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CHFP025

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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

[] [] []

03782700

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

Name of company

* EGGBOROUGH POWER LIMITED

* insert full name
of company

1/We ☒ ROBERT MALCOLM ARMOUR, OF 88 RAVELSTON DYKES, EDINBURGH

☒ insert name(s) and
address(es) of all
the directors

EH12 6HE

PETER THOMAS HOLLINS, OF 100 KINNEAR ROAD, EDINBURGH EH3 5PE

MICHAEL RALPH KIRWAN, OF 18 GREENHILL GARDENS, EDINBURGH,

EH10 4BW

MICHAEL JAMES LANSLEY, OF 13 NELSON STREET, EDINBURGH

EH3 6LF

† delete as
appropriate

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

The business of the company is:

§ delete whichever
is inappropriate

~~(a) that of a [recognised bank] [licensed institution]† within the meaning of the Banking Act 1979§~~

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom§~~

(c) something other than the above§

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

Limited]†

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

The number and class of the shares acquired or to be acquired is: ONE MILLION AND
ONE (1,000,001) ORDINARY SHARES OF ONE POUND EACH

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

Clifford Chance Limited Liability
200 Aldersgate Street
London
EC1A 4JJ

DX No 606 LONDON

For official Use
General Section

Post room



LD5
COMPANIES HOUSE

LBSUETUW

0382
12/09/00

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

EGGBOROUGH POWER (HOLDINGS) LIMITED (SC201083), 10

LOCHSIDE PLACE, EDINBURGH, MIDLOTHIAN EH12 9DF

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

The assistance will take the form of:

SEE SCHEDULE 1

The person who [has acquired] ~~[will acquire]~~† the shares is:

† delete as
appropriate

EGGBOROUGH POWER (HOLDINGS) LIMITED

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

SEE SCHEDULE 2

The amount of cash to be transferred to the person assisted is £ 550,000,000

The value of any asset to be transferred to the person assisted is £ 0

The date on which the assistance is to be given is WITHIN 8 WEEKS OF DATE HEREOF

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

* delete either (a) or
(b) as appropriate

~~1/~~ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~1/~~ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date)* (note 3)

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

And ~~1/~~ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at EDINBURGH

Declarants to sign below

on

Day	Month	Year
07	09	2000

before me Robert Davidson, N.P. Edinburgh
ROBERT DAVIDSON, NOTARY PUBLIC, EDINBURGH
A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-
The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ
or, for companies registered in Scotland:-

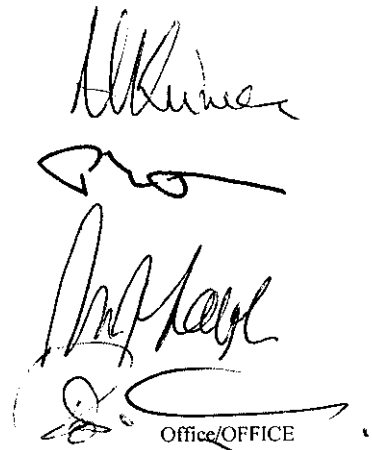
The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Schedule 1 to Statutory Declaration dated 7 September 2000

The execution, delivery and performance by the Company of its obligations under the Intercompany Loan Agreement to be dated on or about the date hereof between the Company and Eggborough Power (Holdings) Limited. In accordance with the terms of the Loan Agreement, no amount of interest shall be charged by the Company on the loan to be made to Eggborough Power (Holdings) Limited by the Company.

The execution, delivery and performance by the company of its obligations under a Credit Agreement dated 13 July 2000 (as amended and restated by an amendment and restatement agreement to be dated on or about the date hereof) between the Company as Borrower, Barclays Bank PLC as Agent and Security Trustee, Barclays Capital as Arranger and the Financial Institutions named therein as Banks.

The execution, delivery and performance by the company of its obligations under a Debenture to be dated on or about the date hereof between the Company, British Energy plc, British Energy Power and Trading Limited and Barclays Bank PLC as Security Trustee, to secure the company's obligations under the Credit Agreement.



