surety and appeal bonds, letters of credit and other obligations of a like nature and incurred in the ordinary course of business;
- (xiii) any Security Interest provided in connection with environmental licences and any other permits, licences or authorisations, or in compliance with any other regulatory requirements, in any such case in relation to certain permitted business of the relevant Group member;

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(xiv) any Security Interest over cash paid into an escrow account by any third party pursuant to any deposit or retention of purchase price arrangements entered into pursuant to any disposal or acquisition (permitted by the terms of the Bonds) made by a member of the Group;

(xv) any Security Interest created under or in connection with or arising out of the balancing and settlement code, the connection and use of system code, the grid code, required under the terms of a Group member's electricity generation licence, electricity supply licence or gas shipper's licence or otherwise reasonably required to obtain and maintain access to, or use of, transmission and distribution systems and participation in wholesale electricity markets in England, Wales or Scotland by any member of the Group provided that any collateral so provided by any Eggborough Subsidiary is provided on terms such that, upon release, such collateral shall not be paid to it but shall instead be returned to another Group member;

(xvi) any Security Interest given by way of cash collateral or cash deposits in relation to Trading Arrangements or procurement contracts with suppliers, in each case entered into in the ordinary course of any member of the Group's business (or any such Security Interest given in respect of letters of credit relating to such obligations);

(xvii) any Security Interest securing for the benefit of the vendor of a renewables obligation certificate, emissions permits (in relation to the Eggborough power station) or other similar or related permits, obligations or entitlements, (each, a "Permit"), some or all of the purchase price being payable in respect of such Permit, provided that such Security Interest only extends to such Permit and secures certain financial indebtedness in an amount not in excess of the purchase price for such Permit;

(xviii) any Security Interest over goods or documents of title arising in the course of letter of credit transactions entered into by a Group member in the ordinary course of business;

(xix) any provision for the retention of title to any asset by the vendor or transferor of such asset which asset is acquired by a Group member in a transaction entered into in the ordinary course of business, if it is normal market practice for such retention of title provision to be included for such a transaction, or arising under conditional sale or hiring arrangements in respect of goods supplied in the ordinary course of trading;

(xx) any Security Interest on assets of a member of the Group which becomes a member of the Group after the Restructuring Date, to secure obligations of that member of the Group existing at the date on which it becomes a member of the Group (but not any increase in principal amount (other than by capitalisation of interest) or extension of maturity of such obligations) provided that such Security Interest was not created in contemplation of or in connection with such company becoming a member of the Group, that such Security Interest shall not extend to any other assets owned by any member of the Group and that such obligations are repaid in full within 180 days of such company becoming a member of the Group;

(xxi) any Security Interest over receivables comprising part of the Secured Basket (including any Security Interest over related insurance policies taken out by the seller of the receivables in relation to the debtors under such receivables and any Security Interest over the records and systems necessary for producing invoices relating to such receivables);

(xxii) any other Security Interest not permitted under paragraphs (i) to (xxi) above securing obligations (contingent or otherwise) of up to £10,000,000 in aggregate at any one time; and

(xxiii) renewals and/or refinancings referred to under paragraphs (i) to (xxii) provided that such renewal or refinancing (as the case may be) of the Security Interest is limited to all or part of the same property or assets (including any improvements, accessions, proceeds or dividends or distributions in respect thereof) or is in respect of property that is subject to a permitted Security Interest under this Negative Pledge covenant,

unless at the same time it grants security equally and rateably to the Chargee and the Secretary of State to secure amounts that are or may become payable under the Liabilities Documents,

