

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT										
NATURE OF CONVEYANCE:	NUNC PRO TUNC ASSIGNMENT										
EFFECTIVE DATE:	05/01/2002										
<b>CONVEYING PARTY DATA</b>											
<table border="1"> <thead> <tr> <th>Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>Joe Wayne Key</td> <td>05/03/2010</td> </tr> <tr> <td>Paul Ray Geiger Sr.</td> <td>05/04/2010</td> </tr> <tr> <td>Calvin Vinal Norton</td> <td>05/05/2010</td> </tr> <tr> <td>Robert Edward Clague</td> <td>05/05/2010</td> </tr> </tbody> </table>		Name	Execution Date	Joe Wayne Key	05/03/2010	Paul Ray Geiger Sr.	05/04/2010	Calvin Vinal Norton	05/05/2010	Robert Edward Clague	05/05/2010
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Joe Wayne Key	05/03/2010										
Paul Ray Geiger Sr.	05/04/2010										
Calvin Vinal Norton	05/05/2010										
Robert Edward Clague	05/05/2010										
<b>RECEIVING PARTY DATA</b>											
Name:	Friede & Goldman, Ltd.										
Street Address:	10375 Richmond Avenue, Suite 1200										
City:	Houston										
State/Country:	TEXAS										
Postal Code:	77042										
<b>PROPERTY NUMBERS Total: 1</b>											
<table border="1"> <thead> <tr> <th>Property Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Patent Number:</td> <td>6701861</td> </tr> </tbody> </table>		Property Type	Number	Patent Number:	6701861						
Property Type	Number										
Patent Number:	6701861										
<b>CORRESPONDENCE DATA</b>											
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NAME OF SUBMITTER:	Richard D. Fladung										

**CH \$40.00 6701861**

**501169642**

**PATENT**  
**REEL: 024342 FRAME: 0824**

**Total Attachments: 149**

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## NUNC PRO TUNC PATENT ASSIGNMENT

WHEREAS, we, Joe Wayne Key, Paul Ray Geiger, Sr., Calvin Vinal Norton and Robert Edward Clague, are the joint inventors ("JOINT INVENTORS") of the invention resulting in and evidenced by United States Letters Patent No. 6,701,861 entitled SEMI-SUBMERSIBLE FLOATING PRODUCTION FACILITY that was filed in the United States Patent Office on May 3, 2002; and

WHEREAS, JOINT INVENTORS understand that UNITED HEAVY B.V., a Netherlands company ("UH"), purchased the assets of Friede & Goldman, Ltd., a Mississippi corporation ("FGL"), pursuant to an Asset Purchase Agreement dated May 1, 2002 attached hereto as Exhibit "A," and that Agreement was then approved by the United States Bankruptcy Court by Order dated June 19, 2002 that is attached hereto as Exhibit "B;" and

WHEREAS, JOINT INVENTORS were employees of FGL during the time the invention resulting in and evidenced by United States Letters Patent No. 6,701,861 was conceived, therefore FGL was entitled to all right, title and interest to the invention as of May 1, 2002; and

WHEREAS, JOINT INVENTORS executed an Assignment to FGL on July 11, 2002 that is recorded on Reel: 013440 Frames: 770-772 and is attached hereto as Exhibit "C;" and

WHEREAS, JOINT INVENTORS desire to clarify that their July 11, 2002 Assignment to FGL should be effective as of May 1, 2002 so that the invention resulting in and evidenced by United States Letters Patent No. 6,701,861 was transferred from FGL to UH in the Asset Purchase Agreement dated May 1, 2002;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, JOINT INVENTORS hereby sell, assign, transfer and set over to FGL, **effective as of May 1, 2002**, all right, title and interest in and to (1) said patent, (2) the invention resulting in and evidenced by United States Letters Patent No. 6,701,861 in all countries throughout the world, (3) any and all patent applications based upon the invention resulting in and evidenced by United States Letters Patent No. 6,701,861 or claiming priority from said patent or its patent application, including non-provisional applications, and divisions, continuations, reexaminations and reissues thereof, and any and all Letters Patents in all countries throughout the world which may be granted therefor, and (4) all rights of action on account of past, present and future authorized or unauthorized use of said patent or the invention evidenced by said patent and for infringement of said patent and patent rights and like protection, the same to be held and enjoyed by FGL for its own use and benefit, and for the use and benefit of its successors, assigns, or other legal representatives, to the end of the term or terms for which said Letters Patents are or may be granted, reexamined or reissued, as fully and entirely as the same would have been held and enjoyed by JOINT INVENTORS if this assignment and sale had not been made.

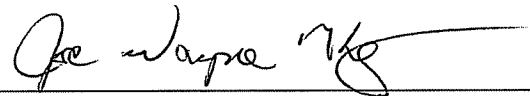
And JOINT INVENTORS hereby authorize and request that any and all Letters Patents in all countries throughout the world on said invention and patent and from any and all patent applications claiming priority from said patent or its patent application and divisions, continuations, reexaminations and reissues thereof, issue to FGL, as assignee of their entire interest in all countries throughout the world, and hereby covenant that JOINT INVENTORS

have the full right to convey the entire interest herein assigned, and that JOINT INVENTORS have not executed, and will not execute any agreement in conflict herewith.

And JOINT INVENTORS further hereby covenant and agree that they will, at any time, upon request, execute and deliver any and all papers that may be necessary or desirable to perfect the title of said invention and said patent to FGL, its successors, assigns, or other legal representatives, and that if FGL, its successors, assigns or other legal representatives shall desire to secure a reexamination or reissue of such Letters Patents, or to file a disclaimer relating thereto, will upon request, sign all papers, make all rightful oaths and do all lawful acts requisite for the filing of such divisional or continuation application, or such application for reissue and the procuring thereof, and for the filing of such disclaimer, without further compensation but at the expense of said assignee, its successors, or other legal representatives.

And JOINT INVENTORS do further covenant and agree that JOINT INVENTORS will, at any time, upon request, communicate to FGL, its successors, assigns or other legal representatives, such facts relating to said invention and Letters Patents or the file histories thereof as may be known to them, and testify as to the same in any interference or other litigation when requested so to do, without further compensation but at the expense of said assignee, its successors, or other legal representatives.

EXECUTED THIS 3<sup>rd</sup> day of May, 2010.



JOE WAYNE KEY

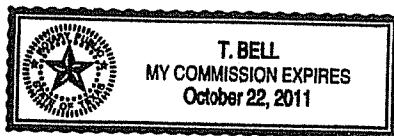
STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, on this day personally appeared JOE WAYNE KEY, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me under oath that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 3 day of May, 2010.



Notary Public in and for  
the State of T E X A S



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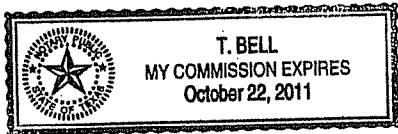
EXECUTED THIS 4<sup>th</sup> day of May, 2010.

Paul Ray Geiger, Sr.  
PAUL RAY GEIGER, SR.

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, on this day personally appeared PAUL RAY GEIGER, SR., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 4<sup>th</sup> day of May, 2010.



T. Bell

Notary Public in and for  
the State of T E X A S

EXECUTED THIS 5<sup>th</sup> day of May, 2010.

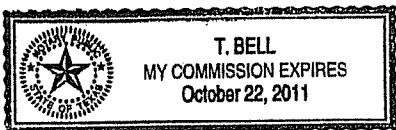
*Calvin Vinal Norton*

CALVIN VINAL NORTON

STATE OF TEXAS                   §  
   §  
COUNTY OF HARRIS           §

BEFORE ME, the undersigned authority, on this day personally appeared CALVIN VINAL NORTON, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 5<sup>th</sup> day of May, 2010.



*T. Bell*

Notary Public in and for  
the State of T E X A S

EXECUTED THIS 5<sup>th</sup> day of May, 2010.



ROBERT EDWARD CLAGUE

STATE OF TEXAS

§

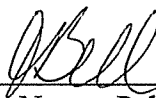
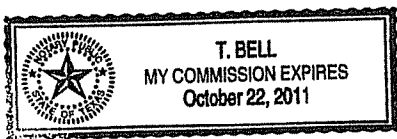
COUNTY OF HARRIS

§

§

BEFORE ME, the undersigned authority, on this day personally appeared ROBERT EDWARD CLAGUE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 5<sup>th</sup> day of May, 2010.



Notary Public in and for  
the State of T E X A S

# EXHIBIT A

U S BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI  
FILED

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI

2002 MAY 16 AM 8:59

IN RE:  
FRIEDE GOLDMAN HALTER, INC.,  
*et al.*, Jointly Administered

Jointly Administered Under  
CASE NO. 01-52173 SEG

CLERK  
BY *[Signature]* DEPUTY

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NOTICE OF FILING OF  
ASSET PURCHASE AGREEMENT OF UNITED HEAVY B.V.  
IN CONNECTION WITH SALE OF ASSETS OF FRIEDE & GOLDMAN LTD.

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Attached hereto as Exhibit "A" is a copy of the Asset Purchase Agreement ("APA") between United Heavy B.V. ("Buyer") and Friede & Goldman Ltd. ("FGL") and certain of FGL's affiliated debtors (collectively, the "Selling Debtors") in connection with the Motion for Order Authorizing Certain Debtors to (i) Sell Assets and to Assume, Assign and Sell Certain Executory Contracts and Unexpired Leases that Relate Thereto Free and Clear of all Liens, Claims, Encumbrances, and Interests and (ii) to Establish Cure Amounts Related to Assumed and Assigned Executory Contracts and Unexpired Leases (the "Sale Motion") filed on March 15, 2002.

A TRUE COPY I HEREBY CERTIFY, THIS  
THE 21<sup>st</sup> DAY OF April 2010  
DANNY L. MILLER, CLERK  
US BANKRUPTCY COURT  
BY: Marjorie Jamell, D.C.

HOU:2011535.1

PATENT  
REEL: 024342 FRAME: 0834

Buyer constitutes the "Successful Bidder" as defined in the Sale Motion. Pursuant to APA, Buyer shall purchase certain of the Selling Debtors assets relating to their naval architecture and marine engineering design business for \$15.0 million cash (subject to certain adjustments further detailed in the APA, and the assumption of certain liabilities as set forth in the APA).

Respectfully submitted this 15<sup>th</sup> day of May, 2002.

FRIEDE GOLDMAN HALTER, INC. *ET AL*

By Their Attorneys

Andrews & Kurth,  
Mayor, Day, Caldwell & Keeton L.L.P.

By: 

Douglas G. Walter

OF COUNSEL:

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Telephone: (601) 948-6470

Attorneys for the Debtors

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Notice was served on the parties on the attached Service List by telecopy on the 14th day of May, 2002.

A handwritten signature in cursive script, appearing to read "D. G. Walter", is written over a horizontal line.

Douglas G. Walter

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McGlinchey Stafford  
200 South Lamar Street  
Jackson, MS 39201



## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "*Agreement*") is made and entered into as of this 1st day of May, 2002 (the "*Execution Date*") by and between United Heavy B.V., the Netherlands corporation (the "*Buyer*"), on the one hand, and Friede & Goldman Ltd., a Mississippi corporation ("*FGL*"), and Friede Goldman Halter, Inc., a Mississippi corporation ("*FGH*"), Debtor and Debtor-in-Possession (FGL and FGH are collectively, the "*Seller*") under jointly administered Case No. 01-52173 (collectively, the "*Case*") in the United States Bankruptcy Court in the Southern District of Mississippi (the "*Bankruptcy Court*") filed on April 19, 2001.

### RECITALS

- A. Seller is engaged in a variety of businesses related to the design, manufacture, conversion and modification of offshore drilling rigs, marine vessels and engineered products for the maritime and offshore energy industries. The relevant line of business for the purposes of this Agreement is the Seller's business segment specifically involved in naval architecture and marine engineering, serving the offshore drilling and production industry, and known within the Seller's operations as F&G Limited (the "*Business*").
- B. Seller wishes to sell to Buyer substantially all the assets it uses in connection with the Business at the price and on the other terms and conditions specified in detail below and Buyer wishes to so purchase and acquire such assets from Seller.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### 1. Transfer of Assets

1.1 Purchase and Sale of Assets. On the Closing Date, as hereinafter defined, in consideration of the covenants, representations and obligations of Buyer hereunder, and subject to the conditions hereinafter set forth, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller all of Seller's right, title and interest as of the Closing Date in and to the Business and all properties, assets and rights of any kind, whether tangible, real, personal or mixed, used or held for use by Seller predominately in the conduct of the Business and owned by or in the possession of Seller (or, to the extent specified below, by certain of its affiliates) on the Closing Date (other than Excluded Assets), including the following assets, wherever located (collectively, the "*Property*");

1.1.1 Leases and Contracts. Subject to Section 1.3, all rights, title and interest of Seller (or, in the case of the leases described in clause (i) below, by FGH and its subsidiary, Friede Goldman Offshore, Inc., as applicable) as of the Closing Date in and to all leases, contracts, licenses, purchase and sales orders, commitments and other agreements and proposals and other contractual rights, commitments or obligations of such party or parties which relate predominantly to the Business (collectively, the "*Contracts*"), including those (i) real property leases described on **Exhibit "A-1"** to this Agreement (collectively, the "*Real Property Leases*"), (ii) equipment, personal property and intangible property leases, rental agreements, licenses, contracts, agreements and similar arrangements described on **Exhibit "A-2"** to this Agreement

(collectively, the "Other Leases"), (iii) other contracts, leases, orders, purchase orders, licenses, contracts, agreements and similar arrangements described on Exhibit "A-3" (collectively, the "Other Contracts" and together with the Other Leases, the "Other Leases and Contracts").

1.1.2 Intellectual Property. (i) All inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, divisions, substitutions and reexaminations thereof, and all priority rights with respect thereto, (ii) all trademarks, service marks, trade dress, get-ups, logos, trade names, domain names and addresses and corporate names and other distinctive material, including the name and trademark "Friede & Goldman" together with all translations, adaptations, derivations and combinations thereof for use in connection with the Business, and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, and all priority rights with respect thereto, (iii) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith, and all rights in databases, (iv) all mask works and all applications, registrations and renewals in connection therewith, (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals) and all related rights, (vi) all computer software and software licenses (including data and related documentation), to the extent rights therein are transferable by FGL and/or FGH, (vii) design rights (whether registered or unregistered, including applications therefor), (viii) all other proprietary rights, and (ix) all copies and tangible embodiments thereof (in whatever form or medium), to the extent (i)-(ix) are used or held for use by FGL predominantly in the Business, including those listed on Exhibit "A-4" (collectively, the "Intellectual Property").

1.1.3 Licenses, Permits and Approvals. All transferable rights and incidents of interest in and to all licenses, permits, franchises, certifications, permissions, consents, authorizations and approvals, if any, (collectively, "Permits") which relate predominantly to the Business and have been issued to FGL by any Governmental Authority or permitting, licensing, accrediting or certifying agency.

1.1.4 Prepaid Expenses, Advances and Deposits. All prepaid expenses, advances to third parties and deposits with third parties of Seller as of the Closing Date relating to the Business, but only to the extent that they are included as current assets on a balance sheet for the Business prepared as of the Closing Date in accordance with Seller's Accounting Principles.

1.1.5 Records. All books or records currently used by FGL in connection with operating the Business other than the corporate minute book and stock ledger of FGL.

1.1.6 Telephone and Facsimile Numbers; Website and Internet Domain Names. All transferable interests of FGL as of the Closing Date in (a) all telephone, telex and facsimile numbers used predominantly in the Business, (b) all listings relating predominantly to the Business in all telephone books and directories and (c) the Website "www.fng.com" (the "Website"), including all right, title and interests of FGL and/or FGH, if any, in the domain name

of the Website, Seller's rights to the use of the URL and the HTML codes and other similar codes and software program language supporting the Website and the Java, Java Script, DHTML, ASP, JSCRIPT, VBSCRIPT, Java Beans, Active X, C++, J++, Perl codes and other similar codes, including software proprietary to Seller and created, modified or used by Seller predominantly in the development, generation and performance of the Website (collectively, the "Source Codes").

1.1.7 Advertising. All advertising, marketing and promotional concepts and materials, and all other printed, written or electronic materials prepared predominantly for use in the Business.

1.1.8 Other Intangible Property. All intangible personal property not described in the preceding Sections which is owned or held by FGL and used predominantly in connection with the Business, but in all cases only to the extent of Seller's interest therein and only to the extent transferable, together with all books, records and like items pertaining exclusively to the Business (collectively, the "*Intangible Property*"), including, without limitation, the items identified on **Exhibit "B"** hereto. As used in this Agreement, Intangible Property shall in all events exclude (a) any materials containing privileged communications or information about employees, disclosure of which would violate an employee's reasonable expectation of privacy and any other materials which are subject to attorney-client or any other privilege or requirement to maintain confidentiality (including any rights to assert privilege) and (b) Seller's corporate books and records relating to its organization and existence.

1.1.9 Tangible Personal Property. All of those items of Seller's equipment and tangible personal property (and, with respect to all computer software and software licenses, to the extent rights therein are transferable by FGL and/or FGH), including those listed in **Exhibit "C"** attached to this Agreement, and any other tangible personal property acquired by Seller after the date hereof but prior to the Closing Date exclusively in connection with the Business, including all items of tangible personal property which are located at premises of the Business as of the date hereof (or, if acquired after the date hereof, as of the Closing Date) (collectively, the "*Personal Property*"). As used in this Agreement, the Personal Property shall not include the Inventory.

1.1.10 Accounts Receivable. All accounts, notes and other receivables of FGL as of the Closing Date and all rights to bill and receive payment for products shipped or delivered and/or services performed but unbilled or unpaid as of the Closing Date to the extent relating to the Business and included as Current Assets.

1.1.11 Inventory. All supplies, goods, materials, work in process, inventory and stock in trade owned by FGL exclusively for use or sale in the ordinary course of the Business and included as Current Assets (collectively, the "*Inventory*").

1.1.12 Miscellaneous Assets. All such other assets, properties, interests in properties and rights owned by Seller as of the Closing Date that relate predominantly to the Business, including those that are (a) reflected in the November 30, 2001 balance sheet contained in **Exhibit "D-1"** (the "*Base Balance Sheet*") (or not so reflected as a result of being fully amortized or depreciated as of November 30, 2001 (the "*Base Balance Sheet Date*")) or on the

books and records of Seller relating predominantly to the Business, but excluding any such other assets, properties, interests and rights which have been disposed of by Seller in the ordinary course of business after the Base Balance Sheet Date, including those identified in Exhibit "D-2"; (b) acquired by Seller after the Base Balance Sheet Date and relating predominantly to the Business, including those identified in Exhibit "D-3"; or (c) that consist of items of tangible personal property located as of the Closing Date at the premises of the Business (other than items leased by Seller or any of its affiliates from unaffiliated parties); but in all events such assets shall not include any items listed on Exhibit "E" hereto.

## 1.2 Excluded Assets.

(a) Notwithstanding anything to the contrary in this Agreement, the Property shall not include the following (the "Excluded Assets"): (i) those items expressly excluded pursuant to the provisions of Sections 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6 below; (ii) all cash and cash equivalents (other than security deposits and advances); (iii) Inventory transferred or consumed by FGL in the ordinary course of the Business prior to the Closing Date; (iv) any lease, rental agreement, contract, agreement, license, purchase and sale order or other contract terminated or expired prior to the Closing Date in accordance with its terms or in the ordinary course of the Business; (v) any right, claim, chose in action, property or asset listed on Exhibit "E" hereto; (vi) all preference or avoidance claims and actions of the Seller, including, without limitation, any such claims and actions arising under Sections 544, 547, 548, 549, and 550 of the United States Bankruptcy Code; (vii) the Seller's rights under this Agreement and all cash and non-cash consideration payable or deliverable to the Seller pursuant to the terms and provisions hereof; or (viii) insurance proceeds, claims and causes of action with respect to or arising in connection with (A) any Contract which is not assigned to Buyer at the Closing Date, or (B) any item of tangible or intangible property not acquired by Buyer at the Closing Date.

(b) If any claimant asserts that its cure amount with respect to any Real Property Lease or Other Lease and Contract is greater than the amount listed in the Sale Procedure Motion, then Buyer shall have the right to designate such Real Property Lease or Other Lease and Contract as an Excluded Asset; *provided, however*, that the Purchase Price shall not be adjusted for such cure amount and such cure amount shall be excluded from Assumed Liabilities.

1.2.1 Trademarks. The corporate and trade name "Friede Goldman Halter, Inc." and any other corporate and trade names, trademarks and service marks and variations thereof of Seller or its affiliates that are not used substantially in the Business (including, without limitation, "Friede Goldman Offshore, Inc."), and the goodwill symbolized thereby and associated therewith.

1.2.2 Nonassignable Contracts; Nonassignable Permits. (a) Any Contract or Permit for which the transfer or assignment thereof to Buyer requires the consent, approval, novation or waiver of a third person or entity which has not been obtained and, after giving effect to the Approval Order, remains in effect on the Closing Date, and (b) any nontransferable qualification or license to do business of FGL in any jurisdiction (domestic or foreign). Such

nontransferable Contracts, Permits, qualifications and licenses are identified on **Exhibit "F"**.

1.2.3 Certain Claims. All rights and interests of FGL (a) in or under any agreement regarding the sharing of taxes; and (b) in and to any claims or causes of action (including any cross-claims or counter-claims) relating to any taxes (including any tax deposits, refunds, rebates, credits or other tax benefits).

1.2.4 Records. All of FGH's books or records, currently used by the FGL in connection with operating the Business.

1.2.5 Rights in Respect of Excluded Liabilities. All guarantees, warranties, indemnities and rights, claims and causes of action against any person in favor of Seller that would entitle Seller to recompense in respect of any Excluded Liability, except to the extent such guarantees, warranties, indemnities, rights, claims and causes of action would entitle Buyer to recompense for any Assumed Liability.

1.2.6 Employee Plans. All the rights of Seller or any other party in, and all assets of, each of Seller's "employee benefit plans", as such term is defined in Section 3(3) of the Employment Retirement Income Security Act of 1974, as amended (the "*Plans*").

1.3 Instruments of Transfer. The sale, assignment, transfer, conveyance and delivery of the Property to Buyer and the assumption of liabilities provided herein by Buyer shall be made by assignments, bill of sale, deed, stock power and other instruments of assignment, transfer and conveyance provided for in Section 3 below and such other instruments as may be agreed upon by Buyer and Seller, acting reasonably and in good faith.

## 2. Consideration.

2.1 Purchase Price. On the terms and subject to the conditions hereof, in consideration of the transfer of the Property and the other undertakings of Seller and Buyer:

2.1.1 Except as provided in Section 8.3.3, the cash consideration to be paid by Buyer to Seller for the Property (the "*Purchase Price*") shall be Fifteen Million United States Dollars (US\$15,000,000), subject to adjustment as provided in Section 2.3 below. The balance of the Purchase Price minus the Deposit will be paid in cash in accordance with 2.1.3 below on the Closing Date (the "*Closing Payment*");

2.1.2 Upon mutual execution of this Agreement, Buyer shall deposit into escrow (the "*Escrow*") with an escrow agent or company (the "*Escrow Holder*") reasonably designated by Seller (the "*Deposit*") One Million Five Hundred Thousand United States Dollars (US\$1,500,000) in immediately available, good funds (funds delivered in this manner are referred to herein as "*Good Funds*"), pursuant to joint escrow instructions to be delivered to and acknowledged by the Escrow Holder on or before the Execution Date. Such escrow instructions shall include the provisions set forth in this Subsection 2.1.2. Upon receipt of the Deposit, the Escrow Holder shall immediately deposit the Deposit into an interest-bearing account. The Deposit shall be refunded to Buyer in full upon the earlier of (x) the approval of any sale of the Property at the hearing on the Sale Motion (as defined in Section 8.3.2 below) other than the sale to Buyer pursuant to this Agreement, or (y) the termination of the transaction contemplated by



this Agreement by reason of Seller's default or (z) the failure to satisfy at Closing all conditions to Buyer's obligations set forth in Section 4.2 below on or before the Outside Date, unless Buyer executes and delivers a written waiver with respect to each such unsatisfied condition (each a "Seller Default Termination"). In the event the Deposit becomes refundable by reason of a Seller Default Termination, Escrow Holder shall immediately return the Deposit and all interest accrued thereon to Buyer to be retained by Buyer for its own account. If the transactions contemplated herein terminate by reason of Buyer's default, the Escrow Holder shall immediately disburse the Deposit and all interest accrued thereon to Seller to be retained by Seller for its own account. The Escrow Holder's escrow fees and charges shall be paid one-half by Seller and one-half by Buyer.

2.1.3 On the Closing Date, Buyer shall (i) pay and deliver to Seller, by wire transfer in Good Funds, the Closing Payment (the Escrow Agent shall continue to hold the Deposit until the Purchase Price Adjustment has been determined pursuant to Section 2.3 below). The Closing Payment will be made in immediately available funds by bank wire transfer to the account which shall be designated by Seller to Buyer not later than the close of business on the second day (other than a Saturday or Sunday) on which business is generally conducted in Houston, Texas ("*Business Day*") immediately preceding the Closing Date.

2.1.4 At the Closing, Buyer will assume the Assumed Liabilities of Seller by delivery of an executed assumption agreement with respect to the Assumed Liabilities described in Section 2.4 below.

2.2 Allocation of Purchase Price. Prior to the Closing Date, Seller and Buyer shall mutually agree on the allocation of the Purchase Price, which allocation shall be done solely for tax purposes.

### 2.3 Purchase Price Adjustment.

2.3.1 On or before the third business day prior to the projected Closing Date, Buyer and Seller will cooperate with each other to agree on a mutually satisfactory agreed value of Inventory as of the Closing Date for purposes of calculating Current Assets of the Business. In the event they are unable to so agree, they will jointly select an independent accounting firm to determine such value as promptly as is practical, in which case the fees of such accounting firm will be paid equally by Buyer and Seller.

2.3.2 Calculation of Net Working Capital at Closing Date. As soon as practicable, and in no event later than forty-five (45) days after the Closing Date, Buyer's accountants shall compute and deliver to Seller (a) the amount of Net Working Capital of the Business as of the Closing Date based on Seller's Accounting Principles (valuing Inventory in the manner set forth in Section 2.3.1) and in accordance with the relevant terms and conditions set forth herein, and (b) the difference between (i) the Net Working Capital of the Business as of the Closing Date (which shall include all Assumed Liabilities), and (ii) the Net Working Capital of the Business as shown on the Base Balance Sheet (which shall include only assets which comprise the Property) (the "*NWC Difference*"). Buyer shall provide Seller a summary reflecting how such computations were made. Seller and its accountants shall have the opportunity to review and comment on such computations.

2.3.3 Net Working Capital at Date of Base Balance Sheet. The Net Working Capital calculation as shown on the Base Balance Sheet, calculated using the methods and conventions described above, is attached hereto as **Exhibit "G"**.

2.3.4 Payment of Adjustment Amounts. If the NWC Difference calculated pursuant to Section 2.3.1 above is a positive number (or zero), then Buyer shall, within ten business days of such computation by Buyer's independent public accountants, (x) direct the Escrow Holder to deliver the Deposit, together with interest thereon, to Seller and (y) pay Seller, by wire transfer, a cash amount equal to NWC Difference. If the NWC Difference calculated pursuant to Section 2.3.1 above is a negative number with an absolute value less than \$800,000, then Buyer and Seller shall, within ten business days of such computation by Buyer's independent public accountants, direct the Escrow Holder to (i) deliver the Deposit, minus the absolute value of the NWC Difference to Seller, together with interest on such portion of the Deposit, and (ii) deliver the remainder of the Deposit (equal to the absolute value of the NWC Difference plus interest on such portion of the Deposit) to Buyer. If the NWC Difference calculated pursuant to Section 2.3.1 above is a negative number with an absolute value greater than \$800,000, then Seller shall, within ten business days of such computation by Buyer's independent public accountants, (A) direct the Escrow Holder to deliver the Deposit, together with interest thereon, to Buyer and (B) pay Buyer, by wire transfer, a cash amount equal to the absolute value of the NWC Difference minus \$800,000.

2.3.5 Disputes. Within five (5) days of receipt of the computations referred to in Section 2.3.1 above, the Seller shall notify the Buyer if it disputes any aspect of such computations or accepts them. If the Buyer disputes such computations, the parties shall work together in good faith to resolve the dispute. If they are unable to resolve the dispute, the dispute shall be referred to such nationally recognized accounting firm as the Buyer and Seller may mutually agree upon which decision shall be binding on the parties hereto, or if they are unable to agree, as designated by the Bankruptcy Court.

2.3.6 Definitions. As used in this Agreement, the term "Seller's Accounting Principles" means those accounting principles, applied in a manner consistent with the preparation of the Base Balance Sheet and in accordance with the Seller's historical accounting principles and methods (as applied by Seller in the preparation of its internal business unit financial statements for the calendar year ended December 31, 2000), but valuing Inventory in the manner set forth in Section 2.3.1 and using the definition of Current Assets, Current Liabilities and Net Working Capital as set forth herein; the term "Current Assets" means the amounts reflected as current assets of the Business on its financial statements determined in accordance with Seller's Accounting Principles and includes, but is not limited to, items such as accounts receivable (less reserves for doubtful accounts), costs in excess of billings, contract work in progress, short-term investments, deposits of all types, inventory and current prepaid assets; *provided, however*, that neither cash, nor cash equivalents, nor any other asset that is an Excluded Asset shall be considered a Current Asset; the term "Current Liabilities" means the amounts reflected as current liabilities of the Business on its financial statements determined in accordance with Seller's Accounting Principles and includes, but is not limited to, items such as post-petition accounts payable, billings in excess of costs, accrued expenses, and unpaid accrued taxes; *provided, however*, that (a) each obligation that is an Assumed Liability shall be deemed a Current Liability to the extent that it would be a balance sheet liability or subject to a loss reserve

under Seller's Accounting Principles, (b) current maturities of indebtedness for borrowed money or capital leases (including interest thereon) shall be deemed not to be Current Liabilities and (c) accruals in respect of employee vacation time or other employee expenses or benefits not assumed by Buyer shall be deemed not to be Current Liabilities; and the term "Net Working Capital" means the difference between the Current Assets and the Current Liabilities of the Business as of the date of computation.

2.4 Assumed Liabilities. Buyer shall, effective from and after the Closing Date, assume and perform, and indemnify Seller in respect of, (i) all liabilities and obligations accruing under the Real Property Leases and under the Other Leases and Contracts on and after the Closing Date, (ii) all liabilities and obligations otherwise required to be performed with respect to the Property on or after the Closing Date to the extent included in accrued liabilities on the balance sheet, (iii) all post-petition accounts payable and similar obligations included as Current Liabilities for purposes of determining the NWC Difference and (iv) any and all liabilities asserted by Jerome L. Goldman in the Motion for Order to Compel Assumption or Rejection of Executory Contracts filed in the Case (the "*Goldman Claim*"); *provided*, that Buyer shall pay all cure amounts owing under any of the Real Property Leases and Other Leases and Contracts as of the Closing which the Bankruptcy Court may order to be paid as a condition to the Seller's assignment of any Real Property Lease or Other Lease or Contract (collectively, all of the foregoing liabilities, obligations and cure amounts are the "*Assumed Liabilities*").

2.5 Excluded Liabilities. Other than the liabilities and obligations of Seller expressly assumed by Buyer hereunder, Buyer is not assuming and shall not be liable for any liabilities or obligations of Seller including, without limitation, each of the following liabilities and obligations: (i) all taxes of Seller that do not relate to the Business or the Property and, except to the extent included as Current Liabilities, all taxes which relate to the Business or Property; (ii) any and all obligations arising out of or attributable to any failure of Seller to own or operate the Business or the Property in accordance with applicable laws and regulations; (iii) except to the extent included as Current Liabilities, any and all liabilities or obligations with respect to the employment by Seller of its employees and consultants, including salaries, payroll taxes, withholding taxes, workers' compensation and unemployment compensation and all liabilities with respect to contributions to be made in respect of service for all periods through the Closing Date under any Plan; (iv) any and all liabilities and obligations with respect to any products or services sold before the Closing Date arising out of any bodily injury, death or property damage (or related economic loss) occurring prior to the Closing Date; any and all obligations, responsibilities and liabilities associated with environmental laws and regulations arising from the operation of the Business or ownership of the Property prior to the Closing Date (whether such liabilities relate to Seller's ownership or those of any predecessor owner, tenant, occupant or user); (v) except for the Goldman Claim, any and all liabilities of Seller under any lawsuits, claims, administrative or other proceedings; and (vi) any and all obligations and liabilities for money borrowed and included as Current Liabilities.

### 3. Closing of Transactions.

3.1 Closing. The Closing of the transactions provided for herein (the "*Closing*") shall take place at the offices of Andrews & Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002.

3.2 Closing Date. The Closing shall be held within five days after satisfaction or waiver of the conditions to closing in Section 4 (the "*Closing Date*") but in no event later than May 31, 2002; *provided, however*, that the Closing Date shall automatically be extended to June 15, 2002 in the event that Buyer is designated the Alternate Successful Bidder after the Auction pursuant to Section 8.3.3; *provided, further*, that the Closing Date shall automatically be extended for consecutive 30 day periods if the only conditions remaining to be satisfied are the conditions specified in Sections 4.1.8 or 4.2.4 (such date, as so extended, the "*Outside Date*"). In the event the conditions to Closing (other than the condition specified in Section 4.1.8 and 4.2.4) have not been satisfied or waived by the Outside Date, then any party who is not in default hereunder may terminate this Agreement; *provided* that nothing in this Section 3.2 shall relieve any party from any liability for any breach of this Agreement. Alternatively, the parties may mutually agree to an extended Closing Date. Until this Agreement is either terminated or the parties have agreed upon an extended Closing Date, the parties shall diligently continue to work to satisfy all conditions to Closing.

3.3 Seller's Deliveries to Buyer at Closing. On the Closing Date, Seller shall make the following deliveries to Buyer:

3.3.1 Assignment and Assumption Agreement. An Assignment and Assumption Agreement, duly executed by Seller, pursuant to which Seller assigns the Real Property Leases and the Other Leases and Contracts, and Buyer agrees to perform and discharge the Assumed Liabilities and indemnify Seller in respect thereof (the "*Assignment and Assumption Agreement*").

3.3.2 Bill of Sale. A bill of sale, duly executed by Seller, pursuant to which Seller transfers the Property other than the Real Property Leases and the Other Leases and Contracts to Buyer (the "*Bill of Sale*").

3.3.3 Other. All other documents and papers required to be delivered by Section 4.2 as conditions to the Closing and such other documents and papers with respect to the corporate and other proceedings contemplated by this Agreement (including such documentation relating to third party consents as has been received by Seller, to the extent required to transfer rights of Seller hereunder) as Buyer shall reasonably request.

3.4 Buyer's Deliveries to Seller at Closing. On the Closing Date, Buyer shall make or cause the following deliveries to be made to Seller:

3.4.1 Closing Payment. That portion of the Purchase Price to be delivered by Buyer directly to Seller at the Closing under Section 2.1

3.4.2 Assignment and Assumption Agreement. The Assignment and Assumption Agreement, duly executed by Buyer.

3.4.3 Other. All other documents and papers required to be delivered by Section 4.1 as conditions to the Closing and such other documents and papers with respect to the corporate and other proceedings contemplated by this Agreement (including such documentation as to third party consents as has been received by Buyer) as Seller shall reasonably request.

3.5 Sales, Use and Other Taxes. In accordance with Section 1146(c) of the Bankruptcy Code, the making or delivery of any instrument of transfer, including the filing of any deed or other document of transfer to evidence, effectuate or perfect the rights, transfers and conveyances contemplated by this Agreement, shall be in contemplation of a plan or plans of reorganization to be confirmed in the Case, and as such shall be free and clear of any and all transfer tax, stamp tax, motor vehicle title transfer tax or fee or similar taxes. The instruments transferring the Property to Buyer shall contain the following endorsement, or an endorsement of similar effect:

“Because this [instrument] has been authorized pursuant to Order of the United States Bankruptcy Court for the Southern District of Mississippi, in contemplation of a plan of reorganization of the Grantor, it is exempt from transfer taxes, stamp taxes or similar taxes pursuant to 11 U.S.C. § 1146(c).”

In the event that, notwithstanding the above provisions, any (a) real estate transfer taxes or similar taxes or charges are required to be paid in order to record the deeds to be delivered to Buyer in accordance herewith, or in the event any such taxes are assessed at any time thereafter, or (b) sales, use, transfer or other similar taxes or charges are assessed at Closing or at any time thereafter on the transfer of any other Property, then in each instance such taxes or charges incurred as a result of the transactions contemplated hereby shall be paid by Buyer.

3.6 Possession. Right to possession of the Property shall transfer to Buyer on the Closing Date. Seller shall transfer and deliver to Buyer on the Closing Date such keys, lock and safe combinations and other similar items as Buyer shall require to obtain immediate and full occupation and control of the Property, and shall also make available to Buyer at FGL's premises the originals of all documents in Seller's possession that are required to be transferred to Buyer by this Agreement.

4. Conditions Precedent to Closing.

4.1 Conditions to Seller's Obligations. Seller's obligation to make the deliveries required of Seller at the Closing Date shall be subject to the satisfaction or waiver by Seller of each of the following conditions at or prior to Closing.

4.1.1 Representations and Warranties; Covenants. All of the representations and warranties of Buyer contained herein shall continue to be true and correct at the Closing in all material respects, all covenants and obligations to be performed by Buyer prior to the Closing shall have been performed in all material respects and Buyer shall have certified the foregoing to Seller in writing.

4.1.2 Transfer Documents. Buyer shall have executed and delivered to Seller the Assignment and Assumption Agreement.

4.1.3 Closing Payment. Seller shall have received the total Closing Payment in immediately available funds.

4.1.4 Deposit in Escrow. The Escrow Agent shall hold the Deposit pursuant to joint written instructions from Buyer and Seller.

4.1.5 Successful Bidder. Buyer shall either (i) be the Successful Bidder at the Auction or (ii) shall subsequently be designated the Alternate Successful Bidder, pursuant to Section 8.3.3, in the event the transaction with the Successful Bidder at the Auction does not close.

4.1.6 Buyer's Corporate Action. Buyer shall have delivered to Seller appropriate evidence of all necessary action by Buyer in connection with the transactions contemplated hereby, including, without limitation: (i) certified copies of resolutions duly adopted by Buyer's Board of Directors approving the transactions contemplated by this Agreement and authorizing the execution, delivery, and performance by Buyer of this Agreement; and (ii) a certificate as to the incumbency of officers of Buyer executing this Agreement and any instrument or other document delivered in connection with the transactions contemplated by this Agreement.

4.1.7 Absence of Legal Proceedings. No action, suit or other proceedings shall be pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or seeking to obtain substantial damages in respect thereof, or involving a claim that consummation thereof would result in the violation of any law, decree or regulation of any governmental authority having appropriate jurisdiction.

4.1.8 Order of Bankruptcy Court. The Bankruptcy Court shall have entered the Approval Order in accordance with Section 8.3.2 below and the Approval Order shall not have been stayed and shall be a non-appealable order as of the Closing Date.

4.2 Conditions to Buyer's Obligations. Buyer's obligation to make the deliveries required of Buyer at the Closing shall be subject to the satisfaction or waiver by Buyer of each of the following conditions at or before Closing:

4.2.1 Representations and Warranties; Covenants. All representations and warranties of Seller contained herein shall continue to be true and correct at the Closing in all material respects, all covenants and obligations to be performed by Seller prior to the Closing shall have been performed in all material respects and FGH shall have certified the foregoing to Buyer in writing; provided, however, that FGH may certify that its representations and warranties contained in Section 5 of this agreement are true and correct to the best of its actual knowledge.

4.2.2 Transfer Documents. Seller shall have executed and delivered to Buyer the Assignment and Assumption Agreement, the Bill of Sale and each other document reasonably requested by Buyer pursuant to Section 1.3.

4.2.3 Absence of Legal Proceedings. No action, suit or other proceedings shall be pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or seeking to obtain substantial damages in respect thereof, or involving a claim that consummation thereof would result in the violation of any law, decree or regulation of any governmental authority having appropriate jurisdiction.

4.2.4 Order of Bankruptcy Court. The Bankruptcy Court shall have entered the

Approval Order in accordance with Section 8.3.2 below and the Approval Order shall not have been stayed and shall be a non-appealable order as of the Closing Date.

4.3 Termination. If any of the above conditions is neither satisfied nor waived on or before the date by which the condition is required to be satisfied, the party who is not then in default hereunder may terminate this Agreement by delivering to the other written notice of termination. Any waiver of a condition shall be effective only if such waiver is stated in writing and signed by the waiving party; provided, however, that the consent of a party to the Closing shall constitute a waiver by such party of any conditions to Closing not satisfied as of the Closing Date.

4.4 Special Termination.

(a) Seller may, at its option, elect to terminate this Agreement and its obligations hereunder at any time on or before the fifth (5th) business day following the completion of the Auction approved by the Procedure Order (or if no Auction is held, five (5) business days following the date set for the Auction) by delivery to Buyer of (i) written notice of termination and (ii) Good Funds in the Amount of the Termination Fee (defined below).

(b) The amount of the termination fee which Seller shall pay Buyer upon its election to terminate this Agreement pursuant to Section 4.4(a) shall be \$600,000 (the "Termination Fee"). The Termination Fee shall constitute Buyer's liquidated damages, and Seller's payment of the Termination Fee shall be Buyer's sole and exclusive remedy for Seller's termination of this Agreement under Section 4.4(a) and for any breaches occurring prior to termination pursuant to Section 4.4(a).

5. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer as of the date hereof and as of the Closing Date, as follows; *provided however*, that Seller makes no representation or warranty to Buyer hereunder as to any matter that is known to the President, the Senior Vice President or the Manager of Proprietary Technology of FGL as of the date hereof or as of the Closing Date:

5.1 Validity of Agreement. Upon obtaining the Approval Order, this Agreement shall constitute the valid and binding obligation of Seller enforceable in accordance with its terms.

5.2 Organization, Standing and Power. FGL is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi and FGH is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi. Subject to the applicable provisions of bankruptcy law, the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on part of each Seller and each Seller has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and, subject to the Seller's obtaining the Approval Order, to execute, deliver and perform this Agreement and all writings relating hereto.

5.3 No Conflicts or Violations. Except in each case for matters (a) that would not individually or in the aggregate have a material adverse effect on the Business or the Property, or (b) that are excused by or unenforceable as a result of the Sellers' filing of the Case, or that are otherwise rendered inapplicable in connection with the Case or the Approval Order:

(i) Upon obtaining the Approval Order, the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by Seller do not and will not: (A) conflict with or result in a breach of the articles of incorporation or the by-laws of Seller; (B) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority; or (C) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which Seller is a party or by which Seller or its assets or properties may be bound.

(ii) Except as listed or described in **Exhibit "H"**, no consent, approval, waiver, exception, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority is required to be obtained or made by or with respect to Seller or its affiliates in connection with the execution, delivery and performance of this Agreement by Seller or the consummation by it of the transactions contemplated hereby. Without limiting the generality of the foregoing, except for this Agreement, no person has any option, right of first refusal, right of first offer or similar right to purchase or otherwise acquire a portion of the Property or the Business and neither Seller nor any of its affiliates has entered into any letter of intent, commitment or agreement (whether oral or written) regarding any such purchase or acquisition.

5.4 Absence of Changes. Except (a) as described on **Exhibit "I"** or otherwise disclosed in any other Exhibits hereto (b) as expressly contemplated by this Agreement or (c) with regard to any matters known to any member of the management buyout team of Buyer, since November 30, 2001 (except as otherwise expressly indicated), and through the date hereof, the Business has been conducted in the ordinary course consistent with past practice and there has not been: (i) any damage, destruction or casualty loss (whether or not covered by insurance) affecting the Property or the Business which, in any individual case or in the aggregate, has materially impaired FGL's ability to conduct its Business or (ii) any material transaction other than in the ordinary course of Business consistent with past practice, unless approved by Paul R. Geiger, Jr. or any employee under his supervision (collectively, the "Specified Representatives"); or (iii) any material adverse amendment or termination by FGL (other than any amendment or termination approved by any Specified Representative) of any Contract listed in Item 1 of **Exhibit "A-1"** or, except as described in **Exhibit "A-3"**, Items 1, 2, 3 or 4 of **Exhibit "A-3"**, or the termination of any material rights to the intellectual property described in items C and D of **Exhibit "A-4"**.

5.5 Compliance with Applicable Laws; Governmental Authorizations. Except as described on **Exhibit "J"** and except for any matters that would not result in any fine or monetary obligation being imposed on Buyer or, after giving affect to the Approval Order, on the Property (a) the Business is not being and has not been conducted in violation of, and Seller is not in default in any material respect under, any applicable law including but not limited to the export laws and regulations of the United States of America, (b) Seller has not received notice of



any such violation with respect to the Business and (c) Seller knows of no basis for any allegation of material non-compliance with any applicable law by Seller or any facts which, with or without the giving of notice or passage of time, would reasonably be expected to result in a material non-compliance with any applicable law by Seller with respect to the Business. Seller has all material Permits and authorizations necessary in the conduct of the Business as presently conducted; such Permits and authorizations are in full force and effect; and no proceeding is pending against Seller or, to the actual knowledge of Seller, pending against any such Person or threatened to revoke or limit any thereof.

5.6 Title to Property and Related Matters. Except as described in **Exhibit "A-3"**, **Exhibit "A-4"**, **Exhibit "A-4b"**, or **Exhibit "J"**, Seller has good, valid and marketable title to (or valid and enforceable leasehold, license or interests in) the Property, which will be sold to Buyer free and clear of all mortgages, liens, security interests, easements, covenants, restrictions or other encumbrances (collectively, "*Liens*") pursuant to the Approval Order, except for Liens expressly provided in this Agreement.

5.7 Intellectual Property. Except for matters that would not have a material adverse effect on the Business, to the actual knowledge of the President, Chief Executive Officer, Executive Vice President and Senior Vice President—Finance of FGH and the Chief Executive Officer of FGL:

5.7.1 The Intellectual Property is identified on **Exhibit "A-4"** and it is all the intellectual property that seller needs to operate the Business and, except as described on **Exhibit "A-4"**, Seller owns all right, title, and interest in and to or, as identified in **Exhibit "A-4"**, has the right to use pursuant to a legal, valid, binding, and enforceable license, sublicense, agreement or permission all Intellectual Property and, to the knowledge of Seller, (a) no material breach or default exists with respect to Seller's right to own and use the Intellectual Property granted to Seller by third parties, (b) no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property except as set forth on **Exhibit "A-4a"**, and (c) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or threatened which challenges the legality, validity or enforceability of the underlying item of Intellectual Property.

5.7.2 Except as set forth on **Exhibit "A-4b"**, Seller has not, and to the knowledge of Seller, Buyer will not, as a result of the continued operation of the Business by Buyer as presently conducted, interfere with, infringe upon, misappropriate, or otherwise come into conflict in the ownership or operation of the Business with any intellectual property rights of third parties, and none of Seller, any director, executive officer or Employee of Seller has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that Seller must license or refrain from using any intellectual property rights of any third party).

5.7.3 **Exhibit "A-4c"** identifies each license, sublicense, agreement or other permission which Seller has granted or agreed to grant to any third party and any Intellectual Property granted to Seller by third parties with respect to any of its Intellectual Property, and **Exhibit "A-4"** identifies each trade name used by Seller predominantly in connection with the Business. Except as set forth on **Exhibit "A-4"**, with respect to each item of Intellectual

Property, (a) Seller possesses and has the right to assign all right, title, and interest in and to or a valid license, sublicense, agreement or other permission to use such item, free and clear of any Lien, injunction, judgment, order, decree, ruling or charge, or any pending or threatened action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand and (b) Seller has not, except in the ordinary course of business, agreed to indemnify any person for or against any interference, infringement, misappropriation or other conflict with respect to the item.

5.8 Accounts Receivable. All accounts receivable included in the Property represent billings actually made in the ordinary course of business, and, to Seller's knowledge, are valid obligations of the obligors thereon in the amounts included in respect thereof in Current Assets. No representation or warranty is made by Seller with respect to percentage completion of Contracts.

5.9 Contract Obligations. Upon the Closing, and after giving effect to the transactions set forth herein and the Approval Order, Buyer shall not be bound by or subject to any agreement or contract, written or oral, of Seller or any of its affiliates other than obligations and liabilities under the Contracts that are included among the Assumed Liabilities.

5.10 Closing Date. All of the representations and warranties of Seller in this Section 5 and elsewhere in this Agreement and all information delivered in any schedule, attachment or exhibit hereto (including all amendments and supplements thereto) or in any certificate delivered by Seller to Buyer are accurate and complete as of the date of this Agreement and will be true and correct in all material respects as of the Closing Date.

6. Buyer's Representations and Warranties. Buyer hereby makes the following representations and warranties to Seller as of the date hereof and as of the Closing Date:

6.1 Validity of Agreement. All action on the part of Buyer necessary for the authorization, execution, delivery and performance of this Agreement by Buyer, including, but not limited to, the performance of Buyer's obligations hereunder, has been duly taken. This Agreement, when executed and delivered by Buyer, shall constitute the valid and binding obligation of Buyer enforceable in accordance with its terms.

6.2 Organization, Standing and Power. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to execute, deliver and perform this Agreement and all writings relating hereto.

6.3 No Conflicts or Violations. (a) The execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by Buyer do not and will not: (i) conflict with or result in a breach of the articles of organization or regulations of Buyer; (ii) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority; or (iii) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which Buyer is a party or by which Buyer or its assets or properties may be bound.

(b) Except for approval by the Bankruptcy Court, no consent, approval, waiver, exception, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority is required to be obtained or made by or with respect to Buyer or its affiliates in connection with the execution, delivery and performance of this Agreement by Seller or the consummation by it of the transactions contemplated hereby.

6.4 Funds. Buyer has sufficient funds available to consummate the transactions contemplated hereby.

7. DISCLAIMERS OF SELLER. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PROPERTY, THE PHYSICAL CONDITION OF ANY PERSONAL PROPERTY COMPRISING A PART OF THE PROPERTY OR WHICH IS THE SUBJECT OF ANY OTHER LEASE OR CONTRACT TO BE ASSUMED BY BUYER AT THE CLOSING, THE ENVIRONMENTAL CONDITION OR OTHER MATTER RELATING TO THE PHYSICAL CONDITION OF ANY REAL PROPERTY OR IMPROVEMENTS WHICH ARE THE SUBJECT OF ANY REAL PROPERTY LEASE TO BE ASSUMED BY BUYER AT THE CLOSING, THE ZONING OF ANY SUCH REAL PROPERTY OR IMPROVEMENTS, THE VALUE OF THE PROPERTY (OR ANY PORTION THEREOF), THE TRANSFERABILITY OF PROPERTY, THE TERMS, AMOUNT, VALIDITY OR ENFORCEABILITY OF ANY ASSUMED LIABILITIES, THE TITLE OF THE PROPERTY (OR ANY PORTION THEREOF) THE MERCHANTABILITY OF FITNESS OF THE PERSONAL PROPERTY OR ANY OTHER PORTION OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER OR THING RELATING TO THE PROPERTY OR ANY PORTION THEREOF, WITHOUT IN ANY WAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE PROPERTY. BUYER FURTHER ACKNOWLEDGES THAT BUYER HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE PROPERTY AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE PROPERTY AS BUYER DEEMED NECESSARY OR APPROPRIATE AND THAT IN PROCEEDING WITH ITS ACQUISITION OF THE PROPERTY, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, BUYER WILL ACCEPT THE PROPERTY AT THE CLOSING "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

8. Covenants Prior to Closing.

8.1 Access to Records and Properties of Seller. From and after the date of this Agreement until the Closing Date, Seller shall, upon reasonable advance notice, afford to Buyer's officers, independent public accountants, counsel, lenders, consultants and other representatives, reasonable access during normal business hours to the Property and all records pertaining to the

Property or the Business. Buyer, however, shall not be entitled to access to any materials containing information in respect of any items excluded from the Intangible Property under Section 1.1.8. Buyer shall have no right hereunder to conduct any environmental or other assessment of the Property other than visual inspection and document review; provided, however, that Buyer may have a Phase I environmental assessment of the Real Property and the property subject to the Real Property Leases conducted by an environmental consultant of Buyer's choice. Buyer expressly acknowledges that nothing in this Section 8.1 is intended to give rise to any contingency to Buyer's obligations to proceed with the transactions contemplated herein.

8.2 Operation of Seller's Business Pending Closing. Unless Buyer otherwise consents, during the period prior to the Closing Date, Seller shall use commercially reasonable efforts to operate the Business as currently operated and only in the ordinary course and, consistent with such operation, shall use commercially reasonable efforts to preserve intact the Business and its relationships with employees and persons having dealings with it.

### 8.3 Bankruptcy Court Approvals.

#### 8.3.1 [Reserved].

8.3.2 Bankruptcy Court's Approval of Sale. Pursuant to the motion filed with the Bankruptcy Court (the "*Sale Motion*"), the Sellers have requested entry of an order on an expedited basis (such order, in the form entered by the Bankruptcy Court, the "*Approval Order*") which (i) approves the sale of the Property to the highest overbidder at the auction (the "*Auction*") for the Business (the "*Successful Bidder*"), (ii) includes a specific finding that the Successful Bidder is a good faith purchaser of the Property, (iii) states that the sale of the Property to the Successful Bidder shall be free and clear of all liens, encumbrances, offsets, arrearages, damages, and other claims and interests of any kind whatsoever (except as expressly provided in this Agreement), whether arising under terms of any contract assigned to the Successful Bidder pursuant to such sale or otherwise, (iv) approves the Seller's assumption and assignment of the pre-petition Real Property Leases and Other Leases and Contracts (collectively, the "*Section 365 Contracts*") pursuant to Section 365 of the United States Bankruptcy Code and orders the Successful Bidder to pay any cure amounts payable to the other parties to the Section 365 Contracts as a condition to such assumption and assignment. In no event shall the Successful Bidder have the right to terminate this transaction by reason of the failure to assign all of the Section 365 Contracts so long as the Approval Order authorizes the Seller to assume and assign not less than ninety five percent (95%) both in number and aggregate value in dollars of such Section 365 Contracts. Following the filing of the Sale Motion, the Seller shall use reasonable efforts to obtain entry of the Approval Order. Both Buyer's and Seller's obligations to consummate the transactions contemplated in this Agreement shall be conditioned upon the Bankruptcy Court's entry of the Approval Order.

8.3.3 Alternative Successful Bidder. If Buyer is not the Successful Bidder, then Buyer agrees to be a back-up bidder (the "*Back-Up Bidder*") and to purchase the Property pursuant to the terms of this Agreement in the event that the sale of the Business to the Successful Bidder fails to close, and in such event, Buyer shall be designated the Alternate Successful Bidder; *provided*, that in such an event, the Purchase Price specified in Section 2.1.1

shall be Fifteen Million United States Dollars (US\$15,000,000).

8.4 Intellectual Property. If prior to the Closing Date and on the advice of counsel the parties mutually deem it necessary or advisable to protect or further confirm their rights in the Intellectual Property allocated to them under this Agreement, then the parties shall in good faith negotiate and enter into appropriate licensing, cross-licensing, consent or similar agreements with respect to such Intellectual Property.

8.5 License to FGO. FGL and Buyer, and their respective successors and assigns, (collectively, "Grantors") for a period of fifteen (15) years after the Closing Date, in consideration for cash payments based on the demonstrable market value of such licenses, will grant, under customary terms and conditions, a separate, nonexclusive, worldwide license (each, a "License") to each of Friede Goldman Offshore, Inc., and its successors and assigns (including any entity formed in connection with any reorganization thereof) (collectively, "FGO"), PPL Shipyard Pte Ltd. ("PPL") and Jurong Shipyard Pte Ltd to construct and sell marine vessels using the Intellectual Property, including the ARCOS Rack Chock System (the "Rack Chock"); *provided*, that such market value shall, with respect to FGO, be no greater than the license fees paid by PPL for the JU-2000 and the FGL semi-submersible designs under contract with Santa Fe International Corporation, less a discount of twenty-five percent (25%) (the "Discount"); *provided further*, that (i) Grantors shall have no obligation to offer the Discount to a competitor of Grantors in the event that FGO, or substantially all of FGO's assets, is sold, transferred or assigned to such competitor and (ii) FGO shall not sell, transfer, or assign the right to such Licenses and/or the Discount to any competitor of Grantors. Notwithstanding the foregoing, Grantors will grant to FGO, under customary terms and conditions, a nonexclusive, worldwide license for no less than a period of ten (10) years after the Closing Date for the Rack Chock for \$400,000 per rig to be constructed for, and sold to, any person or entity; *provided, however*, that there shall be no Discount on, and the Discount shall not apply to, the Rack Chock. In addition, PPL Shipyard Pte Ltd. ("PPL") has advised Buyer that if Buyer is the Successful Bidder, PPL will withdraw its Objection of PPL Shipyard Pte Ltd. To Motion for Order Authorizing Certain Debtors to (i) Sell Assets and to Assume, Assign and Sell Certain Executory Contracts and Unexpired Leases that Relate Thereto Free and Clear of All Liens, Claims, Encumbrances, and Interests and (ii) to Establish Cure Amounts Related to Assumed and Assigned Contracts and Unexpired Leases.

8.6 Further Actions. The Parties each agree to use all commercially reasonable efforts to take all actions and to do all things necessary, proper or advisable in good faith to expedite the consummation of the transactions contemplated hereby by the expected Closing Date.

## 9. Post Closing Covenants.

9.1 Post-Closing Maintenance of and Access to Information. Without limiting Seller's rights under Section 10.2 with respect to the Case, Buyer will also comply with the following provisions:

- (a) The parties acknowledge that after Closing Seller or its successors may need access to information or documents in the control or possession of Buyer for the purposes of concluding the transactions herein contemplated, preparing or filing tax

returns or responding to audits, Contracts and to satisfy other legal requirements, and to prosecute or defend third party claims.

(b) Buyer shall not dispose of or destroy any of the records and files of the Business prior to the fourth anniversary of the Closing Date. If Buyer wishes to dispose of or destroy such records and files after that time, it shall first give fifteen (15) days' prior written notice to Seller, and Seller shall have the right, at its option and expense, upon prior written notice to Buyer within such sixty-day period, to take possession of the records and files within ninety (90) days after the date of the notice from Seller.

(c) Buyer shall cooperate fully in connection with, and make available for inspection and copying by, Seller, its successors, and their respective employees, agents, counsel and accountants and/or governmental authorities, upon written request, such books, records documents and other information to the extent reasonably necessary to facilitate the purposes set forth in subsection (a) above and for other legitimate corporate purposes. In addition, Buyer shall cooperate with, and shall permit and use its best efforts to cause, its former and present directors, officers and employees to cooperate with, Seller on and after Closing in furnishing information, evidence, testimony and other assistance in connection with any action, proceeding, arrangement or dispute of any nature with respect to the Business or the Property and pertaining to periods prior to the Closing Date.

(d) Seller shall be entitled to retain any records that relate to events or periods prior to Closing for purposes of pending litigation involving matters to which such records refer.

## 9.2 Offer and Terms of Employment.

9.2.1 Offer of Employment. Buyer agrees to offer (or to cause one of its affiliates to offer) employment to each Employee who is in the active employment of the Business on the Closing Date on substantially the same terms and conditions, in the aggregate, and at the same rate of pay, as such Employee was employed on the day prior to the Closing Date and will offer such employment to any inactive Employee on the date the Employee returns to work as an active employee if such return occurs within twelve (12) weeks of the Closing Date (each such Employee who accepts Buyer's offer of employment, a "*Continuing Employee*"); provided, however, that this provision shall not prevent Buyer from terminating any Continuing Employee for any reason, or from changing the terms and conditions of employment and/or the rate of pay in its sole discretion. Notwithstanding anything herein to the contrary, Buyer shall not be obligated to offer employment to any of the individuals identified in writing by Buyer to Seller prior to the date of this Agreement.

9.2.2 COBRA. Buyer shall be responsible for providing any required COBRA continuation coverage to "M & A Qualified Beneficiaries" (as defined in Treasury Regulation Section 54.4980B-9, Q/A-4) resulting from the sale of the Business regardless of whether Buyer is (or becomes) a "successor employer" (as defined in Treasury Regulation Section 54.4980B-9 (Q/A-8(c))).

9.2.3 Employee Benefits. Buyer or any of its affiliates may, at their sole discretion, offer employment to any employee of the Business on terms and conditions as they deem appropriate. Buyer will grant to all employees of Seller who become employees of Buyer (the "*Continuing Employees*") service credit for previous service recognized by Seller for purposes of vacation and other benefits, and will credit Continuing Employees with their prior service for purposes of calculating vacation time earned in the period following the Closing Date. In addition, Buyer shall permit all Continuing Employees to participate in Buyer's then-current medical plans without preexisting condition exclusions, waiting times to commence coverage, or other lapses in coverage.

