FORM S-4

Registration of securities issued in business combination transactions

Filing Date: **2005-05-02**
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FILER

Edgen Corp
CIK:**1318246**| IRS No.: **000000000**
Type: **S-4** | Act: **33** | File No.: **333-124543** | Film No.: **05791582**
SIC: **5051** Metals service centers & offices

Mailing Address
18444 HIGHLAND RD
BATON ROUGE LA 70809

Business Address
18444 HIGHLAND RD
BATON ROUGE LA 70809
225-756-9868

Edgen Carbon Products Group, L.L.C.
CIK:**1322890**| IRS No.: **133908691** | State of Incorp.:**LA** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **333-124543-01** | Film No.: **05791583**

Mailing Address
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Edgen Alloy Products Group, L.L.C.
CIK:**1322885**| IRS No.: **200484566** | State of Incorp.:**LA** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **333-124543-02** | Film No.: **05791584**

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Edgen Louisiana CORP
CIK:**1322883**| IRS No.: **721481248** | State of Incorp.:**LA** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **333-124543-03** | Film No.: **05791585**

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As filed with the Securities and Exchange Commission on May 2, 2005.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

EDGEN CORPORATION

(Exact name of Registrant as specified in its charter)

Nevada	**5051**	**13-3908690**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

18444 Highland Road
Baton Rouge, Louisiana 70809
(225) 756-9868
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

See Table of Additional Registrants Below

Daniel J. O'Leary
President and Chief Executive Officer
18444 Highland Road
Baton Rouge, Louisiana 70809
(225) 756-9868
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:
Bonnie A. Barsamian, Esq.
Dechert LLP
30 Rockefeller Plaza
New York, NY 10112
(212) 698-3500

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Offering Price(1)	Amount of Registration Fee(1)
$9^{7}/_{8}$% Senior Secured Notes due 2011	$105,000,000	100%	$105,000,000	$12,358.50
Guarantees(2)	$105,000,000	–	–	N/A

(1) Estimated pursuant to Rule 457(f) under the Securities Act of 1933 solely for purposes of calculating the registration fee.

(2) Each of the subsidiary guarantors listed in the Table of Additional Registrants below have guaranteed, jointly and severally and fully and unconditionally, the $9^{7}/_{8}$% Senior Secured Notes due 2011 being registered hereby. The subsidiary guarantors are registering the guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EDGEN CORPORATION

Table of Additional Registrants

Name	Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	IRS Employer Identification Number
Edgen Louisiana Corporation	Louisiana	5051	72-1481248
Edgen Alloy Products Group, L.L.C.	Louisiana	5051	20-0484566
Edgen Carbon Products Group, L.L.C.	Louisiana	5051	13-3908691

The address, including zip code, telephone number and area code, of the principal offices of the additional registrants listed above is: 18444 Highland Road, Baton Rouge, Louisiana 70809; the telephone number at that address is (225) 756-9868.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Subject to Completion, Dated May 2, 2005

PROSPECTUS

OFFER TO EXCHANGE

$9^{7}/_{8}$% Senior Secured Notes due 2011
and Related Guarantees
for
all outstanding
$9^{7}/_{8}$% Senior Secured Notes due 2011
and Related Guarantees
of

EDGEN CORPORATION

The exchange offer will expire at 5:00 p.m.,
New York City time, on , 2005, unless extended

Terms of the exchange offer:

We will exchange all old notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer.

You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.

We believe that the exchange of old notes will not be a taxable event for U.S. federal income tax purposes, but you should see "Certain United States Federal Income Tax Consequences" on page 147 for more information.

We will not receive any proceeds from the exchange offer.

The terms of the new notes are substantially identical to the old notes, except that the new notes are being issued in a transaction registered under the Securities Act of 1933 and the transfer restrictions and registration rights applicable to the old notes will not apply to the new notes.

See "Risk Factors" beginning on page 13 for a discussion of risks that should be considered by holders prior to tendering their old notes.

Neither the Securities Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2005

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ABOUT THIS PROSPECTUS

In making your investment decision, you should rely only on the information contained in this prospectus or to which we have referred you. See "Where You Can Find More Information." We have not authorized anyone to provide you with information that is different. If anyone provided you with different or inconsistent information, you should not rely on it. This prospectus may only be used where it is legal to sell these securities. You should assume the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances imply that the information in this prospectus is correct as of any date subsequent to the date on the cover of this prospectus.

This prospectus incorporates important business and financial information that is not included in or delivered with this document. This information is available without charge upon written or oral request. See "Where You Can Find More Information." To obtain this information in a timely fashion, you must request such information no later than five business days before , 2005, which is the date on which the exchange offer expires (unless we extend the exchange offer as described herein). See "The Exchange Offer−Terms of the Exchange Offer; Period for Tendering Old Notes."

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended, which we refer to as the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where the old notes were acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the effective date

of the registration statement of which this prospectus is a part, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

SUMMARY

This summary highlights certain information concerning Edgen Corporation's business, the exchange offer and the new notes and new guarantees. It does not contain all of the information that may be important to you and to your investment decision. We urge you to carefully read the entire prospectus, including the financial data and related notes and the matters set forth in "Risk Factors" before making an investment decision.

In this prospectus, unless the context otherwise requires, references to the "issuer" refer to Edgen Corporation, exclusive of its subsidiaries. References to "Edgen," "our company," "we," "us," "our" and other similar terms refer to Edgen Corporation and all of its subsidiaries, except where it is clear that the term refers only to Edgen Corporation individually. Unless otherwise stated, the terms "pro forma" or "on a pro forma basis," when used to describe our operations, refers to operations after giving effect to the private offering of the old notes, and the acquisition, the merger and the other financing transactions described below under "−Summary of the Transactions."

Background of the Exchange Offer

On January 25, 2005, we completed a private offering of $105,000,000 principal amount of $9^7/_8$% Senior Secured Notes due 2011, referred to as the old notes. As part of the private offering of the old notes, we entered into a registration rights agreement with the initial purchaser of the old notes in which we agreed to complete an exchange offer for the old notes. We are offering to exchange the old notes for $105,000,000 aggregate principal amount of our new $9^7/_8$% Senior Secured Notes due 2011, the issuances of which will be registered under the Securities Act. We refer to this offer to exchange new notes for old notes in accordance with the terms set forth in this prospectus and the accompanying letter of transmittal as the exchange offer. You are entitled to exchange in the exchange offer your old notes for new notes.

You should read the discussion under the headings "−The New Notes" and "Description of the Notes" for further information regarding the new notes and the discussion under the headings "−The Exchange Offer" and "The Exchange Offer" for further information regarding the exchange offer and the new notes.

In this prospectus we refer to the old notes and the new notes collectively as the notes.

Edgen Corporation

We are a leading global distributor of specialty steel pipe, fittings and flanges for use in niche applications, primarily in the oil and gas, processing and power generation industries. The products we distribute are highly specialized and are used in environments that require high performance characteristics, such as the ability to withstand highly corrosive or abrasive materials, extremely high or low temperatures, or high-pressure. These products are principally used in maintenance and repair projects as well as expansions of infrastructure and development projects. We have two operating segments−our alloy products group and our carbon products group. Our alloy products group primarily distributes alloy-based specialty pipes, fittings and flanges that are principally used in high-pressure, extreme temperature and high-corrosion applications such as in heating, desulphurization, refrigeration and liquefied natural gas (LNG) units in the processing and refining industries, and in heat recovery steam generation (HRSG) units in the power generation industry. Our carbon products group primarily distributes prime carbon-based specialty pipes, fittings and flanges that are principally used in high-yield, high-tensile, abrasive applications such as the gathering and transmission of oil, natural gas and phosphates, conductor casing and structural supports for the offshore drilling and production segment of the oil and gas industry.

We purchase specialty steel pipe, fittings and flanges from manufacturers and sell these products in smaller quantities to a diverse base of end-users and certain maintenance, repair and operations (MRO) distributors for use in high performance niche applications. As an essential intermediary between these manufacturers and end-users, we provide manufacturers, or our vendors, with the inventory stocking and distribution capabilities necessary to effectively service the product and delivery needs of end-users. Also, for our vendors we are a volume purchaser that performs sales, marketing, inventory and credit functions with respect to the products we distribute for them. These are functions that manufacturers generally are not as well-equipped as we are to perform, given the specialized nature of the markets we serve.

We are a one-stop supply source for many end-users and certain MRO distributors for a broad range of these highly specialized products. We serve our customers by providing them with products, service, inventory management, technical product knowledge and just-in-time product delivery. Our significant distribution capabilities include field locations that stock and distribute inventory and that are in close proximity to our customers. This enables us to provide our customers with rapid execution on their product orders, often within 24 hours of their order. We also provide ancillary services to customer specifications and support for many of the products we sell, including cutting, welding, threading, coating, cleaning and painting.

We are headquartered in Baton Rouge, Louisiana and we operate in 16 locations, including 15 in the United States and one in Canada. We also conduct European operations through an exclusive full-time sales agent in Scotland. Thirteen of our locations stock inventory for distribution. For the fiscal year ended December 31, 2004, our total sales were $207.8 million, and our EBITDA was $20.6 million. For the fiscal year ended December 31, 2004, our sales for our alloy products group were $52.2 million and our total sales for our carbon products group were $155.6 million.

We are a Nevada corporation and our principal offices are located at 18444 Highland Road, Baton Rouge, Louisiana 70809 and our telephone number is (225) 756-9868. Our web site address is www.edgencorp.com. The information contained on our web site is not part of this prospectus and is not incorporated in this prospectus by reference.

Industry Overview

We operate within the steel pipe, tube, fitting and flanges industry which is comprised of manufacturers and distributors of welded or seamless pipe, tube and components made from carbon steel and various alloy steels. This industry consists of a large number of small companies, which are limited with respect to product line, inventory size, and customers located within a specific geographic area, and a few relatively large distribution and manufacturing companies.

Full service distributors like us fulfill an important function for many end-users. Manufacturers sell pipe, tube and components generally in large volumes only to distributors or end-users that can order in large quantities and tolerate relatively long lead times. By providing storage, distribution and services in accordance with customer specifications, distributors act as an effective intermediary between manufacturers and end-users. The inventory management and just-in-time delivery services provided by full service distributors reduce the need, and associated costs and capital requirements, for an end-user to perform its own inventory functions. As a large and sophisticated distributor, we have certain advantages over smaller companies, such as our ability to obtain higher discounts from manufacturers for volume purchases, our ability to service customers with operations in multiple locations, and our sophisticated information technology systems. The specialty pipe and tube market has experienced softness in recent years principally due to generally weak economic conditions and to reduced spending on expansion and development projects by end-users. We believe that our focus on the maintenance and repair market and the diversity of our product offerings, customer base and geographic markets tempers the effects to us of downturns in a particular market.

Our Business Strengths

We offer a broad range of specialized products. We are an effective intermediary between vendors and buyers of highly specialized steel pipe, fittings and flanges for use in high performance niche applications. We offer and deliver a broad range of products that are difficult for our customers to purchase directly from manufacturers because of the large order size and lengthy lead times typically required by manufacturers. Our diverse inventory of specialized products includes over 14,000 stock-keeping units (SKUs) for specialty pipes, fittings and flanges. For many of our customers, we function as a single inventory source for all of their product requirements in this area.

We have significant distribution capabilities. We operate in 16 locations, including 15 in the United States and one in Canada. We also conduct European operations through an exclusive full-time sales agent in Scotland. Thirteen of our locations stock inventory for quick turnaround to our customers. Our approximately 76-member sales force consists of field sales representatives as well as on-site sales and service representatives who provide 24-hour customer support. Our distribution locations are located throughout the United States and are in close proximity to our U.S. customers so that we can ship the majority of our products in an expedited manner. In addition, we have developed strong relationships with logistics providers and other shippers to provide access to reliable transportation. These distribution capabilities enable us to provide our customers with rapid execution of their specialized orders.

Our vendor network is extensive. We have mutually beneficial, longstanding relationships with an established network of vendors. We believe our vendor relationships are difficult for others to replicate. There are a limited number of manufacturers with the capabilities to produce high grade, specialty pipe and component products, and we are a volume purchaser of their products. Our global network enables us to stock and distribute a considerable breadth of products for use in niche markets. Although we concentrate our purchasing power on a select group of highly valued vendors, we have multiple sources for the products we distribute and are not dependent on any single manufacturer.

We have a broad customer base. We distribute to a diverse base of over 2,000 customers in a variety of geographic locations and industries. Our customers include, among others, oil and gas companies, processing and fabrication companies, power generation companies, and MRO distributors. They are generally large companies with recognized names in their respective industries. For the fiscal year ended December 31, 2004, our top ten customers represented less than 23% of our total sales for that period and no single customer represented more than 6% of total sales.

We focus on high margin specialty products. We focus on high margin specialty steel pipe and components that are designed for their high performance characteristics and are frequently used in harsh or extreme environments. Concentrating our sales and marketing resources on higher margin products has contributed to our higher gross profit margins and sales per employee.

We have a streamlined operating structure. In 2003, we focused efforts on capturing the synergies, efficiencies and business development opportunities from integrating the six businesses we acquired since 1997. These efforts resulted in simplified operations, improved working capital management, streamlined costs, and enhanced sales, marketing and cross-selling. We now have an integrated business with enhanced operating efficiency. For the year ended December 31, 2004 as compared to the year ended December 31, 2003, we increased inventory turns to 2.8 times from 2.1 times, and increased gross margins by 43.4%.

We have an experienced management team. We have an experienced executive management team, averaging nearly 25 years of experience in the steel pipe distribution industry. Daniel J. O'Leary, President and Chief Executive Officer, has 27 years of experience in the pipe and tube industry and has held executive management positions at Stupp Corporation, Maverick Tube Corporation, Lone Star

Steel Company and Red Man Pipe & Supply Company. Our management team also has substantial experience operating under a leveraged capital structure, as well as significant acquisition experience gained from our acquisition of six companies since 1997. Our management made an equity investment in us of approximately $2.4 million in cash at the closing of the Transactions and owns approximately 19% of our equity on a fully-diluted basis.

Our Business Strategy

Maximize business development opportunities. Consistent with our efforts to integrate our acquisitions and streamline our operating structure, we have focused on maximizing opportunities for business development. We have repositioned our field sales and business development team to work together with our regional sales offices, with a focus on increasing sales to our current customers and to developing new customers across our entire portfolio of specialty products. As part of this effort, we intend to continue to:

leverage our broad product portfolio by developing relationships with end-users with purchasing needs ranging across all areas of our product portfolio;

focus our sales efforts on identifying opportunities to cross-sell our carbon-and alloy-based products;

penetrate the MRO distribution market. This distribution market has integrated supply contracts with end-users to supply primarily high-turnover commodity products. These contracts include the sourcing of specialty products and are an opportunity for us to provide products to these MRO suppliers for distribution to their end-users; and

use customer feedback to enable us to provide meaningful product and service solutions through our inventory depth and breadth, our vendor relationships and our distribution capabilities.

Expand Our International Presence. The international specialty pipe and component market is substantially larger than the domestic market and provides significant potential growth opportunity for our business. Many of our domestic customers have international operations and may provide a built-in market for our products as we expand into select international markets. We have four field sales representatives dedicated to international business development, two outside international sales agents with whom we contract on an agency basis and four multilingual on-site sales and service representatives focused solely on the international effort. For the fiscal year ended December 31, 2004, our sales to international customers grew by 332% to $16.9 million, as compared to the fiscal year ended December 31, 2003. The majority of these sales were to customers in Mexico, Western Europe, South America, Canada and Asia. As of December 31, 2004, our international order backlog exceeded $8.4 million.

Optimize Purchasing and Inventory Levels. Our vendors often consider us to be a favored, and in some instances, single distribution channel for their specialty products. We aim to continue to build strong relationships with our vendors. While we have established favorable relationships with certain vendors, we continue to maintain secondary suppliers for all key products. During 2004 we consolidated our purchasing power significantly. In 2004 over 54% of our purchases were with our top ten vendors, compared to 37% in 2003. By consolidating our purchasing power we have gained favored status with certain vendors in regard to lead times, discounts and payment terms. As we continue to strengthen our vendor relationships, we are able to devote increased resources to providing our customers with products that are of greater importance to their business and have fewer substitutes.

Pursue Accretive Strategic Acquisitions. From 1997 to 2002, we grew through a series of six acquisitions. We continue to evaluate strategic acquisition opportunities in our core business as they become available, with a view to expanding our geographical reach to attract new customers and more

effectively service existing customers. We believe our new business platform will afford quicker integration of any acquisition and facilitate the realization of cost synergies and the growth of sales and earnings.

Summary of the Transactions

On December 31, 2004, Edgen Acquisition Corporation, a corporation newly formed by Jefferies Capital Partners, entered into a stock purchase agreement with Edgen Corporation and the stockholders of Edgen Corporation to purchase all of the outstanding capital stock of Edgen Corporation from its then existing stockholders for an aggregate purchase price of approximately $124.0 million, which included the assumption or repayment of indebtedness of Edgen Corporation but excluded payment of fees and expenses. The acquisition closed on February 1, 2005 and was funded with proceeds to Edgen Acquisition Corporation from the issuance and sale of the old notes as well as an equity investment from funds managed by Jefferies Capital Partners and certain members of management of Edgen Corporation. See "Use of Proceeds".

Concurrently with the acquisition and the offering and issuance of the old notes, Edgen Corporation also entered into a new $20.0 million senior secured revolving credit facility, which we refer to as the new revolving credit facility, and borrowed $2.7 million in loans thereunder.

Simultaneously with the acquisition and the related financing transactions, Edgen Acquisition Corporation was merged with and into Edgen Corporation, which survived the merger and became liable for all obligations under the old notes and borrowings under the new revolving credit facility. We refer to the acquisition of Edgen Corporation, the offering and issuance of the old notes, the equity investment, the related financing transactions and the merger collectively as the "Transactions."

Equity Sponsor

Jefferies Capital Partners, referred to as JCP, is a New York-based private equity investment firm with over $600 million in equity commitments under management. Since 1994, JCP's professionals have invested in over 40 companies in a variety of industries in which JCP has expertise. JCP invests in management buyouts, recapitalizations, industry consolidations and growth equity. JCP's portfolio companies include, among others, The Sheridan Group, Telex Communications, Inc. and Real Mex Restaurants, Inc.

Other Information About this Prospectus

Industry and Market Data. Any market share, ranking and other industry data contained in this prospectus are based on independent industry publications, reports by market research firms, or other published independent sources. We have not independently verified market share, ranking or other industry data from third-party sources. While we believe this information is reliable and market definitions are appropriate, this information has not been verified by independent sources.

Non-GAAP Financial Measures. Throughout this prospectus we use the term "EBITDA" which is not an indicator of performance or liquidity determined in accordance with Generally Accepted Accounting Principles in the United States (GAAP), and may not be comparable to similarly titled measures used by other companies. EBITDA is more fully described under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Trademarks. We have common law trademark rights to a number of names and marks important to our business, including Edgen™, Bartow Steel™, Resource Pipe Co.™, SISCO™, Thomas Pipe™, Pro Metals™, and Radnor Alloys™, although we have not obtained federal registrations for them. All other trademarks or service marks referred to in this prospectus are the property of their respective owners and are not our property.

THE EXCHANGE OFFER

The summary below describes the principal terms of the exchange offer. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section of this prospectus entitled "Description of the Notes" contains a more detailed description of the terms and conditions of the notes.

The Exchange Offer

Securities Offered	$105,000,000 aggregate principal amount of 9 7/8% senior secured notes due 2011. The terms of the new notes and old notes are identical in all material respects, except for certain transfer restrictions and registration rights relating to the old notes.
The Exchange Offer	We are offering the new notes to you in exchange for a like principal amount of old notes. Old notes may be exchanged only in integral multiples of $1,000. We intend by the issuance of the new notes to satisfy our obligations contained in the registration rights agreement. See "The Exchange Offer−Purpose of the Exchange Offer."
Expiration Date	The exchange offer will expire at 5:00 p.m. New York City time, on , 2005, unless we extend the exchange offer. Any old notes not accepted for exchange for any reason will be returned without expense to the tendering holder thereof promptly after the expiration or termination of the exchange offer.
Conditions to the Exchange Offer	Our obligation to accept for exchange, or to issue new notes in exchange for, any old notes is subject to customary conditions relating to compliance with any applicable law or any applicable interpretation by the staff of the Securities and Exchange Commission, the receipt of any applicable governmental approvals and the absence of any actions or proceedings of any governmental agency or court which could materially impair our ability to consummate the exchange offer. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See "The Exchange Offer−Conditions to the Exchange Offer."
Procedures for Tendering Old Notes	The procedures for tendering old notes, as well as guaranteed delivery procedures, are described in "The Exchange Offer−Procedures for Tendering Old Notes" and "The Exchange Offer−Guaranteed Delivery Procedures."
Withdrawal Rights	You may withdraw your tender of old notes at any time prior to the expiration date. See "The Exchange Offer−Withdrawal of Tenders."
Certain United States Federal Income Tax Consequences	We believe that the exchange of notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See "Certain United States Federal Income Tax Consequences."

Use of Proceeds	We will not receive any proceeds from the exchange offer.
Exchange Agent	The Bank of New York is serving as the exchange agent in connection with the exchange offer.

Consequences of the Exchange Offer

Based on interpretive letters issued by the staff on the Securities and Exchange Commission to third parties in unrelated transactions, we are of the view that holders of old notes who exchange their old notes for new notes pursuant to the exchange offer generally may offer such new notes for resale, resell such new notes and otherwise transfer the new notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided:

the new notes are acquired in the ordinary course of the holders' business;

the holders have no arrangement with any person to participate in a distribution of such new notes;

neither the holder nor any other person is engaging in or intends to engage in a distribution of the new notes; and

the holder is not our "affiliate" within the meaning of Rule 405 under the Securities Act.

Each broker-dealer that receives new notes for its own account in exchange for old notes must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. See "Plan of Distribution." In addition, the securities laws of some jurisdictions may prohibit the offer or sale of the new notes unless they have been registered or qualified for sale in such jurisdiction or in compliance with an available exemption from registration or qualification. We have agreed, pursuant to the registration rights agreement, to register or qualify the new notes for offer or sale under the securities or blue sky laws of the applicable jurisdictions as any holder of the notes reasonably requests in writing. If a holder of old notes does not exchange the old notes for new notes pursuant to the exchange offer, the old notes will continue to be subject to the restrictions on transfer contained in the legend printed on the old notes. In general, the old notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Holders of old notes do not have any appraisal or dissenters' rights under the Delaware General Corporation Law in connection with the exchange offer. See "The Exchange Offer−Consequences of Failure to Exchange; Resales of New Notes."

The old notes are currently eligible for trading in the Private Offerings, Resales and Trading through Automated Linkages (PORTAL) market. Following the commencement of the exchange offer but prior to its completion, the old notes may continue to be traded in the PORTAL market. Following the completion of the exchange offer, the new notes will not be eligible for PORTAL trading.

The New Notes

The terms of the new notes and the old notes are identical in all material respects, except for certain transfer restrictions and registration rights relating to the old notes.

Issuer	Edgen Corporation
Securities Offered	$105,000,000 aggregate principal amount of $9^{7}/_{8}$% senior secured notes due 2011.
Maturity Date	February 1, 2011.
Interest	We will pay interest on the notes at an annual rate of $9^{7}/_{8}$%. We will pay interest on the notes semi-annually in cash, in arrears, on each February 1 and August 1 beginning on August 1, 2005.
Ranking	The notes will be our senior secured obligations and will rank equal in right of payment to all of our existing and future senior indebtedness, including our indebtedness under the new revolving credit facility, and will rank senior in right of payment to all of our existing and future subordinated indebtedness. The guarantees will be the senior secured obligations of each of the guarantors, will rank equally in right of payment to all of that guarantor's existing and future senior indebtedness, including indebtedness under the new revolving credit facility, and will rank senior in right of payment to all of that guarantor's existing and future subordinated indebtedness.
Guarantees	The notes will be jointly and severally and fully and unconditionally guaranteed on a senior secured basis by all of our existing and future domestic restricted subsidiaries.
Security Interest	The notes and the related guarantees will be secured by a lien on substantially all of our assets and the assets of our existing and future domestic restricted subsidiaries (other than certain excluded assets such as our and our existing and future subsidiaries' leasehold interests and the capital stock of our existing and future subsidiaries), subject to certain permitted liens and other limitations. Under an intercreditor agreement, the security interest in those assets consisting of inventory, accounts receivable, lockboxes, deposit accounts, securities accounts and financial assets credited thereto, and certain related assets that secure the notes and the guarantees will be subordinated to a lien thereon that secures our new revolving credit facility. As a result of such lien subordination, the notes will be effectively subordinated to our new revolving credit facility to the extent of the value of such assets.

Optional Redemption	We may redeem some or all of the notes at any time prior to February 1, 2008 at the make-whole redemption price set forth in "Description of the Notes−Optional Redemption Prior to February 1, 2008." On or after February 1, 2008, we may, at our option, redeem some or all of the notes at the following redemption prices, plus accrued and unpaid interest and additional interest, if any, to the date of redemption:

For the period below:	**Percentage**
On or after February 1, 2008	104.938%
On or after February 1, 2009	102.469%
On or after February 1, 2010	100.000%

	In addition, at any time prior to February 1, 2007, we may redeem up to 35% of the aggregate principal amount of the notes issued under the indenture at a price equal to 109.875% of their principal amount, plus accrued and unpaid interest and additional interest, if any, to the date of redemption with the net cash proceeds of certain equity offerings.
Change of Control Offer	If we experience a specified change of control, each holder of the notes will have the right to require us to repurchase all or any part of their notes at an offer price in cash equal to 101% of their principal amount, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase.
Asset Sale Offers	Upon certain asset sales, we may have to use the proceeds to offer to repurchase notes at 100% of their principal amount, plus accrued and unpaid interest and additional interest, if any, to the date of repurchase.

Restrictive Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: • incur or guarantee additional indebtedness or issue certain preferred stock; • pay dividends, redeem subordinated debt or make other specified restricted payments; • issue capital stock of our subsidiaries; • transfer or sell assets, including capital stock of our restricted subsidiaries; • incur dividend or other payment restrictions affecting our restricted subsidiaries; • make certain investments or acquisitions; • create or incur liens; • enter into certain transactions with our affiliates; and • merge, consolidate or transfer all or substantially all of our assets. These covenants are subject to a number of important limitations and exceptions. See "Description of the Notes−Certain Covenants."

For a more detailed discussion of the new notes, see "Description of the Notes."

You should carefully consider the information under "Risk Factors" and all other information in this prospectus before making an investment decision.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The following summary historical and pro forma consolidated financial data should be read in conjunction with the sections entitled "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Condensed Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with our audited consolidated financial statements and related notes contained elsewhere in this prospectus.

We have derived our summary historical consolidated statement of operations and balance sheet data for the fiscal years ended December 31, 2004, 2003 and 2002 from our audited consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma combined statements of operations data for the year ended December 31, 2004 assumes that the Transactions took place on January 1, 2004, the beginning of our 2004 fiscal year. The unaudited pro forma combined balance sheet data at December 31, 2004 assumes that the Transactions took place on that date. The information presented in the unaudited pro forma combined financial data is not necessarily indicative of our financial position or results of operations that would have occurred if the Transactions had been consummated as of the dates indicated. The summary historical and pro forma consolidated financial data set forth below are not necessarily indicative of the results of future operations.

	Fiscal Year Ended December 31,			
	2004 Pro Forma	2004 Actual	2003 Actual	2002 Actual
	(dollars in thousands)			
Statement of Operations Data:				
Sales	$ 207,821	$ 207,821	$ 147,025	$ 212,312
Gross profit	52,463	52,463	25,879	43,944
Operating income (loss)	18,651	18,055	(5,717)	14,621
Other Financial Data:				
EBITDA(1)	21,209	20,561	(3,543)	16,348
Depreciation and amortization	2,452	2,400	2,001	1,672
Total capital expenditures	1,112	1,112	2,499	2,369
Net cash provided by (used in):				
Cash flows−operating activities	1,855	4,417	24,738	(2,043)
Cash flows−investing activities	(1,036)	(1,036)	(3,115)	(10,214)
Cash flows−financing activities	(1,249)	(6,371)	(18,499)	11,675
Ratio of earnings to fixed charges(2)	1.49x	2.88x	–	3.05x

	As of December 31, 2004	
	Pro Forma	Actual
	(dollars in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ –	$ 134
Net property, plant and equipment	12,246	10,423
Total assets	157,016	119,753
Total debt	107,656	47,883
Total shareholders' equity (deficit)	24,000	(11,754)

(1) We define EBITDA as net income (loss) from continuing operations before net interest expense, income taxes, and depreciation and amortization. We use EBITDA in our business operations to, among other things, evaluate the performance of our operating segments, develop budgets and measure our performance against those budgets, determine employee bonuses, and evaluate our cash flows in terms of cash needs. We find it a useful tool to assist us in evaluating performance

and liquidity because it eliminates items related to corporate overhead and capital structure, taxes and other non-cash charges. However, EBITDA, which does not represent operating income or net cash provided by operating activities as those items are defined by GAAP, should not be considered by investors of the notes to be an alternative to operating income or cash flow from operations or indicative of whether cash flows will be sufficient to fund our future cash requirements. EBITDA is not a complete net cash flow measures or measure of liquidity because EBITDA does not include reductions for cash payments for an entity's obligation to service its debt, fund its working capital, make capital expenditures and acquisitions and pay its income taxes. Rather, EBITDA is one potential indicator of an entity's ability to fund these cash requirements. EBITDA also is not a measure of profitability because it does not include costs and expenses for depreciation and amortization, interest and related expenses and income taxes. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

Set forth below is a reconciliation of income (loss) from continuing operations to EBITDA for the periods presented.

	Fiscal Year Ended December 31,			
	2004 Pro Forma	2004 Actual	2003 Actual	2002 Actual
	(dollars in thousands)			
Income (loss) from continuing operations	$ 12,492	$ 16,209	$ (4,471)	$ 10,189
Income tax (benefit) expense	(5,364)	(3,211)	(4,195)	1,385
Interest expense, net	11,629	5,163	3,122	3,102
Depreciation and amortization	2,452	2,400	2,001	1,672
EBITDA	$ 21,209	$ 20,561	$ (3,543)	$ 16,348

(2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represents pre-tax earnings from continuing operations, plus fixed charges, less preferred dividends. Fixed charges consist of interest expense, amortization of capitalized expenses related to indebtedness, and preferred dividends.

For the year ended December 31, 2003 earnings were not sufficient to cover fixed charges. For the year ended December 31, 2003, the deficiency was $8,665.

RISK FACTORS

An investment in the new notes involves a significant degree of risk, including the risks described below. You should carefully consider the following risk factors and the other information in this prospectus before deciding whether to exchange your old notes and to invest in the new notes. The risks described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial condition, results of operations or liquidity. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment. The risk factors related to the new notes and Edgen's business are also generally applicable to the old notes.

Risks Factors Relating to the Exchange Offer

There is no active trading market for the new notes and one may not develop.

The old notes are currently eligible for trading in the PORTAL Market. Upon consummation of the exchange offer, the old notes will cease to be eligible for trading in the PORTAL market. The new notes are new securities for which there currently is no market. We do not intend to apply for listing of the new notes on any securities exchange or for quotation through the Nasdaq National Market or any other quotation system. We have been informed by Jefferies & Company, Inc., the initial purchaser in the private offering of the old notes, that it intends to make a market in the new notes. The initial purchaser, however, is not obligated to do so and may cease its market making at any time. In addition, the liquidity of the trading market in the new notes and the market price quoted for the new notes may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the new notes.

If you fail to exchange your old notes for new notes your old notes will continue to be subject to restrictions on transfer.

The old notes were not registered under the Securities Act or under the securities laws of any state and may not be resold, offered for resale or otherwise transferred unless they are subsequently registered or resold under an exemption from the registration requirements of the Securities Act and applicable state securities laws. If you do not exchange your old notes for new notes pursuant to the exchange offer, you will not be able to resell, offer to resell or otherwise transfer the old notes unless the offer, resale or transfer have been registered under the Securities Act or unless you resell them, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act. In addition, if you do not exchange your old notes in the exchange offer, you will lose your registration rights with respect to the old notes, except in the limited circumstances provided in the registration rights agreement.

Failure to exchange your old notes for new notes will significantly limit your ability to sell the old notes.

To the extent any old notes are tendered and accepted for exchange pursuant to the exchange offer, the trading market for old notes that remain outstanding may be significantly more limited, which might adversely affect the liquidity of the old notes not exchanged. The number of holders of old notes remaining and the interest in maintaining a market in such old notes on the part of securities firms will largely determine the extent of the market and availability of price quotations. Also, upon consummation of the exchange offer, the old notes, which are currently eligible for trading in the PORTAL market, will cease to be eligible for trading in the PORTAL market. If you continue to hold old notes after the exchange offer, you may be unable to sell the old notes. The market price for old notes that are not exchanged in the exchange offer may be affected adversely to the extent that the amount of old notes exchanged pursuant to the exchange offer reduces the outstanding market value

available for trading. This may also make the market price of the old notes that are not exchanged more volatile.

You must comply with the exchange offer procedures in order to receive new notes.

The new notes will be issued in exchange for the old notes only after timely receipt by the exchange agent of the old notes or a book-entry confirmation related thereto, a properly completed and executed letter of transmittal or an agent's message and all other required documentation. If you want to tender your old notes in exchange for new notes, you should allow sufficient time to ensure timely delivery. Neither Edgen nor the exchange agent is under any duty to give you notification of defects or irregularities with respect to tenders of old notes for exchange. Old notes that are not tendered or are tendered but not accepted will, following the exchange offer, continue to be subject to the existing transfer restrictions. In addition, if you tender the old notes in the exchange offer to participate in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. For additional information, please refer to the sections "The Exchange Offer" and "Plan of Distribution" later in this prospectus.

Risk Factors Relating to the New Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the new notes.

We have now, and after the exchange offer, will continue to have, substantial indebtedness. As of December 31, 2004, after giving pro forma effect to the issuance of the old notes and the other Transactions, we would have had approximately $107.7 million of total indebtedness outstanding, including $2.7 million of indebtedness under our new revolving credit facility. We would also have had the ability to borrow up to an additional $17.3 million under our new revolving credit facility. We are a highly leveraged company. This level of leverage could have important consequences to you, including the following:

- it may be more difficult for us to satisfy our obligations under the new notes and our other indebtedness (for example, we may not be able to pay interest or repurchase the new notes when and if we are required to do so);
- a substantial portion of our cash flow from operations will be dedicated to the repayment of our indebtedness, which would reduce the funds available for operations, future business opportunities or other purposes;
- our ability to obtain additional debt or equity financing in the future to fund working capital, capital expenditures, acquisitions, general corporate or other purposes will be limited;
- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate will be limited;
- we may be placed at a competitive disadvantage compared to those of our competitors who operate on a less leveraged basis; and
- we will be more vulnerable to adverse changes in economic and industry conditions.

In addition, the indenture governing the notes and our new revolving credit facility contain restrictive covenants that may limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

Despite existing debt levels, we may still be able to incur substantially more debt, which would increase the risks associated with our leverage.

We and our subsidiaries may be able to incur substantial amounts of additional debt in the future, including debt resulting from the issuance of additional notes and borrowings under our new revolving credit facility. The terms of the indenture governing the notes limit our ability to incur additional debt but do not prohibit us from incurring substantial amounts of additional debt for specific purposes or under certain circumstances. As of December 31, 2004, after giving pro forma effect to the issuance of the old notes and the other Transactions, we would have had the ability to borrow an additional $17.3 million under our new revolving credit facility, subject to the restrictions contained therein.

In addition, if we are able to designate some of our restricted subsidiaries under the indenture governing the notes as unrestricted subsidiaries, those unrestricted subsidiaries would be permitted to borrow beyond the limitations specified in the indenture and engage in other activities in which restricted subsidiaries may not engage. Adding new debt to current debt levels could intensify the leverage-related risks that we and our subsidiaries now face.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the new notes, and to fund planned capital expenditures will depend on our ability to generate cash flow from operations in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our new revolving credit facility in an amount sufficient to enable us to pay our indebtedness, including the new notes, or to fund our other liquidity needs. If we are not able to generate sufficient cash flows for these purposes, we may need to:

- refinance all or a portion of our indebtedness, including the new notes, on or before maturity;
- reduce or delay acquisitions and capital expenditures;
- sell assets;
- restructure debt; and/or
- obtain additional debt or equity financing.

We cannot assure you that we will be able to effect any of these alternatives on commercially reasonable terms or at all.

We are a holding company and, therefore, our ability to make payments under the new notes and service our other debt depends on cash flow from our subsidiaries.

We are a holding company. Our only material assets are our ownership interests in our subsidiaries. Consequently, we will depend on distributions or other intercompany transfers from our subsidiaries to make payments under the new notes and service our other debt. Distributions and intercompany transfers to us from our subsidiaries will depend on:

- their earnings;

covenants contained in our and their debt agreements, including our revolving credit facility and the indenture governing the notes;

covenants contained in other agreements to which we or our subsidiaries are or may become subject;

business and tax considerations; and

applicable law, including laws regarding the payment of dividends and distributions.

We cannot assure you that the operating results of our subsidiaries at any given time will be sufficient to make distributions or other payments to us or that any distributions and/or payments will be adequate to pay any amounts due under the new notes or our other indebtedness.

The value of the collateral securing the new notes may be insufficient or unavailable in the event of a default.

No appraisal of the value of the collateral securing the new notes has been made in connection with the issuance of the old notes or this exchange offer. The value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. Consequently, we cannot assure you that liquidating the collateral securing the new notes would produce proceeds in an amount sufficient to pay any amounts due under the new notes after also satisfying the obligations to pay any other senior secured creditors with the proceeds of certain collateral. Nor can we assure you that the fair market value of the collateral securing the new notes would be sufficient to pay any amounts due under the new notes following their acceleration. If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the new notes, the holders of the new notes (to the extent not repaid from the proceeds of the sale of the collateral), would have only an unsecured claim against our and the guarantors' remaining assets.

The new notes and new guarantees related thereto will be effectively subordinated to indebtedness that may be incurred under our new revolving credit facility, to the extent of the value of assets consisting of inventory, accounts receivable, and certain related assets (collectively, the "Working Capital Assets"). In the event of a default under the new notes, the proceeds from the sale of the collateral may not be sufficient to satisfy in full our obligations under the new notes following the repayment of the new revolving credit facility with the proceeds of collateral consisting of Working Capital Assets. The amount to be received upon such a sale would depend upon numerous factors, including the timing and manner of the sale. The book value of the collateral will be less than the principal amount of the notes offered hereby. By its nature, the collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the collateral can be sold in a short period of time or that the proceeds obtained therefrom will be sufficient to pay all amounts owing to the lenders under the new revolving credit facility and the holders of the new notes.

In addition, our failure or inability to pay rent under real property leases could cause the loss of certain collateral. To the extent that third parties enjoy prior liens (including the lenders under the new revolving credit facility with respect to its liens on the collateral consisting of Working Capital Assets), such third parties may have rights and remedies with respect to the property subject to such liens that, if exercised, could adversely affect the aggregate value of the collateral. Additionally, the terms of the indenture allow us to issue additional notes provided that we meet a specified consolidated fixed charge coverage ratio. The indenture does not require that we maintain the current level of collateral or maintain a specific ratio of indebtedness to asset values. Any additional notes issued pursuant to the indenture will rank *pari passu* to the old notes and the new notes issued as part of the exchange offer and will be entitled to the same rights and priority with respect to the collateral. Thus, the issuance of additional notes pursuant to the indenture may have the effect of significantly diluting your ability to recover payment in full from the then existing pool of collateral.

Additionally, the holders of the new notes will not have a security interest in the capital stock of any of our subsidiaries. As a result, the ability of the collateral agent to realize upon the value of the collateral may be delayed and result in less net proceeds as it is generally more complicated, time consuming and costly to foreclose upon all of the assets of an entity instead of its capital stock.

The indenture governing the new notes and the agreements governing our other secured indebtedness may also permit us to designate one or more of our restricted subsidiaries as an unrestricted subsidiary. If we designate an unrestricted subsidiary, all of the liens on any collateral owned by the unrestricted subsidiary or any of its subsidiaries and any guarantees of the new notes by the unrestricted subsidiary or any of its subsidiaries will be released under the indenture. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the new notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a prior claim (ahead of the new notes) on the assets of such unrestricted subsidiary and its subsidiaries.

The lien-ranking provisions set forth in an intercreditor agreement relating to the indenture governing the notes will limit the rights of the collateral agent and the holders of the new notes with respect to the collateral securing the new notes and new guarantees.

The rights of the collateral agent and the holders of the new notes with respect to our and our domestic subsidiaries' collateral consisting of Working Capital Assets that secure the new notes and any guarantees will be limited pursuant to the terms of an intercreditor agreement that has been entered into by the collateral agent and the agent under the new revolving credit facility. The intercreditor agreement limits (i) the actions that may be taken in respect of the collateral consisting of Working Capital Assets, including the ability to cause the commencement of enforcement proceedings against the collateral consisting of Working Capital Assets and to control the conduct of such proceedings, if the new revolving credit facility or our obligations thereunder are outstanding and (ii) when the collateral agent will be able to commence enforcement proceedings against any other collateral. So long as our new revolving credit facility is outstanding, these actions with respect to collateral consisting of Working Capital Assets may under certain circumstances only be taken at the direction of the agent under the new revolving credit facility. Additionally, as a result, upon any distribution to our creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the lenders under the new revolving credit facility will be entitled to be paid in full from the proceeds of the collateral consisting of Working Capital Assets securing their loans before any payment may be made with respect to the notes out of the proceeds of the collateral consisting of Working Capital Assets. The collateral agent, on behalf of itself, the trustee and the holders of the new notes, will not under certain circumstances have the ability to control or direct such actions with respect to collateral consisting of Working Capital Assets, even if the rights of the holders of the new notes are or may be adversely affected. In addition, the collateral agent will not have the right to foreclose upon any collateral for a period of at least 90 days following notice to the agent under the new revolving credit facility of the occurrence of an event of default under the indenture governing the new notes, and under certain circumstances such period may be significantly longer. See "Description of the Notes−Collateral−Senior Intercreditor Agreement−Restriction on Enforcement of Liens and Related Provisions." Additional releases of collateral from the liens securing the notes are permitted under some circumstances. In addition, such intercreditor agreement will limit certain rights of the collateral agent and the holder of the notes in an insolvency or liquidation proceeding of our company or any guarantor (including restricting their ability to contest debtor-in-possession financings that are to be provided by any lender under the new revolving credit facility and that meet certain criteria). See "Description of the Notes−Collateral−Senior Intercreditor Agreement."

The ability of the collateral agent to foreclose on the collateral may be limited pursuant to bankruptcy laws.

The right of the collateral agent, as a secured party under the collateral documents for the benefit of itself, the trustee and the holders of the new notes, to foreclose upon and sell the collateral upon the occurrence of a payment default is likely to be significantly impaired by applicable bankruptcy laws, including the automatic stay provision contained in Section 362 of the Bankruptcy Code. Under applicable federal bankruptcy laws, a secured creditor is prohibited from repossessing its security from

a debtor in a bankruptcy case, or from disposing of security repossessed from such a debtor, without bankruptcy court approval. Moreover, applicable federal bankruptcy laws generally permit a debtor to continue to retain and use collateral even though that debtor is in default under the applicable debt instruments so long as the secured creditor is afforded "adequate protection" of its interest in the collateral. Although the precise meaning of the term "adequate protection" may vary according to circumstances, it is intended in general to protect a secured creditor against any diminution in the value of the creditor's interest in its collateral. Accordingly, the bankruptcy court may find that a secured creditor is "adequately protected" if, for example, the debtor makes certain cash payments or grants the creditor liens on additional or replacement collateral as security for any diminution in the value of the collateral occurring for any reason during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a bankruptcy court, we cannot predict whether payments under the new notes would be made following commencement of, and during the pendency of, a bankruptcy case, whether or when the collateral agent could foreclose upon or sell the collateral or whether or to what extent holders of new notes would be compensated for any delay in payment or loss of value of the collateral. Furthermore, in the event a bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due under the new notes, the holders of the new notes would hold (1) a secured claim to the extent of the value of the collateral to which the holders of the notes are entitled and (2) an unsecured claim with respect to the shortfall. The bankruptcy code only permits the payment and accrual of post-petition interest, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case to the extent the value of its collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the secured creditor's obligations secured by the collateral.

None of our foreign subsidiaries or unrestricted domestic subsidiaries will guarantee the new notes or grant any liens securing the new notes on any of their assets and none of their capital stock will be pledged to secure the new notes. If any of our foreign subsidiaries or unrestricted domestic subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its indebtedness and its trade creditors generally will be entitled to payment on their claims from the assets of such subsidiary before any of those assets would be made available to us. Consequently, your claims in respect of the new notes effectively would be subordinated to all of the existing and future liabilities of our foreign subsidiaries and our unrestricted domestic subsidiaries.

Finally, the collateral agent's ability to foreclose on the collateral on your behalf may be subject to lack of perfection, the consent of third parties, prior liens (as discussed above) and practical problems associated with the realization of the collateral agent's security interest in the collateral.

The indenture governing the notes and the instruments governing our other indebtedness, including our new revolving credit facility, impose significant operating and financial restrictions on us that may prevent us from pursuing certain business opportunities and restrict our ability to operate our business.

The indenture governing the notes and our new revolving credit facility contains covenants that restrict our ability and the ability of our subsidiaries to take various actions, such as the ability to:

- incur or guarantee additional indebtedness or issue certain preferred stock;
- make capital expenditures, investments or acquisitions;
- pay dividends, redeem subordinated indebtedness or make other specified restricted payments;
- issue capital stock of our restricted subsidiaries;
- create or incur liens;

transfer or sell assets, including capital stock of our restricted subsidiaries;

enter into certain transactions with our affiliates;

incur dividend or other payment restrictions affecting our restricted subsidiaries; and

consummate a merger, consolidate or sell all or substantially all of our assets.

We urge you to read "Description of Certain Indebtedness−New Revolving Credit Facility" and "Description of the Notes−Certain Covenants" for further information about these covenants.

Our ability to comply with these covenants can be affected by events beyond our control, including prevailing economic, financial and industry conditions, and we cannot assure you that we will satisfy those requirements. A breach of any of these covenants, or failure to meet or maintain ratios or tests could result in a default under the new revolving credit facility and/or the indenture governing the notes. We cannot assure you that our assets would be sufficient to repay such amounts (including amounts due under the new notes) in full. We may also be prevented from taking advantage of business opportunities that arise if we fail to meet certain financial ratios or because of the limitations imposed on us by the restrictive covenants under these instruments. In addition, upon the occurrence of an event of default under the new revolving credit facility or the indenture governing the notes, the lenders could elect to declare all amounts outstanding under the new revolving credit facility, together with accrued interest, to be immediately due and payable. If we were unable to repay those amounts, the lenders could proceed against the security granted to them to secure that indebtedness. If the lenders accelerate the payment of the indebtedness, our assets may not be sufficient to repay in full the indebtedness under our new revolving credit facility and the new notes.

We may be unable to repurchase the new notes upon a change of control.

Upon the occurrence of specified kinds of change of control events, we will be required to offer to repurchase all outstanding notes at a price equal to 101% of the principal amount of the notes, together with accrued and unpaid interest, if any, and additional interest, if any, to the date of repurchase.

However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the new notes and the events that constitute a change of control under the indenture may also be events of default under the revolving credit facility. These events may permit the lenders under our revolving credit facility to accelerate the indebtedness outstanding thereunder. If we are required to repurchase the new notes, we would probably require third party financing. We cannot be sure that we would be able to obtain third party financing on acceptable terms, or at all. If the indebtedness under the revolving credit facility is not paid, the lenders thereunder may seek to enforce security interests in the collateral securing such indebtedness, thereby limiting our ability to raise cash to purchase the new notes, and reducing the practical benefit of the offer to purchase provisions to the holders of the new notes.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our capital stock or assets. However, the phrase "all or substantially all" will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or disposition of "all or substantially all" of our capital stock or assets has occurred, in which case, the ability of a holder of the new notes to obtain the benefit of an offer to repurchase all of a portion of the new notes held by such holder may be impaired.

A court could cancel the new guarantees under fraudulent conveyance laws or certain other circumstances.

All of our present and future domestic restricted subsidiaries will guarantee the new notes. If, however, such a subsidiary becomes a debtor in a case under the Bankruptcy Code or encounters other financial difficulty, under federal or state laws governing fraudulent conveyance, renewable transactions

or preferential payments, a court in the relevant jurisdiction might void or cancel its guarantee. The court might do so if it found that, when the guarantor provided its new guarantee:

it received less than reasonably equivalent value or fair consideration for the new guarantee; and

either

was insolvent or was rendered insolvent by reason of such new guarantee,

was engaged, or about to engage, in a business or transaction for which its assets constituted unreasonably small capital,

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured (as all of the foregoing terms are defined in or interpreted under the fraudulent transfer or conveyance statutes), or

was a defendant in an action for money damages, or had a judgment for money damages docketed against it (if, in either case, after final judgment the judgment is unsatisfied).

The court might also void such new guarantee, without regard to the above factors, if it found that the subsidiary entered into its new guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.

A court would likely find that a subsidiary did not receive reasonably equivalent value or fair consideration for its new guarantee unless it benefited directly or indirectly from the issuance of the new notes. If a court voided such new guarantee, you would no longer have a claim against such subsidiary or the benefit of the assets of such subsidiary constituting collateral that purportedly secured such new guarantee. In addition, the court might direct you to return any amounts already received from such subsidiary or from the proceeds of any such collateral. If the court were to void any new guarantee, we cannot assure you that funds would be available to pay the notes from another subsidiary or from any other source.

The indenture states that the liability of each subsidiary on its new guarantee is limited to the maximum amount that the subsidiary can incur without risk that the new guarantee will be subject to avoidance as a fraudulent conveyance. This limitation may not protect the new guarantees from a fraudulent conveyance attack or, if it does, that the new guarantees will be in amounts sufficient, if necessary, to pay obligations under the new notes when due.

The market price for the notes may be volatile.

Future trading prices of the new notes may be volatile and will depend on many factors, including:

our operating performance and financial condition;

our ability to complete the offer to exchange the old notes for the new notes;

the interest of securities dealers in making a market for them; and

the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the new notes. The market for the new notes, if any, may be subject to similar disruptions. Any such disruptions may adversely affect the value of the new notes.

Risks Relating to Our Business

Volatility in oil and gas prices and refining margins could reduce demand for our specialty pipe and tube products, which could cause our sales to decrease.

Proceeds from the sale of specialty steel pipe, fittings and flanges to the oil and gas industry constitute a significant portion of our sales. As a result, we depend upon the oil and gas industry and its ability and willingness to make capital expenditures to explore for, develop and produce oil and gas and produce refined products. If these expenditures decline, our business will suffer. The industry's willingness to explore, develop, produce, and refine depends largely upon the availability of attractive drilling prospects and the prevailing view of future oil and gas prices. Many factors affect the supply and demand for oil and gas and therefore influence our product prices, including:

level of domestic and worldwide oil and natural gas production;

level of domestic and worldwide supplies of, and demand for, oil and natural gas;

expected cost of delivery new reserves;

availability of attractive oil and gas field which may be affected by governmental action, or environmental activists which may restrict drilling prospects;

changes in the cost or availability of transportation infrastructure;

level of drilling activity;

national, governmental and other political requirements, including the ability of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain production levels and pricing;

impact of political instability or armed hostilities involving one or more oil and gas producing nations;

domestic and worldwide refinery overcapacity or undercapacity and utilization rates;

pricing and other actions taken by competitors that impact the market;

failure to successfully implement planned capital projects or to realize the benefits expected for those projects;

changes in fuel specifications required by environmental and other laws, particularly with respect to oxygenates and sulfur content;

aggregate refinery capacity to convert heavy sour crude oil into refined products;

cost of developing alternate energy sources;

domestic and foreign governmental reputations, especially environmental regulations, trade laws and tax policies; and

the overall domestic and foreign economic environment.

Volatility in the oil and gas markets and general economic conditions could cause demand for our principal products to decrease, which would adversely affect our business, consolidated financial condition, results of operations and liquidity.

Oil and gas, power and refined products prices have been and are expected to remain volatile. This volatility causes oil and gas companies, drilling contractors, power generators and utilities, MROs and refiners to change their strategies and expenditure levels. We have experienced in the past, and we may experience in the future, significant fluctuations in operating results based on these changes.

Supply of steel and the price we pay for steel pipe and components may fluctuate due to a number of factors beyond our control, which could adversely affect our operating results.

We purchase large quantities of carbon and alloy steel pipe and components, which we sell to a variety of end-users and certain MRO distributors. The prices we pay for these products and the prices we charge for our products may change depending on many factors outside of our control, including general economic conditions (both domestic and international), competition, production levels, import duties and other trade restrictions, currency fluctuations and surcharges imposed by our suppliers. Prices for raw materials used in the production of steel have increased significantly in recent months due primarily to international demand. We seek to maintain our profit margin by attempting to increase the price of our products in response to increases in the prices we pay for our inventories. If, however, we are unable to pass on higher costs to our customers or if our supply of products is delayed or curtailed, this could have a material adverse effect on our business, financial condition, results of operations and liquidity. Alternatively, significant steel price decreases can have a material adverse effect on our business, financial condition, results of operation and liquidity if decreases in steel prices necessitate us to reduce product pricing, especially to the extent inventory has been purchased by us prior to the steel price decreases.

Our business is sensitive to economic downturns, which could cause our revenues to decrease.

The demand for our products is dependent on the general economy, the oil and gas, processing and power generation industries and other factors. Downturns in the general economy or in the oil and gas, processing or power generation industries can cause demand for our products to materially decrease. The specialty pipe and tube market has experienced softness in recent years principally due to weak economic conditions in general and reduced spending on expansion and development projects by end-users. During 2003, we experienced a significant decline in sales and profitability, primarily as a result of a severely depressed power generation market and reduced spending in the processing and oil and gas industries, and an internal decision to liquidate inventory of certain low-margin products. In addition, if we are not adequately able to predict demand and if our inventories (or the inventories of manufacturers, other distributors or our customers) become excessive, there could be a material adverse effect on price levels for our products, the quantity of products sold by us and our revenues.

Significant competition from a number of companies could reduce our market share and have an adverse effect on our selling prices and sales volumes.

We operate in a highly competitive industry and compete against a number of companies, some of which have significantly greater financial, technological and marketing resources than we do. We believe that our ability to compete depends on high product performance, short lead-time and timely delivery, competitive pricing and superior customer service and support. We might be unable to compete successfully with respect to these or other factors. If we are unsuccessful, we could lose market share to our competitors. Moreover, actions by our competitors could have an adverse effect on our selling prices and sales volumes.

The development of alternatives to specialty pipe and component products distributors in the supply chain could cause a decrease in our sales and operating results and limit our ability to grow our business.

Our customers could begin satisfying more of their product needs by purchasing directly from manufacturers, which could result in decreases in our sales and earnings. Our suppliers could invest in infrastructure to expand their own local sales force and inventory stocking capabilities and sell more products directly to our customers. These or other actions that remove us from, or limit our role in, the distribution chain, may harm our competitive position in the specialty pipe and component products marketplace and reduce our sales and earnings.

Increases in customer, manufacturer and distributor inventory levels could reduce our sales and profit.

Customer, manufacturer and distributor inventory levels of specialty pipe and component products can change significantly from period to period. Increases in our customers' inventory levels can have a direct adverse effect on the demand for these products when customers draw from inventory rather than purchase new products. Reduced demand, in turn, would likely result in reduced sales volume and overall profitability.

Increased inventory levels by manufacturers or other distributors can cause an oversupply of specialty products in our markets and reduce the prices that we are able to charge for our products. Reduced prices, in turn, would likely reduce our margins and overall profitability.

We rely on our information technology systems to manage numerous aspects of our business and customer and supplier relationships and a disruption of these systems could adversely affect our business.

Our information technology (IT) system is an integral part of our business and growth strategies, and a serious disruption to our IT system could significantly limit our ability to manage and operate our business efficiently, which in turn could cause our business and competitive position to suffer and cause our results of operations to be reduced. We depend on our IT system to process orders, track credit risk and manage inventory and accounts receivable collections. Our IT system also allows us to efficiently purchase products from our suppliers and ship products to our customers on a timely basis, maintain cost-effective operations and provide superior service to our customers. While we have contingency plans in place in case of an emergency, we cannot assure you that the plans will allow us to continue to operate at our current level of efficiency.

Loss of third-party transportation providers upon whom we depend or increases in fuel prices could increase our costs or cause a disruption in our operations.

We depend upon third-party transportation providers for delivery of products to our customers. Strikes, slowdowns, transportation disruptions or other conditions in the transportation industry, including, but not limited to, shortages of truck drivers, disruptions in rail service, decreases in ship building or increases in fuel prices, could increase our costs and disrupt our operations and our ability to service our customers on a timely basis.

Loss of key suppliers or reduced product availability could decrease our sales and earnings.

For the year ended December 31, 2004, our 10 largest suppliers accounted for approximately 54% of our purchases and our single largest supplier accounted for approximately 11% of our purchases. The loss of any of these suppliers−or a reduction in purchases by us from these suppliers that results in the loss of volume discounts−could result in a decrease in our sales, operating results and earnings by decreasing the availability, or the increasing the prices, of products we distribute, which could limit our ability to satisfy our customers' product needs. Such reduced product availability could put us at a competitive disadvantage.

In addition, particular products or product lines may not be available to us, or available in quantities sufficient to meet our customer demand. A substantial decrease in the availability of these products or product lines could result in a decrease in our sales, operating results and earnings as we might not be able to satisfy our customer's product needs. Such reduced product availability could put us at a competitive disadvantage.

Our ten largest customers account for a substantial portion of our sales and profits, and the loss of these customers could result in materially decreased sales and profits.

Our top ten customers accounted for approximately 22.3% of our overall sales for the fiscal year ended December 31, 2004. While we generally have contracts with our major customers, these contracts generally may be discontinued with 30 days notice by either party, are not exclusive and do not require minimum levels of purchases. We may lose a customer for any number of reasons, including as a result of a merger or acquisition, contract expiration, the selection of another provider of specialty pipe and component products, business failure or bankruptcy, or our performance. We may not retain long-term relationships or secure renewals of short-term relationships with our major customers in the future. If we were to lose major customers, our revenues and profits would materially decrease.

We may need additional capital in the future and it may not be available on acceptable terms.

We may require more capital in the future to:

fund our operations;

finance investments in equipment and infrastructure needed to maintain and expand our distribution capabilities;

enhance and expand the range of products we offer; and

respond to competitive pressures and potential strategic opportunities, such as investments, acquisitions and international expansion.

We cannot assure you that additional financing will be available on terms favorable to us, or at all. The terms of available financing may place limits on our financial and operating flexibility. If adequate funds are not available on acceptable terms, we may be forced to reduce our operations or delay, limit or abandon expansion opportunities. Moreover, even if we are able to continue our operations, the failure to obtain additional financing could reduce our competitiveness as our competitors may provide better maintained networks or offer an expanded range of services.

Risks generally associated with acquisitions.

An important element of our growth strategy has been and is expected to continue to be the pursuit of acquisitions of other businesses that either expand or complement our existing product lines. We cannot assure you, however, that we will be able to identify additional acquisitions or that we would realize any anticipated benefits from such acquisitions. Integrating businesses involves a number of special risks, including the possibility that management may be distracted from regular business concerns by the need to integrate operations, unforeseen difficulties in integrating operations and systems, problems concerning assimilating and retaining the employees of the acquired business, accounting issues that arise in connection with the acquisition, challenges in retaining customers and potential adverse short-term effects on operating results. In addition, we may incur debt or issue securities to finance future acquisitions, which could adversely affect our ability to fulfill our obligations under the notes. If we are unable to successfully complete and integrate strategic acquisitions in a timely manner, our growth strategy could be adversely impacted.

Disruptions in the political and economic conditions of the foreign countries in which we purchase and/or distribute our products could adversely affect our business.

We distribute our products internationally, including to Western Europe, South America, Canada, Mexico and Asia and expect to expand our distribution into new regions. In addition, substantially all of our alloy products are imported from international markets such as Germany, Italy, Korea or Japan and we also purchase a portion of our carbon products from abroad. International distribution

increases our exposure to risks of war, terrorist attacks, local economic conditions, political disruption, civil disturbance and governmental policies that may:

- disrupt our purchasing and/or distribution capabilities;
- restrict the movement of funds or limit repatriation of profits;
- lead to U.S. government or international sanctions; and
- limit access to markets for periods of time.

If we are unable to retain our key management personnel, our growth and future success may be impaired and our financial condition could suffer as a result.

Our success depends to a significant degree upon the continued contributions of senior management, certain of whom would be difficult to replace. The departure of our executive officers could have a material adverse effect on our business, financial condition or results of operations. We do not maintain key-man life insurance on any of our executive officers. We cannot assure you that the services of such personnel will continue to be available to us. See "Our Management."

We might be unable to employ and retain a sufficient number of sales and customer service personnel.

Many of our customers require products that are complex, highly engineered and often must be able to perform in harsh conditions. We believe that our success depends upon our ability to employ and retain qualified sales and service personnel with the ability to understand our products and provide tailored product solutions to our customer base. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay or both. If either of these events were to occur, our cost structure could increase and our growth potential could be impaired.

We are subject to environmental laws and regulations relating to hazardous materials, substances and waste used in or resulting from our operations. Liabilities or claims with respect to environmental matters could have a significant negative impact on our business.

Our operations are also governed by laws and regulations relating to workplace safety and worker health which, among other things, regulate employee exposure to hazardous chemicals in the workplace. As with other companies engaged in like businesses, the nature of our operations expose us to the risk of liabilities or claims with respect to environmental matters, including those relating to the disposal and release of hazardous substances. We cannot assure you that material costs will not be incurred in connection with such liabilities or claims.

Based on our company's experience to date, we believe that the future cost of compliance with existing environmental laws and regulations (and liability for known environmental conditions) will not have a material adverse effect on our business, financial condition or results of operations. We cannot predict, however, what environmental or health and safety legislation or regulations will be enacted in the future or how existing or future laws or regulations will be enforced, administered or interpreted. Nor can we predict the amount of future expenditures that may be required in order to comply with such environmental or health and safety laws or regulations or to respond to such environmental claims.

We may not have adequate insurance for potential liabilities.

Our specialty pipe and component products are sold primarily for use in the oil and gas, processing and power generation industries, which are subject to inherent risks that could result in death, personal injury, property damage, pollution or loss of production. In addition, defects in our

specialty pipes and component products could result in death, personal injury, property damage, pollution or damage to equipment and facilities. Actual or claimed defects in the products we distribute may give rise to claims against us for losses and expose us to claims for damages. Our insurance may be inadequate or unavailable to protect us in the event of a claim or our insurance coverage may be canceled or otherwise terminated. We face the following additional risks under our insurance coverage:

- we may not be able to continue to obtain insurance on commercially reasonable terms;
- we may be faced with types of liabilities that will not be covered by our insurance, such as damages from environmental contamination or terrorist attacks;
- the dollar amount of any liabilities may exceed our policy limits; and
- we may incur losses from interruption of our business that exceed our insurance coverage.

Even a partially uninsured claim, if successful and of significant size, could have a material adverse effect on our business, consolidated financial condition, results of operations or liquidity.

We are subject to litigation risks that may not be covered by insurance.

In the ordinary course of business, we become the subject of various claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims relate to the activities of businesses that we have sold, and some relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. We maintain insurance to cover many of our potential losses, and we are subject to various self-retentions and deductibles under our insurance. It is possible, however, that a judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts that we currently have reserved or anticipate incurring for such matters.

We are party to a settlement agreement with one of our customers and one of our suppliers involving fittings that were alleged to not meet specifications. Under the terms of the settlement agreement, the supplier agreed to pay $1.0 million directly to our customer to be paid in partial payments to be completed on or before June 30, 2005. The supplier verbally informed us on or about January 24, 2005 that it was in default of certain provisions of that settlement agreement and was attempting to cure that default. On or about February 1, 2005, the supplier cured that default. However, if the supplier fails to make the future required payments required under the settlement agreement, which are approximately $0.7 million in the aggregate, we will be required to satisfy the obligation and would then seek payment from the supplier.

We are controlled by parties whose interests may not be aligned with yours.

Following the completion of the Transactions, JCP beneficially owns approximately 81% of our outstanding voting stock on a fully-diluted basis. By virtue of its stock ownership and the terms of the securities holders agreement, JCP has significant influence over our management and has the ability to elect a majority of our board of directors and to determine the outcome of any other matter submitted to the stockholders for their approval, including the power to determine the outcome of all corporate transactions, such as mergers, consolidations and the sale of all or substantially all of our assets. The interests of JCP may differ from your interests as a noteholder, and as such JCP may take actions that may not be in your interest. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of JCP might conflict with your interests as a noteholder. In addition, JCP may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance its equity investment, even though such transactions might involve risks to you as a holder of the notes.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "may," "could," "would," "should," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend" and similar expressions. These statements include, among others, statements regarding our expected business outlook, anticipated financial and operating results, our business strategy and means to implement the strategy, our objectives, the amount and timing of capital expenditures, the likelihood of our success in expanding our business, financing plans, budgets, working capital needs and sources of liquidity.

Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Important assumptions relating to the forward looking statements include, among others, assumptions regarding demand for our products, the expansion of product offerings geographically or through new applications, the timing and cost of planned capital expenditures, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Forward-looking statements also involve known and unknown risks and uncertainties, which could cause actual results that differ materially from those contained in any forward looking statement. Many of these factors are beyond our ability to control or predict. Such factors include, but are not limited to, the following:

our substantial leverage;

volatility in the oil and gas, processing and power generation industries that we serve;

oil and gas drilling activities in North America;

steel price volatility;

general economic conditions and construction activity in North America;

the risks associated with the expansion of our business;

our possible inability to integrate any businesses we acquire;

domestic and foreign competitive pressures;

fluctuations in industry-wide inventory levels;

fluctuations in currency exchange rates;

asserted and unasserted claims against us;

compliance with laws and regulations, including those relating to environmental matters;

technological changes; and

other factors discussed under "Risk Factors" or elsewhere in this prospectus.

We believe the forward looking statements in this prospectus are reasonable; however, you should not place undue reliance on any forward looking statement. Further, forward looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information, future events or otherwise.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the new notes, we will receive in exchange the old notes of like principal amount. The old notes surrendered in exchange for new notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the new notes will not result in any increase in our indebtedness. We have agreed to bear the expenses of the exchange offer. No underwriter is being used in connection with the exchange offer.

The net proceeds from offering of the old notes, which was completed on February 1, 2005, after deducting estimated commissions, fees and expenses was approximately $98.3 million, which, together with equity contributions from funds managed by JCP and certain members of our management and borrowings under our new revolving credit facility, was used to finance the acquisition of our company and to the pay fees, expenses and commissions related to the Transactions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations−Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth our actual cash and cash equivalents and capitalization as of December 31, 2004. The table also sets forth our pro forma capitalization to give effect to the offering of old notes completed on February 1, 2005, the completion of the other Transactions and the application of the net proceeds as described under "Use of Proceeds" as if they had occurred on December 31, 2004. The information in this table should be read in conjunction with "Use of Proceeds," "Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical audited consolidated financial statements and related notes contained elsewhere in this prospectus.

	As of December 31, 2004	
	Actual	Pro Forma
	(dollars in thousands)	
Cash and cash equivalents	$ 134	$ –
Debt:		
Old revolving credit facility(1)	$ 39,609	$ –
New revolving credit facility(2)	–	2,686
$9^{7}/_{8}$% senior secured notes	–	105,000
Variable rate demand bonds(1)	4,490	–
Other debt(3)	3,784	–
Total debt, including current portion	47,883	107,686
Mandatorily redeemable preferred stock:		
Series A cumulative redeemable preferred stock, $.01 par value per share. 372,644 shares are authorized and designated and 367,644 shares are issued and outstanding on an actual basis. No shares are authorized, issued and outstanding on an a pro forma basis	51,979	–
Series B redeemable preferred stock, $.01 par value per share. 10,000 shares are authorized, issued and outstanding on an actual basis. No shares are authorized, issued and outstanding on a pro forma basis	4,000	–
Shareholders' equity(4)		
Class A common stock, $.01 par value per share. 6,000,000 shares are authorized and 4,307,880 shares are issued and outstanding on an actual basis. 5,000,000 shares are authorized and 2,681,564 shares are issued and outstanding on a pro forma basis	43	24
Class B common stock, $.01 par value per share. 505,512 shares are authorized, issued and outstanding on an actual basis. No shares are authorized, issued and outstanding on a pro forma basis.	5	–
Paid-in capital	22,578	23,976
Series A cumulative compounding preferred stock, $.01 par value per share. No shares are authorized, issued and outstanding on an actual basis. 40,000 shares are authorized and designated and 21,600 shares issued and outstanding on a pro forma basis	–	–
Accumulated deficit	(31,743)	–
Treasury stock	(2,637)	–
Total shareholders' equity (deficit)(5)	(11,754)	24,000

Total capitalization	$ 92,108	$ 131,686

(1) At December 31, 2004, we had approximately $39.6 million of outstanding indebtedness under our then existing revolving credit facility, $4.5 million of variable rate demand notes outstanding and various term notes totaling $3.8 million, all of which were repaid at closing.

(2) The new revolving credit facility provides for borrowings of up to $20.0 million. See "Description of Certain Indebtedness−New Revolving Credit Facility." We borrowed approximately $2.7 million under the new revolving credit facility in connection with the Transactions.

(3) At December 31, 2004, other debt included approximately $3.8 million of term debt payable to banks and various equipment financing entities.

(4) See "Security Ownership of Certain Beneficial Owners and Management−Common Stock" and "−Preferred Stock" for a description of our common stock and Series A preferred stock issued and outstanding following the completion of the Transactions.

(5) In connection with the acquisition, funds managed by JCP, our equity sponsor, made an equity investment in Edgen Acquisition Corporation of approximately $21.6 million in cash and certain members of our management made an equity investment in Edgen Acquisition Corporation of approximately $2.4 million in cash. The aggregate $24.0 million equity investment will be reflected in our shareholders' equity as common stock, Series A preferred stock and additional paid-in capital.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected financial data for the fiscal years ended December 31 for each of 2004, 2003, 2002, 2001 and 2000. The selected statement of operations and balance sheet data for the fiscal years ended 2004, 2003, 2002, 2001 and 2000 fiscal years have been derived from our audited consolidated historical financial statements. The selected data presented below should be read in conjunction with, and is qualified in its entirety by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes thereto appearing elsewhere in this prospectus.

	Fiscal Year Ended December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Statement of Operations Data:					
Sales	$ 207,821	$ 147,025	$ 212,312	$ 173,044	$ 138,904
Cost of sales	155,357	121,146	168,368	133,099	109,566
Gross profit	52,464	25,879	43,944	39,945	29,338
Income (loss) from operations	18,055	(5,717)	14,621	13,161	6,355
Income (loss) from continuing operations before taxes	12,998	(8,665)	11,573	8,082	360
Income tax expense (benefit) from continuing operations	(3,211)	(4,195)	1,384	3,254	415
Income (loss) from continuing operations	16,209	(4,471)	10,189	4,828	(55)
Loss from discontinued operations before taxes	–	(348)	(4,469)	(3,807)	(633)
Income tax benefit from discontinued operations	–	159	1,760	1,523	234
Income (loss) before cumulative effect of change in accounting principle	16,209	(4,659)	7,479	2,543	(454)
Cumulative effect of change in accounting principle	–	–	(39,414)	–	–
Net income (loss)	16,209	(4,659)	(31,935)	2,543	(454)
Preferred dividend requirement	(2,206)	(2,212)	(2,236)	(2,236)	(2,236)
Net income (loss) applicable to common shareholders	$ 14,003	$ (6,871)	$ (34,171)	$ 307	$ (2,690)
Balance Sheet Data (at end of period):					
Cash	$ 134	$ 3,125	$ –	$ 583	$ 1,547
Net property, plant, and equipment	10,423	11,668	11,065	10,417	11,636
Total assets	119,753	105,560	121,650	148,718	162,428
Long-term debt	47,883	50,973	65,206	57,170	83,071
Total shareholders' equity (deficit)	(11,754)	(25,533)	(18,523)	15,648	15,341
Other Financial Data:					
EBITDA(1)	$ 20,561	$ (3,543)	$ 16,348	$ 16,032	$ 9,002
Depreciation and amortization	2,400	2,001	1,672	2,760	2,773
Capital expenditures	1,112	2,499	2,369	2,070	2,952
Net cash provided by (used in):					

Cash flows−operating activities	4,417	24,738	(2,043)	25,559	(17,250)
Cash flows−investing activities	(1,036)	(3,115)	(10,214)	(29,001)	(6,509)
Cash flows−financing activities	(6,371)	(18,499)	11,675	(21,338)	24,735
Ratio of earnings to fixed charges(2)	2.88x	−	3.05x	1.90x	1.04x

(1) We define EBITDA as net income (loss) from continuing operations before net interest expense, income taxes, and depreciation and amortization. We use EBITDA in our business operations to, among other things, evaluate the performance of our operating segments, develop budgets and

measure our performance against those budgets, determine employee bonuses, and evaluate our cash flows in terms of cash needs. We find it a useful tool to assist us in evaluating performance and liquidity because it eliminates items related to corporate overhead and capital structure, taxes and other non-cash charges. However, EBITDA, which does not represent operating income or net cash provided by operating activities as those items are defined by GAAP, should not be considered by prospective investors in the notes to be an alternative to operating income or cash flow from operations or indicative of whether cash flows will be sufficient to fund our future cash requirements. EBITDA is not a complete net cash flow measure or measure of liquidity because EBITDA does not include reductions for cash payments for an entity's obligation to service its debt, fund its working capital, make capital expenditures and acquisitions and pay its income taxes. Rather, EBITDA is a potential indicator of an entity's ability to fund these cash requirements. EBITDA also is not a measure of profitability because it does not include costs and expenses for depreciation and amortization, interest and related expenses and income taxes. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

Set forth below is a reconciliation of income (loss) from continuing operations to EBITDA for the periods presented.

	Fiscal Year Ended December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Income (loss) from continuing operations	$ 16,209	$ (4,471)	$ 10,189	$ 4,828	$ (55)
Income tax (benefit) expense	(3,211)	(4,195)	1,385	3,254	415
Interest expense, net	5,163	3,122	3,102	5,190	5,869
Depreciation and amortization	2,400	2,001	1,672	2,760	2,773
EBITDA	$ 20,561	$ (3,543)	$ 16,348	$ 16,032	$ 9,002

(2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represents pre-tax earnings from continuing operations, plus fixed charges, less preferred dividends. Fixed charges consist of interest expense, amortization of capitalized expenses related to indebtedness, and preferred dividends.

For the year ended December 31, 2003 earnings were not sufficient to cover fixed charges. For the year ended December 31, 2003, the deficiency was $8,665.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are presented to illustrate the estimated effects of the Transactions on our historical financial position and results of operations. We have derived the historical consolidated financial data for the year ended December 31, 2004 from our audited consolidated financial statements and related notes for such year included elsewhere in this prospectus.

The unaudited pro forma condensed combined balance sheet at December 31, 2004 assumes that the Transactions took place on that date. The unaudited pro forma condensed combined statements of income for the year ended December 31, 2004 assumes that the Transactions took place on January 1, 2004, the beginning of our 2004 fiscal year. The information presented in the unaudited pro forma condensed combined financial statements is not necessarily indicative of our financial position or results of operations that would have occurred if the Transactions had been consummated as of the dates indicated, nor should it be construed as being a representation of our future financial position or results of operations.

The pro forma adjustments are based upon currently available information and certain assumptions that we believe are reasonable under the circumstances. The acquisition of Edgen Corporation by Edgen Acquisition Corporation was accounted for using the purchase method of accounting and the resulting assets acquired and liabilities assumed have been reflected at their estimated fair market values at the date of acquisition. These adjustments are more fully described in the notes to the unaudited pro forma condensed combined financial statements below.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes and assumptions, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the related notes and the other financial information included elsewhere in this prospectus.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2004
(dollars in thousands)

	Historical Edgen Corporation	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 134	$ (134)(1)	$ –
Accounts receivable–(net)	31,751	–	31,751
Inventory	57,960	–	57,960
Prepaid expenses and other current assets	12,932	139 (2)	13,071
Total current assets	102,777	5	102,782
Property, Plant and Equipment, (net)	10,423	1,823 (3)	12,246
Goodwill and Other Intangibles (net)	6,518	(6,459)(4)	34,848
		34,789 (4)	
Deferred Financing Costs	35	7,105 (5)	7,140
TOTAL	$ 119,753	$ 37,263	$ 157,016
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' DEFICIT			
Current Liabilities:			
Managed cash overdrafts	$ 1,361	$ (1,361)(6)	$ –
Accounts payable	19,018	–	19,018
Accrued expenses and other current liabilities	6,376	(925)(7)	5,451
Current portion of long-term debt	7,230	(7,230)(8)	–
Total current liabilities	33,985	(9,516)	24,469
Deferred Tax Liability	891	–	891
Long-Term Debt	40,653	67,003 (8)	107,656
Total Liabilities	75,529	57,487	133,016
Mandatorily redeemable preferred stock, $.01 par value, 372,644 shares authorized and designated; 367,644 shares plus accrued dividends issued and outstanding, Series A	51,979	(51,979)(9)	–
Mandatorily redeemable preferred stock, $.01 par value, 10,000 shares authorized, issued, and outstanding, Series B	4,000	(4,000)(9)	–
Total mandatorily redeemable preferred stock	55,979	(55,979)	–
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY (DEFICIT):			
Common stock–Class A, $.01 par value	43	(43)(9)	24
		24 (10)	
Common stock–Class B, $.01 par value	5	(5)(9)	–
Preferred stock–Series A, $.01 par value	–	1 (10)	1

Paid-in capital	22,578	(22,578)	(10)	23,975
		23,975	(10)	
Accumulated deficit	(31,743)	31,743	(9)	–
Less treasury stock	(2,638)	2,638	(9)	–
Total shareholders' equity (deficit)	(11,755)	35,755		24,000
TOTAL	$ 119,753	$ 37,263		$ 157,016

Notes To Unaudited Pro Forma Condensed Combined Balance Sheet
(dollars in thousands, except per share amounts)

(1) Reflects the adjustment to our cash balances which were retained by the sellers in connection with the Transactions. Proceeds from the issuance of the old notes, borrowings under the new revolving credit facility, and cash equity contributions are calculated using the following assumptions:

Proceeds from the issuance of old notes	$	105,000
Proceeds from the issuance of common stock and preferred stock(a)		24,000
Proceeds from borrowings under the new revolving credit facility	$	2,656
Total proceeds	$	131,656
Cash portion of the purchase price paid to the sellers	$	63,989
Retirement of existing debt and related accrued interest		48,818
Fees and expenses(b)	$	18,849
Total uses	$	131,656

(a) In connection with the Transactions, we issued 2,400,000 shares of common stock, $0.01 par value and 21,600 shares of Series A 8 1/2% cumulative compounding preferred stock, $0.01 par value, to our existing shareholders. Each share of common stock is valued at $1 per share and each share of preferred stock is valued at $1,000 per share.

(b) Represents debt issuance costs of $11,833, which includes transaction fees and expenses, plus $7,016 of transaction fees and bonuses paid to certain of our current and former directors and members of management.

(2) Represents miscellaneous expenses prepaid by our company in connection with the Transactions that will be subsequently amortized.

(3) Reflects the allocation to land and buildings of a portion of the purchase price for the acquisition in excess of the net book value of the assets acquired.

