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COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

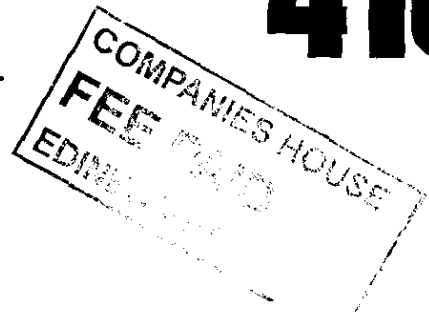
410

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

CHFP025

Please do not
write in this
margin

Pursuant to section 410 of the Companies Act 1985

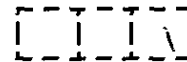


Please complete
legibly, preferably
in black type, or
bold block lettering

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

For official use

Company number



SC162273

Name of company

* BRITISH ENERGY PLC (the "Company")

* insert full name
of company

Date of creation of the charge (note 1)

26 September 2002

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

Debenture creating fixed & floating charges between Company, Lender & others (the "Debenture")

Amount secured by the charge

The full and punctual payment, performance and discharge of all the Secured Liabilities as defined in the Debenture, (being all present and future obligations and liabilities of each Obligor (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become due, owing or payable to the Lender under or in connection with any of the Finance Documents plus all costs, charges and expenses incurred by the Lender which are, or are expressed to be, or may become due, owing or payable by any Obligor under or in any connection with any Finance Document).

For definitions see Paper Apart No.1

Names and addresses of the persons entitled to the charge

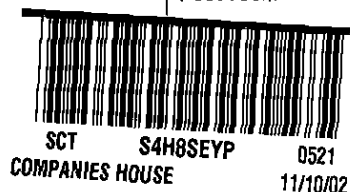
The Secretary of State for Trade and Industry (the "Lender") of 1 Victoria
Street, London SW1 0ET

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

McGrigor Donald
Princes Exchange
1 Earl Grey Street
EDINBURGH
EH3 9AQ (Ref: JMF)
beplc

For official use
Charges Section

Post room



Short particulars of all the property charged.

See Paper Apart No.2

Please do not
write in
this margin

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)

(a) The Company shall not create any fixed security or other floating charge over any part of the Security Assets ranking in priority to or pari passu with the floating charge created by the Debenture except for any security in favour of the Lender or as permitted by clause 15.14 (Negative Pledge) of the Facility Agreement; and

(b) The floating charge created by the Company under the Debenture shall rank behind all the fixed charges and mortgages created by the Debenture but shall rank in priority to any other floating security created by it after the date of the Debenture except for any security permitted by clause 15.14 (Negative Pledge) of the Facility Agreement.

The terms of clause 15.14 (Negative Pledge) of the Facility Agreement are summarised in Paper Apart No.3

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

N/A

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Signed Al Glynis Donald Date 10.10.02

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.)

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. Cheques and Postal Orders are to be made payable to **Companies House**.

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

Companies House
37 Castle Terrace
Edinburgh EH1 2EB

† delete as
appropriate

BRITISH ENERGY PLC (SC162273)
Paper Apart No.1 re Form 410

Definitions (Amount secured by the charge)

"Finance Documents" means the Facility Agreement, the Debenture and the Share Mortgages, together with all related bank mandate documentation, deposit charging documentation, accession letters and other documents specified as Finance Documents by the Lender;

"Facility Agreement" means the revolving credit and cash collateral facilities agreement dated 26 September 2002 and made between the Company, the Lender and other members of the Group; and

"Share Mortgages" means each mortgage of shares or pledge of shares or other interests in a Subsidiary entered into by a Facility Obligor and the Lender or her nominee on 26 September 2002

Other definitions for the purposes of this Form 410 are as follows:

"Assigned Assets" means the Company's present and future rights under or in respect of:

- (a) the Special Accounts and all sums standing to the credit thereof; and
- (b) its Intragroup Receivables,

including all other assets and rights receivable or distributable in respect of or in exchange for any of them;

"Balancing and Settlement Code" means the Balancing and Settlement Code as published by Elexon and in force from time to time;

"Bank Accounts" means bank accounts opened or maintained with any bank or other person, including all credit balances now or at any time in future on such accounts, all debts from time to time represented by such credit balances and all other rights accruing or arising in relation to each of such accounts;

"Borrower" means each, any or all of British Energy Plc, British Energy Generation (UK) Limited, British Energy Power and Energy Trading Limited, British Energy Generation Limited and Bruce Power LP, and any other member of the Group who may subsequently become a Borrower in accordance with the Facility Agreement;

"Connection and Use of System Code" means the Connection and Use of System Code as in force from time to time;

"Event of Default" has the meaning given in the Facility Agreement;

"Excluded Subsidiary" means Bruce Power LP and any Subsidiary of the Borrower (other than a Guarantor):

- (a) which is a single purpose company or limited liability undertaking whose principal assets and business are directly or indirectly constituted by the ownership, acquisition, development and/or operation of an asset;
- (b) none of whose Indebtedness for borrowed money in respect of the financing of such ownership, acquisition, development and/or operation of an asset is subject to

any recourse whatsoever to any member of the Group (other than such Subsidiary or another Excluded Subsidiary); and