provided that this Negative Pledge covenant shall cease to apply on the later of (a) the date on which the NLF Payment Percentage (as calculated pursuant to the Contribution Agreement) falls below 10 per cent. and (b) 31 March 2014. Notwithstanding anything to the contrary in this Negative Pledge covenant no member of the Group may create or agree to create or permit to arise or subsist any Security Interest in respect of any of its benefits and rights under the Nuclear Liabilities Funding Agreement or under the Historic Liabilities Funding Agreement. For the avoidance of doubt, no purpose trust declared, arising or subsisting in respect of moneys received by any member of the Group from the Secretary of State pursuant to the Historic Liabilities Funding Agreement, or from the Secretary of State or the Chargee pursuant to the Nuclear Liabilities Funding Agreement, and which moneys are, in either case, required to be held on trust for the benefit of the Secretary of State or the Chargee until they are applied to the purpose for which they were given, shall constitute a Security Interest for the purposes of the foregoing.

SCHEDULE 1 - DEFINITIONS

"Administration Step" means any of the following: (i) notice is given or filed in relation to the appointment of an administrator, or a petition is presented or application made for an administration order; (ii) a meeting of the shareholders or directors is convened to consider a resolution to make an administration application to a court or to file documents with a court for its administration, or any such resolution is passed; or (iii) the directors or shareholders request the appointment of an administrator;

"BEG(UK)" means British Energy Generation (UK) Limited;

"BE Parties" means each of the Licensees, British Energy Group plc and British Energy Holdings plc and any other company that is, from time to time, party to the Nuclear Liabilities Funding Agreement and that in any case is also a member of the Group;

"Bonds" means the guaranteed bonds due 2005 - 2022 to be issued by British Energy Holdings plc pursuant to the terms of the trust deed entered into between British Energy Holdings plc, The Law Debenture Trust Corporation plc and certain members of the Group;

"British Energy" means British Energy plc;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business (other than solely for trading and settlement in euro) in London and Edinburgh;

"Charged Securities" means: (i) the Original Charged Securities; (ii) any Further Charged Securities; (iii) all Derived Assets; (iv) all Dividends; (v) the benefit of any warranties or covenants given or entered into in respect of any of the foregoing by any predecessor in title; (vi) all rights from time to time attached to any of the foregoing; (vii) all rights to acquire any of the foregoing; and (viii) all proceeds of sale of any of the foregoing;

"Contribution Agreement" means the agreement entered into on the Execution Date between the Secretary of State, the Chargee, BEG(UK), the Chargor, British Energy Group plc and British Energy Holdings plc;

"Costs and Expenses" means costs, charges, losses, liabilities, expenses and other sums (including legal, accountants' and other professional fees) and any Taxes thereon;

"Credit Card Collateral" means any cash collateral, subject to a limit of £2,000,000, which is deposited by British Energy with HSBC Bank plc, is subject to a security interest in favour of HSBC Bank plc and is used to secure the Group's liabilities to HSBC Bank plc pursuant to the Credit Card Facility Agreements;

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"Credit Card Facility Agreements" means the purchasing card agreement dated 21 November 1994 and the corporate card agreement dated 7 January 1998, in each case between HSBC Bank plc and British Energy (as in effect at the Execution Date);

"Decommissioning Default Payment" means an amount equal to the net present value at the time of any Default Event of the aggregate Decommissioning Payments remaining to be paid by the Chargor and BEG(UK) pursuant to the Contribution Agreement;

"Decommissioning Payments" means the payments to be made to the Chargee by the Chargor and BEG(UK) pursuant to the Contribution Agreement in connection with the costs of decommissioning the Power Stations;

