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COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

410

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

*
insert full name
of company

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

For official use

Company number

3

SC200459

Name of company

* LEDGE 494 LIMITED ("the Chargor")

Date of creation of the charge (note 1)

11 May 2000

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 of the Chargor to the Chargee and the Banks (or any of them) under the Charge, and under the Agreement and the other Finance Documents and/or any deed or document supplemental thereto, whether actual contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Chargee ("the Secured Liabilities")

Names and addresses of the persons entitled to the charge

THE ROYAL BANK OF SCOTLAND PLC, a company incorporated under the laws of Scotland

(registered number SC090312) whose registered office is at 36 St Andrew Square, Edinburgh EH2 2YB

for itself and as agent and trustee for and on behalf of the Banks ("the Chargee")

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

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
EDINBURGH EH1 2EN
Ref: SAB/ADCF/SJP/BOS001.0614

For official Use

Charges Section

Post room



SCT S77JYQT6 0139
COMPANIES HOUSE 26/05/00

Short particulars of all the property charged.

Please do not
write in
this margin

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

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)

See Paper Apart 1

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

Nil

Signed



Date 26/5/00

On behalf of [~~Company~~] [chargee]†

† delete as
appropriate

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. The address of the Registrar of Companies is:-

Companies Registration Office,
37 Castle Terrace,
Edinburgh EH1 2EB

Paper Apart 1 to a Companies Form 410 in respect of a Bond and Floating Charge by Ledge 494 Limited

Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provisions

The floating charge created by the Charge shall, subject to Section 464(2) of the Act, rank in priority to any fixed security which shall be created by the Chargor after the execution of the Charge, other than a fixed security in favour of the Chargee for itself and/or as trustee aforesaid, and to any other floating charge which shall be created by the Chargor after the execution of the Charge and, subject as aforesaid, no such fixed security or other floating charge shall rank in priority to or equally with or postponed to the floating charge created by it.

Except with the prior written consent of the Chargee, the Chargor shall not during the Security Period create, incur, assume or permit to subsist any Encumbrance on all or any part of the Charged Assets except for:-

- (a) any Encumbrance arising under or pursuant to or expressly permitted by the terms of any Finance Documents; or
- (b) liens arising solely by operation of law in the ordinary course of the Chargor's trade provided that any such lien must be discharged by the Chargor within seven days of it arising.

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These are the definitions applicable to the foregoing Companies House Form 410 by Ledge 494 Limited in relation a floating charge created on 11 May 2000

Act means the Companies Act 1985;

Agreement means the Facility Agreement dated 11th May 2000 between, inter alia, Highland Energy Limited (registered number 191561), Ledge 494 Limited, name change pending to Highland Energy (Holdings) Limited (registered number 200459), The Governor and Company of The Bank of Scotland and The Royal Bank of Scotland plc as underwriting banks (the "**Underwriting Banks**"), the Banks and The Royal Bank of Scotland plc as agent and security Trustee for the Banks, (in these capacities the "**Agent**" and the "**Security Trustee**" respectively);

Accession Agreement means an Accession Agreement substantially in the form of Schedule 6 to the Agreement;

Banks means each of the parties set out in Schedule 1 of the Agreement and each other bank or financial institution which becomes a New Bank under Clause 30 of the Agreement;

Borrowers means each of Highland, and each Debtor Party which enters into an Accession Agreement as a Borrower pursuant to Clause 21.19.3 of the Agreement and **Borrower** shall be construed accordingly;

Charged Assets means the whole of the property (including uncalled capital) which is or may be from time to time while the Charge is in force comprised in the property and undertaking of the Chargor;

Debtor Party means the Borrowers, the Parent and each other party from time to time (other than the Agent, the Security Trustee or any Bank) to a Financing Document;

Encumbrance includes any fixed or floating security including, without limiting the generality, any mortgage, standard security, assignment in security, assignation in security, pledge, lien, charge (whether fixed or floating), hypothecation, security interest, title retention, royalty, overriding royalty or production payment or other preferential right having the effect of creating security;

Existing Bank is as defined in Clause 30.5 of the Agreement;

Finance Document means this Agreement, the Security Documents, each Accession Agreement, each Transfer Agreement and any other document designated by the Agent, the Security Trustee and Highland as a Finance Document;

New Bank means a bank or other financial institution to which an Existing Bank seeks to transfer all or part of its rights and obligations under the Agreement in accordance with Clause 30 of the Agreement;

Security Documents means each Debenture, the Accounts Pledge, the Shares Pledge, each Floating Charge and each other document executed or to be executed in connection with

this Agreement guaranteeing and/or creating or evidencing rights in security for, or otherwise in support of, the obligations of any Debtor Party to any Finance Party;

Security Period means the period beginning on 11th May 2000 and ending on the date upon which all Secured Liabilities (actual or contingent) which have arisen or may arise have been irrevocably paid and discharged or the floating charge created by the Charge has been finally released and discharged;

Transfer Agreement means an agreement substantially in the form set out in Schedule 7 of the Agreement executed (inter alia) by an Existing Bank and a New Bank whereby:-

- (i) such Existing Bank seeks to assign to such New Bank all or part of such transferor's rights and obligations under the Charge subject to and upon the terms and conditions set out in Clause 30 of the Agreement; and
- (ii) such New Bank undertakes to perform those obligations it will assume as a result of delivery of such Agreement to the Agent as contemplated in Clause 30 of the Agreement

In this Form 410, unless the context or the express provisions hereof otherwise require:-

- (1) Unless otherwise stated, terms and expressions defined in the Agreement shall have the same meaning in the Charge.
- (2) References in the Charge to a "fixed security" shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of the Charge.
- (3) The expressions "the Chargor", "the Chargee" and "the Banks" shall include the successors, assignees and transferees of the Chargor, the Chargee and the Banks, and, in the case of the Chargee, shall include any person for the time being the Agent under the Agreement.
- (4) Unless any provision of the Charge or the context otherwise requires, any reference to any statute or any section of any statute shall be deemed to include a reference to any statutory modification or re-enactment thereof for the time being in force.
- (5) In the Charge the singular includes the plural and vice versa. Clause headings are for convenience of reference only.
- (6) Any reference in the Charge to a document of any kind whatsoever (including the Charge) is to that document as amended or varied or supplemented or novated or substituted from time to time.
- (7) Any appointment of a Receiver under Clause 5 of the Charge may be made by any successor or assignee or transferee of the Chargee, and the Chargor hereby irrevocably appoints each such successor or assignee or transferee to be its attorney in the terms and for the purposes stated in Clause 11 of the Charge.

- (8) Except as otherwise expressly provided for above, the provisions of Clause 1 of the Agreement shall apply hereto, mutatis mutandis, as if the same had been set out in full in the Charge.



**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

Company number 200459

I hereby certify that a charge created by

LEDGE 494 LIMITED

on 11 MAY 2000

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of THE ROYAL BANK OF SCOTLAND plc

was delivered pursuant to section 410 of the Companies Act, 1985,
on 26 MAY 2000

Given at Companies House, Edinburgh
31 MAY 2000



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, Alterations to Charges,

COMPANY: SC200459 CHARGE: 3

(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
26/05/2000		11/ 5/00 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	THE ROYAL BANK OF SCOTLAND pic

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: SC200459 CHARGE: 3

(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						