9.3 Bennett Lawsuit. Buyer shall cooperate with FGH and provide assistance as reasonably requested by FGO or FGH in the case styled *Friede & Goldman, Ltd. v. William T. Bennett, Jr. and Bennett & Associates, L.L.C.*, Civil Action No. 3.02CV13BN, pending in the United States District Court for the Southern District of Mississippi (the "*Bennett Suit*"), and any derivative lawsuit and claim therefrom, or any cause of action or claim arising against any part or parties out of the facts and circumstances giving rise to the Bennett Suit, *provided*, that FGH shall reimburse Buyer for all reasonable costs incurred by Buyer for any such assistance. In settling the Bennett Suit, if such suit is settled, Seller shall use reasonable efforts to preserve the value of the Intellectual Property which is the subject of the Bennett Suit; *provided, however*, that Seller shall have no obligation whatsoever to pursue or prosecute the Bennett Suit and may abandon such proceedings at any time in its sole discretion.

10. Miscellaneous.

10.1 Attorneys' Fees. In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.

10.2 Reasonable Access to Records and Certain Personnel. So long as the Case is pending, (i) the Buyer shall permit Seller's counsel and other professionals employed in the Case reasonable access to the financial and other books and records relating to the Property or the Business (whether in documentary or data form) for the purpose of the continuing administration of the Case (including, without limitation, the pursuit of any avoidance, preference or similar action), which access shall include (a) the right of such professionals to copy, at the Seller's expense, such documents and records as they may request in furtherance of the purposes described above, and (b) Buyer's copying and delivering to Seller or its professionals such documents or records as they may request, but only to the extent Seller or its professionals furnishes Buyer with reasonably detailed written descriptions of the materials to be so copied and Seller reimburses the Buyer for the reasonable costs and expenses thereof, and (ii) Buyer shall provide the Seller and such professionals (at no cost to the Seller) with reasonable access to the President, the Senior Vice President or the Manager of Proprietary Technology of FGL during regular business hours to assist the Seller in the continuing administration of the Case, provided that such access does not unreasonably interfere with the Buyer's business operations.

10.3 Notices. Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing, or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of the date of mailing. Mailed notices shall be addressed as set forth below, but each party may change his address by written notice in accordance with this paragraph.

To Seller: Friede Goldman Halter, Inc.  
13085 Seaway Road  
Gulfport, Mississippi 39503  
Phone: 228-897-4800  
Fax: 228-897-4803  
Attn: Jack R. Stone, Jr.

With a copy to: Andrews & Kurth LLP  
600 Travis, Suite 4200  
Houston, Texas 77002-3090  
Phone: 713-220-4528  
Fax: 713-238-7246  
Attn: Doug Walter

And

Houlihan Lokey Howard & Zukin  
3475 Piedmont Road, Suite 950  
Atlanta, Georgia 30305  
Phone: 404-495-7000  
Fax: 404-495-9545  
Attn: James D. Decker

To Buyer: United Heavy B.V.  
Jan Luijkenstraat 92-N  
1071 CT  
Amsterdam, The Netherlands  
Phone: +31 20 379 50 76  
Fax: +31 20 379 50 77  
Attn: Bauke van der Meer

And

United Heavy Machinery  
25 Build. 1, Brmolaevskiy per.  
Moscow, 103379 Russia  
Attn: Kakha A. Bendookidze



And

Technology Market Strategies  
Monmouth House, The Hill, Almondsbury  
Bristol, BS32 4AE, United Kingdom  
Attn: Geoff Crocker

With a copy to: McGlinchey Stafford, PLLC  
Skytel Centre South, Suite 1100  
Jackson, Mississippi 39201  
Phone: 601-960-8400  
Fax: 601-960-8406

10.4 Entire Agreement. This instrument and the documents to be executed pursuant hereto contain the entire agreement between the parties relating to the sale of the Property. Any oral representations or modifications concerning this Agreement or any such other document shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

10.5 Modification. This Agreement may be modified, amended or supplemented only by a written instrument duly executed by all the parties hereto.

10.6 Closing Date. All actions to be taken on the Closing pursuant to this Agreement shall be deemed to have occurred simultaneously, and no act, document or transaction shall be deemed to have been taken, delivered or effected until all such actions, documents and transactions have been taken, delivered or effected.

10.7 Severability. Should any term, provision or paragraph of this Agreement be determined to be illegal or void or of no force and effect, the balance of the Agreement shall survive except that, if Buyer cannot acquire and Seller cannot sell substantially all of the Property, either party may terminate this Agreement, and it shall be of no further force and effect, unless both parties agree in writing to the contrary.

10.8 Captions. All captions and headings contained in this Agreement are for convenience of reference only and shall not be construed to limit or extend the terms or conditions of this Agreement.

10.9 Further Assurances. Each party hereto will execute, acknowledge and deliver any further assurance, documents and instruments reasonably requested by any other party hereto for the purpose of giving effect to the transactions contemplated herein or the intentions of the parties with respect thereto.

10.10 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.11 Brokerage Obligations. Seller is represented by HLHZ as its exclusive sale agent with respect to the transactions contemplated herein pursuant that certain order entered by the Bankruptcy Court on October 30, 2001 and HLHZ's commission, fees and expenses are to be paid by the Seller in accordance with the terms and provisions of such order. Pursuant to HLHZ's agreement with Seller, the commission due to Seller from the transactions contemplated herein are a cost of sale payable directly out of the proceeds from the sale. The Seller and the Buyer each represent and warrant to the other that, except for HLHZ, such party has incurred no liability to any real estate broker or agent with respect to the payment of any commission regarding the consummation of the transaction contemplated hereby. Except for any claims of HLHZ (which are to be handled and satisfied by Seller in accordance with the above referenced order), it is agreed that if any claims for commissions, fees or other compensation, including, without limitation, brokerage fees, finder's fees, or commissions are ever asserted against Buyer or the Seller in connection with this transaction, all such claims shall be handled and paid by the party whose actions form the basis of such claim and such party shall indemnify, defend (with counsel reasonably satisfactory to the party entitled to indemnification), protect, and save and hold the other harmless from and against any and all such claims or demands asserted by any person, firm or corporation in connection with the transaction contemplated hereby.

10.12 Payment of Fees and Expenses. Each party to this Agreement shall be responsible for, and shall pay, all of its own fees and expenses, including those of its counsel, incurred in the negotiation, preparation and consummation of the Agreement and the transaction described herein.

10.13 Survival. Except for the covenants and agreements that are expressly to be performed after the Closing Date, none of the respective representations and warranties, covenants and agreements of Seller and Buyer herein, or in any certificates or other documents delivered prior to or at the Closing, shall survive the Closing, and Seller shall not be responsible for any post-closing liability (other than the Excluded Liabilities) or indemnification in respect thereof; *provided, however*, that nothing set forth in this Section 10.13 shall diminish Seller's obligation to make any payments, if required to be made by Seller, pursuant to Section 2.3.4.

10.14 Assignments. This Agreement shall not be assigned by either party hereto without the prior written consent of the other party hereto.

10.15 Binding Effect. Subject to the provisions of Section 10.14 above, this Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties hereto.

10.16 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of Texas.

10.17 Good Faith. All parties hereto agree to do all acts and execute all documents required to carry out the terms of this Agreement and to act in good faith with respect to the terms and conditions contained herein before and after Closing.

10.18 Construction. In the interpretation and construction of this Agreement, the parties acknowledge that the terms hereof reflect extensive negotiations between the parties and that this

Agreement shall not be deemed, for the purpose of construction and interpretation, drafted by either party hereto.

10.19 Counterparts. This Agreement may be signed in counterparts. The parties further agree that this Agreement may be executed by the exchange of facsimile signature pages.

10.20 Time is of the Essence. Time is of the essence in this Agreement, and all of the terms, covenants and conditions hereof.

10.21 Tax Effect. None of the parties (nor such parties' counsel or accountants) has made or is making in this Agreement any representation to any other party (or such party's counsel or accountants) concerning any of the tax effects or consequences on the other party of the transactions provided for in this Agreement. Each party represents that it has obtained, or may obtain, independent tax advice with respect thereto and upon which it, if so obtained, has solely relied.

10.22 Employee Withholding. The parties agree that, pursuant to the "Alternative Procedure" provided in Section 5 of Revenue Procedure 96-60, 1996-2 C.B. 399, with respect to filing and furnishing IRS Forms W-2, W-3, and 941, (a) Seller shall report on a "predecessor-successor" basis, as set forth therein, (b) Seller shall be relieved from furnishing Forms W-2 to any of the employees of Seller who become employees of Buyer, and (c) Buyer shall assume the obligations of Seller to furnish such Forms W-2 to such employees for the year in which the Closing occurs.

10.23 Bankruptcy Court Jurisdiction. BUYER AND SELLER AGREE THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES AND OTHER MATTERS RELATING; TO (i) THE INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT EXECUTED PURSUANT HERETO; AND/OR (ii) THE PROPERTY AND/OR ASSUMED LIABILITIES, AND BUYER EXPRESSLY CONSENTS TO AND AGREES NOT TO CONTEST SUCH EXCLUSIVE JURISDICTION.

10.24 Confidentiality Agreement. The Confidentiality Agreement dated as of November 1, 2001 between Buyer and Seller (the "*Confidentiality Agreement*") shall remain in full force and effect during the term specified therein.

10.25 Waiver of Trade Practices Act.

(a) IT IS THE INTENTION OF THE PARTIES THAT BUYER'S RIGHTS AND REMEDIES WITH RESPECT TO THIS TRANSACTION AND WITH RESPECT TO ALL ACTS OR PRACTICES OF SELLER, PAST, PRESENT OR FUTURE, IN CONNECTION WITH THIS TRANSACTION SHALL BE GOVERNED BY LEGAL PRINCIPLES OTHER THAN THE DECEPTIVE TRADE PRACTICES ACT ("*DTPA*"). AS SUCH, BUYER HEREBY WAIVES THE APPLICABILITY OF THE DTPA TO THIS TRANSACTION AND ANY AND ALL DUTIES, RIGHTS OR REMEDIES THAT MIGHT BE IMPOSED BY THE DTPA, WHETHER SUCH DUTIES, RIGHTS AND REMEDIES ARE APPLIED DIRECTLY BY THE DTPA ITSELF OR INDIRECTLY IN CONNECTION WITH OTHER STATUTES;

PROVIDED, HOWEVER, BUYER DOES NOT WAIVE § 17.555 OF THE DTPA. BUYER ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT IT IS PURCHASING THE GOODS AND/OR SERVICES COVERED BY THIS AGREEMENT FOR COMMERCIAL OR BUSINESS USE; THAT IT HAS ASSETS OF \$5 MILLION OR MORE ACCORDING TO ITS MOST RECENT FINANCIAL STATEMENT PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; THAT IT HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE IT TO EVALUATE THE MERITS AND RISKS OF A TRANSACTION SUCH AS THIS; AND THAT IT IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION WITH SELLER.

(b) TO THE MAXIMUM EXTENT PERMITTED BY LAW, BUYER HEREBY WAIVES ALL PROVISIONS OF THE DTPA.

(c) BUYER EXPRESSLY RECOGNIZES THAT THE PRICE FOR WHICH SELLER HAS AGREED TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT HAS BEEN PREDICATED UPON THE INAPPLICABILITY OF THE DTPA AND THIS WAIVER OF THE DTPA. BUYER FURTHER RECOGNIZES THAT SELLER, IN DETERMINING TO PROCEED WITH THE ENTERING INTO OF THIS AGREEMENT, HAS EXPRESSLY RELIED ON THIS WAIVER AND THE INAPPLICABILITY OF THE DTPA.

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

UNITED HEAVY B.V.

By: [Signature]  
Name: K. Z. L. Sparks  
Its: Representative

FRIEDE GOLDMAN HALTER, INC.

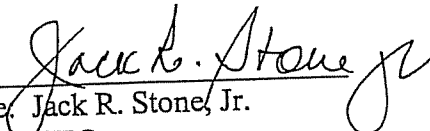
By: [Signature]  
Name: Jack R. Stone, Jr.  
Its: President & CEO

FRIEDE & GOLDMAN LTD.

By: [Signature]  
Name: Jack R. Stone, Jr.  
Its: CEO

The undersigned hereby executes this Agreement for the sole purpose of agreeing to transfer that certain Real Property Lease listed in Exhibit "A-1" of which the undersigned is the lessee and any and all Personal Property listed in Exhibit "C" to which it has title:

FRIEDE GOLDMAN OFFSHORE, INC.

By:   
Name: Jack R. Stone, Jr.  
Its: CEO

The undersigned hereby executes this Agreement for the sole purpose of agreeing to transfer that any and all Personal Property listed in Exhibit "C" to which it has title:

FRIEDE GOLDMAN OFFSHORE TEXAS, L.P.

By: Maritime Holdings, Inc., its general partner

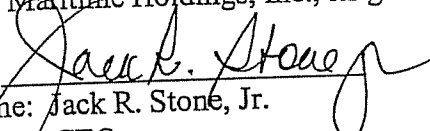
By:   
Name: Jack R. Stone, Jr.  
Its: CEO

EXHIBIT A-1

Real Property Leases

<u>Lease Description</u>	<u>Index Number</u>
1. Lease Agreement dated February 6, 1998, between Friede Goldman International (predecessor-in-interest to Friede Goldman Halter, Inc.), as Tenant, and Enserch Corporation, a Texas corporation, as Landlord, covering Suites 1200, 1250, 1275, 1615 (formerly Suite 1620C) and 1627 (formerly Suite 1690), 10375 Richmond, Houston, Texas. Such Lease Agreement as amended by (a) First Amendment to Lease Agreement dated February 18, 2000, between Caroline Partners, Ltd., a Texas limited partnership (successor to Landlord) and Friede Goldman International, and (b) Second Amendment to Lease Agreement dated April 17, 2000, between Caroline Partners, Ltd. and Friede Goldman Halter, Inc. Assignment of Lease Agreement, dated June 14, 2000, by and between Friede Goldman Halter, Inc. and Friede Goldman Offshore, Inc. (" <u>FGO</u> ").	1,305
2. Sublet of Lease for portion of Suite 1615 (formerly Suite 1620C) dated May 23, 2000, between Brightstar Information Technology Group, Inc., as Tenant and FGO, as Subtenant, pursuant to which FGO subleases a portion of Suite 1615 (formerly Suite 1620C) until November 30, 2002, at which time the lease of Suite 1615 (formerly Suite 1620C) under the February 6, 1998 Lease Agreement, as amended, commences.	1,306
3. Private Mini Storage Rental Agreement, dated as of July 10, 2000, by and between FGO and Private Mini Storage, Inc. for Storage Space Number 8204 located at 2890 W. Sam Houston Pkwy, Houston, Texas.	960

EXHIBIT A-2

Other Leases

<u>Lease Description</u>	<u>Index No.</u>
1. License Agreement, Lease by and between Friede & Goldman Ltd. (" <u>FGL</u> ") and Algor, Inc. (Software Upgrade Subscription Program)	44
2. Lease by and between FGL and Engineering Dynamics, Inc. (SACS System Software Modules).	42
3. Maintenance and Update Service by and between FGL and Engineering Dynamics, Inc. (SACS System Software Modules).	42
4. Lease Agreement by and between FGL and Citicorp Vendor Finance, Inc. (2 copier & fax machine)	961
5. Hydrocomp End-User License Agreement, dated as of December 5, 2001, by and between FGL and HydroComp, Inc. (NAVCAD Software).	1,700
6. Software License Agreement, by and between FGL and Century Dynamics Limited (AQWA and FEMGV) (invoice only).	1,701
7. Software License Agreement, by and between FGL and Autoship Systems Corporation (Autoship Pro) (invoice only).	1,702
8. Software License and Maintenance Agreement, by and between FGL and Ultramarine, Inc. (Moses Software) (letter only).	1,704
9. Software License Maintenance Agreement, dated as of November 1, 1998, by and between FGL and Crescent Vision Interactive, LLC (FGL Wind Program).	1,705
10. Records Management and Service Agreement, dated as of September 21, 1998, by and between FGL and Iron Mountain.	1,706

EXHIBIT A-3

Other Contracts

<u>Contract Description</u>	<u>Index No.</u>
1. Agreement, dated as of March 8, 2001, by and between Friede & Goldman, Ltd. (" <b>FGL</b> ") and PPL Shipyard Pte Ltd. (License for JU2000 Type Jack Up Drilling Unit) and all other contracts, arrangements, agreements, commissions and purchase orders entered into or committed to by FGL in connection with such Project.	962
2. Agreement, dated as of May 23, 2001, by and between FGL and PPL Shipyard Private Limited (License for Rack Chock System) and all other contracts, arrangements, agreements, commissions and purchase orders entered into or committed to by FGL in connection with such Project. <sup>1</sup>	963
3. Agreement, dated as of May 23, 2001, by and between FGL and PPL Shipyard Private Limited (License for 7381-S Semi Submersible Drilling Unit) and all other contracts, arrangements, agreements, commissions and purchase orders entered into or committed to by FGL in connection with such Project.	964
4. License Agreement, dated as of June 29, 2001, by and between FGL and PPL Shipyard Pte Ltd. (license for offshore structures for oil and gas exploration and production):	966
5. Proposal by FGL, dated as of December 13, 2001, accepted by Noble Drilling Services Inc. (Project #D7446) on December 19, 2001 (Noble Roy Butler-Elevated Load Analyses).	967
6. Proposal by FGL, dated as of January 8, 2002, to ENSCO International Inc. (Project #D7443) (EnSCO 54 Hull Reinforcement).	968
7. Service Agreement, dated as of September 27, 2000, by and between Friede Goldman Halter and A&E Products Company, Inc. (Xerox 8830 Plotter).	969
8. Proposal by FGL, dated as of November 27, 2001, to ENSCO International (Mod II Lower Flange Analysis). <sup>2</sup>	970

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<sup>1</sup> Cancelled.

<sup>2</sup> Completed.



9. Quotation by FGL, dated as of September 14, 2001, accepted by ENSCO International Inc. on October 2, 2001 (Project #7438) (Ensco 51 Global Strength and Elevated Load Analysis).<sup>3</sup> 971
10. Proposal by FGL, dated as of January 7, 2002, accepted by ENSCO International Inc. on January 10, 2002 (Project #D7444) (Ensco 51 Guides, Wedges, and Transit Restraint).<sup>4</sup> 972
11. Purchase Order, dated as of May 18, 2001, by and between FGL and Mariner Energy, Inc. (MVP 3 Production Unit for MARINER's Falcon Field Development).<sup>5</sup> 973
12. Proposal by FGL, dated as of March 14, 2002, accepted by Global Santa Fe on April 22, 2002 (Project #D7457) (*Monarch & Monitor* Nomograms). 1,822
13. Proposal by FGL, dated as of April 16, 2002, to Noble Drilling Services (Project #D7456) (*Leg inspection of Noble Percy Johns*). 1,823
14. Main Purchase Agreement, dated as of February 8, 2001, by and between FGL and PPL Shipyard Private Ltd., and all other contracts, arrangements, agreements, commissions and purchase orders entered into or committed to by FGL in connection with such Project. 1,707
15. Engineering Consultant Agreement, dated as of November 27, 2001, by and between FGL and Santa Fe International Corporation, and all other contracts, arrangements, agreements, commissions and purchase orders entered into or committed to by FGL in connection with such Project. 1,817
16. JU2000 Project Execution Plan, by and between FGL and Santa Fe International Corp (7126-J JU2000 Jack Up Drilling Unit). 1,818
17. Consulting Agreement, dated as of December 2, 1996, by and between FGL (f/k/a J.L. Holloway Holdings, Inc.) and Jerome L. Goldman.<sup>6</sup> 995
18. Business Purchase Agreement, dated as of December 2, 1996, by and between J.L. Goldman Associates, Inc. (f/k/a Friede & Goldman, Ltd.), as Seller, Friede & Goldman, Ltd. (f/k/a J.L. Holloway Holdings, Inc.), as Buyer, and Jerome L. Goldman, as shareholder of Seller, as amended by that certain (a) Amendment, dated as of December 3, 1996, (b) Second Amendment, dated as of May 19, 1997 and (c) Third Amendment, dated as 965

<sup>3</sup> Completed.

<sup>4</sup> Completed.

<sup>5</sup> Completed.

<sup>6</sup> As amended by that certain Compromise and Settlement Agreement, by and between FGL and Jerome L. Goldman and J.L. Goldman Associates, Inc.

of June 13, 1997.<sup>7</sup>

19. Kestral Records Management Storage and Service Agreement, dated as of April 28, 1998, by and between Kestral Data Management and Storage Inc. and TDI-Halter. 974
20. Employment and Confidentiality Agreement, dated as of October 21, 1998, by and between Friede Goldman Halter, Inc. and Paul Geiger, Jr. 142
21. Confidentiality Agreement, dated as of May 22, 2001, by and between ABB/IMECO and FGL (MODU). 1,708
22. Confidentiality Agreement, dated as of May 22, 2001, by and between ABB/IMECO and FGL (MODU). 1,709
18. Confidentiality Agreement, dated as of September 21, 2000, by and between Friede Goldman Offshore, Inc. ("FGO") and Aker Maritime, Inc. 1,710
23. Confidentiality Letter Agreement, dated as of October 23, 2000, by and between FGL and MH Pyramid, Inc. (Maritime Hydraulics AS). 1,796
24. Confidentiality/Non-Disclosure Agreement, dated as of March 9, 1998, by and between Alabama Shipyard, Inc. and FGL (7500 Drillship Design). 1,711
25. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Astilleros Corrientes and FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,712
26. Confidentiality/Non-Disclosure Agreement, dated as of July 31, 1998, by and between Atwood Oceanics Inc. and FGL (Semi-Submersible Designs) 1,799
27. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Belleli Offshore S.R.L. and FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,713
28. Confidentiality Agreement, dated as of November 21, 2000, by and between FGL and Blue Sea Corporation (Semi SWATH). 1,714
29. Confidential Agreement, dated as of May 2, 2001, by and between Santa Fe International Corporation, Friede Goldman Halter, Inc., Bodewes Winches/Nieuwerkerk a/d IJssel and Spectra International. 1,715
30. Confidentiality Agreement, dated as of November 17, 1999, by and between FGL and British-Borneo Exploration, Inc. 1,716

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<sup>7</sup> As amended by that certain Compromise and Settlement Agreement, by and between FGL and Jerome L. Goldman and J.L. Goldman Associates, Inc.

31. Confidentiality Agreement, dated as of April 3, 2001, by and between Caterpillar Inc. and FGL (MODU). 1,717
32. Confidentiality Agreement, dated as of June 11, 2001, by and between Champion Elevators and FGL (rig pipe handling systems). 1,718
33. Confidentiality Agreement, dated as of June 11, 2001, by and between Champion Elevators and FGL (MODU). 1,719
34. Confidentiality/Non-Disclosure Agreement, dated as of April 9, 1998, by and between China Offshore Industrial Corporation and FGL (Mobile Offshore Drilling Units). 1,720
35. Confidentiality/Non-Disclosure Agreement, dated as of August 18, 2000, by and between China Offshore Oil Northern Drilling Company and FGL (various offshore designs ). 1,721
36. Confidentiality/Non-Disclosure Agreement, dated as of March 20, 1998, by and between Daewoo Heavy Industries, Ltd. and FGL (various designs). 1,722
37. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Daewoo Heavy Industries Ltd., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,723
38. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Dalian New Shipyard, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,724
39. Confidentiality/Non-Disclosure Agreement, dated as of May 12, 1998, by and between Davie Industries Inc., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,725
40. Confidentiality/Non-Disclosure Agreement, dated as of March 4, 1999, by and between Delmar Systems, Inc. and FGL 1,726
41. Confidentiality Agreement, dated as of August 16, 2000, by and between Diamond Offshore and FGL (Rotary Carriage). 1,727
42. Confidentiality Agreement, dated as of August 30, 2000, by and between FGL and Dominion Exploration & Production, Inc. (oil and gas lease). 1,728
43. Confidentiality Agreement, dated as of November 5, 2001, by and between Dooley Tackaberry and FGL (MODU). 1,729
44. Confidentiality Agreement, dated as of April 23, 2001, by and between EQE International and FGL (MODU). 1,730

45. Confidentiality Agreement, dated as of February 1, 2001, by and between El Paso Global Gas (Cayman) Company and FGL. 1,731
46. Confidentiality/Non-Disclosure Agreement, dated as of April 14, 1998, by and between Fearnley Offshore and FGL (Semi-Submersible Designs). 1,732
47. Confidentiality/Non-Disclosure Agreement, dated as of May 18, 1998, by and between Fincantieri-Cantieri Navali Italiana S.p.A., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,733
48. Confidentiality Agreement, dated as of July 25, 2001, by and between Friede Goldman Offshore-Texas and FGL (MODU). 1,734
49. Confidentiality/Non-Disclosure Agreement, dated as of February 16, 1998, by and between Global Marine Drilling Company and FGL (Semi-Submersible Designs). 1,736
50. Confidentiality Agreement, dated as of April 21, 1998, by and between Global Marine Drilling Company and FGL (Jack-Up Drilling Unit). 1,735
51. Confidentiality/Nondisclosure Agreement, dated as of June 1, 1998, by and between Guangzhau Huangpu Shipyard, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,737
52. Confidentiality Agreement, dated as of July 25, 2001, by and between Gulf Island L.L.C. and FGL (MODU). 1,738
53. Confidentiality Agreement, dated as of August 2, 2001, by and between Gulf Marine Fabricators and FGL (MODU). 1,739
54. Confidentiality Agreement, dated as of August 7, 2001, by and between Halter Marine, Inc. and FGL (MODU). 1,740
55. Confidentiality/Non-Disclosure Agreement, dated as of April 21, 1998, by and between Harland and Wolff Shipbuilding and Heavy Industries Ltd. and FGL (Semi-Submersible Designs). 1,741
56. Confidentiality/Non-Disclosure Agreement, dated as of June 4, 1998, by and between The Hellenic Shipyards Co., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,742
57. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Howaldtswerke-Deutsche Werft AG, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,743
58. Confidentiality Agreement, dated as of December 14, 2000, by and between Huisman Itrec and FGL (MODU). 1,744

59. Confidentiality Agreement, dated as of December 14, 2000, by and between Huisman Itrec and FGL (rig pipe handling systems). 1,745
60. Confidentiality Agreement, dated as of December 14, 2000, by and between Huisman Special Lifting Equipment B.V. and FGL (rig pipe handling systems). 1,746
61. Confidentiality Agreement, dated as of October 2, 2000, by and between Hydralift, Inc. and FGL (rig pipe handling systems). 1,747
62. Confidentiality Agreement, dated as of October 2, 2000, by and between Hydralift, Inc. and FGL (MODU). 1,748
63. Confidentiality Agreement, dated as of June 17, 1998, by and between FGL and Hydralift, Inc. 1,749
64. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Hyundai Heavy Industries, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,750
65. Confidentiality Agreement, dated as of December 12, 2000, by and between FGL and Innovative Drilling Systems, Inc. 1,751
66. Confidentiality Agreement, dated as of July 25, 2001, by and between J Ray McDermott, Inc. and FGL (MODU). 1,752
67. Confidentiality Agreement, dated as of June 6, 2001, by and between Jones & Jones Technical Services and FGL (MODU). 1,753
68. Confidentiality Agreement, dated as of August 22, 2001, by and between Jotun Paint, Inc. and FGL (MODU). 1,755
69. Confidentiality/Non-Disclosure Agreement, dated as of May 20, 1998, by and between Jurong Shipyard Limited, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,756
70. Confidentiality/Non-Disclosure Agreement, dated as of June 10, 1998, by and between Keppel Shipyard and FGL (Semi-Submersible Self-Erecting Drilling Tender). 1,798
71. Confidentiality Agreement, dated as of April 17, 2001, by and between Liebherr Nenzing Crane Company and FGL (MODU). 1,757
72. Confidentiality/Non-Disclosure Agreement, dated as of May 22, 1998, by and between Lisnave-Estaleiros Navais, S.A., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,758

73. Confidentiality Agreement, dated as of August 24, 2000, by and between Loadmaster Derrick & Equipment, Inc. and FGL (rig pipe handling systems). 1,759
74. Confidentiality/Non-Disclosure Agreement, dated as of August 1, 1997, by and between M. Rosenblatt & Son, Inc. and FGL (JU-2000 Jack-Up Drilling Unit). 1,797
75. Confidentiality/Non-Disclosure Agreement, dated as of October 16, 1998, by and between Malaysia Shipyard and Engineering SDN. BHD. and FGL (JU-2000 Jack-Up Drilling Unit). 1,760
76. Confidentiality Agreement, dated as of January 14, 2000, by and between Marathon Oil Company and FGL (semi-submersible structures). 1,761
77. Confidentiality Agreement, dated as of June 12, 2001, by and between Marine Equipment, Inc. and FGL (MODU). 1,762
78. Confidentiality/Non-Disclosure Agreement, dated as of June 18, 1997, by and between Marystown Shipyard Limited and FGL (JU-2000 Jack-Up Drilling Unit). 1,763
79. Confidentiality Agreement, dated as of October 14, 2000, by and between MH Pyramid and FGL (rig pipe handling systems). 1,764
80. Confidentiality Agreement, dated as of May 26, 1998, by and between MIL Systems and FGL (Bingo 9000 Drilling Unit). 1,765
81. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Mitsui Engineering & Shipbuilding Co. Ltd. and FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,766
82. Confidentiality Agreement, dated as of December 14, 2000, by and between Spectra International, Inc. and FGL (MODU). 1,783
83. Confidentiality/Non-Disclosure Agreement, dated as of October 13, 1999, by and between Star Engineering Services, Inc. and FGL (Floating Production Units). 1,784
84. Technical Information Exchange Confidentiality Agreement, dated as of October 17, 1999, by and between Texaco Group Inc. and FGL (Deepstar IV). 1,785
85. Confidentiality/Non-Disclosure Agreement, dated as of December 5, 1997, by and between TOP Management and FGL. 1,786
86. Confidentiality/Non-Disclosure Agreement, dated as of May 25, 1998, by and between UIE Scotland Limited, FGL and Santa Fe International 1,787

- Corporation (JU-2000 Jack-Up Drilling Unit).
87. Confidentiality/Non-Disclosure Agreement, dated as of October 6, 1998, by and between Uljanik Brodogradiliste d.d. and FGL (JU-2000 Jack-Up Drilling Unit). 1,788
  88. Confidentiality Agreement, dated as of December 8, 2000, by and between Varco International and FGL (rig pipe handling systems). 1,789
  89. Confidentiality/Non-Disclosure Agreement, dated as of March 11, 1998, by and between Verolme Botlek B.V. and FGL (various designs). 1,791
  90. Confidentiality/Non-Disclosure Agreement, dated as of May 14, 1998, by and between Verolme Botlek B.V., FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). 1,790
  91. Confidentiality/Non-Disclosure Agreement, dated as of May 13, 1998, by and between Victorlenac and FGL (Semisubmersible Designs). 1,793
  92. Confidentiality/Non-Disclosure Agreement, dated as of May 28, 1998, by and between Victor Lenac, FGL and Santa Fe International Corporation (JU-2000 Jack-Up Drilling Unit). -1,792
  93. Confidentiality Agreement, dated as of November 9, 2000, by and between VMW Industries and FGL. 1,794
  94. Confidentiality Agreement, dated as of June 20, 2001, by and between Waller Marine and FGL (MODU). 1,795
  95. Confidentiality Agreement, dated as of November 26, 2001, by and between MODEC International LLC and FGL. 1,767
  96. Confidentiality Agreement, dated as of October 10, 2000, by and between National Oilwell and FGL (rig pipe handling systems). 1,768
  97. Confidentiality/Non-Disclosure Agreement, dated as of May 30, 1997, by and between National Petroleum Construction Company and FGL (Mod II Jack-Up Drilling Unit). 1,769
  98. Confidentiality Agreement, dated as of January 17, 2001, by and between Nimmo and Associates and FGL (MODU). 1,770
  99. Confidentiality Agreement, dated as of October 3, 2001, by and between Norsafe AS and FGL (MODU). 1,772
  100. Confidentiality Agreement, dated as of December 19, 2000, by and between PMI Engineering, Inc. and FGL (MODU). 1,773

101. Confidentiality Agreement, dated as of October 16, 2000, by and between PPL Shipyard Pte Ltd and FGL (JU-2000 Jackup). 1,774
102. Confidentiality Agreement, dated as of October 19, 2000, by and between PT. Tripatra Engineers and Contractors, FGL and Unocal Makassar Limited (West Seno Project). 1,775
103. Confidentiality Agreement, dated as of September 26, 2000, by and between Robert W. Fogal & Associates/Yantai-Raffles Shipyard and FGL (rig pipe handling systems). 1,776
104. Confidentiality Agreement, dated as of January 10, 2001, by and between Stuart Robertson and FGL (MODU). 1,777
105. Confidentiality/Non-Disclosure Agreement, dated as of February 2, 1998, by and between Samsung Heavy Industries Company, Ltd. and FGL (Semisubmersible Designs). 1,778
106. Confidentiality Agreement, dated as of May 19, 1997, by and between Santa Fe and FGL (JU-2000 Jack-Up Drilling Unit). 1,779
107. Confidentiality/Non-Disclosure Agreement, dated as of February 16, 1998, by and between Scale Reproductions and FGL (Semisubmersible Designs). 1,781
108. Confidentiality Agreement, dated as of April 13, 2001, by and between Scale Reproductions, Inc. and FGL (MODU). 1,780
109. Confidentiality Agreement, dated as of December 14, 2000, by and between Spectra International, Inc. and FGL (rig pipe handling systems). 1,782
110. Project Teaming Agreement, dated as of October 13, 1999, by and between FGL and Star Engineering Services, Inc. (deep water floating production vessels). 1,800
111. Revised Project Teaming Agreement, dated as of December 21, 2000, by and between FGL and Star Engineering Services, Inc. (deep water floating production vessels). 1,801
112. Project Teaming Agreement, dated as of December 3, 1999, by and between FGL and Keppel Shipyard (Pte) Ltd. (floating storage and offloading vessel for the Elf Amenan/Kpono field). 1,802
113. Letter Contract, dated as of May 12, 1998, by and between, Friede Goldman Halter, Inc., FGL and Normarine Offshore Consultants, Ltd. 1,803
114. Master Service Agreement, dated as of September 15, 1998, by and between Sundowner Offshore Services, Inc. and FGL. 1,804



115. Project Teaming Agreement, dated as of October 11, 1999, by and between FGL and Petro-Marine Engineering, Inc. (deep water floating production vessel for the Shell NaKiKa prospect).