(4) Represents (i) the elimination of historical goodwill of our company as a result of the Transactions and (ii) the allocation of the excess of the purchase price of the acquisition over the fair value of the assets acquired. This excess will be recorded as goodwill and is calculated as follows:

Purchase price for the acquisition(a)	$	127,036
Direct acquisition costs		714
Total purchase price		127,750
Less: Fair value of assets acquired(b)		92,961

Goodwill	$	34,789

(a) The total purchase price for the acquisition is calculated as follows:

Base purchase price pursuant to stock purchase agreement	$	124,000
Cash on hand at closing retained by the sellers		134
Income tax receivable retained by the sellers		2,602
Adjustment for tax credit due to the sellers		300
Total purchase price	$	127,036

(b) We completed an assessment of the fair value of land and buildings acquired for purposes of allocating the purchase price. In doing so, $1,823 of the excess of the purchase price over the net book value of the assets was allocated to the land and buildings. This allocation is reflected as a pro forma adjustment on the unaudited pro forma condensed combined balance sheet. We are currently evaluating the fair value of the inventory acquired. To the extent that this assessment indicates that the fair value of the inventory is in excess of its net book value, this amount will be allocated to inventory and will reduce the goodwill as calculated above.

(5) Reflects the (i) elimination of unamortized deferred financing costs in the amount of $35 associated with debt of our company that was retired at the time of the Transactions and (ii) the addition of deferred financing costs of $7,140 associated with the issuance of the old notes and the new revolving credit facility.

(6) Reflects the elimination of managed cash overdrafts not assumed by Edgen Acquisition Corporation.

(7) Reflects (i) the elimination of accrued interest on existing debt that was paid at closing of the Transactions (ii) the elimination of accrued bonuses also paid at closing of the Transactions, and (iii) the additional accrual of income tax refunds and other transaction expenses payable to the sellers subsequent to closing of the Transactions, in the following amounts:

Elimination of accrued interest on existing debt	$	(935)
Elimination of accrued bonuses		(3,229)
Accrual of income tax refunds and other transaction expenses due the sellers		3,239
Total	$	(925)

(8) Reflects the elimination of $47,883 of our current and long term debt which was retired at closing of the Transactions. Also reflects the issuance of $105,000 aggregate principal amount of old notes and borrowings under the new revolving credit facility of $2,656.

(9) Reflects the elimination of our historical equity accounts as a result of the Transactions.

(10) Reflects (i) the elimination of historical paid in capital and (ii) the issuance of 2,400,000 shares of common stock, $0.01 par value and 21,600 shares of Series A 8 1/2% cumulative compounding preferred stock, $0.01 par value, to our shareholders. Each share of common stock is valued at $1 per share and each share of preferred stock is valued at $1,000 per share.

Unaudited Pro Forma Condensed Combined Statement Of Operations
For the Year Ended December 31, 2004
(dollars in thousands)

	Historical Edgen Corporation	Pro Forma Adjustments	Pro Forma Combined
SALES	$ 207,820	$ –	$ 207,820
COST OF SALES	155,357	–	155,357
Gross profit	52,463	–	52,463
OPERATING EXPENSES:			
Yard and shop expense	4,592	–	4,592
Selling, general, and administrative expense	27,416	(676)(1)	26,768
		28 (2)	
Depreciation and amortization expense	2,400	52 (3)	2,452
Total operating expenses	34,408	(596)	33,812
INCOME FROM OPERATIONS	18,055	596	18,651
OTHER INCOME (EXPENSE):			
Other income	106	–	106
Interest expense	(5,163)	(6,466)(4)	(11,629)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	12,998	(5,870)	7,128
INCOME TAX BENEFIT	(3,211)	(2,153)(5)	(5,364)
INCOME FROM CONTINUING OPERATIONS	16,209	(3,717)	12,492
PREFERRED DIVIDEND REQUIREMENT	(2,206)	2,206 (6)	–
		(1,836)(7)	(1,836)
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	$ 14,003	$ (3,347)	$ 10,656

(in thousands, except share and per share amounts)

(1) Reflects the elimination of certain annual management and directors fees paid prior to the Transactions.

(2) Reflects the amortization of unearned compensation in connection with the issuance of 281,564 shares of restricted common stock on February 2, 2005 to certain members of our management group. Of the 281,564 shares issued, 140,782 vest in equal amounts over five years. The unearned compensation associated with these restricted shares, which had a total value of $141 on the date of grant is being expensed over the five year vesting period. The remaining shares vest only if certain performance targets are met. For pro forma purposes, none of these performance based shares are considered to have vested.

(3) Represents additional depreciation expense on the increase in property and equipment. The increase in property and equipment is the result of the allocation of a portion of the purchase price in excess of the net book value of the assets acquired so as to properly state the assets at fair value.

(4) Reflects (i) the elimination of historical interest expense on debt retired and (ii) interest expense on debt issued in connection with the Transactions at rates assumed to be in effect at the time of the Transactions, as follows:

Elimination of historical interest expense	$	(5,163)
Interest on the old notes at 9 7/8%		10,369
Interest on the new revolving credit facility(a)		70
Amortization of debt issue costs		1,190
Total	$	6,466

(a) For purposes of calculating interest on the new revolving credit facility, LIBOR is assumed to be 1.12%. Each one-eighth percent change in the interest rate would change the assumed pro forma interest expense by $3.

(5) Reflects the tax effect of the pro forma adjustments to income at our statutory rate (37%) for the period presented.

(6) Reflects the elimination of dividends on our mandatorily redeemable preferred stock, which was retired in connection with the Transactions.

(7) Represents dividends on 21,600 shares of Series A 8 1/2% cumulative compounding preferred stock, $0.01 par value, issued to our shareholders as a result of the Transactions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the heading "Risk Factors" and elsewhere in this prospectus. The following discussion should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this prospectus.

General

Background

We are a leading global distributor of specialty steel pipe, fittings and flanges for use in niche applications, primarily in the oil and gas, processing and power generation industries. The products we distribute are highly specialized and are used in environments that require high performance characteristics, such as the ability to withstand highly corrosive or abrasive materials, extremely high or low temperatures, or high-pressure. These products are principally used in maintenance and repair projects as well as expansions of infrastructure and development projects. We operate in 16 locations, including 15 in the United States, and one in Canada. We also conduct European operations through an exclusive full-time sales agent in Scotland. Thirteen of our locations stock inventory for quick turnaround to our customers. Our inventory generally consists of non-commodity products that we distribute to over 2,000 customers worldwide. We offer our customers significant breadth in our product offering and consistently provide products that may not otherwise be available on a quick-response basis in quantities that are usable by customers. The depth and breadth of our inventory positions us as a leading distributor of difficult-to-find, specialty products.

We were founded in 1983 as Thomas Pipe and Steel, Inc. and were acquired in 1996 by an investor group. Since 1996 we have grown significantly from one location to our current 16 locations through six add-on acquisitions and three greenfield start-up locations. Until 2003, the companies we acquired were not fully integrated with respect to management, business strategy, sales force coordination, marketing, inventory management, information systems and brand consolidation. Also, during 2003, we experienced a significant decline in sales and profitability, primarily as a result of a severely depressed power generation market, reduced spending in the processing and oil and gas industries, and an internal decision to liquidate inventory of certain low-margin products. In 2003 management focused on addressing operating issues and identifying growth opportunities, and we implemented new operating initiatives to integrate our acquired businesses, streamline our operating structure, cut costs, focus on specialty products and enhance sales and marketing.

Operating Segments

We have two operating segments−our alloy products group and our carbon products group. Our alloy products group primarily distributes alloy based specialty pipes, fittings and flanges that are principally used in high-pressure, extreme temperature and high-corrosion applications in the process and power generation industries. Our carbon products group primarily distributes prime carbon specialty pipes, fittings and flanges that are principally used in high-yield, high-tensile applications in the oil and gas, offshore construction and mining industries.

Revenue Sources

Total Sales. We generate substantially all of our total revenues from the sale of our products. Our carbon products group accounts for the most significant portion of our total sales and our alloy products group accounts for the remainder. For the fiscal year ended December 31, 2004 (fiscal 2004),

and for the fiscal year ended December 31, 2003 (fiscal 2003), approximately 25.1% and 27.9%, respectively, of our total sales were attributable to the alloy products group and approximately 74.9% and 72.1%, respectively, to the carbon products group. We recognize revenue on products sales when products are shipped and the customer takes title and assumes risk of loss. Shipping and handling costs incurred are included as a component of cost of goods sold.

The products we sell are used principally in maintenance and repair projects, expansions of infrastructure and development projects. Over the last two years most of the products sold by us have been used in maintenance and repair applications because there have been relatively few new installations in our end-use markets. We fill large orders for new installations or expansions of infrastructure that sometimes exceed $1.0 million in value but the majority of our product sales orders are smaller, maintenance-related orders. In the processing and power generation markets, and in smaller oil and gas projects, the variety and non-standard nature of the products necessitate procurement from distributors like us. New pipeline construction projects, however, usually require large quantities of custom specialty steel pipe and are typically obtained directly from the manufacturer due to long lead times and large order quantities. For the year ended December 31, 2004:

- approximately 89% of our product orders were for less than $10,000 per order, which in the aggregate represented approximately 21% of our consolidated sales;

- approximately 11% of our product orders ranged from $10,000 to $500,000 per order, which in the aggregate represented approximately 64% of our consolidated sales; and

- approximately one-tenth of one percent of our product orders were for more than $500,000 per order, which in the aggregate represented approximately 15% of our consolidated sales.

For a discussion of the impact of seasonality on our product sales, see "Seasonality" below.

Alloy Products Group Segment. The alloy products we sell are principally used in high-pressure, extreme temperature and high-corrosion applications, such as in heating, desulphurization, refrigeration and liquefied natural gas (LNG) units in the processing and refining industries, and in heat recovery steam generation (HRSG) units in the power generation industry. Substantially all of our alloy products are imported from international markets such as Germany, Italy, Korea or Japan. Alloy pipe and components are more expensive and generally have higher margins than carbon pipe and components.

Carbon Products Group Segment. The carbon products we sell are principally used in high-yield, high-tensile, abrasive applications such as the gathering and transmission of oil, natural gas and phosphates, conductor casing and structural supports for the off-shore drilling and production segment of the oil and gas industry. We purchase our carbon products from both domestic and international manufacturers. A substantial majority of our total sales represents sales of our carbon products.

Sales in our alloy product groups segment and our carbon products group segment are primarily driven by the following factors:

- changes in oil and natural gas markets;

- refining industry margins;

- demand for electrical power and the use of fuel for power generation;

- worldwide demand for chemicals and refined products in the processing industry; and

the level of spending for construction projects in the oil and gas, processing and power generation industries.

Principal Costs and Expenses

Our largest expense is the cost to purchase the products we distribute, which is included in cost of goods sold. We buy and pay for most of our products on standard commercial terms (e.g., payment typically due within 30 to 60 days). For fiscal 2004, and for fiscal 2003, our cost of goods sold was approximately $155.4 million and $121.1 million, respectively. Our operating expenses consists principally of selling, general and administrative expense, and yard and shop expense. For fiscal 2004 and for fiscal 2003, our operating expenses were approximately $34.4 million and $31.6 million, respectively.

Principal Cash Flows

We generate cash primarily from our operating activities, and historically we have used cash flows from operating activities, if positive, and our revolving credit facility as the primary sources of funds to purchase our inventory, fund working capital and capital expenditures, and make acquisitions.

Principal External Factors that Affect our Business

We are subject to a number of external factors that may adversely affect our businesses. These factors, which are discussed below and under the headings "Forward-Looking Statements," "Risk Factors" and "Business" and elsewhere in this prospectus, include:

Oil and gas price volatility. Proceeds from the sale of specialty steel pipe, fittings and flanges to the oil and gas industry constitute a significant portion of our sales. As a result, we depend upon the oil and gas industry and its ability and willingness to make capital expenditures to explore for, develop and produce oil and gas and refined products. If these expenditures decline, our business will suffer.

Fluctuations in steel prices. Fluctuations in steel prices can lead to volatility in the pricing of our products, which can influence the buying patterns of our customers and have a negative impact on our results of operations.

Economic downturns. The demand for our products is dependent on the general economy, the oil and gas, processing and power generation industries and other factors. Downturns in the general economy or in the oil and gas, processing or power generation industries can cause demand for our products to materially decrease. During 2003, we experienced a significant decline in sales and profitability, primarily as a result of a severely depressed power generation market and reduced spending in the processing and oil and gas industries, and an internal decision to liquidate inventory of certain low-margin products.

Decreases in demand for energy and electrical power. Reduced demand for energy and electrical power would reduce demand for our products, which depending on the level of reduced demand, could have a material adverse effect on our results of operations.

Increases in customer, manufacturer and distributor inventory levels of specialty pipe and component products. Customer, manufacturer and distributor inventory levels of specialty pipe and component products can change significantly from period to period. Increases in our customers' inventory levels can have a direct adverse effect on the demand for our products when customers draw from inventory rather than purchase new products. Reduced demand, in turn, would likely result in reduced sales volume and overall profitability. Increased inventory levels by manufacturers or other distributors can cause an oversupply of specialty products in our markets and reduce the prices that we are able to charge for our products. Reduced prices, in turn, would likely reduce our margins and overall profitability.

We believe that our focus on the maintenance and repair market and the diversity of our product offerings, customer base and geographic markets tempers the effects to us of downturns in a particular market. We continue to:

implement business development initiatives;

expand our international presence;

optimize our purchasing and inventory levels; and

pursue accretive strategic acquisitions, with a view to:

expanding our geographical reach to attract new customers and more effectively service existing customers; and

realizing cost synergies while growing sales and earnings.

Critical Accounting Policies; Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different circumstances or conditions. If actual amounts are ultimately different from these estimates, the revisions are included in our results of operations for the period in which the actual amounts become known.

We believe the following critical accounting policies and estimates affect our more significant judgments and estimates used in preparing our consolidated financial statements. (See note 1 of the notes to consolidated financial statements for a summary of our significant accounting policies.) There have been no material changes made to our critical accounting policies and estimates during the periods presented in our consolidated financial statements, except as noted below under "−Income Tax Expense Estimates and Policies."

Accounts Receivable

We maintain an allowance for doubtful accounts to reflect our estimate of the uncollectibility of accounts receivable. Concentration of credit risk with respect to trade accounts is within several industries and is limited because of our broad customer base. We perform ongoing credit evaluations of customers and set credit limits based upon reviews of customers' current credit information and payment histories. We monitor customer payments and maintain a provision for estimated uncollectible accounts based on historical experience and specific customer collection issues that we have identified. Estimation of such losses requires adjusting historical loss experience for current economic conditions and judgments about the probable effects of economic conditions on certain customers. The rate of future credit losses may not be similar to past experience.

We record the effect of any necessary adjustments prior to the publication of our consolidated financial statements. We consider all available information when assessing the adequacy of the provision for allowances, claims and doubtful accounts. Adjustments made with respect to the allowance for doubtful accounts often relate to improved information not previously available. Uncertainties with respect to the allowance for doubtful accounts are inherent in the preparation of financial statements.

Inventories

We state our inventories at the lower of cost or market. We account for our inventories using the weighted average cost method of accounting. We maintain allowances for damaged, slow-moving and unmarketable inventory to reflect the difference between the cost of the inventory and the estimated market value. We regularly review our inventory on hand and update our allowances based on historical and current sales trends. Changes in product demand and our customer base may affect the value of inventory on hand and may require higher inventory allowances. Uncertainties with respect to the inventory valuation are inherent in the preparation of financial statements.

Goodwill and Intangible Assets

In assessing the recoverability of our goodwill and other intangibles, we must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. Effective January 1, 2002, we adopted SFAS No. 142 and have performed impairment testing in accordance with the Statement. We estimate future cash flows at the reporting unit level. A key assumption that we make is that our business will grow at approximately 10% per year, adjusted for the current economic outlook. If these estimates or their related assumptions change in the future, we may be required to record impairment charges not previously recorded for these assets.

Income Tax Expense Estimates and Policies.

As part of the income tax provision process of preparing our consolidated financial statements, we are required to estimate our income taxes. This process involves estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent we believe the recovery is not likely, we must establish a valuation allowance. Further, to the extent that we establish a valuation allowance or increase this allowance in a financial accounting period, we must include a tax provision, or reduce our tax benefit in our consolidated statement of operations. We use our judgment to determine our provision or benefit for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets.

We recorded a valuation allowance in 2002 against a portion of deferred tax assets because management believed that the deferred tax assets related to goodwill impairment (see notes 5 and 9 to our consolidated financial statements included elsewhere herein) would not more than likely be realized in full through future operating results and the reversal of taxable timing differences. Based on operating results for fiscal 2004 and projected operating results for fiscal 2005 and 2006, management believes this no longer to be the case and this valuation allowance was reversed as of December 31, 2004. This resulted in an increase in the deferred tax asset and a related decrease in income tax expense of $7.1 million.

There are various factors that may cause our tax assumptions to change in the near term, and we may have to record a valuation allowance against our deferred tax assets. We cannot predict whether future U.S. federal and state income tax laws and regulations might be passed that could have a material effect on our results of operations. We assess the impact of significant changes to the U.S. federal and state income tax laws and regulations on a regular basis and update the assumptions and estimates used to prepare our financial statements when new legislation and regulations are enacted.

Results of Operations

The following table provides a summary of sales, segment operating profits and gross margins as a percentage of sales for our operating segments. The table shows the segments as they are reported to management, and they are consistent with the segmented reporting in note 14 to our consolidated

financial statements included elsewhere in this document. The period-to-period comparisons of financial results are not necessarily indicative of future results, or in the case of the interim periods, results for a full year.

	Fiscal Year Ended December 31,		
	2004	2003	2002
	(in thousands, except percentages)		
Segment Sales			
Alloy Products	$ 52,252	$ 41,011	$ 77,409
Carbon Products	155,569	106,014	134,903
	$ 207,821	$ 147,025	$ 212,312
Segment Operating Profits			
Alloy Products	$ 5,309	$ 1,435	$ 11,788
Carbon Products	21,844	1,627	9,118
General Corporate	(9,098)	(8,779)	(6,285)
Operating profits from continuing operations	$ 18,055	$ (5,717)	$ 14,621
Segment Gross Margins as a Percentage of Segment Sales			
Alloy Products	30.6%	25.1%	28.0%
Carbon Products	23.5%	14.7%	16.5%
Total operations	25.2%	17.6%	20.7%
Segment Operating Profits as a Percentage of Segment Sales			
Alloy Products	10.2%	3.5%	15.2%
Carbon Products	14.0%	1.5%	6.8%
Total operations	8.7%	(3.9)%	6.9%

As used under this "Results of Operations" section the terms listed below have the following meanings:

Sales. Our sales represent revenues from product sales to third parties net of returns and allowances.

Segment Operating Profits. Our segment operating profits are our revenues minus cost of sales and operating expenses (such as yard and shop expenses) and depreciation and amortization, excluding general corporate expenses and interest expense.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses include sales and administrative employee compensation and benefit costs, as well as travel expenses for sales representatives, information technology infrastructure and communication costs, office rent and supplies, professional services, management fees and other general corporate expenses.

Yard and Shop Expenses. Our yard and shop expenses include costs for warehouse personnel and benefits, supplies, equipment maintenance and rental and contract storage.

Gross Margin. Our gross margin is equal to our sales minus cost of goods sold expressed as a percentage of sales. The primary components of our cost of goods sold are product costs, freight out and freight in and outsourced services to make the product ready for sale.

Fiscal 2004 Compared to Fiscal 2003

Sales

Reporting Segment	Fiscal Year Ended December 31, 2004 Sales	2003 Sales	% Increase (Decrease)
	(dollars in thousands)		
Alloy Products	$ 52,252	$ 41,011	27.4%
Carbon Products	155,569	106,014	46.7%
Total	$ 207,821	$ 147,025	41.4%

Overall. For fiscal 2004, our consolidated sales increased $60.8 million, or 41.4%, to $207.8 million as compared to fiscal 2003. This increase in overall sales was primarily the result of commodity price increases, increased sales volume, strong organic growth (which includes the establishment of a sales offices in Canada, an international sales office in Houston, Texas and the appointment of sales agents in Scotland, China and Asia, all of which increased our international sales), and of changes in customer and product mix. The worldwide demand for iron ore, nickel, chrome and copper positively impacted pipe and component prices during 2004, which in turn positively impacted our overall sales. Overall sales order backlog grew from $13.4 million at January 1, 2004 to $36.7 million at December 31, 2004.

Alloy Products. For fiscal 2004, our alloy products sales increased $11.2 million or 27.4% to $41.0 million. This increase was primarily the result of increased sales of our products for use in processing and petrochemical maintenance and construction projects as well as our international business development efforts. Alloy products sales order backlog grew from $3.9 million at January 1, 2004 to $18.5 million at December 31, 2004.

Carbon Products. For fiscal 2004, our carbon products sales increased $49.6 million or 46.7% to $155.6 million. This increase was primarily the result of increased sales to the oil and gas industry and our international business development efforts. Carbon products sales order backlog grew from $9.5 million at January 1, 2004 to $18.2 million at December 31, 2004.

Customers. For fiscal 2004, our top ten customers represented less than 23% of our consolidated sales for that period and no single customer represented more than 6% of consolidated sales. For fiscal 2004, there was not a material difference between our overall customer concentration levels as compared to our customer concentration levels on a segment basis.

Gross Profit

Reporting Segment	Fiscal Year Ended December 31, 2004 Gross Profit	2003 Gross Profit	% Increase (Decrease)
	(dollars in thousands)		
Alloy Products	$ 15,967	$ 10,305	55.0%
Carbon Products	36,496	15,574	134.3%
Total	$ 52,463	$ 25,879	102.7%

Reporting Segment	Fiscal Year Ended December 31, 2004 Gross Profit Margin	2003 Gross Profit Margin
	(dollars in thousands)	
Alloy Products	30.6%	25.1%
Carbon Products	23.5%	14.7%
Total	25.2%	17.6%

Overall. Our consolidated gross profit for fiscal 2004 was $52.5 million, an increase of $26.6 million, or 102.7%, from fiscal 2003. Our overall gross profit margin (gross profit as a percentage of sales) for fiscal 2004 increased to 25.2% as compared to 17.6% in fiscal 2003. The improvement in gross profit margin is due to an increase in selling prices for our products, improved controls over product sales margins as a result of the implementation of a new company-wide ERP platform, increased sales of higher-margin products and improved purchasing arrangements with key suppliers.

Alloy Products. Our alloy products gross profit for fiscal 2004 was $16.0 million, an increase of $5.7 million, or 55.0%, from fiscal 2003. The increase in gross profit is attributable to improved pricing controls, to increased shipments and to the impact of inventory profits in a rapidly rising sales price environment.

Carbon Products. Our carbon products gross profit for fiscal 2004 was $36.5 million, an increase of $20.9 million, or 134.3%, from fiscal 2003. The increase in gross profit is the result of increased shipments and improved pricing controls.

Operating Income

Reporting Segment	Fiscal Year Ended December 31, 2004 Operating Income	2003 Operating Income (Loss)
	(dollars in thousands)	
Alloy Products	$ 5,309	$ 1,436
Carbon Products	21,844	1,627
General Corporate	(9,098)	(8,780)
Total	$ 18,055	$ (5,717)

Overall. Our consolidated operating income for fiscal 2004 increased $23.8 million to $18.1 million for fiscal 2004 from an operating loss of $5.7 million for fiscal 2003. Our consolidated operating income as a percentage of consolidated sales increased to 8.7% in fiscal 2004 from a consolidated operating loss of 3.9% as a percentage of consolidated sales in fiscal 2003. The increase in consolidated operating income was the result of increased sales and gross profit margins as previously discussed, improved controls over operating expenses and staff reductions, partially offset by increases in employee performance bonuses.

Alloy Products. Our alloy products operating income for fiscal 2004 was $5.3 million, an increase of $3.9 million from fiscal 2003. The majority of the increase was the result of sales and gross margin increases as described above and also by reduced staff expenses.

Carbon Products. Our carbon products operating income for fiscal 2004 was $21.8 million, an increase of $20.2 million from fiscal 2003. Similar to the alloy product group results, the increase in operating income was driven primarily by sales and gross margin increases and also by reduced staff expenses.

Yard and Shop Expenses

Yard and shop expenses (excluding employee bonus pool accruals) decreased approximately $0.3 million, or 6.6% for fiscal 2004 compared to fiscal 2003. The majority of the decrease was the result of low equipment repair and rental costs in 2004.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (excluding employee bonus pool accruals) decreased approximately $1.2 million, or 5.2% for fiscal 2004 compared to fiscal 2003. The majority of the cost savings were the result of reduced staffing levels and reduced expenses for consultants in 2004 as compared to 2003.

Expenses related to the employee bonus pool were significantly higher during fiscal 2004 compared to fiscal 2003. For fiscal 2004 and 2003, the bonus accruals were $6.1 million and $0.6 million, respectively. The bonus pool is based on achieving a target EBITDA that excludes bonus expense. The bonus pool achieved in 2004 was higher than expected due to strong business performance relative to our business plan. Management believes that the normalized bonus pool for our current size and number of full-time-equivalents is approximately $3.0 million.

Interest Expense

Interest expense, net increased $2.1 million, or 65.4%, to $5.2 million for fiscal 2004 from $3.1 million for fiscal 2003. The increase in interest expense was the result of the amortization of deferred financing costs incurred in connection with obtaining the new revolving credit facility in February 2004 and slightly higher interest rates during 2004 on our variable rate debt.

Income Tax Expense

Income tax benefit decreased to $3.2 million for fiscal 2004 from an income tax benefit of $4.2 million for fiscal 2003. The income tax benefit of $3.2 million in fiscal 2004 is primarily the result of the reversal of the valuation allowance recorded against the deferred tax asset related to goodwill impairment (see notes 5 and 9 to our consolidated financial statements included elsewhere herein). This reversal created an increase in the deferred tax asset and corresponding decrease in income tax expense of $7.1 million for fiscal 2004. Net of this adjustment, income tax expense would have been $3.9 million for an effective tax rate of 30.1%.

Preferred Stock Dividends Accumulated and Related Charges

Preferred stock dividends and related charges decreased $6,000 for fiscal 2004 from $2.2 million for fiscal 2003. The decrease was caused by a reduction in the number of outstanding shares of Series A preferred stock.

Fiscal 2003 Compared to Fiscal 2002

Sales

Reporting Segment	Fiscal Year Ended December 31, 2003 Sales	Fiscal Year Ended December 31, 2002 Sales	% Increase (Decrease)
	(dollars in thousands)		
Alloy Products	$ 41,011	$ 77,409	(47.0)%
Carbon Products	106,014	134,903	(21.4)%
Total	$ 147,025	$ 212,312	(30.8)%

Overall. For fiscal 2003, our consolidated sales decreased $65.3 million, or 30.8%, to $147.0 million as compared to the twelve months ended December 31, 2002 (fiscal 2002). The significant decline in overall sales was caused by the lack of power generation projects, a reduction in infrastructure spending on oil and gas pipelines and by a very soft market in offshore Gulf of Mexico oil and gas development. In addition we sold our unprofitable steel service center operations in May 2003, in order to focus on growth opportunities on our alloy and carbon products. Alloy pipe and carbon pipe tonnage shipped during fiscal 2003 as compared to fiscal 2002 decreased by approximately 20.4% to slightly less than 137,000 tons. Our sales order backlog decreased from $16.3 million at January 1, 2003 to $13.4 million at December 31, 2003.

Alloy Products. For fiscal 2003, our alloy products sales decreased $36.4 million, or 47.0%, to $41.0 million. This decrease was primarily the result of turmoil in the power generation market, which led to a greater than 80% decrease in sales to power generation customers. Alloy products sales order backlog grew from $3.3 million at January 1, 2003 to $3.9 million at December 31, 2003.

Carbon Products. For fiscal 2003, our carbon products sales decreased $28.9 million, or 21.4%, to $106.0 million. This decrease was primarily the result of reduced domestic capital expenditures for natural gas transmission pipelines and for the development of oil and natural gas infrastructure in the Gulf of Mexico. High yield fittings sales to the gas transmission industry decreased by approximately 48% because of reduced pipeline construction and maintenance activity. Carbon products sales order backlog decreased from $13.1 million at January 1, 2003 to $9.5 million at December 31, 2003.

Customers. For fiscal 2003, our top ten customers represented less than 24.0% of our consolidated sales for that period and no single customer represented more than 7.0% of consolidated sales. For fiscal 2003, there was not a material difference between our overall customer concentration levels as compared to our customer concentration levels on a segment basis.

Gross Profit

Reporting Segment	Fiscal Year Ended December 31, 2003 Gross Profit	Fiscal Year Ended December 31, 2002 Gross Profit	% Increase (Decrease)
	(dollars in thousands)		
Alloy Products	$ 10,305	$ 21,654	(52.4)%
Carbon Products	15,574	22,290	(30.1)%
Total	$ 25,879	$ 43,944	(41.1)%

Reporting Segment	Fiscal Year Ended December 31, 2003 Gross Profit Margin	2002 Gross Profit Margin
Alloy Products	25.1%	28.0%
Carbon Products	14.7%	16.5%
Total	17.6%	20.7%

Overall. Our overall gross profit for fiscal year 2003 was $25.9 million, a decrease of $18.1 million, or 41.1%, from fiscal 2002. Our overall gross profit margin (gross profit as a percentage of sales) for fiscal 2003 decreased 15.0% as compared to the comparable period in 2002.

The decline in our overall gross profit was primarily attributable to a decrease in both the volume and prices of our products sold and a change in the mix of alloy and carbon products sold. In fiscal 2003, alloy products sales, which carry significantly higher gross profit margins, were only 27.9% of total sales. In fiscal 2002, alloy product sales represented 36.5% of total sales. In addition to problems in our

primary markets, gross profit margins were also adversely affected by the pricing policies of our competitors, by our attempts to reduce inventory levels to generate additional cash flows and by several large, low margin orders that we fulfilled in an attempt to promote future sales activity.

Alloy Products. Our alloy products gross profit for fiscal 2003 was $10.3 million, a decrease of $11.3 million, or 52.4%, from fiscal 2002. The reduced gross profit was the result of reduced sales volume as previously discussed and by an approximately 15% decrease in alloy pipe sales prices.

Carbon Products. Our carbon products gross profit for fiscal 2003 was $15.6 million, a decrease of $6.7 million, or 30.1%, from fiscal 2002. The decrease in gross profit margin was primarily the result of a 18% decline in carbon pipe shipments and to lower sales prices.

Operating Income (Loss)

	Fiscal Year Ended December 31,	
	2003	2002
Reporting Segment	Operating Income (Loss)	Operating Income (Loss)
	(dollars in thousands)	
Alloy Products	$ 1,436	$ 11,788
Carbon Products	1,627	9,118
General Corporate	(8,780)	(6,285)
Total	$ (5,717)	$ 14,621

Overall. As a result of the foregoing, we incurred an overall operating loss of $5.7 million in fiscal 2003, as compared to $14.6 million of overall operating income for fiscal 2002. Our operating income decrease of $20.3 million was caused primarily by the adverse sales impact of 2003 market conditions as previously discussed. In addition, we incurred significant non-recurring expenses associated with the implementation of a new company-wide management information system and the consolidation of our organizational structure. These non-recurring expenses exceeded $5.1 million in fiscal 2003.

Alloy Products. Our alloy products operating income for fiscal 2003 was $1.4 million, a decrease of $10.4 million from fiscal 2002. This decrease was the result of sales decreases as discussed above and was partially offset by reduced operating expenses as a result of staff reductions and organizational consolidation.

Carbon Products. Our carbon products operating income for fiscal 2003 was $1.6 million, a decrease of $7.5 million from fiscal 2002. The decrease was caused primarily by decreased sales as discussed above and was partially offset by staff reductions, improved expense controls and organizational consolidation.

Yard and Shop Expenses

Yard and shop expenses decreased from $4.6 million in fiscal 2002 to $4.0 million in fiscal 2003. The decrease was primarily the result of staff reductions and improved expense controls.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased from approximately $23.1 million in fiscal 2002 to approximately $25.6 million in fiscal 2003. The $2.5 million increase was the result of including the operating expenses of SISCO for the full year of fiscal 2003, the write-

off of accounts receivable, restructuring costs and the costs associated with the implementation of a new management information system ERP platform.

Interest Expense

Net interest expense, net, was $3.1 million for fiscal 2003 and was similar to fiscal 2002 interest expense, net, of $3.1 million. Reduced borrowings in fiscal 2003 were partially offset by slightly higher borrowing costs and increased amortization of deferred financing costs associated with our then existing revolving credit agreement.

Income Tax Expense (Benefit)

Income tax benefit increased to $4.2 million for fiscal 2003 from an income tax expense of $1.4 million in fiscal 2002. Our effective tax rate for fiscal 2003 was 48.4% and was 11.9% for fiscal 2002. The change in effective tax rate was caused primarily by impairment charges, reserves and tax amortization of goodwill that was written down in fiscal 2002.

Income (Loss) From Discontinued Operations

In fiscal 2002, we committed to a plan to sell our steel service center assets, which was then a division of our carbon products group. The steel service center operated in a very competitive market that severely restricted the center's growth and profitability. The sale of the assets was completed in May 2003. Additionally, in fiscal 2002, we discontinued the steel trading operations by the Bartow Steel International division of the carbon products group. All assets of the steel trading operations were liquidated by December 2002. The activity related to these divisions is accounted for as discontinued operations and is further described in note 12 to our consolidated financial statements included elsewhere in this prospectus. The results of operations and cash flows from the steel service center and steel trading operations have been removed from our results of continuing operations for all periods presented in this prospectus and are shown as discontinued operations in a separate category on our consolidated statements of operations following results from continuing operations. The decrease in the loss from discontinued operations in fiscal 2003 as compared to fiscal 2002 reflects the sale of the steel service center assets and the absence of any steel trading operations in fiscal 2003.

Preferred Stock Dividend Accumulated and Related Charges

Preferred stock dividends and related charges decreased $24,000 to $2.2 million for fiscal 2003 as a result of the redemption of shares Series A preferred stock from a former shareholder.

Liquidity and Capital Resources

Historical

Operating Activities. Our business generated net cash inflows from operating activities of $4.4 million for fiscal 2004 compared with net cash inflows from operating activities of $24.7 million for fiscal 2003. The decrease in cash flows from operating activities of $20.3 million was primarily attributable to increased working capital requirements of $36.0 million, which was partially offset by increased operating income and increased income tax deferrals.

Our business generated net cash inflows from operating activities of $24.7 million in fiscal 2003 compared with net cash outflows from operating activities of $2.0 million in fiscal 2002. The increase in cash generated from operating activities of $26.7 million was primarily attributable to a $34.4 million decrease in net working capital and liquidation of the inventory.

Investing Activities. Net cash outflows from investing activities were $1.0 million for fiscal 2004, compared with net cash outflows from investing activities of $3.1 million for fiscal 2003. Capital expenditures for fiscal 2004 were $1.1 million versus $2.5 million for fiscal 2003. Cash outflows from investing activities decreased by $2.1 million from period to period because capital expenditures for fiscal 2004 were limited to general maintenance expenditures while capital expenditures for fiscal 2003

included significant expenditures for our new enterprise resource planning (ERP) system as well as for the refurbishment of equipment, equipment replacement and improvement of leasehold property.

Net cash outflows from investing activities were $3.1 million in fiscal 2003, compared with net cash outflows from investing activities of $10.2 million in fiscal 2002. The decrease in cash outflows from investing activities of $7.1 million is due to reduced acquisition expenditures in fiscal 2003, partially offset by increased purchases of property and equipment. Capital expenditures in fiscal 2003 increased to $2.5 million from $2.4 million in same period in 2002.

Financing Activities. Net cash outflows from financing activities were $6.4 million for fiscal 2004 compared with net cash outflows of $18.5 million from financing activities in fiscal 2003. Net cash outflows from financing activities were $18.5 million in fiscal 2003 compared with net cash inflows from financing activities of $11.7 million in fiscal 2002. The increase in cash flows from financing activities of $12.1 million in fiscal 2004 as compared to fiscal 2003 and the increase in cash outflows from financing activities of $30.2 million in fiscal 2003 as compared to fiscal 2002 is due primarily to the repayment of debt in 2003.

After the Transactions

As a result of the Transactions, we will be required to make significant debt service payments including interest in future years. Total cash interest payments required under the notes will be in excess of $10.3 million on an annual basis.

New Senior Secured Notes. We will have outstanding $105.0 million principal amount of senior secured notes due 2011. The indenture governing our notes and our new revolving credit facility contain various covenants that limit our discretion in the operation of our business. The indenture governing the notes also contains various restrictive covenants. It, among other things: (i) limits our ability and the ability of our subsidiaries to incur additional indebtedness, issue shares of preferred stock, incur liens and enter into certain transactions with affiliates; (ii) places restrictions on our ability to pay dividends or make certain other restricted payments; and (iii) places restrictions on our ability and the ability of our subsidiaries to merge or consolidate with any other person or sell, assign, transfer, convey or otherwise dispose of all or substantially all of our assets. For more information, see "Description of the Notes" and "Risk Factors."

Senior Credit Facility. Concurrently with the private offering of the notes, we entered into a $20.0 million senior secured revolving credit facility, with a $5.0 million sublimit for letters of credit. Interest is determined based on several alternative rates as stipulated in the new revolving credit facility, including the base lending rate per annum plus an applicable margin, or LIBOR plus an applicable margin. The new revolving credit facility is secured by a first priority security interest in the collateral consisting of Working Capital Assets and by a security interest in substantially all of our and our domestic subsidiaries' other assets (other than certain excluded assets such as our leasehold interests and the capital stock of our existing and future subsidiaries). Pursuant to an intercreditor agreement, the security interest on the collateral consisting of Working Capital Assets that secures the notes and related guarantees is contractually subordinated to the liens thereon securing the new revolving credit facility, and the security interest on substantially all of our and our domestic subsidiaries' other assets (other than certain excluded assets such as our leasehold interests and the capital stock of our existing and future subsidiaries) that secures the revolving credit facility is contractually subordinated to the liens thereon securing the notes and related guarantees. The new revolving credit facility contains covenants that restrict, among other things, our ability to incur additional indebtedness, pay dividends and create certain liens. Proceeds of the new revolving credit facility will be for general corporate purposes not prohibited by the new revolving credit facility. We borrowed approximately $2.7 million under the new revolving credit facility in connection with the

consummation of the Transactions. For more information, see "Description of the Notes" and "Risk Factors."

Future Capital Needs. Following the Transactions, our principal liquidity requirements are to meet debt service requirements, finance our capital expenditures and provide working capital. Our indebtedness at December 31, 2004 was $107.7 million on a pro forma basis after giving effect to the offering of the old notes and the other Transactions. Our principal source of liquidity is cash flow generated from operations and borrowings under our new revolving credit facility. Our ability to make payments on and to refinance our indebtedness, and to fund planned capital expenditures will depend on our ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on our current level of operations, we believe our cash flow from operations, available cash and available borrowings under our revolving credit facility will be adequate to meet our liquidity needs for at least the next twelve months. We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our new revolving credit facility in an amount sufficient to enable us to service our indebtedness or to fund our other liquidity needs.

Commitments and Contractual Obligations

Our contractual obligations and commitments principally include obligations associated with our outstanding indebtedness and future minimum operating lease obligations as set forth in the following tables (the second of which gives pro forma effect to the offering of the old notes and the other Transactions) as of December 31, 2004:

	Payments Due by Period				
Contractual Obligations	**Fiscal 2005**	**Fiscal 2006 and 2007**	**Fiscal 2008 and 2009**	**Fiscal 2010 and Thereafter**	**TOTAL**
Long-term debt(1)	$ 9,806	$ 5,018	$ 40,328	$ –	$ 55,152
Operating lease obligations	1,214	1,771	648	885	4,518
Purchase commitments(2)	69,291	–	–	–	69,291
Total	$ 80,311	$ 6,789	$ 40,976	$ 885	$ 128,961

	Pro Forma Payments Due by Period				
Contractual Obligations	**Fiscal 2005**	**Fiscal 2006 and 2007**	**Fiscal 2008 and 2009**	**Fiscal 2010 and Thereafter**	**TOTAL**
Long-term debt(3)	$ 10,108	$ 20,216	$ 20,216	$ 117,764	$ 168,304
Operating lease obligations	1,214	1,771	648	885	4,518
Purchase commitments(2)	69,291	–	–	–	69,291
Total	$ 80,613	$ 21,987	$ 20,864	$ 118,649	$ 242,113

(1) Includes interest obligations on our then existing revolving credit agreement, term loan and variable rate demand note.

(2) Includes purchase commitments for inventory.

(3) Includes interest obligations on the notes at an interest rate of 9.875% per annum and borrowings of $2.7 million under our new revolving credit facility upon consummation of the Transactions at an assumed interest rate of 4.0% per annum.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) which are adopted by us as of the specified effective date. Unless otherwise discussed, our management believes the impact of recently issued standards which are not yet effective will not have a material impact on our consolidated financial statements upon adoption.

Related Party Transactions

See "Certain Relationships and Related Transactions."

Off-balance Sheet Arrangements

As of December 31, 2004, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Inflation

Except as noted below, inflation has not had a material impact on our results of operations or financial condition during the preceding three years. In the past, we have generally been successful in adjusting prices to our customers to reflect changes in metal prices. For example, in 2004 we were able to increase the prices of our products in response to higher inventory costs resulting from higher steel prices. We can provide no assurance that our operating results will not be affected by inflation in the future.

Seasonality

Some of our customers may be in seasonal businesses, especially those customers who purchase our products for use in new capital expenditure projects at refineries, rigs and processing and power generation plants. As a consequence, our results of operations and working capital, including our accounts receivable, inventory and accounts payable, fluctuate during the year. However, because of our geographic, product and customer diversity, our operations have not shown any material seasonal trends. We believe that our significant operations in more mild southern climates moderate our seasonality. In addition, our sales to MRO distributors, who tend not to be seasonal purchasers, mitigate the overall effects of seasonality on our business. Sales in the months of November and December traditionally have been lower than in other months because of a reduced number of working days for shipments of our products and holiday closures for some of our customers. We cannot assure you that period-to-period fluctuations will not occur in the future. Results of any one or more quarters are, therefore, not necessarily indicative of annual results.

Quantitative and Qualitative Disclosure about Market Risk

In the normal course of operations, we are exposed to market risks arising from adverse changes in interest rates and foreign exchange rates. Market risk is defined for these purposes as the potential change in the fair value of financial assets or liabilities resulting from an adverse movement in interest rates or foreign exchange rates.

Interest Rate Risk. As of December 31, 2004, our only variable rate borrowings were under our then existing revolving credit facility, which bore interest at several alternative variable rates as stipulated in the revolving credit facility, and under our then existing variable rate demand notes, which bore interest at a rate determined weekly based on LIBOR. A 100 basis point increase in interest rates, applied to our borrowings at December 31, 2004, would have resulted in an annual increase in interest expense and a corresponding reduction in cash-flow of $0.45 million and $0.28 million, respectively.

Following the consummation of the Transactions and the use of proceeds therefrom, our only variable rate borrowings are under our new revolving credit facility. In connection with the Transactions, we borrowed approximately $2.7 million under the new revolving credit facility.

Foreign Currency Risk. Substantially all of our net sales and expenses during the preceding three years were denominated in U.S. dollars. Therefore, foreign currency fluctuations did not materially impact our financial results in those periods.

OUR BUSINESS

Overview

We are a leading global distributor of specialty steel pipe, fittings and flanges for use in niche applications, primarily in the oil and gas, processing and power generation industries. The products we distribute are highly specialized and are used in environments that require high performance characteristics, such as the ability to withstand highly corrosive or abrasive materials, extremely high or low temperatures, or high-pressure. These products are used in maintenance and repair projects, expansions of infrastructure and development projects. We have two operating segments−our alloy products group and our carbon products group. Our alloy products group primarily distributes alloy-based specialty pipes, fittings and flanges that are principally used in high-pressure, extreme temperature and high-corrosion applications such as in heating, desulphurization, refrigeration and liquefied natural gas (LNG) units in the processing and refining industries, and in heat recovery steam generation (HRSG) units in the power generation industry. Our carbon products group primarily distributes prime carbon-based specialty pipes, fittings and flanges that are principally used in high-yield, high-tensile, abrasive applications such as the gathering and transmission of oil, natural gas and phosphates, conductor casing and structural supports for the offshore drilling and production segment of the oil and gas industry.

We purchase specialty steel pipe, fittings and flanges from manufacturers and sell these products in smaller quantities to a diverse base of end-users and certain MRO distributors for use in high performance niche applications. As an essential intermediary between these manufacturers and end-users, we provide manufacturers, or our vendors, with the inventory stocking and distribution capabilities necessary to effectively service the product and delivery needs of end-users. Also, for our vendors we are a volume purchaser that performs sales, marketing, inventory and credit functions with respect to the products we distribute for them. These are functions that manufacturers generally are not as well-equipped as we are to perform, given the specialized nature of the markets we serve.

We are a one-stop supply source for many end-users and certain MRO distributors for a broad range of these highly specialized products. We serve our customers by providing them with products, service, inventory management, technical product knowledge and just-in-time product delivery. Our significant distribution capabilities include field locations that stock and distribute inventory and that are in close proximity to our customers. This enables us to provide our customers with rapid execution on their product orders, often within 24 hours of their order. We also provide ancillary services and support to customer specifications for many of the products we sell, including cutting, welding, threading, coating, cleaning and painting.

We are headquartered in Baton Rouge, Louisiana and we operate in 16 locations, including 15 in the United States and one in Canada. We conduct our European operations through an exclusive full-time sales agent in Scotland. Thirteen of our locations stock inventory for distribution. For fiscal 2004, our total sales were $207.8 million. For fiscal 2004, our sales for our alloy products group were $52.3 million and our total sales for our carbon products group were $155.5 million. As of December 31, 2004, our sales order backlog was approximately $36.7 million.

Industry Overview

We operate within the broad steel pipe, tube, fitting and flanges industry which is comprised of manufacturers and distributors of welded or seamless pipe, tube and components made from carbon steel and various alloy steels. This industry consists of a large number of small companies, which are limited with respect to product line, inventory size, and customers located within a specific geographic area, and a few relatively large distribution and manufacturing companies.

Full service distributors like us fulfill an important function for many end-users. Manufacturers sell pipe, tube and components generally in large volumes only to distributors or end-users that can order in large quantities and tolerate relatively long lead times. By providing storage, distribution and services in accordance with customer specifications, distributors act as an effective intermediary between the manufacturers and end-users. The inventory management and just-in-time delivery services provided by full service distributors reduce the need, and associated costs and capital requirements, for an end-user to perform its own inventory functions. As a large and sophisticated distributor, we have certain advantages over smaller companies, such as our ability to obtain higher discounts from manufacturers for volume purchases, our ability to service customers with operations in multiple locations, and our sophisticated information technology systems. The specialty pipe and tube market has experienced softness in recent years principally due to weak economic conditions in general and reduced spending on expansion and development projects by end-users. We believe that our focus on the maintenance and repair market and the diversity of our product offerings, customer base and geographic markets tempers the effects to us of downturns in a particular market.

Business Strengths

We offer a broad range of specialized products. We are an effective intermediary between vendors and buyers of highly specialized steel pipe, fittings and flanges for use in high performance niche applications. We offer and deliver a broad range of products that are difficult for our customers to purchase directly from manufacturers because of the large order size and lengthy lead times typically required by manufacturers. Our diverse inventory of specialized products includes over 14,000 stock-keeping units (SKUs) for specialty pipes, fittings and flanges. For many of our customers, we function as a single inventory source for all of their product requirements in this area.

We have significant distribution capabilities. We operate in 16 locations, including 15 in the United States and one in Canada. We conduct European operations through an exclusive full-time sales agent in Scotland. Thirteen of our locations stock inventory for quick turnaround to our customers. Our approximately 76-member sales force consists of field sales representatives as well as on-site sales and service representatives who provide 24-hour customer support. Our distribution locations are located throughout the United States and are in close proximity to our U.S. customers so that we can ship the majority of our products in an expedited manner. In addition, we have developed strong relationships with logistics providers and other shippers to provide access to reliable transportation. These distribution capabilities enable us to provide our customers with rapid execution of their specialized orders.

Our vendor network is extensive. We have mutually beneficial, longstanding relationships with an established network of vendors. We believe our vendor relationships are difficult for others to replicate. There are a limited number of manufacturers with the capabilities to produce high grade, specialty pipe and component products, and we are a volume purchaser of their products. Our global network enables us to stock and distribute a considerable breadth of products for use in niche markets. Although we concentrate our purchasing power on a select group of highly valued vendors, we have multiple sources for the products we distribute and are not dependent on any single manufacturer.

We have a broad customer base. We distribute to a diverse base of over 2,000 customers in a variety of geographic locations and industries. Our customers include, among others, oil and gas companies, processing and fabrication companies, power generation companies, and MRO distributors. They are generally large companies with recognized names in their respective industries. For fiscal 2004, our top ten customers represented less than 23% of our total sales for that period and no single customer represented more than 6% of total sales.

We focus on high margin specialty products. We focus on high margin specialty steel pipe and components that are designed for their high performance characteristics and are frequently used in

harsh or extreme environments. Concentrating our sales and marketing resources on high margin products has contributed to our higher gross profit margins and sales per employee.

We have a streamlined operating structure. In 2003, we focused efforts on capturing the synergies, efficiencies and business development opportunities from integrating the six businesses we acquired since 1997. These efforts resulted in simplified operations, improved working capital management, streamlined costs, and enhanced sales, marketing and cross-selling. We now have an integrated business with enhanced operating efficiency.

We have an experienced management team. We have an experienced executive management team, averaging nearly 25 years of experience in the steel pipe distribution industry. Daniel J. O'Leary, President and Chief Executive Officer, has 27 years of experience in the pipe and tube industry and has held executive management positions at Stupp Corporation, Maverick Tube Corporation, Lone Star Steel Company and Red Man Pipe & Supply Company. Our management team also has substantial experience operating under a leveraged capital structure, as well as significant acquisition experience gained from our acquisition of six companies since 1997. Our management made an equity investment in us of approximately $2.4 million in cash at the closing of the Transactions and owns approximately 19% of our equity on a fully-diluted basis.

Business Strategy

Maximize business development opportunities. Consistent with our efforts to integrate our acquisitions and streamline our operating structure, we have focused on maximizing opportunities for business development. We have repositioned our field sales and business development team to work together with our regional sales offices, with a focus on increasing sales to our current customers and to developing new customers across our entire portfolio of specialty products. As part of this effort, we intend to continue to:

leverage our broad product portfolio by developing relationships with end-users with purchasing needs ranging across all areas of our product portfolio;

focus our sales efforts on identifying opportunities to cross-sell our carbon- and alloy-based products;

penetrate the MRO distribution market. This distribution market has integrated supply contracts with end-users to supply primarily high-turnover commodity products. These contracts include the sourcing of specialty products and are an opportunity for us to provide products to these MRO suppliers for distribution to their end-users; and

use customer feedback to enable us to provide meaningful product and service solutions through our inventory depth and breadth, our vendor relationships and our distribution capabilities.

Expand Our International Presence. The international specialty pipe and component market is substantially larger than the domestic market and provides significant potential growth opportunity for our business. Many of our domestic customers have international operations and may provide a built-in market for our products as we expand into select international markets. We have four field sales representatives dedicated to international business development, two outside international sales agents with whom we contract on an agency basis and four multilingual on-site sales and service representatives focused solely on the international effort. For fiscal 2004, our sales to international customers grew by 332% to $16.9 million, as compared to fiscal 2003. The majority of these sales were to customers in Mexico, Western Europe, South America, Canada and Asia. As of December 31, 2004, our international order backlog exceeded $8.4 million.

Optimize Purchasing and Inventory Levels. Our vendors often consider us to be a favored, and in some instances, single distribution channel for their specialty products. We aim to continue to build

strong relationships with our vendors. While we have established favorable relationships with certain vendors, we continue to maintain secondary suppliers for all key products. In fiscal 2004 we have consolidated our purchasing power significantly. In fiscal 2004, over 54% of our purchases were with our top ten vendors, compared to 37% through fiscal 2003. By consolidating our purchasing power we have gained favored status with certain vendors in regard to lead times, discounts and payment terms. As we continue to strengthen our vendor relationships, we are able to devote increased resources to providing our customers with products that are of greater importance to their business and have fewer substitutes.

Pursue Accretive Strategic Acquisitions. From 1997 to 2002, we grew through a series of six acquisitions. We continue to evaluate strategic acquisition opportunities in our core business as they become available, with a view to expanding our geographical reach to attract new customers and more effectively service existing customers. We believe our new business platform will afford quicker integration of any acquisition and facilitate the realization of cost synergies and the growth of sales and earnings.

History and Operating Initiatives

We were founded in 1983 as Thomas Pipe and Steel, Inc. and were acquired in 1996 by an investor group. Since 1996, we have grown from a one location domestic distribution business in Baton Rouge, Louisiana with a limited product line to a leading global distributor with a diverse product offering and 16 locations−15 in the United States and one in Canada. We have achieved this growth through six add-on acquisitions and three greenfield start-up locations.

Our acquisitions have served to expand our geographic presence, addressable market and customer base, as well as to significantly broaden our product offering. We have extended our geographical reach from locations in Louisiana, Missouri and Texas in 1996 to Colorado, Florida, Pennsylvania, Illinois, North Carolina, California and Alberta, Canada today. Likewise, our product offering has grown from specialty carbon steel pipe to include alloy pipe and carbon and alloy fittings and flanges. This broadened product offering makes us one of the few distributors to offer a complete line of specialty steel pipe and components. Through our acquisitions, we have also been able to broaden our target markets, substantially reducing the volatility associated with single end-use industry concentrations.

Until 2003, the companies we acquired were not fully integrated with respect to management, business strategy, sales force coordination, marketing, inventory management, information systems and brand consolidation. We hired Mr. O'Leary, our President and Chief Executive Officer, as Chief Operating Officer in January 2003 to address operating issues and identify growth opportunities. We implemented new operating initiatives to integrate our acquired businesses, streamline our operating structure, cut costs, focus on specialty products and enhance sales and marketing. Among other things, we:

consolidated six subsidiaries under two newly created operating segments;

implemented a company-wide reporting system;

formalized an external business development team;

reduced full-time equivalent employees by approximately 33%; and

aligned our compensation structure with our new operating structure.

Today, we are a fully integrated company with enhanced profitability. In fiscal 2004, we decreased operating costs (excluding employee bonus pool expenses) by $1.5 million, or 5.4% relative to operating costs for fiscal 2003.

The table below identifies some of the significant events in our history:

Year	Significant Event
1983	Thomas Pipe and Steel, Inc. founded in Baton Rouge, Louisiana
1996	Thomas Pipe and Steel, Inc. acquired by an investor group
1997	Acquisition of Arrow Tubular Corporation, which becomes the St. Louis, Missouri location of Thomas Pipe and Steel
1998	Acquisition of Bartow Steel
1999	Acquisition of Radnor Alloys, Inc.
1999	Moved into newly acquired headquarters building in Baton Rouge, Louisiana
2000	Acquisition of Resource Pipe Company
2000	Changed our name to Edgen Corporation
2001	Acquisition of Pro Metals, Inc.
2002	Acquisition of Service Industrial Supply Co. (SISCO)
2002	Discontinued operations of Bartow Steel International and sold off its assets
2002	Formed Edgen Canada as the marketing arm for all Edgen products in Canada
2003	Hired Daniel J. O'Leary as Chief Operating Officer to address operating synergies and growth opportunities; promoted Mr. O'Leary to President and Chief Executive Officer
2003	Implemented operational initiatives, integrating prior acquisitions and organizing operations under our alloy products group and our carbon products group
2003	Divested steel service center operations of Thomas Pipe and Steel
2003	Implemented international sales effort

Products

We distribute specialty pipe, flanges and fittings that are used in environments that require high performance characteristics. Our products are used in refining, petrochemical, power generation, mechanical construction, offshore production, platform construction and certain specific oil and gas applications. They are used for maintenance and repair projects, expansions of infrastructure and development projects. These products are generally highly engineered prime carbon or alloy steel and possess unique performance characteristics for extreme environments, such as the ability to withstand highly corrosive or abrasive materials, extremely high or low temperatures, and high pressure. We offer our customers a broad product offering, which includes over 14,000 SKUs, and a large inventory of currently over 50,000 tons of pipes and components in more than 5,000 sizes and grades, to consistently provide products that are not otherwise available on a quick-response basis in quantities that are usable by customers. The depth of our inventory and breadth of our products position us as a leading distributor of difficult-to-find, specialty pipes, fittings and flanges.

In addition to our diverse inventory and technical product knowledge, we offer a wide range of cutting and finishing services to ensure that the materials are ready upon receipt by our customers. Our principal services include: cutting, welding, threading, coating, cleaning and painting to customer specifications.

We principally distribute two categories of products: alloy products and carbon products.

Alloy Products. Alloy steel is composed of iron, carbon and one or more other elements (such as chromium, cobalt, nickel, molybdenum) that undergo a special heat treatment to achieve specific physical properties. The alloy products we sell are principally used in high-pressure, extreme temperature and high-corrosion applications, such as in heating, desulphurization, refrigeration and liquefied natural gas (LNG) units in the processing and refining industries, and in heat recovery steam generation (HRSG) units in the power generation industry. Substantially all of our alloy products are imported from Germany, Italy, Korea or Japan.

Carbon Products. Our carbon products group primarily distributes prime carbon-based specialty pipes, fittings and flanges that are principally used in high-yield, high-tensile, abrasive applications such as the gathering and transmission of oil, natural gas and phosphates, conductor casing and structural supports for the off-shore drilling and production segment of the oil and gas industry. We purchase our carbon products from both domestic and international manufacturers.

The following table summarizes our primary product offerings:

Summary of Primary Distributed Products

Product	Characteristics	Material	Qualities	Primary Applications
Alloy Products				
Stainless	Seamless	12-16% chromium 8-12% nickel	Corrosion resistance	Refining, petrochemical & power
Duplex	Seamless	20% chromium	Higher corrosion resistance	Refining, petrochemical & power
ChromeMoly	Seamless	Chromium & molybdenum	High temperature and pressure tolerance	Refining, petrochemical & power
Nickel Alloys	Seamless	High nickel	High temperature and highest corrosion resistance	Refining, petrochemical & power
Carbon Products				
Carbon	Welded and seamless	<1% carbon	High and low pressure tolerance	Mechanical construction, certain processing
Large Diameter	Welded, thicker walled	<1% carbon	High structural strength	Offshore production platform fabrication
High Yield Carbon	Welded or seamless, thinner walled	Carbon & alloys	Lighter weight, high bursting strength	Gathering & transmission pipelines

Vendors

We have mutually beneficial, longstanding relationships with an established network of vendors. This extensive network of vendor relationships enables us to stock and distribute a considerable breadth of products. Although we concentrate our purchasing power on a select group of highly valued vendors, we have multiple sources for the products we distribute and are not dependent on any single manufacturer. In fiscal 2004, we consolidated our purchasing power significantly. In that time period, over 54% of our purchases were with our top ten vendors, compared to 37% in fiscal 2003. Consolidating our purchasing power has resulted in favored status with certain of our vendors in

regard to lead times, discounts and payment terms. As we continue to strengthen our vendor relationships, we are able to devote increased resources to providing our customers with products that are of greater importance to their business and have fewer substitutes.

Our two product groups each have employees who are responsible for making the inventory purchases for their respective groups. These employees are specialists in their product lines and are in

continuous contact with our regional managers, sales personnel and customers in our various markets in order to anticipate demand. This enables them to place vendor orders, which often require six to nine months lead time to fill, in a timely manner. Our purchasing staff develops and evaluates our working relationships with vendors to ensure availability, quality and timely delivery of products. We use general economic indicators, inquiries, orders and continuous interaction with our customers to help us determine customer usage patterns, expected delivery dates and the nature of active projects in the market. Our company-wide management information system assists in evaluating historical usage, the inventory at each of our locations, and other purchasing data.

Customers

We have a diverse base of over 2,000 customers from a variety of geographic locations and industries. They are generally large companies with recognized names in their respective industries. Our customers include, among others, oil and gas companies, processing and fabrication companies, power generation companies, and MRO distributors.

Management Information Systems

As part of the integration of our acquired businesses and implementation of our operational initiatives in 2003, we upgraded our entire information technology infrastructure and put in place a company-wide management information system at a cost of approximately $4.0 million. We previously had operated with disparate information systems at various locations. In December 2003, all of our locations switched to the new system, making it possible for us to centrally manage the purchasing, accounts payable, accounts receivable and inventory for the entire company from our headquarters in Louisiana. This upgrade allows a complete sharing of information on a company-wide basis, and has positioned us to improve profitability through continued operational efficiencies, enhanced information flow, better management of our company in a real-time environment, and the capacity to accommodate continued growth.

Sales and Marketing

We have developed a knowledgeable and experienced sales team, which has successfully cultivated and maintained strong relationships with customers of our products. We maintain a staff of approximately 58 on-site sales representatives that are responsible for quoting, negotiating, closing and performing any other task typically related to the filling of an order. Our 18 field sales representatives, who spend the majority of their time out of the office visiting current or potential business accounts, are tasked with generating new business and maintaining customer relationships. Additionally, we have two full-time customer service specialists that support the on-site and field sales representatives by identifying and resolving any potential customer issues, which allows our sales representatives to focus on processing orders and generating sales. We believe that we maintain excellent relationships with our sales representatives.

Our sales and marketing efforts are focused on international as well as domestic markets, and in early 2004 we developed an international sales team. Of our total sales force, four field representatives are dedicated to international business development and four multilingual on-site sales and service representatives are focused solely on international orders. To supplement these efforts, we also have two outside international sales agents with whom we contract on an agency basis.

Our on-site sales force operates under a regional branch model. Field representatives are located at various branch locations and ultimately report to our vice president of business development, who is responsible for the business development efforts at both our alloy products group and our carbon products group. Each of our 13 inventory stocking facilities has a regional manager that is responsible for pricing, order placement, customer service and marketing strategy. The regional managers report directly to the presidents of their respective operating segments, who have final authority on sales and

marketing issues. The regional branch model allows the presidents of the operating segments to have direct control over the management and implementation of our sales and marketing strategy.

Employees

As of December 31, 2004, our workforce consisted of 221 full time employees, of which 72 were warehouse personnel, 76 were sales personnel and 73 were administrative personnel. We have a non unionized workforce and none of our full-time employees are covered by a collective bargaining agreement. In general we consider our employee relations to be good.

Competition

Our products are sold in highly competitive markets. Companies in the steel pipe, tube, fittings and flanges industry compete primarily on price and ability to deliver products in a timely manner. Purchase decisions are also influenced by previous experience with a particular distributor and a distributor's ability to supply the full range of pipes, tubes and fittings. We have numerous competitors who compete with us for customers as well as approved vendor sources in the distribution of alloy and carbon specialty products. None of our competitors individually possesses a significant market share in the specialty products we distribute, as most do not offer the depth and breadth of products that we offer.

Properties

We operate in 16 locations: 15 in the United States and one in Canada. Thirteen of our locations are inventory stocking facilities. We own facilities in Port Allen, Louisiana and Mulberry, Florida and the rest of the locations are leased. Our exclusive full-time sales agent in Scotland operates at a private residence in Edinburgh, Scotland, which is neither owned nor leased by us. Our corporate headquarters is located in an approximately 14,500 square-foot facility in Baton Rouge, Louisiana. The following table provides a summary of our facilities.

Summary of Leased and Owned Facilities

Location	Building (Sq. ft.)	Lease/Own	Facility Description
Baton Rouge, LA	14,497	Lease	Corporate headquarters
Baton Rouge, LA	3,028	Lease	Office
Baton Rouge, LA	12,250	Lease	Office / warehouse
Calgary, Alberta	700	Lease	Office
Charlotte, NC	12,550	Lease	Office / warehouse
Henderson, CO	2,500	Lease	Office / yard
Houston, TX	17,750	Lease	Office / warehouse
Houston, TX	40,000	Lease	Office / warehouse
Houston, TX	26,600	Lease	Office / warehouse
Houston, TX(1)	2,221	Lease	Office
Irwindale, CA	8,692	Lease	Office / warehouse
Mulberry, FL	42,380	Own	Office / warehouse
Mulberry, FL	NA	Lease	Yard
Odessa, TX	1,500	Lease	Office / yard
Port Allen, LA	9,500	Own	Office / warehouse
St. Charles, IL	22,015	Lease	Office / warehouse
St. Louis, MO	2,800	Lease	Office
Westchester, PA	16,000	Lease	Office / warehouse

(1) Currently being subleased.

All of our facilities have been continually maintained and we consider them to be in good repair. We currently do not expect to have any significant capital expenditures or upgrades in the near future. Our maintenance capital expenditures have averaged approximately $1.3 million over the past five years, and management anticipates annual capital expenditures of no more than $1.0 million per year for 2005 and 2006. None of our inventory stocking facilities is currently operating at or near capacity.

Legal and Environmental Matters

We are from time to time a party to various claims and legal proceedings related to our business. We are party to a settlement agreement with one of our customers and one of our suppliers involving fittings that were alleged to not meet specifications. Under the terms of the settlement agreement, the supplier agreed to pay $1.0 million directly to our customer to be paid in partial payments to be completed on or before June 30, 2005. The supplier verbally informed us on or about January 24, 2005 that it was in default of certain provisions of that settlement agreement and was attempting to cure that default. On or about February 1, 2005, the supplier cured that default. However, if the supplier fails to make the future required payments, which are approximately $0.7 million in the aggregate, we will be required to satisfy the obligation and would then seek payment from the supplier. There are no current material claims or legal proceedings pending against us that, in the opinion of our management, individually or in the aggregate, if determined adversely to us, would have a material adverse effect on our business, financial condition, results of operations or liquidity. Additionally, management is not aware of any legal issues that may have an adverse effect on us in the foreseeable future.

Our operations are subject to various state and federal laws and regulations relating to environmental concerns. As with other companies engaged in like businesses, the nature of our operations expose us to the risk of liabilities or claims with respect to environmental matters, including those relating to the disposal and release of hazardous substances. In addition, our operations are also governed by laws and regulations relating to workplace safety and worker health which, among other things, regulate employee exposure to hazardous chemicals in the workplace. Management believes that our operations are in substantial compliance with such laws and regulations.

We have not made any material expenditures during the last three fiscal years in order to comply with environmental laws or regulations. Based on our experience to date, we believe that the future cost of compliance with existing environmental laws and regulations (and liability for known environmental conditions) will not have a material adverse effect on our business, consolidated financial condition, results of operations or liquidity. However, we cannot predict what environmental or health and safety legislation or regulations will be enacted in the future or how existing or future laws or regulations will be enforced, administered or interpreted, nor can we predict the amount of future expenditures that may be required in order to comply with such environmental or health and safety laws or regulations or to respond to such environmental claims.

Executive Officers and Directors

Our executive officers and directors are as follows:

Name	Age	Title
Daniel J. O'Leary	49	President, Chief Executive Officer and Director
David L. Laxton, III	55	Executive Vice President and Chief Financial Officer
Robert L. Gilleland	64	President−Alloy Products Group
Craig S. Kiefer	50	President−Carbon Products Group
Nicholas Daraviras	32	Director
James L. Luikart	59	Director

Daniel J. O'Leary, 49, President, Chief Executive Officer and Director, has been involved in the steel pipe and distribution industries for 27 years. Mr. O'Leary joined us in January 2003 as our Chief Operating Officer and was promoted to President and Chief Executive Officer in August 2003. Mr. O'Leary was appointed to our board of directors upon consummation of the Transactions in February 2005. Before joining our company, Mr. O'Leary served as President and Chief Operating Officer of Stupp Corporation, an independent manufacturer of electric-resistance welded custom steel line pipe, from 1995 to 2002. Prior to joining Stupp Corporation, he was Executive Vice-President and Chief Operating Officer of Maverick Tube Corporation from 1989 to 1995. He has also held management and executive positions with Red Man Pipe & Supply Company and Lone Star Steel Company. Mr. O'Leary is a former Vice-Chairman of the Committee on Pipe and Tube Imports and a member of the National Association of Steel Pipe Distributors. Mr. O'Leary is a graduate of the University of Tulsa with a B.S. in Education.

David L. Laxton, III, 55, Executive Vice President and Chief Financial Officer, has over 20 years experience in industrial distribution. Mr. Laxton has served as our Executive Vice President and Chief Financial Officer since joining us in 1996. Prior to that Mr. Laxton served as Chief Financial Officer of a distributor of tube fittings, controls and filtration products. Mr. Laxton has also held consulting positions with a big four accounting firm and with an investment banking firm. Mr. Laxton is currently Vice Chairman of American Gateway Bank and is the former president of the Baton Rouge Chapter of the National Association of Purchasing Management. Mr. Laxton has recently been named to the Advisory Committee to the School of Accounting at Louisiana State University, where he received a B.A. in History and an M.S. in Accounting. Mr. Laxton is a certified public accountant, inactive.

Robert L. Gilleland, 64, President of Alloy Products Group, has over 30 years of experience in the pipe and steel industry. Mr. Gilleland joined Edgen in 1998 as our Senior Vice President and General Manager. He was promoted to his current position in September 2003. Prior to joining Edgen, Mr. Gilleland was employed with LaBarge Pipe & Steel Company for 16 years. He was Executive Vice President and part owner in a leveraged buy-out of LaBarge Pipe & Steel Company in 1982. At LaBarge Pipe & Steel Company, Mr. Gilleland was responsible for inventory, purchasing and sales activities. Prior to joining LaBarge Pipe & Steel Company, Mr. Gilleland was employed with Edgcomb Metals Company, a subsidiary of Williams Companies, for 18 years. He holds a B.S. in Business Administration from Western Kentucky University.

Craig S. Kiefer, 50, President of Carbon Products Group, has more than 30 years of experience in the industrial distribution market. Mr. Kiefer joined our company in April 2002 as the President of Service Industrial Supply Co. (SISCO). He was promoted to his current position in March 2003. Prior to joining Edgen, Mr. Kiefer was President and Chief Executive Officer of SISCO, which he formed in 1979 and which was acquired by Edgen in 2002.

Nicholas Daraviras, 32, Director. Mr. Daraviras was appointed to our board of directors upon consummation of the Transactions in February 2005. Mr. Daraviras is a Managing Director of JCP. He joined JCP in 1996. Mr. Daraviras also serves as a director of various private companies in which JCP has an interest. Mr. Daraviras graduated as a Wharton Scholar and received his B.S. and an M.B.A. from The Wharton School of the University of Pennsylvania.

James L. Luikart, 59, Director. Mr. Luikart was appointed to our board of directors upon consummation of the Transactions in February 2005. Mr. Luikart is Executive Vice President of JCP. Mr. Luikart joined JCP in 1995 after spending over twenty years with Citicorp, the last seven years of which were as Vice President of Citicorp Venture Capital, Ltd. Mr. Luikart also serves as a director of various private companies in which JCP has an interest. Mr. Luikart received a B.A. in History magna cum laude from Yale University and an M.I.A. from Columbia University.

Committees of the Board

Audit Committee. Our audit committee consists of Messrs. Daraviras and Luikart. Neither Mr. Daraviras nor Mr. Luikart is independent as that term is used in Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and neither qualifies as an audit committee financial expert as that term is defined by applicable SEC regulations.

The principal duties and responsibilities of our audit committee are as follows:

- to monitor our financial reporting process and internal control systems;
- to review and appraise the audit efforts of our independent registered public accounting firm and exercise ultimate authority over the relationship between us and our independent registered public accounting firm; and
- to provide an open avenue of communication among the independent registered public accounting firm, financial and senior management and the board of directors.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties.

Director Compensation and Arrangements

Following consummation of the Transactions, none of our directors is entitled to receive any fees for serving as directors. Our directors are entitled to reimbursement of their reasonable out-of-pocket expenses in connection with their travel to and attendance at meetings of the board of directors or committees thereof.

Executive Compensation

The following table sets forth certain information with respect to annual compensation for services in all capacities for fiscal years 2004, 2003 and 2002 paid to each of our executive officers who were serving as such at December 31, 2004.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation Salary	Bonus(3)	Other(4)	All Other Compensation
Daniel J. O'Leary(1)	2004	$ 275,000	$ 459,602	$ 14,400	$ 11,228(5)
President and Chief Executive Officer	2003	208,000	27,917	12,000	7,761(6)
David L. Laxton, III	2004	225,000	376,038	14,400	$ 10,670(6)
Senior Vice President and Chief Financial Officer	2003	217,350	–	14,400	12,732(5)
	2002	217,350	90,000	14,400	4,800(7)
Robert L. Gilleland	2004	210,017	350,997	14,400	5,873(8)
President Alloy Products Group	2003	210,017	–	14,400	8,421(9)
	2002	210,017	70,000	14,400	–
Craig S. Kiefer (2)	2004	180,000	300,830	3,133	3,962(8)
President−Carbon Products Group	2003	150,000	–	–	3,635(8)
	2002	150,000	–	1,023	–

(1) Mr. O'Leary joined our company on January 13, 2003.

(2) Mr. Kiefer joined our company on April 1, 2002.

(3) See "−Employee Bonus Plan" below.

(4) Represents automobile allowances made to such executive.

(5) Includes matching contributions we paid to such executive's account under our 401(k) Plan, club membership allowances, and premiums we paid in respect of term life insurance for such executive's benefit.

(6) Includes matching contributions we paid to such executive's account under our 401(k) Plan and club membership allowances.

(7) Includes club membership allowances.

(8) Includes matching contributions we paid to such executive's account under our 401(k) Plan.

(9) Includes matching contributions we paid to such executive's account under our 401(k) Plan and premiums we paid in respect of term life insurance for such executive's benefit.

Employment Agreements

We have employment agreements with each of our executive officers, Mr. O'Leary, Mr. Laxton, Mr. Gilleland and Mr. Kiefer. In connection with the Transactions, the agreements with Mr. O'Leary and Mr. Laxton were amended and restated effective as of the consummation of the Transactions.

The amended and restated agreement with Mr. O'Leary provides that he will be employed as our President and Chief Executive Officer at a base salary of $275,000. The amended and restated agreement with Mr. Laxton provides that he will be employed as our Executive Vice President and Chief Financial Officer at a base salary of $225,000. The agreement with Mr. Gilleland provides that he will be employed as the President of Edgen Alloy at a base salary of $210,017. The agreement with Mr. Kiefer provides that he will be employed as the President of Edgen Carbon Products Group LLC at a base salary of $180,000.

The compensation for the executive officers, which varies for each executive as set forth above, may be increased by recommendation of our chief executive officer to our board of directors. Each employment agreement provides for an annual bonus based on a targeted EBITDA amount, as determined by our board of directors, which is subject to a downward working capital adjustment. The target bonus for each of the executive officers for 2004 was up to 100% of his base salary. Each agreement generally provides for four weeks of vacation and an automobile allowance, which varies by

executive officer. Additionally, the employment agreements provide that we will pay premiums for term life insurance for Mr. O'Leary, Mr. Laxton and Mr. Kiefer.

The agreements for Mr. O'Leary and Mr. Laxton are for a three year term commencing on the closing date of the Transactions, with automatic one-year extensions. Each of the other employment agreements with our executive officers is for a one-year term with automatic daily one year renewals, such that the employment agreements are always one full year from termination. The agreements may be terminated by us for the employee's disability, for cause (as defined in the agreements), or for any reason other than cause (with severance, payable upon termination other than for cause, generally ranging from an amount equal to the employee's annual base salary for one year to an amount equal to the employee's annual base salary for the remaining term under the agreement, plus the executive's full or pro-rata share of the annual bonus, if any).

Employee Bonus Plan

With approval from our board of directors, we annually adopt an employee bonus plan based on a targeted pre-bonus EBITDA and minimum pre-bonus EBITDA. These targets are recommended by senior management and determined and approved by our board of directors. Every employee of ours has a target bonus associated with his or her position with our company and the target bonuses range from 10% to 100% of base salary. If EBITDA is less than or equal to the minimum EBTIDA, then the employee is not entitled to any bonus. If, however, the EBITDA is greater than the minimum EBITDA, then the employee is entitled to receive a bonus in an amount equal to 2% of the employee's annual target bonus for each 1% of target EBITDA in excess of the minimum EBITDA. Employees continue to earn an additional 2% of the target bonus for each 1% that EBITDA exceeds the target EBITDA. All bonuses under this plan are paid on or before March 15 of the year following the year in which the bonus is earned.

Equity Incentive Plan

Upon consummation of the Transactions, our board of directors adopted an equity incentive plan. The equity incentive plan authorizes the granting of awards of shares of our common stock that are subject to restrictions on transfer until such time as they are vested. 300,000 shares of restricted common stock were authorized for grant under the equity incentive plan. All of our employees are eligible for grants under the plan. Vesting is based on either time or a combination of performance and time. The time-based vesting schedule applicable to a restricted stock grant will generally be 20% per year over five years subject to the holder's continued employment on the applicable dates. Restricted stock grants that use a vesting schedule that combines time and performance will generally vest 10% per year over five years subject to the holder's continued employment plus an additional 10% or more per year for each year that our company achieves at least 90% of annual projected EBITDA and other working capital targets for that year as determined by our board of directors. Performance based vesting of restricted stock is cumulative so that if the EBITDA target and other working capital targets are met for any given year, all restricted stock subject to performance based vesting for that year and any prior year will vest. Restricted stock subject to performance-based vesting will be forfeited if the relevant EBITDA target is not achieved within five years from the date of grant. Upon a change in control of our company, all restricted stock subject to time based vesting will fully and immediately vest. Restricted stock subject to performance based vesting will be forfeited, if its vesting relates to a performance target from a period prior, that remains unachieved as of the date of the change in control. We have the right but not the obligation to repurchase all vested restricted stock at fair market value as determined by the board of directors from any employee who voluntarily resigns. In addition, we are required to repurchase all vested restricted stock at fair market value as determined by our board of directors from any employee terminated without cause. Unvested restricted stock is subject to forfeiture upon termination of employment. The restricted stock plan is administered by our board of directors or a committee thereof. Upon consummation of the Transactions, we issued restricted stock grants for 281,564 shares of common stock to certain members of our management, including the following to our named executive officers: Mr. O'Leary, 93,855; Mr. Laxton, 40,223; Mr. Gilleland, 26,816; and Mr. Kiefer, 26,816.

401(k) Plan

We sponsor a defined contribution plan, or 401(k) plan, intended to qualify under section 401 of the Internal Revenue Code. Substantially all of our U.S. employees are eligible to participate in the 401(k) plan on the first day of the month in which the employee has attained 18 years of age and 90 days of employment. Employees may make pre-tax contributions of their eligible compensation, not to exceed the limits under the Internal Revenue Code. We match 50% of the employee's contributions, up to a maximum of 6% of the employee's eligible compensation. Any profit sharing contributions are discretionary in amount and occurrence (and are not limited to current or accumulated net profits). Employees may direct their investments among various pre-selected investment alternatives. Employer contributions to the 401(k) plan, including profit sharing contributions, fixed contributions and employer matching contributions, vest 25% after the second year of employment, 50% after the third year of employment, 75% after the fourth year of employment and 100% after the fifth year of employment.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding our beneficial ownership as of April 15, 2005 by:

each person or entity known to us to own more than 5% of any class of our outstanding securities;

each member of our board of directors and each of our named executive officers; and

all of the members of our board of directors and executive officers as a group.

Our outstanding securities consist of approximately 2,681,564 shares of common stock and about 21,600 shares of preferred stock, the terms of which are described in more detail below. To our knowledge, each of the stockholders listed below has sole voting and investment power as to the stock shown unless otherwise noted. Beneficial ownership of the securities listed in the table has been determined in accordance with the applicable rules and regulation promulgated under the Exchange Act.

	Common Stock		Preferred Stock	
	Number of Shares	Percent	Number of Shares	Percent
Principal Stockholders:				
Funds managed by Jefferies Capital Partners(2)	2,161,000	80.6%	19,449	90.7%
Named Executive Officers and Directors:				
Daniel J. O'Leary(3)	168,855	6.3%	675	3.1%
David L. Laxton(3)	75,223	2.8%	315	1.5%
Robert L. Gilleland(3)	56,816	2.1%	270	1.3%
Craig S. Kiefer(3)	56,816	2.1%	270	1.3%
Nicholas Daraviras(4)	–	–	–	–
James L. Luikart(4)(5)	–	–	–	–
All executive officers and directors as a group (6 persons)(3)	357,710	13.3%	1,530	7.2%

(1) Pursuant to Rule 13d-3 under the Exchange Act, a person has beneficial ownership of any securities as to which such person, directly or indirectly, through any contract, arrangement, undertaking, relationship or otherwise has or shares voting power and/or investment power and as to which such person has the right to acquire such voting and/or investment power within 60 days. Percentage of beneficial ownership as to any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person by the sum of the number of shares outstanding as of such date plus the number of shares as to which such person has the right to acquire voting and/or investment power within 60 days.

(2) Consists of (a) 1,505,774 shares of our common stock held by ING Furman Selz Investors III L.P., 533,124 shares of our common stock held by ING Barings U.S. Leveraged Equity Plan LLC and 122,102 shares of our common stock held by ING Barings Global Leveraged Equity Plan Ltd. and (b) 13,552 shares of our preferred stock held by ING Furman Selz Investors III L.P., 4,798 shares of our preferred stock held by ING Barings U.S. Leveraged Equity Plan LLC and 1,099 shares of our preferred stock held by ING Barings Global Leveraged Equity Plan Ltd. ING Furman Selz Investors III L.P., ING Barings U.S. Leveraged Equity Plan LLC and ING Barings Global Leveraged Equity Plan Ltd. are private equity investment funds managed by JCP. Brian P. Friedman and Mr. Luikart are the managing members of the managers of these funds and may be considered the beneficial owners of the shares owned by ING Furman Selz Investors III L.P., ING Barings U.S. Leveraged Equity Plan LLC and ING Barings Global Leveraged Equity Plan Ltd., but each of Messrs. Friedman and Luikart expressly disclaim beneficial ownership of such shares,

except to the extent of each of their pecuniary interests therein. The address for each of the funds managed by Jefferies Capital Partners is 520 Madison Avenue, 12th Floor, New York, New York 10022.

(3) The address of such person is c/o Edgen Corporation, 18444 Highland Road, Baton Rouge, Louisiana 70809. The number of shares of common stock includes restricted stock grants for an aggregate of 187,710 shares of common stock, including 93,855 for Mr. O'Leary, 40,223 for Mr. Laxton, 26,816 for Mr. Gilleland and 26,816 for Mr. Kiefer. Holders of such shares of restricted stock have voting power, but not dispositive power, with respect to unvested shares. For a summary description of the vesting and other terms of such restricted stock, see "Management−Equity Incentive Plan."

(4) The address of each of Mr. Daraviras and Mr. Luikart is c/o Jefferies Capital Partners, 520 Madison Avenue, 12th Floor, New York, New York 10022.

(5) Does not include 2,161,000 shares of our common stock and 19,449 shares of our preferred stock owned by ING Furman Selz Investors III L.P., ING Barings U.S. Leveraged Equity Plan LLC and ING Barings Global Leveraged Equity Plan Ltd. Mr. Luikart is a managing member of the manager of these funds and may be considered the beneficial owner of such shares, but he expressly disclaims such beneficial ownership of the shares owned by ING Furman Selz Investors III L.P., ING Barings U.S. Leveraged Equity Plan LLC and ING Barings Global Leveraged Equity Plan Ltd., except to the extent of his pecuniary interest therein.

Common Stock

Our articles of incorporation provides that we may issue 5,000,000 shares of common stock, par value $0.01 per share, and as of April 15, 2005, 2,681,564 shares of our common stock were issued and outstanding. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the holders of our common stock.

Preferred Stock

Our articles of incorporation provides that we may issue 100,000 shares of preferred stock par value $0.01 per share, 40,000 of which are designated as Series A 8 1/2% Cumulative Compounding Preferred Stock (Series A preferred stock) and 60,000 of which are undesignated. Our Series A preferred stock has a stated value of $1,000 per share. Our Series A preferred stock is entitled to annual dividends when, as and if declared, which dividends will be cumulative, whether or not earned or declared, accrue at a rate of 8.5%, compounding annually, and is payable in cash or shares of our Series A preferred stock, at the discretion of our board of directors. Also at the discretion of our board of directors, our Series A preferred stock is redeemable upon a change of control or initial public offering (as such terms are defined in our articles of incorporation). As of April 15, 2004, 21,600 shares of our Series A preferred stock were issued and outstanding.

Under the laws of Nevada, the vote of a majority of the outstanding shares of our preferred stock, voting as a separate class, is required to amend our articles of incorporation, either by amendment or by filing a certificate of designation, if the amendment would adversely affect the relative rights and preferences of the holders of the preferred stock. Except as described in the immediately preceding sentence or as otherwise required by law, our preferred stock is not entitled to vote.

We may not pay any dividend upon (except for a dividend payable in Junior Stock, as defined below), or redeem or otherwise acquire shares of, capital stock junior to the Series A preferred stock (including the common stock) (referred to as junior stock) unless all cumulative dividends on the Series A preferred stock have been paid in full. Upon liquidation, dissolution or winding up of our company, holders of Series A preferred stock are entitled to receive out of the legally available assets

of our company, before any amount shall be paid to holders of junior stock, an amount equal to $1,000 per share of Series A preferred stock, plus all accrued and unpaid dividends to the date of final distribution. If the available assets are insufficient to pay the holders of the outstanding shares of our preferred stock in full, the assets, or the proceeds from the sale of the assets, will be distributed ratably among the holders.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Securities Purchase Agreements

At the closing of the Transactions, Edgen Acquisition Corporation entered into agreements with funds managed by JCP and certain members of our management pursuant to which they acquired shares of Edgen Acquisition Corporation. Pursuant to these agreements, these funds and the management investors purchased shares of common stock and preferred stock of Edgen Acquisition Corporation having a combined aggregate value of approximately $24.0 million. Following the acquisition of Edgen and the merger of Edgen Acquisition Corporation with and into Edgen, funds managed by JCP and the management investors owned all of the outstanding common stock and preferred stock of Edgen.

Securities Holders Agreement

At the closing of the Transactions, we entered into a securities holders agreement with funds managed by JCP and the management investors. The securities holders agreement generally restricts the transfer of shares of our common stock or preferred stock without the consent of these funds. Exceptions to this restriction include transfers for estate planning purposes, in each case so long as any transferee agrees to be bound by the terms of the agreement.

We and these funds have a right of first refusal under the securities holders agreement with respect to sales of shares of our common stock and preferred stock held by management investors. Under certain circumstances, the stockholders have "tag-along" rights to sell their shares on a pro rata basis with the selling stockholder in certain sales to third parties. If funds managed by JCP approve a sale of our company, these funds have the right to require our other stockholders to sell their shares on the same terms. The securities holders agreement also contain a provision that gives us the right to repurchase a management investor's shares upon termination of that management investor's employment or removal or resignation from the board of directors.

Registration Rights Agreement

At the closing of the Transactions, we entered into a registration rights agreement with funds managed by JCP and the management investors. Pursuant to the registration rights agreement, upon the written request of these funds, we agreed to, on one or more occasions, prepare and file a registration statement with the SEC concerning the distribution of all or part of the shares of our common stock held by these funds, and use our best efforts to cause the registration statement to become effective. Following an initial public offering of our company, funds managed by JCP and the management investors will also have the right, subject to certain exceptions and rights of priority, to have their shares included in certain registration statements filed by us. Registration expenses of the selling stockholders (other than underwriting discounts and commissions and transfer taxes applicable to the shares sold by such stockholders or the fees and expenses of any accountants or other representatives retained by a selling stockholder) will be paid by us. We have also agreed to indemnify the stockholders against certain customary liabilities in connection with any registration.

Management Agreement

In connection with the Transactions, we entered into a management agreement with JCP pursuant to which JCP may provide management, business and organizational strategy and merchant and investment banking services to us, which services include, but are not limited to, advice on corporate and financial planning, oversight of operations, including the marketing, sales and distribution of our products, development of business plans, the structure of our debt and equity capitalization and the identification and development of business opportunities. In exchange for these services, we may pay JCP an annual management fee in an amount agreed to between JCP and us from time to time, plus

reasonable out-of-pocket expenses. It is not currently contemplated that we will pay a management fee to JCP. In addition, JCP may negotiate with us to provide additional management, financial or other corporate advisory services in connection with any transaction, including any acquisition, divestiture or financing, in which we may be, or may consider becoming, involved. The management agreement provides that JCP will be paid a transaction fee for such services rendered by JCP in an amount mutually agreed upon by JCP and us, plus reasonable out-of-pocket expenses. We did not pay JCP a transaction fee in connection with the consummation of the Transactions. The management agreement has an initial term of ten years. The agreement will automatically renew for additional one year terms unless either we or JCP give written notice of termination within 90 days prior to the expiration of the initial term or any extension. There are be no minimum levels of service required to be provided pursuant to the management agreement. The management agreement includes customary indemnification provisions in favor of JCP.

Other Relationships and Related Transactions

Management Agreement with Harvest Partners, Inc. Prior to the consummation of the Transactions, Harvest Partners and its affiliates owned approximately 63% of our outstanding preferred stock and approximately 70% of our outstanding Class A common stock. In addition, Harvest Partners and its affiliates held $5.0 million principal amount of our then existing subordinated notes. Pursuant to an amended and restated management agreement between Harvest and us, we pay Harvest a quarterly management fee and reimburse Harvest for reasonable expenses. On an annual basis, the management fee in each of 2003 and 2004 was $495,600. Upon the consummation of the Transactions, we paid Harvest a transaction fee in an amount equal to 0.826 times 2% of the aggregate purchase price of $124.0 million, or $2,048,480, at which time the management agreement was terminated. Harvest no longer holds any of our equity or debt securities.

Management Agreement with Stonehenge Capital Company, LLC. Prior to the consummation of the Transactions, Stonehenge Capital owned approximately 17% of our outstanding preferred stock and approximately 20% of our Class A common stock. Pursuant to an amended and restated management agreement between Harvest and us, we pay Stonehenge Capital a quarterly management fee and reimburse Stonehenge Capital for reasonable expenses. On an annual basis, the management fee in each of 2003 and 2004 was $104,400. Upon the consummation of the Transactions, we paid Stonehenge Capital a transaction fee in an amount equal to 0.174 times 2% of the aggregate purchase price of approximately $124.0 million, or $431,520, at which time the management agreement was be terminated. The management agreement was terminated upon the consummation of the transactions. Stonehenge Capital no longer holds any of our equity or debt securities.

Transaction Fee Agreement. Pursuant to a transaction fee agreement by and among Jed DiPaolo, John B. Elstrott, Edgar Hotard, Mr. O'Leary, Mr. Laxton and us, upon the consummation of the Transactions, we paid a transaction fee in an amount equal to 2% of the aggregate purchase price of approximately $124.0 million, or $2,480,000, which was allocated among Messrs. DiPaolo, Elstrott, Hotard, O'Leary and Laxton as dictated by the transaction fee agreement and any amount that is not specifically allocated therein was distributed pursuant to the mutual agreement of Ira Kleinman and Mr. O'Leary.

Value Bonus Compensation. Upon the consummation of the Transactions, pursuant to value bonus compensation awards approved by our board of directors, certain members of management became

eligible for value bonuses in an aggregate amount of $3,000,000, which bonuses were distributed to our named executive officers and other members of management as indicated below:

Name of Employee	Bonus
Daniel J. O'Leary	$ 970,000
David L. Laxton, III	$ 480,000
Robert L. Gilleland	$ 420,000
Craig S. Kiefer	$ 370,000
Other members of management collectively (5 persons)	$ 760,000

Furthermore, our board of directors approved an additional senior management bonus equal to 20% of the net proceeds from the sale of Edgen in excess of $64 million. The amount of this bonus was approximately $1.5 million in the aggregate, and was distributed among the senior management by the mutual agreement of Mr. Kleinman and Mr. O'Leary.

Convertible Term Notes. On October 25, 2000, we issued four convertible term notes, in an aggregate principal amount of $15.0 million, to certain stockholders of our company. Three convertible term notes were issued to affiliates of Harvest Partners: two notes to Harvest Partners III, L.P. in the initial principal amounts of approximately $8.7 million and approximately $2.5 million and one note to Harvest Partners III, Beteiligungsgesellschaft buergerlichen Rechts mit Haftungsbeschraenkung in the initial principal amount of approximately $1.5 million. The fourth convertible term note was issued to Bank One Equity Investors Inc. in the initial principal amount of approximately $2.2 million. In connection with the consummation of the Transactions, we repaid the remaining principal and interest obligations of approximately $2.8 million in the aggregate (as of December 31, 2004) and these convertible term notes were terminated.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following summary of certain provisions of the instruments evidencing our material indebtedness (other than the notes) does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the corresponding agreements, including the definition of certain terms therein that are not otherwise defined in this prospectus.

New Revolving Credit Facility

Concurrently with the closing of the Transactions, we entered into a new $20.0 million revolving credit facility with GMAC Commercial Finance LLC (GMAC) and drew $2.7 million in loans thereunder. The principal terms of the new revolving credit facility are substantially as set forth below:

Availability. Revolving advances are available from the lender in an aggregate principal amount of up to $20.0 million, subject to a borrowing base test based upon our eligible accounts receivable and eligible raw material and finished goods inventory. We will be able to repay and re-borrow such advances until the maturity date.

Term. Our new revolving credit facility has an initial term of five years from the closing date of the facility, which closed concurrently with the closing of the Transactions.

Guarantees and Security. Our new revolving credit facility is guaranteed by all of our domestic subsidiaries and is secured by a first priority security interest in all of our and our domestic subsidiaries' Working Capital Assets and secured by a second priority security interest in all of our and our domestic subsidiaries' other assets (other than certain excluded assets such as our leasehold interests and the capital stock of our existing and future subsidiaries). Pursuant to the terms of the intercreditor agreement described under "Description of the Notes−Collateral−Senior Intercreditor Agreement," the security interest on the collateral consisting of Working Capital Assets that secures the notes and related guarantees are contractually subordinated to the liens thereon securing the new revolving credit facility, and the security interest on substantially all of our and our domestic subsidiaries' other assets (other than certain excluded assets such as our leasehold interests and the capital stock of our existing and future subsidiaries) that may secure the revolving credit facility is contractually subordinated to the liens thereon securing the notes and related guarantees.

Interest. Interest accrues on borrowings under our new revolving credit facility at floating rates equal to:

the prime rate of interest announced by GMAC CF from time to time less 0.50% per annum, or

a Eurodollar rate based on LIBOR plus 1.50% per annum.

Fees. Our new revolving credit facility is subject to certain customary fees including a fee of 0.50% per annum on the unused portion of the revolving credit facility.

Prepayment. We may prepay in full and terminate the lender's commitment under our new revolving credit facility at any time, subject to payment of a prepayment fee on the total committed facility equal to 2% in the first year and 1% in the second year. Advances under the revolving credit facility are subject to mandatory prepayment in certain circumstances, including mandatory prepayments based upon the receipt of certain proceeds of asset sales other than the sale of inventory in the ordinary course.

Covenants and Conditions. Our new revolving credit facility contains various affirmative and negative covenants customary for similar working capital facilities, which, among other things, limit the incurrence of additional indebtedness, the making of distributions, loans and advances, the entering

into of transactions with affiliates and acquisitions, dispositions or mergers, the granting of loans and the sale of assets.

Events of Default. Our new revolving credit facility also contains customary events of default, including but not limited to:

non-payment of principal, interest or fees;

violations of certain covenants;

certain bankruptcy events;

inaccuracy of representations and warranties in any material respect; and

cross defaults with certain other material indebtedness and agreements, including without limitation, the indenture governing the notes.

THE EXCHANGE OFFER

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your decision on what action to take.

Purpose and Effect of the Exchange Offer

On February 1, 2005, we issued and sold the old notes to the initial purchaser in a private placement transaction exempt from the registration requirements of the Securities Act. The initial purchaser subsequently sold the old notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Because the old notes are subject to transfer restrictions, we, our guarantors and the initial purchaser in the February 2005 private offering entered into a registration rights agreement dated February 1, 2005 under which we agreed to:

prepare and file with the SEC on or before June 1, 2005 the registration statement of which this prospectus is a part;

use our commercially reasonable efforts to cause the registration statement to become effective on or before August 30, 2005;

complete the exchange offer within 30 business days after the effective date of the registration statement; and

file a shelf registration statement for the resale of the old notes if we cannot effect an exchange offer within the time periods listed above and in certain other circumstances.

The registration statement is intended to satisfy our exchange offer obligations under the registration rights agreement.

Under existing interpretations of the SEC, the new notes will be freely transferable by holders other than our affiliates after the exchange offer without further registration under the Securities Act if the holder of the new notes represents that:

it is acquiring the new notes in the ordinary course of its business;

it has no arrangement or understanding with any person to participate in the distribution of the new notes;

it is not an affiliate of us, as that term is interpreted by the SEC; and

if such holder is not a broker-dealer, then such holder is not engaged in and does not intend to engage in, a distribution of the new notes.

However, participating broker-dealers receiving new notes in the exchange offer will have a prospectus delivery requirement with respect to resales of such new notes. The SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to new notes (other than a resale of an unsold allotment from the original sale of the old notes) with this prospectus. Under the registration rights agreement, we are required to allow participating broker-dealers and other persons, if any, with similar prospectus delivery requirements to use this prospectus in connection with the resale of the new notes. Each broker-dealer that receives new notes for its own account in exchange for old notes, where the notes were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. See "Plan of Distribution."

Terms of the Exchange Offer; Period for Tendering Old Notes

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal (which together constitute the exchange offer), we will accept for exchange old notes which are properly tendered on or prior to the expiration date of the exchange offer and not withdrawn as permitted below. The expiration date will be 5:00 p.m., New York City time, on , 2005, unless extended by us in our sole discretion.

As of the date of this prospectus, $105.0 million aggregate principal amount of the old notes are outstanding. Only a registered holder of the old notes (or such holder's legal representative or attorney-in-fact) as reflected on the records of the trustee under the indenture may participate in the exchange offer. There will be no fixed record date for determining registered holders of the old notes entitled to participate in the exchange offer. The old notes may be tendered only in integral multiples of $1,000. This prospectus, together with the letter of transmittal, is first being sent on or about , 2005 to all holders of old notes known to us. Our obligation to accept old notes for exchange pursuant to the exchange offer is subject to conditions as set forth under "−Conditions to the Exchange Offer" below.

We shall be deemed to have accepted validly tendered old notes when, as and if we have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for the tendering holders of old notes for the purposes of receiving the new notes from us.

We expressly reserve the right, at any time or from time to time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance for any exchange of any old notes, by giving notice of such extension to the exchange agent and the holders of the old notes as described below. During any such extension, all old notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any old notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.

We expressly reserve the right, in our sole and absolute discretion:

to delay accepting any old notes;

to extend the exchange offer;

to terminate the exchange offer; and

to waive any condition (other than any condition involving governmental approvals) or otherwise amend the terms of the exchange offer in any manner.

If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose the amendment by means of a prospectus supplement that will be distributed to the eligible holders of old notes. Any delay in acceptance, extension, termination, amendment or waiver will be followed promptly by oral or written notice to the exchange agent and by making a public announcement of it, and the notice and announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the exchange offer was previously scheduled to expire. Subject to applicable law, we may make this public announcement by issuing a press release.

Holders of old notes do not have any appraisal or dissenters' rights under the Delaware General Corporation Law in connection with the exchange offer.

Procedures For Tendering Old Notes

Only a registered holder of old notes may tender such old notes in the exchange offer. To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or facsimile

thereof, have the signatures thereon guaranteed if required by the letter of transmittal, and mail or otherwise deliver the letter of transmittal or the facsimile to the exchange agent at the address set forth below under "−Exchange Agent" for receipt prior to the expiration date. In addition, either:

certificates for the old notes must be received by the exchange agent along with the letter of transmittal;

a timely confirmation of a book-entry transfer of such old notes, if that procedure is available, into the exchange agent's account at the depositary pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date; or

the holder must comply with the guaranteed delivery procedures described below.

The tender by a holder which is not withdrawn prior to the expiration date will constitute a binding agreement between the holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

The method of delivery of old notes and the letter of transmittal and all other required documents to the exchange agent is at your election and risk. Instead of delivery by mail, it is recommended that you use an overnight or hand delivery service, properly insured. If delivery is by mail, we recommend that you use registered mail, properly insured, with return requested. In all cases, you should allow sufficient time to assure delivery to the exchange agent before the expiration date. You should not send letters of transmittal or old notes to us. You may request your respective brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for you.

Any beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf. If the beneficial owner wishes to tender on the owner's own behalf, the owner must, prior to completing and executing the letter of transmittal and delivering the owner's old notes, either make appropriate arrangements to register ownership of the old notes in the owner's name or obtain a properly completed power of attorney from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an eligible institution unless the old notes are tendered:

by a registered holder of the old notes who has not completed the box entitled "Special Issuance Instruction" or "Special Delivery Instruction" on the letter of transmittal; or

for the account of an eligible institution.

In the event that signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantees must be by an eligible institution. Eligible institutions include any firm which is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States.

If the letter of transmittal is signed by a person other than the registered holder of any old notes listed therein, such old notes must be endorsed or accompanied by a properly completed bond power, signed by the registered holder as the registered holder's name appears on the old notes.

If the letter of transmittal or any old notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, the persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

The exchange agent and the depositary have confirmed that any financial institution that is a participant in the depositary's system may utilize the depositary's Automated Tender Offer Program to tender old notes.

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered old notes will be determined by us in our sole discretion. This determination will be final and binding. We reserve the absolute right to reject any and all old notes not properly tendered or to not accept any particular old notes our acceptance of which might, in our judgment or our counsel's judgment, be unlawful. We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to particular old notes either before or after the expiration date (including the right to waive the ineligibility of any holder who seeks to tender old notes in the exchange offer). Our interpretation of the terms and conditions of the exchange offer (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of old notes for exchange, nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such defects or irregularities have been cured or waived.

While we have no present plan to acquire any old notes which are not tendered in the exchange offer or to file a registration statement to permit resales of any old notes which are not tendered pursuant to the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date or, as set forth below under "−Certain Conditions to the Exchange Offer," to terminate the exchange offer and, to the extent permitted by applicable law, purchase old notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer.

By tendering, each holder of old notes will represent to us in writing that, among other things:

- the new notes acquired pursuant to the exchange offer are being acquired in the ordinary course of business of the holder and any beneficial holder;

- neither the holder nor any beneficial holder has an arrangement or understanding with any person to participate in the distribution of new notes; and

- neither the holder nor any other person is an "affiliate," as defined under Rule 405 of the Securities Act, of our company.

If any holder or any other person is an "affiliate," as defined under Rule 405 of the Securities Act, of ours, or is engaged in, or intends to engage in, or has an arrangement or understanding with any person to participate in, a distribution of the new notes to be acquired in the exchange offer, the holder or any other person (1) may not rely on the applicable interpretations of the staff of the SEC and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If the holder is a broker-dealer that will receive new notes for its own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities, the holder is required to acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of such new notes. However, by so acknowledging and by delivering a prospectus, the holder will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Acceptance of Old Notes For Exchange; Delivery Of New Notes

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly after the expiration date of the exchange offer, all old notes properly tendered, and will issue the new notes promptly after acceptance of the old notes. See "−Conditions to the Exchange Offer" below. For purposes of the exchange offer, we shall be deemed to have accepted properly tendered old notes for exchange when, as and if we have given oral and written notice to the exchange agent.

The new notes will bear interest from the most recent date to which interest has been paid on the old notes, or if no interest has been paid on the old notes, from February 1, 2005. Accordingly, registered holders of new notes on the relevant record date for the first interest payment date following the consummation of the exchange offer will receive interest accruing from the most recent date to which interest has been paid or, if no interest has been paid, from February 1, 2005. Old notes accepted for exchange will cease to accrue interest from and after the date of consummation of the exchange offer. Holders of old notes whose old notes are accepted for exchange will not receive any payment for accrued interest on the old notes otherwise payable on any interest payment date the record date for which occurs on or after consummation of the exchange offer and will be deemed to have waived their rights to receive accrued interest on the old notes.

Return of Old Notes

If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if old notes are withdrawn or are submitted for a greater principal amount than the holders desire to exchange, such unaccepted, withdrawn or non-exchanged old notes will be returned without expense to the tendering holder of such old notes (or, in the case of old notes tendered by book-entry transfer into the exchange agent's account at the depositary pursuant to the book-entry transfer procedures described below, such old notes will be credited to an account maintained with the depositary) promptly after the expiration of the exchange offer.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the old notes at the depositary for purposes of the exchange offer within two business days after the date of this prospectus, and any financial institution that is a participant in the depositary's systems may make book-entry delivery of old notes by causing the depositary to transfer such old notes into the exchange agent's account at the depositary in accordance with the depositary's procedures for transfer. However, although delivery of old notes may be effected through book-entry transfer at the depositary, the letter of transmittal or facsimile thereof, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the exchange agent at the address set forth below under "−Exchange Agent" on or prior to the expiration date or pursuant to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

Holders who wish to tender their old notes and (A) whose old notes are not immediately available or (B) who cannot deliver their old notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date, may effect a tender if:

the tender is made through an eligible institution;

prior to the expiration date, the exchange agent receives from such eligible institution a properly completed and a duly executed letter of transmittal and notice of guaranteed delivery substantially in the form provided by us (by facsimile transmission, mail or hand delivery) setting forth the name and address of the holder, the certificate number(s) of such old notes and the

principal amount of old notes tendered, stating that the tender is being made thereby and guaranteeing that, within five New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificate(s) representing the old notes in proper form for transfer or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

the certificates representing all tendered old notes in proper form for transfer or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within five New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their old notes according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided herein, tenders of old notes may be withdrawn at any time prior to the expiration date.

To withdraw a tender of old notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth below, prior to the expiration date. Any such notice of withdrawal must:

specify the name of the person having deposited the old notes to be withdrawn;

identify the old notes to be withdrawn (including the certificate number or numbers and aggregate principal amount of such old notes);

where the certificates for old notes have been transmitted, specify the name in which such old notes are registered, if different from that of the withdrawing holder.

If certificates for old notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution unless such holder is an eligible institution.

If old notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the depositary to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility. All questions as to the validity, form and eligibility (including time of receipt) of the notices will be determined by us in our sole discretion, and our determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no new notes will be issued with respect thereto unless the old notes so withdrawn are validly retendered. Properly withdrawn old notes may be retendered by following one of the procedures described above at any time prior to the expiration date.

Conditions To The Exchange Offer

Notwithstanding any other provision of the exchange offer, we shall not be required to accept for exchange, or to issue new notes in exchange for, any old notes. We may terminate or amend the exchange offer if at any time before the acceptance of such old notes for exchange or the exchange of new notes for such old notes, we determine that:

the exchange offer (including the related prospectus) does not comply with any applicable law or any applicable interpretation of the staff of the SEC;

we have not received all applicable governmental approvals; or

any actions or proceedings of any governmental agency or court exist which could materially impair our ability to consummate the exchange offer.

The foregoing conditions, other than any involving governmental approvals, are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time at or prior to the expiration of the exchange offer in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of such right and each such right shall be deemed an ongoing right which may be asserted at any time at or prior to the expiration of the exchange offer.

In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended. In any event we are required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

Exchange Agent

The Bank of New York has been appointed as the exchange agent for the exchange offer. All executed letters of transmittal should be directed to the exchange agent at one of the addresses set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the exchange agent addressed as follows:

By Hand, up to 4:30 p.m.: *By Registered or Certified Mail:* *By Overnight Courier:*

By Facsimile:

Confirm by Telephone:

Delivery other than as set forth above will not constitute a valid delivery.

Fees and Expenses

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with the exchange offer. The principal solicitation is being made by mail. However, additional solicitation may be made by facsimile, telephone or in person by our officers and employees.

The expenses to be incurred in connection with the exchange offer will be paid by us. Such expenses include registration fees, fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs, among others.

Transfer Taxes

Holders who tender their old notes for exchange will not be obligated to pay any transfer taxes in connection with the tender, except that holders who instruct us to register new notes in the name of, or request that old notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax thereon.

Accounting Treatment

The new notes will be recorded at the same carrying value as the old notes, which is the principal amount as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized. The debt issuance costs will be capitalized for accounting purposes and will be amortized over the term of the new notes.

Consequences Of Failure To Exchange; Resales Of New Notes

Participation in the exchange offer is voluntary. Holders of the old notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

Holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of those old notes as set forth in the legend thereon as a consequence of the issuance of the old notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of, the Securities Act and applicable state securities laws. In general, the old notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Old notes not exchanged pursuant to the exchange offer will continue to accrue interest at $9^{7}/_{8}\%$ per annum and will otherwise remain outstanding in accordance with their terms. Holders of old notes do not have any appraisal or dissenters' rights under the Delaware General Corporation Law in connection with the exchange offer.

Based on interpretive letters issued by the staff of the SEC to third parties in unrelated transactions, we are of the view that new notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by holders thereof (other than any holder which is our "affiliate" within the meaning of Rule 405 under the Securities Act or any broker-dealer that purchases notes from us to resell pursuant to Rule 144A or any other available exemption), without compliance with the registration and prospectus delivery provisions of the Securities Act. This is the case provided that the new notes are acquired in the ordinary course of the holders' business and the holders have no arrangement or understanding with any person to participate in the distribution of such new notes. If

any holder has any arrangement or understanding with respect to the distribution of the new notes to be acquired pursuant to the exchange offer, such holder:

could not rely on the applicable interpretations of the staff of the Securities and Exchange Commission; and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

A broker-dealer who holds old notes that were acquired for its own account as a result of market-making or other trading activities may be deemed to be all "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of new notes. Each broker-dealer that receives new notes for its own account in exchange for old notes, where the old notes were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of such new notes.

The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making or other trading activities. Pursuant to the registration rights agreement, we have agreed to make this prospectus, as it may be amended or supplemented from time to time, available to broker-dealers for use in connection with any resale for a period of 180 days following the effective date. See "Plan of Distribution."

We have not requested the staff of the SEC to consider the exchange offer in the context of a no-action letter, and there can be no assurance that the staff would take positions similar to those taken in the interpretive letters referred to above if we were to make such a no-action request.

In addition, to comply with the securities laws of applicable jurisdictions, the new notes may not be offered or sold unless they have been registered or qualified for sale in the applicable jurisdictions or an exemption from registration or qualification is available and is complied with. We have agreed, under the registration rights agreement and subject to specified limitations therein, to register or qualify the new notes for offer or sale under the securities or blue sky laws of the applicable jurisdictions in the United States as any selling holder of the notes reasonably requests in writing.

Registration Rights and Additional Interest

Registration Rights. If:

because of any change in law or in currently prevailing interpretations of the Staff of the SEC, we are not permitted to effect the exchange offer contemplated by this prospectus;

the exchange offer is not consummated within 30 business days from the date the registration statement of which this prospectus is a part is declared effective;

in certain circumstances certain holders of unregistered new notes so request; or

in the case of any holder that participates in the exchange offer, that holder does not receive new notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of that holder as our affiliate or within the meaning of the Securities Act),

then in each case, we will

promptly deliver to the holders and the Trustee written notice thereof; and

at our sole expense,

file on or prior to 30 days after the filing obligation arises a shelf registration statement covering resales of the notes, and

use our commercially reasonable efforts to keep effective the shelf registration statement until the earlier of two years after the original issue date of the notes or such time as all of the applicable notes have been sold thereunder.

We will, in the event that a shelf registration statement is filed, provide to each holder copies of the prospectus that is a part of the shelf registration statement, notify each such holder when the shelf registration statement for the notes has become effective and take certain other actions as are required to permit unrestricted resales of the notes. A holder that sells notes pursuant to the shelf registration statement will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such a holder (including certain indemnification rights and obligations and the delivery of certain information concerning the holder).

Additional Interest. If we fail to meet the targets listed above, then additional interest ("Additional Interest") shall become payable in respect of the Notes as follows:

If:

neither the exchange offer registration statement nor the shelf registration statement is filed with the SEC on or prior to June 1, 2005, or

notwithstanding that we have consummated or will consummate an exchange offer, we are required to file a shelf registration statement and the shelf registration statement is not filed on or prior to the date required by the registration rights agreement,

then commencing on the day after either required filing date, Additional Interest will accrue on the principal amount of the notes at a rate of 0.25% per annum for the first 90 days immediately following each filing date, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

If:

if neither the exchange offer registration statement nor a shelf registration statement is declared effective by the SEC on or prior to August 30, 2005,

or notwithstanding that we have consummated or will consummate an exchange offer, we are required to file a shelf registration statement and the shelf registration statement is not declared effective by the SEC on or prior to the 90th day following the date the shelf registration statement was filed,

then, commencing on the day after either such required effective date, Additional Interest will accrue on the principal amount of the notes at a rate of 0.25% per annum for the first 90 days immediately following such date, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

If:

we have not exchanged new notes for all notes validly tendered and not withdrawn in accordance with the terms of the exchange offer on or prior to the date that is 30 business days from the date the exchange offer registration Statement was required to be declared effective, or

if applicable, the shelf registration statement has been declared effective and such shelf registration statement ceases to be effective at any time prior to February 1, 2007 (other than after such time as all notes have been disposed of thereunder),

then Additional Interest will accrue on the principal amount of the notes at a rate of 0.25% per annum for the first 90 days commencing on the 31st business day after such effective date, in the case of the first bullet point above, or the day such shelf registration statement ceases to be effective, in the case of the second bullet point above, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period.

Notwithstanding the foregoing:

Additional Interest will not accrue under more than one of the three immediately preceding paragraphs at any one time;

the amount of Additional Interest accruing will not exceed 1.00% per annum; and

upon the filing of the exchange offer registration statement or a shelf registration statement (in the case of third immediately preceding paragraph); upon the effectiveness of the exchange offer registration statement or a shelf registration statement (in the case of the second immediately preceding paragraph); or upon the exchange of new notes for all notes tendered (in the case of immediately preceding paragraph), or upon the effectiveness of the shelf registration statement which had ceased to remain effective (in the case of the immediately preceding paragraph), Additional Interest on the notes as a result of such clause (or the relevant subclause thereof), as the case may be, will cease to accrue.

Any amounts of Additional Interest that have accrued will be payable in cash on the same original interest payment dates as the notes.

DESCRIPTION OF THE NOTES

Edgen Acquisition Corporation issued and sold the $9^{7}/_{8}$% Senior Secured Notes due 2011 (the "*Notes*") as part of the financing that was used to acquire (the "*Acquisition*") all of the issued and outstanding Capital Stock of Edgen Corporation. The Notes were issued under an indenture (the "*Indenture*"), among Edgen Acquisition Corporation, the Guarantors and The Bank of New York, as Trustee (the "*Trustee*") and Collateral Agent (the "*Collateral Agent*").

The form and terms of the new notes are substantially identical to the form and terms of the old notes, except that, unlike the old notes, the new notes will have been issued in a transaction registered under the Securities Act; will not bear legends restricting their transfer; and holders of the new notes are not entitled to certain registration rights under the registration rights agreement. The new notes and the old notes are treated as one series of notes under the Indenture, and references in the following summary to the notes should be read to incorporate the old notes and the new notes.

The following is a summary of the material provisions of the Indenture, the Collateral Agreements, the Intercreditor Agreements and the Registration Rights Agreement. It does not include all of the provisions of the Indenture, the Collateral Agreements, the Intercreditor Agreements and the Registration Rights Agreement, and we urge you to read them because they, and not this description, define your rights. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "*TIA*"). Wherever particular provisions of the Indenture, the Collateral Agreements, the Intercreditor Agreements, the Registration Rights Agreement and the TIA are referred to in this Description of Notes, such provisions are incorporated by reference as part of the statements made, and such statements are qualified in their entirety by such reference.

Upon consummation of the Acquisition, Edgen Acquisition Corporation was merged with and into Edgen Corporation, with Edgen Corporation being the surviving corporation of such merger (the "*Merger*"). Upon consummation of the Merger, Edgen Corporation assumed Edgen Acquisition Corporation's obligations under the Indenture, the Collateral Agreements, the Intercreditor Agreements and the Registration Rights Agreement; caused each of its Domestic Subsidiaries to become Guarantors as required by the Indenture and caused those Guarantors to become party to the Collateral Agreements, the Intercreditor Agreements and the Registration Rights Agreement. You can obtain a copy of each of the Indenture, the Collateral Agreements, the Intercreditor Agreements and the Registration Rights Agreement in the manner described under "Where You Can Find More Information" from the Company. You can find definitions of certain capitalized terms used in this description under "Certain Definitions" and throughout this "Description of the Notes." When we refer to the "Company," "we," "our," or "us" in this section, we mean Edgen Corporation and its successors in accordance with the terms of the Indenture and not any of its Subsidiaries.

Brief Description of the Notes and the Guarantees

The Notes

The Notes are:

- senior secured obligations of the Company;
- ranked equally in right of payment with all other senior obligations of the Company and senior in right of payment to all Indebtedness that by its terms is subordinated to the Notes;
- secured by security interests in substantially all of the assets of the Company (other than Excluded Assets), subject to Permitted Liens; and

unconditionally guaranteed, jointly and severally, on a senior secured basis by all of the Company's existing and future Domestic Restricted Subsidiaries, as set forth under "Guarantees" below.

The Guarantees

The Notes will be guaranteed by all of our existing and future direct and indirect Domestic Restricted Subsidiaries. Each Guarantee of a Guarantor will:

be a senior secured obligation of such Guarantor;

rank equally in right of payment with all other senior obligations of such Guarantor and senior in right of payment to all Indebtedness that by its terms is subordinated to the Guarantee of such Guarantor; and

be secured by security interests in substantially all of the assets of such Guarantor (other than Excluded Assets), subject to Permitted Liens.

Pursuant to the terms of the Senior Intercreditor Agreement, the security interest on inventory, accounts receivable, lockboxes, deposit accounts, securities accounts and financial assets credited thereto, and certain related assets (collectively, the "Working Capital Assets") that secure the Notes and the Guarantees will be contractually subordinated to a Lien securing the Credit Agreement. Consequently, the Notes will be effectively subordinated to the Credit Agreement to the extent of the value of the Working Capital Assets.

Principal, Maturity and Interest

The Company initially issued the Notes in fully registered form in denominations of $1,000 and integral multiples thereof. The Notes are unlimited in aggregate principal amount, of which $105.0 million in aggregate principal amount were issued in the initial offering. The Company may issue additional Notes ("*Additional Notes*") from time to time, subject to the limitations set forth under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness." The Notes and any Additional Notes will be substantially identical other than the issuance dates and the dates from which interest will accrue. Unless the context otherwise requires, for all purposes of the Indenture and this "Description of the Notes," references to the Notes include any Additional Notes actually issued. Any Notes that remain outstanding after the completion of the Exchange Offer, together with the new notes issued in connection with the Exchange Offer, will be treated as a single class of securities under the Indenture. Any Additional Notes issued after the Exchange Offer will be secured, equally and ratably with the Notes. As a result, the issuance of Additional Notes will have the effect of diluting the security interest of the Collateral for the then outstanding Notes. Because, however, any Additional Notes may not be fungible with the Notes for federal income tax purposes, they may have a different CUSIP number or numbers and be represented by a different global Note or Notes.

The Notes will mature on February 1, 2011.

Interest on the Notes will accrue at the rate of $9^{7}/_{8}$% per annum and will be due and payable semiannually in cash on each February 1 and August 1, commencing on August 1, 2005, to the Persons who are registered Holders at the close of business on each January 15 and July 15 immediately preceding the applicable interest payment date. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Additional Interest may accrue on the Notes in certain circumstances pursuant to the Registration Rights Agreement.

Collateral

Pursuant to the terms of the Collateral Agreements, the Notes and the Guarantees will be secured by substantially all of the assets of the Company and the Guarantors (other than Excluded Assets). On the Issue Date, the obligations under the Credit Agreement will be secured by Liens on the Collateral consisting of Working Capital Assets which will be senior to the Liens securing the Notes and Guarantees with respect to the proceeds of Collateral consisting of Working Capital Assets. Thereafter, the Credit Agreement may be secured by Liens on all other Collateral that does not consist of Working Capital Assets (i.e., Priority Collateral) and certain other Indebtedness may be secured by Liens on all Collateral; provided that any such Liens shall be subject to the Collateral Agent's prior ranking Lien in accordance with the terms set forth below under, "Senior Intercreditor Agreement" and "Subordinated Intercreditor Agreement," respectively.

On the date of the Indenture, the Company, the Guarantors and the Collateral Agent, on behalf of itself, the Trustee and the Holders, and the Administrative Agent, on behalf of itself and the Lenders, entered into the Senior Intercreditor Agreement. Certain terms of the Senior Intercreditor Agreement are described below under "Senior Intercreditor Agreement." The Indenture also permits the Company and the Guarantors to incur secured Indebtedness ("Junior Lien Debt") if the Company can satisfy a fixed charge coverage ratio and so long as such Indebtedness is subordinated in right of payment to the Notes, the Guarantees and if then or thereafter outstanding, the Credit Agreement and the Liens securing such Indebtedness is subordinated to the Liens securing the Notes and the Guarantees and if then or thereafter outstanding, the Credit Agreement pursuant to an intercreditor and subordination agreement (the "Subordinated Intercreditor Agreement"), substantially in the form of the exhibit form thereof to be attached to the Indenture, to be entered into by and among the Company, the Guarantors, the Collateral Agent, on behalf of itself, the Trustee and the Holders, and at any time the Credit Agreement is outstanding, the Administrative Agent, on behalf of itself and the Lenders, and the holders of such Junior Lien Debt or a Person duly appointed by such holders as their agent (the "Junior Lien Collateral Agent"), on behalf of itself and such holders (collectively, the "Junior Lien Debtholders"). Certain terms of the Subordinated Intercreditor Agreement are described below under "Subordinated Intercreditor Agreement."

Upon the occurrence of an Event of Default, the proceeds from the sale of Collateral securing the Notes and the Guarantees may be insufficient to satisfy the Company's and the Guarantors' obligations under the Notes and Guarantees, respectively. No appraisals of any of the Collateral have been prepared in connection with the Exchange Offer. Moreover, the amount to be received upon such a sale would be dependent upon numerous factors, including the condition, age and useful life of the Collateral at the time of the sale, as well as the timing and manner of the sale. By its nature, all or some of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral, if saleable, can be sold in a short period of time.

Subject to the terms of the Collateral Agreements, the Company and the Guarantors have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than any cash, securities, obligations and cash equivalents constituting part of the Collateral consisting of Working Capital Assets that secure on a first priority basis the obligations to the Administrative Agent and the Lenders in accordance with the provisions of the Credit Agreement and other than as set forth in the Collateral Agreements), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

Subject to the restrictions on incurring Indebtedness in the Indenture, the Company and its Restricted Subsidiaries also have the right to grant Liens securing Capital Lease Obligations and Purchase Money Obligations constituting Permitted Indebtedness and to acquire any such assets subject to such Liens.

To the extent third parties hold Permitted Liens (including the Lenders), such third parties may have rights and remedies with respect to the property subject to such Liens that, if exercised, could adversely affect the value of the Collateral. Given the intangible nature of certain of the Collateral, any such sale of such Collateral separately from the assets of the Company as a whole may not be feasible. The ability of the Company or any Guarantor to grant a security interest in certain Collateral may be limited by legal or other logistical considerations. The ability of the Holders to realize upon the Collateral may be subject to certain bankruptcy law limitations in the event of a bankruptcy. See "Certain Bankruptcy and Other Limitations."

The Company is permitted to form new Restricted Subsidiaries and to transfer all or a portion of the Collateral to one or more of its Restricted Subsidiaries that are Domestic Restricted Subsidiaries; provided, that each such new Domestic Restricted Subsidiary will be required to execute a Guarantee in respect of the Company's obligations under the Notes and the Indenture (the "Note Obligations") and a supplement to the Security Agreement granting to the Collateral Agent a security interest in all of the assets of such Domestic Restricted Subsidiary on the same basis and subject to the same limitations as described in this section.

Subject to the Senior Intercreditor Agreement, all funds distributed under the Collateral Agreements and received by the Collateral Agent for the ratable benefit of the Holders shall be distributed by the Collateral Agent in accordance with the provisions of the Indenture.

The collateral release provisions of the Indenture permit the release of Collateral without substitution of collateral having at least equal value under certain circumstances, including asset sales or dispositions made in compliance with the Indenture.

The Company will be entitled to releases of assets included in the Collateral from the Liens securing the Notes under any one or more of the following circumstances:

(1) to enable the Company to consummate asset sales or dispositions that are not Asset Sales or that are Asset Sales permitted under the covenant described below under "−Limitation on Asset Sales;"

(2) with the consent of the Holders of not less than a majority of the aggregate principal amount of the outstanding Notes as provided under "Modification of the Indenture;"

(3) if any Subsidiary that is a Guarantor is released from its Guarantee in accordance with the terms of the Indenture, that Subsidiary's assets will also be released;

(4) if the Company exercises its legal defeasance option or our covenant defeasance option as described below under the caption "Legal Defeasance and Covenant Defeasance;"

(5) upon satisfaction and discharge of the Indenture or payment in full in cash of the principal of, and premium, if any, accrued and unpaid interest and Additional Interest, if any, on, the Notes and all other Obligations that are then due and payable; or

(6) if such release is required under the Senior Intercreditor Agreement.

Senior Intercreditor Agreement

Ranking of Liens. The Senior Intercreditor Agreement provides that (1) Liens on the Working Capital Assets securing the Note Obligations will be junior to the Liens thereon securing all obligations under the Credit Agreement (the "First Lien Obligations"), and consequently, the Lenders will be entitled to receive proceeds from any Working Capital Assets prior to the Holders, (2) Liens on Priority Collateral securing the Note Obligations will be senior to the Liens, if any, thereon securing the First Lien Obligations, and consequently, the Holders will be entitled to receive proceeds from Priority Collateral prior to the Lenders and (3) the Collateral Agent will not challenge the Liens of the

Administrative Agent on the Collateral and the Administrative Agent will not challenge the Liens of the Collateral Agent on the Collateral notwithstanding, in each case, the timing, method or failure of the perfection thereof by such Person.

Restriction on Enforcement of Liens and Related Provisions. The Senior Intercreditor Agreement provides that none of the Collateral Agent, the Trustee or any Holder may take any enforcement action against (i) any Priority Collateral for a period of 90 days from the date that the Collateral Agent gives notice to the Administrative Agent of the occurrence of an Event of Default and (ii) any Collateral consisting of Working Capital Assets for a period of 90 days from the date that the Collateral Agent gives notice to the Administrative Agent (1) of the occurrence of an Event of Default and (2) that the Collateral Agent and/or the Holders intend to take enforcement action against such Collateral; provided that the Collateral Agent will only be able to take any enforcement action against Working Capital Assets to the extent that the Working Capital Assets are not the subject of an enforcement action nor is any other similar action diligently being pursued by the Administrative Agent against the Working Capital Assets until the obligations under the Credit Agreement are paid in full in cash and the commitments under the Credit Agreement have been terminated. The Administrative Agent will have the sole and exclusive right to make all decisions with respect to the exercise of remedies with respect to any Working Capital Assets during such time, including the timing and method of any disposition thereof.

Neither the Administrative Agent nor any Lender may take any enforcement action against the Priority Collateral for a period of 150 days from the date that the Administrative Agent gives notice to the Collateral Agent of the occurrence of an event of default under the Credit Agreement (provided that such period shall continue only with respect to any such Priority Collateral that is the subject of an enforcement action or other similar action that is diligently being pursued by the Collateral Agent prior to such 150th day for so long as such enforcement action or other similar action is diligently being pursued by the Collateral Agent). The Collateral Agent will have the sole and exclusive right to make all decisions with respect to the foreclosure on any Priority Collateral during such period as it relates to such Collateral, including the timing and method of any disposition thereof.

Upon the receipt of any proceeds of Working Capital Assets by the Collateral Agent prior to the payment in full in cash of the obligations under the Credit Agreement (including the cash collateralization of up to 105% of the undrawn portion of the stated amount of any letters of credit issued thereunder that remain outstanding), and the termination of the commitments under the Credit Agreement the Collateral Agent shall hold such proceeds (after deducting therefrom all reasonable enforcement costs and expenses in connection therewith) in trust for the account of the Administrative Agent and remit such proceeds to the Administrative Agent. Upon the receipt of any proceeds of Priority Collateral by the Administrative Agent prior to the payment in full in cash of the Note Obligations, the Administrative Agent shall hold such proceeds (after deducting therefrom all reasonable enforcement costs and expenses) in trust for the account of the Collateral Agent and remit such proceeds to the Collateral Agent.

To the extent the Collateral Agent has control or possession of any Premises upon the exercise of its remedies under any Collateral Agreement, the Collateral Agent shall permit (or use its commercially reasonable efforts to require any transferee or purchaser thereof to permit) the Administrative Agent to enter any such Premises in order to remove, inspect and/or exercise other rights with respect to any of the Working Capital Assets contained therein; provided that such rights of entry of the Administrative Agent shall only continue until the date that is 120 days after the Administrative Agent receives notice of the Collateral Agent's obtaining control or possession of, or its intent to transfer or sell, such Premises (unless such Premises is the subject of an executed bona fide contract of sale pursuant to which possession of such premises is required to be delivered to the transferee or purchaser thereof prior to the expiration of such 120 day period, in which case, a 90 day period shall apply).

Insolvencies and Liquidation Events. The Senior Intercreditor Agreement provides that in the event of an insolvency or liquidation event of the Company or any Guarantor, (1) the Administrative Agent and the Collateral Agent will coordinate their efforts to give effect to the relative priority of their security interests in the Collateral, (2) none of the Collateral Agent, the Trustee or any Holder may contest the use of cash collateral or debtor-in-position financing (a "DIP Financing") by a Lender (a "DIP Lender") (so long as (A) the interest rate, fees, advance rates, lending sublimits and limits and other terms are commercially reasonable under the circumstances, (B) the Collateral Agent retains a Lien on Working Capital Assets (including proceeds thereof arising after the commencement of the proceeding in connection with such insolvency or liquidation event) with the same priority as existed prior to the commencement of the proceeding in connection with such insolvency or liquidation event pursuant to the terms of the Senior Intercreditor Agreement, (C) the Collateral Agent receives a replacement Lien on post-petition assets to the same extent granted to the DIP Lender, with the same priority as existed prior to the commencement of the proceeding in connection with such insolvency or liquidation event, and (D) the aggregate principal amount of loans and letter of credit accommodations outstanding under such DIP Financing, together with the aggregate principal amount of the pre-petition First Lien Obligations shall not exceed $25.0 million), (3) none of the Collateral Agent, the Trustee or any Holder may contest any sale consented to by the Lenders of Working Capital Assets pursuant to the Bankruptcy Code so long as the proceeds are applied (A) first, to the First Lien Obligations (provided that the aggregate principal amount paid in respect thereof shall not exceed $25.0 million), (B) second, to the Note Obligations until paid in full in cash and (C) third, to all other First Lien Obligations, if any, that remain outstanding and (4) neither the Administrative Agent or any Lender shall receive any Liens (including replacement Liens) on any post-petition assets constituting Priority Collateral (including proceeds of any assets constituting Priority Collateral arising after the commencement of the proceeding in connection with such insolvency or liquidation event) unless such Liens are subordinated to the Liens (including replacement Liens) of the Collateral Agent with the same priority as existed prior to the commencement of the proceeding in connection with such insolvency or liquidation event pursuant to the terms of the Senior Intercreditor Agreement.

If, in any insolvency or liquidation proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, both on account of the Note Obligations and the First Lien Obligations, then, to the extent the debt obligations distributed on account of the Note Obligations and the First Lien Obligations are secured by Liens upon the same property or type of property, the provisions described under "−Senior Intercreditor Agreement" will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

The Holders will not assert or enforce, until the First Lien Obligations are paid in full in cash (and any commitments under the Credit Agreement are terminated), any claim under §506(c) of the United States Bankruptcy Code senior to or on a parity with the Liens on the Working Capital Assets for costs or expenses of preserving or disposing of any Collateral.

Release of Collateral upon Sale or Other Disposition. Upon the sale or disposition of any Working Capital Assets in connection with the Administrative Agent's enforcement of its remedies after an event of default under the Credit Agreement, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Collateral Agent's Liens upon such Collateral will automatically be released and the Collateral Agent will promptly execute and deliver an instrument confirming such release on customary terms acceptable to the Administrative Agent; provided that, (1) such release shall not extend to or otherwise affect any of the rights of the Collateral Agent, the Trustee and the Holders to the proceeds from any such sale or other disposition of Working Capital Assets, (2) the Administrative Agent and the Lender shall promptly apply such proceeds to the obligations under the Credit Agreement, and (3) if any such sale or disposition results in a surplus after application of the

proceeds to the obligations under the Credit Agreement, such surplus shall be paid to the Collateral Agent, the Trustee and the Holders.

In accordance with the Senior Intercreditor Agreement, upon the sale or disposition of any Priority Collateral in connection with the Collateral Agent's enforcement of its remedies after an Event of Default, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Administrative Agent's Liens upon such Priority Collateral will automatically be released and the Administrative Agent will promptly execute and deliver an instrument confirming such release on customary terms acceptable to the Collateral Agent; provided that, (1) such release shall not extend to or otherwise affect any of the rights of the Administrative Agent and the Lenders to the proceeds from any such sale or other disposition of such Priority Collateral, (2) the Collateral Agent shall promptly apply such proceeds to the Note Obligations, and (3) if any such sale or disposition results in a surplus after application of the proceeds to the Note Obligations, such surplus shall be paid to whomever is legally entitled to receive such proceeds.

Agent for Perfection. Each of the Collateral Agent and the Administrative Agent shall hold any Pledged Collateral in its possession or control (or in the possession or control of its agents or bailees) as agent for the other solely for the purpose of perfecting the security interest granted in such Pledged Collateral pursuant to the security documents, subject to the terms and conditions of the Senior Intercreditor Agreement. "Pledged Collateral" means any Collateral with respect to which a secured creditor may perfect or enhance its perfection thereof by having possession or control thereof.

Pursuant to the Senior Intercreditor Agreement, (1) the Collateral Agent, on behalf of itself, the Trustee and the Holders will waive, to the fullest extent permitted by law, any claim against the Administrative Agent and the Lenders in connection with any actions they may take under the Credit Agreement or with respect to the Working Capital Assets, and agree that the Administrative Agent and the Lenders will have no duties to them in respect of the maintenance or preservation of the Working Capital Assets and (2) the Administrative Agent, on behalf of itself and the Lenders will waive, to the fullest extent permitted by law, any claim against the Collateral Agent, the Trustee and the Holders in connection with any actions they may take under the Indenture or with respect to the Collateral, and agree that the Collateral Agent, the Trustee and the Holders will have no duties to them in respect of the maintenance or preservation of the Collateral.

Option to Purchase Obligations under the Credit Agreement. Upon the occurrence and during the continuance of (1) an acceleration of the First Lien Obligations or (2) the Administrative Agent's enforcement of its remedies with respect to any Collateral, under the Credit Agreement, any or all Holders will have the right (without any obligation) to purchase, in the manner and during the period set forth in the Senior Intercreditor Agreement, all, but not less than all, of the principal of and interest on all Indebtedness outstanding under the Credit Agreement at the time of purchase and all other First Lien Obligations then outstanding, together with all Liens and all guarantees and other supporting obligations relating to such First Lien Obligations.

Subordinated Intercreditor Agreement

Ranking of Liens. The Subordinated Intercreditor Agreement will provide that Liens ("Junior Liens") on the assets securing the Junior Lien Debt will be junior to the Liens ("Priority Liens") thereon securing Note Obligations and obligations in respect of the Credit Agreement (the "Priority Lien Debt"), and consequently (1) the Holders and Lenders will be entitled to receive proceeds from any collateral in which they were purported to have been granted a Lien by the Company or any domestic subsidiary that is a Guarantor prior to any Junior Lien Debtholder, and (2) no Junior Lien Debtholder may challenge the Liens of the Collateral Agent or the Administrative Agent on any Collateral notwithstanding, in each case, the timing, method or failure of the perfection thereof by such Person.

So long as any Priority Lien Debt remains outstanding, neither the Company nor any Restricted Subsidiary shall grant or permit any additional Liens with respect to any of their assets to secure any Junior Lien Debt unless prior thereto the Holders are granted a Priority Lien with respect to such assets and the Lenders are granted a Priority Lien to the extent the Lenders have a Lien(or, pursuant to the terms of the Senior Intercreditor Agreement, request that such a Lien be granted to the Lenders) on such assets at the time of such grant that, in each case, is senior to the Liens thereon securing any Junior Lien Debt pursuant to the Subordinated Intercreditor Agreement.

Restriction on Enforcement of Junior Liens. So long as any obligations in respect of the Priority Lien Debt have not been repaid in full in cash and the agreements thereunder have not been terminated, the holders of Priority Liens will have the exclusive right to enforce, foreclose, collect or realize upon any Collateral; provided that such exercise shall be subject to the terms of the Senior Intercreditor Agreement. The holders of Junior Lien Debt will not authorize or instruct any Person acting for them, to exercise any right or remedy with respect to any Collateral or take any action to enforce, collect or realize upon any Collateral, including without limitation, any right, remedy or action to: (1) foreclose upon any Collateral (including by the exercise of any right of set-off) or take or accept any transfer of title in lieu of foreclosure upon any Collateral; (2) enforce any claim to the proceeds of insurance upon any Collateral; (3) deliver any notice, claim or demand relating to the Collateral to any Person (including any securities intermediary, depositary bank or landlord) in the possession or control of any Collateral or acting as bailee, custodian or agent for any holder of Priority Liens in respect of any Collateral; (4) otherwise enforce any remedy available upon default for the enforcement of any

Junior Liens upon the Collateral; (5) deliver any notice or commence any proceeding for any of the foregoing purposes; or (6) seek relief in any insolvency or liquidation proceeding permitting it to do any of the foregoing.

Notwithstanding the preceding paragraph, any right or remedy may be exercised and any such action may be taken, authorized or instructed: (1) without any condition or restriction whatsoever, so long as no Priority Lien Debt exists that has not been discharged; (2) as necessary to redeem any Collateral in a creditor's redemption permitted by law or to deliver any notice or demand necessary to enforce any right to claim, take or receive proceeds of Collateral remaining at any time when no Priority Lien Debt exists that has not been discharged in the event of foreclosure or other enforcement of any prior Lien; (3) as necessary to perfect, or maintain the perfection or priority of, a Lien upon any Collateral by any method of perfection except through possession or control; or (4) as necessary to prove, preserve or protect (but not enforce) the Junior Liens, in each case, subject to the provisions of the Junior Lien security documents.

Until the Priority Lien Debt has been repaid in full in cash and the agreements thereunder have not been terminated, none of the holders of Junior Lien Debt will: (1) request judicial relief, in an insolvency or liquidation proceeding or in any other court, that would hinder, delay, limit or prohibit the lawful exercise or enforcement of any right or remedy otherwise available to the holders of Priority Liens in respect of Priority Liens or that would limit, invalidate, avoid or set aside any Priority Lien or any of the Indenture, the Credit Agreement, the Guarantees, or any other agreements governing, securing or relating to any Priority Lien Debt (collectively, the "Priority Lien Document") or subordinate the Priority Liens to the Junior Liens or grant the Junior Liens equal ranking to the Priority Liens; (2) oppose or otherwise contest any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement of Priority Liens made by any holder of Priority Liens in any insolvency or liquidation proceeding; (3) oppose or otherwise contest any lawful exercise by any holder of Priority Liens of the right to credit bid Priority Lien Debt at any sale in foreclosure of Priority Liens; (4) oppose or otherwise contest any other request for judicial relief made in any court by any holder of Priority Liens relating to the lawful enforcement of any Priority Lien; or (5) challenge the enforceability, perfection or the validity of the Priority Lien Debt or the Priority Liens.

All proceeds of Collateral received by any holder of Junior Lien Debt until the Priority Lien Debt is paid in full in cash and the agreements thereunder have been terminated will be held by such holder of Junior Lien Debt for the account of the applicable holders of Priority Liens and remitted to (i) in the case of any Collateral that is Working Capital Assets, the Administrative Agent, and (ii) in the case of all other Collateral, the Collateral Agent, in each case to be applied to the repayment of the Priority Lien Debt in accordance with the Senior Intercreditor Agreement.

Insolvency or Liquidation Event. If, in any insolvency or liquidation proceeding and until the Priority Lien Debt has been repaid in full in cash, the requisite holders of (A) Note Obligations and (B) obligations in respect of the Credit Agreement: (1) consent to any order for use of cash collateral or agree to the extension of any Priority Lien Debt (including, without limitation, any debtor-in-possession financing) to the Company or any Restricted Subsidiary; (2) consent to any order granting any priming lien, replacement lien, cash payment or other relief on account of Priority Lien Debt as adequate protection (or its equivalent) for the interests of the holders of Priority Liens in the property subject to such Priority Liens; or (3) consent to any order relating to a sale of assets of the Company or any other Restricted Subsidiary; then, the holders of Junior Lien Debt will not oppose or otherwise contest the entry of such order (except that any order approving a sale of assets or the bidding procedures for any sale of assets may be opposed or otherwise contested by them based on any ground that may be asserted by a holder of unsecured claims), so long as none of the holders of Priority Lien Debt, either the Collateral Agent, on behalf of itself, the Trustee and the Holders, and the Administrative Agent, on behalf of itself and the Lenders (each of the Collateral Agent and the Administrative Agent acting in such capacities, a "Priority Lien Collateral Agent") or any

representative acting for one or more of the holders of Priority Lien Debt in any respect opposes or otherwise contests any request made by the Junior Lien Debtholders for the grant to the Junior Lien Collateral Agent, for the benefit of the Junior Lien Debtholders and as adequate protection (or its equivalent) for the Junior Lien Collateral Agent's interest in the Collateral under the Junior Liens, of a junior lien upon any property upon which a Lien is (or is to be) granted under the order to secure the Priority Lien Debt co-extensive in all respects with, but subordinated (as set forth in the provisions described under the caption "Subordinated Intercreditor Agreement–Ranking of Note Liens") in all respects to, such Lien and all Priority Liens upon the property.

The holders of Junior Lien Debt will not file or prosecute in any insolvency or liquidation proceeding any motion for adequate protection (or any comparable request for relief) based upon their interests in the Collateral under the Junior Liens, except that (1) they may freely seek and obtain relief granting a junior lien co-extensive in all respects with, but subordinated (as set forth in the provisions described under the caption "Subordinated Intercreditor Agreement–Ranking of Note Liens") in all respects to, all Liens granted in such insolvency or liquidation proceeding to the holders of Priority Lien Debt, (2) they may assert rights in connection with the confirmation of any plan of reorganization or similar dispositive restructuring plan, and (3) they may freely seek and obtain any relief upon a motion for adequate protection or for relief from the automatic stay (or any comparable relief), without any condition or restriction whatsoever, at any time when no obligations in respect of Priority Lien Debt exist that have not been repaid in full in cash.

If, in any insolvency or liquidation proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, both on account of Priority Lien Debt and on account of additional indebtedness that is permitted to be incurred by the covenant described above under the caption "–Certain Covenants–Incurrence of Indebtedness" ("Junior Debt"), then, to the extent the debt obligations distributed on account of the Priority Lien Debt and on account of the Junior Debt are secured by Liens upon the same property or type of property, the provisions described under the caption "–Subordinated Intercreditor Agreement" will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

The holders of Junior Lien Debt will not assert or enforce, until the Priority Lien Debt is paid in full in cash, any claim under §506(c) of the United States Bankruptcy Code senior to or on a parity with the Priority Liens for costs or expenses of preserving or disposing of any Collateral.

Release of Collateral upon Sale or Other Disposition. If, at any time when any Priority Lien Debt remains outstanding, either Priority Lien Collateral Agent requests the release of all or any of the Junior Liens on any Collateral in connection with the sale or other disposition of such Collateral or as otherwise provided in the agreements governing the Priority Loan Debt, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Junior Liens upon such Collateral will automatically be released and the Junior Lien Collateral Agent will promptly execute and deliver an instrument confirming such release on customary terms acceptable to the Priority Lien Collateral Agents. If such agent unreasonably fails to do so, each Priority Lien Collateral Agent is irrevocably authorized and empowered, with full power of substitution, to execute and deliver such instrument in the name of the Junior Lien Collateral Agent.

Release of Junior Lien Guarantee upon Sale or Other Disposition. If, at any time when any Priority Lien Debt remains outstanding, either Priority Lien Collateral Agent requests the release of any Guarantee in connection with the sale or other disposition of such Guarantor or as otherwise provided in the agreements governing the Priority Loan Debt, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Junior Lien Guarantee of such Guarantor will automatically be released.

Waiver of Subrogation, Marshalling, Appraisal and Valuation Rights and Other Remedies. To the fullest extent permitted by law, the holders of Junior Lien Debt and the Junior Lien Collateral Agent agree not to assert or enforce (1) any right of subrogation to the rights or interests of holders of Priority Liens (or any claim or defense based upon impairment of any such right of subrogation) until the Priority Loan Debt has been repaid in full in cash, (2) any right of marshalling accorded to a junior lienholder, as against the holders of Priority Liens (as priority lienholders), under equitable principles, or (3) any statutory right of appraisal or valuation accorded under any applicable state law to a junior lienholder in a proceeding to foreclose a Priority Lien.

No Priority Lien Collateral Agent will have by reason of the agreements governing or evidencing the Junior Debt or Junior Liens (the "Junior Lien Documents"), the Subordinated Intercreditor Agreement or any other document or instrument a fiduciary relationship in respect of the Junior Lien Collateral Agent or the holders of any other Junior Lien Debt.

Reinstatement. If the payment of any amount applied to any Priority Lien Debt secured by any Priority Liens is later avoided or rescinded (including by settlement of any claim for avoidance or rescission) or otherwise set aside, then to the fullest extent lawful, all claims for the payment of such amount as Priority Lien Debt and, to the extent securing such claims, all such Priority Liens will be reinstated and entitled to the benefits of the provisions described under the caption "−Subordinated Intercreditor Agreement".

Agent for Perfection. Each Priority Lien Collateral Agent shall hold the Pledged Collateral, if any, in its possession or control (or in the possession or control of its agents or bailees) as agent for the Junior Lien Collateral Agent solely for the purpose of perfecting the security interest granted in such Pledged Collateral pursuant to the security documents, subject to the terms and conditions of the Subordinated Intercreditor Agreement.

Delivery of Collateral and Proceeds of Collateral. After the Priority Lien Debt has been paid in full in cash and the agreements thereunder have been terminated, each Priority Lien Collateral Agent will, to the extent permitted by applicable law, deliver to (1) the Junior Collateral Agent, or (2) such other Person as a court of competent jurisdiction may otherwise direct, any Collateral held by, or on behalf of, such Priority Lien Collateral Agent or any holder of Priority Lien Debt, without recourse and without any representation or warranty whatsoever.

Provisions Relating to Payment Subordination. The Subordinated Intercreditor Agreement will also contain provisions relating to the subordination of the Junior Lien Debt in right of payment to the Priority Lien Debt, including, among others:

Blockage of Payments With Respect to Junior Lien Debt. Notwithstanding any other provision of the Subordinated Intercreditor Agreement or any Junior Lien Document (1) at any time that any payment event of default under the Priority Lien Documents has occurred and is continuing which would permit the holders of Priority Lien Debt to accelerate the maturity thereof, no holder of any Junior Lien Debt shall receive from the Company or certain Guarantors or retain any payment of principal, premium or interest on such Junior Lien Debt and (2) at any time that any other event of default under the Priority Lien Documents has occurred and is continuing which would permit the holders of Priority Lien Debt to accelerate the maturity thereof, the requisite holders of the Priority Lien Debt shall have the right to prohibit the holders of Junior Lien Debt from receiving from the Company or Guarantors (or retaining) any payment of principal, premium or interest on such Junior Lien Debt by delivering notice of such restriction (each, a "Payment Blockage Notice") to the Junior Lien Collateral Agent; provided that (i) any such prohibition resulting from the delivery of a Payment Blockage Notice shall only be effective unless and until such events of default shall have been cured or waived by either the Collateral Agent or Administrative Agent or both, as applicable, or ceases to exist under any Priority Lien Document, or the holders of the Junior Lien Debt receive notice from either

the Collateral Agent or the Administrative Agent or both, as applicable, terminating the Payment Blockage Notice, and in any event for a period not exceeding 180 days in any 360 day period and (ii) no nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless that default shall have been waived or cured by either of the Collateral Agent or the Administrative Agent or both, as applicable, for a period of not less than 90 days.

Insolvency and Liquidation Proceedings. If the Company or any Guarantor becomes the subject of an insolvency or liquidation proceeding, the holders of the Priority Lien Debt will be entitled to receive payment in full in cash of all obligations due in respect of the Priority Lien Debt, including interest after the commencement of any such proceeding at the rate specified in the applicable Priority Lien Debt, before the holders of Junior Lien Debt will be entitled to receive any payment with respect to the Junior Lien Debt (except that such holders of Junior Lien Debt may receive and retain permitted junior securities to be defined), and (b) until all obligations with respect to the Priority Lien Debt are paid in full in cash, any distribution to which the holders of the Junior Lien Debt would be entitled but for the Subordinated Intercreditor Agreement shall be made to the holders of Priority Lien Debt (except that Holders of Notes may receive and retain permitted junior securities to be defined) as their interests appear.

Standstill With Respect to the Acceleration of Junior Lien Debt. Notwithstanding any other provision of the Subordinated Intercreditor Agreement or any Junior Lien Document, any acceleration of the Junior Lien Debt (other than as a result of an insolvency or liquidation event involving the Company or a Guarantor that is a Significant Subsidiary) shall not be effective until (1) written notice of such acceleration has been provided to each of the Collateral Agent and the Administrative Agent and (2) the occurrence of (A) the passage of 45 days since such notice was received by each of the Collateral Agent and the Administrative Agent or (B) the Priority Lien Debt held by each of the Holders and the Lenders has been accelerated.

Option to Purchase Priority Lien Debt. Upon notice to the Junior Lien Collateral Agent of the acceleration of all of the Priority Lien Debt, any holder or holders of Junior Lien Debt will have the right (without any obligation) to purchase, in the manner and during the period set forth in the Subordinated Intercreditor Agreement, all, but not less than all, of the principal of and interest on all Priority Lien Debt outstanding at the time of purchase and all other Priority Lien Debt then outstanding, together with all Liens securing such Priority Lien Debt and all Guarantees and other supporting obligations relating to such Priority Lien Debt.

Certain Bankruptcy and Other Limitations

The right of the Collateral Agent to repossess and dispose or otherwise exercise remedies in respect of the Collateral upon the occurrence of an Event of Default is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy proceeding were to be commenced by or against the Company or any of its Domestic Restricted Subsidiaries prior to the Collateral Agent having repossessed and disposed of the Collateral or otherwise completed the exercise of its remedies with respect to the Collateral. Under the Bankruptcy Code, a secured creditor such as the Collateral Agent is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, the Bankruptcy Code permits the debtor to continue to retain and to use collateral even though the debtor is in default under the applicable debt instruments; provided that, under the Bankruptcy Code, the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral securing the obligations owed to it and may include cash payments or the granting of additional security, if and at such times as the bankruptcy court in its discretion determines, for any

diminution in the value of such collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the Notes or the Guarantees could be delayed following commencement of a bankruptcy case, whether or when the Collateral Agent could repossess or dispose of the Collateral or whether or to what extent Holders would be compensated for any delay in payment or loss of value of the Collateral through the requirement of "adequate protection."

Moreover, the Collateral Agent may need to evaluate the impact of the potential liabilities before determining to foreclose on Collateral consisting of real property because a secured creditor that holds a lien on real property may be held liable under environmental laws for the costs of remediating or preventing release or threatened releases of hazardous substances at such real property. Consequently, the Collateral Agent may decline to foreclose on such Collateral or exercise remedies available if it does not receive indemnification to its satisfaction from the Holders.

The Collateral Agent's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior liens and practical problems associated with the realization of the Collateral Agent's Lien on the Collateral.

Guarantees

The full and prompt payment of the Company's payment obligations under the Notes and the Indenture will be guaranteed, jointly and severally, by all existing and future, direct and indirect, Domestic Restricted Subsidiaries. Each Guarantor will fully and unconditionally guarantee on a senior secured basis (each a "Guarantee" and, collectively, the "Guarantees"), jointly and severally, to each Holder and the Trustee, the full and prompt performance of the Company's Obligations under the Indenture and the Notes, including the payment of principal of, interest on, premium, if any, on and Additional Interest, if any, on the Notes. The Guarantee of each Guarantor will rank senior in right of payment to all existing and future subordinated Indebtedness of such Guarantor and equally in right of payment with all other existing and future senior Indebtedness of such Guarantor. The obligations of each Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under the Indenture, will result in the obligations of such Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. The net worth of any Guarantor for such purpose shall include any claim of such Guarantor against the Company for reimbursement and any claim against any other Guarantor for contribution. Each Guarantor may consolidate with or merge into or sell its assets to the Company or another Guarantor without limitation. See "Certain Covenants−Mergers, Consolidation and Sale of Assets" and "−Limitation on Asset Sales."

Notwithstanding the foregoing, a Guarantor will be released from its Guarantee without any action required on the part of the Trustee or any Holder:

(1) if (a) all of the Capital Stock issued by such Guarantor or all or substantially all of the assets of such Guarantor are sold or otherwise disposed of (including by way of merger or consolidation and, in the case of a sale of Capital Stock, whether directly by transfer of Capital Stock issued by that Guarantor or indirectly by transfer of Capital Stock of other Subsidiaries that, directly or indirectly, own Capital Stock issued by such Guarantor) to a Person other than the Company or any of its Domestic Restricted Subsidiaries or (b) such Guarantor ceases to be a Restricted Subsidiary, and the Company otherwise complies, to the extent applicable, with the covenant described below under "Certain Covenants−Limitation on Asset Sales;"

(2) if the Company designates such Guarantor as an Unrestricted Subsidiary in accordance with the covenant described below under "Certain Covenants−Limitation on Restricted Payments;"

(3) if the Company exercises its legal defeasance option or its covenant defeasance option as described below under "Legal Defeasance and Covenant Defeasance;" or

(4) upon satisfaction and discharge of the Indenture as described below under "Satisfaction and Discharge" or payment in full in cash of the principal of, and premium, if any, accrued and unpaid interest and Additional Interest, if any, on, the Notes and all other Obligations that are then due and payable.

At the Company's request and expense, the Trustee will execute and deliver an instrument evidencing such release. A Guarantor may also be released from its obligations under its Guarantee in connection with a permitted amendment of the Indenture. See "Modification of the Indenture."

As of the date of the Indenture, all of our Subsidiaries will be Restricted Subsidiaries. However, under certain circumstances described below under "Certain Covenants−Limitation on Restricted Payments," the Company will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to the restrictive covenants of the Indenture and will not guarantee the Notes. Also, as of the date of the Indenture, none of the Company's Foreign Restricted Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-Guarantor Subsidiaries, the non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

Methods of Receiving Payments on the Notes

The Trustee will initially act as paying agent and registrar for the Notes. You may present Notes for registration of transfer and exchange at the offices of the registrar, which initially will be the Trustee's corporate office. No service charge will be made for any registration of transfer or exchange or redemption of Notes, but the Company may require payment in certain circumstances of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. The Company may change any paying agent and registrar without notice to Holders. The Company will pay principal (and premium, if any) on the Notes at the Trustee's corporate office in New York, New York. At the Company's option, the Company may pay interest and Additional Interest, if any, at the Trustee's corporate trust office or by check mailed to the registered address of each Holder.

Redemption

Optional Redemption Prior to February 1, 2008. At any time prior to February 1, 2008, we may redeem the Notes for cash at our option, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes being redeemed and (2) the sum of the present values of 104.938% of the principal amount of the Notes being redeemed and scheduled payments of interest on such Notes to and including February 1, 2008 discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, together in either case with accrued and unpaid interest, if any, to the date of redemption.

"*Comparable Treasury Issue*" means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Company as having a maturity comparable to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008) that would be utilized at the time of the selection and in accordance with customary financial practice in pricing new issues of corporate

debt securities of comparable maturity to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008).

"*Comparable Treasury Price*" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 pm. Quotations for U.S. Government Securities" or (2) if such release (or any successor release is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations (as defined blow) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Company obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"*Reference Treasury Dealer Quotation*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third business date preceding such redemption date.

"*Reference Treasury Dealer*" means any primary U.S. government securities dealer in the City of New York selected by the Company.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption period.

Optional Redemption on or after February 1, 2008. At any time on or after February 1, 2008, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on February 1, of each of the years set forth below:

Year	Percentage
2008	104.938%
2009	102.469%
2010 and thereafter	100.000%

In addition, the Company must pay accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed.

Optional Redemption Upon Equity Offerings. In addition, at any time, or from time to time, on or prior to February 1, 2007, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 109.875% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the date of redemption; provided that:

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture remains outstanding immediately after any such redemption; and

(2) the Company makes such redemption not more than 120 days after the consummation of any such Equity Offering.

Selection and Notice of Redemption

In the event that the Company chooses to redeem less than all of the Notes, selection of the Notes for redemption will be made by the Trustee either:

(1) in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed; or

(2) if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate.

If a partial redemption is made with the proceeds of an Equity Offering, the Trustee will select the Notes only on a pro rata basis or on as nearly a pro rata basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. No Notes of a principal amount of $1,000 or less shall be redeemed in part and Notes of a principal amount in excess of $1,000 may be redeemed in part in multiples of $1,000 only.

Notice of redemption will be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each Holder to be redeemed at its registered address. If Notes are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in the global note will be made).

The Company will pay the redemption price for any Note together with accrued and unpaid interest and Additional Interest, if any, thereon through the date of redemption. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption as long as the Company has deposited with the paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Company is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase the Notes as described under "Repurchase upon Change of Control" and "Certain Covenants−Limitation on Asset Sales." The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Repurchase upon Change of Control

Upon the occurrence of a Change of Control, each Holder will have the right to require that the Company purchase all or a portion (in integral multiples of $1,000) of such Holder's Notes using immediately available funds pursuant to the offer described below (the "Change of Control Offer"), at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase.

Within 30 days following the date upon which the Change of Control occurred, the Company must send, by registered first-class mail, an offer to each Holder, with a copy to the Trustee, which offer shall govern the terms of the Change of Control Offer. Such offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the "Change of Control Payment Date").

Holders electing to have a Note purchased pursuant to a Change of Control Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the paying agent at the address specified in the notice prior to the close of business on the third business day prior to the Change of Control Payment Date. If only a portion of a

Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note will be made). Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

The occurrence of the events constituting a Change of Control under the Indenture could result in an event of default under the Credit Agreement and under the Company's and the Guarantors' other credit facilities and debt instruments. The definition of "change of control" under the Credit Agreement may be broader than that in the Indenture. Thus, the Lenders under the Credit Agreement may be entitled to require repayment of the Indebtedness thereunder due to events constituting a "change of control" (as defined therein) without such events constituting a Change of Control for purposes of the Indenture. Following such an event of default under the Credit Agreement, the Lenders under the Credit Agreement or lenders under such other credit facilities and debt instruments, if applicable, would have the right to require the immediate repayment of the Indebtedness thereunder in full, and might have the right to require such repayment prior to the Change of Control Purchase Date on which we would be required to repurchase the Notes. If the Indebtedness under the Credit Agreement is accelerated and not paid, the Lenders thereunder may seek to enforce security interests in the collateral securing such Indebtedness, thereby limiting our ability to raise cash to purchase the Notes, and reducing the practical benefit of the "Repurchase upon Change of Control" provisions of the Indenture to the Holders of the Notes.

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient to pay the Change of Control purchase price for all the Notes that might be delivered by Holders seeking to accept the Change of Control Offer. Restrictions in the Indenture described herein on the ability of the Company and its Restricted Subsidiaries to incur additional Indebtedness, to grant Liens on its property, to make Restricted Payments and to make Asset Sales may also make more difficult or discourage a takeover of the Company, whether favored or opposed by the management or the Board of Directors of the Company. Consummation of any such Asset Sales in certain circumstances may require redemption or repurchase of the Notes, and there can be no assurance that the Company or the acquiring party will have sufficient financial resources to effect such redemption or repurchase. Such restrictions and the restrictions on transactions with Affiliates may, in certain circumstances, make more difficult or discourage any leveraged buyout of the Company or any of its Subsidiaries by the management of the Company. While such restrictions cover a wide variety of arrangements that have traditionally been used to effect highly leveraged transactions, the Indenture may not afford the Holders protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, merger, recapitalization or similar transaction.