Office/OFFICE

Schedule 2 to Statutory Declaration dated 7 September 2000

Financial assistance will be given as follows:

1. INTERCOMPANY LOAN AGREEMENT

By Eggborough Power Limited (the "**Company**") entering into and performing its obligations under the Loan Agreement (the "**Intercompany Loan Agreement**") between the Company and Eggborough Power (Holdings) Limited ("**EPHL**") dated on or about the date hereof, which provides that:

- (a) the Company has agreed, upon and subject to the terms and conditions of the Intercompany Loan Agreement, to make an interest-free loan to EPHL to assist EPHL to meet its payment obligations under an agreement dated 24 March 2000 between EPHL and British Energy plc relating to a loan in connection with the sale and purchase of the business carried on at Eggborough power station and under other ancillary and related agreements and for EPHL's general corporate purposes;
- (b) the Company shall upon receipt of the proceeds of the Project Credit Facility on the Drawdown Date make the advance to EPHL to such account as EPHL may specify in an amount equal to the lesser of £550,000,000 and the balance of the Project Credit Facility drawn down following application thereof towards the purposes set out in paragraphs (i) to (iv) of Schedule 1 to the Intercompany Loan Agreement (the "**Advance Amount**"). The maximum amount outstanding at any time under the Intercompany Loan Agreement (excluding default interest) shall not exceed the Advance Amount;
- (c) the Company shall be entitled at any time after the Discharge Date by notice in writing served on EPHL to request the repayment forthwith of all or any part of the loan;
- (d) no interest shall be payable on the loan or any part thereof or any other sums passing under the Intercompany Loan Agreement, unless the loan or any part thereof is not repaid on the applicable Repayment Date. In this case, EPHL shall, on demand by the Company, pay interest on such overdue amount (including overdue default interest) from the due date up to the date of actual payment at a rate of 5% (five per cent) per annum above the base rate for the time being of the Royal Bank of Scotland plc;
- (e) EPHL shall indemnify the Company on demand against all payments and liabilities (other than the repayment of principal and the payment of any default interest thereon) incurred by the Company as a consequence of any default by

EPHL in the performance of any of the obligations expressed to be assumed by it in the Intercompany Loan Agreement.

In the Intercompany Loan Agreement:

"Credit Agreement" means the credit agreement dated 13 July 2000 (as amended and restated by an amendment and restatement agreement to be dated on or about the date hereof) between the Company as borrower, Barclays Capital (the investment banking division of Barclays Bank PLC) as arranger, Barclays Bank PLC as agent and security trustee and the financial institutions named therein as banks in respect of the Project Credit Facility.

"Drawdown Date" means the date of the advance of the loan under the Credit Agreement.

"Project Credit Facility" means the £550,000,000 project credit facility made or to be made available to the Company under the Credit Agreement.

"Repayment Date" means each date specified by the Company to EPHL in a notice *delivered under the Intercompany Loan Agreement to repay the principal amount of the loan or such part thereof as specified in such notice.*

2. **CREDIT AGREEMENT**

By the Company entering into and performing its obligations under the Credit Agreement pursuant to which the Company has agreed to borrow £550,000,000 for purposes which include entering into the Intercompany Loan Agreement. Pursuant to the Credit Agreement, the Company has given certain undertakings to the Finance Parties and agreed to be bound by the obligations of the Credit Agreement. Interest will be payable under the Credit Agreement in accordance with the terms thereof.

3. **DEBENTURE**

By the Company entering into and performing its obligations under a debenture between the Company, BE, British Energy Power and Energy Trading Limited ("**BET**") and Barclays Bank PLC (the "**Security Trustee**") (the "**Debenture**"), by which the Company covenants to pay the Secured Senior Liabilities, the Secured Subordinated Liabilities and the Deed of Payment Liabilities. With regard to those liabilities the Company:

- (a) Charges, by way of first legal mortgage in favour of the Security Trustee for the benefit of the Finance Parties as security for the payment of the Secured Senior Liabilities: all of its freehold land and buildings at Eggborough Power Station, Eggborough, Goole, North Yorkshire; all of its freehold land comprising Gale

Common, North Yorkshire; and all other estates or interests in any freehold or leasehold property at the date of the Debenture belonging to it.