1,805

EXHIBIT A-4

Intellectual Property

A. Patents and Patent Applications

<u>Patent Name</u>	<u>Country</u>	<u>Patent/Application Number</u>
1. Apparatus for releasing a rack chock of a jack-up	United States	6,231,269
	South Korea	SN10-2001-026254
	Singapore	SN200102873-7
	China	SN1121267.5
2. Jack-up rig with improved rack chock assembly	United States	5,622,452
3. Device for releasing screw jacks mechanism	United States	5,921,714
4. Semisubmersible vessel for conducting offshore operations in harsh environment	United States	SN496,978
	PCT	01-03549
5. Leg assembly for offshore structure has pair of parallel leg cords divided into sections by transverse bracing members	United States	SN484,551 <sup>8</sup>
	PCT	01-05160
6. Leg assembly for offshore structures	United States	SN871,760 <sup>9</sup>
7. Semi-submersible vessel <sup>10</sup>	United States	4,646,672
	Australia	SN581,871 <sup>11</sup>
	Brazil	SN8,407,250
	Canada	1,243,905
	Japan	61,500,958
	Norway	172,572
8. Riser Pipe Elevator	United States	4,692,081
9. Horizontal pipe handling system	United States	SN449,294 <sup>12</sup>
10. Inverted pedestal crane	United States	SN491,564 <sup>13</sup>

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<sup>8</sup> Application withdrawn.

<sup>9</sup> Application withdrawn.

<sup>10</sup> Subject to confirmation of assignment to FGL.

<sup>11</sup> Lapsed August 2001.

<sup>12</sup> Pending Office Action.

<u>Patent Name</u>	<u>Country</u>	<u>Patent/Application Number</u>
11. Semi-submersible vessel with captured constant tension buoy	United States	4,966,495 <sup>14</sup>
12. Shock absorber and method for offshore jack-up rigs	United States	4,968,181 <sup>15</sup>
13. Semisubmersible vessel with captured constant tension buoy	United States	4,995,762 <sup>16</sup>
14. Multi-part ship construction system	United States	5,090,346 <sup>17</sup>
15. Inclined leg jack-up platform with flexible leg guides	United States	5,092,712 <sup>18</sup>
16. Collision guard for a vessel	United States	5,353,727 <sup>19</sup>
17. Device for securing a collision guard to a vessel	United States	5,617,806 <sup>20</sup>
18. DP Semisubmersible Drilling Vessel with slender horizontal braces	United States	SN871,528
19. Mobil offshore jack-up unit leg/hull rigidification system	United States	4,269,543 <sup>21</sup>
20. Shock absorbing structure and method for offshore jack-up rigs	United States	4,195,950 <sup>22</sup>
21. Rack chock	United States	SN161,635
22. Offshore jack-up	United States	SN228,348
23. Leg rigidification system	United States	RE32,589

<sup>13</sup> Application withdrawn.

<sup>14</sup> Expired March 1, 1995.

<sup>15</sup> Expired January 17, 1995.

<sup>16</sup> Expired March 1, 1995.

<sup>17</sup> Expired February 28, 1996.

<sup>18</sup> Expired March 6, 1996.

<sup>19</sup> Expired October 11, 1998.

<sup>20</sup> Expired April 8, 2001.

<sup>21</sup> Expired August 29, 1999.

<sup>22</sup> Expired April 1, 1997.

**B. Registered Trademarks**

	<u>Trademark Name</u>	<u>Country</u>	<u>Reg. Number</u>
1.	Friede & Goldman	United States	2281142
2.	Friede Goldman	United States	2323717
3.	F&G & Design	United States	2418661
4.	Friede & Goldman & Design	United States	2418662
5.	Friede & Goldman & Design	United States	2418663
6.	F&G & Design	United States	2472710
7.	F G & Design	United States	2323716
8.	F & G & Design	United States	2270658

**C. Common Law Trademark**

	<u>Trademark Name</u>	<u>Country</u>	<u>Goods/Services</u>	<u>Used Since</u>
1.	F & G LTD	United States	engineering design	

**D. Other**

All designs, policies, practices and procedures (including all design and data libraries and all related intellectual property stored in any form) owned by Sellers, whether or not registered, wherever located and used primarily by the Business.

All common law trademarks and trade names, service marks and service names, logos, designs, trade dress, trade secrets, copyrights, practices, processes, methods and know-how owned by Sellers and used primarily in the Business, wherever located.

**EXHIBIT A-4a**

**Third Party Infringement of Company's Intellectual Property**

*Friede & Goldman, Ltd. v. William T. Bennett, Jr. and Bennett & Associates, L.L.C.*, Civil Action No. 3.02CV13BN, United States District Court for the Southern District of Mississippi, Jackson Division (removed from United States District Court Eastern District of Louisiana).

EXHIBIT A-4b

Company's Infringement on Third Party's Intellectual Property

*Friede & Goldman, Ltd. v. Gotaverken Arendal, AB and GVA Consultants, AB*, Civil Action No. 99-1970-N-5 c/w 00-0209, United States District Court, Eastern District of Louisiana.

EXHIBIT A-4c

Licenses, Sublicenses, Permissions, etc. Granted to Third Party

See Exhibit A-3 for licenses granted by Seller to third parties.

**EXHIBIT B**

**Intangible Property**

See attached listing of intangible property.



Exhibit B--Intangible Property

## F&amp;G Iron Mountain Storage Inventory by Iron Mountain Box #

Checked out by F&G  
 Not received by Iron Mountain Houston

<u>F&amp;G</u> <u>Box #</u>	<u>F&amp;G Job #</u>	<u>Description</u>	<u>Iron Mountain Box</u> <u>#</u>
97		Accounting Files	1445451
90	6000	Billing & Job Cost Ledgers	1445452
94	L-5000	Billing Jobs	1445453
76		Job Cost	1445454
92		Old Accounting Books	1445455
88	1060/2088	Billing	1445456
91		Job Cost Ledgers 80's	1445457
77		F&G Minutes & Sales Tax Records	1445458
89	6000	Billing	1445459
75		Billing Books	1445460
83		Cash Receipts and Disbursements 1976-1984/Gen. Ledgers 1979-1984	1445461
107	9420-9425	Calculations	1445463
120	1050	Correspondence	1445464
106	9300 to 9420	Calculations	1445466
128	2032-2071	Correspondence	1445468
125	2088-2091	Correspondence	1445470
109	9400	Calculations	1445471
93		General Ledger & Cash Disbursement Journal	1445473
123	2072	Correspondence	1445475
42	2062	Ocean Tow Damage	1445476
42	2062	1) Jack Case Stiffness 2) Rack Chock Analysis	1445476
42	2062	Stability Analysis	1445476

F&G Box #	F&G Job #	Description	Iron Mountain Box #
42	2095	Damage - Sack Storage Flooded - 496' Leg Field Tow Cans 1'-3" Blw	1445476
42	2095	Intact	1445476
42	2095	Damage and Waterline Runs	1445476
40	2032	Wave Loads for Operating Manual Part 2 of 2	1445477
40	2032	Weight and CG Calculations	1445477
40	2032-17	Stability Analysis of Legs under Maximum Design Conditions	1445477
40	2032	Various Wave Responses - Dynamic Analysis	1445477
18	1050	GZ min study	1445478
18	1050	Stability intact NMD 1/2	1445478
18	1050	Stability damage NMD,RINa and Lloyd's 2/3	1445478
18	1050	Tank 4,13,void c-104 p-tank, center column	1445478
15	1050	Stability Damage and 1/3 Free Floating Analysis	1445479
15	1050	Stability Intact NMD - Chain Lkrs Buoyant/Chain Lockers Flooded	1445479
15	1050	Stability Damage UK Den	1445479
2	1020	Part 1 of 3 - 370 Ft. Hull, Wide Transom with 38" Dia. Center Col. Opening	1445480
99		Accounting Files	1445481
16	1050	Various mooring developmental analysis	1445484
16	1050	Heliport design final analysis	1445484
16	1050	Heliport design developmental analysis	1445484
113	896-898	Correspondence	1445486
34	2012	Space Frame Analysis	1445487
34	2012	Detail Stresses at Jack Foundation and Hull Connection	1445487
34	2012	MOD Shape at 350' W.D.	1445487
34	2012	MOD V Weight Estimate	1445487
34	2012	Wave Loads	1445487
37	932	Redundant Space Frame Analysis and Damage Conditions	1445488
37	932	Torsional and Spread Load Wave Properties	1445488
37	990	Jack Leg Brace Stick Model	1445488

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
37	990	Weights	1445488
37	990	Stability Hydrostats Capacities	1445488
31	928	Super Pacesetter - Analyzed as 3-D Space Frame/Typical Web Frame/Combined Load Cases	1445489
31	1044	Wave Output	1445489
31	1088	Shelf Stability Runs	1445489
29	1013	Hydrostats & Damage Stability w/Intact	1445490
29	1013	Mooring Analysis	1445490
17	1050	Fixed & free azimuths chain lockers flooded	1445491
17	1050	Stability intact flooding study	1445491
17	1050	Stability intact UK DEN RINa & Lloyd's	1445491
17	1050	Stability damage RINa AND Lloyd's 1/2 free floating analysis	1445491
17	1050	Stability Intact UK DEN, RINa & LLOYD's2/2	1445491
17	1050	Columbus explorer cross curves	1445491
3	1020	Fatigue Runs - Original fatigue DNV run on Addendum Input	1445492
3	1020	Damage Stability	1445492
22	1026	1) Hydrostats, 2) Intact Stability, 3) Damage Stability, 4) Wind	1445493
22	1111	Plate Misalignment Run	1445493
22		Pacesetter Semi on Fern Carrier - Dry Tow	1445493
27	1045	Mooring Runs	1445494
30	2022	English Kips and Feet w/Offsets Printed	1445495
24	1017	1) Intact Stability 2) Wind Analysis	1445496
24	1012	Mooring Hydrostats	1445496
24	1038	Space Frame	1445496
24	1038	On Bottom Analysis of Doo Sung	1445496
33	2012	Wave Load Analysis	1445497
43	2016	Weight Estimate	1445498
43	2005	Detail Bulkhead Connection at Lower Hull	1445498
43	2005	Analysis of Lower Net and Caissons	1445498

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
43	2016	Leg Analysis	1445498
43	2016	Helideck	1445498
43	2016	Hydrostats	1445498
26	1000	Lower Hull	1445499
26	1000	1) Hydrostats, 2) Intact Stability, 3) Damage Stability, 4) Wind	1445499
38	2041	Leg Sacs / Survival / Leg Sacs / Leg Sacs / Survival (Wave Load for Dynamic Analysis)	1445500
38	2029/2031	Wave Load	1445500
38	2010	Analysis	1445500
38	2058	Production Jack-Up Top is Fixed	1445500
38	3050	Rack Chock Frame Analysis	1445500
38	2051	Hull Finite Element Analysis	1445500
38	2035	34' Penetration	1445500
23	1083	Full Hydrostats Intact	1445501
23	1082	Stability Based on L-932 (Penrod 78) and L-1033 (Drillmar I)	1445501
23	1083	Damage Hydrostats Intact	1445501
130	5056-5057	Correspondence	1445502
87		Job Cost 1990	1445504
6	1020	Lower Hull Web Frames Design	1445505
6	1020	Combined Transit and Drilling	1445505
6	1020	(SP FR) As a Drilling Platform w/o VBR	1445505
6	1020	SP. FR. runs to see effects due to removal of horizontal radial or C95 vertical diagonal braces (7/21/86)	1445505
6	1111	Wave Loads for Conceptual Production System - 1500 Ft. W.D.	1445505
53	1050	Calculations	1445506
74	L-700-767	Completed Contracts	1445507
95		Accounting Files	1445510
126	2102-2138	Correspondence	1445512
61	1050	Stability Analysis	1445513
81		Nome-log Files - Insurance Certificates	1445514

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
63	6027/6035/ 1050/2107/	Stability Analysis	1445515
129	2226-5009	Correspondence	1445516
116	1033	Correspondence	1445517
124	2072-2088	Correspondence	1445520
19	1028	Mooring Analysis	1445521
19	1028	Stability Analysis - Part 2	1445521
39	792	1) Program 2) Ventilation	1445522
39	846	Production Platform - Tiffany Field	1445522
39	898/872	Old (Pre-F&G Computer) Offsets for Several Rigs	1445522
39	885	Offsets Hydrostats	1445522
39	846	Dynamic Analysis	1445522
39	848	Statoil Platform - Dynamic Analysis	1445522
28	1003	1) Stability, 2) Offsets, 3) Hydrostats	1445523
115	1020-1033	Correspondence	1445524
62	1020	Zane Barnes	1445525
117	1033	Correspondence	1445526
50	5100	Computer Output	1445527
86		Audit Financial Statements 1980-1986	1445528
52	1033	Computer Output and Calculations	1445529
66		Financial Statements / Payroll Sheets	1445530
71		Completed Contracts - L-859 to 956	1445531
102		92-93 Check Register/Dept. of Revenue Notes/IRS Forms	1445532
9	1020	Sub Basic Loads	1445533
9	1020	Fatigue Analysis SP FR for Input to Fatigue	1445533
9	1020	Helideck BOP Crane	1445533
9	1020	Torsional Load Evaluation	1445533
9	1020	SP FR Analysis	1445533
72		Billing - 1980 to 1988	1445534

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
67		Financial - Normandie Company	1445535
41	2072	Helideck	1445536
41	2072	Pipe Rack Analysis	1445536
41	2072	Jack Case Analysis	1445536
58	1020	Drawings	1445537
73		Cancelled Checks / Check Stubs - 1986 to 1991	1445538
84		Income Tax Returns 1981-1986	1445539
47	6174/6038	Misc Calculations - Kaspornneft	1445540
80		Bill Invoices 1990-1993	1445542
138	5086-5200	Correspondence	1445543
46	780	Punch Through (Leg & Chord Forces)	1445544
46	780	Pinion Load Sharing & Rack Chock vs Pinion Support Study	1445544
46	780	Punch Through Leg Repair	1445544
46	780	Punch Through - Leg Frame Analysis	1445544
46	780	Punch Through - Cases 3-4	1445544
46	780	Damage Stability Calculation for Class Stability	1445544
46	780	Hull Dry Tows	1445544
46	780	Mod V Wave Load	1445544
44	2032	Tank Capacities	1445545
44	2032	Addendum	1445545
44	2032	1) Hydrostats, 2) Intact Stability, 3) Damage Stability, 4) Wind	1445545
44	2032	Computer Runs for Fatigue Runs	1445545
44	2032	Wave Load for Operating Manual	1445545
44	2032	Under Ice	1445545
119	1050-1076	Correspondence	1445546
108	9420	Calculations	1445547
25	1065	Stability Computer Analysis	1445550
25	1066	Exxon Summary Full Run	1445550

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
25	1066	F&G Weight Grouping	1445550
25	1066	Exxon	1445550
25	1066	Work Calculation	1445550
25	1066/1065	Notes and Data	1445550
25	1066	Exxon Study - Twin Rig FPV	1445550
25	1065	F&G Weight Grouping	1445550
82		Old Billing Invoices	1445554
135	5001-5056	Correspondence	1445555
45	849	Rack Chock Rack Deflections	1445558
45	780	Original Big Model	1445558
45	849	Rack Chock Type 4 & 5	1445558
45	780	Jack-Up in Towing Condition w/Jack Up Afloat & Legs Raised/Dynamic Loading due to Rolling	1445558
45		Original Uncut Chock - Storm Condition Types 3A & 3AY/Storm Cond - T	1445558
45		Rack Chock Teeth - Test Section	1445558
14	1050	Stability Damage Compartmentation - New Downflood and New GZ's	1445559
14	1050	Damage- Remove Chain Lockers, Add Flat to Buoyancy Box	1445559
14	1050	Damage Low Energy Collision - Multi Compartments	1445559
14	1050	Stability Intact New Downflood Points Only	1445559
100		F&G Financial Info (1980)	1445565
101		Inactive Jobs	1445566
137	5057-5086	Correspondence	1445567
111	9500	Calculations	1445568
118	1050	Correspondence	1445569
54	1050	Drawings	1445570
60	2088	Drawings and Computer Output	1445571
70		Completed Contracts - L-768 to 858	1445572
56	1050	Calculations	1445573
55	1050	Drawings	1445574

<u>F&amp;G Box #</u>	<u>F&amp;G Job #</u>	<u>Description</u>	<u>Iron Mountain Box #</u>
8	1020	Stress Concentration Factor on Horizontal Tube Transition	1445575
8	1020	Substructure Combined	1445575
59	1020	Drawings	1445576
20	1028	Hydrostats, Stability Analysis, Wind Analysis - Part 1	1445577
11	1033	Substructure Space Frame Analysis	1445578
11	1033	Space Frame - Basic Run - Transit & Drilling - Survival	1445578
11	1033	Superstructure Analysis for BOP Crane+C56	1445578
12	1050	Damage Tank 20-26, Assumed KG 60, 65, 70 feet	1445579
12	1050	Damage Buoyancy Box Fair Leader - Miscellaneous	1445579
12	1050	Weight and CG Estimation	1445579
13	1050	Pump Room Forward and Aft	1445580
13	1050	Intact and Hydrostats	1445580
13	1050	Intact Gene Normal Moment Balancing Option	1445580
1	1020	Stress Concentration Factor on Horizontal Tube Transition	1445581
5	1020	Cantilever I-Beam	1445582
5	1020	Dry Tow Cases	1445582
5	1020	Dynamic Riser 4500' WD	1445582
5	1020	New Design - Removing and Replacing Bracing	1445582
21	1028	Intact and Damage Stability - Part 2	1445583
4	1020	Trendsetter - 5 Caisson Semi - FEM results by MEC	1445584
36	2119	Option 1 Intact	1445585
36	2119	Damage Assumed	1445585
36	2119	Option 1 Damage	1445585
64	L-849 to 881	Billing	1445586
35	6073	Stability	1445587
35	6035	Western Pacesetter IV Damage 9	1445587
35	6040	Treasure Staworker Stability Analysis	1445587
10	1033	BOP Crane Space Frame Analysis	1445588



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<u>F&amp;G Box #</u>	<u>F&amp;G Job #</u>	<u>Description</u>	<u>Iron Mountain Box #</u>
10	1033	Fatigue Check	1445588
10	1033	WD 1500' / 2000'	1445588
10	1033	Final Damage W.L. for Operating Condition	1445588
10	1033	F&G BOP Design	1445588
48	6174/6038	Misc Calculations - Kasporneft	1445589
65	L-731-966	Billings	1445590
68		1985 to 1990 Billing	1445591
49		Mod V and VI Sacs Output File	1445592
69		1986 Billing	1445593
51	932	Computer Output	1445594
85		Old Accounting Software	1445595
57	1020	Specifications and Drawings	1445596
133	885-893	Correspondence	1445598
79		780 Documents FELS	1445601
98	1020	Miscellaneous Information	1445602
112	9474	Calculations	1445604
103		1995 AP Vendors/Payroll Time Sheets/1993 Cancelled Checks	1445607
96		Accounting Files	1445609
110	9400	Specs and Calculations	1445610
139	1020	Correspondence	1445613
7	1020	Transit/Drilling - Revision 1	1445616
7	1020	Survival - Revision 1	1445616
7	1020	SF/Basic - Revision 1	1445616
7	1020	Stress Concentration Factor on Horizontal Tube Transition	1445616
7	1020	SP FR Analysis to Investigate Effects of Ballast on Lower Hull	1445616
105		1995 Bank Records and Deposit Stubs/1990-93 Check Stubs	1445617
127	2091-2124	Correspondence	1445618
114	1020-1082	Correspondence	1445619

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<u>F&amp;G Box #</u>	<u>F&amp;G Job #</u>	<u>Description</u>	<u>Iron Mountain Box #</u>
121	2011-2117	Correspondence	1445625
104		Payroll Bank Information	1445630
32	990	Mod IV Wave Load Analysis and Hull Analysis	Never Rcvd by I.M. (N.O.)
78		Old Towne Apts.	Never Rcvd by I.M. (N.O.)
122	2001-2137	Correspondence	Never Rcvd by I.M. (N.O.)
131	1020	Correspondence	Never Rcvd by I.M. (N.O.)
132	5057-5140	Correspondence	Never Rcvd by I.M. (N.O.)
134	9461-9474	Calculations	Never Rcvd by I.M. (N.O.)
Second Shipment to Iron Mountain in New Orleans			
	780	Correspondence Files	1445970
	780	Correspondence Files	1445971
	780	Correspondence Files	1445972
	781-791	Correspondence Files	1445973
	792-819	Correspondence Files	1445974
	820-848	Correspondence Files	1445975
	849	Correspondence Files	1445976
	849-853	Correspondence Files	1445977
	853-860	Correspondence Files	1445978
	861	Correspondence Files	1445979
	863-865	Correspondence Files	1445980
	866-872	Correspondence Files	1445981
	872-877	Correspondence Files	1445982
	879-881	Correspondence Files	1445983
	882-885	Correspondence Files	1445984
	899-908	Correspondence Files	1445985
	913-929	Correspondence Files	1445986
	932-938	Correspondence Files	1445987
	939-964	Correspondence Files	1445988
	966-990	Correspondence Files	1445989

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F&G Box #	F&G Job #	Description	Iron Mountain Box #
			1445990
	9378-9342	Miscellaneous Information (Calculations & Drawings)	1445991
	9397	Drawings	1445992
	9397	Drawings	1445993
	Assorted	9449, 9474, 937, 9461, 9486, 9498, 1050-2062, 2070 - Correspondence	1445994
		Bill Bennett's Miscellaneous Files	1445995
	6123	Drawings, Sketches, and Leibherr Books	1445996
	Kerr McGee	Miscellaneous Files A-K	1445997
	Kerr McGee	Rig 154	1445998
	Kerr McGee	Rigs 46-50-54	1445999
	Kerr McGee	Rig 58	1446000
Third Shipment to Iron Mountain in New Orleans			
Fourth Shipment to Iron Mountain in New Orleans			
	Kerr McGee	Miscellaneous Files - L-Z	1446033
	Kerr McGee	Rig 63 and Hoffman Maritime Consultant	1446034
	Kerr McGee	Rig 54	1446035
	Kerr McGee	Rig 62-68	1446036
	6001-6033	Correspondence Files	1446037
	6035-6047	Correspondence Files	1446038
	6052-6083	Correspondence Files	1446039
	6083-6099	Correspondence Files	1446040
	6099	Correspondence Files	1446041
	6099	Correspondence Files	1446042
	6099	Correspondence Files	1446043
	6099-6137	Correspondence Files	1446044
	6137-6155	Correspondence Files	1446045
	6158-6173	Correspondence Files	1446046
	6174-6198	Correspondence Files	1446047
	6198-6217	Correspondence Files	1446048

#862694

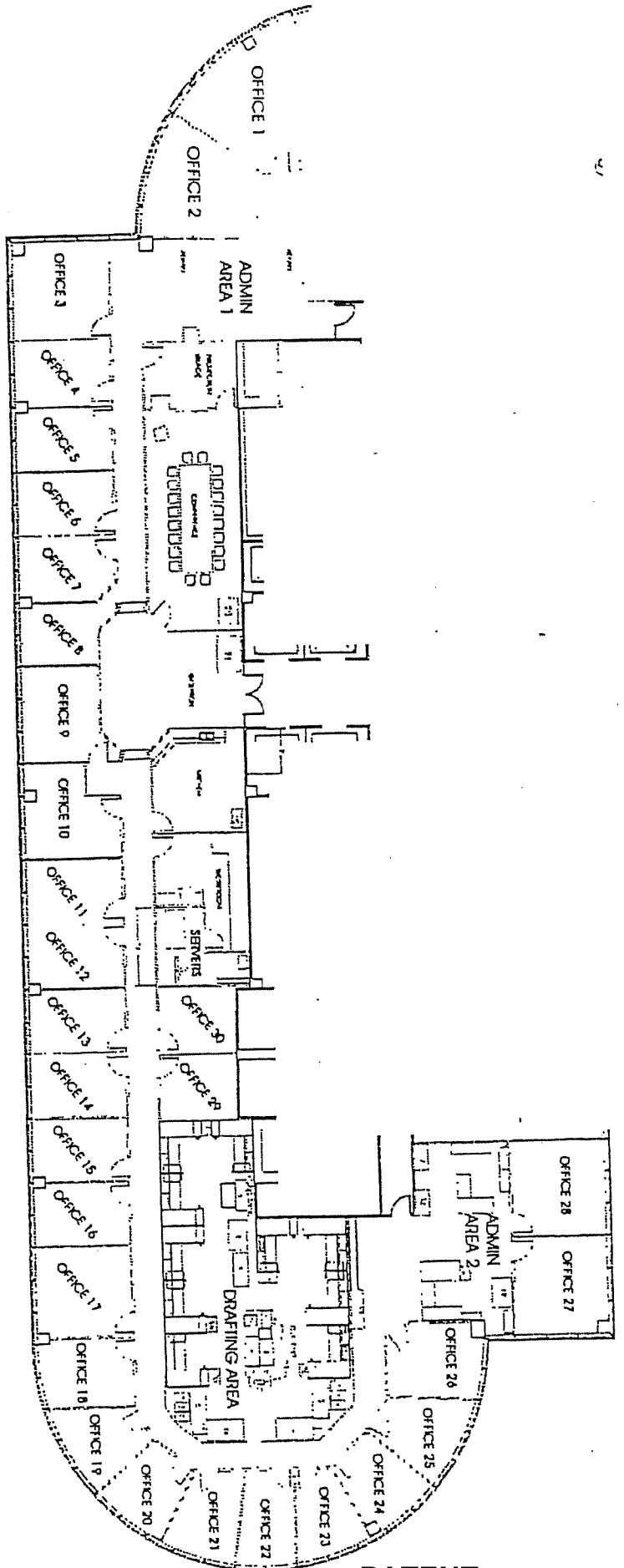
<u>F&amp;G Box #</u>	<u>F&amp;G Job #</u>	<u>Description</u>	<u>Iron Mountain Box #</u>
	6218	Correspondence Files	1446049
	6218-6233	Correspondence Files	1446050
	6233-6255	Correspondence Files	1446051
	6260-6289	Correspondence Files	1446052
	8000	Correspondence Files	1446101
	2032-2051	Correspondence Files	1446102
	2051-2071	Correspondence Files	1446103
	9500	Calculations	1446104
		Miscellaneous Naval Architect Files	1446105
		1998 Confidential Files	1446106
		1998 Miscellaneous Files	1446107
		Miscellaneous Naval Architect Files	1446108
	Kerr McGee	Rig 58	1446109
	Kerr McGee	International Tug Convention and OTC Books	1446110
	Kerr McGee	Miscellaneous Papers	1446111
	Kerr McGee	Designs.	1446112
	Kerr McGee	Rigs 64-69	1446113
	Kerr McGee	Rigs 47-63	1446114
	Kerr McGee	Miscellaneous Files	1446115
	Kerr McGee	OTC - 1969-1982	1446116
	Kerr McGee	Catalogs A-Z	1446117
	Kerr McGee	Rig 46-73	1446118
	Kerr McGee	Rig 58 SWCU Files	1446119

EXHIBIT C

Personal Property

- See attached listing of personal property.

