

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of August 15, 2005, by and among ICO North America, Inc., a corporation incorporated under the laws of the state of Delaware (the "Company"), the subsidiaries of the Company listed on the signature page hereto (collectively, the "Guarantors"), and the Purchaser listed on the signature page hereto (the "Purchaser").

WHEREAS:

A. The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) of the United States Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act.

B. The Company has authorized the issuance and sale of up to \$650,000,000 in aggregate principal amount of its 7½% senior secured convertible notes (the "Notes"), which Notes shall be convertible into shares (the "Conversion Shares" and, together with the Notes, the "Securities") of the Company's Class A Common Stock, par value \$0.0001 per share (the "Class A Common Stock"), in accordance with the terms of an Indenture (the "Indenture"), to be dated the Closing Date (as defined below), among the Company, the Guarantors, and The Bank of New York, as trustee (the "Trustee").

C. The Purchaser wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, that aggregate principal amount of Notes set forth on Annex A hereto.

D. The Notes will be secured by a first priority security interest in substantially all of the assets of the Company and its Subsidiaries (as defined below) and all of the capital stock of the Company, subject to certain exceptions, as evidenced by, among other things, a collateral trust agreement, to be dated the Closing Date, among the Company, the Guarantors, ICO Global Communications (Holdings) Limited ("Parent"), and The Bank of New York, as collateral agent (the "Collateral Trust Agreement"), and a first priority security interest in the escrow account into which the Company will deposit an amount of cash sufficient to make the first four interest payments on the Notes pursuant to an escrow agreement, to be dated the Closing Date, between the Company and an escrow agent to be named therein (the "Escrow Agreement").

E. Each Guarantor and each future Subsidiary of the Company will fully and unconditionally guarantee the Notes, as set forth in the Indenture (the "Guarantee").

F. Holders of the Securities will be entitled to the benefits of certain registration rights as set forth in a registration rights agreement, to be dated the Closing Date (the "Registration Rights Agreement"), among ICO, the Guarantors, the Purchaser and the other purchasers of the Notes (collectively, the "Note Purchasers").

NOW, THEREFORE, the Company and the Purchaser hereby agree as follows:

1. PURCHASE AND SALE OF NOTES.

(a) Purchase of Notes.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Sections 5 and 6 below, at the closing (the "Closing") the Company shall issue and sell to the Purchaser, and the Purchaser agrees to purchase from the Company on the Closing Date (as defined below), the principal amount of Notes set forth on Annex A hereto.

(ii) Closing. The date and time of the Closing (the "Closing Date") shall be 10:00 a.m., New York City time, on August 15, 2005 (or, subject to Section 7 hereof, such later date as is mutually agreed to by the Company and the Purchaser *provided, however*, that if the Closing has not taken place on the Closing Date because of a failure to satisfy one or more of the conditions specified in Section 5 or Section 6 hereof, "Closing Date" shall mean 10:00 a.m., New York City Time, on the first business day following satisfaction or waiver of all such conditions) after notification of satisfaction (or waiver) of the conditions to the Closing set forth in Sections 5 and 6 below at the offices of Davis Wright Tremaine LLP, 1633 Broadway, 27th Floor, New York, New York 10019.

(iii) Purchase Price. The purchase price for the Notes to be purchased by the Purchaser at the Closing (the "Purchase Price") shall be 100% of the aggregate principal amount thereof, as set forth on Annex A hereto; *provided, however*, that if the Purchaser defaults on its obligation to purchase the Notes on the Closing Date, and the Closing Agent (as defined below), determines in its sole discretion to purchase the Notes on behalf of the Purchaser as permitted by Section 1(c)(iv), the Purchase Price for the Notes shall be as specified in Section 1(c)(v).

(b) Form of Payment. On the Closing Date, (i) the Purchaser shall pay before 12:00 p.m., New York City time, on such date the Purchase Price to the Closing Agent by wire transfer of immediately available funds in accordance with the wire instructions set forth on Annex B hereto and (ii) the Company shall deliver or cause to be delivered the Notes that the Purchaser is purchasing to the Purchaser (for the account of the Purchaser as the Purchaser shall instruct) duly executed on behalf of the Company and registered in the name of the Purchaser or its designee.

(c) Closing Mechanics.

(i) One business day prior to the Closing, Jefferies & Co., Inc., as closing agent (in such capacity, the "Closing Agent") will contact the contact person for the Purchaser listed on Annex A hereto to confirm that the Closing is to take place and the closing mechanics set forth herein.

(ii) At least one business day prior to the Closing Date, the Company will deliver to the Closing Agent duly executed certificates for the Notes, registered in the name(s) set forth on Annex A hereto. The Closing Agent shall hold such certificates in escrow for the benefit of the Company until released by the Company for issuance and sale as provided in Section 1(b).

(iii) On or before 12:00 p.m., New York City time, on the Closing Date, the Purchaser will pay the Purchase Price to the Closing Agent as required by Section 1(b), upon receipt of which the Closing Agent will deliver or cause to be delivered to the Purchaser the Notes to be purchased by the Purchaser at the address specified on Annex A hereto.

(iv) In the event that the Purchaser shall fail to deliver all or any portion of the Purchase Price on or before 12:00 p.m., New York City time, on the Closing Date as required by Section 1(b), the Closing Agent shall be permitted (but shall not be obligated), in its sole discretion, to fund the Purchase Price of the Notes on behalf of the Purchaser; *provided, however*, that the funding of the purchase of any Notes by the Closing Agent pursuant to this Section 1(c)(iv) shall not relieve the Purchaser of any liability that it may have to the Company or the Closing Agent pursuant to this Agreement or for the breach of its obligations under this Agreement. In any such case in which the Closing Agent, in its sole discretion, has elected to fund the Purchase Price of the Notes on behalf of the Purchaser, if the Purchaser has not fulfilled its obligation to purchase the Notes as set forth herein within two business days of the Closing Date, the Closing Agent shall thereafter be entitled to retain the certificates representing the Notes and, if so requested by the Closing Agent, the Company shall transfer registration of such Notes to or as directed by the Closing Agent.

(v) In the event that the Closing Agent shall have funded the purchase of the Notes on behalf of the Purchaser under the circumstances set forth in clause (iv) above, the Purchaser shall be obligated to repay the Closing Agent in exchange for the release of the Notes to the Purchaser at a Purchase Price for the Notes equal to 100% of the aggregate principal amount thereof, plus accrued interest from the Closing Date; *provided, however*, that if the Closing Agent has funded such purchase on behalf of the Purchaser, and the Purchaser subsequently makes payment to the Closing Agent before 11:59 p.m., New York City time, on the Closing Date, the Purchase Price shall equal 100% of the principal amount of the Notes plus an amount equal to the Closing Agent's cost of intraday funds for such Purchase Price.

(d) Funds received by the Closing Agent on behalf of the Company pursuant to this Section 1 (or funded by the Closing Agent in its sole discretion pursuant to Section 1(c)(iv)) will be held in trust and not as property of the Closing Agent. On the Closing Date, or as soon as reasonably practicable thereafter, the Closing Agent shall disburse such funds (net of the agreed amount of fees and expenses of the placement agents) by wire transfer of immediately available funds in accordance with the Company's written wire instructions, unless otherwise agreed to by the Company and the Closing Agent.

2. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

The Purchaser represents and warrants that:

(a) No Public Sale or Distribution. The Purchaser is acquiring the Notes and, upon conversion of the Notes, will acquire the Conversion Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in a manner that would violate the Securities Act; *provided, however*, that by making the representations herein, the Purchaser does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in

accordance with or pursuant to a registration statement or an exemption under the Securities Act and subject to the terms of the Notes and the Indenture. The Purchaser is acquiring the Securities hereunder in the ordinary course of its business. The Purchaser does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities. As used in this Agreement, "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(b) Institutional Purchaser Status. The Purchaser is a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) under the Securities Act (a "Qualified Institutional Buyer"). The Purchaser is not an entity formed for the sole purpose of acquiring the Securities.

(c) Reliance on Exemptions. The Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities.

(d) No General Solicitation or Advertising. The Purchaser acknowledges that it is not purchasing the Notes as a result of any general solicitation or general advertising, as such terms are used in Regulation D under the Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(e) Independent Evaluation. The Purchaser has independently evaluated the merits of its decision to purchase the Notes, and the Purchaser confirms that it has not relied on the advice of or any representations by Jefferies & Company, Inc. or UBS Securities LLC in making such decision.

(f) Information. The Purchaser acknowledges that the Company has offered the Purchaser and its advisors, if any, access to all the materials set forth on Annex 1 and the information set forth on Schedule 2(f) and any other materials relating to the business, finances and operations of the Company or relating to the offer and sale of the Securities specifically requested by the Purchaser. The Purchaser and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by the Purchaser or its advisors, if any, or its representatives shall modify, amend or affect the Purchaser's right to rely on the Company's representations and warranties contained herein. The Purchaser understands that its investment in the Securities involves a high degree of risk and is able to bear the economic risk of such investment. The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities and has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(g) No Governmental Review. The Purchaser understands that no United States agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(h) Transfer or Resale. The Purchaser understands that: (i) the Securities have not been and will not be registered under the Securities Act or any state securities laws; (ii) the Purchaser agrees that if it decides to offer, sell or otherwise transfer any of the Securities, such Securities may be offered, sold or otherwise transferred only: (A) pursuant to an effective registration statement under the Securities Act; (B) to the Company; (C) outside the United States in accordance with Regulation S under the Securities Act and in compliance with local laws; or (D) within the United States (1) in accordance with the exemption from registration under the Securities Act provided by Rule 144A thereunder, if available, and in compliance with any applicable state securities laws, (2) in accordance with the exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws, or (3) in a transaction that does not require registration under the Securities Act or applicable state securities laws.

(i) Legend(s). The Purchaser understands that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the Securities Act or applicable state securities laws, the certificates or other instruments representing the Notes and, unless no longer applicable at the time of issuance, the Conversion Shares, and all certificates or other instruments issued in exchange therefor or in substitution thereof, shall bear the legend(s) set forth in the Indenture, and that the Company will make a notation on its records and give instructions to the Trustee and any transfer agent of the Class A Common Stock in order to implement the restrictions on transfer set forth and described herein.

(j) Filings. If required by applicable securities legislation, regulatory policy or order, or if required or requested by any securities commission, stock exchange or other regulatory authority, at the request of and at the sole expense of the Company, the Purchaser will use commercially reasonable efforts to execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Securities.

(k) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(l) Residency. For purposes of U.S. securities laws, the Purchaser is a resident of that jurisdiction specified on Annex A hereto.

..... (m) United States Federal Taxation. The Purchaser understands and acknowledges that the Notes will bear original issue discount for U.S. federal income tax purposes.

Important Note: Any discussion of tax matters contained herein is not intended or written by the Company or any of its advisors to be used, and it cannot be used, by the Purchaser or any other Person for the purpose of avoiding penalties that may be imposed under United States federal income tax law. Any such discussion was written to support the promotion or marketing of the Notes in the offering contemplated by this Agreement. The Company advises each Purchaser to seek advice concerning the tax aspects of and tax considerations involved in acquiring and holding the Notes from an independent tax adviser. The Purchaser acknowledges that it has sought such independent tax advice as it has considered necessary to make an informed investment decision with respect to the U.S. federal income tax consequences, as well as with respect to the laws of any state, local or foreign jurisdiction that are applicable to the Purchaser, of owning and disposing of the Notes.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE GUARANTORS.

Each of the Company and the Guarantors represents and warrants to the Purchaser that:

(a) Organization and Qualification. The Company and its Subsidiaries are entities duly organized and validly existing in good standing under the laws of the jurisdiction in which they are formed, and have the requisite organizational power and authorization to own or lease their properties and to carry on their business as now being conducted and as proposed to be conducted in the Confidential Information Memorandum of the Company, dated July 2005. Each of the Company and its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means any material adverse effect on the business, properties, assets, operations, results of operations, financial condition or prospects of the Company and its Subsidiaries, taken as a whole, or on the transactions contemplated hereby. Set forth on Schedule 3(a) is a true, correct and complete list of all Subsidiaries of the Company. Other than the Subsidiaries set forth on Schedule 3(a), neither the Company nor any of its Subsidiaries (i) has or holds, either directly or indirectly, any capital or any other equity securities or interest in, or control (whether by the ownership or control or direction of any securities or any other voting or participating interest or by contract) of, any other person or entity or (ii) is obligated to make or be bound by any written, oral or other agreement, contract or understanding of any nature as of the date hereof or as may hereinafter be in effect under which it may become obligated to make any future investment in, or capital contribution to, any other person or entity. For purposes of this Agreement, "Subsidiary" means: (A) any corporation, association or other business entity, 50% or more of whose total voting power of shares or interests entitled to vote in the election of directors, managers or trustees is owned or controlled, directly or indirectly, by the Company or by one or more of its Subsidiaries, or by the Company and by one or more of its Subsidiaries, and includes each of the companies identified in Schedule

3(a) as a Subsidiary; and (B) any partnership of which the Company or any of its Subsidiaries is the sole general partner, the managing general partner or the only general partners.

(b) Authorization; Enforcement; Validity. Each of the Company and the Guarantors (to the extent that they are parties) has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Notes, the Indenture, the Collateral Trust Agreement, the Escrow Agreement, the Registration Rights Agreement, the Guarantee, and each of the other agreements entered into by the parties hereto in connection with the transactions contemplated by this Agreement (collectively, the "Transaction Documents") and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of the Transaction Documents by each of the Company and the Guarantors (as applicable) and the consummation by the Company and the Guarantors (as applicable) of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Notes, the reservation for issuance of the Class A Common Stock and the issuance of the Conversion Shares issuable upon conversion of the Notes, and the granting of a security interest in the Pledged Collateral (as defined in the Collateral Trust Agreement), have been duly authorized by the Company's or the Guarantor's (as applicable) Board of Directors and (other than (i) the filing of appropriate UCC financing statements and analogous registrations with the appropriate states, provinces and other authorities pursuant to the Transaction Documents, (ii) the filing of a Form D with respect to the Notes as required under Regulation D, (iii) such filings required under applicable securities or "Blue Sky" laws of the states of the United States, (iv) such consents, approvals, authorizations and registrations under the Securities Act with respect to the registration of the Securities pursuant to the Registration Rights Agreement, (v) such filings as may be required under any rule or regulation promulgated by the Federal Communications Commission, and (vi) the consents set forth on Schedule 3(b) (all of the foregoing, the "Required Approvals")) no further filing, consent, or authorization is required by the Company or the Guarantors, their respective Boards of Directors or their respective stockholders in connection therewith. This Agreement and the other Transaction Documents of even date herewith have been duly executed and delivered by the Company and each of the Guarantors (as applicable) and constitute the legal, valid and binding obligations of the Company and the Guarantors (as applicable), enforceable against the Company or the Guarantors (as applicable) in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The other Transaction Documents, when validly executed and delivered by the Company and each of the Guarantors (as applicable), will constitute the legal, valid and binding obligations of the Company and the Guarantors (as applicable), enforceable against the Company or the Guarantors (as applicable) in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies, and except that the enforcement of any rights to indemnity and contribution in the Registration Rights Agreement may be limited by federal and state securities laws and the principles of public policy underlying those laws.

(c) Issuance of Securities. The Notes have been duly authorized by the Company, and when duly executed, authenticated, issued and delivered as provided in the

Indenture (assuming due authentication of the Notes by the Trustee) and paid for as provided herein, will be free from all taxes, liens and charges with respect to the issuance (but not the acquisition, holding or disposition) thereof and will constitute legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles of materiality, commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity). Upon issuance and delivery of the Notes in accordance with the terms of this Agreement and the Indenture, the Notes will be convertible into Class A Common Stock at the option of the holder thereof in accordance with the terms of the Indenture. As of the Closing, a number of shares of Class A Common Stock shall have been duly authorized and reserved for issuance, free of pre-emptive rights, sufficient for the purpose of enabling the Company to satisfy its obligations to issue the Conversion Shares upon conversion of all of the Notes. Upon conversion in accordance with the Indenture, the Conversion Shares will be validly issued, fully paid and nonassessable and free from all preemptive rights, and such Conversion Shares will not be subject to any taxes, liens and charges on the issue (but not the acquisition, holding or disposition) thereof, with the holders being entitled to all rights accorded to a holder of Class A Common Stock.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and each of the Guarantors (as applicable) and the consummation by the Company and each of the Guarantors (as applicable) of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes, the granting of a security interest in the Pledged Collateral, reservation for issuance of the Class A Common Stock and issuance of the Conversion Shares issuable upon conversion of the Notes) will not (i) result in a violation of the certificate of incorporation, bylaws or other organizational documents of the Company or any of its Subsidiaries or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, mortgage, deed of trust, loan agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except, in the case of clauses (ii) and (iii), for such violations as would not be reasonably expected to have a Material Adverse Effect.