"Default Event" means in relation to a person: (i) that person passing a resolution for its winding up (other than in the context of a solvent amalgamation or reconstruction in either case on terms previously approved in writing by the Chargee or notified in writing to the Chargee by British Energy prior to the Restructuring Date or a court of competent jurisdiction making an order for its winding up or dissolution; or (ii) the appointment of an administrative receiver, receiver and manager, receiver or similar official over all or a material part of that person's assets; or (iii) the appointment of a provisional liquidator or administrator in relation to the person; or (iv) the making of an administration order in relation to the person; or (v) that person convening a meeting for a creditors' voluntary liquidation, or for a creditors' meeting following a members' voluntary liquidation or for the consideration by creditors of a voluntary arrangement or scheme of arrangement (other than in the context of a solvent amalgamation or reconstruction in either case on terms previously approved in writing by the Chargee or notified in writing to the Chargee by British Energy prior to the Restructuring Date); or (vi) that person (a) being declared insolvent, being unable (or admitting inability) to pay its debts as they fall due (within the meaning of section 123(1) of the Insolvency Act 1986), (b) fails within 40 Business Days after being called upon to do so by the Chargee, to provide a certificate signed by two of its directors certifying (without personal liability except in the event of fraud or wilful default) that it is not then unable to pay its debts within the meaning of section 123(2) of the Insolvency Act 1986, provided that if the Restructuring Date is on or prior to 31 March 2005 the Chargee may not require such a certificate prior to the publication of the accounts in relation to the financial period ending on 31 March 2005 and if the Restructuring Date is after 31 March 2005, the Chargee may not require such a certificate prior to the date which is the later of two months following the publication of the accounts in relation to the financial period ending on 31 March 2005 and two months after the Restructuring Date or (c) stops, suspends or threatens to stop payment of its debts generally; or (vii) a distress, execution or other process is enforced in respect of that person, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of that person, and, in any such case, the same is not paid out or discharged within 90 days (or such longer period as the Chargee permits); or (viii) that person being subject to any proceeding or in a position analogous to that in paragraphs (i) to (vii) in its jurisdiction of incorporation;

"Derived Assets" means all Securities, rights or other property or assets of a capital nature which are offered, issued or paid at any time in respect of any of the Original Charged Securities or Further Charged Securities, including by way of bonus, rights, redemption, conversion, exchange, substitution, consolidation, sub-division, preference, warrant, option or purchase;

"Dividends" means all dividends, interest and other distributions and other income paid or payable in respect of the Original Charged Securities, the Further Charged Securities and any Derived Assets;

"Eggborough Subsidiary" means Eggborough Power Limited or Eggborough Power Holdings Limited;

"Electricity Supply Subsidiary" means another wholly owned Subsidiary of British Energy to which British Energy has transferred its electricity supply business;

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"Enforcement Event" takes place when any of the following occurs: (i) a Default Event; or (ii) any Secured Liability is not paid or the due date in accordance with the Debenture at the place at and in the currency in which it is expressed to be payable;

"Further Charged Securities" means all Securities which may be owned legally, beneficially or otherwise by an Obligor after the Execution Date;

"Group" means the Ultimate Parent Company and its Subsidiaries from time to time;

"Guarantee" means the guarantee and indemnity entered into on the Execution Date between the Guarantors (as defined therein), the Secretary of State and the Chargee pursuant to which the Guarantors guarantee the obligations of other members of the Group under the Liabilities Documents;

"Historic Liabilities Funding Agreement" means the agreement entered into on the Execution Date between the Secretary of State, the Chargor, BEG(UK), British Energy Group plc and British Energy Holdings plc;

"Holding Company" means: (i) any holding company within the meaning of section 736 of the Companies Act 1985; and (ii) any parent undertaking (as defined in section 258 of the Companies Act 1985);

"Issue Date" means the date on which the Bonds are issued;

"Key Properties" means all that land and property comprising the following (including all Real Property (of the type described in any of paragraphs (iv) to (viii) of the definition of that term but excluding any billing process asset); the proceeds of sale thereof and every interest therein which an Obligor has power in law or equity to charge: (i) Sizewell Power Station and adjoining land, Suffolk - registered at H.M. Land Registry with Title Absolute under Title Numbers SK160398, SK160390, SK160388 and SK155462; (ii) Dungeness Power Station and adjoining land, Kent - registered at H.M. Land Registry with Title Absolute under Title Number K761827; (iii) Hinkley Point Power Station and adjoining land, Somerset - registered at H.M. Land Registry with Title Absolute under Title Numbers ST127567 and ST127518; (iv) Heysham Power Station and adjoining land, Lancashire - registered at H.M. Land Registry with Title Absolute under Title Number LA779195; and (v) Hartlepool Power Station and adjoining land, Cleveland - registered at H.M. Land Registry with Title Absolute under Title Number CE136369;