(b) Charges, by way of first fixed charge in favour of the Security Trustee for the benefit of the Finance Parties as security for the payment of the Secured Senior Liabilities:

- (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all present and future estates or interests in any freehold or leasehold property belonging to it;
- (ii) all plant and machinery now or in the future owned by the Company and its interest in any plant or machinery in its possession;
- (iii) its interest now or in the future in all the Shares and their Related Rights;
- (iv) all moneys standing to the credit of any account (including the Project Accounts but excluding the Revenue Account) and, to the extent the Company has any interest therein on the Security Accounts with any person and the debts represented by them and all Authorised Investments made from such Project Accounts, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same;
- (v) to the extent not effectively assigned under clause 2.2(a) of the Debenture, all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
- (vi) all of the Company's present and future book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all claims, rights, securities, receivables and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
- (vii) (to the extent that they do not fall within any other sub-paragraph of this paragraph (b) and are not effectively assigned under clause 2.2(a) of the Debenture) all of the Company's rights and benefits under the agreements listed in Schedule 3 to the Debenture, any distributorship or similar agreements entered into by it now, or in the future (including, for the avoidance of doubt, any new agreement which the Company may enter into pursuant to the Balancing and Settlement Code) any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;

- (viii) any beneficial interest, claim or entitlement of the Company in any pension fund;
 - (ix) its present and future goodwill;
 - (x) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any other assets secured under the Debenture and the right to recover and receive all compensation which may be payable to it in respect of them;
 - (xi) its present and future uncalled capital; and
 - (xii) its present and future Intellectual Property Rights (including the patents and trademarks specified in Schedule 2 to the Debenture).
- (c) Charges, by way of second legal mortgage in favour of the Security Trustee for the benefit of BE as security for the payment of all the Secured Subordinated Liabilities all the Mortgaged Security Assets;
 - (d) Charges, by way of second fixed charge in favour of the Security Trustee for the benefit of BE as security for the payment of all the Secured Subordinated Liabilities, all the Charged Security Assets.
 - (e) Charges, by way of first fixed security in favour of the Security Trustee for the benefit of BET as security for the payment of the Deed of Payment Liabilities, all monies standing to the credit of the Revenue Account and the debts represented by them, and all Authorised Investments made from the Revenue Account, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same.
 - (f) Charges, by way of second fixed security in favour of the Security Trustee for the benefit of the Finance Parties as security for the payment of the Secured Senior Liabilities, all the assets secured by the first fixed security described at (e) above.
 - (g) Assigns, as continuing security for the payment discharge and performance of the Secured Liabilities, to the Security Trustee, its present and future rights under the Insurances and its rights, interest and title in the agreements listed in Schedule 3 to the Debenture.
 - (h) Assigns, as continuing security for the payment discharge and performance of the Secured Liabilities, to the Security Trustee, all its rights over receivables in the Settlement Arrangements (as defined in the Pooling and Settlement Agreement for the Electricity Industry of England and Wales, dated 30th March 1990).

- (i) Charges, by way of first floating charge in favour of the Security Trustee for the benefit of the Finance Parties as security for the payment of the Secured Senior Liabilities any of its assets not effectively secured by the first legal mortgage described at (a) above or the first fixed charge described at (b) above (except the Revenue Account) and all Authorised Investments made from such Accounts, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same.
- (j) Charges, by way of second floating charge in favour of the Security Trustee for the benefit of BE as security for the payment of the Secured Subordinated Liabilities, any of its assets not effectively secured by the second legal mortgage described at (c) above or the second fixed charge described at (d) above (except the Revenue Account) and all Authorised Investments made from such Accounts, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same.
- (k) Charges, by way of first floating charge in favour of the Security Trustee for the benefit of BET as security for the payment of the Deed of Payment Liabilities, any monies to the credit of the Revenue Account, and all Authorised Investments made from such Account, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same, not effectively secured by the first fixed security described at (e) above.
- (l) Charges, by way of second floating charge in favour of the Security Trustee for the benefit of the Finance Parties as security for the payment of the Secured Senior Liabilities, any monies to the credit of the Revenue Account, and all Authorised Investments made from such Account, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same, not effectively secured by the second fixed security described at (f) above.

In the Debenture:

"Account Bank" has the meaning given in the Credit Agreement.

"Agent" means Barclays Bank PLC.

"Authorised Investment" means

- (a) Sterling deposits placed with, or certificates of deposit denominated in Sterling of, any bank or guaranteed by a bank having a short-term senior debt rating of A or better issued by Standard & Poor's Rating Group for a term not exceeding 12 months

and which is an authorised institution under the Banking Act 1987 and has capital and reserves in excess of £100,000,000;

- (b) Commercial paper, denominated in Sterling, constituting direct, primary, and unsubordinated obligations, the issuer or the guarantor of which has a short-term senior debt rating of A or better issued by Standard & Poor's Rating Group, for a term not exceeding 12 months; and
- (c) Gilt-edged securities issued by the government of the United Kingdom or any other freely negotiable and marketable debt securities issued by the Government of the United Kingdom, in each case (i) denominated in Sterling and (ii) with a maximum maturity of one year from the date of purchase, and which constitute direct, primary, and unsubordinated obligations.

