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COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

410

CHA 116

Please do not
write in this
margin

Pursuant to section 410 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

[1 1 3]

SC 137656

Name of Company

* Fife Energy Limited (the "Company")

* insert full name
of company

Date of creation of the charge (note 1)

25 September 1998

Description of the instrument (if any) creating or evidencing the charge (note 1)

Bond and floating charge (the "Charge")

Amount secured by the charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, cautioner, security or otherwise) of the Company to El Paso (as hereinafter defined) or to any member of the El Paso Group (as hereinafter defined) under the Secured Promissory Note (as hereinafter defined) or otherwise together with all costs, charges and expenses.

"El Paso" means El Paso Energy International, 1001 Louisiana Street, Houston, Texas 77002.

"El Paso Group" means any Company in which El Paso directly or indirectly holds 50% or more of the issued equity share capital.

"Secured Promissory Note" means an instrument executed by the Company on 25 September 1998 constituting a loan of £2,200,000 by the Chargee.

Names and addresses of the persons entitled to charge

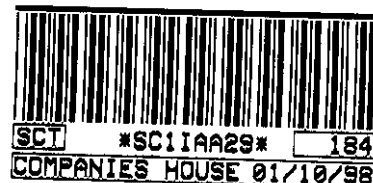
El Paso Energy International, a Delaware limited liability company, 1001 Louisiana Street, Houston, Texas 77002 for itself and as trustee for any member of the El Paso Group (the "Chargee")

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

MacLay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

For official use
Charges Section

I Post room



Short particulars of all the property charged.

Please do not
write in
this margin

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

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

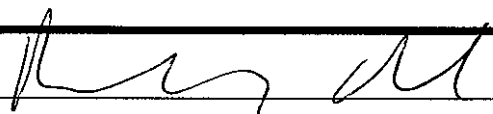
Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provision (note 2)

The Charge shall rank, subject to section 464(2) of the Companies Act 1985 (as amended), in priority to any fixed security granted or created by the Company after its execution of the Charge (other than a fixed security in favour of the Chargee for and on behalf of itself) and in priority to any floating charge created by the Company after its execution of the Charge.

Particulars as to commission, allowance or discount paid (see section 413(3))

None

Signed



Date 1/10/98

On behalf of ~~company~~ [chargee] †

Notes

1. A description of the instrument e.g. "Standard Security" "Floating Charge" etc, should be given. For the date of creation of a charge see section 410(5) of the Act. (Examples - date of signing of an Instrument of Charge; date of recording/registration of a Standard Security; date of intimation of an Assignment.)

† delete as
appropriate

2. In the case of a floating charge a statement should be given of (1) the restrictions, if any, on the power of the company to grant further securities ranking in priority to, or pari passu with the floating charge; and/or (2) 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 which is the subject of the floating charge or any part of it.

3. A certified copy of the instrument, if any, creating or evidencing the charge, 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 the creation of the charge. In the case of a charge created out of the United Kingdom comprising property situated outside the U.K., within 21 days after the date on which the copy of the instrument creating it could, in due course of post, and if despatched with due diligence, have been received in the U.K. Certified copies of any other documents relevant to the charge should also be delivered.

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.

5. The address of the Registrar of Companies is:-

Companies Registration Office
102 George Street
Edinburgh EH2 3DJ



**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

Company number 137656

I hereby certify that a charge created by

FIFE ENERGY LIMITED

on 25 SEPTEMBER 1998

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of

EL PASO ENERGY INTERNATIONAL FOR ITSELF AND AS TRUSTEE FOR
ANY MEMBER OF THE EL PASO GROUP

was delivered pursuant to section 410 of the Companies Act, 1985,
on 1 OCTOBER 1998

Signed at Edinburgh
5 OCTOBER 1998



R. Graham
For Registrar of Companies

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: 13

(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
01/10/1998		25/ 9/98 BOND & FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	EL PASO ENERGY INTERNATIONAL FOR ITSELF AND AS TRUSTEE FOR ANY MEMBER OF THE EL PASO GROUP

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: 13

(8) 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.	(9) 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.	(10) Amount or rate per cent of the Commission Allowance or discount	(11) Memoranda of Satisfaction	(12) 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						