

ORDERED, that the Debtors are authorized, effective as of the commencement of these cases, to employ and retain Blackstone on an interim basis pending a final hearing upon adequate notice as their financial advisors, on the terms set forth in the Letter Agreement (as limited herein); and it is further

ORDERED, that all compensation and reimbursement of expenses to be paid to Blackstone, shall be subject to prior approval of this Court in accordance with the requirements under §§ 330 and 331 of the Bankruptcy Code and the order of this Court which establishes procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED, except as provided in the following decretal paragraph, that to the extent accrued during this interim retention, Blackstone shall receive only (a) Blackstone's monthly compensation as specified in the Letter Agreement and (b) reimbursement of Blackstone's expenses, which shall not hereafter be subject to challenge except under the standard of review set forth in Section 328(a) of the Bankruptcy Code; and it is further

ORDERED, that the United States Trustee retains all rights to object to Blackstone's interim and final fee applications (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in Section 330 of the Bankruptcy Code; and it is further

ORDERED, that all requests of Blackstone for payment of indemnity pursuant to the Letter Agreement shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Letter Agreement and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Blackstone be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; and it is further

ORDERED, that in no event shall Blackstone be indemnified if the Debtor or a representative of the estate, asserts a claim for, and a court determines by final order that such

claim arose out of, Blackstone's own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct; and it is further

ORDERED, that in the event that Blackstone seeks reimbursement for attorneys' fees from the Debtors pursuant to the Letter Agreement, the invoices and supporting time records from such attorneys shall be included in Blackstone's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of §§ 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under § 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy Section 330(a)(3)(C) of the Bankruptcy Code; and it is further

ORDERED, that to the extent this Order is inconsistent with the Letter Agreement, this Order shall govern; and it is further

ORDERED, that the Debtors shall serve the Application upon all creditors of the Debtors accompanied by a short notice that discloses to the served parties the material terms of Blackstone's proposed compensation and indemnification; and it is further

ORDERED that the final hearing on Blackstone's retention shall be held on April 16, 2002 at 9:45 a.m. prevailing Eastern Time at the United States Bankruptcy Court, Room 621, United States Customs House, One Bowling Green Plaza, New York, New York 10004; and it is further

ORDERED, that objections to the Application shall be filed and served no later than 4:00 p.m. on April 11, 2002 on (a) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attention: Paul Basta, Esq.; (b) Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017, Attention: Mark Thompson, Esq., (c) Luc Despina, Esq., Milbank Tweed Hadley & McCloy, One Chase Manhattan Plaza, New York, New York 10005, and (d) Office of the United States Trustee, Attention: Mary Tom, Esq., 33 Whitehall Street, 21st Floor, New York, New York 10004

Dated: February 26, 2002

/s/ Robert E. Gerber
UNITED STATES BANKRUPTCY JUDGE

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153-0119
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Harvey R. Miller, Esq. (HRM 6078)
Michael F. Walsh, Esq. (MFW 8000)
Paul M. Basta, Esq. (PMB 4434)

Attorneys for Debtors and
Debtors In Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
: **Chapter 11 Case Nos.**
: **02-40187 (REG) through**
GLOBAL CROSSING LTD., et al., : **02-40241 (REG)**
: **(Jointly Administered)**
: **Debtors.**
:
:
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**NOTICE OF HEARING ON APPLICATION OF THE
DEBTORS PURSUANT TO SECTIONS 327(a) AND 328(a)
OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO
EMPLOY THE BLACKSTONE GROUP, L.P. AS FINANCIAL ADVISORS**

TO ALL CREDITORS OF THE DEBTORS:

PLEASE TAKE NOTICE that Global Crossing Ltd. and its debtor subsidiaries (the "Debtors") seek a final order approving their Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code for Authorization to Retain and Employ The Blackstone Group, L.P. ("Blackstone") as Financial Advisors filed on January 28, 2002 (the "Application").

PLEASE TAKE FURTHER NOTICE that the Honorable Robert E. Gerber of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approved an Interim Order Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code Authorizing the Employment and Retention of Blackstone as Financial Advisors for the Debtors and Debtors-in-Possession (the "Interim Order") on an interim basis pending a final hearing on the Application.

PLEASE TAKE FURTHER NOTICE that the final hearing on the Application is scheduled for April 16, 2002 at 9:45 prevailing Eastern Time at the United States Bankruptcy Court, Room 621, United States Customs House, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application must be filed and served no later than April 11, 2002 at 4:00 P.M. prevailing Eastern Time on (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Paul M. Basta, Esq.); (ii) Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Mark Thompson, Esq.); (iii) Milbank Tweed Hadley & McCloy, One Chase Manhattan Plaza, New York, New York 10005 (Attn: Luc Despins, Esq.); (iv) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Mary Tom, Esq.); (v) Brown Rudnick Berlack Israels LLP, 120 West 45th Street, New York, New York 10036 (Attn: Edward S. Weisfelner, Esq.); and (vi) Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (Attn: James L. Garrity, Esq.)

PLEASE TAKE FURTHER NOTICE that any objections to the Application must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-182 (General Order M-182 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers).

PLEASE TAKE FURTHER NOTICE that pursuant to the Application, Debtors seek to retain Blackstone to:

- a. Assist in the evaluation of the Debtors' businesses and prospects;

- b. Assist in the development of the Debtors' long-term business plan and related financial projections;
- c. Assist in the development of financial data and presentations to the Debtors' Board of Directors, various creditors, and other third parties;
- d. Analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. Evaluate the Debtors' debt capacity and alternative capital structures;
- f. Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Debtors and the recoveries of those stakeholders impacted by the Restructuring;
- g. Provide strategic advice with regard to restructuring or refinancing the Debtors' Obligations;
- h. Participate in negotiations among the Debtors and their creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- i. Value securities offered by the Debtors in connection with a Restructuring;
- j. Assist in arranging DIP Financing, as requested;
- k. Assist in the arranging of a Financing, including identifying potential sources of capital, assisting in the due diligence process, and negotiating the terms of any proposed Financing, as requested;
- l. Assist the Debtors in executing a Transaction including identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed Transaction, as requested;
- m. If required, provide fairness opinions related to Transactions, Financing or Restructurings for which Blackstone shall have earned a fee;
- n. Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required;

- o. Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

PLEASE TAKE FURTHER NOTICE that, if its retention is approved, Blackstone will, unless such terms prove to have been improvident in light of developments not capable of being anticipated at the time of the hearing, be entitled to receive the following compensation:

- a. a Monthly Fee, commencing March 16, 2002, in the amount of \$200,000 in cash per month, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15th of each month;
- b. a DIP Financing Fee of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;
- c. a Financing Fee upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from Hutchison Whampoa Limited and/or Singapore Technologies Telemedia Pte. Ltd., Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor earn a fee with respect to an Accounts Receivable Securitization;

Financing Fee Table	
Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%

\$1,500 or more	1.600%
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- d. upon the consummation of a Transaction, a Transaction Fee payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration. For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction; and

Transaction Fee Table	
Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

- e. upon the completion of a Restructuring, a Restructuring Fee equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (a), (b), (c) and (e) of this Agreement shall be capped at \$25 million (the "Cap"). Provided further, however, that if Blackstone earns a Transaction Fee with respect to a sale of a significant interest in all or substantially all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (a), (b), (c) and (e), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (d) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization.

PLEASE TAKE FURTHER NOTICE that all capitalized terms contained in the foregoing paragraphs are defined in the engagement letter dated as of January 28, 2002, between Blackstone and Debtors (the "Engagement Letter").

PLEASE TAKE FURTHER NOTICE that if the Application is granted, the Debtors will indemnify and hold Blackstone harmless against liabilities arising out of or in connection with its retention by Debtors except for any such liability for losses, claims, damages or liabilities incurred by the Debtors that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct of Blackstone.

PLEASE TAKE FURTHER NOTICE that the foregoing summary of certain elements of the retention is not complete and that the full terms of the retention are contained in the Application and the Engagement Letter, which are available for inspection at the clerk's office for the Bankruptcy Court and on the Bankruptcy Court's Internet site at www.nysb.uscourts.gov, through an account obtained from Pacer Service Center at 1-800-676-6856. To the extent that the summary of the retention terms set forth in this notice conflict with the terms of the Engagement Letter, the terms of the Engagement Letter control.

Dated: March 1, 2002
New York, New York

/s/ Paul M. Basta
Harvey R. Miller, Esq. (HRM 6078)
Michael F. Walsh, Esq. (MFW 8000)
Paul M. Basta, Esq. (PMB 4434)
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 Paul M. Basta, Esq. (PMB 4434)

Attorneys for Debtors and
 Debtors In Possession

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 :
 : **Chapter 11 Case Nos.**
 :
GLOBAL CROSSING LTD., et al., : **02- _____ () through**
 : **02- _____ ()**
 :
Debtors. : **(Jointly Administered)**
 :
 :
 -----X

**APPLICATION PURSUANT TO SECTIONS
 327(a) AND 328(a) OF THE BANKRUPTCY CODE FOR
 AUTHORIZATION TO RETAIN AND EMPLOY THE
BLACKSTONE GROUP L.P. AS FINANCIAL ADVISORS FOR THE DEBTORS**

TO THE HONORABLE
 UNITED STATES BANKRUPTCY JUDGE:

Global Crossing Ltd. and certain of its direct and indirect subsidiaries, as
 debtors and debtors in possession (collectively, “Global Crossing” or the “Debtors”),
 respectfully represent:

Background

1. On the date hereof (the “Commencement Date”), each of the Debtors commenced a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. Global Crossing has built the world’s most extensive owned and controlled fiber-optic network, spanning over 100,000 route miles and reaching five continents, 27 countries and more than 200 major cities (the “Network”). The markets in those cities represent approximately 85% of the world’s international telecommunications traffic. The Network took over four years, multiple acquisitions and partnerships, and billions of dollars of capital to reach its current state of near-completion.

3. Global Crossing’s Network operations and services in the Americas and Europe and across the Atlantic are owned and operated through a number of wholly owned subsidiaries incorporated in New York, Delaware, Canada, Bermuda, Venezuela, Mexico, Panama, Chile, Argentina, Brazil, the United Kingdom, Ireland, France, Italy, the Netherlands, Denmark, Spain, Switzerland, Norway, Sweden, Belgium and Germany, among other places. Services in Asia and the Pacific are provided through Global Crossing’s majority-owned subsidiary, Asia Global Crossing Ltd.,¹ as well as a number of in-country joint ventures between Asia Global Crossing and various local partners.

¹ Global Crossing owns 58.8% of the equity of Asia Global Crossing Ltd. Asia Global Crossing Ltd. is not a Debtor in these chapter 11 cases.

4. Through the Network, Global Crossing provides integrated telecommunications solutions to many of the world's largest corporations, government institutions and telecommunication carriers, including a full range of managed data and voice services over the world's first integrated global Internet Protocol² based fiber-optic network. The breadth of the Network, coupled with the wide scope of telecommunication services offered to its customers, distinguishes Global Crossing from all other telecommunications companies in existence today. Global Crossing is uniquely positioned to meet the challenges of the world's new economic regime populated by sophisticated multinational conglomerates, telecommunications companies and governments requiring high-end communications capabilities.

5. The recent and well-publicised failure of a number of telecommunications companies, compounded by the recessionary state of the national and global economy, have unnerved investors and all but foreclosed the capital markets as a source of additional funds for Global Crossing at this time. Given the lack of available financing, and anticipating forecasted liquidity constraints on the horizon, Global Crossing has commenced these cases to significantly revise its capital structure, including a reduction of its debt obligations.

6. Notwithstanding the foregoing constraints, Global Crossing and its Network is of great interest to any number of strategic and financial investors. Global Crossing is presently working with strategic investors with respect to a restructuring of the Company.

² Internet Protocol ("IP") is the method by which data is sent from one computer to another over the Internet.

7. Simultaneously herewith and in furtherance of these chapter 11 cases, each Debtor that is incorporated in Bermuda (collectively the “Bermuda Group”) is in the process of commencing a coordinated proceeding in the Supreme Court of Bermuda. The Bermuda Group will be petitioning the Supreme Court of Bermuda to issue an order appointing certain principals of KPMG International as Joint Provisional Liquidators (the “JPLs”) of the Bermuda Group. The Supreme Court of Bermuda will also be requested to empower and direct the JPLs to oversee the continuation of Global Crossing under the control of its Board of Directors and under the supervision of the Supreme Court of Bermuda and this Court in effecting a plan of reorganization under the Bankruptcy Code.

8. For the nine month period ending September 30, 2001, Global Crossing recorded revenue of \$2,437,000,000 and a net loss of \$4,594,000,000.³ As of September 30, 2001, Global Crossing’s books and records, prepared in accordance with Generally Accepted Accounting Principles, reflected assets totaling approximately \$25,511,000,000 and liabilities totaling approximately \$14,639,000,000. Global Crossing has over \$600,000,000 in unrestricted cash and, based on projected cash outflows, anticipated new financing and asset sales, has sufficient cash to fund its chapter 11 case.

Jurisdiction

9. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § § 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. § § 1408 and 1409.

³ These figures are represented on a consolidated basis, including Debtors and non-Debtors.

Retention of the Blackstone Group L.P.

10. By this Application, the Debtors seek to employ and retain The Blackstone Group L.P. (“Blackstone”) to provide necessary financial advisory services to the Debtors in these chapter 11 cases pursuant to sections 327(a) and 328(a) of the Bankruptcy Code and the terms of the Blackstone agreement dated January 28, 2002 (the “Blackstone Agreement”). The services of Blackstone are necessary in order to enable the Debtors to execute their duties as debtors in possession. Blackstone’s familiarity with the Debtors’ financial affairs, and the business and financial circumstances surrounding the commencement of these chapter 11 cases, will minimize charges to the Debtors’ estates for the services contemplated herein.

11. Blackstone is well-qualified to serve as the Debtors’ bankruptcy consultants and special financial advisors. Blackstone’s professionals have assisted and advised, and provided strategic advice to, debtors, creditors, bondholders, investors and other entities in numerous chapter 11 cases of similar size and complexity to the Debtors’ cases. Blackstone has extensive restructuring, merger and acquisition, and capital markets expertise.

12. On or about November 16, 2001, the Debtors engaged Blackstone to: (i) advise and assist management in reviewing and developing the Debtors’ cash-flow forecast, (ii) advise and assist management in developing the Debtors’ long-term business plan, (iii) advise and assist management in developing a capital restructuring plan, (iv) advise and assist in identifying potential purchasers for the Debtors’ business, (v) advise and assist management in negotiating and implementing a capital restructuring with creditors and stakeholders, as necessary, (vi) advise and assist management in negotiating

and obtaining debtor in possession and exit financing, (vii) provide expert witness testimony, as requested by the Debtors, and (viii) provide such other services as requested by the Debtors. Blackstone provided such services from the date of its engagement up to immediately prior to the Commencement Date.

13. The Debtors have employed Blackstone as financial advisors in connection with, among other things, the commencement and prosecution of these chapter 11 cases and the formulation of their business plan and plan of reorganization. The Debtors anticipate during the chapter 11 cases that Blackstone will render financial advisory services to the Debtors as described below. Such services are not duplicative in any manner with the services to be performed by Arthur Andersen LLP (“Andersen”), the Debtors’ proposed accountants. Blackstone will not be performing any traditional public accounting and auditing services, including the preparation of annual federal and state tax returns related to the Debtors’ financial statements. Moreover, Blackstone and Andersen will undertake every reasonable effort to avoid any duplication of services.

14. All of the services that Blackstone will provide to the Debtors will be: (i) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in the case, and (ii) performed in accordance with applicable standards of the profession. As more fully described in the Blackstone Agreement, the services to be provided by Blackstone in this case are presently anticipated to include the following (defined terms as defined in the Blackstone Agreement):

- a. Assist in the evaluation of the Debtors' businesses and prospects;
- b. Assist in the development of the Debtors’ long-term business plan and related financial projections;

- c. Assist in the development of financial data and presentations to the Debtors' Board of Directors, various creditors and other third parties;
- d. Analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. Evaluate the Debtors' debt capacity and alternative capital structures;
- f. Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Debtors and the recoveries of those stakeholders impacted by the Restructuring;
- g. Provide strategic advice with regard to restructuring or refinancing the Debtors' Obligations;
- h. Participate in negotiations among the Debtor and its creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- i. Value securities offered by the Debtors in connection with a Restructuring;
- j. Assist in arranging debtor-in-possession financing, as requested;
- k. Assist in the arranging of financing including identifying potential sources of capital, assisting in the due diligence process and negotiating the terms of any proposed financing, as requested;
- l. Assist the Debtors in executing a transaction including identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed transaction, as requested;
- m. If required, provide fairness opinions related to Transactions, Financings or Restructurings for which Blackstone shall have earned a fee;

- n. Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required; and
- o. Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

15. Blackstone's decision to accept this engagement to advise and assist the Debtors is contingent upon its ability to be retained in accordance with its customary terms and conditions of employment and compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices which are outlined in the appended Affidavit of Arthur B. Newman (the "Newman Affidavit") filed in support of this Application.

16. Blackstone will seek compensation for its services and reimbursement of its expenses, as specified in the Blackstone Agreement, with the payment of such fees and expenses to be approved in accordance with the guidelines of this Court. As more fully described in the Blackstone Agreement, in consideration of the services provided, the Debtors have agreed to pay Blackstone:

- a. a Monthly Fee, commencing March 16, 2002, in the amount of \$200,000 in cash per month, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15th of each month;
- b. a DIP Financing Fee of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;
- c. a Financing Fee upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing

Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from those entities with “codenames” Harp and/or Symphony, Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor earn a fee with respect to an Accounts Receivable Securitization;

Financing Fee Table	
Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%
\$1,500 or more	1.600%

- d. upon the consummation of a Transaction, a Transaction Fee payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration. For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction; and

Transaction Fee Table	
Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

- e. upon the completion of a Restructuring, a Restructuring Fee equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (a), (b), (c) and (e) of this Agreement shall be capped at \$25 million (the “Cap”). Provided further, however, that if Blackstone earns a Transaction Fee with respect to a sale of a significant interest in all or substantially all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (a), (b), (c) and (e), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (d) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization.

17. The total fees payable to Blackstone under paragraphs (a), (b), (c), (d), and (e) shall be capped at \$25 million.

18. Pursuant to the Blackstone Agreement, subject to the approval of this Court, the Debtors have agreed to indemnify Blackstone from and against any actions or claims brought by any party in connection with Blackstone’s engagement by the Debtors,

other than claims resulting from the bad faith, gross negligence, or willful misconduct of Blackstone. The Debtors submit that such indemnification is standard in the specialized financial advisory industry and that the provision of such indemnification by the Debtors is fair and reasonable considering Blackstone's qualifications and the expectations of other special financial advisors in connection with engagements of this scope and size. Accordingly, as part of this Application, the Debtors request that the Court approve Blackstone's terms of engagement as set forth in the Blackstone Agreement.

19. To the extent of any conflict between the Blackstone Agreement on the one hand, and this Application or the annexed Newman Affidavit on the other hand, once approved by this Court, the shall govern.

20. Blackstone will seek interim and final allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), local rules and orders of the Court, and in accordance with the terms of the Blackstone Agreement and any procedures as may be fixed by order of the Court.

21. To the best of the Debtors' knowledge, information and belief, Blackstone has no connection with, and holds no interest adverse to, the Debtors, its estates, its creditors, or any other party in interest, or its respective attorneys or accountants in the matters for which Blackstone is proposed to be retained, except as disclosed in the Newman Affidavit.

22. Blackstone is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code and as required under section 327(a) of the Bankruptcy Code. The Newman Affidavit, executed on behalf of Blackstone in

accordance with section 327 of the Bankruptcy Code and Bankruptcy Rule 2014, is filed contemporaneously herewith and incorporated herein by reference. The Debtors' knowledge, information, and belief regarding the matters set forth in this Application are based, and made in reliance, upon the Newman Affidavit.

23. The Debtors submit that the appointment of Blackstone on the terms and conditions set forth herein and the Blackstone Agreement is in the best interest of the Debtors, its creditors, and all parties in interest.

24. The Debtors' seek approval of the Application on an interim basis in order to provide parties an opportunity to object to the relief requested herein. If the Court approves the Application, and no objections are timely filed, the Debtors' request that the Application be deemed granted on a final basis without further notice or hearing.

25. No trustee, examiner or creditors' committee has been appointed in the Debtors' chapter 11 cases. Notice of this Application has been provided to (i) the Office of the United States Trustee for the Southern District of New York, (ii) the attorneys for the Debtors' prepetition lenders, (iii) the JPLs and their attorneys and (iv) the attorneys for certain of the Debtors' bondholders. The Debtors submit that no other or further notice need be provided.

26. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Application.

27. No previous Application for the relief sought herein has been made to this or any other court.

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein and such other or further relief as is just.

Dated: New York, New York
January 28, 2002

Global Crossing Ltd., et al.
Debtors and Debtors in Possession

By: /s/ Mitchell C. Sussis
Mitchell C. Sussis
Secretary

Blackstone's Qualifications

2. Blackstone is recognized for its expertise in providing financial advisory services in financially distressed situations, including advising debtors, creditors and other constituents in chapter 11 proceedings and serving as investment bankers in numerous cases.

3. I have previously worked on many chapter 11 restructurings, advising both debtors and creditors in various cases and have vast experience working with companies in distressed situations. Selected current and previous advisory assignments in which I have participated include: American Banknote Corp., American Pad & Paper Company, Best Products, The Caldor Corporation, Carson Pirie Scott & Co., The Charter Company, The Dow Corning Corp., Eastern Airlines, Evans Products, Hills Department Stores, Iridium LLC, The Leslie Fay Companies, Levitz Furniture, Inc., Loehmann's, Inc., LTV Corporation, Manville Corporation, Marvel Entertainment Group, Inc., McLouth Steel Corporation, MobileMedia Corp., Montgomery Ward Holding Co., Olympia and York Companies (USA), Paragon Trade Brands, Inc., Penn Traffic, Phar-Mor, Inc., Premium Standard Farms, Inc., R.H. Macy & Co., Saxon Industries, The Singer Company N.V., Texaco, White Motor Corporation, The Wickes Companies and Winstar Communications.

4. Since November 16, 2001, Blackstone has rendered financial advisory services to the Debtors in connection with their restructuring efforts. Blackstone has become familiar with the Debtors' operations and is well qualified to represent the Debtors as financial advisors in connection with such matters in a cost-effective and efficient manner.

Disinterestedness of Professionals

5. Based on the results of the conflict search conducted to date and described more fully below, to the best of my knowledge, neither I, Blackstone, nor any member or

employee thereof, insofar as I have been able to ascertain, has any connection with the Debtors, their creditors, other parties-in-interest (as reasonably known to us), their respective attorneys, or the U.S. Trustee or any person employed in the Office of the U.S. Trustee, except as disclosed or otherwise described herein.

6. To the best of my knowledge, Blackstone is a “disinterested person” as that term is defined in section 101(14) of title 11 of the United States Code (as amended, the “Bankruptcy Code”), as modified by section 1107(b) of the Bankruptcy Code, in that, its members and employees:

- a. are not creditors, equity security holders or insiders of the Debtors;
- b. are not and were not investment bankers for any outstanding security of the Debtors;
- c. have not been, within three years before the date of the filing of the Debtors’ chapter 11 petition, (i) investment bankers for a security of the Debtors, or (ii) an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtors; and
- d. were not, within two years before the date of filing of the Debtors’ chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

7. As part of its diverse practice, Blackstone appears in numerous cases, proceedings and transactions involving attorneys, accountants, investment bankers and financial consultants, some of which may represent claimants and parties-in-interest in the Chapter 11 Cases. Further, Blackstone has in the past, and may in the future, be represented by several attorneys and law firms in the legal community, some of whom may be involved in these proceedings. In addition, Blackstone has in the past and will likely in the future be working with or against other professionals involved in these cases in matters unrelated to these cases. Based

on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors herein in matters upon which Blackstone is to be employed. In connection with the preparation of this affidavit, with the permission of the U.S. Trustee's office, Blackstone has consulted with a member of the firm of Simpson Thacher & Bartlett ("ST&B") who is also the corporate counsel for the Debtors; ST&B is Blackstone's principal outside counsel.

8. Blackstone may have in the past represented, may currently represent, and likely in the future will represent, parties-in-interest of the Debtors in connection with matters unrelated to the Debtors and the Chapter 11 Cases (except as described below). A list of the entities Blackstone reviewed for conflicts is attached hereto as Exhibit A. This process is conducted by Blackstone's compliance department which has not completed its conflict check and it is possible that further disclosures may be forthcoming. In connection therewith, the following specific disclosures are made:

- a. Affiliates of Blackstone serve as general partners for and manage a number of investment vehicles (collectively, the "Blackstone Funds"). The investors in the Blackstone Funds are principally unrelated third parties but also include affiliates of Blackstone and various of its officers and employees (collectively, the "Employees"), including Employees working on the Debtors' Chapter 11 Cases. A limited partnership in which a number of ST&B partners are partners is an investor in the Blackstone Funds as well. Certain of the Employees, including Employees working on the Debtors' Chapter 11 Cases, are limited partners in the Blackstone Funds. In their capacity as limited partners, these Employees have personal investments in the Blackstone Funds, but no control over investment decisions or over business decisions made at the Blackstone Funds. Among other things, the Blackstone Funds are (a) passive investors in other funds (the "Investment Funds") managed by a number of non-traditional money managers, all of which are similar to investments in mutual funds, and (b) active direct investors in a number of portfolio companies (the "Equity Funds"). As would be the case with

respect to a mutual fund investment, neither Blackstone, its affiliates, the Blackstone Funds nor the Employees have any control over the investments made by the Investment Funds in which the Blackstone Funds are invested, including investment purchases, investment divestitures and the timing of such activities. Blackstone maintains investment control over the Equity Funds and many large financial institutions who may or may not be involved in the cases are investors in the Equity Funds or provide financial advisory services to the Equity Funds on investments. One of the Equity Funds focuses on investments in the telecommunications field. Blackstone maintains a strict separation between its Employees assigned to the Debtors' Chapter 11 Cases and the Employees assigned to the Blackstone Funds. To avoid any appearance of impropriety, where the Blackstone Funds may receive information about such Investment Funds' investing in companies in which Blackstone is acting as an advisor, Blackstone maintains internal procedures designed to preclude the dissemination of such information to the Employees who are providing such advisory services. No Employee working on the Debtors' Chapter 11 Cases receives information concerning the individual investments of the Investment Funds in which the Blackstone Funds are invested. Likewise, in accordance with U.S. securities law, no confidential information concerning the Debtors is permitted to be communicated to the Employees working for the Blackstone Funds. It is possible that companies owned, in whole or in part, by the Blackstone Funds or which may have had discussions regarding a possible investment or transaction in connection with the Blackstone Funds may have a relationship with the Debtors or otherwise appear on the list of entities attached as exhibits to the Affidavit. These relationships are unrelated to the financial advisory services Blackstone intends to provide in the Chapter 11 Cases. Blackstone maintains that these relationships are subject to the internal confidentiality procedures outlined immediately above and thus have no meaningful bearing on Blackstone's ability to advise the Debtors.