"Balancing and Settlement Code" means the document setting out balancing and settlement arrangements established by National Grid Company pursuant to its transmission licence.

"Bank" means any of the financial institutions listed in Schedule 1 to the Credit Agreement (together the **"Banks"**).

"Charged Security Assets" means those assets subject to the fixed charge set out in paragraph 3(b) above.

"Deed of Payment Liabilities" has the meaning given in the Debenture.

"Finance Party" means the Arranger, a Bank, the Security Trustee, the Account Bank, the Hedging Bank or the Agent (and together the **"Finance Parties"**).

"Group" means BE and its Subsidiaries.

"Group Shares" means any stocks, shares, debentures, bonds, warrants, coupons or other securities and investments in any member of the Group owned (either now or in the future) by the Company from time to time.

"Hedging Bank" has the meaning given in the Credit Agreement.

"Income" has the meaning given in the Accounts Agreement.

"Insurance Arrangements" means all Insurances for the Project agreed between the Company and the Banks as set out in Schedule 8 to the Credit Agreement.

"Insurances" means all contracts and policies of insurance and re-insurance of any kind which are taken out by or on behalf of the Company in accordance with the Insurance Arrangements or (to the extent of its interest) in which the Company has an interest, and

such other policy or contract of insurance and re-insurance as the Agent and the Company agree shall be an Insurance.

"Intellectual Property Rights" means all know-how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

"Investment Proceeds" has the meaning given in the Accounts Agreement.

"Mortgaged Security Assets" means those assets subject to the first legal mortgage set out in paragraph 3(a) above.

"Plant" has the meaning given in the Credit Agreement.

"Project" means the operation and maintenance of the Plant.

"Project Accounts" has the meaning given in the Accounts Agreement to be entered into between the Company, the Account Bank and the Agent (the **"Accounts Agreement"**).

"Related Rights" means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Revenue Account" has the meaning given to that term in the Accounts Agreement.

"Secured Senior Liabilities" has the meaning given in the Debenture.

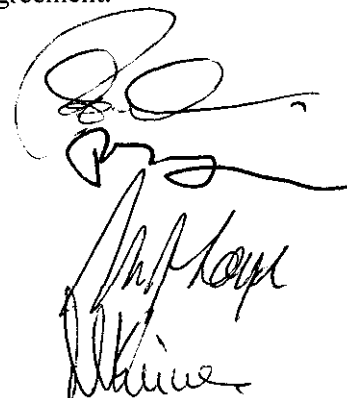
"Secured Subordinated Liabilities" has the meaning given in the Debenture.

"Security Accounts" has the meaning given in the Debenture.

"Security Assets" means all assets of the Company which are the subject of any security created by the Debenture.

"Shares" means the Group Shares and any other stocks, shares, debentures, bonds or other securities and investments.

"Subsidiaries" has the meaning given in the Credit Agreement.

Three handwritten signatures are present. The top signature is a large, stylized cursive 'P'. The middle signature is a cursive 'M'. The bottom signature is a cursive 'K'.

PricewaterhouseCoopers

PO Box 90
Erskine House
68-73 Queen Street
Edinburgh EH2 4NH
Telephone +44 (0) 131 226 4488
Facsimile +44 (0) 131 260 4008
Direct Phone 0131 260 4260
Direct Fax 0131 260 4008

The Directors
Eggborough Power Limited
10 Lochside Place
EDINBURGH
EH12 9DF

7 September 2000

Dear Sirs

Auditors' report to the directors of Eggborough Power Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Eggborough Power Limited ('the Company') dated 7 September 2000 in connection with the proposal that the Company should give financial assistance for the purchase of 1,000,001 of the ordinary shares of the Company.

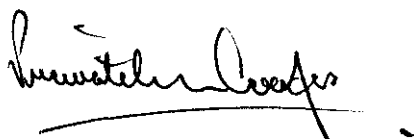
Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

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

Yours faithfully



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors