

IN THE GRAND COURT OF THE CAYMAN ISLANDS

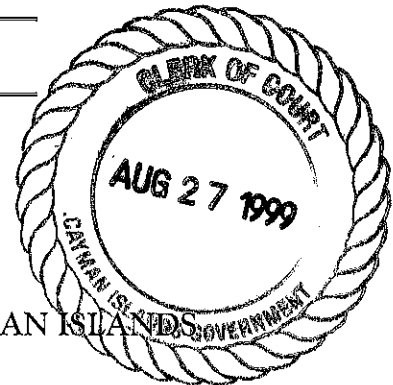
CAUSE NO. 58 OF 1999

In the matter of The Companies Law (1998 Revision)

And in the matter of ICO Global Communications (Operations) Limited



PETITION



TO: HER MAJESTY'S GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of ICO GLOBAL COMMUNICATIONS (OPERATIONS) LIMITED ("the Petitioner")

SHOWETH as follows:

1. ICO Global Communications (Operations) Limited (hereinafter called "the Company") was incorporated on 8 June 1995 as an Exempted Company limited by shares under the Companies Law (1998 Revision) ("the Companies Law") of the Cayman Islands.
2. The registered office of the Company is situated at c/o Huntlaw Corporate Services, PO Box 1350GT, Huntlaw Building, Fort Street, George Town, Grand Cayman.
3. The authorised share capital of the Company at the date of its incorporation was US\$50,000 divided into 50,000 ordinary shares of US\$1 each. The authorised share capital of the Company was increased to US\$4,343,434 divided into 4,343,434 ordinary shares of US\$1 each in 16 December 1998. Only one share of US\$1 has been issued (to ICO Global Communications (Holdings) Limited, ("Holdings"))

4. Holdings is the immediate parent company of the Company, and is the ultimate holding company for all companies within the ICO group of companies (*"the Group"*). The Company has no independent means of funding itself and is reliant for funding on Holdings.
5. The Company was formed to carry on the business of developing and providing a global satellite telecommunications system.
6. The objects for which the Company was established are as follows:-
 - (i) to provide a constellation of satellites disposed in intermediate circular orbits in the vicinity of 10,000 kilometres above the earth and all related and associated infrastructure and ground segments wherever located, and to deliver, in any way and to any person, hand held and other derived ancillary services from, utilising or based on, such satellites; and
 - (ii) the objects more particularly set out in paragraph 3.2 – 3.32 inclusive of the Company's Memorandum of Association as amended by special resolution dated 19 June 1995.
7. The Company has carried on business since incorporation On 27 August 1999 it filed for protection under chapter 11 of title 11 of the U.S. Bankruptcy Code (*"the Bankruptcy Code"*). Such filing was made following a decision by the Company that it required the protection of a Chapter 11 proceeding to allow it to consider a refinancing/reorganisation which would result in the Company continuing business. This in turn followed a decision by the Board of Directors of Holdings that it too needed to make a filing under Chapter 11 to allow it protection while it attempted to complete a refinancing/reorganisation.
8. The Company, through its Board of Directors, has sought and obtained advice that in order to assist the refinancing/reorganisation process, it would be in the Company's interests to file a petition for winding up in the Cayman Islands (the place of incorporation of the Company), and to seek the appointment of provisional liquidators and an injunction restraining any and all proceedings against the Company pursuant to section 99 of the Companies Law.
9. The Company is not presently solvent and is unable to pay its debts. The Company's immediate parent and holding company, Holdings, is also presently insolvent. As noted above, the Company (and the other members of the Group) rely on Holdings for continued financing. Holdings' state of solvency therefore has a huge impact on the Group as a whole.
10. The Company and Holdings will need recapitalisation in order to continue and complete the development and launch of the satellites required to provide service to customers and thereafter generate revenue. The Company and Holdings have succeeded in negotiating a deferment of payment to their suppliers. However,

Holdings has a liability to pay interest to its bondholders which was due on 2 August 1999. This liability has not been paid at this time but Holdings is presently in a 30 day grace period in relation to that payment.

11. Upon a Chapter 11 filing section 362 of the Bankruptcy Code imposes an automatic stay upon creditors with the result that no action can be commenced or continued against the Company. This stay provides a period during which the Company, Holdings and other associated companies can consider their refinancing/reorganisation plans, while protecting their ongoing business. Once the plan of reorganisation is voted upon by affected parties and continued by the Bankruptcy Court, these companies can emerge from Chapter 11 with a "fresh start" and continue to operate as a going concern.
12. However, as noted above, the Company has obtained advice that in order to assist the refinancing/reorganisation process, it would be in the Company's interests to file a winding up petition in the Cayman Islands, to seek the appointment of provisional liquidators, and to seek an injunction restraining any and all proceedings against the Company pursuant to s.99 of the Companies Law. This will have the effect of protecting the estate by allowing the Company the benefit of a stay on proceedings against it and assist in achieving the purposes underlying the Chapter 11 filing.
13. At the time of the presentation of this Petition, the Company, through its Board of Directors, considers that it needs a period of time to ascertain whether further financing is available with a view to moving forward to profitability. However, in the event that such refinancing is not available and/or any proposed reorganisation is not successful, the Company will seek a winding up order on the basis that it is unable to pay its debts.

AND YOUR PETITIONER THEREFORE HUMBLY PRAYS:-

1. That this Petition be adjourned sine die.
2. That at such time as the Petition is relisted for hearing, if so moved by the Company, the Company be wound up by the Court under the provisions of Part V of the Companies Law.
3. That Philip Wallace and Theo Bullmore of KPMG (in England and the Cayman Islands respectively) be appointed Joint Provisional Liquidators of the Company with the power to employ attorneys, counsel and professional advisors whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to pay for same out of the assets of the Company at the normal hourly rates charged by such attorneys, counsel and professional advisors.

4. That the costs of and occasioned by this petition be paid out of the assets of the Company.
5. That such further and/or other relief be granted as this Honourable Court deems appropriate.

DATED this 27th day of August 1999

Hunter & Hunter

HUNTER & HUNTER
ATTORNEYS FOR AND ON BEHALF OF
ICO GLOBAL
COMMUNICATIONS
(OPERATIONS) LIMITED

NOTE: This petition is intended to be served on the Registrar of Companies.

INDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the 27th day of August 1999 will be heard at the Grand Court of the Cayman Islands on:

DATE:

TIME:

(or as soon thereafter as the petition can be heard).

This Petition was filed by Hunter & Hunter, Attorneys-at-Law for the Petitioner, ICO Global Communications (Operations) Limited, whose address for service is that of their said Attorneys, namely The West Wind Building, 2nd Floor, PO Box 190 GT, Grand Cayman, Cayman Islands (SD/07112.003).