(e) Consents. Other than the Required Approvals and as set forth on Schedule 3(e), none of the Company and the Guarantors (as applicable) is required to obtain any consent, approval, authorization or order of, or make any filing or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents, in each case in accordance with the terms hereof or thereof. All consents, approvals, authorizations, orders, filings and registrations, including all consents set forth on Schedule 3(b), which the Company or the Guarantors is required to obtain prior to the Closing will have been obtained or effected on or prior to the Closing Date, and the Company and its Subsidiaries are

unaware of any facts or circumstances which might prevent the Company from obtaining or effecting any of the registration, application, approvals or filings pursuant to the preceding sentence.

(f) No General Solicitation; Placement Agent's Fees. Neither the Company, nor any of its affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. The Company shall be responsible for the payment of any placement agents' fees, financial advisory fees, or brokers' commissions or similar fees or payments to any person (other than for persons or entities engaged by or on behalf of the Purchaser or the holder of the Securities) relating to or arising out of the transactions contemplated hereby and under the Transaction Documents. The Company shall pay, and hold the Purchaser harmless against, any liability, loss or expense (including, without limitation, foreseeable and documented attorney's fees and out-of-pocket expenses) arising in connection with any such claim. The Company acknowledges that it has engaged Jefferies & Co., Inc. and UBS Securities LLC as placement agents (each an "Agent" and, collectively, the "Agents") in connection with the sale of the Notes. Other than the Agents, the Company has not engaged any placement agent or other agent in connection with the sale of the Securities and the Transaction Documents.

(g) No Integrated Offering. None of the Company, its Subsidiaries, any of their affiliates, or any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of any of the Securities under the Securities Act or cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act. None of the Company, its Subsidiaries, their affiliates or any Person acting on their behalf will take any action or steps referred to in the preceding sentence that would require registration of the offer, issuance or sale of any of the Securities under the Securities Act or cause the offering of the Securities to be integrated with other offerings.

(h) Application of Takeover Protections; Rights Agreement. The Company and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under its Certificate of Incorporation or the laws of the jurisdiction of its formation or otherwise which is or could become applicable to any Purchaser as a result of the transactions contemplated by this Agreement or any Transaction Document, including, without limitation, the Company's issuance of the Securities and any Purchaser's ownership of the Securities. The Company has not adopted a stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of any of its common stock or a change of control of the Company.

(i) Absence of Certain Changes. Since June 30, 2005, no event or circumstance has occurred which would have, individually or in the aggregate, a Material Adverse Effect, except as set forth on Schedule 3(i)(i).

(j) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Certificate of

Incorporation, Bylaws or other organizational document. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except for possible violations which would not, individually or in the aggregate, have a Material Adverse Effect. The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(k) Foreign Corrupt Practices. Neither the Company, nor any of its Subsidiaries, nor any director or officer, nor to the knowledge of the Company, any agent, employee or other Person acting on behalf of the Company or any of its Subsidiaries, has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(l) Transactions With Affiliates. Except as disclosed on Schedule 3(l), since June 30, 2005, there have not been any material transactions or loans (including guarantees of any kind) between (i) the Company or any of its Subsidiaries and (ii) other persons that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company or any of its Subsidiaries.

(m) Equity Capitalization. After giving effect to the transactions contemplated by the Transaction Documents, the authorized capital stock of the Company will consist of: (i) 799,990,000 shares of Class A Common Stock, par value \$0.0001 per share, of which no shares will be issued and outstanding; (ii) 400,000,000 shares of Class B Common Stock, par value \$0.001 per share (the "Class B Common Stock"), of which 200,000,000 shares will be issued and outstanding; and (iii) no shares of preferred stock. The Class A Common Stock and the Class B Common Stock vote as a single class on all matters, except as required by law, and have identical rights in all material respects, except for (A) the difference in par value and (B) the Class B Common Stock is convertible into Class A Common Stock on a one-for one basis at any time at the option of the holders of the Class B Common Stock. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. None of the Company's capital stock is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company. There are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional capital stock of the Company or any of its Subsidiaries or options, warrants, rights to subscribe

to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company or any of its Subsidiaries. After giving effect to the issuance of the Notes and the application of the proceeds thereof, there will be no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound, other than Permitted Debt (as defined in the Indenture). Other than Permitted Liens (as defined in the Indenture), there are no financing statements securing obligations in any material amounts, either singly or in the aggregate, filed in connection with the Company or any of its Subsidiaries. There are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act. There are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries. There are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement.

(n) Absence of Litigation. Except as disclosed on Schedule 3(n), there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the best knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries or any of the Company's or its Subsidiaries' officers or directors in their capacities as such, other than actions, suits, proceedings or investigations claiming damages, fines, penalties or other payments which would not have a Material Adverse Effect.

(o) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries presently are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage applied for that is material to the business of the Company or the Subsidiary, neither the Company nor any such Subsidiary has received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue applicable insurance coverage, and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(p) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company and its Subsidiaries are in compliance with all federal, state, provincial, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No strike, work stoppage or material work slowdown by employees of the

Company or any of its Subsidiaries exists or, to the best knowledge of the Company and each of the Subsidiaries, is contemplated or threatened.

(q) Title. Except as disclosed on Schedule 3(q), the Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries on a consolidated basis, in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its Subsidiaries, and except for Permitted Liens. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Company and its Subsidiaries.

(r) Intellectual Property Rights. (i) Except as disclosed on Schedule 3(r), the Company, directly or through its Subsidiaries, owns or possesses adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights material in terms of value or to the conduct of its businesses as now conducted (collectively, the "Intellectual Property Rights") free and clear of all Liens other than Permitted Liens (as defined in the Indenture). There is no claim, action or proceeding being made or brought, or to the knowledge of the Company, being threatened, against the Company or its Subsidiaries regarding the Intellectual Property Rights. The Company does not have any knowledge of any material infringement by the Company or its Subsidiaries of intellectual property rights of others that could reasonably be expected to form the basis of a claim, action or proceeding against the Company or any of its Subsidiaries. Each of the Company and its Subsidiaries has taken all actions reasonable and appropriate to maintain and protect the Intellectual Property Rights owned or purported to be owned by the Company or any of its Subsidiaries, including all reasonable precautions to protect the secrecy, confidentiality, and value of its trade secrets.

(ii) All written licenses relating to the Intellectual Property Rights under which the Company or any of its Subsidiaries is a licensor or licensee are valid, subsisting, in full force and effect and binding upon the Company and/or one or more of its Subsidiaries, as the case may be, and the other parties thereto in accordance with their terms, other than as would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3(r), the Company is not a party to any unwritten licenses relating to the Intellectual Property Rights that, were they to be breached, would reasonably be expected to have a Material Adverse Effect.

(iii) To the best of the Company's knowledge, all software necessary to the conduct of the core operations of the Company and its Subsidiaries, taken as a whole, performs in conformance with its documentation. The Company is not aware and has no reason to believe that such software contains any material software defect or any virus, Trojan horse, worm or other malicious code designed to permit unauthorized access to, or to disable, erase or otherwise harm, any computer, systems or material software.

(s) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all Environmental Laws (as defined below), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval except where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and its Subsidiaries are not aware of any claims or potential claims against the Company or the Subsidiaries arising under Environmental Laws (including any potential claims by any governmental agency or third-parties for clean-up of properties), other than as would not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "Environmental Laws" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(t) Tax Status. Except as would not be reasonably expected to have a Material Adverse Effect, the Company and each of its Subsidiaries (i) has made or filed all material foreign, federal, state, local and provincial income and all other tax returns, reports and declarations required to be made or filed by it by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are due (whether or not shown as due) and payable by it on such returns, reports and declarations, except those being contested in good faith for which adequate reserves have been accrued on the Company's latest balance sheet and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply and which such taxes are not yet due and payable. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction. There are no liens with respect to any taxes upon any of the assets or properties of the Company or any of its Subsidiaries other than for taxes that are not yet due and payable. Except as set forth on Schedule 3(t), there are no tax returns of the Company and the Guarantors that are currently being audited by any state, local, federal or foreign tax authorities or agencies.

(u) Investment Company. Neither the Company nor any entity which it "controls" (as defined by the Investment Company Act of 1940, as amended (the "Investment Company Act")) is, and, after giving effect to the offering and sale of the Notes and the application of the proceeds thereof, will be, required to seek an order permitting registration, under the Investment Company Act. No entity, which is organized under any "State" (as defined in the Investment Company Act) and which is "controlled" (as defined by the Investment Company Act) by the Company, is required to register under the Investment Company Act. To the Company's knowledge, no entity which "controls" (as defined by the Investment Company Act) the Company is registered, or is required to register or seek an order permitting registration, under the Investment Company Act.

(v) No Registration. Assuming (i) the accuracy of the representations and warranties of the Purchaser contained in Section 2 hereof and the Purchaser's compliance with their agreements set forth in the Transaction Documents and (ii) the accuracy of the comparable representations and warranties of the other Note Purchasers contained in their purchase agreements for the Notes and such Note Purchasers' compliance with their agreements set forth in the Transaction Documents, it is not necessary in connection with the offer, issuance, sale and delivery of the Securities in the manner contemplated by this Agreement and the other Transaction Documents to register the offer or sale of any of the Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(w) Disclosure of Information. (i) The Confidential Information Memorandum of the Company, dated July 2005, together with each certificate made or delivered in connection with this Agreement at Closing and all the materials set forth on "Annex 1 - Level 1", when taken as a whole, do not contain any untrue statement of a material fact.

(ii) The Confidential Information Memorandum of the Company, dated July 2005, together with each certificate made or delivered in connection with this Agreement at Closing and all the materials set forth on "Annex 1 - Level 1", "Annex 1 - Level 2" and "Annex 1 - Level 3", when taken as a whole, do not omit to state a material fact necessary to make the statements therein not misleading.

(iii) For purposes of this Section 3(w), (1) the materials set forth on "Annex 1 - Level 2" relate to information concerning Parent and certain subsidiaries of Parent other than the Company and the Guarantors, and (2) the materials set forth on "Annex 1 - Level 3" relate to information with respect to the production of satellite systems for the Company by Space Systems/Loral, Inc. pursuant to the Satellite Contract between ICO Satellite Management LLC and Space Systems/Loral, Inc., dated as of January 10, 2005, as amended (the "Loral Agreement"), including without limitation the terms and conditions of the Loral Agreement but excluding any information relating to the Loral Agreement that is expressly contained in the material provided as a part of "Annex 1 - Level 1".