- (c) which has been designated as such by a Borrower by written notice to the Lender provided that a Borrower may give written notice to the Lender at any time that any Excluded Subsidiary is no longer an Excluded Subsidiary;

"Facility Obligor" means any, each or all of British Energy Plc, British Energy Generation (UK) Limited, British Energy Power and Trading Limited, British Energy Investment Limited, British Energy International Holdings Limited, British Energy Generation Limited, District Energy Limited, Bruce Power LP, British Energy US Holdings Limited, British Energy LP, British Energy (Canada) Limited and Bruce Power Investments Inc;

"Facility Security Provider" means each member of the Group who has given fixed and floating security pursuant to the Debenture which, for the avoidance of doubt, does not include British Energy US Holdings Limited;

"Grid Code" means the code prepared by the National Grid Company Plc pursuant to its transmission licence relating to the National grid;

"Group" means British Energy plc and its Subsidiaries from time to time;

"Guarantor" means any, each or all of British Energy plc, British Energy Generation (UK) Limited, British Energy Power and Trading Limited, British Energy Investment Limited, British Energy International Holdings Limited, British Energy Generation Limited, District Energy Limited, Bruce Power LP, British Energy US Holdings Limited, British Energy LP, British Energy (Canada) Limited and Bruce Power Investments Inc, together with any other member of the Group who may subsequently become a Guarantor in accordance with the Facility Agreement;

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

"Intragroup Receivables" means Receivables due or owing at any time to the Company by or from any other member of the Group but excluding trading or operating Receivables arising in the ordinary course of business (including, without limitation, income receivable for an Approved Working Capital Purpose (as defined in the Facility Agreement));

"Obligor" means an obligor under the Debenture, being each, any or all of British Energy plc, British Energy Generation (UK) Limited, British Energy Power and Trading Limited, British Energy Investment Limited, British Energy International Holdings Limited, British Energy Generation Limited and District Energy Limited;

"Project Finance Indebtedness" means any Indebtedness of an Excluded Subsidiary;

"Receivables" means all book and other debts or any nature whatever (other than those represented by the Bank Accounts) and all other monies due or owing at any time, to the Company and all proceeds, rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;

"Receiver" means any one or more persons, individually or together with additional persons, appointed as an administrative receiver, receiver and manager, or other receiver appointed in respect of the Security Assets by the Lender pursuant to powers conferred by the Debenture, statute or otherwise;

"Scottish Assets" means such of the undertaking, property and assets present and future of the Company from time to time located in Scotland and such contractual and other rights and other incorporeal moveable property present and future of the Company 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 Intragroup Receivables" means Intragroup Receivables governed by the law of Scotland;

"Scottish Special Account" means a Special Account which is held at a bank branch situated in Scotland;

"Security Assets" means all or any of the assets and rights from time to time subject or expressed to be subject to the security created, or which may at any time be created, pursuant to any provision of the Debenture;

"Security Documents" means the Debenture, each Share Mortgage and all other deeds, agreements, documents, notices, authorisations and consents entered into in connection with creating, perfecting or preserving the security contemplated hereunder or thereunder;

"Security Interest" means any mortgage, standard security, charge (whether fixed or floating), pledge, lien, hypothecation, assignment or assignation by way of security, trust arrangement or security interest of any kind securing any obligation of any person (including without limitation title transfer and/or retention arrangements having a similar effect);

"Special Accounts" means the Bank Accounts detailed in Part 2 (*Details of Special Accounts*) of the Schedule to the Debenture and any other new Bank Accounts requested to be opened by the Lender from time to time (but excluding, for the avoidance of doubt, any existing trading Bank Accounts of the Company); and

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985 and a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

BRITISH ENERGY PLC (SC162273)
Paper Apart No.2 re Form 410

As continuing security for the full and punctual payment, performance and discharge of all Secured Liabilities, the Company, with full title guarantee (other than in respect of the Scottish Assets) and free from any other security interest, creates the following security interests in favour of the Lender:

1 Assignments and assignments

- (a) Subject to paragraph (b) it assigns all its rights under or in respect of the Assigned Assets (other than those which are Scottish Assets) to the Lender, to hold absolutely, subject to Clause 8 (*Release*) of the Debenture.
- (b) It assigns to the Lender its whole right, title and interest, including all rights of action past, present and future, in and to any Assigned Assets which are Scottish Assets (including, without limitation, any Scottish Intragroup Receivables and any Scottish Special Accounts) on the terms and conditions set out in the Debenture.

2 Other fixed charges

It charges by way of first fixed charge all its rights (to the extent they are not the subject of an assignment) under paragraphs 1(a) or (b) above, under or in respect of the following (except in so far as any are Scottish Assets):

- (a) its Intragroup Receivables;
- (b) the Special Accounts and all sums standing to the credit of such accounts; and

all claims, causes and rights of action and all judgements arising under or in connection with any of the foregoing;

3 Floating charge

It charges by way of first floating charge, all its present and future assets, property, business, undertaking and uncalled capital, and all rights and interests in any of the foregoing, including all the Security Assets expressed to be mortgaged, assigned or charged under paragraphs 1 and 2 above.

4 Conversion of Floating Charge

- (a) The Lender may at any time while an Event of Default is continuing convert the floating charge created by the Company under the Debenture into a fixed charge on all or such of the Security Assets of the Company as shall be specified (whether generally or specifically) by notice to the company.
- (b) In the event that, without the prior written consent of the Lender:
 - (i) the Company creates or permits to subsist any security interest (other than that permitted by clause 15.14 (*Negative Pledge*) of the Facility Agreement - See Paper Apart No.3) 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,

the floating charge created by the Debenture shall, with effect from the instant before such event occurs, automatically convert into a fixed charge over the Security Assets (other than the Scottish Assets) which are the subject of such security interest or process.

5 Appointment of Receiver

The Lender shall be entitled to appoint a Receiver or Receivers under the floating charges created by the Debenture.

6 Further Assurances

The Debenture contains covenants for further assurances.

7 Further Advances

The security created by the Debenture is intended to cover further advances. The Lender may perform its obligations under the Finance Documents (including any obligation to make available further advances).

BRITISH ENERGY PLC (SC162273)
PAPER APART No.3 re Form 410

Negative Pledge

Pursuant to the Facility Agreement, British Energy plc will not and will procure that none of its Subsidiaries permit any Security Interest other than a Permitted Security Interest to subsist, arise or be created or extended over all or any part of their respective present or future undertakings, assets, rights or revenues to secure or prefer any present or future Indebtedness of it or any of its Subsidiaries or any other person.

Security Interests permitted by clause 15.14 (Negative Pledge) of the Facility Agreement are:

- (a) any lien arising by operation of law (or by agreement to the same or no greater effect) including, without limitation, any rights of set-off with respect to demand or time deposits with financial institutions and bankers' liens with respect to property held by financial institutions;
- (b) any Security Interest over goods or documents of title arising in the course of letter of credit transactions entered into in the ordinary course of business;
- (c) 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 made by a member of the Group and any Security Interest created over the proceeds of the purchase price (or part) of an asset disposed by any member of the Group to secure any potential warranty claim arising from the disposal;
- (d) any Security Interest created by virtue of the operation of any cash pooling arrangements for members of the Group with their bankers providing for the setting-off or netting of debit and credit balances on bank accounts of those members of the Group;
- (e) any Security Interest over the assets of any member of the Group not being a Facility Obligor established to hold assets of any management or employee share option, share incentive or like scheme securing any loan made available to such member of the Group to finance the acquisition of such assets;
- (f) any Security Interest created by a member of the Group in favour of another member of the Group, provided that no Facility Obligor shall create such a Security Interest in favour of a member of the Group which is an Excluded Subsidiary or which is not a Facility Security Provider;
- (g) title retention arrangements arising in the ordinary course of trading with suppliers of goods to British Energy plc or any of its Subsidiaries or arising under conditional sale or hiring arrangements in respect of goods supplied to British Energy plc or any of its Subsidiaries in the ordinary course of trading;
- (h) any Security Interest on the assets of an Excluded Subsidiary to secure Project Finance Indebtedness;
- (i) any Security Interest on assets of a member of the Group which becomes a member of the Group after the date of the Facility Agreement, 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 and, that such obligations are repaid in full within 180 days of such company becoming a member of the Group;

- (j) any Security Interest existing at the time of acquisition on or over any asset acquired by any member of the Group after the date of the Facility Agreement and not created in contemplation of or in connection with that acquisition (provided that the principal amount of the obligations secured at the time of acquisition may not be increased (other than by capitalisation of interest) and the maturity of such obligations are not extended) and that such Security Interest is discharged within 180 days of the relevant acquisition;
- (k) 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 or the Grid Code;
- (l) Security Interests created by, or in accordance with, the Security Documents, or otherwise with the prior written consent of the Lender in accordance with the Facility Agreement;
- (m) any Security Interests other than those referred to in paragraphs (a) to (l) above (inclusive) created prior to the date of the Facility Agreement by a member of the Group as security for Indebtedness not exceeding, in aggregate £5,000,000.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

Company number 162273

I hereby certify that a charge created by

BRITISH ENERGY PLC

on 26 SEPTEMBER 2002

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of THE SECRETARY OF STATE FOR TRADE AND INDUSTRY

was delivered pursuant to section 410 of the Companies Act, 1985,
on 11 OCTOBER 2002

Given at Companies House, Edinburgh



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



**THE OFFICIAL SEAL OF THE
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

Alteration to Charges

Memoranda of Satisfaction

AND

Appointments and Cessations

of Receivers

OF

BRITISH ENERGY PLC

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: SC162273 CHARGE: 1

(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
11/10/2002		26/ 9/02 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 SECRETARY OF STATE FOR TRADE AND INDUSTRY
DEBENTURE CONTAINING		FIXED AND FLOATING CHARGES				

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: SC162273 CHARGE: 1

(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 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 Cessing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						