"Liabilities Documents" means each of the Nuclear Liabilities Funding Agreement, the Historic Liabilities Funding Agreement, the Contribution Agreement, the Option Agreement, the Nirex Option Agreement and the Guarantee;

"Licensee" means from time to time each of: (a) the Chargor and BEG(UK); and (b) their permitted assignees and transferees under the Nuclear Liabilities Funding Agreement;

"Necessary Security" means any cash collateral, letters of credit or other form of credit support which are, or is, subject to a security interest;

"Nirex Option Agreement" means the agreement entered into on the Execution Date between the Secretary of State, the Chargor, BEG(UK), British Energy Group plc and British Energy Holdings plc;

"Nuclear Liabilities Funding Agreement" means the agreement dated on or about the Execution Date between the Secretary of State, the Chargee and certain BE Parties;

"Obligor" means each of: (i) British Energy Group plc; (ii) British Energy Holdings plc; (iii) British Energy; (iv) British Energy Generation (UK) Limited; (v) British Energy Generation Limited; (vi) British Energy Power and Energy Trading Limited; (vii) British Energy Investment Limited; (viii) District Energy Limited; (ix) British Energy International Holdings Limited; (x) Peel Park Funding Limited; (xi) British Energy Treasury Finance Limited; (xii) British Energy Renewables Limited;

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(xiii) British Energy Direct Limited; together with any other member of the Group; and
an Obligor pursuant to the terms of the Debenture after the Execution Date;

"Option Agreement" means the agreement entered into on the Execution Date between the Secretary of State, the Chargor, BEG(UK), British Energy Group plc and British Energy Holdings plc;

"Original Charged Securities" means certain Securities held by the Chargor and its subsidiaries, members of the Group;

"Power Station" means each of the following: (i) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 61 dated on or after 25 March 1996 and known as Dungeness "B" station; (ii) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 59 dated on or after 25 March 1996 and known as Hartlepool nuclear power station; (iii) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 60 dated on or after 25 March 1996 and known as Heysham 1 station; (iv) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 60 dated on or after 25 March 1996 and known as Heysham 2 station; (v) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 62 dated on or after 25 March 1996 and known as Hinkley Point "B" station; (vi) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. 63 dated on or after 25 March 1996 and known as Sizewell "B" station; (vii) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. Sc 11 dated on or after 25 March 1996 and known as Hunterston "B" station. (viii) the land described in Part 1 of, and the nuclear installations described in Part II of, Schedule 1 to nuclear site licence No. Sc 10 dated on or after 25 March 1996 and known as Torness nuclear power station;

"Real Property" means: (i) any freehold or leasehold property in England and Wales; (ii) all heritable or leasehold property in Scotland; (iii) any land and other immovable property in any other jurisdiction anywhere else in the world; (iv) all buildings and fixtures from time to time in or on any of the foregoing; (v) the benefit of any covenants for title given or entered into in respect of any of the foregoing by any predecessor in title; (vi) all rights from time to time attached or appurtenant to any of the foregoing; (vii) all rights to acquire any of the foregoing; and (viii) all proceeds of sale of any of the foregoing;

"Restructuring Date" means 14 January 2005;

"Scottish Assets" means such of the undertaking, property and assets present and future of each Obligor which is from time to time located in Scotland and such contractual and other rights and other incorporeal moveable property present and future of each Obligor which is governed by the law of Scotland or over which the creation or enforcement of any security is governed by the law of Scotland;

"Scottish Charged Securities" means all the Charged Securities which are, at any time, Scottish Assets;

"Secured Basket" means certain security granted in respect of receivables which is permitted pursuant to the terms of the Bonds;

"Secured Liabilities" means each and every present and future obligation and liability of each Obligor (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which is, or is expressed to be, or may become, due, owing or payable to the Chargee under or in connection with a Decommissioning Default Payment, together with all Costs and Expenses which the Chargee may incur in enforcing or obtaining, or attempting to enforce or obtain, payment of any Decommissioning Default Payment or amount due under the costs and expenses provisions of the Debenture;

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"Securities" means (a) shares, stock and debentures; (b) warrants, options or other rights to subscribe, purchase, call for delivery of or otherwise acquire shares, stock or debentures; and (c) and other assets and rights falling within any of paragraphs 11 to 13 (inclusive), paragraph 15 and, to the extent that the investment in question is one of the kind described in paragraphs 11 to 13 (inclusive) or paragraph 15, paragraph 14, in each case of part II of Schedule 2 to the Financial Services and Markets Act 2000;

"Security Assets" means all or any of the assets and rights from time to time subject or expressed to be subject to a security interest conferred, constituted, created, expressed to be created or evidenced by or pursuant to the Debenture from time to time;

"Security Interest" means any mortgage, pledge, lien, charge, assignment, hypothecation or other security interest or any other agreement or arrangement having the effect of conferring security (including, without limitation, any sale and leaseback but excluding, without limitation, any rights of set-off or combination of accounts arising under common law, in equity or under statute or regulation);

"Subsidiary" means: (i) any subsidiary within the meaning of section 736 of the Companies Act 1985; and (ii) any subsidiary undertaking (as defined in section 258 of the Companies Act 1985);

"Tax" means any present or future tax, levy, impost, duty or other charge or withholding of a similar nature, and any interest or penalty in respect thereof;

"Trading Arrangements" means a transaction entered into in the ordinary course of business on arm's length terms and in accordance with trading policies adopted in accordance with the Contribution Agreement relating to energy which is a commodity option, a commodity forward or future, commodity swap or other commodity transaction, including any grid trade or contract for differences and related environmental and renewable transactions, whether physically or financially settled;

"Ultimate Parent Company" means, in relation to the Chargor and BEG(UK), British Energy Group plc or such other person from time to time as is the Holding Company of the Chargor and BEG(UK) and is not itself a Subsidiary of any other person (but excluding the Secretary of State, the Chargee, the nuclear trust established by a deed of trust dated 29 March 1996 by British Energy and the Secretary of State, and any Minister of the Crown, government department, non-departmental government body, body exercising functions on behalf of the Crown or body corporate established by statute, some or all of the members of which are appointed by a Minister of the Crown); and

"Underlying Arrangement" means: (i) under the balancing and settlement code, the connection and use of system code or the grid code (each as in force from time to time or any successor to it), the terms of the Chargor's electricity generation licence, electricity supply licence or gas shippers licence (or any successor to such licences) or any other agreement by which the Chargor, Eggborough Power Limited, British Energy Trading Services Limited or the Electricity Supply Subsidiary obtains and maintains access to, or use of transmission and distribution systems and participation in wholesale electricity markets in England, Wales or Scotland; (ii) in relation to Trading Arrangements of the Chargor, Eggborough Power Limited, British Energy Trading Services Limited or the Electricity Supply Subsidiary, or procurement contracts with suppliers; (iii) under a third party agency, brokerage, clearing or settlement arrangement in respect of Trading Arrangements; or (iv) in connection with environmental licences and any other permits, licences or authorisations, or in compliance with and other regulatory requirements.

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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. 03076445

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 14th JANUARY 2005 AND CREATED BY BRITISH ENERGY GENERATION LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO NUCLEAR GENERATION DECOMMISSIONING FUND LIMITED UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 17th JANUARY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JANUARY 2005.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

[Handwritten signature]