- b. One of the Blackstone Funds has in the past and may in the future have discussions with the Debtors regarding possible transactions, none of which have been consummated.
- c. Affiliates of Credit Suisse First Boston ("CSFB"), who is a creditor of the Debtors through various affiliates, have assisted Blackstone in raising capital for the Blackstone Funds. The group at CSFB that was responsible for the Blackstone

assignment was from a separate group at CSFB than the party-in-interest.

- d. Blackstone has a large and diverse financial advisory practice. Accordingly, Blackstone and certain of its members and employees may have in the past represented, may currently represent, and likely in the future will represent, in matters wholly unrelated to the Debtors' cases, numerous entities that are listed on Exhibit A attached to the Affidavit. If any of these appear on Blackstone's restricted list, a supplemental affidavit will be submitted by a member of Blackstone's compliance department providing appropriate disclosure. Blackstone has not represented, does not represent, and will not represent any such entity's separate interest in the Chapter 11 Cases nor have any relationship with any such entity which would be adverse to the Debtors as to the matter as on which Blackstone is to be employed. Blackstone does not represent any entity in connection with the Chapter 11 Cases nor does it believe that any relationship it may have with any of the Debtors' entities listed on Exhibit A attached to the Affidavit will interfere with or impair Blackstone's representation of the Debtors in the Chapter 11 Cases.
- e. The Debtors may supply services to and be a creditor of one or more companies that Blackstone is advising or in which Blackstone Funds have an investment. The Debtors may also purchase goods or services from and be an obligor to one or more companies that Blackstone is advising or which Blackstone Funds have an investment. Blackstone does not believe that any such relationship will interfere with or impair Blackstone's representation of the Debtors in these Chapter 11 Cases.
- f. The Chase Manhattan Bank ("Chase") has arranged a credit facility to Blackstone Group Holdings, L.P., the parent of Blackstone. Chase and Credit Suisse First Boston are lenders under that facility. It is possible that other parties in interest in these cases could become lenders under that facility as well. None of the persons involved in this assignment are involved in the negotiation or administration of that facility.
- g. Blackstone has been retained to advise Teligent, Inc., and various subsidiaries and affiliates (collectively "Teligent"), in the case captioned In re: Teligent, Inc., et al., Case No. 01 BK 12974 (Bankr. S.D.N.Y.), filed on May 21, 2001. Teligent, a telecommunications company, may or may not be, a direct or

indirect, competitor of the Debtors in certain markets. Blackstone does not believe that its work for Teligent will adversely affect the Debtors.

- h. Deutsche Telekom is a competitor of the Debtors. Deutsche Telekom is party to a consortium with one of the Blackstone Funds to buy television/cable assets in Europe. That consortium may or may not be a competitor of the Debtors. Blackstone does not believe that the Blackstone Fund's involvement in this consortium will adversely affect the Debtors.
- i. Blackstone is engaged to provide advisory services to two undisclosed telecommunications companies and one non-telecommunications party-in-interest. Blackstone is currently unable to disclose the identity of these clients due to confidentiality clauses in its engagement letters. These clients may or may not be, direct or indirect competitors of the Debtors. Blackstone believes it would adversely affect the interests of these clients if Blackstone were to publicly disclose their names at this time. Blackstone does not believe that its work for these clients will adversely affect the Debtors. None of the persons involved in this assignment are involved in the assignments for the aforementioned undisclosed clients.

9. To the best of my knowledge, Blackstone has not been retained to assist any entity or person other than the Debtors on matters relating to, or in connection with, the Chapter 11 Cases. If this Court approves the proposed employment of Blackstone by the Debtors, Blackstone will not accept any engagement or perform any services for any entity or person other than the Debtors in this situation. Blackstone will, however, continue to provide professional services to entities or persons that may be creditors of the Debtors or parties in interest in the Chapter 11 Cases; provided, however, that such services do not relate to, or have any direct connection with, the Chapter 11 Cases.

Professional Services Compensation

10. The parties have entered into an agreement that would govern the relationship between Blackstone and the Debtors, a copy of which is attached as Exhibit B to the Application (the “Blackstone Agreement”). Blackstone will provide such financial advisory services (the “Financial Advisory Services”) as Blackstone and the Debtors shall deem appropriate and feasible in order to advise the Debtors in the course of the Chapter 11 Cases, including, but not limited to, the following (defined terms as defined in the Blackstone Agreement):

- a. Assist in the evaluation of the Debtors' businesses and prospects;
- b. Assist in the development of the Debtors' long-term business plan and related financial projections;
- c. Assist in the development of financial data and presentations to the Debtors' Board of Directors, various creditors and other third parties;
- d. Analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. Evaluate the Debtors' debt capacity and alternative capital structures;
- f. Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Debtors and the recoveries of those stakeholders impacted by the Restructuring;
- g. Provide strategic advice with regard to restructuring or refinancing the Debtors' Obligations;
- h. Participate in negotiations among the Debtor and its creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- i. Value securities offered by the Debtors in connection with a Restructuring;

- j. Assist in arranging debtor-in-possession financing, as requested;
- k. Assist in the arranging of financing including identifying potential sources of capital, assisting in the due diligence process and negotiating the terms of any proposed financing, as requested;
- l. Assist the Debtors in executing a transaction including identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed transaction, as requested;
- m. If required, provide fairness opinions related to Transactions, Financings or Restructurings for which Blackstone shall have earned a fee;
- n. Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required; and
- o. Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

11. Prior to the Petition Date, Blackstone performed certain professional services for the Debtors beginning November 16, 2001 and has invoiced for \$950,000 in fees through the period ending March 15, 2002, and \$860.62 in expenses incurred and processed to date. Prior to the Petition Date, Blackstone has received payments totaling \$950,000 for fees invoiced and a \$50,860.62 expense advance to be first applied against pre-petition expenses (incurred and processed and incurred but not yet processed). Blackstone will then credit the unused expense advance against post-petition expenses incurred thereafter.

12. The Financial Advisory Services set forth in the Blackstone Agreement and summarized above do not encompass other investment banking services or transactions that may be undertaken by Blackstone at the request of the Debtors not set forth in the Blackstone

Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between the Debtors and Blackstone and would be subject to any necessary Court approval.

13. The Financial Advisory Services that Blackstone will provide to the Debtors are necessary to enable the Debtors to maximize the value of their estate and to reorganize successfully. The Debtors believe that the Financial Advisory Services will not duplicate the services that, subject to this Court entering or having entered appropriate orders, other financial advisors, if any, would provide to the Debtors in these cases. Blackstone will carry out unique functions and will use reasonable efforts to coordinate with the Debtors' other retained professionals to avoid the unnecessary duplication of services.

14. Blackstone has agreed to represent the Debtors for compensation at the amounts agreed upon between the parties pursuant to the Blackstone Agreement. As more fully described in the Blackstone Agreement, in consideration of the Financial Advisory Services provided by Blackstone, the Debtors have agreed to pay Blackstone:

- a. a Monthly Fee, commencing March 16, 2002, in the amount of \$200,000 in cash per month, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15th of each month;
- b. a DIP Financing Fee of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;
- c. a Financing Fee upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will

be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from those entities with “codenames” Harp and/or Symphony, Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor earn a fee with respect to an Accounts Receivable Securitization;

Financing Fee Table	
Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%
\$1,500 or more	1.600%

- d. upon the consummation of a Transaction, a Transaction Fee payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration. For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction; and

Transaction Fee Table	
Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

- e. upon the completion of a Restructuring, a Restructuring Fee equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (a), (b), (c) and (e) of this Agreement shall be capped at \$25 million (the “Cap”). Provided further, however, that if Blackstone earns a Transaction Fee with respect to a sale of a significant interest in all or substantially all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (a), (b), (c) and (e), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (d) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization.

16. Blackstone will maintain detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services, including receipts for any individual expenditure in excess of \$25.

17. Blackstone will seek compensation and reimbursement of expenses, as specified in the Blackstone Agreement, with the payment of such fees and expenses to be approved in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules and any orders of this Court; provided, however, that Blackstone will maintain detailed time records in half-hour increments; and provided further, that the approval of Blackstone's fees and expenses in these Chapter 11 Cases will be subject to the standards contained in section 328(a) of the Bankruptcy Code.

18. Based on its experience and independent analysis, Blackstone believes that the Fee Structure is fair and reasonable. Blackstone believes that the Fee Structure appropriately reflects the nature and scope of the services to be provided by Blackstone, Blackstone's substantial experience with respect to financial advisory services, and the fee structures typically

utilized by Blackstone and other leading financial advisors which do not bill their clients on an hourly basis.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 25th day of January, 2002.

/s/ Arthur B. Newman

Arthur B. Newman
Senior Managing Director

Subscribed and Sworn to before me
this 25th day of January, 2002

/s/ Joelle Geisler
Notary Public, State of New York
No. 01GE6047624
Qualified in New York County
My Commission expires: 9/5/02

EXHIBIT A

Entities reviewed for conflicts

Global Crossing Entities

1. Atlantic Crossing Holdings Ltd. (Bermuda)
2. Atlantic Crossing Holdings U.K. Limited (U.K.)
3. Atlantic Crossing Ltd. (Bermuda)
4. GC Pan European Crossing Holdings B.V. (Netherlands)
5. GC Pan European Crossing Luxembourg I S.a.r.l. (Luxembourg)
6. GC Pan European Crossing Luxembourg II S.a.r.l. (Luxembourg)
7. Global Crossing Cyprus Holdings Limited (Cyprus)
8. Global Crossing Holdings Ltd. (Bermuda)
9. Global Crossing Holdings U.K. Limited (U.K.)
10. Global Crossing International Ltd. (Bermuda)
11. Global Crossing Ltd. (Bermuda)
12. Global Crossing Network Center Ltd. (Bermuda)
13. Mid-Atlantic Crossing Holdings Ltd. (Bermuda)
14. Mid-Atlantic Crossing Ltd. (Bermuda)
15. Pan American Crossing Holdings Ltd. (Bermuda)
16. Pan American Crossing Ltd. (Bermuda)
17. Pan American Crossing U.K. Ltd. (U.K.)
18. South American Crossing Holdings Ltd. (Bermuda)
19. ALC Communications Corporation (DE)
20. Budget Call Long Distance, Inc. (DE)
21. Business Telemanagement, Inc. (CA)
22. GC Dev. Co., Inc. (DE)
23. GC Mart LLC (MI)
24. GC Pacific Landing Corp (DE)
25. GC St. Croix Co. (USVI)
26. Global Crossing Advanced Card Services, Inc. (LA)
27. Global Crossing Bandwidth, Inc. (CA)
28. Global Crossing Billing, Inc. (MI) (f/k/a/ Frontier Billing Corp.)
29. Global Crossing Development Co. (DE)
30. Global Crossing Employee Services, Inc. (DE)
31. Global Crossing GlobalCenter Holdings, Inc. (DE)
32. Global Crossing Government Markets USA, Inc. (DE)
33. Global Crossing Holdings USA LLC (DE)
34. Global Crossing Internet Dial-Up, Inc. (DE)
35. Global Crossing Latin America & Caribbean Co. (DE)
36. Global Crossing Local Services, Inc. (MI)
37. Global Crossing Management Services, Inc. (DE)
38. Global Crossing North America, Inc. (NY)
39. Global Crossing North American Holdings, Inc. (DE)
40. Global Crossing North American Networks, Inc. (DE)
41. Global Crossing Telecommunications, Inc. (MI)
42. Global Crossing Telemanagement VA, LLC (VA)
43. Global Crossing Telemanagement, Inc. (WI)
44. Global Crossing USA Inc. (DE)
45. Global Crossing Ventures, Inc. (DE)
46. GT Landing Corp. (DE)
47. GT Landing II Corp. (DE)
48. IXNet, Inc. (DE)

49. MAC Landing Corp. (DE)
50. Metaclorin Investco II, Inc. (DE)
51. PAC Landing Corp. (DE)
52. Subsidiary Telco, LLC (DE)
53. US Crossing, Inc. (DE)
54. Equal Access Networks, LLC (DE)
55. Atlantic Crossing II Ltd. (Bermuda)
56. GC Pan European Crossing UK Limited (UK)
57. Global Crossing Venezuela B.V. (Netherlands)
58. AGC Bandwith USA, Inc. (DE)
59. AGC Hungary Holdings Property Management LLC (Hungary)
60. Asia Global Crossing (Singapore) Pte Ltd. (Singapore)
61. Asia Global Crossing Asia Pacific Commercial Ltd. (Hong Kong)
62. Asia Global Crossing Asia Pacific Limited (Hong Kong)
63. Asia Global Crossing Australia Pty Ltd. (Australia)
64. Asia Global Crossing Development Company (US)
65. Asia Global Crossing Holdings China Ltd. (Bermuda)
66. Asia Global Crossing Hong Kong Limited (Hong Kong)
67. Asia Global Crossing IPC Trading Systems Australia Pty Ltd. (Australia)
68. Asia Global Crossing Ireland Limited (Ireland)
69. Asia Global Crossing Japan Corporation (Japan)
70. Asia Global Crossing Korea (Korea)
71. Asia Global Crossing Ltd. (Bermuda)
72. Asia Global Crossing Sdn. Bhd. (Malaysia)
73. Asia Global Crossing Taiwan, Inc. (Taiwan)
74. Bazisco Limited (Cyprus)
75. Business Networks of New York, Inc. (DE)
76. DACOM Crossing Corporation (Korea)
77. EAC Japan Ltd. (Japan)
78. EAC UK Holdings Ltd. (UK)
79. East Asia Crossing 2 Ltd. (Bermuda)
80. East Asia Crossing Korea (Korea)
81. East Asia Crossing Ltd. (Bermuda)
82. East Asia Crossing Philippines, Inc. (Philippines)
83. East Asia Crossing Taiwan Inc. (Taiwan)
84. GC Hungary Holdings Property Management Limited Liability Company (Hungary)
85. GC Landing Co. GmbH
86. GC Pan European Crossing Belgie b.v.b.a. (Belgium)
87. GC Pan European Crossing Czech s.r.o. (Czech Republic)
88. GC Pan European Crossing Danmark ApS (Denmark)
89. GC Pan European Crossing Espana S.L. (Spain)
90. GC Pan European Crossing France s.a.r.l. (France)
91. GC Pan European Crossing Italia s.r.l. (Italy)
92. GC Pan European Crossing Nederland B.V. (Netherlands)
93. GC Pan European Crossing Networks B.V. (Netherlands)
94. GC Pan European Crossing Norge AS (Norway)
95. GC Pan European Crossing Osterreich GmbH (Austria)
96. GC Pan European Crossing Slovakia s.r.o. (Slovak Republic)
97. GC Pan European Crossing Sverige A.b. (Sweden)
98. GC Pan European Crossing Switzerland GmbH (Swiss)
99. GC Pan European Crossing Deutschland GmbH (Germany)
100. GC SAC Argentina S.R.L. (Argentina)
101. GC Trading GmbH (Austria)
102. GC UK Holding Ltd. (UK)

103. GCT Pacific Holdings Ltd. (Bermuda)
104. General Offshore (UK) Limited (UK)
105. Geoconference Limited (UK)
106. Global Crossing (Bidco) Limited (UK)
107. Global Crossing (Holdco) Limited (UK)
108. Global Crossing (UK) Internet Services Limited (UK)
109. Global Crossing (UK) Telecommunications Limited (UK)
110. Global Crossing (UK) Telecommunications Networks Limited (UK)
111. Global Crossing Asia Holdings Ltd. (Bermuda)
112. Global Crossing Belgie b.v.b.a. (Belgium)
113. Global Crossing Communications International Limited (UK)
114. Global Crossing Conferencing Limited (UK)
115. Global Crossing Conferencing-Canada, Ltd. (Canada)
116. Global Crossing Danmark ApS (Denmark)
117. Global Crossing Deutschland GmbH (Germany)
118. Global Crossing Espana S.L. (Spain)
119. Global Crossing Europe Limited (UK)
120. Global Crossing France SAS (France)
121. Global Crossing Holdings II Ltd. (Bermuda)
122. Global Crossing Intellectual Property Ltd. (Bermuda)
123. Global Crossing Intermediate UK Holdings Limited
124. Global Crossing Investments Ltd. (Bermuda)
125. Global Crossing Ireland Limited (formerly Danbytec, Ltd.) (Ireland)
126. Global Crossing Italia s.r.l. (Italy)
127. Global Crossing IXnet EMEA Holdings Limited (U.K)
128. Global Crossing Japan Corporation (Japan)
129. Global Crossing Landing Mexicana, S. de R.L. de C.V. (Mexico)
130. Global Crossing Marketing (UK) Limited (UK)
131. Global Crossing Mexicana S. de R.L. de C.V. (Mexico)
132. Global Crossing Nederland B.V. (Netherlands)
133. Global Crossing Network Center (UK) Ltd. (UK)
134. Global Crossing Norge AS (Norway)
135. Global Crossing Panama Inc. (SA) (Panama)
136. Global Crossing Portfolio Holdings Ltd. (Bermuda) (f/k/a Global Crossing Landing Holdings Ltd.)
137. Global Crossing Services Europe Limited (Ireland)
138. Global Crossing Services Ireland Limited (Ireland)
139. Global Crossing Servicios, S. de R.L. de C.V. (Mexico)
140. Global Crossing Sverige AB
141. Global Crossing Switzerland GmbH (Switzerland)
142. Global Crossing Telecommunications-Canada, Ltd. (Ontario)
143. Global Crossing Worldwide Customer Help Desk Canada Ltd. (Canada)
144. Global Marine (Americas) Systems (DE)
145. Global Marine Cable Systems Pte Limited (Singapore)
146. Global Marine Holdings, Bermuda, Ltd. (Bermuda)
147. Global Marine Systems (Bermuda) Limited (Bermuda)
148. Global Marine Systems (Depots) Ltd. (Canada)
149. Global Marine Systems (Federal) Inc. (DE)
150. Global Marine Systems (Guernsey) Limited (Guernsey, C.I.)
151. Global Marine Systems (Investments) Ltd. (UK)
152. Global Marine Systems (Japan) Ltd. (Japan)
153. Global Marine Systems Limited (UK)
154. Global Marine Systems Pension Trustee Limited (UK)
155. GlobalCenter Japan Corporation (Japan)

156. GlobalCenter Japan Holdings Ltd. (Bermuda)
157. GMS Guernsey Pension Trustee Ltd. (Guernsey, C.I.)
158. GT Netherlands B.V. (Netherlands)
159. GT U.K. Ltd. (UK)
160. GX Information Systems, Inc. (DE)
161. Harmstorf Submarine Systems Sdn Bhd (Malaysia)
162. HNG Corp. (DE)
163. International Exchange Network GmbH (Germany)
164. International Exchange Network SAS (France)
165. International Exchange Networks (Mexico) S.A. de C.V. (Mexico)
166. International Exchange Networks, Ltd. (DE)
167. IPC Funding Corp. (DE)
168. IPC Information Systems Asia Pacific, Limited (Hong Kong)
169. IPC Information Systems Canada, Inc. (Canada)
170. IPC Information Systems Far East Inc. (DE)
171. IPC Information Systems U.K.
172. IPC Information Systems, Inc. (DE)
173. IPC UK Holdings Limited (UK)
174. IPC UK SPC Limited (UK)
175. IXnet (Singapore) Ptc., Ltd. (Singapore)
176. IXnet (South Africa) (Proprietary) Ltd. (South Africa)
177. IXnet Brasil Comercio e Participacoes Ltda. (Brazil)
178. IXnet Hong Kong Ltd. (Hong Kong)
179. IXnet Japan, K.K. (Japan)
180. IXnet Korea Ltd. (Korea)
181. Ixnet Taiwan Ltd. (Taiwan)
182. IXnet Telecommunications Japan K.K. (Japan)
183. IXnet UK Limited (UK)
184. IXnet, Inc. (DE)
185. Mid-Atlantic Crossing Holdings UK Ltd. (UK)
186. MXnet, Inc. (DE)
187. PAC Panama Ltd. (Bermuda)
188. Pacific Crossing Holdings Ltd. (Bermuda)
189. Pacific Crossing Ltd. (Bermuda)
190. Pacific Crossing UK Ltd. (UK)
191. PC Landing Corp. (DE)
192. PCL Japan Ltd. (Japan)
193. PT Macasar Indonesia (Indonesia)
194. Racal Telecommunications Inc. (DE)
195. SAC Brasil Holding Ltda. (Brazil)
196. SAC Brasil Ltda. (Brazil)
197. SAC Brazil (Backhaul) Ltd. (Bermuda)
198. SAC Chile S.A. (Chile)
199. SAC Columbia Ltda. (Columbia)
200. SAC Panama Landing Ltd. (Bermuda)
201. SAC Panama S.A. (Panama)
202. SAC Peru S.R.L. (Peru)
203. Saturn Global Network Services (UK) Ltd. (UK)
204. Saturn Global Network Services Holdings Limited (UK)
205. SCS (Bermuda) Ltd. (Bermuda)
206. South American Crossing (Backhaul) Ltd. (Bermuda)
207. South American Crossing (Subsea) Ltd. (Bermuda)
208. South American Crossing Holdings (Backhaul) Ltd. (Bermuda)
209. South American Crossing Holdings (Subsea) Ltd. (Bermuda)

210. South American Crossing Holdings Ltd. (Bermuda)
211. South American Crossing Ltd. (Bermuda)
212. StarHub Crossing Pte. Ltd. (Singapore)
213. SubServ Limited (UK)
214. SubServ Pro Limited (UK)
215. System Programming and Network Computing, Inc. (DE)
216. V Band Corporation (DE)
217. Vibro Einspultechnik Duker und Wasserbrau GmbH (Germany)

Officers, Directors & Other Insiders (Current & Former up to 3 years)

1. **Gary Winnick** - Chairman of the Board and Director; Chairman of Executive Committee
2. **Lodwick M. Cook** – Co-Chairman of the Board and Director; Chairman, Global Marine Systems; Chairman of Nominating Committee and member of Executive Committee
3. **Mark Attanasio** - Director; Member of Compensation and Executive Committees
4. **Norman Brownstein** - Director; Member of Nominating Committee
5. **Joseph P. Clayton** - Director; Vice Chairman of the Board
6. **William S. Cohen** - Director; Member of Audit, Compensation and Nominating Committees
7. **Steven J. Green** - Director; Member of Executive Committee
8. **Eric Hippeau** - Director; Chairman of Audit Committee and member of Nominating Committee
9. **Geoffrey J.W. Kent** - Director; Chairman of Compensation Committee
10. **Maria Elena Lagomasino** - Director; Member of Audit Committee
11. **John J. Legere** - Director; Chief Executive Officer; Chief Executive Officer of Asia Global Crossing Ltd.
12. **Dan J. Cohrs** – Executive Vice President and CFO
13. **Thomas J. Casey** - CEO
14. **William E. Conway, Jr** - Director
15. **Jose Antonio Rios**, President Global Crossing Int'l, Global Crossing Ltd.
16. **Gary A. Cohen** - President and Chief Operating Officer, Global Crossing Solutions
17. **John L. Comparin** - Executive Vice President, Human Resources S. Wallace
18. **S. Wallace Dawson, Jr** - Executive Vice President, Global Network
19. **James C. Gorton** - Executive Vice President & General Counsel
20. **Joseph P. Perrone** - Executive Vice President, Finance
21. **David A. Walsh** - President & Chief Operating Officer
22. **James F. McDonald** - Compensation Committee of our Board of Directors
23. **Douglas McCorkindale** - Compensation Committee of our Board of Directors
24. **Robert Annunziata**
25. **Leo J. Hindery**
26. **Chris Nash** – Senior VP Corporate Development
27. **Carl Grivner** – Executive VP Global Operations

28. **Patrick Joggerst** – Executive VP, Carrier Sales and Marketing
29. **Margaret Lockwood** – Senior VP Business Sales and Marketing
30. **James Cali** – Senior VP Product Management
31. **Gerald Santos** – Senior VP Corporate Communications
32. **Barry A. Crozier** – VP ALC Communications Corp.
33. **Barbara J. LaVerdi** – Secretary
34. **James G. Dole** – Treasurer
35. **Patricia F. Genzel** – Assistant Secretary
36. **Richard N. Kappler** – Assistant Treasurer
37. **James M. Demitrius** – President ALC Communications
38. **Robert A. King** – CFO ALC Communications
39. **Mitchell C. Sussis** – VP
40. **Joseph S. Tesoriero** – VP
41. **Lorraine Dean** – Secretary VP
42. **Ian McLean** – President
43. **Deryck Winch** – CFO
44. **Susan E. Dullabh** – Treasurer
45. **Gary Julien** – VP GC Development Co.
46. **Glen Tobias** – VP GC Development Co.
47. **Kevin Voong** – Assistant Treasurer
48. **Robert A. Klug** – CFO
49. **Marc A. Aron** – VP, Assistant Secretary
50. **Jeff Cohen** – VP, Assistant Secretary
51. **Juan R. Garcia** – VP
52. **Joseph Guzman** – COO
53. **Kelly Lynch**
54. **D. Rhett Brandon** – VP & Acting General Counsel
55. **Douglas H. Molyneux** – VP Global Crossing Network Center Ltd.
56. **Donald C. Salerno** – President Global Crossing Network Center Ltd
57. **Bernard Keogh** – Secretary
58. **David Walsh** – President Global Crossing Telecomm. Inc.
59. **Clifford Chance Secretaries Limited**
60. **Todd Putnam** – President GX Information Systems, Inc., Global Crossing Billing, Inc.
61. **Sherri L. Cook** – President
62. **Roy Olofson** – Secretary
63. **Dawn Steehler** – President Global Crossing Advanced Card
64. **Brian Fink** – VP Global Crossing Billing
65. **John M. McDuffie** – President/Treasurer Global Crossing Government Markets USA
66. **Ernest J. Tiberino, III** – VP/Secretary Global Crossing Government Markets
67. **Colleen O’Keefe** – Senior Vice President Global Customer Service
68. **Dan Wagner** – President of Global Crossing Europe
69. **William Adiletta** - Officer
70. **Mike Markley** - Officer
71. **John McShane** - Officer

72. **Justin O’Neil** - Officer
73. **John Scanlon** – Officer
74. **Barry Porter**

Affiliations of Outside Directors

1. @Home (or “At Home”)
2. Abercrombie & Kent Group
3. American Israel Public Affairs Committee
4. AT&T
5. Avon Products, Inc.
6. Belfint, Lyons & Shuman
7. Brown University Third Century Fund
8. Brownstein Hyatt & Farber, P.C.
9. Cable in the Classroom
10. Cendant Corporation
11. Center for international Policy and Commerce
12. Chase Manhattan Bank
13. CNet
14. Continental Airlines, Inc.
15. Copley, Clark & Bennett
16. Coreon
17. C-SPAN
18. Dialpad.com
19. Diamonds.com
20. E.W. Scripps
21. Electron Economy
22. Empower America
23. Endemol Entertainment
24. Gannett Co., Inc.
25. GT Group Telecom
26. Guatemala Cellular Corporation
27. IBM
28. IDX Corporation
29. InterMedia Partners
30. JP Morgan Private bank
31. Linkmax Corporation
32. Log On America, Inc.
33. MCI Communications Corporation
34. National Cable Television Association
35. National Jewish Center for Immunology and Respiratory Medicine
36. Nextel Communications, Inc.
37. North American Board of the International Group of Accounting Firms
38. OneMediaPlace, Inc. (formerly Aداuction.com, Inc.)
39. Pacific Capital Group

40. Phillips Van Heusen Corporation
41. PointOne Telecommunications
42. Prudential
43. Sanrise
44. Semiconductor Corporation
45. Simon Wiesenthal Center
46. Softbank International Ventures
47. Starwood Hotels and Resorts Worldwide, Inc.
48. StorageNetworks, Inc.
49. Synergos Institute
50. Tanning Technology Corp.
51. TCI music, Inc.
52. TCW Asset Management Company
53. TCW Group
54. TD Waterhouse Group, Inc.
55. Telecommunications Development Corporation
56. Tele-Communications, Inc.
57. Telefonica S.A.
58. Teleport Communications Group
59. The Carlyle Group
60. The Good Guys
61. ThruPoint
62. Trust Company of the West
63. Value America, Inc.
64. VerticalNet
65. Wyndham International
66. Yahoo!, Inc.
67. zUniversity.com, Inc.

Professionals Retained by the Company

1. The Pacific Capital Group
2. Appleby, Spurling & Kempe (Bermuda)
3. Simpson, Thacher & Bartlett
4. The Blackstone Group L.P.
5. Arthur Andersen
6. KPMG
7. Wilkie, Farr & Gallagher
8. Swidler Berlin Shereff Friedman, LLP
9. Freshfields Bruckhaus Deringer

Strategic Partners

1. CISCO Systems Inc.

2. EMC Corporation
3. Financial Fusion, Inc.
4. Juniper Networks, Inc.
5. Nortel Networks
6. Sonus Networks Inc.
7. Withit
8. Communicator Inc.
9. Exodus Communications
10. Hitachi Telecom (USA) Inc.
11. Lucent Technologies
12. PRC
13. Swift

Litigation and Non-Litigation Claimants

1. Exodus Communications, Inc.
2. TyCom (US) Inc.
3. TyCo Submarine Systems Ltd.
4. Qwest Communications Corporation
5. 360networks Inc.
6. Alenco Holding
7. Alma Telephone Company
8. APCC Services, Inc.
9. Ari Benowitz
10. Armstrong Race
11. Barbara Belsher
12. Barbara Pannel
13. Bay Distribution
14. BellSouth Telecommunications, Inc.
15. Bitro Communications, inc.
16. Bonnie Ceroll
17. CALNET, Inc.
18. Centillion Data Systems, Inc.
19. Chariton Valley Telecommunications Corp.
20. Cheryl Croll
21. Choctow Telephone Company
22. Citizens Communications Company
23. CompUSA, Inc.
24. Comsults
25. Creditors on behalf of Fastpoint
26. Culver Personnel
27. Daniel Locey
28. Darrell Cheney
29. Datawave Systems, Inc
30. Daval Communications, Inc.
31. DCI Communications
32. Deborah Hanley
33. Deborah Page

34. Denmark's Military Equipment Co.
35. Dial Contracts Limited
36. Diane Commodore
37. Ed Kilb Data Net Systems, LLC
38. Edward Hennessy
39. ElroyNet, Inc.
40. Ericsson UK
41. Euromart New York
42. Executive Enterprise Institute
43. First Class Painting
44. Gaffney Management Consultants
45. George Amandola
46. Global Payphone Systems
47. Goodrich & Sherwood Associates, Inc.
48. Guy White
49. Hitchcock Automotive Resources
50. Iberdrola Redes, SA
51. Indair Limited – UK
52. Intera Communications Corporation
53. Inter-Continental Telephone, Inc.
54. Irene Herrera
55. James Barnett
56. Jasmine Peters
57. Jeff White
58. Jeffrey Abdelnour
59. John Armstrong
60. Kate Cummings
61. Ken Brooks
62. LaBreche Murray, LLC
63. Level (3) Communications, LLC
64. Littlejohn Communications
65. Madison Communications LLC
66. Mark Feil
67. MCI WorldCom Network Services, Inc
68. McNicholas Construction Services
69. MCSi, Inc.
70. Melissa Trace
71. Metrophones Telecommunications, Inc.
72. Mexiport, Inc.
73. Michael Poole
74. Michael Stanton
75. Michelle Santucci
76. Mid-Missouri Telephone Company
77. Modern Telecommunications Company
78. MoKan Dial, Inc.
79. MSGW New Jersey I, LLC
80. Mujo Muhanovic and Dzevada Nuhanovic
81. Net2000 Communications
82. NetVoice Technologies, Inc.
83. Network Associates, Inc
84. Nevada Telephone, Inc.
85. Northeast Missouri Rural Telephone Company
86. Northwest Women's Law Center
87. NovoMedia Group, Inc.

88. Parallel Creative Design Ltd.
89. Paul Brooks
90. Peter Seif
91. Philip M. Cirella
92. PointOne Telecommunications, Inc.
93. Power Direct
94. Precision Pay Phones
95. Prestige Financial Group Ltd.
96. Professional Communications
97. Public Payphones Fresno
98. QAI/Pathfinder Communications
99. Raccomandata A.R.
100. RCI Long Distance
101. Richard Janis
102. Richard Lesco
103. Robert Cook
104. Ronnie Gordon
105. Royce Tawney
106. Russell Allanson
107. Ruth Jaeger
108. SavonCalling.com, LLC
109. Shaffer, Wilson, Sarver & Gray
110. Sonya Williams
111. Southern California Edison
112. Southwestern Bell Telephone Company
113. Stepak
114. Storage Networks, Inc.
115. Studio Bovetti
116. System, Ltd.
117. T2 Technologies, Inc.
118. Talent+, Inc.
119. TECO BGA Thermal Systems, Inc.
120. Teltran International Group Ltd.,
121. Teltran International, Inc. d/b/a Savon Calling
122. Thomas Keane Jaroth, Inc.
123. Timothy Callahan
124. TON Services
125. Tracy Eustace
126. Transworld Telephone
127. Travelers Casualty and Surety Company of America
128. Trimpac, Inc.
129. Union Station Venture
130. United Technological Systems, Inc.
131. Uni-tel
132. US Network Services, Inc.
133. Valerie DiCostanza
134. Verizon Public Communications
135. Western Payphone Systems
136. William Sievers
137. Zane Greene

Secured Creditors

1. ABN Amro bank N.V.
2. Aegon USA, Inc.
3. Alliance Capital Management
4. Allstate Insurance
5. American Express Asset Management
6. Apollo Advisors
7. Bain Capital, Inc.
8. Bank Leumi
9. Bank of America
10. Bank of China
11. Bank of Hawaii
12. Bank of Montreal
13. Bank of New York
14. Bank of Nova Scotia
15. Bank of Scotland
16. Bank of Tokyo Mitsubishi
17. Bank One
18. Bank United
19. Barclays
20. Bayerische Landesbank Giro
21. Bennett Management
22. BHF
23. Black Diamond Capital Mgmt., LLC
24. Caravelle Advisors LLC
25. Centre Pacific
26. Chang Hwa Commercial Bank
27. CIBC Oppenheimer
28. Citibank
29. City National Bank
30. CoBank
31. Credit Lyonnais
32. Credit Suisse Asset Management
33. Cypress Tree Investment Management, Inc.
34. Deutsche Bank
35. Dai Ichi Kangyo Bank Ltd.
36. Dresdner Kleinwort Wasserstein
37. Equitable Life Insurance
38. Erste Bank
39. First Union
40. Fleet BankBoston
41. Franklin Advisors Inc.
42. Fuji Bank Ltd.
43. General Electric Capital Corporation
44. General Reinsurance – New England Asset Mangement

45. Goldman Sachs & Co.
46. Gulf International Bank
47. HypoVereinsbank
48. Industrial Bank of Japan
49. IBM Credit Corporation
50. Imperial Credit Industries
51. Institutional Debt Management
52. IKB Capital Corporation
53. Indosuez
54. ING Capital Advisors
55. Invesco
56. JP Morgan Chase
57. Katonah Capital
58. KBC Bank
59. Key Bank
60. Kreditanstalt Fur Wierderaufbau
61. LB Series Inc.
62. Lutheran Brotherhood High Yield
63. Merrill Lynch Asset Management
64. Merrill Lynch
65. Mitsubishi Trust & Banking Corp.
66. Monument
67. Morgan Stanley Dean Witter
68. Mountain Capital Advisors
69. Oppenheimer Funds
70. Pacific Investment Management Company
71. PPM American Incorporated
72. Rabobank Nederland
73. Royal Bank of Canada
74. Scotia Capital
75. Scudder Investments
76. Stanfield Capital Partners
77. Stein Roe Farnham, Inc.
78. Sumitomo Trust & Banking Co.
79. TaipeiBank
80. TCW
81. Textron Financial Corporation
82. Toronto Dominion, Inc.
83. Travelers Companies
84. UBS Warburg
85. Van Kampen
86. West LB

Other Creditors

1. Banc One

2. Chase Manhattan Bank
3. Credit Suisse First Boston
4. PB Capital Corp.
5. Trust Company of the West
6. Wachovia Bank
7. Washington Mutual
8. Westdeutsche Landesbank
9. Zurich Scudder Investments

Vendor creditors

1. Abinco
2. Acterna
3. AIB CC
4. Albacom Spa
5. Alcatel
6. Allstat
7. American Express
8. Amex
9. Amtorel
10. Anixter
11. Anritsu
12. Antalis
13. Arendal
14. Arge Pop-Site Stuttgart
15. Audiomedia
16. Avaya
17. B Box
18. Ballygowan
19. Bankgirot
20. Bectel
21. Bectel Roth Bros
22. Belforte
23. Bestel Sa De Cv
24. Bewley's
25. Binders
26. Birka
27. Bucknall Pmi
28. Cisco
29. Compañia Auxiliar De Voladuras
30. Comsat
31. Constel
32. Corning Incorporated
33. Crown Cleaning Contracts
34. Datamatrix
35. Dhv Aib Bv
36. Dynamis Abc Vastgoedmanagers
37. Eirpac
38. Elecnor de Argentina S.A.
39. Elgrossist
40. Equant
41. Ergion

42. Erhvervsin
43. Exodus Internet Limited
44. Falck
45. Filcom
46. Fresh
47. Gasline
48. Gasline Gmbh And Co
49. Gensler
50. Gentofte Erhvervsinvest A/S
51. Geoconfere
52. Gesmall
53. Global Switch
54. Grana y Montero
55. Gts Carrier Services
56. Harcourt Printing & Office Supplies
57. Herbert Park Hotel
58. Horizon Open Systems Uk
59. Iberdrola Redes Sa Contract
60. Ica Fluor Daniel S De Rl De Cv
61. Impsat S.A.
62. Indair
63. Inovatel
64. Insignia Richard Ellis Limited
65. Interconenect Exchange Europe Ltd/
66. Interserve
67. Itsaa
68. Jetzler
69. Juniper Networks
70. Kajima
71. KIR srl
72. Knoll International Gmbh
73. Kpn
74. KPN Qwest
75. Logimix
76. Louis Dreyfus
77. Lucent Technologies
78. Lyncole
79. Mallia Properties
80. Manuf Metalica
81. Marke Tel
82. Mastec North America Inc
83. Matra Nortel Communications
84. Mcnicholas Ltd.
85. Metalirgica el Ag
86. Metro New Media Ltd.
87. Migros
88. Mk International Ltd
89. Neterna
90. Nobus
91. Nordisk
92. Nortel Networks
93. Orgatec
94. Pacific Century Cyberworks
95. Palmer

96. Posten
97. Powertech
98. Radionics
99. Reach Networks Hong Kong Limited
100. Redex
101. Regus
102. Reseaux Systemes D'Informations
103. Roberts & Partners (Intl) Limited
104. Rotating Eq Corp
105. Rotating Equipment Corporation
106. Rugas
107. Scandinavisk Bustrafik Aps
108. SDA Security
109. Shain
110. Sicisa
111. Siemens
112. Sigtgps
113. Sintel
114. Sirti
115. Sodexho
116. Sonus Networks Limited
117. Stadtwerke Munchen Gmbh
118. Stat Power Serv
119. Structuretone
120. Suter
121. Swisscom Ag - Wholesale
122. Techlink
123. Tekelec
124. Telecity
125. Teledk
126. Telenor
127. Telia
128. Tesco
129. TNT Norge
130. Tolley
131. Tridex
132. Triomec
133. Unisphere
134. Versatel Telecom Europe
135. Walls
136. Wandel
137. Waterland
138. Wettergren

Members of Committees

Professionals Retained by Committees

Indenture Trustees of Bonds

1. United States Trust Company of New York
2. Manufacturers Hanover Trust Company
3. Chase Manhattan Bank

Underwriters and Agents

1. Deutsche Bank AG
2. CIBC Inc.
3. Canadian Imperial Bank of Commerce
4. Goldman Sachs Credit Partners L.P.
5. Citicorp USA, Inc.
6. Merrill Lynch Capital Corporation
7. Salomon Smith Barney, Inc.
8. CIBC World Markets Corp.
9. Deutsche Bank Securities, Inc.
10. Chase Securities, Inc.
11. West LB

Significant Stockholders

1. Pacific Capital Group, Inc.
2. Winnick, Gary
3. Cook, Lodwick M.
4. Casey, Thomas J.
5. Clayton, Joseph P.
6. Cohen, Gary
7. Attanasio, Mark L
8. Brownstein, Norman
9. Conway, William E., Jr.
10. Hippeau, Eric
11. Kent, Geoffrey J.W.
12. Lee, David
13. Scanlon, John M.
14. Microsoft Corp.
15. Softbank Corp.

Significant Warrant Holders

1. Pacific Capital Group

Major Landlords

1. 32 AA Associates, LLC
2. 80 Pine LLC
3. Alameda Main LP
4. Berrueta Family LLC
5. Carlyle Seventh Street, LLC
6. Colo.com
7. Concar Detroit One, LLC
8. Consolidated Rail Corp.
9. Foothills Corporate Centre Two, LLC
10. Hudson Telegraph Associates
11. Impsat Comunicacaoes LTDA
12. Impsat Peru S.A.
13. Internap
14. JFK Investments Co., LLC
15. MSGW New Jersey I, LLC
16. National Blinds & Wall Paper Inc.
17. Pioneer Management
18. PW/MS Management Co.
19. Seattle Telecom LLC
20. Technology Center of the Americas, LLC
21. Telecomunicaciones Impsat S.A.
22. Union Station Venture
23. Widewaters Woodcliff VI Co., LLC
24. WXIII/PHL Real Estate Limited Partnership
25. Yale Properties

The  Group

As of January 28, 2002

Mr. Dan J. Cohrs
Executive Vice President and
Chief Financial Officer
Global Crossing Ltd.
360 North Crescent Drive
Beverly Hills, CA 90210

Dear Dan:

This letter confirms the understanding and agreement (the "Agreement") between The Blackstone Group L.P. ("Blackstone") and Global Crossing Ltd. (together with its subsidiaries, but excluding Asia Global Crossing Ltd. and its subsidiaries, "GX" or the "Company") regarding the retention of Blackstone on an exclusive basis by the Company effective as of January 28, 2002 (the "Effective Date") as its financial advisor for the purposes set forth herein.

Under this Agreement, Blackstone will provide financial advisory services to the Company in connection with a possible Restructuring (defined below) of certain liabilities of the Company, a possible investment in the Company in the form of debt or equity securities (a "Financing"), a possible arranging of debtor-in-possession ("DIP") financing for the Company (a "DIP Financing"), the sale, merger, or other disposition of all or a portion of the Company or its assets (a "Transaction"), and will assist the Company in analyzing, structuring, negotiating, and effecting the Restructuring, Transaction, Financing or DIP Financing pursuant to the terms and conditions of this Agreement. As used in this Agreement, the term "Restructuring" shall mean, collectively, any restructuring, reorganization (pursuant to Chapter 11 of the United States Bankruptcy Code) and/or recapitalization of the Company affecting existing or potential debt obligations or other claims including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, preferred stock, etc. (collectively, the "Obligations"), or any amendments to the terms or conditions of the Obligations.

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154
212 583 5000

The financial advisory services to be rendered by Blackstone include the following:

- (a) Assist in the evaluation of the Company's businesses and prospects;
- (b) Assist in the development of the Company's long-term business plan and related financial projections;
- (c) Assist in the development of financial data and presentations to the Company's Board of Directors, various creditors and other third parties;
- (d) Analyze the Company's financial liquidity and evaluate alternatives to improve such liquidity;
- (e) Evaluate the Company's debt capacity and alternative capital structures;
- (f) Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Company and the recoveries of those stakeholders impacted by the Restructuring;
- (g) Provide strategic advice with regard to restructuring or refinancing the Company's Obligations;
- (h) Participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- (i) Value securities offered by the Company in connection with a Restructuring;
- (j) Assist in arranging DIP Financing, as requested;
- (k) Assist in the arranging of a Financing including identifying potential sources of capital, assisting in the due diligence process and negotiating the terms of any proposed Financing, as requested;
- (l) Assist the Company in executing a Transaction **including** identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed Transaction, as requested;
- (m) **If** required, provide fairness opinions related to Transactions, **Financings** or Restructurings for which Blackstone shall have earned a fee;

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Mr. Dan J. Cohrs
Global Crossing Ltd.
January 28.2002
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- (n) Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required, and
- (o) Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

Notwithstanding anything contained in this agreement to the contrary, Blackstone shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. Blackstone makes no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Restructuring. Blackstone is retained under this Agreement **solely** to provide advice regarding a Restructuring, Financing, DIP Financing or Transaction, and is not "crisis management."

All fees and expenses payable to Blackstone pursuant to this engagement letter shall be payable solely by GX. The Company agrees to pay the following fees to Blackstone for its financial advisory services:

- (i) commencing March 16, 2002, a monthly advisory fee (the "Monthly Fee") in the amount of \$200,000 in cash, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15th day of each month;
- (ii) a DIP Financing fee (the "DIP Financing Fee") of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;

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- (iii) a financing fee (the “Financing Fee”) upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from those entities known as Harp and/or Symphony, Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor **earn** a fee with respect to an Accounts Receivable **Securitization**;

Financing Fee Table

Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%
\$1,500 or more	1.600%

- (iv) upon the consummation of a Transaction, a transaction fee (the “Transaction Fee”) payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration (as defined below). For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction;

Transaction Fee Table

Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

In this Agreement, "Consideration" means the gross value of all cash, securities and other properties paid or payable by the acquirer, merger partner or other entity with which the Company is completing a Transaction ("Transaction Party"), directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid (A) pursuant to covenants not to compete, employment contracts, employee benefit plans or other similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Consideration shall also include the face amount of any liabilities or preferred stock (including indebtedness for borrowed money and the amount set forth in the Company's financial statements for any pension liabilities and guarantees but excluding **short-term** working capital liabilities) indirectly or directly assumed or acquired, or, if with funds provided by the Transaction Party, otherwise repaid or retired, in connection with or in anticipation of the Transaction. If the Transaction takes the form of a purchase of assets, Consideration shall also include (i) the value of any current assets not purchased, minus (ii) the value of any current liabilities not assumed. Consideration shall also include the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the closing of the Transaction. If the Consideration to be paid is computed in any other currency than U.S. dollars, the value of such foreign **currency** shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Consideration is paid.

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Fees on amounts paid into escrow will be payable upon the establishment of such escrow. If the Consideration in connection with any transaction may be increased by payments related to future events, the portion of our fees relating to such contingent payments will be calculated and payable if and when such contingent payments are made.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable as part of the Consideration shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of the securities that are not freely tradable or have no established public market or, if the Consideration utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto; and

- (v) upon the completion of a Restructuring, an additional fee (the "Restructuring Fee") equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (i), (ii), (iii) and (v) of this Agreement shall be capped at \$25 million (the "Cap"). Provided further, however, that if Blackstone **earns** a Transaction Fee with respect to a sale of a significant interest in, all or **substantially** all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (i), (ii), (iii) and (v), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (iv) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization; and
- (vi) reimbursement of all necessary and reasonable out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing and communication charges, courier services, working meals, reasonable fees and expenses of Blackstone's counsel and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay Blackstone upon execution of this agreement and maintain thereafter a \$25,000 expense advance for which Blackstone shall account upon termination of this Agreement.

The Company shall use its best efforts to promptly apply to the bankruptcy court having jurisdiction over the Chapter 11 case or cases (the "Bankruptcy Court") for the approval pursuant

to sections 327 and 328 of the Bankruptcy Code of (A) this Agreement and **(B)** Blackstone's retention by the Company as appropriate under the terms of this Agreement and subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Company shall supply Blackstone with a draft of such application and any proposed order authorizing Blackstone's retention sufficiently in advance of the filing of such application and proposed order to enable Blackstone and its counsel to review and comment thereon. Blackstone shall have no obligation to provide any services under this Agreement unless Blackstone's retention under the terms of this Agreement is approved under section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to Blackstone in all respects. Blackstone acknowledges that in the event that the Bankruptcy Court approves its retention by the Company as appropriate, Blackstone's fees and expenses shall be subject to the jurisdiction and approval of the Bankruptcy Court under section 328(a) of the Bankruptcy Code and any applicable fee and expense guideline orders, provided, however, that to the extent time records are required, Blackstone will keep them in one-half hour increments. In the event that Blackstone's engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of Blackstone hereunder as promptly as practicable in accordance with the terms hereof.

With respect to Blackstone's retention under sections 327 and 328 of the Bankruptcy Code, the Company acknowledges and agrees that Blackstone's restructuring expertise as **well** as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of Blackstone's engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of Blackstone's services hereunder could not be measured merely by reference to the number of hours to be expended by Blackstone's professionals in the performance of such services. The Company also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of Blackstone and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for Blackstone and that the actual time and commitment required of Blackstone and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which Blackstone may be required to address in the performance of its services hereunder, Blackstone's commitment to the variable level of time and **effort** necessary to address all such issues as they arise, and the market prices for Blackstone's services for engagements of this nature in an out-of-court context, the Company agrees that the fee arrangements hereunder (including the Monthly Fee, DIP Financing Fee, Restructuring Fee, Financing Fee and Transaction Fee) are reasonable under the standards set forth in 11 U.S.C. Section 328(a).

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The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking, services or transactions that may be undertaken by Blackstone at the request of the Company, including issuing fairness opinions except as provided herein or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between Blackstone and the appropriate party.

Except as contemplated by the terms hereof or as required by applicable law or legal process, Blackstone shall keep confidential all material non-public information provided to it by or at the request of the Company, and shall not disclose such information to any third party or to any of its employees or advisors except to those persons who have a need to know such information in connection with Blackstone's performance of its responsibilities hereunder and who are advised of the confidential nature of the information and who agree to keep such information confidential. The Company and Blackstone have entered into a separate confidentiality agreement dated November 30, 2001 (the "Confidentiality Agreement"), regarding this engagement.

The Company will furnish or cause to be furnished to Blackstone such information as Blackstone believes appropriate to its assignment (all such information so furnished being the "Information"). GX recognizes and confirms that Blackstone (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.

In the event that the Information belonging to the Company is stored electronically on Blackstone's computer systems, Blackstone shall not be liable for any damages resulting from unauthorized access, **misuse** or alteration of such information by persons not acting on its behalf, provided that Blackstone exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to the Company's information that it exercises with regard to its own most sensitive proprietary information.

Except as required by applicable law, any advice to be provided by Blackstone under this Agreement shall not be disclosed publicly or made available to third parties (other than, if appropriate, in the Company's judgement, to the Company's professional advisors, management and Board of Directors or in any filings in the Bankruptcy Court) without the prior written consent of **Blackstone**. All services, advice and information and reports provided by Blackstone to the Company in connection with this assignment shall be for the sole benefit of the Company and shall not be relied upon by any other person.

Mr. Dan J. Cohrs
Global Crossing Ltd.
January 28, 2002
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The Company acknowledges and agrees that Blackstone has been retained to act solely as financial advisor to the Company and does not in such capacity act for any other person. Any duties of Blackstone arising out of its engagement pursuant to this Agreement shall be owed solely to the Company.

In consideration of Blackstone's agreement to provide financial advisory services to the Company in connection with this Agreement, the Company agrees to indemnify Blackstone and its agents, representatives, members and employees. A copy of our standard form of indemnification agreement is attached to this Agreement as Attachment A.

In the event that, as a result of or in connection with Blackstone's engagement for the Company, Blackstone becomes involved in any legal proceeding or investigation or is required by government regulation, subpoena, or other legal process to produce documents, or to **make** its current or former personnel available as witnesses at deposition or trial, the Company **will** reimburse Blackstone for the reasonable fees and expenses of its counsel incurred in responding to such a request. Nothing in this paragraph shall affect in any way the Company's obligations pursuant to the separate indemnification agreement attached hereto.

Blackstone's engagement hereunder may be terminated upon 30 days' written notice without cause by either the Company or **Blackstone**; termination for cause by either party will occur forthwith. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, Blackstone's obligations under the Confidentiality Agreement and the limitation as to whom Blackstone shall owe any duties will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A, and (c) Blackstone shall be entitled to **the Restructuring Fee and/or Transaction Fee and/or Financing Fee and/or DIP Financing Fee** in the event that a Restructuring and/or Transaction and/or Financing and/or DIP Financing, respectively, is consummated at any time prior to the expiration of twelve full months following the termination of this Agreement.

Notwithstanding anything to the contrary provided elsewhere herein, none of the provisions of this Agreement shall in any way limit the activities of the private equity or other businesses of Blackstone and its affiliates in their businesses distinct from the restructuring advisory business of Blackstone provided that the Information is not shared with representatives of Blackstone and its affiliates who are not involved in the restructuring advisory business of Blackstone and that appropriate "Chinese wall" measures are taken to insure confidentiality. Notwithstanding the immediately preceding sentence, neither Blackstone nor any of its affiliates shall purchase, advise any third-party regarding a purchase or otherwise participate in the purchase of the Company's or any of its subsidiaries' stock, assets, claims or securities without the prior written consent of the Company.

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Mr. Dan J. Cohrs
Global Crossing Ltd.
January 28, 2002
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This Agreement (including the attached indemnification agreement and the Confidentiality Agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

The Company hereby agrees that any action or proceeding brought by the **Company** against Blackstone based hereon or arising out of Blackstone's engagement hereunder, shall be brought and maintained by the Company exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York or in the Bankruptcy Court. The Company irrevocably submits to the jurisdiction of the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York and appellate courts from any thereof for the purpose of any action or proceeding based hereon or arising out of Blackstone's engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. The Company hereby irrevocably waives, to the **fullest** extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

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Mr. Dan J. Cohn
Global Crossing Ltd.
January 28, 2002
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Please confirm that the foregoing correctly sets forth our agreement by signing and returning to Blackstone the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

THE BLACKSTONE GROUP L.P.

By: Arthur Newman

Name: Arthur Newman
Title: Senior Managing Director

Accepted and Agreed to as
of the date first written above:

GLOBAL CROSSING LTD.

By: [Signature]

Name: Dan J. Cohn
Title: Executive Vice President and
Chief Financial Officer

ATTACHMENT A

January 28, 2002

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154

INDEMNIFICATION AGREEMENT

Gentlemen:

This letter will confirm that Global Crossing Ltd. (together with its subsidiaries, but excluding Asia Global Crossing Ltd. and its subsidiaries, “GX” or the “Company”). have engaged The Blackstone Group L.P. (“Blackstone”) to advise and assist the Company in connection with the matters referred to in our letter of agreement dated as of **January 28, 2002** (the “Engagement Letter”). In consideration of your agreement to act on our behalf in connection with such matters, we agree to indemnify and hold harmless you and your affiliates and your and their respective partners (both general and limited), members, officers, directors, employees and agents and each other person, if any, controlling you or any of your affiliates (you and each such other person being an “Indemnified Party”) from and against any losses, claims, damages, expenses and liabilities whatsoever, whether they be joint or several, related to, arising out of or in connection **with** the engagement (the “Engagement”) under the Engagement Letter and will reimburse each Indemnified Party for **all** expenses (including reasonable fees, expenses and disbursements of counsel) as they are incurred in connection with investigation, preparing, pursuing, defending or assisting in the defense of any action, claim, suit, investigation or proceeding related to, arising out of or in connection with the Engagement or this agreement, whether or not pending or threatened, whether or not any Indemnified Party is a party, whether or not resulting in any liability and whether or not such action, claim, suit, investigation or proceeding is initiated or brought by us. We will not, however, be liable under the foregoing indemnification provision for any losses, **claims**, damages or liabilities (or expenses relating thereto) that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the bad faith, gross negligence or willful misconduct of Blackstone. We also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to us or our owners, parents, affiliates, security holders or creditors for or in connection with the Engagement except for any such liability for losses, claims, damages or liabilities incurred by us that are finally judicially determined by a court of

competent jurisdiction to have primarily resulted from the bad faith, gross negligence or willful misconduct of Blackstone.

If the indemnification provided, for in the preceding paragraph is for any reason unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to herein, then, in lieu of indemnifying such Indemnified Party hereunder, we shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (and expenses relating thereto) (i) in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by you, on the one hand, and us, on the other hand, from the Engagement or (ii) if and **only** if the allocation provided by clause (i) above is for any reason not available, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of each of you and us, as well as any other relevant equitable considerations; provided, however, to the extent permitted by applicable law, in no event shall your aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by you under the Engagement Letter. For the purposes of this agreement, the relative benefits to us and you of the Engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by us, our security holders and our creditors in the transaction or transactions that are subject to the Engagement, whether or not any such transaction is consummated, bears to (b) the fees paid or to be paid to Blackstone under the Engagement Letter.

Neither party to this agreement will, without the prior written consent of the other party (which consent will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (a "Judgment"), whether or not we or any Indemnified Party is an actual or potential party to such claim, action, suit or proceeding. In the event that we seek to settle or compromise or consent to the entry of any Judgment, we agree that such settlement, compromise or consent shall include an unconditional release of Blackstone and each other Indemnified Party hereunder from all liability arising out of such claim, action, suit or proceeding.

Promptly after receipt by an Indemnified Party of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify us in writing of such complaint or of the commencement of such action or proceeding, but failure to so notify us will not relieve us from any liability which we may have hereunder or otherwise, except to the extent that such failure materially prejudices our rights. If we so elect or are requested by such Indemnified Party, we will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to Blackstone and the payment of the fees and disbursements of such counsel.

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In the event, however, such Indemnified Party **reasonably** determines in its judgment that having common counsel would present such counsel with a conflict of interest or if we fail to assume the defense of the action or proceeding in a timely mariner, then such Indemnified Party may employ separate counsel reasonably satisfactory to us to represent or defend it in any such action or proceeding and we will pay the fees and disbursements of such counsel; provided, however, that we will not be required to pay the fees and disbursements of more than one separate counsel for all Indemnified Parties in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which we assume, the Indemnified Party will have the right to participate in such litigation and to retain its own counsel at such Indemnified Party's own expense.

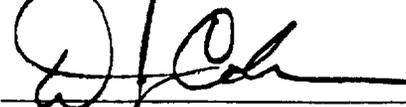
The foregoing reimbursement, indemnity and contribution obligations of the Company under this agreement shall be in addition to any rights that an Indemnified Party may have at common law or otherwise, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company and such Indemnified Party.

The provisions of this agreement shall apply to the Engagement and any written modification of the Engagement and shall remain in **full** force and effect regardless of any **termination** or the completion of your services under the Engagement Letter.

This agreement and the Engagement Letter shall be governed by and construed in **ac ordance** with the laws of the state of New York applicable to contracts executed in and to be **performed** in that state.

Very truly yours,

GLOBAL CROSSING LTD

By: 

Name: Dan J. Cohrs

Title: **Executive Vice President and Chief Financial Officer**

Accepted and Agreed
to as of the date first
written above:

THE BLACKSTONE GROUP L.P.

By: 

Name: Arthur Newman

Title: Senior Managing Director

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 :
 : **Chapter 11 Case Nos.**
 :
GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
 : **02-40241 (REG)**
 :
 : **(Jointly Administered)**
 :
 :
-----X

**FINAL ORDER PURSUANT TO 11 U.S.C. § 327(a) AND 328(a) AUTHORIZING
THE EMPLOYMENT AND RETENTION OF THE BLACKSTONE GROUP L.P.
AS FINANCIAL ADVISOR FOR THE DEBTORS AND DEBTORS-IN-POSSESSION**

Upon consideration of the application (the “Application”) of the debtors and debtors-in-possession in the above-captioned chapter 11 cases (the “Debtors”), for entry of an order authorizing the Debtors to employ and retain The Blackstone Group L.P. (“Blackstone”) as their financial advisors, and upon the affidavits of Arthur B. Newman, Senior Managing Director, and Robert J. Gentile, Compliance Manager, of Blackstone (the “Newman Affidavit” and “Gentile Affidavit”, respectively), and the Court being satisfied, based on the representations made in the Application and in the Newman Affidavit and the Gentile Affidavit, that Blackstone does not hold or represent an interest adverse to the Debtors’ estates and is a “disinterested person”, as that term is defined under Section 101(14) of Title 11 of the United States Code (as amended, the “Bankruptcy Code”), as modified by Section 1107(b) of the Bankruptcy Code, and that the employment of Blackstone is necessary and would be in the best interests of the Debtors, their creditors and estates; and the Court being satisfied that the terms of compensation being sought by Blackstone, as described in the Engagement Letter

attached hereto as Exhibit A (the “Letter Agreement”), are reasonable; and notice of the requested relief having been served on all creditors; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, that the Debtors are authorized, effective as of the commencement of these cases, to employ and retain Blackstone as their financial advisors, on the terms set forth in the Letter Agreement; and it is further

ORDERED, that all compensation and reimbursement of expenses to be paid to Blackstone, shall be subject to prior approval of this Court in accordance with the requirements under Sections 330 and 331 of the Bankruptcy Code and the order of this Court which establishes procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED, except as provided in the following decretal paragraph that the terms of the Monthly Fee, DIP Financing Fee, Financing Fee and Transaction Fee, each as defined in the Letter Agreement, shall not hereafter be subject to challenge except under the standard of review set forth in Section 328(a) of the Bankruptcy Code; and it is further

ORDERED, that the United States Trustee retains all rights to object to Blackstone’s interim and final fee applications (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in Section 330 of the Bankruptcy Code; and it is further

ORDERED, that all requests of Blackstone for payment of indemnity pursuant to the Letter Agreement shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that

payment of such indemnity conforms to the terms of the Letter Agreement and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Blackstone be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; and it is further

ORDERED, that in no event shall Blackstone be indemnified if the Debtor or a representative of the estate, asserts a claim for, and a court determines by final order that such claim arose out of, Blackstone's own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct; and it is further

ORDERED, that in the event that Blackstone seeks reimbursement for attorneys' fees from the Debtors pursuant to the Letter Agreement, the invoices and supporting time records from such attorneys shall be included in Blackstone's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of Sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under Section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy Section 330(a)(3)(C) of the Bankruptcy Code; and it is further

ORDERED, that to the extent this Order is inconsistent with the Letter Agreement, this Order shall govern.

Dated: April 16, 2002
New York, New York

/s/ Robert E. Gerber
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

The Letter Agreement

The Blackstone Group

As of January 28, 2002

Mr. Dan J. Cohrs
Executive Vice President and
Chief Financial Officer
Global Crossing Ltd.
360 North Crescent Drive
Beverly Hills, CA 90210

Dear Dan:

This letter confirms the understanding and agreement (the "Agreement") between The Blackstone Group L.P. ("Blackstone") and Global Crossing Ltd. (together with its subsidiaries, but excluding Asia Global Crossing Ltd. and its subsidiaries, "GX" or the "Company") regarding the retention of Blackstone on an exclusive basis by the Company effective as of January 28, 2002 (the "Effective Date") as its financial advisor for the purposes set forth herein.

Under this Agreement, Blackstone will provide financial advisory services to the Company in connection with a possible Restructuring (defined below) of certain liabilities of the Company, a possible investment in the Company in the form of debt or equity securities (a "Financing"), a possible arranging of debtor-in-possession ("DIP") financing for the Company (a "DIP Financing"), the sale, merger, or other disposition of all or a portion of the Company or its assets (a "Transaction"), and will assist the Company in analyzing, structuring, negotiating, and effecting the Restructuring, Transaction, Financing or DIP Financing pursuant to the terms and conditions of this Agreement. As used in this Agreement, the term "Restructuring" shall mean, collectively, any restructuring, reorganization (pursuant to Chapter 11 of the United States Bankruptcy Code) and/or recapitalization of the Company affecting existing or potential debt obligations or other claims including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, preferred stock, etc. (collectively, the "Obligations"), or any amendments to the terms or conditions of the Obligations.

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154
212 583 5000

The financial advisory services to be rendered by Blackstone include the following:

- (a) Assist in the evaluation of the Company's businesses and prospects;
- (b) Assist in the development of the Company's long-term business plan and related financial projections;
- (c) Assist in the development of financial data and presentations to the Company's Board of Directors, various creditors and other third parties;
- (d) Analyze the Company's financial liquidity and evaluate alternatives to improve such liquidity;
- (e) Evaluate the Company's debt capacity and alternative capital structures;
- (f) Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Company and the recoveries of those stakeholders impacted by the Restructuring;
- (g) Provide strategic advice with regard to restructuring or refinancing the Company's Obligations;
- (h) Participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- (i) Value securities offered by the Company in connection with a Restructuring;
- (j) Assist in arranging DIP Financing, as requested;
- (k) Assist in the arranging of a Financing including identifying potential sources of capital, assisting in the due diligence process and negotiating the terms of any proposed Financing, as requested;
- (l) Assist the Company in executing a Transaction **including** identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed Transaction, as requested;
- (m) **If required**, provide fairness opinions related to Transactions, **Financings** or Restructurings for which Blackstone shall have earned a fee;

- (n) Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required, and
- (o) Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

Notwithstanding anything contained in this agreement to the contrary, Blackstone shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. Blackstone makes no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Restructuring. Blackstone is retained under this Agreement **solely** to provide advice regarding a Restructuring, Financing, DIP Financing or Transaction, and is not "crisis management."

All fees and expenses payable to Blackstone pursuant to this engagement letter shall be payable solely by GX. The Company agrees to pay the following fees to Blackstone for its financial advisory services:

- (i) commencing March 16, 2002, a monthly advisory fee (the "Monthly Fee") in the amount of \$200,000 in cash, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15th day of each month;
- (ii) a DIP Financing fee (the "DIP Financing Fee") of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;

- (iii) a financing fee (the "Financing Fee") upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from those entities known as Harp and/or Symphony, Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor **earn** a fee with respect to an Accounts Receivable **Securitization**;

Financing Fee Table

Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%
\$1,500 or more	1.600%

- (iv) upon the consummation of a Transaction, a transaction fee (the "Transaction Fee") payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration (as defined below). For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction;

Transaction Fee Table

Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

In this Agreement, "Consideration" means the gross value of all cash, securities and other properties paid or payable by the acquirer, merger partner or other entity with which the Company is completing a Transaction ("Transaction Party"), directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid (A) pursuant to covenants not to compete, employment contracts, employee benefit plans or other similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Consideration shall also include the face amount of any liabilities or preferred stock (including indebtedness for borrowed money and the amount set forth in the Company's financial statements for any pension liabilities and guarantees but excluding **short-term** working capital liabilities) indirectly or directly assumed or acquired, or, if with funds provided by the Transaction Party, otherwise repaid or retired, in connection with or in anticipation of the Transaction. If the Transaction takes the form of a purchase of assets, Consideration shall also include (i) the value of any current assets not purchased, minus (ii) the value of any current liabilities not assumed. Consideration shall also include the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the closing of the Transaction. If the Consideration to be paid is computed in any other currency than U.S. dollars, the value of such foreign **currency** shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Consideration is paid.

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Fees on amounts paid into escrow will be payable upon the establishment of such escrow. If the Consideration in connection with any transaction may be increased by payments related to future events, the portion of our fees relating to such contingent payments will be calculated and payable if and when such contingent payments are made.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable as part of the Consideration shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of the securities that are not freely tradable or have no established public market or, if the Consideration utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto; and

- (v) upon the completion of a Restructuring, an additional fee (the "Restructuring Fee") equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (i), (ii), (iii) and (v) of this Agreement shall be capped at \$25 million (the "Cap"). Provided further, however, that if Blackstone **earns** a Transaction Fee with respect to a sale of a significant interest in, all or **substantially** all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (i), (ii), (iii) and (v), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (iv) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization; and
- (vi) reimbursement of all necessary and reasonable out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing and communication charges, courier services, working meals, reasonable fees and expenses of Blackstone's counsel and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay Blackstone upon execution of this agreement and maintain thereafter a \$25,000 expense advance for which Blackstone shall account upon termination of this Agreement.

The Company shall use its best efforts to promptly apply to the bankruptcy court having jurisdiction over the Chapter 11 case or cases (the "Bankruptcy Court") for the approval pursuant

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to sections 327 and 328 of the Bankruptcy Code of (A) this Agreement and (B) Blackstone's retention by the Company as appropriate under the terms of this Agreement and subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Company shall supply Blackstone with a draft of such application and any proposed order authorizing Blackstone's retention sufficiently in advance of the filing of such application and proposed order to enable Blackstone and its counsel to review and comment thereon. Blackstone shall have no obligation to provide any services under this Agreement unless Blackstone's retention under the terms of this Agreement is approved under section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to Blackstone in all respects. Blackstone acknowledges that in the event that the Bankruptcy Court approves its retention by the Company as appropriate, Blackstone's fees and expenses shall be subject to the jurisdiction and approval of the Bankruptcy Court under section 328(a) of the Bankruptcy Code and any applicable fee and expense guideline orders, provided, however, that to the extent time records are required, Blackstone will keep them in one-half hour increments. In the event that Blackstone's engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of Blackstone hereunder as promptly as practicable in accordance with the terms hereof.

With respect to Blackstone's retention under sections 327 and 328 of the Bankruptcy Code, the Company acknowledges and agrees that Blackstone's restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of Blackstone's engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of Blackstone's services hereunder could not be measured merely by reference to the number of hours to be expended by Blackstone's professionals in the performance of such services. The Company also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of Blackstone and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for Blackstone and that the actual time and commitment required of Blackstone and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which Blackstone may be required to address in the performance of its services hereunder, Blackstone's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Blackstone's services for engagements of this nature in an out-of-court context, the Company agrees that the fee arrangements hereunder (including the Monthly Fee, DIP Financing Fee, Restructuring Fee, Financing Fee and Transaction Fee) are reasonable under the standards set forth in 11 U.S.C. Section 328(a).

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The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking, services or transactions that may be undertaken by Blackstone at the request of the Company, including issuing fairness opinions except as provided herein or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between Blackstone and the appropriate party.

Except as contemplated by the terms hereof or as required by applicable law or legal process, Blackstone shall keep confidential all material non-public information provided to it by or at the request of the Company, and shall not disclose such information to any third party or to any of its employees or advisors except to those persons who have a need to know such information in connection with Blackstone's performance of its responsibilities hereunder and who are advised of the confidential nature of the information and who agree to keep such information confidential. The Company and Blackstone have entered into a separate confidentiality agreement dated November 30, 2001 (the "Confidentiality Agreement"), regarding this engagement.

The Company will furnish or cause to be furnished to Blackstone such information as Blackstone believes appropriate to its assignment (all such information so furnished being the "Information"). GX recognizes and confirms that Blackstone (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.

In the event that the Information belonging to the Company is stored electronically on Blackstone's computer systems, Blackstone shall not be liable for any damages resulting from unauthorized access, **misuse** or alteration of such information by persons not acting on its behalf, provided that Blackstone exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to the Company's information that it exercises with regard to its own most sensitive proprietary information.

Except as required by applicable law, any advice to be provided by Blackstone under this Agreement shall not be disclosed publicly or made available to third parties (other than, if appropriate, in the Company's judgement, to the Company's professional advisors, management and Board of Directors or in any filings in the Bankruptcy Court) without the prior written consent of **Blackstone**. All services, advice and information and reports provided by Blackstone to the Company in connection with this assignment shall be for the sole benefit of the Company and shall not be relied upon by any other person.

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The Company acknowledges and agrees that Blackstone has been retained to act solely as financial advisor to the Company and does not in such capacity act for any other person. Any duties of Blackstone arising out of its engagement pursuant to this Agreement shall be owed solely to the Company.

In consideration of Blackstone's agreement to provide financial advisory services to the Company in connection with this Agreement, the Company agrees to indemnify Blackstone and its agents, representatives, members and employees. A copy of our standard form of indemnification agreement is attached to this Agreement as Attachment A.

In the event that, as a result of or in connection with Blackstone's engagement for the Company, Blackstone becomes involved in any legal proceeding or investigation or is required by government regulation, subpoena, or other legal process to produce documents, or to **make** its current or former personnel available as witnesses at deposition or trial, the Company will reimburse Blackstone for the reasonable fees and expenses of its counsel incurred in responding to such a request. Nothing in this paragraph shall affect in any way the Company's obligations pursuant to the separate indemnification agreement attached hereto.

Blackstone's engagement hereunder may be terminated upon 30 days' written notice without cause by either the Company or **Blackstone**; termination for cause by either party will occur forthwith. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, Blackstone's obligations under the Confidentiality Agreement and the limitation as to whom Blackstone shall owe any duties will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A, and (c) Blackstone shall be entitled to **the** Restructuring Fee and/or Transaction Fee and/or Financing Fee and/or DIP Financing Fee in the event that a Restructuring and/or Transaction and/or Financing and/or DIP Financing, respectively, is consummated at any time prior to the expiration of twelve full months following the termination of this Agreement.

Notwithstanding anything to the contrary provided elsewhere herein, none of the provisions of this Agreement shall in any way limit the activities of the private equity or other businesses of Blackstone and its affiliates in their businesses distinct from the restructuring advisory business of Blackstone provided that the Information is not shared with representatives of Blackstone and its affiliates who are not involved in the restructuring advisory business of Blackstone and that appropriate "Chinese wall" measures are taken to insure confidentiality. Notwithstanding the immediately preceding sentence, neither Blackstone nor any of its affiliates shall purchase, advise any third-party regarding a purchase or otherwise participate in the purchase of the Company's or any of its subsidiaries' stock, assets, claims or securities without the prior written consent of the Company.

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This Agreement (including the attached indemnification agreement and the Confidentiality Agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

The Company hereby agrees that any action or proceeding brought by the **Company** against Blackstone based hereon or arising out of Blackstone's engagement hereunder, shall be brought and maintained by the Company exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York or in the Bankruptcy Court. The Company irrevocably submits to the jurisdiction of the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York and appellate courts from any thereof for the purpose of any action or proceeding based hereon or arising out of Blackstone's engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. The Company hereby irrevocably waives, to the **fullest** extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

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Please confirm that the foregoing correctly sets forth our agreement by signing and returning to Blackstone the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

THE BLACKSTONE GROUP L.P.

By: Arthur Newman

Name: Arthur Newman
Title: Senior Managing Director

Accepted and Agreed to as
of the date first written above:

GLOBAL CROSSING LTD.

By: [Signature]

Name: Dan J. Cohns
Title: Executive Vice President and
Chief Financial Officer

ATTACHMENT A

January 28, 2002

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154

INDEMNIFICATION AGREEMENT

Gentlemen:

This letter will confirm that Global Crossing Ltd. (together with its subsidiaries, but excluding Asia Global Crossing Ltd. and its subsidiaries, "GX" or the "Company"). have engaged The Blackstone Group L.P. ("Blackstone") to advise and assist the Company in connection with the matters referred to in our letter of agreement dated as of **January 28, 2002** (the "Engagement Letter"). In consideration of your agreement to act on our behalf in connection with such matters, we agree to indemnify and hold harmless you and your affiliates and your and their respective partners (both general and limited), members, officers, directors, employees and agents and each other person, if any, controlling you or any of your affiliates (you and each such other person being an "Indemnified Party") from and against any losses, claims, damages, expenses and liabilities whatsoever, whether they be joint or several, related to, arising out of or in connection with the engagement (the "Engagement") under the Engagement Letter and will reimburse each Indemnified Party for **all** expenses (including reasonable fees, expenses and disbursements of counsel) as they are incurred in connection with investigation, preparing, pursuing, defending or assisting in the defense of any action, claim, suit, investigation or proceeding related to, arising out of or in connection with the Engagement or this agreement, whether or not pending or threatened, whether or not any Indemnified Party is a party, whether or not resulting in any liability and whether or not such action, claim, suit, investigation or proceeding is initiated or brought by us. We will not, however, be liable under the foregoing indemnification provision for any losses, **claims**, damages or liabilities (or expenses relating thereto) that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the bad faith, gross negligence or willful misconduct of Blackstone. We also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to us or our owners, parents, affiliates, security holders or creditors for or in connection with the Engagement except for any such liability for losses, claims, damages or liabilities incurred by us that are finally judicially determined by a court of

competent jurisdiction to have primarily resulted from the bad faith, gross negligence or willful misconduct of Blackstone.

If the indemnification provided, for in the preceding paragraph is for any reason unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to herein, then, in lieu of indemnifying such Indemnified Party hereunder, we shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (and expenses relating thereto) (i) in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by you, on the one hand, and us, on the other hand, from the Engagement or (ii) if and **only** if the allocation provided by clause (i) above is for any reason not available, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of each of you and us, as well as any other relevant equitable considerations; provided, however, to the extent permitted by applicable law, in no event shall your aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by you under the Engagement Letter. For the purposes of this agreement, the relative benefits to us and you of the Engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by us, our security holders and our creditors in the transaction or transactions that are subject to the Engagement, whether or not any such transaction is consummated, bears to (b) the fees paid or to be paid to Blackstone under the Engagement Letter.

Neither party to this agreement will, without the prior written consent of the other party (which consent will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (a "Judgment"), whether or not we or any Indemnified Party is an actual or potential party to such claim, action, suit or proceeding. In the event that we seek to settle or compromise or consent to the entry of any Judgment, we agree that such settlement, compromise or consent shall include an unconditional release of Blackstone and each other Indemnified Party hereunder from all liability arising out of such claim, action, suit or proceeding.

Promptly after receipt by an Indemnified Party of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify us in writing of such complaint or of the commencement of such action or proceeding, but failure to so notify us will not relieve us from any liability which we may have hereunder or otherwise, except to the extent that such failure materially prejudices our rights. If we so elect or are requested by such Indemnified Party, we will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to Blackstone and the payment of the fees and disbursements of such counsel.

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In the event, however, such Indemnified Party **reasonably** determines in its judgment that having common counsel would present such counsel with a conflict of interest or if we fail to assume the defense of the action or proceeding in a timely manner, then such Indemnified Party may employ separate counsel reasonably satisfactory to us to represent or defend it in any such action or proceeding and we will pay the fees and disbursements of such counsel; provided, however, that we will not be required to pay the fees and disbursements of more than one separate counsel for all Indemnified Parties in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which we assume, the Indemnified Party will have the right to participate in such litigation and to retain its own counsel at such Indemnified Party's own expense.

The foregoing reimbursement, indemnity and contribution obligations of the Company under this agreement shall be in addition to any rights that an Indemnified Party may have at common law or otherwise, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company and such Indemnified Party.

The provisions of this agreement shall apply to the Engagement and any written modification of the Engagement and shall remain in **full** force and effect regardless of any termination or the completion of your services under the Engagement Letter.

This agreement and the Engagement Letter shall be governed by and construed in accordance with the laws of the state of New York applicable to contracts executed in and to be performed in that state.

Very truly yours,

GLOBAL CROSSING LTD

By: 

Name: Dan J. Cohrs

Title: Executive Vice President and
Chief Financial Officer

Accepted and Agreed
to as of the date first
written above:

THE BLACKSTONE GROUP L.P.

By: 
Name: Arthur Newman
Title: Senior Managing Director