DATE 1/10/02



FOR INFORMATION HAS BEEN REVEALED  
 BY  
 FRIEDLE & GOLDMAN  
 MILLENNIUM TOWER  
 SUITE 1200 7,489 SF & 4,333 SF B1  
 PRELIMINARY PLAN  
 1/10 - 1/11  
 23 MARCH 2000

**JOHN L. ERIC ARCHITECT**  
 1000 UNIVERSITY DRIVE  
 SUITE 1000  
 HOUSTON, TEXAS 77001  
 PHONE 713.556.1100  
 FAX 713.556.1101

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
<b>OFFICE 1</b>					
	1	Executive desk w/credenza	Apr-98	1 Dell Latitude PIII laptop	2/29/2000
	1	Executive leather chair	est	1 Dell Dimension Celeron 500MHz	12/31/1999
	1	Round mahogany table w/2 chairs	Jun-98	1 HP Laserjet 5P printer	est
	2	Large Queen Anne guest chairs	est		
	1	Sofa table	Aug-96		
	1	Leather sofa (6')	Aug-97		
	1	Two Drawer wooden file cabinet	Apr-98		
	1	4' bookshelf	Apr-98		
	1	6' bookshelf w/kit	Apr-98		
	1	7' Artificial ficus tree	Apr-98		
	3	Silk plants	Apr-98		
	1	Rand McNalley Framed World Ma.	Apr-99		
	1	Framed artwork and pictures	Aug-97		
	1	General Décor	Apr-98		
		\$ 13,514.56			
<b>OFFICE 2</b>					
	1	Executive desk w/credenza	Aug-97	1 Dell Optiplex GX1 Desktop 350 h	TDI
	1	Executive leather chair	Apr-98	1 HP Deskjet 970 Cse	TDI
	1	Round mahogany table	Aug-97		
	4	Guest chairs w/wheels	Aug-97		
	2	Two-Drawer wooden file cabinet	Aug-97		
	1	Computer desk	Aug-97		
	2	8' wooden bookshelves	Aug-97		
	1	7' Artificial tree	Apr-98		
		Framed artwork and pictures			
		\$ 10,352.00			
<b>OFFICE 3</b>					
	1	Conference table	Aug-96	1 Compaq computer	7/1/1998
	6	Executive Troy chairs	Aug-96		
	2	Gregson Slide Chairs	Aug-96		
	1	Desk	Apr-98		
	1	Secretarial chair	Apr-98		
	1	6' Artificial ficus tree	Apr-98		
	2	Framed artwork and drawing	Aug-97		
		General décor & supplies			
		\$ 11,025.96			
<b>OFFICE 4</b>					
	1	Desk w/credenza	Apr-98	1 Dell Optiplex GX1 350 MHz	
	1	Secretarial chair	Apr-98	1 HP 4 Laserjet	Aug-96
	2	Gregson Slide Chairs	Apr-98		
	1	6' wooden bookshelf	Apr-98		
	1	Two-drawer wooden file cabinet	Apr-98		
	2	Framed artwork and pictures	Apr-98		
		6' Artificial ficus tree	Apr-98		
		General décor	Apr-98		
		\$ 6,799.00			
<b>OFFICE 5</b>					
	1	Desk w/credenza	Apr-98	1 Dell Optiplex GX1 350 MHz	
	1	Executive leather chair	Apr-98		
	2	Gregson Slide Chairs	Apr-98		
	1	6' wooden bookshelf	Apr-98		
	1	6' Artificial ficus tree	Apr-98		
	1	Silk plant	Apr-98		
	2	Framed artwork and pictures	Apr-98		
		General décor			
		\$ 5,414.00			
<b>OFFICE 6</b>					
	1	Desk w/credenza	Apr-98	1 Genesis #2485	
	1	Guest chair small blue	Apr-98		
	2	Gregson Slide Chairs	Apr-98		
	3	7' wooden bookshelf	Dec-97		
	1	Silk plant	Apr-98		
		\$ 4,927.00			
<b>OFFICE 7</b>					
	1	Desk w/credenza	Apr-98	1 Dell Dimension XPS T450	
	1	Executive leather chair	Dec-97		
	1	7' wooden bookshelf	Apr-98		
	1	Silk plant	Apr-98		
		General décor			
		\$ 4,489.00			
<b>OFFICE 8</b>					
	1	Desk w/extension	Dec-97	1 Dell Optiplex GX1 w/CD-RW	
	1	Executive leather chair	Dec-97	1 HP Scanner	TDI
	2	Gregson Slide Chairs	Apr-98		
	1	7' wooden bookshelf	Apr-98		

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
	1	Computer table	Dec-97		
	1	7' Artificial ficus tree	Apr-98		
	2	Silk plants	Apr-98		
	3	Framed artwork and pictures	Dec-97		
		General décor & supplies			
	\$	8,439.00			
OFFICE 9					
	1	Desk w/credenza	Apr-98	1 Dell Dimension XPS T500	
	1	Multi-task chair	Dec-97	1 HP 6P Printer	
	2	Gregson Slide Chairs	Apr-98		
	1	7' wooden bookshelf	Apr-98		
	1	4' wooden bookshelf	Apr-98		
	2	4-drawer vertical metal cabinets	Dec-97		
	1	7' Artificial ficus tree	Apr-98		
	2	Framed artwork and pictures	Jun-00		
		General décor & supplies	Apr-98		
	1	7' wooden bookshelf	Apr-98		
	1	Silk plant	Apr-98		
	2	Framed artwork	Jun-00		
	\$	8,113.00			
OFFICE 10					
	1	Desk w/credenza	Apr-98	1 Dell Inspiron 7000 w/port replicator	
	1	Executive leather chair	Apr-98	1 HP Laserjet 6P	
	3	Guest chairs w/ wheels	TDI		
	2	7' wooden bookshelf	Apr-98		
	1	Round table	Apr-98		
	1	Silk plants	Apr-98		
	3	Framed artwork and pictures	Dec-97		
		General décor & supplies	Apr-98		
	\$	8,978.00			
OFFICE 11					
	1	Desk	Apr-98	1 Dell Dimension XPS R400	
	1	Multi-task chair	Dec-97	1 Dell Precision WS 220	
	2	Guest chairs	Dec-97		
	1	7' wooden bookshelf	Apr-98		
	1	4' wooden bookshelf	Apr-98		
	1	2' wooden bookshelf	Dec-97		
	1	4-drawer vertical metal cabinet	Dec-97		
	1	2-drawer vertical metal cabinet	Dec-97		
	2	Computer tables	Dec-97		
		General décor			
	\$	7,424.00			
OFFICE 12					
	1	Desk	Apr-98	1 Dell Precision WS 220	1-Aug
	1	Multi-task chair	Dec-97		
	2	Guest chairs	Dec-97		
	2	4' wooden bookshelf	Apr-98		
	2	4-drawer vertical metal file cabinet	Dec-97		
	1	Table	Dec-97		
	1	Computer table	Dec-97		
	3	Framed artwork and pictures	Dec-97		
		General décor			
	\$	5,545.00			
OFFICE 13					
	1	Desk	Apr-98	1 Micron Millennia XKU	
	1	Executive chair	Dec-97		
	1	Guest chair	Dec-97		
	2	7' wooden bookshelf	Apr-98		
	1	2-drawer wooden lateral cabinet	Dec-97		
	4	2-drawer lateral metal file cabinets	Dec-97		
	2	3-drawer lateral metal file cabinets	Dec-97		
	1	Small wooden table	Dec-97		
	1	Computer table	Dec-97		
	1	Small paper stand (rolling)	Dec-97		
		Silver art structure (awarded to F&G)			
	1	Framed artwork and pictures			
	\$	5,928.00			
OFFICE 14					
	1	Desk w/credenza	Apr-98	Dell dimension XPS R400	
	1	Executive chair	Dec-97		
	1	Guest chair	Dec-97		
	1	6' wooden bookshelf	Apr-98		
	1	4' wooden bookshelf	Apr-98		
	1	Silk plants	Apr-98		
	\$	4,344.00			
OFFICE 15					
	1	L-shaped desk	Aug-97	1 Dell Precision WS 220	



Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
	1	Multi-task chair	Dec-97		
	2	Guest chairs	Dec-97		
	2	4' wooden bookshelf	Apr-98		
	1	4-drawer vertical metal cabinet	Dec-97		
	1	Drafting table	Dec-97		
	1	Silk plants	Apr-98		
		\$ 5,700.00			
OFFICE 16					
	1	Desk w/credenza	Aug-97	1 Dell Optiplex GX1	
	1	Multi-task chair	Dec-97	1 HP Printer	
	2	Guest chairs	Dec-97	1 Dell Latitude PIII Laptop	
	1	Table	Dec-97		
	2	4-drawer vertical metal cabinet	Dec-97		
	1	2-door wooden cabinet	Dec-97		
	2	4' wooden bookshelf	Apr-98		
	1	Silk plants	Apr-98		
	3	Framed artwork and pictures	Dec-97		
		General décor			
		\$ 10,165.00			
OFFICE 17					
	1	Desk	Aug-97	1 Micron Millenia XKU	
	1	Multi-task chair	Dec-97	HP Laserjet 6P	
	2	Guest chairs	Dec-97		
	4	4-drawer vertical metal cabinet	Dec-97		
	1	2-drawer wooden lateral cabinet	Dec-97		
	2	7' wooden bookshelf	Aug-97		
	1	5' wooden bookshelf	Aug-97		
	1	3' wooden bookshelf	Aug-97		
	1	2' wooden bookshelf	Dec-97		
	1	Drafting/architectural table	Dec-97		
	1	Bar stool (for drafting table)	Dec-97		
	1	Computer table	Dec-97		
		\$ 8,310.00			
OFFICE 18					
	1	Desk and Work Table Mahogany	Apr-98	1 Dell Optiplex GX1	
	1	Executive leather chair	Dec-97	1 Dell Precision WS 220	
	2	Guest chairs	Apr-98		
	1	2-drawer wooden cabinet	Apr-98		
	1	6' wooden bookshelf	Apr-98		
	2	Silk plants	Apr-98		
		Framed artwork and pictures	Dec-97		
		\$ 6,814.00			
OFFICE 19					
	1	Computer table	Dec-97	1 Dell Dimension XPS T500	
	5	Guest chairs	Dec-97		
	1	4' wooden bookshelf	Apr-98		
	1	round wooden table	Aug-96		
	1	Model			
	1	Silk plants	Apr-98		
	2	Framed artwork and pictures	Dec-97		
		General décor			
		\$ 5,385.00			
OFFICE 20					
	1	L-shaped desk	Dec-97	1 Micron Millenia XKU	
	1	Executive leather chair	Dec-97		
	1	Multi-task chair	Dec-97		
	1	Drafting table	Dec-97		
	2	4' wooden bookshelf	Dec-97		
	1	2-drawer metal lateral cabinet	Dec-97		
	1	2-drawer wooden lateral cabinet	Dec-97		
		General décor			
		\$ 5,795.00			
OFFICE 21					
	1	Desk		1 Dell Precision WS 220	
	1	Executive leather chair			
	2	Guest chairs			
	1	Drafting table			
	1	6' wooden bookshelf			
	1	4' wooden bookshelf			
	1	4-drawer metal vertical cabinet			
	1	Computer table			
		General décor			
		\$ 5,599.00			
OFFICE 22					
	1	Desk (small)		1 Dell Dimension XPS R400	
	1	Executive chair			

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
	1	Wooden chair			
	1	Drafting table			
	1	6' wooden bookshelf			
	1	2' wooden bookshelf			
	1	4-drawer metal vertical cabinet			
	1	Computer table			
		General décor			
		\$ 4,034.00			
OFFICE 23					
	1	L-shaped desk		1 computer	
	1	Multi-task chair		1 HP Design Jet 750 Plotter	
	1	Guest chair			
	1	6' wooden bookshelf			
	1	4-drawer metal vertical cabinet			
	1	Computer table			
		General décor			
		\$ 13,164.00			
OFFICE 24					
	1	Desk w/credenza		1 Dell Precision WS 220	
	1	Multi-task chair			
	2	Gregson Guest chairs			
	1	4' wooden bookshelf			
	1	4-drawer metal vertical cabinet			
		General décor			
		\$ 5,420.00			
OFFICE 25					
	1	L-shaped Desk		1 Dell Dimension XPS R400	
	1	Executive chair		1 100 GB Hard Drive	15-Dec
	1	Guest chair		HP Printer	
	1	Drafting table			
	1	Bar stool			
	1	6' wooden bookshelf			
	1	5' wooden bookshelf			
	1	2' wooden bookshelf			
	1	4-drawer vertical metal cabinet			
	2	2-drawer lateral metal cabinet			
		\$ 6,844.00			
OFFICE 26					
	1	Desk w/credenza			
	1	Executive leather chair			
	2	Guest chairs			
	1	5' wooden bookshelf			
	1	4-drawer lateral metal cabinet			
	1	2-drawer lateral metal cabinet			
	1	Computer table			
		General décor			
		\$ 4,165.00			
OFFICE 27					
	1	Executive desk w/credenza		1 Micron Millenia XKU PII-266	
	1	Executive leather chair			
	2	Leather guest chairs (Queen Anne)			
	1	Coffee table			
	1	6' wooden bookshelf			
	1	2' wooden bookshelf			
	3	2-drawer vertical metal cabinet			
	1	Wooden table top			
	1	Computer table			
	2	6' ficus trees			
	2	Framed artwork and pictures			
		General décor			
		\$ 9,214.00			
OFFICE 28					
	1	Executive desk		1 Micron Millenia PII-400	
	1	Executive leather chair			
	3	Guest chairs			
	2	Gregson Guest chairs			
	1	Small round coffee table			
	1	Large drafting table			
	1	Stool			
	1	8' wooden bookshelf			
	1	2 1/2' 2-door wooden cabinet			
	1	2-drawer wooden cabinet			
	1	Wooden table			
	3	Framed artwork and pictures			
		General décor			
		\$ 9,024.00			

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
OFFICE 29					
	2	Desks		1 Computer	
	1	Executive leather chair			
	1	Guest chair			
	1	6' wooden bookshelf			
	1	4-drawer vertical metal cabinet			
	2	Framed artwork and pictures			
		General décor			
		\$ 4,488.00			
OFFICE 30					
	1	L-shaped desk		1 Micron Millenia #2443	
	1	Multi-task (cloth) chair			
	1	4' wooden bookshelf			
	1	Computer table			
	2	Silk plants			
	1	Framed artwork and pictures			
		General décor			
		\$ 4,610.00			
RECEPTION AREA					
	1	U-shaped workstation w/drawers		1 Genesis #2453	
	1	Multi-task chair		1 HP Laserjet 6P	
	1	Model, ExD			
	1	Model, JU-2000			
	1	End table w/iron legs (glass top)			
	2	Guest chairs			
	1	Small phone table			
	1	6' Artificial ficus tree			
	3	Silk plants			
	6	Framed artwork and pictures			
		\$ 67,014.00			
ADMIN AREA 1					
	2	L-shaped desks		1 Dell Optiplex GX1	
	1	Credenza		1 Micron Millenia XKU	
	1	Executive leather chair		1 HP 4MV Printer	
	1	Multi-task chair		2 HP Laserjet 6P	
	2	Guest chairs		1 Xerox Fax Machine 5352	
	2	Gregson Slide Chairs		1 HP Color Laserjet 4500	
	1	Coffee table			
	1	Small rolling paper holder			
	1	Small refrigerator			
	2	Wall units: 4-drawer wooden vertic	Dec-97		
	1	7' Wooden bookshelf			
	3	4' Wooden bookshelf			
	7	2-drawer wooden lateral cabinet			
	1	Leather love seat (blue)			
	5	Wall clocks (zoned times)			
	1	8' live tree			
	1	Mirror			
	5	Framed artwork and pictures			
	1	FGH Logo			
		\$ 29,039.00			
ADMIN AREA 2					
		Two workstations:		1 Genesis 2493	
	1	L-shaped desk w/credenza		1 Micron Millenia PII-333	
	1	U-shaped desk w/credenza		1 HP Laserjet 5M	
	1	Small desk (used as a table)		1 Konica Copier/Printer 7030	
	2	Multi-task chair		1 Muratec Fax	
	1	Computer table		1 HP 4MV	
	1	Guest chairs			
	2	Gregson Slide Chairs			
	1	Computer table (wooden)			
	6	4-drawer vertical metal cabinets			
	1	2-drawer vertical metal cabinet			
	2	2-drawer lateral metal cabinet			
	3	6-drawer vertical metal cabinet			
	3	10' wooden book shelves w/bottom doors			
	1	4' wooden bookshelf (black)			
	1	3' wooden bookshelf			
	1	2-shelf mini-bookshelf			
	2	Models			
	1	6' tree			
	5	Framed artwork and pictures			
		General décor			
		\$ 53,780.00			
CONFERENCE ROOM					
	2	OTC Backlit Graphic stands			
	1	Sofa Table			
	1	Conference Speaker Phone			

EXHIBIT C

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
	7	.6' Bookshelves			
	1	Conference Table			
	16	High back Swivel Chairs			
	1	Podium			
		Multimedia System**			
		***Projector, Document Viewer, Smart Board, Built-in Screen, VCR, Sound System, Gyro Mouse			
		Teamstation CPU, video conf. Set.			
	\$	129,398.00			
KITCHEN					
	1	Refridgerator, Whirlpool Estate TT18DKXFW01			
	1	Dishwasher			
	2	table			
	8	chair			

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
		Dishes & supplies			
	2	Microwave (GE JES1144WY003)			
		\$ 2,500.00			
<b>COPY ROOM</b>					
	1	Konica Copier			
	1	HP 5si Printer			
	2	Laminator			
	3	Binding Systems			
		Supplies			
		\$ 6,457.00			
<b>SERVER ROOM</b>					
		Compaq Proliant 2500			
		Compaq V50			
		Dell Precision 210			
		NEC Multisync XV15+			
		Optiquest V655			
		Dell Optiplex GX1			
		Genesis PC			
		NEC Multisync E700			
		Cisco 2500 Series router			
		Cisco 2500 Series router			
		Superstack II Switch 3000			
		Superstack II Switch 3000			
		Superstack II Dualspeed Hub 500			
		Superstack II Dualspeed Hub 500			
		Superstack II Dualspeed Hub 500			
		Motorola FT100S			
	2	Computer Desk			
	1	Desk - Mahogany			
	2	4 dwr File cabinets			
		\$ 35,921.00			
<b>PROJECTOR ROOM</b>					
	1	Portable Projector		2 Dell Latitude CPx	Nov-99
	1	Coffee Table		1 Toshiba Tecra 8000	Nov-99
	4	2 dwr File cabinets		Dell Latitude LS w/CD-RW	
		16" Bookshelf			
	1	4 dwr file cabinet			
		Various supplies			
		Computer Table			
		\$ 13,689.00			
<b>Library - Suite 1615</b>					
	1 set	Table with 3 chairs			
	11	2 drawer file cabinets			
	21	4 drawer file cabinets			
	14	7 Metal Shelves			
	5	7 Wooden Shelves			
		Framed Maps & Pictures			
		Christmas Décor			
		FGL Marketing items			
		\$ 13,451.00			
<b>File Room - Suite 1627</b>					
	29	5' Metal Lateral Files			
	6	Metal Cabinets			
	34	7' Metal Shelves			
	6	4 drawer metal file cabinets			
	1	chair			
	1	4' folding table			
	1	2' wooden shelf			
	1	4' wooden shelf			
	1	Compaq Monitor w/ keyboard			
	1	Gateway 2000 CPU			
	1	Rolling Computer Station			
		\$ 27,920.00			
<b>DRAFTING AREA</b>					
	10	Drafting Stations		10 Computers	
	2	drafting tables		10 21" Monitors	
	1	5 drawer lateral file cabinet		1 Xerox Plotter	Feb-98
	10	drafting chairs		1 Xerox Large Format Copier	
	10	Computers w/21" monitors		1 Savin Fiery Color Printer/copier	Jan-98
	1	metal cabinet		1 HP color laser 5M	
	10	4 drawer file cabinets		1 HP 5si Printer	Mar-98
	5	drawing file cabinets		1 Xerox copier	
	2	Computer tables			
	10	drafting chairs			

EXHIBIT C

Location	Quantity	Furniture	Est. Purchase Date	Equipment	Est. Purchase Date
		AT&T Telephone System			
PASCAGOULA					
	1	JU-2000 Model			
	10	drafting stationS			
GULFPORT					
	1	Super Pacsetter Model			
	1	American Racer Model			

User name	Tag No.	Hardware	Description	System	Processor	RAM	Hard Disk	Serial number	Tag No.	Previous User/Notes
ok	02476	31 Dell Dimension L500C	WIN 98 PC	WIN 98	Celeron 500	96 meg	4.0 gig	B2J3A	02476	
fgl-bruced	02449	20 Dell Dimension XPS R400	NT4 PC	NT 4	PIII-400	128 meg	10.0 gig	FP2CB	02449	Jad Finck
fgn-tomb	02458	24 Dell Dimension XPS R400	WIN 98 PC	WIN 98	PIII-400	128 meg	8.0 gig	F7Y30	02458	
ok	Unavallable	48 Dell Dimension XPS R400	NT4 PC	NT 4	PIII-400	128 meg	8.0 gig	F7Y33	Unavallable	
fgl-jerryb	Unavallable	47 Dell Dimension XPS R400	Win 2000	Win 2000	PIII-400	128 meg	8.0 gig + 20 GB	F7Y39	Unavallable	CD Re-Writer, 100 gig ext. hard drive
fgl-johnc	02475	30 Dell Dimension XPS R450	NT4 PC	NT 4	PIII-450	128 meg	8.0 gig	GBMQM	02475	Jason Gass
ok	02490	37 Dell Dimension XPS R450	Win 2000	Win 2000	PIII-450	128 meg	8.0 gig	GBMQP	02490	
ok	02472	29 Dell Dimension XPS T450	NT4 PC	NT 4	PIII-450	128 meg	10.0 gig	7M9I6	02472	Kris Bailey
fgo-robertc	02495	39 Dell Dimension XPS T450	NT4 PC	NT 4	PIII-450	128 meg	10.0 gig	7M9HI	02495	Jeannette Solka
fgn-noraming	02469	28 Dell Dimension XPS T500	NT4 PC	NT 4	PIII-500	128 meg	12.0 gig	B26WE	02469	
fgl-roberr	02479	32 Dell Dimension XPS T500	NT4 PC	NT 4	PIII-500	256 meg	12.0 gig	0SHD6	02479	
fgm-leresab	02499	7 Dell Latitude Cpl	NT4 PC	Win 98	PIII-300	128 meg	6.0 gig	ZM03Z	02499	Said-In Syria
fgl-roberr	02180	1 Dell Optiplex GX1	NT4 PC	NT 4	PIII-400	64 meg	8.0 gig	0XU8S	02180	Hong Hsu
fgl-roberr	02185	2 Dell Optiplex GX1	Win2000 PC	Win2000	PIII-350	128 meg	6.0 gig	UGFWM	02185	
fgl-roberr	02187	3 Dell Optiplex GX1	NT4 PC	NT 4	PIII-350	64 meg	6.0 gig	H736K	02187	Brad Adkins
fgl-roberr	02189	4 Dell Optiplex GX1	Win2000 PC	Win2000	PIII-350	64 meg	6.0 gig	UGF59	02189	
fgl-shekarat	02624	41 Dell Optiplex GX1	Win 2000	Win 2000	PIII-400	128 meg	6.0 gig	0NJTF	02624	
fgm-joer	02628	42 Dell Optiplex GX1	Win 2000	Win 2000	PIII-350	64 meg	6.0 gig	G6VNB	02628	
fgl-eng1		Dell Precision Workstation 60 220	NT4 PC	NT 4	PIII-850	256 meg	10.0 gig			
fgl-eng2		Dell Precision Workstation 61 220	NT4 PC	NT 4	PIII-850	256 meg	10.0 gig			
fgl-eng3		Dell Precision Workstation 63 220	NT4 PC	NT 4	PIII-850	256 meg	10.0 gig			
fgl-eng4	fgo eng-040	Dell Precision Workstation 64 220	NT4 PC	NT 4	PIII-850	256 meg	10.0 gig			
fgl-eng5	fgo eng-046	Dell Precision Workstation 62 220	NT4 PC	NT 4	PIII-850	256 meg	10.0 gig			
	02196	6 Gateway E3000	Win 95 PC	Win 95	P-233	32 meg	2.0 gig	7969814	02196	

	User name	Tag No.	Hardware	Description	System	Processor	RAM	Hard Disk	Serial number	Tag No.	Previous User/Notes
	In storage or server room	02636	44 Gateway E3000	NT 4 (for backup)	NT 4	Pentium Pro 200	256 meg	4.0 gig	8717933	02636	
		02422	9 Genesis PC	Win95 PC	Win 95	Pii-266	64 meg	6.0 gig	Unavailable	02422	Amanda McWilliams
auclion	Server Room	02429	42 Genesis PC	Win95 PC	Win 95	Pii-266	64 meg	4.0 gig	Unavailable	02429	
	Supply Room	02447	19 Genesis PC	Win 95 PC	Win 95	Pii-333	128 meg	6.0 gig	Unavailable	02447	Sam Varghese
auclion	Amy McNeely	02453	22 Genesis PC	Win 95 PC	WIN 95	Pii-266	64 meg	4.0 gig	Unavailable	02453	Receptionist
auclion	Server Room	02463	25 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	02463	Debbie Loya
new	Shannon Galway	02467	27 Genesis PC	NT4 PC	NT 4	Pii-300	128 meg	6.0 gig	Unavailable	02467	
	Empty station	02485	35 Genesis PC	Win 95 PC	Win 95	Pii-266	64 meg	4.0 gig	Unavailable	02485	
auclion	Server Room	02487	36 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	02487	Mike Follick
fgm-sandy	Sandy Lloyd	02493	38 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	02493	Mike Rodriguez
auclion	Riek Green	02497	40 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	02497	
ok	Carl Trujillo	Unavailable	54 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	Unavailable	
ok	George Vilanza	02499	53 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	02499	Dave Haelnel
		Unavailable	55 Genesis PC	NT4 PC	NT 4	Pii-333	128 meg	6.0 gig	Unavailable	Unavailable	Ken Palermo
ok	Main Conference	02634	43 HP Teamstation II	NT4 PC	NT 4	Pii-400	64 meg	4.0 gig	200578943	02634	
fgm-howard	Howard Day	02432	13 Micron Millenia	Win95 PC	Win 95	Pii-400	256 meg	8.0 gig	1225715-0001	02432	
ok	Ed Cade	02438	15 Micron Millenia	NT4 PC	NT 4	Pii-400	128 meg	8.0 gig	1225715-0008	02438	Yang Sun
ok	Office 30	02443	17 Micron Millenia	NT4 PC	NT 4	Pii-400	128 meg	8.0 gig	1225715-0002	02443	Matt Hemker
auclion	Video Back Room	Unavailable	59 Micron Millenia Pro Plus	Dual Pentium Pro 480	NT 4	2 Pii-400	512 meg	4.0 gig	777663-004	Unavailable	
fgm-allisons	Allison Smith	02424	10 Micron Millenia XKU	Win 2000	Win 2000	Pii-300	128 meg	8.0 gig	1135321-001	02424	
fgm-eugeneb	Tim Pease	02427	11 Micron Millenia XKU	NT4 PC	NT 4	Pii-266	128 meg	4.0 gig	C000 129305A	02427	Gene Begnaud
fgm-calvinn	Calvin Norton	02435	14 Micron Millenia XKU	Win 2000	Win 2000	Pii-300	128 meg	8.0 gig	1111028-0001	02435	
ok	Bruce Eubanks	02441	16 Micron Millenia XKU	NT4 PC	NT 4	Pii-300	128 meg	6.0 gig	1111028-0002	02441	Wenzhi Li
ok	Morris Shear	02451	21 Micron Millenia XKU	NT4 PC	NT 4	Pii-300	128 meg	6.0 gig	1206934-002	02451	



	User name	Tag No.	Hardware	Description	System	Processor	RAM	Hard Disk	Serial number	Tag No.	Previous User/Notes
ign-paulsr	Paul Geiger Sr.	02481	33 Micron Millennia XKU	NT4 PC	NT 4	Pii-266	128 meg	4.0 gig	C000 129329A	02481	
auscten	Supply-Room	02483	34 Micron Millennia XKU	NT4 PC	NT 4	Pii-300	428 meg	6.0 gig	C000 4083939-0004	02483	Glen-Authement
	Camilo Contreras	Unavailable	57 Micron Millennia XKU	NT4 PC	NT 4	Pii-266	96 meg	4.0 gig	C000 122590A	Unavailable	Michael Newman
	Dena Lozica	Unavailable	58 Micron Millennia XKU	NT4 PC	NT 4	Pii-333	128 meg	8.0 gig	1187739-0001	Unavailable	Derek Staka

	Hardware	Description	User name	Serial number	Tag No.
1	Viewsonic E771	17" monitor	Empty station	491613081	02181
2	Princeton Graphics EO50	15" monitor	Scanner Station	482046058	02186
3	Optiquest Q71	17" monitor	Amanda McWilliams	5G80956609	02423
4	Dell M770	17" monitor	Allison Smith	1780R-DV2CV-B9	02425
5	Hitachi CM751U	17" monitor	Gene Begnaud	T8B005239	02428
6	Optiquest Q71	17" monitor	Derek Staka	5G80956524	02430
7	Hitachi CM751U	17" monitor	Howard Day	T8B005232	02433
8	Viewsonic P810	19" monitor	Yang Sun	QH81413824	02439
9	DELL D1226H	17" monitor	Wenzhi Li	59119-C7DBV	02442
10	Viewsonic P810	19" monitor	Matt Hemker	QH81109498	02444
11	Optiquest V95	17" monitor	Sam Varghese	2J75200419	02448
12	Optiquest V95	17" monitor	Thomas J. Finck	2J80100819	02450
13	NEC Multisync XV17+	17" monitor	Morris Shear	6200109RE	02452
14	Optiquest V655	15" monitor	Receptionist	4D80750217	02454
15	Dell	17" monitor	Tom Burns	59119-C76PM	02459
16	Optiquest Q71	17" monitor	Joe Roche	5G80352065	02464
17	Optiquest V95	17" monitor	Shannon Galway	2J80100813	02468
18	Hitachi CM751U	17" monitor	Robert Clague	T8A001212	02470
19	Viewsonic P810	19" monitor	Kris Bailey	QH74300991	02473
20	Viewsonic P810	19" monitor	Jerry Badeaux	QH81109858	02474
21	Hitachi CM751U	17" monitor	Mike Rodriguez	07J002656	02477
22	NEC Multisync XV17	17" monitor	Engineer Station	5Y92596KA	02480
23	DELL D1226H	17" monitor	Paul Geiger Sr.	59119-C7DAV	02482
24	Optiquest V95	17" monitor	Glen Authement	2JB0200458	02484

	Hardware	Description	User name	Serial number	Tag No.
25	Optiquest Q71	17" monitor	Empty station	5G80352054	02486
26	Viewsonic P810	19" monitor	Mike Follick	QH81109494	02489
27	Nec Multisync E1100	21" monitor	César Rodriguez	7921960DE	02494
28	Viewsonic P810	19" monitor	Jeannette Sofka	QH81415225	02496
29	Hitachi CM751U	17" monitor	Paul Geiger Jr.	T8C006399	02498
30	Viewsonic P810	19" monitor	John Cagle	QH81211581	02500
31	Optiquest Q71	17" monitor	Teresa Bell	5G74309628	02510
32	NEC Multisync A500	15" monitor	Shekara Taylor	8807973YA	02625
33	Dell 17" monitor	17" monitor	Empty station	1165564	Unavailable
34	Viewsonic G810	19" monitor	Calvin Norton	QI92584314	Unavailable
35	Viewsonic P810	19" monitor	Debbie Loya	QH81415176	Unavailable
36	Viewsonic P810	19" monitor	Carl Trujillo	QH81109006	Unavailable
37	Viewsonic P810	19" monitor	Ken Palermo	QH81109859	Unavailable
38	Viewsonic P810	19" monitor	Jason Goss	QH81211582	Unavailable
39	NEC Multisync C500	15" monitor	Main Conference	6022901737	Unavailable
40	NEC Multisync XV17+	17" monitor	Michael Newman	6Z98093KE	Unavailable
41	Optiquest Q71	17" monitor	Dave Haelnel	5G80148013	Unavailable
42	Optiquest Q71	17" monitor	Empty station	5G80352421	Unavailable
43	Optiquest V655	15" monitor	Sandy Lloyd	4D742C2028	Unavailable
44	Princeton Graphics EO50	15" monitor	Brad Adkins	1272198494	Unavailable

Hardware	Description	System	Processor	RAM	Hard Disk	User name	Serial number	Tag No.	Previous User/Notes
Compaq Armada 770	Win 98 laptop	Win 98	P-233	96 meg	2.0 gig	FGO Conference	6749BRT10037	Unavailable	Unavailable
Compaq Series 2895	docking station for Armada 770					FGO Conference	359522401	Unavailable	Unavailable
Toshiba Portégé 3020CT	Win98 subnotebook	Win 98	P-233	64 meg	6.0 gig	Media Room	39563607A	02548	Bill Rose
Dell Inspiron 7000	Win 98 laptop	WIN 98	P11-266	128 meg	4.0 gig	Joe Key	EKZ30	02456	02456
Dell Port Replicator II	For Dell Inspiron 7000					Joe Key	8943E	Unavailable	Unavailable
Dell Latitude CPx H	Win 98 laptop	Win 98	P11-450	128 meg	8.0 gig	Matt Hemker	C9JBI	02446	02446
Dell Latitude CPx H	Win 98 laptop	Win 98	P11-450	128 meg	8.0 gig	Paul Geiger Jr.	B7GCE	Unavailable	Unavailable
Dell Latitude LS	Win 98 laptop w/ CD-RW	Win 98	P11-500	128 meg	10.0 gig	FGM laptop	CXN5501	Unavailable	Unavailable
Dell Latitude C/Port	for Latitude Cpl					in storage	GSMZR	02200	02200
Dell Latitude Docking Station	for Latitude CPxH					Matt Hemker	WYJNE	Unavailable	Unavailable
Toshiba Tecra 8000		Win 98	P11-450	128 meg	10.0 gig	Teresa Bell			

Hardware	Description	RAM	User name	Serial number	Tag No.
HP LaserJet 6p	Laserjet printer		Joe Key	USBD028420	02198
HP Deskjet 682C	inkjet color printer		Paul Geiger Sr.	SG63P1Q1WG	02431
HP Deskjet 660	inkjet color printer		Howard Day	SG6321C1DT	02434
HP Deskjet 682G	inkjet color printer		Calvin Norton	US66G4D00N	02437
HP LaserJet 6P	Laserjet printer		Empty station	USCH050441	02457
HP LaserJet 6P	Laserjet printer		Robert Clague	USCH089077	02471
HP LaserJet 5p	Laserjet printer		Paul Geiger Jr.	USFB143977	02478
HP LaserJet 4 Plus	Laserjet printer		Teresa Bell	JPF040054	02511
HP LaserJet 4MV	Laserjet printer	2 meg	FGM area	JPFH038384	02513
HP LaserJet 4500N	color laserjet printer	64 meg	FGM area	JPCD112756	02514
HP LaserJet 5si	Laserjet printer	4 meg	Drafting Area	USJK196217	02515
HP Color LaserJet 5	color laserjet printer	52 meg	Drafting Area	JPBF100227	02516
HP Color LaserJet 5	color laserjet printer	52 meg	Admin Area	JPBF103029	02517
Konica 7060	large copier / network printer		Admin Area	26SE10689	02648
HP LaserJet 5N	Laserjet printer		Jerry Badeaux	USHB105043	02519
Xerox 8830	large format plotter		Drafting Area	8YG064759	02620
HP LaserJet 5si	Laserjet printer		Copy Room	USJK196495	02521
HP LaserJet 6p	Laserjet printer	12 meg	Allison Smith	USCD018258	02644
HP DesignJet 750C Plus	Large inkjet plotter		John Cagle	ESA7B11562	Unavailable
HP Deskjet 682G	inkjet color printer		Amanda McWilliams	US66A1C0KG	Unavailable
Minolta C5PRO-4060 copier	figm copier		FGM area	3442492	Unavailable
Savin SDC-206	Fiery color printer / copier		Drafting Area	SA97090006	Unavailable
Xerox 2520	large format copier		Drafting Area	59V-005983	Unavailable
Konica 7055	Copier	LEASED			
Konica 7030	Copier/Printer	LEASED			
Muratec Fax Machine	Fax	LEASED			
Deskjet 970Cse	Deskjet printer		Joe Roche	MX9181B1KM	02465

Hardware	Description	System	Processor	RAM	Hard Disk	User name	Serial number	Tag No.
1	Compaq Proliant 2500	NT 4 Server	Pentium Pro 200	256 meg	18 gig	054-fgl	Unavailable	02522
2	Compaq V50	15" monitor				054-fgl	Unavailable	02523
3	Dell Precision 210	NT 4 Server	PIII-500 Katmai	256 meg	13/30/30/80 gigs	054-engineering	H18UY	02526
4	NEC Multisync XV15+	15" monitor				054-engineering	6540817MF	02527
5	Opliqueat V655	15" monitor				054-fgm	4D80750218	Unavailable
6	Dell Optiplex GX1	NT 4 Server	PIII-266 Klamath	256 meg	13/80 gigs	054-fgm	FQFL9	02639
7	Genesis PC	NT4 PC	PIII-266	128 meg	8.0 gig	Carlos Diaz	Unavailable	Unavailable
8	NEC Multisync E700	17" monitor				Carlos Diaz	7907141KA	02488
9	Cisco 2500 Series router	In server room					Unavailable	02524
10	Cisco 2500 Series router	backup router					250418093	Unavailable
11	Superstack II Switch 3000	network switch					Unavailable	Unavailable
12	Superstack II Switch 3000	network switch					Unavailable	Unavailable
13	Superstack II Dualspeed Hub 500	network 24-port hub					Unavailable	02643
14	Supertack II Dualspeed Hub 500	network 24-port hub					Unavailable	Unavailable
15	Superstack II Dualspeed Hub 500	network 24-port hub					Unavailable	Unavailable
16	Motorola FT100S	Multiplexer / T1 CSU					Unavailable	02525
17	Motorola FT100	Multiplexer / T1 CSU (backup)					9344466	Unavailable

HP Scanjet ADF	HP Scanner	Scanner Station	SG6CG2206H	02191
Gyromouse Presenter	gyroscopic mouse, GP9450-001	Main Conference	2004100002467	Unavailable
Portable Projector		Main Conference		
Overhead Document Viewer		Main Conference		
Smart Board Dry Erase Board		Main Conference		
Conference Telephone	Large format wall projector	Main Conference	708311284	Unavailable
Sharp XG-E3000U		Main Conference		
Velobind Model 750				
IBICO Binding System				
JB I Wire Punch				
Laminator				
Dollys				
Wilson Jones Shredder				
Polycom conference Phone				
AT&T Merlin Phone System				

Category	Furniture Type	Qty	Cost	Total	Notes
Bookshelves	3' Bookshelves	3	100	\$300.00	
Bookshelves	4' Bookshelves	22	\$149.00	\$3,278.00	ok
Bookshelves	6" Bookshelves	36	\$189.00	\$6,804.00	ok
Bookshelves	6' Bookshelf w/ kit	1	\$219.00	\$219.00	ok
cabinets	metal	1	\$400.00	\$400.00	
Chairs	Small Guest chairs	15	\$70.00	\$1,050.00	
Chairs	Custom Guest Chairs	18	\$399.00	\$7,182.00	ok
Chairs	Designer's Chairs	10	\$421.66	\$4,216.60	
Chairs	Exec. Hickory Chairs	8	\$899.00	\$7,192.00	
Chairs	Exec. Judge's Chair	1	\$999.00	\$999.00	
Chairs	Secretarial Chair	10	\$399.00	\$3,990.00	
Chairs	Troy Chairs	6	\$369.00	\$2,214.00	
Chairs	Troy Chairs - Conf. Tbl	6	\$369.00	\$2,214.00	
Conference Room	Conference Table w/ 16 chairs	1	\$25,000.00	\$25,000.00	ok
Conference Room	Podium	1	\$800.00	\$800.00	ok
Conference Room	OTC Displays	2	\$2,000.00	\$4,000.00	ok
décor	Silk Floral Arrangements	11	\$75.00	\$825.00	ok
décor	Silk Plants Lg.	9	\$80.00	\$720.00	ok



décor	Silk Plants Med.	6	\$50.00	\$300.00 ok
décor	General Décor (pictures, knick-knacks)	1	\$7,000.00	\$7,000.00
décor	Literature Rack	1	\$400.00	\$400.00 ok
décor	Mirror - Windsor	1	\$240.00	\$240.00 ok
décor	OTC Pictures	24	\$800.00	\$19,200.00
décor	Rand McNally Framed World Map	1	\$400.00	\$400.00 ok
designers	Designer Work Stations	10	\$4,000.00	\$40,000.00
desks	Credenzas	2	\$499.00	\$998.00 ok
Desks	Desk & Work Table	4	\$849.00	\$3,396.00 ok
Desks	Exec. Desk only	6	\$500.00	\$3,000.00
Desks	Exec. Desk w/ Credenza	8	\$999.00	\$7,992.00
Desks	Exec. Desk w/ Credenza	3	\$1,899.00	\$5,697.00
Desks	Exec. Desk w/ Credenza	1	\$2,699.00	\$2,699.00
desks	Secretarial Desk	3	\$1,399.00	\$4,197.00
desks	Secretarial Desk	6	\$999.00	\$5,994.00
desks	Computer desks	17	\$100.00	\$1,700.00
desks	Wood computer desk	3	\$500.00	\$1,500.00
desks	Designer Checking Tables	4	\$1,000.00	\$4,000.00
File Cabinets	2 Drawer File Cabinets - Laminate	5	\$349.00	\$1,745.00

File Cabinets	2 drawer File Cabinets - Metal	8	\$70.00	\$560.00
File Cabinets	2 Drawer File Cabinets - Wood	7	\$399.00	\$2,793.00
File Cabinets	4 drawer File Cabinets - Metal	37	\$117.00	\$4,329.00
File Cabinets	5 drw Lateral Files	3	\$400.00	\$1,200.00
File Cabinets	4 drw Lateral Files	1	\$400.00	\$400.00
File Cabinets	Drawings	5	\$400.00	\$2,000.00
File Cabinets	8-drw Wood Cabinets	2	\$5,000.00	\$10,000.00
Kitchen	GE Microwave JES1144WY003	1	\$150.00	\$150.00 ok
Kitchen	Microwave	1	\$150.00	\$150.00 ok
Kitchen	Refridgerator - Whirlpool "Estate" TT18DKXFW01	1	\$500.00	\$500.00 ok
kitchen	Small Refridgerator - Sanyo	1	\$100.00	\$100.00 ok
model	JU-2000 Model	1	\$19,000.00	\$19,000.00 ok
model	ExD	1	\$25,000.00	\$25,000.00
model	Sana 15000	1		\$7,000.00
model	Galaxy II	1		\$15,000.00
Reception	Reception Counter	1	\$9,000.00	\$9,000.00 ok
Reception	Reception Furniture (Loveseat, 2-chairs, coffee table, end table)	1	\$3,000.00	\$3,000.00 ok
Reception	Sofa Table & End Table	1	\$450.00	\$450.00 ok
tables	Exec. Table w/chairs	1	\$1,548.00	\$1,548.00 Paul

tables	Round Mahogany Table w/ 4 chairs	1	\$800.00	\$800.00 FGL Small conf Room
tables	Sales Table w/chairs	1	\$1,077.00	\$1,077.00 Joe R.
tables	Small conference table	1	\$800.00	\$800.00 FGO Small conf room
tables	round conf table	1	\$150.00	\$150.00 Joe Key
tables	Folding Tables	8	\$100.00	\$800.00
	Wood Work Tables	3	\$150.00	\$450.00
	End Tables	2	\$150.00	\$300.00
misc	Misc shelves & cabinets	4	50	\$200.00
				<b>\$288,618.60</b>



Exhibit C

#854543

Type	Creator	Name	Version	Serial Number	Product Key	License	CD's	Notes
APP	Adobe	Photoshop SE	4.0			Single User License	Original & 1 copy	
APP	Adobe	Photoshop	5.0	5239		Single User License	Original	
APP	AME	AME Software Products		160-10539386		Single User License	Original	
APP	Autodesk	AutoCAD L1 97		110-97353531	7001-100-021199	Single User License	Original	
APP	Autodesk	AutoCAD 2000				Single User License	Original	
APP	Avery	Avery Media Software	3.0.0A	2200-32540		Single User License	Original	
APP	Avery	My Labels		11142545		Single User License	Original	
APP	Canon	Office Ready Professional		11249934		Single User License	Original	
APP	Canon	Corel Draw 8				Single User License	Original	
APP	Corel	Word Perfect Suite 8		WPKXR-F7628049		Single User License	Original	
APP	Corel	Word Perfect Suite 8		V5.GG 70000		Single User License	Original	
APP	Delorme	AAA Map'n'Go	1.0	23-228002-004		Single User License	Original	
APP	Hawkeye	HamEye - Imagine 128 Series 2 Set				1 CD/2 Floppies		Registration Code 4242-4372-6406
APP	Intuit	Quickbooks Pro 2001	2001	423D-406-274-3245		5-User License	Original	
APP	Intuit	Quickbooks Pro 2001		423D-589-221-4205		Single User License	Original	
APP	Intuit	Quickbooks Pro 2001		423D-589-221-4205		Single User License	Original	
APP	JASC	Paint Shop Pro	8.02			Single User License	Original	
APP	Macromedia	Freehand	1998	8112-4631744		Single User License	Original & 1 copy	
APP	Microsoft	MS Publisher 98	5.0	2978-1039555		Single User License	Original & 1 copy	
APP	Microsoft	Visual Professional 5.0	SR-1	DRY22-GCB48-9MXJ8-HMYTB-DVHCT		Single User License	Original	
APP	Microsoft	Office 97				Single User License	Original	
APP	Microsoft	Office XP		X03-44544	8112-5416876	Single User License	Original	
APP	Microsoft	Office 2000				Single User License	Original	
APP	Microsoft	Office 97		078-058-080	808-1246001	Single User License	Original	
APP	Microsoft	Office 97 Upgrade	4.1			Single User License	Original & 3 copies	
APP	Microsoft	Microsoft Project 4.1	36531			Single User License	Original & 1 copy	
APP	Microsoft	Project 4.1	4.03			Single User License	Original	
APP	Microsoft	Project 4.1	5.1			Single User License	Original	
APP	Quark Technologies	Quark Xpress 4.03				Single User License	Original	
DRIVER	3Com	3Com Ethernet - EtherCD XL		1630700		1	Original	
DRIVER	Adaptec	CD Creator		1653300		2	Original	
DRIVER	Adaptec	Easy CD Creator Deluxe Edition	1.01			1	Original	
DRIVER	Adaptec	Adaptec DirectCD v1.01	4.0	PN 1601500		1	Original	
DRIVER	Adaptec	Adaptec EZ-SCSI 4.0	4.0	SF0001582-01		1	Original	
DRIVER	Audio Works	Audio Works Pro - Studio 4.0		85-0753-01		1	Original	
DRIVER	Audio Works	Audio Works Pro - Studio 4.0 Package				1	Original	
DRIVER	Clisco	Clisco Systems - Software Feature Pack		CD25311120065417		2	Original	
DRIVER	Clisco	Clisco Systems - Documentatlon				2	Original	
DRIVER	Clisco	Cardscan	4		12-00-80553-US	1	Original	
DRIVER	Corax	Delina - WinFax Lite VA 0 XIR Package			DELL P/N 3280D	1	Original	
DRIVER	Delina	Delina - WinFax Lite VA 0 XIR Package		ML616700		1	Original	
DRIVER	Delina	Delina - WinFax Lite VA 0 XIR Package		EN135703		1	Original	
DRIVER	Imega	Imega Tools Variation DM5205	3.03	LFA72524943/LFA72314945		2	Original	
DRIVER	Imega	Imega - Zip Install Windows/DOS 4				1	Original	
DRIVER	Logitech	Logitech MouseWare 96 Variation 7 21				1	Original	
DRIVER	Logitech	Logitech MouseWare 96 Variation 7 21				1	Original	
DRIVER	Microsoft	Microsoft IntelliPoint - Disk 1 Setup		SF0001445-08		1	Original	
DRIVER	Microsoft	Microsoft IntelliPoint Pkg - Disk 1 Setup Pkg		DELL P/N: 07051P		1	Original	
DRIVER	Microsoft	Microsoft IntelliPoint Disk 1 Setup Pkg		1483330909		1	Original	
DRIVER	Microsoft	Microsoft IntelliPoint Disk 1 Setup Pkg		ME0001142-01		1	Original	
DRIVER	Riva	Riva TNT - Graphics Blaster	1.06			1	Original	
DRIVER	Viper	Viper V330 Installation CD Rom	1			1	Original	
DRIVER	Westam Digital	1384 Adapter	1.52	0413-0013-011		1	Original	
DRIVER	Westam Digital	PCMCIA Fax/Modem Installation Diskette		38-1008-006877251		1	Original	
DRIVER	Aldus	Aldus IntelliDraw Ver1.0 Set				8 disks	Original	
GRAPHICS	Corel	Corel Draw 8 Graphics				Original	Original	
GRAPHICS	Corel	Corel Draw 8 Clipart Images				Original	Original	
OS	Microsoft	Windows NT Workstation 4.0	1-2			Single User License	Original	
OS	Microsoft	Windows NT Workstation 4.0	1-2			Single User License	Original	
OS	Microsoft	Windows NT 4.0	Processor Edition			Single User License	Original	
OS	Microsoft	Windows 98 SE Upgrade	Processor Edition			Single User License	Original	
OS	Microsoft	Dell Microsoft WindowsNT Workstation Package	Service Pack			1	Original	
OS	Microsoft	Dell Microsoft WindowsNT Workstation Package	3			1	Original	
OS	Microsoft	Windows NT 4.0		WPAHV-GFVB7-890BC-7KRWP-QGPXH	24698-OEM-0038741-08777	1	Original	
OS	Microsoft	Windows 98 SE Upgrade		367408777		1	Original	
OS	Microsoft	Dell Microsoft WindowsNT Workstation Package				1	Original	



#864543

Exhibit C

OS	Microsoft Win NT - Workstation	2	EMPTY
OS	Microsoft Win NT - Workstation Ver. 4.0	1	EMPTY
UTILITY	Service Pack 4	1	Empty
APP	pcAnywhere 32 Version 8.0	1	Empty
	MyDeluxe LabelDesigner		
	2220-34698		

Exhibit C

Naval Architecture Software			
6	Moses	Ultramarine	Perpetual Licenses with annual maintenance fees Strip Theory Key 3 keys @ \$793.00 per year 3D Diff. Key 2 keys @ \$1948 per year Time Domain Key 1 key @ \$8660 per year
1	AQWA	Century Dynamics	3-month evaluation license Extended due to technical issues with the software Option to purchase full licenses at discount
1	NAVCAD	Hydrocomp	Perpetual License 1 key @ \$750.00 per year
1	Autoship	Autoship Systems	Perpetual License 1 key @ \$850.00 per year
3	Autohydro	Autoship Systems	Perpetual License 3 keys (maintenance inactive)
1	STABCAD	Zentech	3 Month Evaluation License (Expired)
Engineering Software			
1	SACS	Engineering Dynamics	Perpetual License Maintenance Agreement - \$636.00 per month
2	SACS	Engineering Dynamics	Lease Agreements \$785.00 per month \$135.00 per month
4	ALGOR	Algor, Inc.	Concurrent User Licenses Annual Maintenance Fee - \$2658.33



**EXHIBIT D-1**

**Base Balance Sheet (November 30, 2001 opening balance sheet)**

	<b><u>FGL Actual</u></b>	<b><u>Adjustments Out</u></b>	<b><u>Base Balance Sheet</u></b>
<b>Assets</b>			
Cash	6,456	(6,456)	0
Accounts Receivables	441,472	0	441,472
Inventory	749,164	0	749,164
Intercompany Receivables	<u>(10,542,015)</u>	<u>10,542,015</u>	<u>0</u>
Total Current Assets	(9,344,923)	10,535,559	1,190,636
 Net Fixed Assets	 339,669	 0	 339,669
 Goodwill	 530,002	 (530,002)	 0
Patents	42,380	0	42,380
Total Other Assets	<u>572,382</u>	<u>(530,002)</u>	<u>42,380</u>
Total Assets	(8,432,872)	10,005,557	1,572,685
 <b>Liabilities</b>			
Accounts Payable	624,927	(409,095)	215,832
Accrued Liabilities-Payroll	13,679	0	13,679
Other Accrued Liabilities	<u>(377,208)</u>	<u>480,046</u>	<u>102,838</u>
Total Current Liabilities	261,398	70,951	332,349
Shareholder's Equity	<u>(8,694,270)</u>	<u>9,934,606</u>	<u>1,240,336</u>
Total Liabilities & Shareholder	(8,432,872)	10,005,557	1,572,685

EXHIBIT D-2

Assets Disposed of After Base Balance Sheet Date (in ordinary course of business)

None

**EXHIBIT D-3**

**Assets Acquired After Base Balance Sheet Date (in ordinary course of business)**

None

## EXHIBIT E

### Excluded Assets

#### Asset Description

1. The designs to the JU-N9500 jackup unit and the Super EVA semisubmersible unit, and all trade secret and other information and materials disclosed or furnished by Noble Drilling Corporation or any of its affiliated companies (collectively, "Noble") to Seller or any of its affiliates in connection with the engagement by Noble of Seller to assist with the completion of such designs (the "Projects"), as well as any and all inventions, discoveries, creations, improvements, ideas, deliverables, prototypes, models, designs, other tangibles or intangibles, and patents and copyrights created by Seller or any of its affiliates in connection with performing obligations to Noble with respect to the Projects or which were made at least in part with Noble's equipment, supplies, facilities, materials, information, trade secrets, or time, or which resulted from any services performed by Seller for Noble. All of the foregoing are owned by Noble, and no rights in or to the foregoing are intended to be conveyed hereby.
2. MPSV design (an enhanced TDI-130 design)
3. 24 framed photographs of shipyards and/or projects (11 in the conference room, 6 in the hallway, 4 in the reception area)
4. 8 non-framed photography of shipyards and/or projects (all in the conference room)
5. 5 framed graphics for OTC (all in hallway)
6. Friede Goldman Offshore ("FGO") logo wall hanging
7. Friede Goldman Halter, Inc. ("FGH") Acrylic sign
8. FGH and FGO Brochures
9. Marketing materials with FGO logo to the extent not jointly marketed with FGL.
10. *Friede & Goldman, Ltd. v. Gotaverken Arendal, AB and GVA Consultants, AB*, Civil Action No. 99-1970-N-5 c/w 00-0209, pending in the United States District Court for the Eastern District of Louisiana
11. *Friede & Goldman, Ltd. v. William T. Bennett, Jr. and Bennett & Associates, L.L.C.*, Civil Action No. 3.02CV13BN, pending in the United States District Court for the Southern District of Mississippi

**Asset Description**

12. Cubicles located in the Pascagoula storage unit
13. All stock owned by FGH and its subsidiaries in Zentech, Inc., a Delaware corporation
14. Microsoft Enterprise Agreement licenses.
15. Furniture in Offices 2, 3 and 5, as listed on office floor plan attached in Exhibit B.
16. One (1) JU-2000 Model located at FGH's offices in Gulfport, Mississippi
17. Software License Agreement, by and between FGL and Zentech, Incorporated (StruCAD\*3D).
18. All documents, drawings, plans, engineering and design materials, and scheduling information associated with the Bingo 9000-1 and 9000-2 and all builder furnished equipment and owner furnished equipment associated therewith, together with any documents associated with arbitration proceedings between the Seller and Ocean Rig 1 AS, Ocean Rig 2 AS and Ocean Rig ASA, including, without limitation, the following:

<b>STORAGE BOXES</b> <b>Iron Mountain</b> <b>3035 Earhart Boulevard</b> <b>New Orleans, LA 70125</b> <b>Phone 504-525-2001 - Fax 504-525-2002</b>			
Box No	Job No.	Description	Storage Box No.
1	7249	Binders - 7108 Transmittal Books - 1310-1316, 1317-1319, 1320-1328, 1329-1332	1446001
		Millennium Drawings to go to London (11x17)	
2	7249	Binders - 7108 Transmittal Books - 1333-1339, 1340-1344, 1345-1355 - Binder containing: OR Fax No. HL-FO-0466 with copies of affected drawing transmittals, RDS to Hydralift outgoing general faxes register with copies, and Hydralift drilling equipment OFE equipment - numerous faxes from Mark Wallis to HL. RDS faxes from Hydralift incoming general faxes register	1446002
3	7249	Upper Deck Drawings #1-13, 13-20	1446003
		Upper Deck Drawings #21-26, Drill Floor Drawings #1-4, Drill Floor Drawings #5-11	
4	7249	Friede Goldman OFI Related Issues	1446004
		Volumes 1 - 4	
5	7249	Friede Goldman OFI Related Issues - Volumes 2 of 5/Preliminary - 3 of 5	1446005

		Miscellaneous documents relating to same	
6	7249	Friede Goldman OFI Related Issues - Volume 4 of 5 / Volume 5 of 5	1446006
		Miscellaneous documents relating to 1 of 5	
		Volume 2 - August submittal	
7	7249	Appendix to Ocean Rig response	1446007
		Volume 1 - 4	
8	7249	RDS Correspondence - July 14, 1998 - October 12, 1998, October 12, 1998 to March 4, 1999, February 12, 1998 to April 29, 1998, April 29, 1998 to July 14, 1998	1446008
9	7249	Hydralift Correspondence (3 volumes)	1446009
		Vendors Correspondence (1 volume)	
10	7249	Ocean Rig Correspondence (1 volume), FGO Correspondence (1 volume), F&G General Correspondence (1 volume), General Correspondence (1 volume)	1446010
11	7249	Witness Statement of T. Eilertsen	1446011
		Volumes 1, 2, 3, and 4 of 13	
12	7249	Witness Statement of T. Eilertsen	1446012
		Volumes 5, 6, 7, 8, and 9 of 13	
13	7249	Witness Statement of T. Eilertsen	1446013
		Volumes 10, 11, 12, 13	
14	7249	HL Correspondence (2 volumes)	1446014
		Main Deck Level 1 #1-8, Main Deck Level 1 #9-16	
15	7249	Hydralift Notebooks ,	1446015
		#1 - 1310-1313, #2 - 1314-1319, #3 - 1320-1338	
		Miscellaneous papers	
16	7249	FGO Affected Deliverables, Appendix A	1446016
		FGO Affected Deliverables	
		Overview of Problem Areas	
		OR Response to FGO allegations	
		FGO Reply to OR Response to FGO Allegations	
		Completion Contract - Volume 2	
		Howard's Notes - December 14, 1999	
		FGO Arbitration Submission	
		Spreadsheet	
		FGO Deliverables/Spreadsheet	
		2 each - Miscellaneous papers - expandable folder	
17	7249	HL Notebooks #4 - 1339-1344, #5 - 1345-CVN	1446017
		Miscellaneous RDS Document Transmittals	
		Miscellaneous OR Faxes	
		Miscellaneous Faxes	
		SMDR (April 29, 1999), SMDR (March 26, 1998)	
		Appendix B (Planning)	
		Second Submission dated December 6, 1999	
		Howard Day Witness Statement	
18	7249	FGO Reply to OR Response to FGO Allegations	1446018

		Volumne 1 (3 copies)	
		Upper Deck	
19	7249	FGO Reply to OR Response to FGO Allegations	1446019
		Volume 2 (3 copies)	
		Lightship Weight through Pontoon Tank Arrangement	
20	7249	FGO Reply to OR Response to FGO Allegations	1446020
		Volume 3 (3 copies)	
		Drill Floor Arrangement through APV/HPU Arrangement	
21	7249	FGO Reply to OR Response to FGO Allegations	1446021
		Volume 4 (3 copies)	
		Lifeboats through Other Correspondence	
22	7249	FGO Reply to OR Response to FGO Allegations	1446022
		Volume 5 (3 copies)	
		BOP Controls through P & ID	
23	7249	FGO Reply to OR Response to FGO Allegations	1446023
		Volume 6 (3 copies)	
		Pontoons, Columns, & Sea Chest Arrangements through Riser Rack Arrangements	
24	7249	FGO Reply to OR Response to FGO Allegations	1446024
		Volume 7 (3 copies)	
		Riser Tensioning System through Switchgear Room Arrangement	
25	7249	FGO Reply to OR Response to FGO Allegations	1446025
		Volume 1, Volume 2, Volume 3 - Originals	
26	7249	FGO Reply to OR Response to FGO Allegations	1446026
		Volume 4, Volume 5, Volume 6 - Originals	
27	7249	FGO Reply to OR Response to FGO Allegations	1446027
		Volume 7 - Original	
		Hydralift Items - Volume 1 of 1	
		Miscellaneous items to be added to original #18 with copies (not included) to be added to additional volumes - Item 23, Item 3	
		Miscellaneous Papers	
28	7249	FGL Bingo History Documents	1446028
		Volumes 1 - 6	
29	7249	FGL Bingo History Documents	1446029
		Volumes 7, 8, 9, 11 (No #10)	
30	7249	FGL Bingo History Documents	1446030
		Volume 12	
		3½" Disk - Document Register Lists	
		RDS Documents by Major Items	
		P&ID Outstanding Issues	
		Comments from Tim Paces	
		Ham & FGI Presentation to OR 12/10/97	
		OR Annual Report 1998	
		OR Reporting 1st, 2nd, 3rd Quarters	
		Interface Drawings (Varco)	

		FGO Affected Deliverables - Appendix A (bound)	
		FGO Affected Deliverables Errata (bound)	
		FGO Witness Statements - Volume 1	
		Witness Statements	
31	7249	FGO Arbitration Submission - Appendix 1	1446031
		FGO Arbitration Submission - Appendix 2	
		FGO Arbitration Reply - Appendix 3	
32	7249	FGO Affected Deliverables - Appendix A	1446032
		Volume 1 through 4	



EXHIBIT F

Nontransferable Contracts, Permits, Qualifications and Licenses

Description

Index No.

Lease Agrément by and between FGL and Citicorp Vendor Finance, Inc.  
(2 copiers & fax machine).

961

**EXHIBIT G**

**Net Working Capital at Base Balance Sheet Date**

**Included Assets**

Cash	\$0
Accounts Receivable	\$441,472
Inventory	\$749,164
<b>Total Current Assets</b>	<b>\$1,190,636</b>

**Assumed Liabilities**

Accounts Payable	\$215,832
Accrued Liabilities - Payroll	\$13,679
Other Accrued Liabilities	\$102,838
<b>Total Assumed Liabilities</b>	<b>\$332,349</b>

<b>Net Working Capital</b>	<b>\$858,287</b>
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EXHIBIT H

Governmental Consents, Authorizations, or Notices Required of Seller

None

EXHIBIT I

Change to the Business since November 30, 2001

- No representation or warranty is made with respect to retention of employees or customers of FGL.
- Buyer has thoroughly reviewed the lawsuit styled *Friede & Goldman, Ltd. v. Gotaverken Arendal, AB and GVA Consultants, AB*, Civil Action No. 99-1970-N-5 c/w 00-0209, pending in the United States District Court, Eastern District of Louisiana (the "GVA Suit"), and Seller makes no representation or warranty as to any potential impact to the business of FGL or FGL's Property as a result of the GVA Suit or any claims or liabilities that may arise out of, or result from, the GVA Suit.

**EXHIBIT J**

**Noncompliance with Governmental Laws; Governmental Authorizations Required**

- Engineering Firm Registration in the State of Texas.

# **EXHIBIT B**

U.S. BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI

2002 JUN 19 AM 9:25

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI  
BILOXI DIVISION**

**IN RE: FRIEDE GOLDMAN HALTER, INC.,  
et al., Jointly Administered**

**Jointly Administered Under  
CASE NO. 01-52173 SEG**

**ORDER GRANTING MOTION FOR  
ORDER AUTHORIZING CERTAIN DEBTORS TO (I) SELL ASSETS AND TO  
ASSUME, ASSIGN AND SELL CERTAIN EXECUTORY CONTRACTS  
AND UNEXPIRED LEASES THAT RELATE THERETO FREE AND  
CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; AND (II) TO  
ESTABLISH CURE AMOUNTS RELATED TO ASSUMED AND ASSIGNED  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

There came on for consideration on May 22, 2002 the Motion for Order Authorizing Certain Debtors to (i) Sell Assets and to Assume, Assign, and Sell Certain Executory Contracts and Unexpired Leases That Relate Thereto Free and Clear of All Liens, Claims, Encumbrances, and Interests and (ii) to Establish Cure Amounts Related to Assumed and Assigned Executory Contracts and Unexpired Leases ("Motion") filed by Friede Goldman Halter, Inc. ("FGH"), Friede & Goldman Ltd. ("FGL") and certain of their subsidiaries and affiliates (collectively, the "Selling Debtors") pursuant to 11 U.S.C. Sections 105, 363, 365, 1107, 1108, and 1146 ("Motion"), and the Objection and Supplemental Objection to the Motion (collectively, the "PPL Objection") filed by PPL Shipyard Pte Ltd. ("PPL") in the above, jointly administered Chapter 11 proceeding. The Court, being fully advised in the premises and having considered the Motion, the Notice thereof, and the agreements reached among the parties, hereby find as follows:

1. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 105, 363, 365, 1107, 1108, and 1146, and the Standing Order of Reference in this District; this matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(B) and (M); proper, timely, adequate, and sufficient notice of the Motion (and the sale of substantially all of the assets of the Selling Debtors anticipated

therein<sup>1</sup>) has been provided in accordance with the United States Bankruptcy Code (11 U.S.C. § 101 et seq.) (the "Bankruptcy Code") and the Federal Rules of Bankruptcy Procedure, including Rules 2002, 6004, 6006 and 9014 and Orders of this Court including the Order Approving Emergency Motion to (i) Establish Bidding Procedures and Approve Break-up Fee in Connection With Solicitation of Higher or Better Offers for Sale of Certain Assets (ii) Approve Form, Manner, Scope, and Substance of Notice Thereof and (iii) Set Time, Date, and Location of Hearing and Objection Deadline ("Procedures Order") entered on April 19, 2002.

2. No other or further notice of the Motion or the entry of this Order is necessary.

3. A reasonable opportunity to object or to be heard regarding the requested relief, or to make a higher and better offer to acquire the Assets of the Selling Debtors, as such Assets are described in the Motion and the Asset Purchase Agreement, as amended ("APA"), has been afforded to all interested persons and entities.<sup>2</sup>

4. As evidenced by the agreements of the Selling Debtors, PPL and United Heavy B.V. or its designees ("United" or "Buyer") contained herein, the PPL Objection has been resolved and is withdrawn based on those agreements. All other objections to the Motion not resolved by the terms of this Order or withdrawn, waived or settled and all reservations of rights included therein are hereby overruled and denied.

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<sup>1</sup>For purposes of clarification, FGH and certain of FGH's subsidiaries and affiliates are not selling assets of any significant value. Rather, FGH and those certain subsidiaries and affiliates are parties to certain executory contracts and/or unexpired leases that will be assumed and assigned to Buyer (defined hereafter) or are the record owner of certain Property (as defined in the APA) that will be transferred to Buyer, and as a result, FGH and those certain subsidiaries and affiliates are signatories to the APA (defined hereinafter).

<sup>2</sup>To the extent of any inconsistency between the Motion and the APA, the APA as approved by this Order will control as to the Assets to be sold and the executory contracts and unexpired leases to be assumed and assigned.



5. The Motion was duly and properly served on all required persons and entities, including all parties claiming any interest in the Assets (or any portion thereof) and parties to executory contracts and unexpired leases to be assumed and assigned, and any and all such parties in interest have received proper, timely, adequate and sufficient notice of same under the circumstances or otherwise had actual notice of these proceedings. The Motion and Notice thereof provided adequate information in sufficient detail to allow creditors and parties-in-interest to make an informed decision regarding the merits of the sale and the assumptions and assignments proposed therein.

6. The overbid offer of United Heavy to purchase the Assets pursuant to the APA is the highest and best offer received by the Selling Debtors for the Assets after a period of active solicitation and negotiation by the Selling Debtors to sell the Assets.

7. The APA is the result of arm's-length, good-faith negotiations between the Selling Debtors and United. United is a purchaser acting in good faith, as that term is utilized in Section 363(m) of the Bankruptcy Code, and is not an insider, as that term is defined in section 101(31) of the Bankruptcy Code. United has no common shareholders with the Selling Debtors. A sale to United will not be a merger or continuation of the Selling Debtors' businesses.

8. United is a ready, willing and financially capable buyer for the Assets and is able to consummate the purchase of the Assets. The transaction is for cash, with no financing contingencies. United is financially capable of consummating the APA and satisfying all future obligations under the executory contracts and unexpired leases to be assumed and assigned. United has provided adequate assurance of future performance, and the executory contracts and unexpired leases may be assumed and assigned. United shall pay

the "cure" amounts set forth in Exhibit "B" to the Motion or as otherwise agreed to between United and parties to executory contracts and unexpired leases.

9. The provisions of the Bankruptcy Code, including, without limitation, the provisions of sections 363(b), 363(c)(1), 363(f) and 365 of the Bankruptcy Code, have been complied with as to the proposed sale of the Assets and the assumption and assignment of the executory contracts and unexpired leases proposed in the Motion.

10. The Selling Debtors have advanced sound business reasons for seeking to sell the Assets outside of the ordinary course of business, including reasons for the sale of the Assets as a whole, rather than sale of portions thereof to different persons, and it is a reasonable exercise of the Selling Debtors' business judgment to enter into the sale of the Assets as defined in the APA and to take all additional actions necessary or required to execute, deliver and perform their obligations under the APA and the terms, conditions and provisions of this Order. Moreover, good cause exists for selling the Assets by way of motion rather than through a plan of reorganization or liquidation since, among other reasons, the delays associated with a disclosure statement and plan may jeopardize the proposed sale to United. The proposed sale outside of a plan context is warranted in this case in that the proposed sale does not "restrict any creditors' rights to vote on a plan, does not dictate any terms of any future plan, does not provide for the release of claims by any party, and does not restrict any other party from pursuing any causes of action it may have against the Debtor." *United Steel Workers v. Condere Corp.* (U.S. District Court for the Southern District of Mississippi, Judge Bramlette, 1999) (unpublished opinion). Under the proposed sale, the Selling Debtors have no obligations to prepare a plan meeting certain terms and conditions. Moreover, any creditor or party-in-interest may still have an opportunity to object to any plan.

11. The total consideration to be realized by the Selling Debtors pursuant to the Motion and APA is fair and reasonable, and the transactions contemplated by the Motion and the APA are in the best interest of the Selling Debtors' estates.

12. A valid business purpose therefore exists for the approval of the transactions proposed in the Motion and contemplated by the APA pursuant to sections 363(b), 363(c)(1), 363(f) and 365 of the Bankruptcy Code.

13. In the absence of a stay pending appeal, the Selling Debtors and United will be acting in good faith pursuant to section 363(m) of the Bankruptcy Code in closing the transactions contemplated by the APA immediately upon entry of this Order, and in all events, no later than Closing Date set forth in the APA, or at such other time as the Selling Debtors and United may mutually agree in accordance with the APA (the "Closing").

14. The proposed sale to United at Closing will be a legal, valid and effective transfer of the Assets for reasonably equivalent value and fair consideration. Upon Closing, United will acquire all of the Assets free and clear of all mortgages, liens, assessments, claims, encumbrances, obligations, liabilities, contractual commitments, taxes, charges, claims (including tort and product liability claims), warranty claims, interest, damages, and other interests or matter of any kind or nature that could be asserted against a purchaser of assets or assets, except as otherwise stated in the APA (collectively, "Interests"). United shall not be subject to any liability by reason of the purchase under any state, territorial or federal law, including liability for any matter relating to the Assets as a successor transferee.

IT IS, THEREFORE ORDERED, ADJUDGED AND DECREED as follows:

1. The Motion should be, and hereby is, granted and approved in all respects subject to the terms, conditions and provisions of this Order.

2. Pursuant to sections 363(b), 363(c)(1), 363(f) and 365 of the Bankruptcy Code, the APA and the transactions contemplated therein be, and hereby are, approved in all respects, and the Selling Debtors be, and hereby are, authorized, empowered and directed to execute and deliver all documents necessary to perform their obligations under the APA and this Order, and to take such actions as are reasonably necessary to effectuate the Closing thereunder.

3. At Closing, the Selling Debtors, PPL and United, including its parent corporation, OAO United Heavy Machinery, are authorized and directed to execute and deliver the Novation Agreement in substantially the form attached hereto as Exhibit "A". At Closing, OAO United Heavy Machinery is also authorized and directed to execute and deliver the Guaranty to PPL in substantially the form attached hereto as Exhibit "B".

4. The Selling Debtors shall be, and hereby are, authorized, empowered and directed pursuant to sections 363(b), 363(c)(1), 363(f) and 365 of the Bankruptcy Code to sell the Assets to United free and clear of Interests and to assume and assign to United the executory contracts and unexpired leases described in the APA.

5. Each and every federal, state and local governmental agency or department be, and hereby is, directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA, including, without limitation, documents and instruments for recording (a) any governmental agency or department required to transfer to United the licenses or permits under the Selling Debtors' ownership currently used in the operation of the assets or necessary for the operations that are associated with the Assets, and (b) county and state offices wherein termination statements under the Uniform Commercial Code are authorized to be filed. Any clerk in any location where the Assets are located shall cancel and remove from the public record any

lien, claim, interest, encumbrance, demand, suit, action and any other judicial or administrative proceeding or investigation.

6. Upon Closing, and except as authorized by the APA, United shall be, and hereby is, granted exclusive control and authority, to the exclusion of the Selling Debtors, their officers, directors, members, managers, employees, and agents, and any other party, over all egress, ingress, and access to all of the Selling Debtors' premises, and the security systems and personnel maintained on those properties and premises, for the purpose of monitoring, protecting and securing the Assets.

7. At Closing, United shall be, and hereby is, authorized to acquire all of the Assets free and clear of all Interests, and any and all valid Interests that may be asserted by any secured lender, or any other parties, in the Assets shall thereupon be terminated as to the Assets and shall attach to the net sale proceeds described hereinabove with the same validity, force and extent, and in the same priority, as they held prior to the sale, without the necessity of any act or filing. Such proceeds shall not be disbursed except upon further Order of the Court.

8. This Order shall be binding upon, and shall inure to the benefit of, the Selling Debtors, the Creditors' Committee, the Debtors and their estates, Debtors' secured and unsecured creditors, and United, as well as their respective successors and assigns, including, without limitation, any trustee or examiner hereinafter appointed for the Debtors' estates.

9. This Court shall retain jurisdiction over the parties to the APA and this Order, and any of their successors or assigns, for the purpose of enforcing the provisions of this Order or the APA, or any agreements superseding, replacing or relating thereto, and for the purpose of resolving any disputes arising therefrom or in relation thereto. The Court further

retains jurisdiction over any attempts by creditors or parties-in-interest of the Debtors to assert claims against United or the Assets.

10. In the absence of a stay pending appeal, and upon the Closing, then, with respect to the transactions contemplated in the APA and this Order and consummated in accordance therewith, United shall be entitled to and receive the protection of section 363(m) of the Bankruptcy Code with respect to the sale of the Assets approved and authorized herein, in the event that this Order or any authorization contained herein is reversed or modified on appeal.

11. The officers and authorized employees of the Debtors shall be, and they hereby are, authorized, empowered and directed to execute and deliver any and all documents as may be reasonably necessary to effectuate the Closing and implement the terms of the APA and this Order.

12. Each and every holder of any Interests shall, at Closing or promptly thereafter, execute and deliver, and take any action reasonably required to permit the filing and recording of, any documents that may be necessary to terminate or release the Interests insofar as they attach to the Assets (but not as to the sale proceeds).

13. The transfer of the Assets pursuant to the APA is a transfer pursuant to Section 1146(c) of the Bankruptcy Code and, accordingly, may not be taxed under any law imposing a stamp tax or similar tax.

14. "Property" as defined in the APA shall not include (i) the Uljanik licenses for the construction of the "Pasha" vessel or (ii) the items associated with the "Pasha" and "Global" contracts described more fully in the UCC financing statement in favor of Travelers Casualty and Surety Company of America and filed with the State of Delaware, Secretary of

State, Division of Corporations filed on November 16, 2000, 0071090-0000000, SRV: 01522645.

15. Upon Closing, the valid Interests of any party that asserts Interests in and to the Assets will be transferred to the net sale proceeds without the necessity of any act or filing. Such proceeds shall be deposited into a specifically designated and segregated interest bearing account established in compliance with Section 345 of the Bankruptcy Code, with the interest thereon payable to the holder of the Interests entitled to receive such proceeds, and such proceeds shall not be disbursed except upon further order of this Court. The Debtors shall deliver a copy of this Order to such bank or banks where such proceeds have been deposited with written notification that such bank is not authorized to disburse such proceeds except upon further Order of the Court. Nothing contained in this order shall determine the extent, validity, enforceability or priority of any such Interests and all parties reserve their rights with respect thereto.

16. This is a final order and is enforceable upon entry and to the extent necessary under Bankruptcy Rules 5003, 9014, 9021 and 9022, and due to the high likelihood of a rapid decline in the value of the Assets, the Court expressly finds that there is no just reason for delay in the implementation of this Order and expressly directs entry of judgment as set forth herein and the stay imposed by Bankruptcy Rules 6004(g), 6006 and/or 7062 is hereby modified and shall not apply to the proposed sale and the Selling Debtors are hereby authorized and directed to immediately consummate the proposed sale to United without delay in accordance with this Order and the APA.

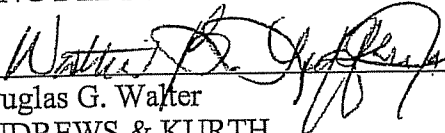
SO ORDERED AND ADJUDGED, this the 19th day of June, 2002.

Edward R. Gaines  
HONORABLE EDWARD R. GAINES  
UNITED STATES BANKRUPTCY JUDGE

A TRUE COPY I HEREBY CERTIFY, THIS  
THE 21st DAY OF April, 2010  
DANNY L. MILLER, CLERK  
US BANKRUPTCY COURT  
BY Margaret Daniels, D.C.

AGREED AS TO FORM AND SUBSTANCE:

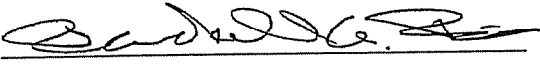
SELLING DEBTORS

By:  FOR DOUGLAS G. WALTER  
Douglas G. Walter  
ANDREWS & KURTH,  
MAYOR, DAY, CALDWELL & KEETON, L.L.P.  
Counsel for Selling Debtors

UNITED

By: See attached  
Kevin C. Angel  
McGLINCHY STAFFORD  
Counsel for United, its Designees and  
OAO United Heavy Machinery


PPL SHIPYARDS PTE LTD.

By:   
Randall A. Rios  
FLOYD, ISGUR, RIOS & WAHRLICH, P.C.  
Counsel for PPL Shipyards

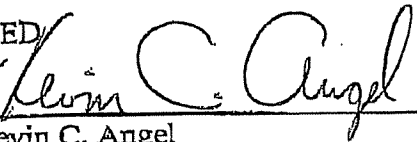


AGREED AS TO FORM AND SUBSTANCE:

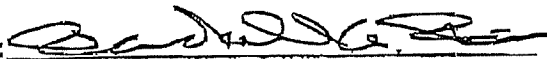
SELLING DEBTORS

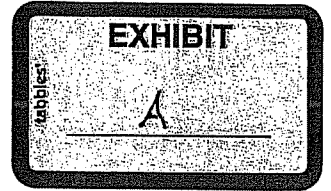
By:  FOR DOUGLAS G. WALTER  
Douglas G. Walter  
ANDREWS & KURTH,  
MAYOR, DAY, CALDWELL & KEETON, L.L.P.  
Counsel for Selling Debtors

UNITED

By:   
Kevin C. Angel  
McGLINCHEY STAFFORD  
Counsel for United, its Designees and  
OAO United Heavy Machinery

PPL SHIPYARDS PTE LTD.

By:   
Randall A. Rios  
FLOYD, ISGUR, RIOS & WAHRLICH, P.C.  
Counsel for PPL Shipyards



**THIS NOVATION AGREEMENT** (this "**Agreement**") is dated ● June 2002

and made **BETWEEN**

- (1) **FRIEDE & GOLDMAN LTD.**, a Mississippi corporation having its principal place of business at 10375 Richmond Avenue, Suite 1200, Houston, Texas 77042, United States of America ("**FGL**");
- (2) **UNITED HEAVY B.V.**, a company registered in the Netherlands, having its principal place of business at [ ] ("**UHBV**");
- (3) **FGL BUYER LLC**, a Texas limited liability company, having its principal place of business at [ ] ("**FGL Buyer**");
- (4) **F&G OFFSHORE [LTD.]**, a company registered in the Cayman Islands, having its principal place of business at [ ] ("**F&G Offshore**");
- (5) **F&G MARKETING [B.V.]**, a company registered in the Netherlands, having its principal place of business at [ ] ("**F&G Marketing**");
- (6) **PPL SHIPYARD PTE LTD**, a company registered in Singapore and having its principal place of business at 21 Pandan Road, Singapore 609273, Republic of Singapore ("**PPL**"); and
- (7) **OA0 UNITED HEAVY MACHINERY**, a company registered in Moscow, Russia and having its principal place of business at 25 Build. 1, Brmolaevshiy per., Moscow, 103379 Russia ("**UHM**").

**WHEREAS**

- (A) By the following licence agreements each made between FGL and PPL, FGL as owner of certain designs and patents granted irrevocable, non-exclusive, perpetual licences to PPL for the construction and sale of jack up and semi submersible drilling units, the rack chock system for jack up drilling units and offshore structures for oil and gas exploration and production:
  - (a) licence agreement dated 8<sup>th</sup> March 2001 relating to the licence for the construction of two (2) JU 2000 type Jack Up Drilling Units which includes an option for four (4) additional units in connection with the design "F&G JU2000" Type Jack Up Drilling Unit Design No 7126-J, and includes all other contracts, arrangements, agreements, commissions, and purchase orders entered into or committed by the parties in connection therewith;
  - (b) licence agreement dated 23<sup>rd</sup> May 2001 relating to the licence for the construction of two (2) 7381-S type Semi Submersible Drilling Units which includes an option for two (2) additional units in connection with the design "F&G EXD" Type Semi-Submersible Drilling Unit Design No. 7381-S, and includes all other contracts, arrangements, agreements, commissions, and purchase orders entered into or committed by the parties in connection therewith;

- (c) licence agreement dated 23<sup>rd</sup> May 2001 relating to the licence for the manufacture and supply of the Rack Chock System for the two (2) JU 2000 type Jack Up Drilling Units which includes options for four (4) units in connection with the design and the patent for the Advance Rack Chock Operating System for the F&G JU 2000 Type Jack Up Drilling Unit, and includes all other contracts, arrangements, agreements, commissions, and purchase orders entered into or committed by the parties in connection therewith, including but not limited to the Main Purchase Agreement entered into on 23<sup>rd</sup> May 2001; and
- (d) licence agreement dated 29<sup>th</sup> June 2001 relating to the licence for the manufacture and sale of offshore structures for oil and gas exploration and production

(together the "**Licence Agreements**").

- (B) FGL is a wholly-owned subsidiary of Friede Goldman Halter Inc., a Mississippi corporation ("**FGL's Parent**"). FGL's Parent and FGL have filed for creditor protection under Title 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Mississippi, Biloxi Division (the "**Bankruptcy Court**"), and intend to sell and assign substantially all of the assets and liabilities of FGL to UHBV pursuant to an Asset Purchase Agreement dated [1<sup>st</sup> May 2002] and approved by the Bankruptcy Court (the "**Existing Asset Purchase Agreement**"). The assets of FGL to be sold and assigned to UHBV include the designs, patents, engineering, know-how and all of FGL's rights, title and interest under and in respect of the Licence Agreements.
- (C) PPL has filed an objection (the "**Objection**") to the intended sale, transfer and assignment of the Licence Agreements by the Existing Asset Purchase Agreement with the U.S. Bankruptcy Court in the Southern District of Mississippi pursuant to its rights under the U.S. Bankruptcy Code.
- (D) By a new asset purchase agreement dated [ ] 2002 between UHBV, FGL Buyer and F&G Offshore (the "**New Asset Purchase Agreement**"), UHBV has agreed to sell and assign the tangible assets it acquired from FGL under the Existing Asset Purchase Agreement to FGL Buyer, and the intangible assets it acquired from FGL under the Existing Asset Purchase Agreement to F&G Offshore. Upon acquisition of the tangible assets, FGL Buyer intends to conduct the ongoing design and consulting services and operations previously undertaken by FGL. Upon acquisition of the intangible assets, F&G Offshore will own the Patent Rights and Intellectual Property Rights previously owned by FGL. The intangible assets to be sold and assigned by UHBV to F&G Offshore under the New Asset Purchase Agreement include the designs, patents, engineering, know-how and all of FGL's rights, title and interest under and in respect of the Licence Agreements.
- (E) By an assignment agreement dated [ ] 2002 (the "**Assignment**") between F&G Offshore and F&G Marketing, F&G Offshore has agreed to assign and transfer to F&G Marketing all of its rights, title and interest under and in respect of the Licence Agreements upon the terms and conditions therein set forth.
- (F) By a service agreement dated [ ] (the "**Service Agreement**") FGL Buyer has agreed to provide F&G Marketing with all design and consulting services and operations in connection with the provision of engineering services associated with the manufacture

and sale of the licensed products (as therein set forth) upon the the terms and conditions therein set forth.

- (G) PPL has, at the request of UHBV, FGL Buyer, F&G Offshore, F&G Marketing and UHM agreed to withdraw the Objection if UHBV succeeds in purchasing FGL's assets pursuant to the Existing Asset Purchase Agreement and to consent to the transfer, sale and assignment of the Licence Agreements from FGL to UHBV pursuant to the terms of the Existing Asset Purchase Agreement, from UHBV to F&G Offshore pursuant to the New Asset Purchase Agreement [and from F&G Offshore to F&G Marketing pursuant to the Assignment] subject to the terms and conditions set out below.
- (H) As a condition to its withdrawal of the Objection, PPL has required that UHM deliver the Parent Guarantee in connection with the execution of this Agreement.

**NOW, THEREFORE**, for valuable consideration received by each of the parties hereto, the parties hereby agree, as of the Closing Date, as follows:

1. DEFINITIONS

- 1.1 Unless otherwise defined in this Agreement or the Recitals hereto or the context otherwise requires, expressions defined in the Licence Agreements shall have the same meanings in this Agreement.
- 1.2 The following expressions shall be construed in the following manner:
  - 1.2.1 "**Closing Date**" shall have the meaning assigned to such term in the Existing Asset Purchase Agreement;
  - 1.2.2 "**Parent Guarantee**" means the Guarantee executed by UHM and delivered to PPL on the Closing Date in the form of Exhibit "A" attached hereto;
  - 1.2.3 "**person**" includes a corporate entity and any body of persons, corporate or unincorporated or any individual.
  - 1.2.4 "**PPL**", "**FGL**", "**FGL Buyer**", "**F&G Offshore**", "**F&G Marketing**", "**UHBV**" and "**UHM**" include their respective permitted successors and assigns; and
- 1.3 Unless the context otherwise requires, words in the singular include the plural and vice versa.
- 1.4 References to any document include the same as varied, supplemented, amended or replaced from time to time.
- 1.5 References to any enactment include re-enactments, amendments and extensions thereof.
- 1.6 Clause headings are for convenience of reference only and are not to be taken into account in construction.
- 1.7 Unless otherwise specified, references to Clauses, Recitals, Schedules and Exhibits are to Clauses, Recitals, Schedules and Exhibits of or to this Agreement.

2. NOVATION

2.1 In consideration of the agreements between FGL and UHBV under the Existing Asset Purchase Agreement, of the agreements of UHBV, FGL Buyer and F&G Offshore under the New Asset Purchase Agreement and of the agreements of F&G Offshore and F&G Marketing under the Assignment and of the undertakings of UHBV, FGL Buyer, F&G Offshore, F&G Marketing and UHM set out in this Agreement the parties agree to the sale, assignment and transfer of FGL's right, title and interest in and to, and all obligations, now or hereafter existing, in connection with the Licence Agreements in the following order of priority:

FIRST FGL sells and assigns to UHBV, and UHBV accepts and assumes, such right, title and interest set forth pursuant to the Existing Asset Purchase Agreement;

SECONDLY upon completion of such sale, assignment and transfer, UHBV sells and assigns to F&G Offshore, and F&G Offshore accepts and assumes, such right, title and interest set forth pursuant to the New Asset Purchase Agreement; and

THIRDLY upon completion of such sale, assignment and transfer, F&G Offshore sells and assigns to F&G Marketing, and F&G Marketing accepts and assumes, such right, title and interest set forth pursuant to the Assignment.

2.2 In consideration of each of the sales, transfers and assignments contained in Clause 2.1, PPL withdrawing the Objection, and UHM issuing the Parent Guarantee, F&G Marketing agrees:

2.2.1 to assume, perform and discharge all the obligations and liabilities, now or hereafter existing, of FGL under the Licence Agreements; and

2.2.2 to be bound by the provisions of the Licence Agreements to the same extent and in the same manner as if it had at all times been party to the Licence Agreements in place of FGL.

2.3 In consideration of the benefit UHM will receive from F&G Marketing acquiring the Licence Agreements pursuant to the Assignment and F&G Marketing operating the Licence Agreements, UHM agrees to deliver the Parent Guarantee to PPL on the Closing Date.

2.4 In consideration of the undertakings of F&G Marketing in Clause 2.2 and the undertakings of UHM in Clause 2.3 and the Parent Guarantee, PPL

2.4.1 consents to each of the sales, transfers and assignments set out in Clause 2.1 and to the operation and performance of the Licence Agreements by F&G Marketing; and

2.4.2 agrees to be bound by the provisions of the Licence Agreements and to accept performance and discharge by F&G Marketing of FGL's obligations and liabilities under the Licence Agreements in every way as if F&G Marketing had at all times been a party to the Licence Agreements in place of FGL, and in all respects releases FGL and its guarantors, if any, from any further obligations or

liabilities under or in respect of the Licence Agreements from and after the Closing Date.

2.5 F&G Marketing, F&G Offshore, UHM and PPL agree that, on the Closing Date, FGL shall have no further liabilities or obligations under the Licence Agreements, but without prejudice to the rights and remedies of PPL against F&G Marketing, F&G Offshore, and UHM in respect of such liabilities and obligations.

2.6 Notwithstanding anything to the contrary in this Agreement, if for any reason the relinquishing by any of the parties under Clause 2.1 shall be avoided, invalidated, rescinded or otherwise affected, whether in whole or in part, under any enactment relating to bankruptcy, winding-up, administration or insolvency, or relating to voidable preferences or transfers, the rights and remedies of PPL against FGL shall continue to apply as if the release by PPL contained in Clauses 2.4.2 and 2.5 had never been given (to the extent that FGL and F&G Offshore, F&G Marketing and UHM shall accordingly be jointly and severally liable under the Licence Agreements) and such release by PPL shall be conditional upon the non-occurrence of any of the said events.

2.7 As of the Closing Date, the Licence Agreements shall be read and construed in all respects as if:

2.7.1 references therein to FGL are references to F&G Marketing;

2.7.2 references therein to the "Agreement" are references to the Licence Agreements as amended by this Agreement; and

2.8 Nothing in this Agreement shall be construed as constituting a release or discharge of PPL from its obligations and liabilities under the Licence Agreements and, subject to any amendments thereto by this Agreement, the Licence Agreements shall continue in full force and effect and where necessary shall be read and construed as if the terms of this Agreement were inserted therein by way of addition or substitution (as the case may be).

### 3. THE SERVICE AGREEMENT

3.1 Each of FGL Buyer and F&G Marketing covenant and undertake to PPL that throughout the term of the Licence Agreements:

3.1.1 they shall perform their respective obligations under the Service Agreement; and

3.1.2 FGL Buyer and/or F&G Marketing will provide any and all consultancy and engineering services and operations required by PPL from time to time pursuant to the Licence Agreements.

### 4. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

4.1 F&G Marketing, F&G Offshore, FGL Buyer and UHM each represent and warrant to FGL and PPL that as of the Closing Date:

4.1.1 each has received a signed original of the Licence Agreements and either copies or originals of all such other documents, approvals and opinions relating to the

Licence Agreements and/or PPL and/or the drilling units and the offshore structures for oil and gas exploration and production which are the subject matter of the Licence Agreements and this Agreement, and each accepts all the terms thereof;

- 4.1.2 each has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of, and investigations into, (i) the financial condition, creditworthiness, affairs, status and nature of PPL and each other party to any document constituting the Licence Agreements or contemplated by this Agreement, (ii) the Licence Agreements and any other document relating thereto or contemplated by this Agreement, and (iii) the matters and things contemplated by the Licence Agreements or any such other document, and it has entered into this Agreement on the basis of such independent appraisal and investigations;
  - 4.1.3 each has not relied upon any representation or warranty made by any of the other parties to this Agreement other than the representation and warranty made by FGL in Clause 4.2; and
  - 4.1.4 each has not relied, and will not hereafter rely, on FGL to appraise or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of PPL or any other party to any document relating to, or any matter or thing contemplated by, the Licence Agreements or any such other document.
- 4.2 FGL represents and warrants to F&G Marketing, F&G Offshore, FGL Buyer and UHM that it has not assigned, mortgaged, charged or otherwise encumbered or disposed of to any person other than such persons any of its rights, title and interest in and to the Licence Agreements.
- 4.3 Each party hereto represents and warrants to each of the other parties hereto that:
- 4.3.1 such party is a corporation or company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and duly licensed or qualified and in good standing under the laws of each other jurisdiction where a failure to be so licensed or qualified would be reasonably expected to materially and adversely affect the performance by such party of its obligations hereunder. Such party has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
  - 4.3.2 the execution and delivery of this Agreement by such party and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate or company action on the part of such party.
  - 4.3.3 neither the execution and delivery of this Agreement by such party nor the consummation of the transactions contemplated hereby (a) will violate or cause a default or require any consent under (i) the organizational and governing documents of such party or (ii) any agreement, indenture or other instrument to which such party is a party or by which it or any of its assets may be bound or (b) will violate or contravene any law, rule, regulation, order or judgment binding such party, which violation, default or failure to obtain a consent or which lien, charge or other encumbrance or which violation or contravention would in the aggregate be reasonably expected to materially and adversely affect the

performance by such party of its obligations hereunder. No consent, approval or filing with any governmental authority is required to authorize the execution and delivery of this Agreement by such party or its performance of the terms of this Agreement. This Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether enforcement is sought in a proceeding in equity or in law).

- 4.4 Except for the representations of FGL set forth in Clauses 4.2 and 4.3, FGL makes no representations or warranties and assumes no responsibility with respect to:
- 4.4.1 the due execution by PPL or the legality, validity, adequacy or enforceability of the Licence Agreements or any document relating thereto or contemplated thereby; or
  - 4.4.2 the financial condition of PPL or any other party to any document relating to the Licence Agreements or contemplated thereby; or
  - 4.4.3 the performance by PPL or any other such party of its obligations under the Licence Agreements or any document relating thereto or contemplated thereby; or
  - 4.4.4 the accuracy of any representation or warranty made by PPL or any other such party in the Licence Agreements or any document relating thereto or contemplated thereby; or
  - 4.4.5 the accuracy of any opinions or certificates delivered or to be delivered under or in connection with the Licence Agreements or any document relating thereto or contemplated thereby;

and if PPL or any other person shall fail to perform any of its obligations under the Licence Agreements or any document relating thereto or contemplated thereby, none of F&G Marketing, F&G Offshore or UHM shall have recourse whatsoever to FGL in respect of such failure.

- 4.5 The parties agree that:
- 4.5.1 FGL has no residual beneficial interest in the Licence Agreements other than payments due, if any, from PPL to FGL prior to the Closing Date under the Licence Agreements;
  - 4.5.2 except in the case of any breach by FGL of its obligations or warranties under this Agreement, none of F&G Marketing, F&G Offshore or UHM shall have recourse or claim against FGL for any loss, cost, expense or liability sustained or incurred by such parties as a result of or in connection with this Agreement;
  - 4.5.3 FGL is not obligated to enter into any arrangements to indemnify or compensate F&G Marketing, F&G Offshore or UHM for any losses incurred by such parties pursuant to this Agreement or by reason of any failure by PPL or any other



person to perform any of its obligations under the Licence Agreements or any document relating thereto or contemplated thereby; and

4.5.4 F&G Marketing, F&G Offshore and UHM and not FGL hereby assumes all risks under or relating to the Licence Agreements.

4.6 F&G Marketing, F&G Offshore and UHM jointly and severally agree at all times to keep FGL, its successors and assigns, indemnified against all actions, proceedings, demands, claims, liabilities, damages, costs, and expenses whatsoever (including attorneys' fees and costs of litigation) made against or incurred or sustained by FGL, its successors and assigns or for which FGL, its successors and assigns may be or become liable, in relation to the obligations and liabilities of FGL under the Licence Agreements which are assumed by F&G Marketing, F&G Offshore or UHM under this Agreement.

4.7 PPL agrees to withdraw or waive its Objection to the sale, transfer and assignment of the Licence Agreements by the Existing Asset Purchase Agreement.

#### 5. PARENT GUARANTEE

5.1 In further consideration of PPL agreeing to withdraw the Objection and as security for the obligations of F&G Marketing under the Licence Agreements, UHM agrees to execute and deliver to PPL on the Closing Date a guarantee in the form attached hereto as Exhibit "A" guaranteeing the due and punctual performance by F&G Marketing of its obligations and responsibilities under or pursuant to this Agreement and the Licence Agreements and any agreements related thereto.

#### 6. FURTHER ASSURANCES

6.1 Each of the parties jointly and severally undertake, upon demand, and at their own expense, to sign, perfect, do, execute and register all such further assurances, documents, acts and things as any of the other parties may reasonably require for the purpose of more effectually accomplishing or perfecting the transfer, sale and assignment of the Licence Agreements effected by this Agreement.

#### 7. COSTS AND EXPENSES

7.1 Each of the parties shall bear its own costs in connection with the negotiation, preparation and execution of this Agreement.

7.2 F&G Marketing shall pay all stamp duty and documentation, registration or other like duties and taxes, if any, from time to time imposed on or in connection with this Agreement and the transfer of the Licence Agreements and shall indemnify FGL and PPL against any liability arising by reason of any delay or omission by F&G Marketing pay such stamp duty, duties or taxes.

#### 8. MISCELLANEOUS

8.1 Time is of the essence as regards every obligation of each of the parties to this Agreement, but no delay or omission by any party to exercise any right, power or remedy

vested in it under this Agreement or by law shall impair such right, power or remedy, or be construed as a waiver of, or as an acquiescence in, any default by any of the other parties to this Agreement.

- 8.2 If any of the parties on any occasion agrees to waive any right, power or remedy, such waiver shall not in any way preclude or impair any further or future exercise thereof or the exercise of any other right, power or remedy.
- 8.3 Any waiver or amendment by the parties of any provision of this Agreement, and any consent or approval given by any party, shall only be effective if given in writing and then only strictly for the purpose and upon the terms for which it is given. This Agreement may not be amended or varied orally. This Agreement, the Licence Agreements and the Parent Guarantee and the other agreements referred to herein, together with any Bankruptcy Court Orders issued in connection with these matters, embody the entire agreement of the parties and supersede all other agreements and understandings between such parties relating to the Licence Agreements and Bankruptcy Court Orders. The agreements in this Agreement, the Licence Agreements and the Parent Guarantee and the other agreements referred to herein, together with any applicable Bankruptcy Court Orders, may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.
- 8.4 The rights, powers and remedies of each party contained in this Agreement are cumulative and not exclusive of each other nor of any other rights, powers or remedies conferred by law, and may be exercised from time to time and as often as that party may think fit.
- 8.5 If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any law by which it may be governed or affected, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired as a result.
- 8.6 This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

## 9. NOTICES

- 9.1 All notices (which expression includes any demand, request, consent or other communication) to be given by one party to the others under this Agreement shall be in writing and (unless delivered personally) shall be given by telefax or first class pre-paid post (airmail if sent internationally) and be addressed:

9.1.1 in the case of FGL, as follows:

Friede Goldman Halter, Inc.  
13085 Seaway Blvd.  
Gulfport, Mississippi 39503  
Attn: Chief Executive Officer  
Telefax No.: (601) 352-0588

9.1.2 in the case of United Heavy B.V., as follows:

●

Telefax No.: ●

9.1.3 in the case of FGL Buyer LLC, as follows:

●

Telefax No.: ●

9.1.4 in the case of F&G Owner [Ltd], as follows:

●

Telefax No.: ●

9.1.5 in the case of F&G Marketing B.V., as follows:

●

Telefax No.: ●

9.1.6 in the case of OAO United Heavy Machinery, as follows:

OAO United Heavy Machinery  
25 Build. 1, Brmolaevskiy per.  
Moscow, 103379 Russia  
Attn: Kakha A. Bendookidze

with copy to:

McGlinchey Stafford, PLLC  
Skytel Centre South, Suite 1100  
Jackson, Mississippi 39201  
Attn: William Leech

9.1.7 in the case of PPL, as follows:

PPL Shipyard Pte Ltd.  
Attention: Anthony Aurol  
21 Pandan Road, Singapore 609273  
Telefax No. (65) 264 4130

with a copy to:

Randall A. Rios  
Floyd, Isgur, Rios & Wahrlich, P.C.  
700 Louisiana, Suite 4600  
Houston, Texas 77002  
Telefax No. 713-222-1475

- 9.2 If any of the parties wishes to change its address for communication, the one shall give to the others not less than seven (7) working days' notice in writing of the change desired.
- 9.3 Notices addressed as provided above shall be deemed to have been duly given when dispatched (in the case of personal delivery), upon confirmed transmission (in the case of letters sent by telefax), two (2) days after posting (in the case of letters sent within the same country), or five (5) days after posting (in the case of letters sent internationally). In each of the above cases any notice received on a non-working day or after business hours in the country of receipt shall be deemed to be given on the next following working day in such country.
- 9.4 All notices and documents to be given or delivered pursuant to or otherwise in relation to this Agreement shall be in the English language or be accompanied by a certified English translation.

10. APPLICABLE LAW AND JURISDICTION

- 10.1 This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas. Each of the parties hereby irrevocably and unconditionally consents and submits to and waives any objection to the personal and subject matter jurisdiction of, and venue in, the Bankruptcy Court, in such event FGL's bankruptcy case is closed, then to the United States District Court for the Southern District of Texas in any action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agree that such jurisdiction and venue shall be exclusive with respect to any such action or proceeding brought by it hereunder. Each of the parties consent to the service of copies of the summons and complaint and any other such process which may be served in any such action or proceeding by certified mail, return receipt requested, or by any other method permitted by law.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be duly executed as a Novation Agreement and Bill of Sale by their duly authorised officers or other representatives to be effective as of the Closing Date.

SIGNED AS A NOVATION AGREEMENT  
**FRIEDE & GOLDMAN LTD**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF TEXAS                   §

COUNTY OF HARRIS                   §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of Friede & Goldman Ltd., a Mississippi corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for  
The State of Texas

SIGNED AS A NOVATION AGREEMENT  
UNITED HEAVY B.V.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of United Heavy B.V., a company registered in The Netherlands, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

SIGNED AS A NOVATION AGREEMENT  
FGL BUYER LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of FGL Buyer LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_

Notary Public in and for

The State of \_\_\_\_\_

SIGNED AS A NOVATION AGREEMENT  
F&G OFFSHORE [LTD.]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of F&G Offshore Ltd., a company registered in the Cayman Islands, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for

The State of \_\_\_\_\_



SIGNED AS A NOVATION AGREEMENT  
F&G MARKETING [B..V.]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of F&G Marketing B.V., a company registered in The Netherlands, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for

The State of \_\_\_\_\_

SIGNED AS A NOVATION AGREEMENT  
PPL SHIPYARD PTE LTD

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of PPL Shipyard Pte Ltd, a company registered in Singapore, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for

The State of \_\_\_\_\_

SIGNED AS A NOVATION AGREEMENT  
OAO UNITED HEAVY MACHINERY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §

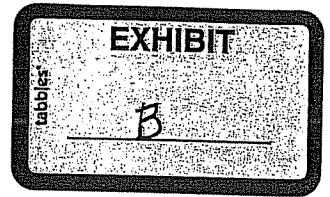
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, in the capacity of \_\_\_\_\_ and authorized agent of OAO United Heavy Machinery, a company registered in Moscow, Russia, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of June, 2002.

\_\_\_\_\_  
Notary Public in and for

The State of \_\_\_\_\_



GUARANTEE

To: PPL Shipyard Pte Ltd  
21 Pandan Road  
Singapore 609273

●[date]●

Dear Sirs,

Re: Novation Agreement dated June, \_\_\_\_ 2002 between Friede & Goldman Ltd ("FGL"), United Heavy BV ("UHBV"), FGL Buyer LLC ("FGL Buyer"), F&G Offshore Ltd ("F&G Offshore"), PPL Shipyard Pte Ltd ("PPL") and OAO United Heavy Machinery ("UHM") and the Licence Agreements defined therein

1. UHM refers to the above referenced Novation Agreement (the "Novation Agreement", which expression shall include the same as varied, supplemented, renewed or replaced from time to time, and shall include any and all addenda thereto) pursuant to which
  - (1) all of FGL's rights, title and interest and obligations in and under the Licence Agreements (as defined in the Novation Agreement) have been sold, transferred and assigned as follows:
    - (a) First, FGL sold and assigned to UHBV, and UHBV accepted and assumed, such right, title and interest pursuant to the Existing Asset Purchase Agreement (as defined in the Novation Agreement);
    - (b) Secondly, upon completion of such sale, assignment and transfer to UHBV, UHBV sold and assigned to F&G Offshore, and F&G Offshore accepted and assumed, such right, title and interest pursuant to the New Asset Purchase Agreement (as defined in the Novation Agreement); and
    - (c) Thirdly, upon completion of such sale, assignment and transfer to F&G Offshore, F&G Offshore sold and assigned to F&G Marketing, and F&G Marketing accepted and assumed, such right, title and interest pursuant to the Assignment (as defined in the Novation Agreement); and
  - (2) FGL's tangible assets have been sold and transferred as follows:
    - (a) First, FGL sold and transferred to UHBV substantially all such tangible assets pursuant to the Existing Asset Purchase Agreement (as defined in the Novation Agreement); and
    - (b) Secondly, upon completion of such sale and transfer to UHBV, UHBV sold and transferred all such tangible assets acquired from FGL to FGL Buyer pursuant to the New Asset Purchase Agreement (as defined in the Novation Agreement); and
  - (3) By the Service Agreement FGL Buyer has agreed to provide F&G Marketing with all design and consulting services and operations in connection with the provision of engineering services associated with the manufacture and sale of the

licensed products (as therein set forth) upon the the terms and conditions therein set forth.

2. The term "Licence Agreements" shall include the same as varied, supplemented, renewed or replaced from time to time, and shall include any and all addenda thereto. PPL acknowledges that as far as it is aware there has been no breach of the Licence Agreements. Capitalised terms used but not defined herein shall have the meaning assigned to such terms in the Novation Agreement.
3. UHM represents and warrants to PPL that UHBV, FGL Buyer, F&G Offshore and F&G Marketing (together the "Subsidiaries") are each a subsidiary of UHM and that UHM's guarantee and surety obligations pursuant to this Guarantee may reasonably be expected to benefit it, directly or indirectly. UHM further represents and warrants to PPL that it has determined, in reliance upon its own thorough analysis, that this Guarantee is necessary and convenient to the conduct, promotion and attainment of the business of each of the Subsidiaries.
4. UHM hereby irrevocably and unconditionally guarantees, as primary obligor and not as surety only, upon PPL's first written demand, the due and punctual performance and observance by each of the Subsidiaries of their respective obligations and responsibilities under or pursuant to the Novation Agreement, the Licence Agreements, the Service Agreement and any related Bankruptcy Court Orders and any related agreements (collectively, the "Guaranteed Obligations"), including without limitation, the due payment in cash, in full, in United States dollars of all moneys whatsoever which may from time to time fall or have fallen due to be paid by any of the Subsidiaries to PPL under or pursuant to the Novation Agreement, the Licence Agreements, the Service Agreement or any related agreements, as the case may be. PPL's written demand shall be accompanied by a statement signed by an authorised officer of PPL specifying:
  - (1) the nature of the non-performance of a Guaranteed Obligation by one or more of the Subsidiaries; and
  - (2) the period within which such non-performance must be cured by one or more of the Subsidiaries, as the case may be.

Following expiry of any such specified period without UHM or any one or more of the Subsidiaries curing such specified non-performance, PPL shall be entitled to claim under this Guarantee for any losses, damages, claims or expenses of whatsoever nature incurred as a result.

5. This guarantee applies to all Guaranteed Obligations whether or not they have already accrued prior to the Closing Date or shall arise in the future. Notwithstanding any provision contained herein to the contrary, the maximum liability of UHM as guarantor shall in no event exceed the amount which can be guaranteed by such entity under applicable law relating to the insolvency of debtors.
6. Notwithstanding any payment made by UHM hereunder, UHM shall not be entitled to be subrogated to any of the rights of PPL against any of the Subsidiaries, nor shall UHM seek or be entitled to seek any indemnity, exoneration, participation, contribution or reimbursement from any of the Subsidiaries in respect of any payments made or performance rendered by UHM hereunder, until all amounts owing to and any

performance due to PPL on account of the Guaranteed Obligations are satisfied in full or paid in full, in cash with respect to monetary obligations. If any amount shall be paid to UHM on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been satisfied and paid in full, such amount shall be held by UHM in trust for PPL and shall promptly be turned over to PPL in the exact form received by UHM.

7. If any of the Subsidiaries fails to perform any of its respective obligations or responsibilities under or pursuant to the Novation Agreement, any of the Licence Agreements, the Service Agreement or any related agreements or should PPL cancel the Novation Agreement or any one or more of the Licence Agreements or the Service Agreement, this Guarantee shall continue to bind UHM and remain in full force and effect until all terms and conditions of the Novation Agreement, the Service Agreement and the Licence Agreements to be performed by any of the Subsidiaries have been fully performed and all Guaranteed Obligations have been satisfied. UHM shall remain obligated hereunder notwithstanding that, without notice to or further assent by UHM, the Guaranteed Obligations may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by, or any indulgence or forbearance in respect thereof granted by PPL or any other event shall occur which constitutes a defence or release of sureties generally. UHM hereby waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by PPL upon this Guarantee or the acceptance of this Guarantee. This Guarantee shall not be discharged or prejudiced by any time or concession given by PPL to any of the Subsidiaries or to any third party, or by anything which PPL may do or omit to do, or by any other dealing or thing which, but for this provision, might operate to discharge UHM from liability.
  
8. UHM waives diligence, presentment, protest, demand for payment and notice of default or non-payment to or upon any of the Subsidiaries with respect to the Guaranteed Obligations other than the notice required under paragraph 4 of this Guarantee. For the purposes of this Guarantee, "demand" shall include the commencement and continuance of any legal proceedings. UHM understands and agrees that this Guarantee shall be construed as a continuing, complete, absolute and unconditional guarantee of payment and performance without regard to:
  - (1) the validity or enforceability of the Novation Agreement, the Licence Agreements, the Service Agreement and any related agreements or any of the Guaranteed Obligations,
  - (2) any defence, set-off, or counterclaim (other than a defence of payment or performance) which may at any time be available to or be asserted by any of the Subsidiaries or any other person or entity against PPL,
  - (3) the insolvency, bankruptcy arrangement, reorganisation, adjustment, composition, liquidation, disability, dissolution or lack of power of any of the Subsidiaries or PPL or any sale, lease or transfer of any or all of the assets of any of the Subsidiaries or PPL, or any changes in the ownership of any of the Subsidiaries, PPL, or UHM, or

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- (4) any other circumstance or act whatsoever, which constitutes, or might be construed to constitute, an equitable or legal discharge of any of the Subsidiaries or UHM, in bankruptcy or in any other instance.
9. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment or performance, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned or compensated for by PPL upon the insolvency, bankruptcy, dissolution, liquidation or reorganisation of any of the Subsidiaries or UHM, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any of the Subsidiaries or UHM or any substantial part of their respective property, or otherwise, all as though such payments had not been made or such performance had not been rendered.
10. UHM guarantees that all payments hereunder will be paid to PPL without set-off or counterclaim in United States currency at the address of PPL set forth above in this Guarantee.
11. UHM further hereby unconditionally and irrevocably agrees, as primary obligor and not as surety only, to pay to PPL, on demand, any and all sums which may be adjudged or awarded by any competent court or tribunal to be due to PPL in respect of any claim of whatsoever nature which PPL may now or hereafter have against any of the Subsidiaries arising out of or in connection with the Novation Agreement, the Licence Agreements, the Service Agreement and any related agreements or the Guaranteed Obligations.
12. UHM represents and warrants to PPL that:
- (1) It is not insolvent as of the date hereof and will not be rendered insolvent as a result of the execution and delivery of this Guarantee;
  - (2) It is not engaged in business or a transaction, or about to engage in a business or a transaction, for which its property and assets remaining after taking into account this Guarantee constitute unreasonably small capital;
  - (3) It does not intend to incur, or believe that it will incur, debts that will be beyond its ability to pay as such debts mature;
  - (4) It is a company duly organised, validly existing and in good standing under the laws of its jurisdiction of organisation and duly licensed or qualified and in good standing under the laws of each other jurisdiction where a failure to be so licensed or qualified would be reasonably expected to materially and adversely affect the performance by it of its obligations hereunder, and it has full corporate power and authority to execute and deliver this Guarantee and to perform its obligations hereunder;
  - (5) The execution and delivery of this Guarantee by it and the consummation of the transactions contemplated hereby have been duly authorised by all requisite corporate action on its part; and

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(6) Neither the execution and delivery of this Guarantee by it nor the consummation of the transactions contemplated hereby will:

(a) violate or cause a default or require any consent under:

(i) its organisational and governing documents; or

(ii) any agreement, indenture or other instrument to which it is a party or by which it or any of its assets may be bound; or

(b) violate or contravene any law, rule, regulation, order or judgment binding it,

which violation, default or failure to obtain a consent or which lien, charge or other encumbrance or which violation or contravention would in the aggregate be reasonably expected to materially and adversely affect the performance by it of its obligations hereunder.

(7) No consent, approval or filing with any governmental authority is required to authorise the execution and delivery of this Guarantee by it or its performance of the terms of this Guarantee.

(8) This Guarantee constitutes a legal, valid and binding obligation of UHM enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganisation, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether enforcement is sought in a proceeding in equity or in law).

13. The term "Parent Claims" shall mean all debts and obligations of any of the Subsidiaries to UHM or to any entities owned or controlled by UHM or to persons associated with any of the foregoing (collectively, the "Parent Entities"), whether such debts and obligations now exist or are hereafter incurred or arise, or whether the obligation of the debtor thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or obligations be evidenced by note, contract, open account, or otherwise, and irrespective of whether the person or entity in whose favor such debts or obligations may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired. At any time after PPL has made any demand for payment or performance by UHM pursuant to this Guarantee, the Parent Entities, shall not receive or collect, directly or indirectly, from any of the Subsidiaries in respect thereof any amount or compensation upon Parent Claims. In the event that notwithstanding the foregoing, any Parent Entity should receive any such funds, payments, claims or distributions which are prohibited herein, then it agrees (i) to hold in trust for PPL an amount equal to the amount of all funds, payments, claims or distributions so received, and (ii) that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions except to pay them promptly to PPL; and each Parent Entity covenants to promptly pay the same to PPL.

14. UHM may not assign, transfer or delegate any of its duties or obligations under this Guarantee without the prior written consent of PPL.



15. In the event that any one or more of the provisions contained in this Guarantee shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guarantee.
16. To the extent that any payments on or performance rendered with respect to the Guaranteed Obligations are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid or compensated for to a trustee, debtor in possession, receiver or other person or entity under any bankruptcy or insolvency law, common law or equitable cause, then to such extent, the Guaranteed Obligation so satisfied shall be revived and continue as if such payment or performance had not been received and PPL's rights, powers and remedies under this Guarantee shall continue in full force and effect.
17. This Guarantee, the Licence Agreements, the Service Agreement and the Novation Agreement, together with any Bankruptcy Court Orders issued in connection with these matters, embody the entire agreement of the parties and supersede all other agreements and understandings between such parties relating to the subject matter of such agreements and Orders. The agreements in this Guarantee, the Licence Agreements, the Service Agreement and the Novation Agreement, together with any applicable Bankruptcy Court Orders, may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.
18. This Guarantee shall be governed by and construed in accordance with the laws of the State of Texas. For your exclusive benefit we hereby agree that the United States District Court for the Southern District of Texas shall have exclusive personal and subject matter jurisdiction over any disputes which may arise out of or in connection with this Guarantee and undertaking and we hereby irrevocably and unconditionally consent and submit to and waive any objection to the personal and subject matter jurisdiction of such court.
19. UHM expressly waives notice of acceptance of this Guarantee, acceptance on the part of PPL being conclusively presumed by its request for this Guarantee and the delivery of the same to it.
20. This Guarantee shall be effective as of the Closing Date (as defined in the Novation Agreement).

Very truly yours,

**OAO UNITED HEAVY MACHINERY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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# EXHIBIT C

Form 0000 (Rev. 03/01) RI  
OMB No. 0651-0027 (exp. 5/31/2002)  
Tab settings

11-05-2002  
102271198

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Joe Wayne Key  
Paul Ray Geiger, Sr.  
Robert Edward Clague  
Calvin Vinal Norton  
Additional name(s) of conveying party(ies) attached?  Yes  No

10-21-02

2. Name and address of receiving party(ies)  
Name: Friede & Goldman, Ltd.  
Internal Address:

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other

Street Address:  
10375 Richmond Ave., Suite 1200

Execution Date: 07/11/2002

City: Houston State: TX Zip: 77042

Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or patent number(s):  
If this document is being filed together with a new application, the execution date of the application is: 5/3/2002  
A. Patent Application No.(s) 10/138,671

B. Patent No.(s)

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Thomas S. Keaty  
Internal Address: Keaty PLC  
Street Address: 2 Canal St.  
2140 World Trade Center  
City: New Orleans, State: LA Zip: 70130

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
11-0260

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9. Signature.  
Thomas S. Keaty  
Name of Person Signing

  
Signature

10/14/02  
Date

Total number of pages including cover sheet, attachments, and documents: 5

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

PATENT  
REEL: 013440 FRAME: 0770  
PATENT  
REEL: 024342 FRAME: 0974

## ASSIGNMENT

WHEREAS, (We) Joe Wayne Key, citizen of the United States of America residing at 382 Pelican Street, Magnolia, Texas 77355, Paul Ray Geiger, Sr., citizen of the United States of America residing at 9850 Richmond Ave., Apt. 5104, Houston, Texas 77042, Calvin Vinal Norton, citizen of the United States of America residing at 1202 Seagler Road, Apt. 36, Houston, Texas 77042, and Robert Edward Clague, citizen of the United States of America residing at 1531 Summer Forest Drive, Sugar Land, Texas 77479 (hereinafter "Inventors") having made an invention entitled "Semi-Submersible Floating Production Facility", with the intent to apply for Letters Patent of the United States of America based thereon;

WHEREAS, FRIEDE & GOLDMAN, LTD, (hereinafter "Assignee") is desirous to practice this invention;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, we have agreed to assign and transfer unto the Assignee and do hereby assign unto Assignee, having its business address at 10375 Richmond Avenue, Suite 1200, Houston, TX 77042, its successors and assigns, the entire right, title and interest in and to said invention and application, and in and to any division, continuation or continuation-in-part, of said application, and in and to any and all Letters Patent and reissues and extensions thereof, of the United States of America and countries foreign thereto (including the right to apply for Letters Patent in foreign countries in its own name and to claim any priority rights for such foreign applications to which such applications are entitled under international conventions, treaties, or otherwise), which have been or may be granted

PATENT  
REEL: 013440 FRAME: 0771  
PATENT

REEL: 024342 FRAME: 0975

on any of the foregoing to be held and enjoyed as fully and exclusively as they would have been by us had this assignment and transfer not been made;

We do further agree for ourselves and for our heirs, executors and administrators, to execute and deliver without further consideration any further applications, assignments and documents, and to perform such other acts as we lawfully may, that may be deemed necessary by Assignee, its successors, assigns, and nominees, fully to secure its interest as aforesaid and to obtain or maintain Letters Patent in any and all countries;

And we do hereby authorize and request the Commissioner of Patents to issue any and all Letters of Patent, which may be granted upon any of the said applications, to Assignee, as the assignee of the entire interest therein.

In witness whereof, we have hereunto signed our names on the day and year set forth below.

Joe Wayne Key 11 July 2002  
Joe Wayne Key Date

Paul Ray Geiger, Sr. 11 July 2002  
Paul Ray Geiger, Sr. Date

Calvin Vinal Norton 11 July 2002  
Calvin Vinal Norton Date

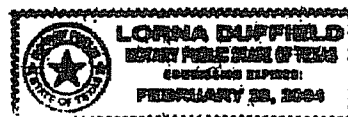
Robert Edward Clague 11 July 2002  
Robert Edward Clague Date

STATE OF TEXAS  
COUNTY OF Harris

Sworn to and subscribed before me this 11th day of July 2002.

Lorna Duffield  
NOTARY PUBLIC

My commission expires 2-28-04



RECORDED: 10/21/2002

PATENT  
REEL: 013440 FRAME: 0772  
PATENT

RECORDED: 05/07/2010

REEL: 024342 FRAME: 0976