(x) Public Utility Holding Company Act. Neither the Company nor any of its Subsidiaries is a "holding company" or a "subsidiary company" of a holding company or an "affiliate" thereof within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(y) Compliance With ERISA. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is maintained, administered or contributed to by the Company or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of organizations within the meaning of Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code")) for employees or former employees of the Company or any member of its Controlled Group (each, a "Plan") has been maintained in all material respects in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code, except with respect to a Plan which is a "Multiemployer Plan" (within the meaning of Section 4001(a)(3) of ERISA) where such non-compliance could not result in a material liability to the Company or any Subsidiary;

and (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption, except with respect to a Multiemployer Plan where such prohibited transaction could not result in a material liability to the Company or any Subsidiary. For each Plan (other than a Multiemployer Plan) that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no “accumulated funding deficiency” as defined in Section 412 of the Code has been incurred, whether or not waived, and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions. Neither the Company nor any member of its Controlled Group has (i) had a partial or complete withdrawal from any Multiemployer Plan or (ii) received notice that any Multiemployer Plan is “insolvent” (within the meaning of Section 4245 of ERISA) or in “reorganization” (within the meaning of Section 4241 of ERISA).

(z) No Restrictions on Guarantors. No Guarantor is prohibited (in each such case, to an extent materially greater than such action is prohibited under the laws, rules and regulations applicable to such subsidiary), directly or indirectly, before giving effect to the transactions contemplated herein and in the Transaction Documents, under any contractual agreement or other instrument to which it is a party or is subject, from paying any dividends or making any other distribution on such subsidiary’s capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary’s properties or assets to the Company or any other subsidiary of the Company.

(aa) No Stabilization. Neither the Company nor any of the Subsidiaries has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Notes.

(bb) Margin Rules. Neither the issuance, sale and delivery of the Notes nor the application of the proceeds thereof will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(cc) No Violation or Default. Neither the Company nor any of its Subsidiaries is in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any material term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, except for any such default that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(dd) None of ICO Services Limited, ICO Satellite Services Limited or ICO Global Communications (Canada) Inc. has any material operations, and none of such Guarantors is a party to any material agreement or instrument (other than the Transaction Documents).

4. COVENANTS

(a) Reasonable Best Efforts. Each party shall use its reasonable best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Sections 5 and 6 of this Agreement.

(b) Form D. The Company agrees to file a Form D with respect to the Notes as required under Regulation D and to comply with any applicable state securities and "Blue Sky" laws in connection with the sale of the Securities.

(c) Use of Proceeds. The proceeds from the sale of the Notes (less the amount deposited into the escrow account pursuant to the Escrow Agreement and the fees and expenses of the offering) will be used by the Company to fund a portion of the Company's costs to develop its MSS/ATC system and to repay indebtedness, in an amount not to exceed \$2,000,000, owed to Parent.

(d) Financial Information. For so long as any Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), make available to the Purchaser and any holder of Securities in connection with any sale thereof and any prospective purchaser of Securities and securities analysts, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act (or any successor thereto); provided, however, that the Company shall be permitted to exclude therefrom any information otherwise excludable from public disclosure pursuant to Section 5.03(e) of the Indenture.

(e) Fees and Expenses. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Notes to the Purchaser.

(f) Reservation of Shares. The Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, free of pre-emptive rights (except those that have been previously waived), after the Closing Date, a number of shares of Class A Common Stock (or other securities into which the Notes may become convertible) sufficient for the purpose of enabling the Company to satisfy all obligations to issue the Conversion Shares (or other securities into which the Notes may become convertible) upon conversion of all of the Notes.

(g) General Solicitation. None of the Company, any of its affiliates (as defined in Rule 501(b) under the Securities Act) or any person acting on behalf of the Company or such affiliate will solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(h) Integration. None of the Company, any of its affiliates (as defined in Rule 501(b) under the Securities Act) or any person acting on behalf of the Company or such affiliate will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) which will be integrated with the sale of the Securities or the Conversion Shares in a manner which would require the registration under the Securities Act of the Securities, and the Company will take all action that is appropriate or necessary to assure that its offerings of other securities will not be integrated for purposes of the Securities Act.

(i) Publicity. The Purchaser agrees that it will not issue any press release or otherwise make any public statement, filing or other communication regarding the offering or the business, operations or financial condition of the Company or any of its Subsidiaries without the prior consent of the Company, except to the extent required by law or legal process, in which case the Purchaser shall provide the Company with prior notice of such disclosure. The Company agrees that it will not publicly disclose the name of the Purchaser or include the name of the Purchaser, without the prior written consent of the Purchaser, in any press release or other public statement, filing or other communication, except (a) in any registration statement in which the Purchaser is identified as a selling securityholder, or (b) to the extent required by law or legal process, in which case the Company shall provide the Purchaser with prior notice of such disclosure.

(j) The Purchaser shall deliver to the Company a properly completed and duly executed applicable Internal Revenue Service Form W-8 or W-9 that establishes a complete exemption from United States withholding tax. The Purchaser will provide replacement forms on the obsolescence of such forms or inaccuracy of any information thereon.

(k) Each of the Company and its Subsidiaries shall use commercially reasonable efforts to create back-ups of all material software (specifically including all databases) and maintain such backups at a secure off-site location within 90 days of the date hereof.

5. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

The obligation of the Company hereunder to issue and sell the Notes to the Purchaser at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, *provided* that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing the Purchaser with prior written notice thereof:

(a) The Purchaser shall have executed each of the Transaction Documents to which it is a party, in a form reasonably satisfactory to the Company, and delivered the same to the Company.

(b) Purchasers of at least \$500,000,000 in aggregate principal amount of Notes (or the Closing Agent acting on their behalf), including the Notes to be purchased by the Purchaser, shall have delivered to the Company, or to the Closing Agent on the Company's behalf, the Purchase Price for the Notes to be purchased by them at the Closing by wire transfer of immediately available funds pursuant to the wire instructions set forth on Annex B hereto.

(c) The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchaser at or prior to the Closing Date.

6. CONDITIONS TO THE PURCHASER'S OBLIGATION TO PURCHASE.

The obligation of the Purchaser hereunder to purchase the Notes at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, *provided* that these conditions are for the Purchaser's sole benefit and may be waived by the Purchaser at any time in its sole discretion by providing the Company with prior written notice thereof.

(a) The Company and the Guarantors (as applicable) shall have executed and delivered, or caused to be delivered, to the Purchaser or its agent (i) each of the Transaction Documents and (ii) the Notes being purchased by the Purchaser at the Closing pursuant to this Agreement, in each case in form and substance reasonably satisfactory to the Purchaser or its agent.

(b) The Purchaser or its agent shall have received the opinion of counsel to the Company, in a form and substance reasonably satisfactory to the Purchaser or its agent.

(c) The Company shall have delivered to the Purchaser or its agent a certificate evidencing the formation and good standing of the Company and each of its Subsidiaries in their respective jurisdictions of organization, other than ICO Satellite Services Limited and ICO Services Limited with respect to which the Company shall deliver an opinion of Freshfields Bruckhaus Deringer stating that each such Subsidiary is duly incorporated and validly existing, in such entity's jurisdiction of formation.

(d) The Company shall have delivered to the Purchaser or its agent a certificate evidencing the Company's qualification as a foreign or extra-provincial corporation and good standing issued by the Secretaries of State (or comparable office) of each of the jurisdictions listed on Schedule 6(d) as of a date within 30 days of the Closing Date.

(e) The Company shall have delivered to the Purchaser or its agent a certificate, executed by the Secretary of the Company and dated as of the Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's Board of Directors in a form reasonably acceptable to the Purchaser or its agent, and (ii) the certificate of incorporation and bylaws, or other organizational documents, of the Company and each Guarantor.

(f) The representations and warranties of the Company and the Guarantors contained herein shall be true and correct as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date) and the Company and the Guarantors shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company or the Guarantors, as applicable, at or prior to the Closing Date. The Purchaser or its agent shall have received a

certificate, executed by an authorized officer of the Company, dated as of the Closing Date, to the foregoing effect. The statements of the Company, the Subsidiaries and the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(g) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including all consents set forth on Schedule 3(b).

(h) In accordance with the terms of the Transaction Documents, the Company shall have delivered to the collateral agent under the Collateral Trust Agreement (with copies to the Purchaser):

(1) such financing statements as the collateral agent may request to perfect the security interests granted by the Transaction Documents;

(2) all certificates evidencing any of the pledged securities, accompanied by undated stock or other powers duly executed in blank;

(3) the originals of any of the promissory notes and other Instruments required by the Transaction Documents to be delivered to the collateral agent, accompanied by endorsements duly executed in blank;

(4) such short form security agreements relating to collateral consisting of patents or trademarks as the collateral agent may reasonably request;

(5) certified copies of UCC lien search results, listing all effective financing statements which name as debtor the Company or any Guarantor filed in the prior five years to perfect an interest in any assets thereof, together with copies of such financing statements, none of which, except as otherwise agreed in writing by the Purchaser or in respect of which the Purchaser has received an acknowledgement acceptable to the Purchaser, shall cover any of the Pledged Collateral, which results, except as otherwise agreed to in writing by the Purchaser, shall not show any such Liens (as defined in the Transaction Documents) except for Permitted Liens and those set forth on Schedule 3(q); and

(6) Such other documents and certificates as the collateral agent may reasonably require.

(i) The Company shall have simultaneously issued and sold an aggregate principal amount of Notes that, when added to the aggregate principal amount of Notes to be sold to the Purchaser hereunder, equals at least \$500,000,000.

(j) (i) Except as set forth on Schedule 6(j)(i), neither the Company nor any of the Guarantors has incurred any liabilities or obligations, direct or indirect or contingent, nor entered into any transaction not in the ordinary course of business since July 1, 2005, other than liabilities, in an amount not to exceed \$2,000,000, payable to Parent that will be repaid with a portion of the net proceeds of the issuance and sale of the Notes; (ii) since July 1, 2005, there has not been any change in the Company's capital stock (other than as set forth in Section 3(m)), or

increase in long-term debt or any payment of or declaration to pay any dividends or other distribution with respect to the capital stock of the Company or any of the Guarantors; (iii) neither the Company nor any of the Guarantors has sustained since July 1, 2005 any loss or interference with its business, whether or not covered by insurance; and (iv) since July 1, 2005, there has not been any Material Adverse Effect or any development involving or which could result in a Material Adverse Effect, except as set forth on Schedule 6(j)(iv).

(k) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority of competent jurisdiction that would, as of the Closing Date, render impossible the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(l) On the Closing Date, each of the Transaction Documents creating a Lien securing the Notes shall be in full force and effect and there shall have been no amendments, alterations, modifications or waivers to any of them (other than those to which the Purchaser shall previously have been advised and shall not have objected).

(m) The Purchaser shall have been furnished with such other information as it has reasonably requested for the purpose of deciding whether to purchase the Notes.

7. TERMINATION.

In the event that the Closing shall not have occurred due to the Company's or the Purchaser's failure to satisfy the conditions set forth in Sections 5 and 6 above (and the nonbreaching party's failure to waive such unsatisfied condition(s)), the nonbreaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on the fifth business day following the Closing Date.

8. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing

contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; *provided*, that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements among the Purchaser, the Company, their affiliates and Persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Purchaser makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Purchaser, and any amendment to this Agreement made in conformity with the provisions of this Section 8(e) shall be binding on the Purchaser and all holders of the Notes purchased under this Agreement, as applicable. No provision hereof may be waived other than by an instrument in writing signed by the party from whom such waiver is requested.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one Business Day after deposit with an overnight courier service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

ICO North America, Inc.
3468 Mt. Diablo Blvd., Suite B-115

Lafayette, California 94549
Telephone: (925) 299-5330
Facsimile: (925) 962-9611
Attention: President

Copy to:

Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, Oregon 97201
Telephone: (503) 241-2300
Facsimile: (503) 778-5299
Attention: David C. Baca, Esq.

and if to the Purchaser, to its address and facsimile number set forth on Annex A hereto, or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; *provided* that no party shall assign any of its rights or obligations hereunder without the prior written consent of the other party.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person; *provided, however*, that Jefferies & Co., Inc., in its capacity as Closing Agent, shall be a third party beneficiary with respect to Section 1 hereof, and that Jefferies & Co., Inc. and UBS Securities LLC may rely upon Sections 2 and 3 hereof.

(i) Survival. Unless this Agreement is terminated under Section 7, the representations and warranties of the Company and the Purchasers contained in Sections 2 and 3 and the agreements and covenants set forth in Sections 4 and 8 shall survive the Closing.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification. (i) In consideration of the Purchaser's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Purchaser and the Purchaser's stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (each, an "Indemnitee" and collectively, the "Indemnitees"), as incurred, from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby or (b) any cause of action, suit or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of or resulting from (i) the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities or (iii) the status of the Purchaser or holder of the Securities as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents; *provided* that indemnification pursuant to this clause (iii) shall not be available to the extent arising primarily from the Purchaser's bad faith, breach of the Transaction Documents, fraud, gross negligence or willful misconduct. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. If a third party claim in respect of Indemnified Liabilities involves more than one Indemnitee, the Indemnitees shall conduct the defence through the same legal counsel, at indemnitor's expense, acceptable to all Indemnitees, provided that an Indemnitee may employ separate counsel, at indemnitor's expense, if representation by the same legal counsel would be inappropriate due to differing interests between the Indemnitees.

(ii) Promptly after receipt by an Indemnitee under this Section 8(k) of notice of any claim or the commencement of any action or proceeding (including any governmental investigation), such Indemnitee will, if a claim for indemnification in respect thereof is to be made against the Company, notify the Company in writing of the commencement thereof, but the omission to so notify the Company will not relieve it from any liability which it may have to any Indemnitee to the extent it is not materially prejudiced as a result thereof. In case any such action or proceeding is brought against any Indemnitee, and it notifies the Company of the commencement thereof, the Company will be entitled to participate therein, and to the extent that it may elect, by written notice delivered to such Indemnitee promptly after receiving the aforesaid notice from such Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; *provided, however*, that if the defendants (including any impleaded parties) in any such action include both the Indemnitee and the Company and the Indemnitee shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnitees which are different from or additional to those available to the

Company, the Indemnitee or Indemnitees shall have the right to select separate counsel to defend such action on behalf of such Indemnitee or Indemnitees. Upon receipt of notice from the Company to such Indemnitee of its election to so appoint counsel to defend such action and approval by the Indemnitee of such counsel, the Company will not be liable to such Indemnitee under this Section 8(k) for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof unless: (A) the Indemnitee shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the Company shall not be liable for the expense of more than one separate counsel (in addition to any local counsel), approved by the Indemnitee representing the Indemnitees who are parties to such action); (B) the Company shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice or commencement of the action; (C) the Company has authorized the employment of counsel for the Indemnitee at the expense of the Company; or (D) the use of counsel chosen by the Company to represent the Indemnitee would present such counsel with a conflict of interest. The Company will not, without the prior written consent of the Indemnitees, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnitees are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each Indemnitee from all liability arising out of such claim, action, suit or proceeding and does not include an admission of guilt of, or failure to act by, the Indemnitee, or include any injunctive relief against any Indemnitee. Subject to the provisions of the immediately following sentence, the Company shall not be liable for any settlement, compromise or the consent to the entry of judgment in connection with any such action effected without its written consent, but if settled with its written consent or if there be a final judgment for the plaintiff in any such action other than a judgment entered with the consent of such Indemnitee, the Company shall indemnify and hold harmless any Indemnitee from and against any loss or liability by reason of such settlement or judgment. If at any time an Indemnitee shall have requested that the Company reimburse the Indemnitee for reasonable fees and expenses of counsel as contemplated by this Section 8(k) and to which it would be entitled under Section 8(k)(i) hereof, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if: (1) such settlement is entered into more than 60 days after receipt by the Company of such request for reimbursement, (2) the Company shall have received notice of the terms of such settlement at least 45 days prior to such settlement being entered into and (3) the Company shall not have reimbursed such Indemnitee in accordance with such request prior to the date of such settlement (unless such reimbursement is disputed in good faith). Each Indemnitee shall furnish such information regarding itself or the claim in question as the Company may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation arising therefrom.

(l) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(m) Indemnity of Closing Agent. The Company agrees to indemnify and hold harmless Jefferies & Co., Inc. for acting as Closing Agent hereunder pursuant the indemnification provisions set forth in the letter agreement, dated as of July 11, 2005, among

Parent, Jefferies & Co. Inc. and UBS Securities LLC, which hereby are incorporated by reference herein.

(n) All dollar amounts referred to in this Agreement are in United States dollars.

[Signature Page Follows]

IN WITNESS WHEREOF, the Purchaser and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

ICO NORTH AMERICA, INC.

By:


Name: Craig Jorgens
Title: President

[PURCHASER]

By:

Name:
Title: