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COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

COMPANIES HOUSE
FEE PAID £10
EDINBURGH

466

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write in
this margin

Pursuant to section 410 and 466 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

115

137656

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

Name of company

* Fife Energy Limited (Registered Number 137656) (the "Company")

*
insert full name
of company

Date of creation of the charge (note 1)

20th July 1999

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered

Floating Charge

Names of the persons entitled to the charge

See Paper Apart 1

Short particulars of all the property charged

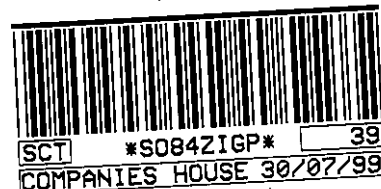
The whole of the property (including uncalled capital) which is or may be from time to time be comprised in the property and undertaking of the Company.

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

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
EDINBURGH EH1 2EN
Ref: NLR/CEF/MPS/BOS001.0497

For official Use
Charges Section

Post room



Names, and addresses of the persons who have executed the instrument of alteration (note 2)

See Paper Apart 2

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this margin

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

Date(s) of execution of the instrument of alteration

20th July 1999

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

Any present or future standard security, floating charge or other charge granted by the Company to either the Security Trustee or El Paso (other than the Securities) shall (unless otherwise agreed in writing between the Security Trustee and El Paso) not prejudice the ranking provisions detailed in the instrument of alteration notwithstanding any provision contained in any of the Securities or any such future charge or any rule to the contrary.

Short particulars of any property released from the floating charge

Not Applicable

The amount, if any, by which the amount secured by the floating charge has been increased

Not Applicable

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

The Securities shall rank in the following order of priority:-

FIRST the Security Trustee's Share Pledge in respect of all sums secured thereby and the El Paso Standard Securities in respect of all sums secured thereby;

SECOND the Security Trustee's Floating Charge in respect of all sums secured thereby to the extent that such charge extends to the Shares and the El Paso Floating Charge in respect of all sums secured thereby to the extent that such charge extends to any assets of the Company other than the Shares;

THIRD the El Paso Floating Charge in respect of all sums secured thereby;

FOURTH the Security Trustee's Floating Charge in respect of all sums secured thereby;

and that notwithstanding the dates on which the Securities are registered or the terms of the Securities or the terms of any instruments of alteration dated prior to this agreement affecting any of the Securities.

The above provisions as to ranking shall be valid and effective, and the Securities shall be given effect subject to the above provisions as to ranking, all irrespective of the date or dates on which sums due or becoming due to the Security Trustee or El Paso Energy or any member of the El Paso Group have or shall become due, and irrespective of fluctuations in such sums.

Further definitions:

the "Additional Property" shall mean the areas of ground at Westfield Development Centre, Cardenden, Fife (such areas currently forming part of the subjects registered in the Land Register of Scotland under Title Number FFE 28926 and part of the subjects registered in the Land Register of Scotland under Title Number FFE 14844) all as more particularly described in and secured by the EL Paso 1999 Standard Security;

the "El Paso Floating Charge" means a floating charge dated 25th September 1998 and delivered to the Registrar of Companies for registration on 1st October 1998;

the "El Paso Group" shall mean any company in which El Paso Energy directly or indirectly holds 50% or more of the issued equity share capital;

the "El Paso 1998 Standard Security" means a standard security over the Property dated 24th September 1998 and registered in the Land Register of Scotland on 1st October 1998 under Title Number FFE 5984;

the "El Paso 1999 Standard Security" means a standard security over the Additional Property dated 20 July 1999 and to be registered in the Land Register of Scotland;

the "El Paso Standard Securities" shall mean the El Paso 1998 Standard Security and the El Paso 1999 Standard Security;

the "Property" shall mean the areas of ground at Westfield Development Centre, Cardenden, Fife, registered in the Land Register of Scotland under Title Number FFE 5984 as more particularly described in the El Paso 1998 Standard Security;

the "Security Trustee's Share Pledge" means a pledge of shares over the Shares (as hereinafter defined) dated 20 July 1999 and to be delivered to the Registrar of Companies for registration;

the "Security Trustee's Floating Charge" means a floating charge dated 20 July 1999 and to be delivered to the Registrar of Companies for registration;

Continuation of the statement of provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges.

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the "Senior Creditors" is as defined in the Senior Facility Agreement;

the "Senior Facility Agreement" means the facility agreement dated July 20 1999 between Fife Power (registered number SC162872), the Senior Creditors and the Security Trustee providing for credit facilities aggregating £55,000,000;

the "Securities" shall mean the Security Trustee's Share Pledge, the Security Trustee's Floating Charge, the El Paso Standard Securities and the El Paso Floating Charge;

the "Shares" shall mean the entire issued share capital of Fife Limited (registered in Scotland number SC167286);

the "Subordinated Creditors" is as defined in the Subordinated Facility Agreement;

the "Subordinated Facility Agreement" means the facility agreement dated July 20 1999 between Fife Power (registered number SC162872), the Subordinated Creditors and the Security Trustee providing for credit facilities aggregating £3,000,000.

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

Signed

Date

27/7/99

† delete as
appropriate

On behalf of [~~company~~][chargee] †

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.

Paper Apart 1 applicable to the foregoing Form M466 in respect of an Instrument of Alteration relating to a Floating Charge created by Fife Energy Limited in favour of The Governor and Company of the Bank of Scotland executed 20 July 1999

Names of the persons entitled to the charge

The Governor and Company of the Bank of Scotland acting through its Corporate Banking (International) Division based at Orchard Brae House, 30 Queensferry Road, Edinburgh EH4 2UG for itself and as agent and security trustee for the Senior Creditors pursuant to the Senior Facility Agreement and the Subordinated Creditors pursuant to the Subordinated Facility Agreement (all as hereinafter defined) (the "Security Trustee").



Paper Apart 2 applicable to the foregoing Form M466 in respect of an Instrument of Alteration relating to a Floating Charge created by Fife Energy Limited in favour of The Governor and Company of the Bank of Scotland executed 20 July 1999

Names, and addresses of the persons who have executed the instrument of alteration

1. Fife Energy Limited (Company Number 137656) having its registered office at Westfield Development Centre, Cardenden, Fife KY5 0HP;
2. The Governor and Company of the Bank of Scotland, acting through its Corporate Banking (International) Division based at Orchard Brae House, 30 Queensferry Road, Edinburgh EH4 2UG, for itself and as agent for the Senior Creditors pursuant to the Senior Facility Agreement and the Subordinated Creditors pursuant to the Subordinated Facility Agreement; and
3. El Paso Energy International Company, a Delaware limited liability company having its principal place of business at 1001 Louisiana Street, Houston, Texas 77002, USA ("El Paso Energy") for itself and as trustee for any member of the El Paso Group (El Paso Energy for itself and as trustee foresaid being herein referred to as "El Paso").





**CERTIFICATE OF THE REGISTRATION OF
AN ALTERATION TO A FLOATING CHARGE**

Company number 137656

I hereby certify that particulars of an instrument of alteration dated
20 JULY 1999

were delivered pursuant to section 410 of the Companies Act, 1985,
on 30 JULY 1999.

The instrument relates to a charge created on 20 JULY 1999

by FIFE ENERGY LIMITED

in favour of

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
4 AUGUST 1999



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



N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

REGISTER of Charges, Alterations to Charges,

COMPANY: SC137656 CHARGE: 15

(1) Date of Registration	(2) Serial Number of Document on File	(3) Date of Creation of each Charge and Description thereof	(4) Date of the aquisition of the Property	(5) Amount secured by the Charge £	(6) Short Particulars of the Property Charged	(7) Names of the Persons entitled to the Charge
29/07/1999		20/ 7/99 FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

Memoranda of Satisfaction and Appointments etc. of Receivers

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC137656 CHARGE: 15

(8)	(9)	(10)	(11)	(12)		
In the case of a floating charge, a statement of the provisions, if any, prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with the floating charge.	In the case of a floating charge, a statement of the provisions if any regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property the subject of the floating charge or any part of it.	Amount or rate per cent of the Commission Allowance or discount	Memoranda of Satisfaction	Receiver		
				Name	Date of Appointment	Date of Ceasing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC137656 CHARGE: 15

Instruments of Alteration to a Floating Charge					
(13) Date of Execution	(14) Names of the persons who have executed the instrument	(15) The provisions, if any, prohibiting or restricting the creation by the Company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with, the floating charge.	(16) The provisions, if any, varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges.	(17) Short particulars of any property released from the floating charge	(18) The amount, if any, by which the amount secured by the floating charge has been increased. £
	EL PASO EBERGY INTERNATIONAL COMPANY THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND FIFE ENERGY LIMITED				