One of the events that constitutes a Change of Control under the Indenture is the disposition of "all or substantially all" of the Company's assets under certain circumstances. This term has not been interpreted under New York law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in the event Holders elect to require the Company to purchase the Notes and the Company elects to contest such election, there can be no assurance as to how a court interpreting New York law would interpret the phrase under such circumstances.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Repurchase upon Change of Control" provisions of the Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Repurchase upon Change of Control" provisions of the Indenture by virtue thereof.

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not properly withdrawn under such Change of Control Offer.

Certain Covenants

The Indenture contains, among others, the following covenants:

Limitation on Incurrence of Additional Indebtedness. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "incur") any Indebtedness (other than Permitted Indebtedness); provided, however, that the Company or any of its Restricted Subsidiaries that is or, upon such incurrence, becomes a Guarantor may incur Indebtedness (including, without limitation, Acquired Indebtedness) if on the date of the incurrence of such Indebtedness the Consolidated Fixed Charge Coverage Ratio of the Company will be, after giving effect to the incurrence thereof greater than:

(a) 2.0 to 1.0 prior to the first anniversary of the Issue Date, and

(b) 2.25 to 1.0 on and after the first anniversary of the Issue Date.

The Company will not, and will not permit any of its Domestic Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is contractually subordinated to any other Indebtedness of the Company or such Domestic Restricted Subsidiary unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made contractually subordinate to the Obligations of the Company or such Domestic Restricted Subsidiary under (i) in the case of the Company, the Notes and the Indenture or (ii) in the case of such Domestic Restricted Subsidiary, its Guarantee and the Indenture, in each case, on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured.

The accrual of interest, accrual of dividends on Disqualified Capital Stock, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness in accordance with their terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person without recourse to such Person or any of its assets (other than to the assets that are the subject of such Lien), the lesser of:

(a) the Fair Market Value of such assets that are the subject of such Lien at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

Limitation on Restricted Payments. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution (other than dividends or distributions payable in Qualified Capital Stock of the Company and dividends and distributions payable to the Company or another Restricted Subsidiary of the Company) on or in respect of shares of Capital Stock of the Company or its Restricted Subsidiaries to holders of such Capital Stock in their capacity as such;

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or its Restricted Subsidiaries (other than any such Capital Stock held by the Company or any Restricted Subsidiary);

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Company or any Guarantor that is contractually subordinate or junior in right of payment to the Notes or a Guarantee (excluding any intercompany indebtedness held by the Company or any Guarantor); or

(4) make any Investment (other than Permitted Investments);

(each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a "*Restricted Payment*"), if at the time of such Restricted Payment or immediately after giving effect thereto:

(i) a Default or an Event of Default shall have occurred and be continuing;

(ii) the Company is not able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with the covenant described under "−Limitation on Incurrence of Additional Indebtedness;" or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property at the time of the making thereof) shall exceed the sum of:

(A) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income is a loss, minus 100% of such loss) of the Company earned during the period beginning on the Issue Date and ending on the last day of the Company's most recent fiscal quarter ending prior to the date the Restricted Payment occurs for which internal financial statements are available (the "Reference Date") (treating such period as a single accounting period); plus

(B) 100% of the aggregate net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) from the issuance and sale subsequent to the Issue Date and on or prior to the Reference Date of Qualified Capital Stock of the Company; plus

(C) without duplication of any amounts included in clause (iii)(B) above, 100% of the aggregate net cash proceeds of any equity contribution received by the Company from a

holder of the Company's Capital Stock subsequent to the Issue Date and on or prior to the Reference Date; plus

(D) 100% of the aggregate net cash proceeds received from the issuance of Indebtedness or shares of Disqualified Capital Stock of the Company that have been converted into or exchanged for Qualified Capital Stock of the Company subsequent to the Issue Date and on or prior to the Reference Date; plus

(E) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by the Company or any of its Restricted Subsidiaries in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any of its Restricted Subsidiaries, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any of its Restricted Subsidiaries in such Person or Unrestricted Subsidiary; plus

(F) any cash dividends received by the Company or any of its Restricted Subsidiaries after the Issue Date from an Unrestricted Subsidiary of the Company, to the extent that such cash dividends were not otherwise included in the calculation of cumulative Consolidated Net Income; plus

(G) 100% of the Fair Market Value as of the date of issuance of any shares of Qualified Capital Stock issued by the Company as consideration for the purchase by the Company or any Guarantor of all or substantially all of the assets of, or all of the Capital Stock of, any Person (other than a Restricted Subsidiary of the Company) engaged in a Permitted Business primarily in the United States (including by means of a merger, consolidation or other business combination permitted under the indenture), which Person shall become a Domestic Restricted Subsidiary of the Company in the case of where such purchase is of all of the Capital Stock of such Person.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or other distribution or redemption within 60 days after the date of declaration of such dividend or call for redemption if such payment would have been permitted on the date of declaration or call for redemption;

(2) the acquisition of any shares of Qualified Capital Stock of the Company, either (i) solely in exchange for other shares of Qualified Capital Stock of the Company or (ii) through the application of net proceeds of a sale for cash (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(3) the acquisition of any Indebtedness of the Company or the Guarantors that is subordinate or junior in right of payment to the Notes and Guarantees either (i) solely in exchange for shares of Qualified Capital Stock of the Company, or (ii) through the application of net proceeds of a sale for cash (other than to a Subsidiary of the Company) within 60 days after such sale of (a) shares of Qualified Capital Stock of the Company or (b) if no Default or Event of Default would exist after giving effect thereto, Refinancing Indebtedness;

(4) an Investment either (i) solely in exchange for shares of Qualified Capital Stock of the Company or (ii) through the application of the net proceeds of a sale for cash (other than to a Restricted Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(5) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the repurchase or other acquisition of shares of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Restricted Subsidiary of the Company (or permitted transferees of such employees, former employees, directors or former directors (or their respective heirs or estates)), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided, that the aggregate amount of all such repurchases and other acquisitions (other than any such repurchase or other acquisition of shares of such Capital Stock from (i) any employee whose employment has been terminated by the Company or such Restricted Subsidiary or (ii) any employee who has retired or resigned from the Company or such Restricted Subsidiary) in any calendar year shall not exceed $500,000 plus up to $500,000 of any unused amount permitted under this clause (5) for the immediately preceding year;

(6) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;

(7) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company or any of its Restricted Subsidiaries;

(8) the application of the proceeds from the issuance of the Notes on the Issue Date as described under "Use of Proceeds" of this prospectus;

(9) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the payment of Management Fees, provided, however, that the aggregate amount of such Management Fee payments in any calendar year shall not exceed $500,000;

(10) any dividend, distribution or other payments by any of our Subsidiaries on its Capital Stock that is paid pro rata to all holders of such Capital Stock;

(11) within 60 days after the completion of a Change of Control Offer pursuant to the covenant described under "Repurchase Upon Change of Control" above (including the repurchase of all Notes validly tendered and not properly withdrawn in connection therewith), any purchase or redemption of Indebtedness subordinated to the Notes required pursuant to the terms thereof as a result of the related Change of Control at a purchase or redemption price not to exceed 101% of the aggregate principal amount thereof (or, if such Indebtedness was issued with original issue discount, 101% of the accreted value thereof) to be so purchased or redeemed, plus accrued and unpaid interest thereon, if any; provided, that (i) at the time of such purchase or redemption, no Default or Event of Default shall have occurred and be continuing or would exist after giving effect thereto, (ii) the Company would be able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with the covenant described under "−Limitation on Incurrence of Additional Indebtedness" after giving pro forma effect to such Restricted Payment and (iii) such purchase or redemption is not made, directly or indirectly, from the proceeds of (or made in anticipation of) any issuance of Indebtedness by the Company or any of its Subsidiaries;

(12) (a) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the acquisition of any shares of Disqualified Capital Stock of the Company in exchange for other shares of Disqualified Capital Stock of the Company or with the net cash proceeds from an issuance of Disqualified Capital Stock of the Company within 60 days of such issuance, in each case that is permitted to be issued under the covenant described above under "−Limitation on Incurrence of Additional Indebtedness and (b) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Capital Stock issued on or after the Issue Date in accordance with the covenant described above under "−Limitation on Incurrence of Additional Indebtedness;" and

(13) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, Restricted Payments not otherwise permitted pursuant to this covenant in an aggregate amount pursuant to this clause (13) not to exceed $2.5 million on and after the Issue Date; provided, however, that, subject to the second immediately succeeding paragraph, the aggregate amount of Restricted Payments made prior to January 1, 2006, pursuant to this clause (13) shall not exceed $1.0 million.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (iii) of the first paragraph of this "Limitation on Restricted Payments" covenant, amounts expended pursuant to clauses (1), (2)(ii), (3)(ii)(a), (4)(ii) (but only to the extent any Investment made pursuant to such clause (4)(ii) was in an Unrestricted Subsidiary or a Person that became an Unrestricted Subsidiary of the Company in connection with such Investment), (11) and (13) of the second paragraph of this "Limitation on Restricted Payments" covenant shall be included in such calculation.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment meets the criteria of more than one of the exceptions described in (1) through (13) of the second paragraph of this "Limitation on Restricted Payments" covenant or is entitled to be made pursuant to the first paragraph of this covenant, we shall be permitted, in our sole discretion, to classify or reclassify such Restricted Payment in any manner that complies with this covenant.

Promptly following the end of each fiscal quarter during which any Restricted Payment in excess of $5.0 million was made, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment complies with the Indenture and if the Fair Market Value of any assets or securities that were required to be valued by this covenant exceeded $5.0 million, a Board Resolution evidencing the determination of such Fair Market Value by the Board of Directors shall be delivered to the Trustee.

Limitation on Asset Sales. The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed (and if such Fair Market Value exceeds $5.0 million, a Board Resolution evidencing the determination of such Fair Market Value by the Board of Directors shall be delivered to the Trustee);

(2) at least 75% of the consideration received by the Company or the Restricted Subsidiary, as the case may be, from such Asset Sale is in the form of cash or Cash Equivalents and is received at the time of such disposition; provided that the amount of any liabilities (as shown on the most recent applicable balance sheet) of the Company or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets shall be deemed to be cash for purposes of this provision so long as

the documents governing such liabilities provide that there is no further recourse to the Company or any of its Subsidiaries with respect to such liabilities; and

(3) within 360 days of receipt thereof by the Company or any of its Restricted Subsidiaries, the Company shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale either:

(A) to the extent that the assets and property sold pursuant to such Asset Sale do not constitute Priority Collateral, to repay Indebtedness under the Credit Agreement and permanently reduce the commitments thereunder;

(B) to make an investment in property, plant, equipment or other non-current assets that replace the properties and assets that were the subject of such Asset Sale or that will be used or useful in a Permitted Business (including expenditures for maintenance, repair or improvement of existing properties and assets) or the acquisition of all of the Capital Stock of a Person engaged in a Permitted Business; or

(C) a combination of repayment and investment permitted by the foregoing clauses (3)(A) and (3)(B).

Pending the final application of Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or invest such Net Cash Proceeds in Cash Equivalents. On the 361st day after an Asset Sale or such earlier date, if any, as the Board of Directors of the Company or of such Restricted Subsidiary determines not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in clauses (3)(A), (3)(B) or (3)(C) of the preceding paragraph (each, a "Net Proceeds Offer Trigger Date"), such aggregate amount of Net Cash Proceeds which have not been applied on or before such Net Proceeds Offer Trigger Date as permitted in clauses (3)(A), (3)(B) and (3)(C) of the preceding paragraph (each, a "Net Proceeds Offer Amount") shall be applied by the Company or such Restricted Subsidiary to make an offer to purchase (the "Net Proceeds Offer") on a date (the "Net Proceeds Offer Payment Date") not less than 30 nor more than 45 days following the applicable Net Proceeds Offer Trigger Date, from all Holders and all holders of other Applicable Indebtedness containing provisions similar to those set forth in this "Limitation on Asset Sales" covenant on a pro rata basis, the maximum principal amount of Notes and such other Applicable Indebtedness that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of the principal amount thereof (or if such Indebtedness was issued with original issue discount, 100% of the accreted value), plus accrued and unpaid interest and Additional Interest thereon, if any, to the date of purchase; provided, however, that if at any time any non-cash consideration received by the Company or any Restricted Subsidiary of the Company, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder on the date of such conversion or disposition, as the case may be, and the Net Cash Proceeds thereof shall be applied in accordance with this covenant.

The Company may defer any Net Proceeds Offer until there is an aggregate unutilized Net Proceeds Offer Amount equal to or in excess of $5.0 million resulting from one or more Asset Sales in which case the accumulation of such amount shall constitute a Net Proceeds Offer Trigger Date (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $5.0 million, shall be applied as required pursuant to the immediately preceding paragraph). Upon the completion of each Net Proceeds Offer, the Net Proceeds Offer Amount will be reset at zero.

In the event of the transfer of substantially all (but not all) of the property and assets of the Company and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under "–Merger, Consolidation and Sale of Assets," which transaction does not constitute a Change of Control, the successor entity shall be deemed to have sold the properties and assets of the Company

and its Restricted Subsidiaries not so transferred for purposes of this covenant, and shall comply with the provisions of this covenant with respect to such deemed sale as if it constituted an Asset Sale. In addition, the Fair Market Value of such properties and assets of the Company or its Restricted Subsidiaries deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of this covenant.

Each notice of a Net Proceeds Offer shall be mailed first class, postage prepaid, to the record Holders as shown on the register of Holders within 20 days following the Net Proceeds Offer Trigger Date, with a copy to the Trustee, and shall comply with the procedures set forth in the Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their Notes in whole or in part in integral multiples of $1,000 in exchange for cash. To the extent Holders properly tender Notes in an amount exceeding the Net Proceeds Offer Amount, Notes of tendering Holders will be purchased on a pro rata basis (based on amounts tendered). A Net Proceeds Offer shall remain open for a period of 20 business days or such longer period as may be required, or such shorter period as may be permitted, by law.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the "−Limitation on Asset Sales" provisions of the Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "−Limitation on Asset Sales" provisions of the Indenture by virtue of such compliance.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary of the Company; or

(3) transfer any of its property or assets to the Company or any other Restricted Subsidiary of the Company,

except for such encumbrances or restrictions existing under or by reason of:

(A) applicable law, rule or regulation;

(B) the Indenture, the Notes, the Guarantees, the Collateral Agreements and the Intercreditor Agreements;

(C) customary non-assignment provisions of any contract, lease or license of any Restricted Subsidiary of the Company to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(D) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(E) the Credit Agreement (and all replacements or substitutions thereof on terms no more adverse to the Holders and not more materially restrictive to the Company and its Restricted Subsidiaries);

(F) agreements existing on the Issue Date to the extent and in the manner such agreements are in effect on the Issue Date;

(G) restrictions on the transfer of assets subject to any Lien permitted under the Indenture;

(H) restrictions imposed by any agreement to sell assets or Capital Stock permitted under the Indenture to any Person pending the closing of such sale;

(I) provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered into in the ordinary course of business;

(J) restrictions contained in the terms of the Purchase Money Indebtedness or Capitalized Lease Obligations not incurred in violation of the Indenture; provided, that such restrictions relate only to the assets financed with such Indebtedness;

(K) restrictions in other Indebtedness incurred in compliance with the covenant described under "−Limitation on Incurrence of Additional Indebtedness" (including Indebtedness constituting Permitted Indebtedness); provided that such restrictions, taken as a whole, are, in the good faith judgment of the Company's Board of Directors, no more materially restrictive with respect to such encumbrances and restrictions than those contained in the existing agreements referenced in clauses (B), (E) and (F) above;

(L) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business;

(M) restrictions on the ability of any Foreign Restricted Subsidiary to make dividends or other distributions resulting from the operation of covenants contained in documentation governing Indebtedness of such Subsidiary permitted under the Indenture; or

(N) an agreement governing Indebtedness incurred to Refinance the Indebtedness issued, assumed or incurred pursuant to an agreement referred to in clause (B), (D) and (F) above; provided, however, that the provisions relating to such encumbrance or restriction contained in any such Indebtedness are no less favorable to the Company in any material respect as determined by the Board of Directors of the Company in their reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements referred to in such clause (B), (D) and (F).

Limitation on Issuances and Sales of Capital Stock of Subsidiaries. The Company will not permit or cause any of its Restricted Subsidiaries to issue or sell any Capital Stock (other than to the Company or to a Wholly Owned Restricted Subsidiary of the Company) or permit any Person (other than the Company or a Wholly Owned Restricted Subsidiary of the Company) to own or hold any Capital Stock of any Restricted Subsidiary of the Company or any Lien or security interest therein (other than as required by applicable law); provided, however, that this provision shall not prohibit (1) any issuance or sale if, immediately after giving effect thereto, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect to such issuance or sale would have been permitted to be made under the "−Limitation on Restricted Payments" covenant if made on the date of such issuance or sale, (2) the sale of all of the Capital Stock of a Restricted Subsidiary in compliance with the provisions of the "−Limitation on Asset Sales" covenant or (3) issuances of director's qualifying shares or sales to foreign nationals of shares of capital stock of Foreign Restricted Subsidiaries to the extent required by applicable law.

Limitation on Liens. The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind against or upon any property or assets of the Company or any of its Restricted Subsidiaries whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom, except for Permitted Liens.

Notwithstanding anything to the contrary in the immediately preceding paragraph, the Company will not, and will not cause or permit any of its Domestic Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind against or upon any (i) leasehold interest or (ii) Capital Stock issued by a Subsidiary of the Company that is held by the Company or any of its Restricted Subsidiaries whether on or after the Issue Date or any right related thereto (other than (A) with respect to any such leasehold interests, Permitted Liens described in clauses (1), (2), (4) (provided that neither the Company or any Restricted Subsidiary shall voluntarily take, or consent to the taking of, any action to perfect any such Permitted Lien described in such clause (4)), (5), (13), (15), (17) and (20) of the definition thereof and (B) with respect to any such Capital Stock, Permitted Liens described in clauses (1), (13), (15) and (17) of the definition thereof; provided that, in each such case, an additional limitation to the limitations set forth in such clause (17) shall be that the Indebtedness that was being Refinanced was only secured by a Permitted Lien described in clause (13) of the definition thereof).

Merger, Consolidation and Sale of Assets. The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of the Company to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company's assets (determined on a consolidated basis for the Company and the Company's Restricted Subsidiaries) to any Person unless:

(1) either:

(A) the Company shall be the surviving or continuing corporation; or

(B) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company's Restricted Subsidiaries substantially as an entirety (the "Surviving Entity"):

(x) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; and

(y) shall expressly assume, (i) by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, interest and Additional Interest, if any, on all of the Notes and the performance of every covenant of the Notes, the Indenture and the Registration Rights Agreement on the part of the Company to be performed or observed thereunder and (ii) by amendment, supplement or other instrument (in form and substance reasonably satisfactory to the Trustee and the Collateral Agent), executed and delivered to the Trustee, all obligations of the Company under the Collateral Agreements, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, shall be able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with the "−Limitation on Incurrence of Additional Indebtedness" covenant;

(3) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Company or the Surviving Entity shall have delivered to the Trustee an Officers' Certificate and if requested by the Trustee, an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Company the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Indenture provides that upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Company in accordance with the foregoing, in which the Company is not surviving or the continuing corporation, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such surviving entity had been named as such. Upon such substitution, the Company and any Guarantors that remain Subsidiaries of the Company shall be released from their obligations under the Indenture and the Guarantees.

Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Indenture in connection with any transaction complying with the provisions of this covenant and the "−Limitation on Asset Sales" covenant) will not, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person, other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is a Person organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes (a) by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and the performance of every covenant of the Guarantee, the Indenture and the Registration Rights Agreement and (b) by amendment, supplement or other instrument (in form and substance satisfactory to the Trustee and the Collateral Agent) executed and delivered to the Trustee and the Collateral Agent, all obligations of the Guarantor under the Collateral Agreements and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Any merger or consolidation of (i) a Guarantor with and into the Company (with the Company being the surviving entity) or another Guarantor or (ii) a Guarantor or the Company with an Affiliate

organized solely for the purpose of reincorporating such Guarantor or the Company in another jurisdiction in the United States or any state thereof or the District of Columbia need only comply with:

(A) in the case of a merger or consolidation described in clause (ii), clause (4) of the first paragraph of this covenant; and

(B) (x) clause (1)(b)(y) of the first paragraph of this covenant and (y) clause (2) of the immediately preceding paragraph.

Limitation on Transactions with Affiliates. (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "*Affiliate Transaction*"), other than:

(x) Affiliate Transactions permitted under paragraph (b) below, and

(y) Affiliate Transactions on terms that are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company or such Restricted Subsidiary.

Each Affiliate Transaction (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $5.0 million shall be approved by a majority of the members of the Board of Directors of the Company (including a majority of the disinterested members thereof), such approval to be evidenced by a Board Resolution filed with the Trustee that states that such Board of Directors has determined that such transaction complies with the foregoing provisions. If the Company or any Restricted Subsidiary of the Company enters into an Affiliate Transaction (or a series of related Affiliate Transactions related to a common plan) that involves an aggregate Fair Market Value of more than $10.0 million, the Company shall, prior to the consummation thereof, obtain a favorable opinion as to the fairness of the financial terms of such transaction or series of related transactions to the Company or the relevant Restricted Subsidiary, as the case may be, from an Independent Financial Advisor and file the same with the Trustee.

(b) The restrictions set forth in the first paragraph of this covenant shall not apply to:

(1) reasonable fees and compensation (including directors' fees) paid to and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any Restricted Subsidiary of the Company as determined in good faith by the Company's Board of Directors or senior management;

(2) transactions exclusively between or among the Company and any of its Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries, provided, that such transactions are not otherwise prohibited by the Indenture;

(3) any agreement as in effect as of the Issue Date or any transaction contemplated thereby and any amendment thereto or any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Holders in any material respect than the original agreement as in effect on the Issue Date;

(4) Permitted Investments described in clauses (10), (11) and (15) of the definition thereof and Restricted Payments permitted by the Indenture;

(5) any merger or other transaction with an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction or creating a holding company of the Company;

(6) any employment, stock option, stock repurchase, employee benefit compensation, business expense reimbursement, severance, termination or other employment-related agreements, arrangements or plans entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(7) issuances or sales of Qualified Capital Stock of the Company to its Affiliates and employees, officers and directors of the Company or any Restricted Subsidiary of the Company; and

(8) the Management Agreement and payment of Management Fees pursuant thereto, provided, however, that the aggregate amount of such Management Fee payments in any calendar year shall not exceed $500,000.

Additional Subsidiary Guarantees. If the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary after the Issue Date (other than an Unrestricted Subsidiary), then the Company shall cause such Domestic Restricted Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee pursuant to which such Domestic Restricted Subsidiary shall unconditionally guarantee on a senior secured basis all of the Company's obligations under the Notes and the Indenture on the terms set forth in the Indenture;

(2) take such actions necessary or as the Collateral Agent reasonably determines to be advisable to grant to the Collateral Agent for the benefit of the Holders a perfected security interest in the assets of such new Domestic Restricted Subsidiary which are of the type that constitute Collateral under the Collateral Agreements, subject to the Permitted Liens and the terms of the Senior Intercreditor Agreement, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Agreement or by law or as may be reasonably requested by the Collateral Agent;

(3) take such further action and execute and deliver such other documents specified in the Indenture or otherwise reasonably requested by the Trustee or the Collateral Agent to effectuate the foregoing; and

(4) deliver to the Trustee an Opinion of Counsel that such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Domestic Restricted Subsidiary and constitute legal, valid, binding and enforceable obligations of such Domestic Restricted Subsidiary.

Thereafter, such Domestic Restricted Subsidiary shall be a Guarantor for all purposes of the Indenture.

Impairment of Security Interest. Subject to the Senior Intercreditor Agreement, neither the Company nor any of its Domestic Restricted Subsidiaries will take or omit to take any action which would adversely affect or impair in any material respect the Liens in favor of the Collateral Agent with respect to the Collateral. Neither the Company nor any of its Domestic Restricted Subsidiaries will enter into any agreement that requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than as permitted by the Indenture, the Notes, the Intercreditor Agreements and the Collateral Agreements. The Company shall, and shall cause each Guarantor to, at their sole cost and expense, execute and deliver all such agreements and instruments as the Collateral Agent or the Trustee shall reasonably request to more fully or accurately describe the property intended to be Collateral or the obligations intended to be secured by the Collateral Agreements. The Company shall, and shall cause each Guarantor to, at their sole cost and expense, file any such notice filings or other agreements or

instruments as may be reasonably necessary or desirable under applicable law to perfect the Liens created by the Collateral Agreements, subject to Permitted Liens.

Real Estate Mortgages and Filings. With respect to any fee interest in any real property (individually and collectively, the "Premises") (a) owned by the Company or a Domestic Restricted Subsidiary on the Issue Date or (b) acquired by the Company or a Domestic Restricted Subsidiary after the Issue Date, with (i) a purchase price or (ii) as of the Issue Date, with a Fair Market Value, of greater than $1.5 million, on the Issue Date in the case of clause (a) and within 90 days of the acquisition thereof in the case of clause (b):

(1) the Company shall deliver to the Collateral Agent, as mortgagee, fully executed counterparts of Mortgages, each dated as of the Issue Date or the date of acquisition of such property, as the case may be, duly executed by the Company or the applicable Domestic Restricted Subsidiary, together with evidence of the completion (or satisfactory arrangements for the completion), of all recordings and filings of such Mortgage as may be necessary to create a valid, perfected Lien, subject to Permitted Liens, against the properties purported to be covered thereby;

(2) the Company shall deliver to the Collateral Agent a mortgagee's title insurance policy in favor of the Collateral Agent, as mortgagee in an amount equal to 100% of the Fair Market Value of the Premises purported to be covered by the related Mortgage, insuring that the Lien created by such Mortgage constitutes a valid Lien thereon free and clear of all Liens, defects and encumbrances other than Permitted Liens, and such policies shall also include, to the extent available, such endorsements as shall be consistent with endorsements generally obtained in connection with title policies for properties of like size and value in comparable financings and shall be accompanied by evidence of the payment in full of all premiums thereon; and

(3) the Company shall deliver to the Collateral Agent, with respect to the covered Premises, (x) the most recent survey of such Premises in the possession or under the control of the Company or any of its Domestic Restricted Subsidiaries, and (y) if such Premises is acquired after the Issue Date, a survey certified in favor of the Trustee and the Collateral Agent by the surveyor of such survey, which survey shall (I) be reasonably acceptable to the title insurer providing the title insurance policy relating to such property under clause (2) above and (II) allow such title insurer to remove the standard survey exception from such title insurance policy and, if available in the relevant jurisdiction, issue a survey endorsement.

Landlord, Bailee and Consignee Waivers. (a) Each of the Company and each of its Domestic Restricted Subsidiaries that is a lessee of, or becomes a lessee of, real property on or in which it will maintain, store, hold or locate assets having an aggregate Fair Market Value of at least $250,000, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a landlord waiver, substantially in the form of the exhibit form thereof to be attached to the Indenture, executed by the lessor of such real property; provided that in the case where such lease is a lease in existence on the Issue Date or the lessee thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that is the lessee thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any landlord waiver to the extent the related lessor has refused to deliver such a landlord waiver following such Person's use of such commercially reasonable efforts.

(b) Each of the Company and each of its Domestic Restricted Subsidiaries that is a bailor of, or becomes a bailor of, any of its assets having an aggregate Fair Market Value of at least $250,000 with any bailee, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a bailee waiver, substantially in the form of the exhibit form thereof to be attached to the Indenture, executed by the bailee of such assets; provided that in the case where such bailment is a

bailment in existence on the Issue Date or the bailor thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that is the bailor thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any bailee waiver to the extent the related bailee has refused to deliver such a bailee waiver following such Person's use of such commercially reasonable efforts.

(c) Each of the Company and each of its Domestic Restricted Subsidiaries that is a consignor of, or becomes a consignor of, any of its assets having an aggregate Fair Market Value of at least $250,000 with any consignee, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a consignee waiver, substantially in the form of the exhibit form thereof to be attached to the Indenture, executed by the consignee of such assets; provided that in the case where such consignment is a consignment in existence on the Issue Date or the consignor thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that is the consignor thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any consignee waiver to the extent the related consignee has refused to deliver such a consignee waiver following such Person's use of such commercially reasonable efforts.

Conduct of Business. The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Notwithstanding anything to the contrary in the immediately preceding paragraph, Edgen Acquisition Corporation will not engage in any business activities other than those consisting of the Transactions or reasonably related thereto.

Reports to Holders. The Indenture provides that, whether or not required by the rules and regulations of the Securities and Exchange Commission (the "SEC"), so long as any Notes are outstanding, the Company will furnish to the Trustee and, upon request, to the Holders:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, either on the face of the financial statements or in the footnotes thereto and in Management's Discussion and Analysis of Financial Condition and Results of Operations, the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company, if any) and, with respect to the annual information only, a report thereon by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports, in each case within the time periods specified in the SEC's rules and regulations.

Notwithstanding the foregoing, the Company may satisfy such requirements prior to the effectiveness of the registration statement contemplated by the Registration Rights Agreement by filing with the SEC such registration statement within the time period required for such filing as specified in the Registration Rights Agreement, to the extent that any such registration statement contains substantially the same information as would be required to be filed by the Company if it were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustee

and Holders with such Registration Statement (and any amendments thereto) promptly following the filing thereof.

In addition, following the consummation of the Exchange Offer, whether or not required by the rules and regulations of the SEC, the Company will file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing). In addition, the Company has agreed that, prior to the consummation of the Exchange Offer, for so long as any Notes remain outstanding, it will furnish to the Holders upon their request, the information required to be delivered pursuant to Rule 144(A)(d)(4) under the Securities Act.

Payments for Consent. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes, any Collateral Agreement or the Intercreditor Agreements unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Events of Default

The following events are defined in the Indenture as "Events of Default":

(1) the failure to pay interest or Additional Interest, if any, on any Notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal of or premium, if any, on any Notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or a Net Proceeds Offer);

(3) the failure by the Company or any of its Restricted Subsidiaries to comply with the provisions described under the captions "Repurchase upon Change of Control" or "Certain Covenants−Merger, Consolidation and Sale of Assets;"

(4) the failure by the Company or any of its Restricted Subsidiaries for 45 days after notice to the Company by the Trustee or the Holders of at least 25% in outstanding principal amount of the Notes to comply with the provisions described under the captions "Certain Covenants−Limitation on Restricted Payments," "Certain Covenants−Limitation on Incurrence of Additional Indebtedness" or "Certain Covenants−Limitation on Asset Sales" and remedy the default arising from the failure by the Company or any such Restricted Subsidiary to so comply;

(5) the failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in outstanding principal amount of the Notes to comply with any of the other agreements in the Indenture or any Collateral Agreement and remedy the default arising from the failure by the Company or any such Restricted Subsidiary to so comply;

(6) the failure to pay at final maturity (giving effect to any applicable waivers, amendments, grace periods and any extensions thereof) the principal amount of any Indebtedness of the Company or any Restricted Subsidiary of the Company, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days from the date of acceleration) if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final maturity or which has been accelerated (in each case with respect

to which the 20-day period described above has elapsed), aggregates $5.0 million or more at any time;

(7) one or more judgments in an aggregate amount in excess of $5.0 million shall have been rendered against the Company or any of its Restricted Subsidiaries (other than any judgment to the extent a reputable and solvent third party insurer has not disclaimed coverage) and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(8) certain events of bankruptcy affecting the Company or any of its Significant Subsidiaries;

(9) any Collateral Agreement at any time for any reason shall cease to be in full force and effect in all material respects, or ceases to give the Collateral Agent the Liens, rights, powers and privileges purported to be created thereby with respect to Collateral having an aggregate Fair Market Value of more than $5.0 million, superior to and prior to the rights of all third Persons therein other than the holders of Permitted Liens and subject to no other Liens except as expressly permitted by the applicable Collateral Agreement, and such failure shall continue for a period of 45 days;

(10) the Company or any of the Guarantors, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Collateral Agreement; or

(11) any Guarantee of a Significant Subsidiary ceases to be in full force and effect or any Guarantee of a Significant Subsidiary is declared to be null and void and unenforceable or any Guarantee of a Significant Subsidiary is found to be invalid or any Guarantor denies its liability under its Guarantee (other than by reason of release of a Guarantor in accordance with the terms of the Indenture).

If an Event of Default (other than an Event of Default specified in clause (8) above with respect to the Company) shall occur and be continuing and has not been waived, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may declare the principal of and premium, if any, accrued interest and Additional Interest, if any, on all the Notes to be due and payable by notice in writing to the Company and the Trustee specifying the Event of Default and that it is a "notice of acceleration" (the "Acceleration Notice"), and the same shall become immediately due and payable.

If an Event of Default specified in clause (8) above with respect to the Company occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest and Additional Interest, if any, on all of the outstanding Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Indenture provides that, at any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraphs, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, interest or Additional Interest, if any, that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal and premium, if any, and Additional Interest, if any, which has become due otherwise than by such declaration of acceleration, has been paid; and

(4) in the event of the cure or waiver of an Event of Default of the type described in clause (8) of the description above of Events of Default, the Trustee shall have received an Officers' Certificate that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or premium, if any, interest or Additional Interest, if any, on any Notes.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture and under the TIA. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable indemnity. Subject to the provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Under the Indenture, the Company will be required to provide an Officers' Certificate to the Trustee promptly upon any Officer obtaining knowledge of any Default or Event of Default (provided that such Officers' Certificate shall be provided at least annually whether or not such Officers know of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have its obligations and the obligations of the Guarantors discharged with respect to the outstanding Notes ("Legal Defeasance"). Such Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee and the Company's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company released with respect to certain covenants that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under "Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, non-callable U.S. government obligations, or a combination thereof, in such amounts and at such times as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest and Additional Interest, if any, on the Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that:

(a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

(b) since the date of the Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit pursuant to clause (1) of this paragraph (except such Default or Event of Default resulting from the failure to comply with "Certain Covenants−Limitation on Incurrence of Additional Indebtedness," "Certain Covenants−Limitation on Liens" or "Certain Covenants−Impairment of Security Interest" as a result of the borrowing of funds required to effect such deposit or the granting of any Liens to secure such borrowing) or insofar as Defaults or Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of such deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach of, or constitute a default under the Indenture (except such Default or Event of Default resulting from the failure to comply with "Certain Covenants−Limitation on Incurrence of Additional Indebtedness," "Certain Covenants−Limitation on Liens" or "Certain Covenants−Impairment of Security Interest" as a result of the borrowing of funds required to effect such deposit or the granting of any Liens to secure such borrowing) or any other material 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;

(6) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(7) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Satisfaction and Discharge

The Indenture (and all Liens on Collateral in connection with the issuance of the Notes) will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, interest and Additional Interest, if any, on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company has paid all other sums payable under the Indenture and the Collateral Agreements by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Modification of the Indenture

From time to time, the Company, the Guarantors, the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement or the Intercreditor Agreements, the Collateral Agent, without the consent of the Holders, may amend, modify or supplement the Indenture, the Notes, the Guarantees, the Collateral Agreements and the Intercreditor Agreements:

(1) to cure any ambiguity, defect or inconsistency contained therein;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders in accordance with the covenant described under "Certain Covenants−Merger, Consolidation and Sale of Assets;"

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights of any such Holder under the Indenture, the Notes, the Guarantees or the Collateral Agreements;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA;

(6) to allow any Subsidiary or any other Person to guarantee the Notes;

(7) to release a Guarantor as permitted by the Indenture and the relevant Guarantee; or

(8) if necessary, in connection with any addition or release of Collateral permitted under the terms of the Indenture or Collateral Agreements, so long as such amendment, modification or supplement does not, in the opinion of the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement, the Collateral Agent, adversely affect the rights of any of the Holders in any material respect. In formulating its opinion on such matters, each of the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement, the Collateral Agent, will be entitled to rely on such evidence as it deems appropriate, including, without limitation, solely on an Opinion of Counsel.

Other amendments of, modifications to and supplements to the Indenture, the Notes, the Guarantees, the Collateral Agreements and the Intercreditor Agreements may be made with the consent of the Holders of a majority in principal amount of the then outstanding Notes issued under the Indenture, except that, without the consent of each Holder affected thereby, no amendment may:

(a) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver of any provision of the Indenture or the Notes;

(b) reduce the rate of or change or have the effect of changing the time for payment of interest, including defaulted interest, or Additional Interest on any Notes;

(c) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor;

(d) make any Notes payable in money other than that stated in the Notes;

(e) make any change in provisions of the Indenture protecting the right of each Holder to receive payment of principal of, premium, if any, interest and Additional Interest, if any, on such Note on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;

(f) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer after the occurrence of a Change of Control or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or, modify any of the provisions or definitions with respect thereto;

(g) modify or change any provision of the Indenture or the related definitions affecting the ranking of the Notes, any Guarantee or any Lien created under any Collateral Agreement in a manner which adversely affects the Holders;

(h) release any Guarantor from any of its obligations under its Guarantee or the Indenture otherwise than in accordance with the terms of the Indenture; or

(i) release all or substantially all of the Collateral otherwise than in accordance with the terms of the Indenture and the Collateral Agreements.

Governing Law

The Indenture provides that it, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

The Trustee

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Indenture and the provisions of the TIA contain certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. Subject to the TIA, the Trustee will be permitted to engage in other transactions; provided that if the Trustee acquires any conflicting interest as described in the TIA, it must eliminate such conflict or resign.

Certain Definitions

Set forth below is a summary of certain of the defined terms to be used in the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time it merges or consolidates with or into the Company or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such acquisition, merger or consolidation and which Indebtedness is without recourse to the Company or any of its Subsidiaries or to any of their respective properties or assets other than the Person or the assets to which such Indebtedness related prior to the time such Person became a Restricted Subsidiary of the Company or the time of such acquisition, merger or consolidation; provided that Indebtedness of such Person that is redeemed, defeased, retired or otherwise repaid at the time, or immediately upon consummation, of the transaction by which such Person is merged with or into or became a Restricted Subsidiary of the Company shall not be Acquired Indebtedness. Acquired Indebtedness shall be deemed to be incurred on the date of any such acquisition, merger or consolidation or the date the acquired Person becomes a Restricted Subsidiary.

"*Administrative Agent*" has the meaning set forth in the definition of the term "Credit Agreement."

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; provided, that Beneficial Ownership of 10% or more of the Voting Stock of the Person shall be deemed to be control. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"*Applicable Indebtedness*" means:

(1) in respect of any asset that is the subject of an Asset Sale at a time when such asset is included in the Collateral, Indebtedness that is pari passu with the Notes and secured at such time by Collateral; or

(2) in respect of any other asset, Indebtedness that is pari passu with the Notes.

"*Asset Acquisition*" means:

(1) an Investment by the Company or any Restricted Subsidiary of the Company in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any Restricted Subsidiary of the Company, or shall be merged with or into the Company or any Restricted Subsidiary of the Company, or

(2) the acquisition by the Company or any Restricted Subsidiary of the Company of the assets of any Person (other than a Restricted Subsidiary of the Company) which constitute all or substantially all of the assets of such Person or comprise any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"*Asset Sale*" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (other than a Lien in accordance with the Indenture) for value by (x) the Company or any of its Restricted Subsidiaries to any Person other than the Company or a Guarantor or (y) a Foreign Restricted Subsidiary to any Person other than the Company or a Wholly Owned Restricted Subsidiary of the Company of:

(1) any Capital Stock of any Restricted Subsidiary of the Company; or

(2) any other property or assets of the Company or any Restricted Subsidiary of the Company other than in the ordinary course of business; provided, however, that Asset Sales shall not include:

(A) a transaction or series of related transactions for which the Company or its Restricted Subsidiaries receive aggregate consideration of less than $1.0 million;

(B) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of the Company as permitted under "Certain Covenants−Merger, Consolidation and Sale of Assets;"

(C) any Restricted Payment permitted under "Certain Covenants−Limitation on Restricted Payments," including a Permitted Investment;

(D) the sale or other disposition of Cash Equivalents;

(E) the sale or other disposition of used, worn out, obsolete or surplus equipment;

(F) the sale of an Unrestricted Subsidiary;

(G) dispositions of Investments or receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in a bankruptcy or similar proceeding and exclusive of factoring or similar arrangements; and

(H) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Company and its Restricted Subsidiaries.

"*Bankruptcy Code*" means the Bankruptcy Reform Act of 1978, as amended, and codified as 11 U.S.C. §§101 et seq.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence

of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have meanings correlative to the foregoing.

"*Board of Directors*" means, as to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

"*Capitalized Lease Obligation*" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"*Cash Equivalents*" means:

(1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(2) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Ratings Group ("S&P") or Moody's Investors Service, Inc. ("Moody's");

(3) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's;

(4) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined net capital and surplus of not less than $250.0 million;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (1) through (5) above.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) any direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company to any Person or group of related Persons for

purposes of Section 13(d) of the Exchange Act (a "Group"), other than a transaction in which the transferee is controlled by one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, other than (A) a transaction in which the surviving or transferee Person is a Person that is controlled by the Permitted Holders or (B) any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Capital Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance), or any transaction pursuant to which holders of securities representing 100% of the Company's Voting Stock immediately prior to such transaction have the right or ability by voting power, contract or otherwise, to elect or designate a majority of the Board of Directors of the surviving or transferee Person;

(3) the approval by the holders of Capital Stock of the Company of any plan or proposal for the liquidation, winding up or dissolution of the Company;

(4) prior to the first Public Equity Offering, one or more of the Permitted Holders cease for any reason to be the Beneficial Owner, directly or indirectly, in the aggregate of at least a majority of the total voting power of the Voting Stock of the Company, whether by virtue of the issuance, sale or other disposition of Capital Stock of the Company, a merger, consolidation or sale of assets involving the Company, a Restricted Subsidiary, any voting trust or other agreement;

(5) subsequent to the first Public Equity Offering, (a) any Person or Group is or becomes the Beneficial Owner, directly or indirectly, in the aggregate of more than 35% of the total voting power of the Voting Stock of the Company, and (b) one or more of the Permitted Holders Beneficially Own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company than such other Person or Group and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Company; or

(6) individuals who on the Issue Date constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved pursuant to a vote of a majority of the directors then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

"*Collateral*" means collateral as such term is defined in the Security Agreement, all property mortgaged under the Mortgages and any other property, whether now owned or hereafter acquired, upon which a Lien securing the Obligations is granted or purported to be granted under any Collateral Agreement; provided, however that the term "Collateral" shall not include any Excluded Assets.

"*Collateral Agent*" means the collateral agent and any successor under the Indenture.

"*Collateral Agreements*" means, collectively, the Security Agreement and each Mortgage, in each case, as the same may be in force from time to time.

"*Commodity Agreement*" means any hedging agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in commodity prices.

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common

stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"*Consolidated EBITDA*" means, with respect to any Person, for any period, the sum (without duplication) of:

(1) Consolidated Net Income; and

(2) to the extent Consolidated Net Income has been reduced thereby:

(A) all income and franchise taxes of such Person and its Restricted Subsidiaries paid or accrued in accordance with GAAP for such period;

(B) Consolidated Fixed Charges;

(C) Consolidated Non-cash Charges;

(D) (a) customary fees and expenses of the Company and its Restricted Subsidiaries payable in connection with (i) the issuance and maintenance of the Notes and the related borrowing under the Credit Agreement, (ii) any Equity Offering, (iii) the incurrence, maintenance, termination or repayment of Indebtedness permitted by the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness" (including Indebtedness constituting Permitted Indebtedness), (iv) the Acquisition and any acquisition permitted under the Indenture and (v) compliance with the Federal securities laws and the Sarbanes-Oxley Act of 2002 for a period of 12 months following the Issue Date, (b) extraordinary bonus payments payable to the officers and employees of the Company pursuant to the Company's 2004 Bonus Plan in respect of the Company's 2004 fiscal year and (c) bonuses and fees payable to existing stockholders, directors, officers and employees of the Company, lenders, financial advisors and other Persons in connection with the Acquisition on or substantially contemporaneous with the Issue Date;

(E) restructuring charges (as determined in accordance with GAAP) relating to the consolidation of operations or reduction in head-court;

(F) any premium or penalty paid in connection with redeeming or retiring Indebtedness of such Person and its consolidated Restricted Subsidiaries prior to the stated maturity thereof pursuant to the agreements governing such Indebtedness; and

(G) any increase in cost of sales expense as a result of the Company's adoption of the LIFO method of costing inventory after the Issue Date,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the four consecutive full fiscal quarters (the "Four Quarter Period") most recently ending on or prior to the date of the transaction or event giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio for which internal financial statements are available (the "Transaction Date") to Consolidated Fixed Charges of such Person for the Four Quarter Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the

proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period;

(2) any Asset Sale or other disposition of operations or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date), as if such Asset Sale or other disposition of operations or Asset Acquisition (including the incurrence, assumption or liability for any such Indebtedness or Acquired Indebtedness and also including any Consolidated EBITDA associated with such Asset Acquisition) occurred on the first day of the Four Quarter Period. If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness;

(3) any Person that is a Restricted Subsidiary on the Transaction Date (or would become a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed to have been a Restricted Subsidiary at all times during such Four Quarter Period; and

(4) any Person that is not a Restricted Subsidiary on the Transaction Date (or would cease to be a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed not to have been a Restricted Subsidiary at any time during such Four Quarter Period.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date (including Indebtedness actually incurred on the Transaction Date) and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"*Consolidated Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense (excluding amortization or write-off of deferred financing costs); plus

(2) the product of (x) the amount of all cash dividend payments (other than dividends paid by the Subsidiaries to the Company or to the Company's Wholly-Owned Restricted Subsidiaries) on any class or series of Preferred Stock of such Person paid or in the case of any such class or series of Preferred Stock that is Disqualified Capital Stock, paid, accrued or scheduled to be paid or accrued, in each case, during such period times (y) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated federal, state and local tax rate of such Person, as estimated in good faith by the chief financial officer of the Company, expressed as a decimal.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, as determined in accordance with GAAP, and including, without duplication, (a) all amortization or accretion of original issue discount, (b) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period, and (c) net cash costs under all Interest Swap Obligations (including amortization of fees), but excluding amortization of debt issuance costs and excluding accrued dividends on preferred stock that is reclassified as Indebtedness due to a change in accounting principles.

"*Consolidated Net Income*" means, with respect to any Person, for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period on a consolidated basis, determined in accordance with GAAP; provided, however, that there shall be excluded therefrom:

(1) after-tax gains and losses from Asset Sales or abandonments or reserves relating thereto;

(2) after-tax items classified as extraordinary gains or losses;

(3) the net income (but not loss) of any Restricted Subsidiary of the referent Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is restricted by a contract, operation of law or otherwise;

(4) the net income of any Person, other than the referent Person or a Restricted Subsidiary of the referent Person, except to the extent of cash dividends or distributions paid to the referent Person or to a Wholly Owned Restricted Subsidiary of the referent Person by such Person;

(5) any restoration to income of any material contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(6) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(7) all gains and losses realized on or because of the purchase or other acquisition by such Person or any of its Restricted Subsidiaries of any securities of such Person or any of its Restricted Subsidiaries;

(8) the cumulative effect of a change in accounting principles;

(9) interest expense attributable to dividends on Qualified Capital Stock pursuant to Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity;"

(10) non-cash charges resulting from the impairment of intangible assets; and

(11) only for purposes of calculating cumulative Consolidated Net Income for purposes of the covenant described above under "Certain Covenants−Limitation on Restricted Payments," in the case of a successor to the referent Person by consolidation or merger or as a transferee of the referent Person's assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

Notwithstanding the foregoing, for purposes of calculating Consolidated Net Income for any period, Consolidated Net Income for such period shall (except for purposes of calculating Consolidated Net Income for such period as used in clause (1) of the definition of the term "Consolidated EBITDA") include, to the extent Consolidated Net Income for such period has been reduced thereby, any non-cash charges associated with the purchase accounting write-up of inventory, including without limitation, pursuant to FAS 141.

"*Consolidated Net Tangible Assets*" means, as of any date of determination and with respect to any Person, the total assets, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property), shown on the balance sheet of such Person and its Restricted Subsidiaries for the most recently ended fiscal quarter for which internal financial statements are available, determined on a consolidated basis in accordance with GAAP.

"*Consolidated Non-cash Charges*" means, with respect to any Person, for any period, the aggregate depreciation, amortization and other non-cash items and expenses of such Person and its Restricted Subsidiaries to the extent they reduce Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (A) including, but not limited to, (i) non-cash charges attributable to the grant, exercise or repurchase of options for or shares of Qualified Capital Stock to or from employees of such Person and its consolidated subsidiaries, (ii) unrealized losses resulting solely from the marking to market of derivative securities or securities held in deferred compensation plans, (iii) non-cash charges associated with the amortization or write-off of deferred financing costs and debt issuance costs of such Person and its consolidated subsidiaries during such period, (iv) amortization expense associated with the purchase accounting write-up of tangible and intangible assets and (v) non-cash charges associated with the purchase accounting write-up of inventory, including, without limitation, pursuant to FAS 141, but (B) excluding any such charges constituting an extraordinary item or loss or any such charge which requires an accrual of or a reserve for cash charges for any future period.

"*Credit Agreement*" means the Amended and Restated Loan and Security Agreement dated as of the Issue Date, between the Company, certain Subsidiaries of the Company and the lenders party thereto (together with their successors and assigns, the "Lenders") and GMAC Commercial Finance LLC as administrative agent (in such capacity, together with its successors and assigns, the "Administrative Agent"), setting forth the terms and conditions of the senior credit facility, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as amended, restated, modified, renewed, refunded, replaced (whether on or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and issuers include one or more of the Company and the Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder, provided that on the date such Indebtedness is incurred, such Indebtedness would be permitted under clause (2) or (17) (either individually or in the aggregate) of the definition of "Permitted Indebtedness," or

(4) otherwise altering the terms and conditions thereof in a manner not prohibited by the terms of the Indenture and whether by the same or any other agent, lender or group of lenders (including by means of sales of debt securities to institutional lenders).

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in currency values.

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event that would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except in each case, upon the occurrence of a Change of Control) on or prior to the first anniversary of the final maturity date of the Notes for cash or is convertible into or exchangeable for debt securities of the Company or its Subsidiaries at any time prior to such anniversary.

"*Domestic Restricted Subsidiary*" means, with respect to any Person, a Domestic Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"*Domestic Subsidiary*" means, with respect to any Person, a Subsidiary of such Person that is not a Foreign Subsidiary of such Person.

"*Equity Offering*" means any private or public offering of Capital Stock of the Company or any holding company of the Company to any Person (other than issuances upon exercise of options by employees of any holding company, the Company or any of the Restricted Subsidiaries).

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Exchange Offer*" means this exchange offer made by the Company, pursuant to the Registration Rights Agreement, to exchange for any and all the old Notes a like aggregate principal amount of Notes having substantially identical terms to the Notes registered under the Securities Act.

"*Excluded Assets*" means:

(1) any lease, license, contract, property right or agreement to which the Company or any Guarantor is a party or any of its rights or interests thereunder if and only for so long as the grant of a Lien under the Collateral Agreements (i) is prohibited by applicable law or would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the grantor of such Lien therein pursuant to applicable law, or (ii) would require the consent of third parties and such consent shall not have been obtained, or (iii) would constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such consent requirement or other term thereof would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law or principles of equity); provided that such lease, license, contract, property right or agreement will be an Excluded Asset only to the extent and for so long as the consequences specified above will result and will cease to be an Excluded Asset and will become subject to the Lien granted under the Collateral Agreements, immediately and automatically, at such time as such consequences will no longer result;

(2) leasehold interests in real property with respect to which the Company or any Guarantor is a tenant or subtenant;

(3) Capital Stock of each Subsidiary of the Company or any Guarantor;

(4) property and assets owned by the Company or any Guarantor that are the subject of Permitted Liens described in clause (6) or (7) of the definition thereof for so long as such Permitted Liens are in effect; and

(5) any other assets owned or acquired by the Company or any of its Guarantors that are expressly not required to constitute "Collateral" pursuant to the terms of the Collateral Agreements.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Board of Directors of the Company; provided, however, that with respect to any price less than $2.5 million only the good faith determination by the Company's senior management shall be required.

"*Foreign Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"*Foreign Subsidiary*" means, with respect to any Person, any Subsidiary of such Person that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"*GAAP*" means accounting principles generally accepted in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

"*Guarantor*" means (1) each of the Company's Domestic Restricted Subsidiaries existing on the Issue Date and (2) each of the Company's Domestic Restricted Subsidiaries that in the future executes a supplemental indenture in which such Domestic Restricted Subsidiary agrees to be bound by the terms of the Indenture as a Guarantor; provided that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its respective Guarantee is released in accordance with the terms of the Indenture.

"*Holder*" means the Person in whose name a Note is registered on the registrar's books.

"*Indebtedness*" means with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings and any deferred purchase price represented by earn outs consistent with the Company's past practice) to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(5) all Obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, whether or not then due;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Obligations of any other Person of the type referred to in clauses (1) through (6) which are secured by any Lien on any property or asset of such Person, the amount of any such Obligation being deemed to be the lesser of the Fair Market Value of the property or asset securing such Obligation or the amount of such Obligation;

(8) all Interest Swap Obligations and all Obligations under Currency Agreements and Commodity Agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

Notwithstanding the foregoing, Indebtedness shall not include any Qualified Capital Stock. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock.

"*Independent Financial Advisor*" means a nationally-recognized accounting, appraisal or investment banking firm that, in the judgment of the Board of Directors of the Company (including a majority of the disinterested members thereof), is independent and qualified to perform the task for which it is to be engaged.

"*Intercreditor Agreements*" means, collectively, the Senior Intercreditor Agreement and the Subordinated Intercreditor Agreement.

"*Interest Swap Obligations*" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*Investment*" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition for value of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary," the definition of "Restricted Payment" and the covenant described under "−Certain Covenants−Limitation on Restricted Payments":

(i) "Investment" shall include the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

"*Issue Date*" means the date of original issuance of the Notes.

"*JCP Group*" means (i) ING Furman Selz Investors III L.P., ING Barings Global Leveraged Equity Plan Ltd., ING Barings U.S. Leveraged Equity Plan LLC and FS Private Investments III LLC and any of their respective Affiliates and (ii) any investment vehicle that is managed (whether through ownership of securities having a majority of the voting power or through management of investments) by any of the Persons listed in clause (i), but excluding any portfolio companies of any Person listed in clause (i) or (ii).

"*Lenders*" has the meaning set forth in the definition of the term "Credit Agreement."

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"*Management Agreement*" means the management agreement, dated as of the Issue Date, between the Company and Jefferies Capital Partners, as in effect on the Issue Date and as amended; provided, any such amendment does not adversely affect the Company, any Guarantor or the Holders of the Notes.

"*Management Fees*" means the management fees payable pursuant to the Management Agreement.

"*Management Investors and Related Trusts*" means Daniel J. O'Leary, David L. Laxton III, Robert L. Gilleland, Craig Stephen Kiefer, Roy J. Meredith, Douglas J. Daly, Jr. and each trust created by any of the foregoing Persons for estate planning purposes.

"*Mortgages*" means the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents securing Liens on the Premises, as well as the other Collateral secured by and described in the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by the Company or any of its Restricted Subsidiaries from such Asset Sale net of:

(1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees and sales commissions;

(2) all taxes and other costs and expenses actually paid or estimated by the Company (in good faith) to be payable in cash in connection with such Asset Sale;

(3) repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale and is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale;

provided, *however*, that if, after the payment of all taxes with respect to such Asset Sale, the amount of estimated taxes, if any, pursuant to clause (2) above exceeded the tax amount actually paid in cash in respect of such Asset Sale, the aggregate amount of such excess shall, at such time, constitute Net Cash Proceeds.

"*Obligations*" means all obligations for principal, premium, interest, Additional Interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means the Chief Executive Officer, the President, the Chief Financial Officer or any Vice President of the Company.

"*Officers' Certificate*" means a certificate signed by two Officers of the Company, at least one of whom shall be the principal financial officer of the Company, and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion of counsel who shall be reasonably acceptable to the Trustee.

"*Permitted Business*" means any business that is the same as or similar, reasonably related, complementary or incidental to the business in which the Company and its Restricted Subsidiaries are engaged on the Issue Date.

"*Permitted Holders*" means the JCP Group and its Affiliates (excluding any portfolio companies of any such Person) and the Management Investors and Related Trusts.

"*Permitted Indebtedness*" means, without duplication, each of the following:

(1) Indebtedness under the Notes issued in the private offering or in the Exchange Offer in an aggregate outstanding principal amount not to exceed $105.0 million and the related Guarantees;

(2) Indebtedness incurred pursuant to the Credit Agreement in an aggregate principal amount at any time outstanding not to exceed $20.0 million as such amount may be reduced from time to time as a result of permanent reductions of the revolving commitments thereunder as provided in "Certain Covenants–Limitation on Asset Sales;"

(3) other Indebtedness of the Company and its Restricted Subsidiaries outstanding on the Issue Date;

(4) Interest Swap Obligations of the Company or any Restricted Subsidiary of the Company covering Indebtedness of the Company or any of its Restricted Subsidiaries that are entered into for the purpose of fixing or hedging interest rates with respect to any fixed or variable rate Indebtedness that is permitted by the Indenture to be outstanding; provided, that the notional amount of any such Interest Swap Obligation does not exceed the principal amount of Indebtedness to which such Interest Swap Obligation relates;

(5) Indebtedness under Currency Agreements and Commodity Agreements, in each case arising in the ordinary course of business of the Company and its Restricted Subsidiaries; provided

that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of the Company and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) Intercompany Indebtedness of (a) the Company or a Guarantor for so long as such Indebtedness is held by the Company or a Guarantor and (b) any Foreign Restricted Subsidiary for so long as such Indebtedness is held by (i) the Company or any Guarantor and is permitted to be made by the Company or such Guarantor in such Foreign Restricted Subsidiary pursuant to (A) clause (7), (8), (14)(a) or (17) of the definition of the term "Permitted Investment" or (B) as a Restricted Payment pursuant to the covenant described in "Certain Covenants−Limitation on Restricted Payments" or (ii) any other Foreign Restricted Subsidiary; provided that if as of any date any Person other than the Company or a Guarantor owns or holds any such Indebtedness or holds a Lien in respect of such Indebtedness, such date shall be deemed the incurrence of Indebtedness not constituting Permitted Indebtedness under this clause (6) by the issuer of such Indebtedness;

(7) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five business days of incurrence;

(8) Indebtedness of the Company or any of its Restricted Subsidiaries represented by letters of credit, surety bonds, insurance obligations or other similar bonds for the account of the Company or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(9) obligations in respect of performance, bid and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(10) Indebtedness represented by Capitalized Lease Obligations and Purchase Money Indebtedness of the Company and its Restricted Subsidiaries incurred in the ordinary course of business (including Refinancings thereof that do not result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and plus the amount of reasonable expenses incurred by the Company in connection with such Refinancing)) not to exceed $5.0 million at any time outstanding;

(11) Refinancing Indebtedness;

(12) Indebtedness of Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof, the aggregate principal amount of which Indebtedness outstanding at any time in reliance of this clause (12) does not exceed, as to all such Foreign Restricted Subsidiaries, $5.0 million, plus the amount by which the U.S. dollar equivalent of the principal amount of such Indebtedness exceeds $5.0 million as a result of currency fluctuations;

(13) Indebtedness represented by guarantees by the Company or a Restricted Subsidiary of Indebtedness incurred by the Company or a Restricted Subsidiary so long as the incurrence of such Indebtedness by the Company or any such Restricted Subsidiary is otherwise permitted by the terms of the Indenture;

(14) Indebtedness arising from agreements of the Company or a Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Subsidiary, other than guarantees of

Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and the Subsidiary in connection with such disposition;

(15) Indebtedness of the Company or any of its Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the Notes in full or deposited to defease or discharge the Notes, in each case, in accordance with the Indenture;

(16) Indebtedness of Foreign Restricted Subsidiaries of the Company, the aggregate principal amount of which Indebtedness outstanding at any time in reliance of this clause (16) does not exceed, as to all such Foreign Restricted Subsidiaries, $2.5 million, plus the amount by which the U.S. dollar equivalent of the principal amount of such Indebtedness exceeds $2.5 million as a result of currency fluctuations; and

(17) additional Indebtedness of the Company and its Restricted Subsidiaries in an aggregate principal amount not to exceed $5.0 million at any time outstanding (which amount may, but need not, be incurred in whole or in part under the Credit Agreement).

For purposes of determining compliance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness," (a) the outstanding principal amount of any item of Indebtedness shall be counted only once and (b) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (17) above or is entitled to be incurred pursuant to the Consolidated Fixed Charge Coverage Ratio provisions of such covenant, the Company shall be entitled, in its sole discretion, to classify (or later reclassify) such item of Indebtedness in any manner that complies with this covenant.

"*Permitted Investments*" means:

(1) Investments by the Company or any Restricted Subsidiary of the Company in any Person that is or will become immediately after such Investment a Guarantor or that will merge or consolidate with or into the Company or a Guarantor, or that transfers or conveys all or substantially all of its assets to the Company or a Guarantor;

(2) Investments in the Company by any Restricted Subsidiary of the Company; provided that any Indebtedness evidencing such Investment is unsecured and subordinated, pursuant to a written agreement, to the Company's Obligations under the Notes and the Indenture;

(3) Investments in cash and Cash Equivalents;

(4) Currency Agreements, Commodity Agreements and Interest Swap Obligations, in each case, entered into (a) in the ordinary course of the Company's or its Restricted Subsidiaries' businesses, (b) not for speculative purposes and (c) otherwise in compliance with the Indenture;

(5) Investments in the Notes;

(6) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers in exchange for claims against such trade creditors or customers;

(7) Investments in Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof by the Company or any Domestic Restricted Subsidiary; provided that the aggregate amount of such Investments outstanding at any time in reliance of this clause (7) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed $2.5 million;

(8) Investments in Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof by the Company or any Domestic Restricted Subsidiary; provided that (a) the aggregate amount of such Investments outstanding at any time in reliance of this clause (8) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed 5% of the Consolidated Net Tangible Assets of the Company and its Restricted Subsidiaries, (b) each such Investment is used by each such Foreign Restricted Subsidiary (i) for working capital purposes or (ii) substantially contemporaneous with its receipt thereof to purchase all or substantially all of the assets of, or all of the Capital Stock of, any Person (other than a Restricted Subsidiary of the Company) engaged in a Permitted Business primarily in Canada (including by means of a merger, consolidation or other business combination permitted under the indenture), which Person shall become a Foreign Restricted Subsidiary of the Company in the case of where such purchase is of all of the Capital Stock of such Person and (c) any such Investment made in reliance upon this clause (8) may continue to be maintained notwithstanding that such Investment if made thereafter would not comply with the requirements of this clause (8);

(9) Investments made by the Company or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with the "−Limitation on Asset Sales" covenant;

(10) Investments in existence on the Issue Date;

(11) loans and advances, including advances for travel and moving expenses, to employees, officers, directors of the Company or any Restricted Subsidiary of the Company in the ordinary course of business for bona fide business purposes not in excess of $1.0 million at any one time outstanding;

(12) advances to suppliers and customers in the ordinary course of business;

(13) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms as the Company or such Restricted Subsidiary deems reasonable under the circumstances;

(14) Investments in Foreign Restricted Subsidiaries of the Company by (a) the Company or any Domestic Restricted Subsidiary; provided that the aggregate amount of such Investments outstanding at any time in reliance of this clause (14)(a) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed $2.5 million and (b) any other Foreign Restricted Subsidiary of the Company;

(15) payroll, travel and similar advances to cover matters that are expected at the time of the advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business and consistent with past practice;

(16) Investments consisting of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business and consistent with past practice; and

(17) additional Investments (including Investments in any Foreign Restricted Subsidiary or Foreign Restricted Subsidiaries) in an aggregate amount not to exceed $5.0 million at any time outstanding.

"*Permitted Liens*" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not yet delinquent or (b) contested in good faith by appropriate proceedings and as to which the Company or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law or pursuant to customary reservations or retentions of title incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) any judgment Lien not giving rise to an Event of Default;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(6) any interest or title of a lessor under any Capitalized Lease Obligation permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" provided that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(7) Liens securing Purchase Money Indebtedness permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" provided, however, that (a) the Indebtedness shall not exceed the cost of the property or assets acquired, together, in the case of real property, with the cost of the construction thereof and improvements thereto, and shall not be secured by a Lien on any property or assets of the Company or any Restricted Subsidiary of the Company other than such property or assets so acquired or constructed and improvements thereto and (b) the Lien securing such Indebtedness shall be created within 180 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 180 days of such refinancing;

(8) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(9) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(10) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;

(11) Liens securing Interest Swap Obligations which Interest Swap Obligations relate to Indebtedness that is otherwise permitted under the Indenture;

(12) Liens securing Indebtedness under Currency Agreements and Commodity Agreements, in each case, that are permitted under the Indenture;

(13) Liens securing Acquired Indebtedness incurred in accordance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness;" provided that:

(A) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company; and

(B) such Liens do not extend to or cover any property or assets of the Company or of any of its Restricted Subsidiaries other than the property or assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Company or a Restricted Subsidiary of the Company and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company;

(14) Liens existing as of the Issue Date and securing Indebtedness permitted to be outstanding under clause (3) of the definition of the term "Permitted Indebtedness" to the extent and in the manner such Liens are in effect on the Issue Date;

(15) Liens securing the Notes and all other monetary obligations under the Indenture and the Guarantees;

(16) Liens securing Indebtedness under the Credit Agreement to the extent such Indebtedness is permitted under clause (2) or (17) of the definition of the term "Permitted Indebtedness;" provided, that any such Liens on Priority Collateral are contractually subordinated to the Liens described in clause (15) above pursuant to the Senior Intercreditor Agreement;

(17) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness which has been secured by a Lien permitted under this paragraph and which has been incurred in accordance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness" or clause (1), (3) or (11) of the definition of the term "Permitted Indebtedness;" provided, however, that such Liens: (i) are no less favorable to the Holders and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and (ii) do not extend to or cover any property or assets of the Company or any of its Restricted Subsidiaries not securing the Indebtedness so Refinanced;

(18) Liens incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries securing Obligations (other than Obligations under the Credit Agreement) that do not exceed $2.0 million at any time outstanding;

(19) Liens securing Indebtedness which is contractually subordinated to the Notes and which is incurred in accordance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness" (including Indebtedness constituting Permitted Indebtedness); provided that (i) such Liens are contractually subordinated pursuant to the Subordinated Intercreditor Agreement to the Liens described in clause (15) above and (ii) such Indebtedness is not incurred under the Credit Agreement;

(20) leases or subleases granted to Persons other than the Company or any of its Restricted Subsidiaries in the ordinary course of business, and not materially interfering with the ordinary course of business of the Company or any of its Restricted Subsidiaries;

(21) Liens under licensing agreements entered into in the ordinary course of business by the Company of any of its Restricted Subsidiaries for the use by the Company or any such Restricted Subsidiary of intellectual property;

(22) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business; provided that such Liens do not extend to or cover any property or assets of the Company or any of its Restricted Subsidiaries other than the goods that are the subject of any such conditional sale, title retention, consignment or similar arrangement; and

(23) Liens securing Indebtedness of Foreign Restricted Subsidiaries to the extent such Indebtedness is (i) permitted under clause (12), (16) or (17) of the definition of "Permitted Indebtedness" or (ii) permitted to be incurred under the covenant described under "−Limitation on Incurrence of Additional Indebtedness" (other than as Permitted Indebtedness); provided, however, that no asset of the Company or any Domestic Restricted Subsidiary shall be subject to any such Lien; and

(24) Liens in favor of the Company or any of its Domestic Restricted Subsidiaries.

"*Person*" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*Priority Collateral*" means all Collateral other than "Working Capital Collateral" as defined in the Senior Intercreditor Agreement as in effect on the Issue Date.

"*Public Equity Offering*" means an underwritten public offering of Common Stock of the Company or any holding company of the Company pursuant to a registration statement filed with the SEC (other than on Form S-8).

"*Purchase Money Indebtedness*" means Indebtedness of the Company and its Restricted Subsidiaries incurred for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of property or equipment, provided, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock.

"*Refinance*" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"*Refinancing Indebtedness*" means any Refinancing by the Company or any Restricted Subsidiary of the Company of Indebtedness incurred in accordance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness;" (other than pursuant to Permitted Indebtedness) or clauses (1), (3) or (11) of the definition of Permitted Indebtedness, in each case that does not:

(1) have an aggregate principal amount (or, if such Indebtedness is issued with original issue discount, an aggregate offering price) greater than the sum of (x) the aggregate principal amount of the Indebtedness being Refinanced (or, if such Indebtedness being Refinanced is issued with original issue discount, the aggregate accreted value) as of the date of such proposed Refinancing plus (y) the amount of fees, expenses, premium, defeasance costs and accrued but unpaid interest relating to the Refinancing of such Indebtedness being Refinanced;

(2) create Indebtedness with: (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced; or

(3) affect the security, if any, for such Refinancing Indebtedness (except to the extent that less security is granted to holders of such Refinancing Indebtedness);

If such Indebtedness being Refinanced is subordinate or junior by its terms to the Notes, then such Refinancing Indebtedness shall be subordinate by its terms to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"*Registration Rights Agreement*" means the Registration Rights Agreement, dated as of the Issue Date, between the Company, the Guarantors and the Initial Purchaser, as the same may be amended or modified from time to time in accordance with the terms thereof.

"*Restricted Subsidiary*" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Agreement*" means the Security Agreement, dated as of the Issue Date, made by the Company and the Guarantors in favor of the Collateral Agent, as amended or supplemented from time to time in accordance with its terms.

"*Significant Subsidiary*" with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"*Subsidiary*" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"*Transactions*" has the meaning specified therefor in this prospectus.

"*Unrestricted Subsidiary*" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated, provided that:

(1) the Company certifies to the Trustee that such designation complies with the "−Limitation on Restricted Payments" covenant; and

(2) each Subsidiary to be so designated and each of its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become

directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Company or any of its Restricted Subsidiaries.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, the Company is able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with the covenant described under "Certain Covenants−Limitation on Incurrence of Additional Indebtedness;" and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"*Voting Stock*" means, with respect to any Person, securities of any class or classes of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (1) the then outstanding aggregate principal amount of such Indebtedness into (2) the sum of the total of the products obtained by multiplying:

(A) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by

(B) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly Owned Restricted Subsidiary*" of any Person means any Restricted Subsidiary of such Person of which all the outstanding Capital Stock (other than in the case of a Foreign Restricted Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Restricted Subsidiary of such Person.

BOOK-ENTRY; DELIVERY AND FORM

The Global Notes

The old notes were, and the new notes will be, issued in the form of one or more registered notes in global form, without interest coupons, which we refer to as the global notes.

Upon issuance, each of the global notes will be deposited with the trustee as custodian for The Depository Trust Company and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC, who are called DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the initial purchaser; and

ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to

interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Book-entry procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the initial purchasers is responsible for those operations or procedures.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a "banking organization" within the meaning of the New York State Banking Law;

a member of the Federal Reserve System;

a "clearing corporation" within the meaning of the Uniform Commercial Code; and

a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchaser; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

will not be entitled to have notes represented by the global note registered in their names;

will not receive or be entitled to receive physical, certificated notes; and

will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) interest and Additional Interest, if any, with respect to the notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC of any of its participants or indirect participants relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the global notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. If there is an event of default under the notes, however, DTC reserves the right to exchange the global notes for legended notes in certificated form, and to distribute such notes to its participants.

DTC has agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. The settlement systems, however, are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the trustee will have any responsibility for the performance by DTC or its participants or indirect participants of its actions and practices or their obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

Notes in physical certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 90 days:

DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934 and a successor depositary is not appointed within 90 days:

we, at our option, notify the Trustee that we elect to cause the issuance of certificated notes; or

certain other events provided in the indenture should occur.

In all cases, certificated notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear any applicable restrictive legend, unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated notes may not be exchanged for beneficial interests in any global note unless the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions, if any, applicable to the notes.

Same Day Settlement and Payment

We will make payments in respect of the notes represented by the global notes (including principal, premium, if any, interest and Additional Interest, if any) by wire transfer of immediately available funds to the accounts specified by the holder of global note. We will make all payments of principal, interest and premium, if any, and Additional Interest, if any, with respect to certificated notes by wire transfer of immediately available funds to the accounts specified by the holders of the certificated notes or, if no such account is specified, by mailing a check to each such holder's registered address. We expect that secondary trading in any certificated notes will also be settled in immediately available funds.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

General

This section summarizes the material U.S. federal income tax consequences relating to the exchange offer to the holders of old notes. However, the discussion is limited in the following ways:

The discussion does not purport to deal with all aspects of federal income taxation that may be relevant to your investment in the notes or your decision to exchange the old notes for new notes.

The discussion only covers you if you bought your old notes in the initial offering at their initial offering price.

The discussion only covers you if you hold your old notes as capital assets (that is, for investment purposes), and you are not a person in a special tax situation, such as a financial institution, an insurance company, an expatriate, a regulated investment company, a dealer in securities or currencies, a partnership or other entity treated as a partnership (or other pass-through entity) for federal income tax purposes (or its partners or members), a person holding the old notes as a hedge against currency risks, as a position in a "straddle" or as part of a "hedging" or "conversion" transaction for tax purposes, or a person whose functional currency is not the United States dollar.

The discussion does not cover tax consequences that depend upon your particular tax situation.

The discussion is based on current law. Changes in the law may change the tax treatment of the exchange of notes, and changes in the law can be retroactive.

The discussion does not cover state, local or foreign law.

The discussion does not address alternative minimum tax consequences, if any.

We have not requested a ruling from the Internal Revenue Service, or IRS, on any matter discussed herein. As a result, the IRS could disagree with portions of this discussion and may successfully assert a contrary position.

A "U.S. holder" is:

(1) a citizen or resident of the United States,

(2) a corporation (including an entity treated as a corporation for federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia,

(3) an estate whose income is subject to U.S. federal income tax regardless of its source; or

(4) a trust if a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

Certain trusts not described in clause (4) above in existence on August 20, 1996 that have validly elected to be treated as a U.S. person will also be a U.S. holder for purposes of the following discussion. All references to "holders" (including U.S. holders) are to beneficial owners of the notes.

The term "Non-U.S. holder" refers to a holder of a note who or that is neither a U.S. holder nor a partnership.

If you are considering exchanging notes, we urge you to consult your tax advisor about the particular U.S. federal, state, local and foreign tax consequences of the exchange of old notes for new

notes, the ownership and disposition of the new notes and the application of the U.S. federal income tax laws to your particular situation.

Exchange of Notes

The exchange of notes for identical debt securities registered under the Securities Act will not constitute a taxable exchange. As a result, (1) you will not recognize a taxable gain or loss as a result of exchanging your old notes; (2) the holding period of the new notes you receive will include the holding period of the old notes you exchange; and (3) the adjusted tax basis of the new notes you receive will be the same as the adjusted tax basis of the old notes you exchange determined immediately before the registered exchange.

U.S. Holders

Taxation of Interest.

U.S. holders will be required to recognize as ordinary income any interest paid or accrued on the new notes in accordance with such holder's regular method of accounting for U.S. federal income tax purposes.

Sale, Exchange, Redemption or other Taxable Disposition of Notes.

On the sale, exchange, redemption or other taxable disposition of a note:

You will have taxable gain or loss equal to the difference between the amount received by you (to the extent such amount does not represent accrued but unpaid interest, which will be treated as such) and your adjusted tax basis in the note. Your adjusted tax basis in a new note generally will equal the cost of the old note exchanged by you.

Your gain or loss will be capital gain or loss, and will be long-term capital gain or loss if you held the note for more than one year. Your holding period in the new note will include the holding period that you had in your old note. Capital gains of individuals derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

U.S. Federal Withholding Tax.

Subject to the discussion below concerning backup withholding, no withholding of U.S. federal income tax will be required with respect to the payment of principal or interest on notes owned by you under the "portfolio interest rule," provided that:

you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote within the meaning of section 871(h)(3) of the Internal Revenue Code and the regulations thereunder,

you are not a controlled foreign corporation that is related to us through stock ownership (within the meaning of section 864(d)(4) of the Internal Revenue Code and the regulations thereunder), and

you satisfy the statement requirement (described generally below) set forth in section 871(h) and section 881(c) of the Internal Revenue Code and the regulations thereunder.

To satisfy the requirement referred to in the final bullet above, you, or a financial institution holding the notes on your behalf, must provide, in accordance with specified procedures, our paying agent with a statement to the effect that you are not a U.S. person. Currently, these requirements will

be met if (1) you provide your name and address, and certify, under penalties of perjury, that you are not a U.S. person (which certification may be made on an IRS Form W-8BEN), or (2) a financial institution holding the notes on your behalf certifies, under penalties of perjury, that such statement has been received by it and furnishes a paying agent with a copy thereof. The statement requirement referred to in the final bullet above may also be satisfied with other documentary evidence with respect to a note held in an offshore account or through certain foreign intermediaries.

If you cannot satisfy the requirements of the "portfolio interest rule" described in the bullets above, payments of interest made to you will be subject to a 30% withholding tax unless you provide us or our paying agent, as the case may be, with a properly executed:

- IRS Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty, or

- IRS Form W-8ECI stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

Alternative documentation may be applicable in certain situations such as in the case of non-U.S. governments, partnerships or other or flow-through entities organized under non-U.S. law.

U.S. Federal Income Tax.

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of such trade or business (or, if certain tax treaties apply, is attributable to your U.S. permanent establishment), you, although exempt from the withholding tax discussed above (provided the certification requirements described above are satisfied), will be subject to U.S. federal income tax on such interest on a net income basis in the same manner as if you were a U.S. Holder. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) of such amount, subject to adjustments.

Sale, Exchange, Redemption or other Taxable Disposition of Notes.

You generally will not be subject to U.S. federal withholding tax on gain realized on the sale, exchange, redemption or other taxable disposition of a note (except with respect to any amount representing accrued but unpaid interest, which would be subject to the rules described above). Such gain generally will also not be subject to U.S. federal income tax, unless:

- you are an individual present in the U.S. for 183 days or more in the year of such sale, exchange or redemption and either (A) you have a "tax home" in the U.S. and certain other requirements are met, or (B) the gain from the disposition is attributable to your office or other fixed place of business in the U.S.;

- the gain is effectively connected with your conduct of a trade or business in the U.S.; or

- you are subject to provisions in the Internal Revenue Code applicable to certain U.S. expatriates.

Backup Withholding and Reporting Information

U.S. Holders.

In general, information reporting requirements will apply to payments of interest made on, or the proceeds of the sale or other disposition of, the new notes with respect to certain non-corporate U.S. holders, and backup withholding may apply unless the recipient of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information or

otherwise establishes an exemption from backup withholding. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

Non-U.S. Holders.

Backup withholding and information reporting on Form 1099 will not apply to payments of principal and interest on the new notes to a non-U.S. holder unless the non-U.S. holder provides an IRS Form W-8BEN (or other applicable form) to avoid backup withholding and information reporting. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that non-U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

PLAN OF DISTRIBUTION

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where the old notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the effective date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2005 (90 days after the date of this prospectus), all dealers effecting transactions in the new notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the new notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market price or negotiated prices. Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any of the new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of the new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any resale of new notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the effective date, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the old notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the old notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters with respect to the validity of the new notes and new guarantees offered by this prospectus will be passed upon for us by Dechert LLP, New York, New York, Kantrow Spaht Weaver and Blitzer (APLC), Baton Rouge, Louisiana and Schreck Brignone, Las Vegas, Nevada.

EXPERTS

The financial statements included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-4 under the Securities Act, covering the notes to be issued in the exchange offer (Registration No. 333-). This prospectus, which is a part of the registration statement, does not contain all of the information included in the registration statement. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is not necessarily complete. For further information regarding our company and the notes to be issued in the exchange offer, please refer to the registration statement, including its exhibits. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the documents or matter involved.

As a result of the exchange offer, we will become subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended. You may read and copy any reports or other information filed by us at the SEC's public reference room at 450 Fifth Street, N.W., Washington, DC 20549. Copies of this material can be obtained from the Public Reference Section of the SEC upon payment of fees prescribed by the SEC. You may call the SEC at 800-SEC-0350 for further information on the operation of the public reference room. Our filings will also be available to the public from commercial document retrieval services and at the SEC Web site at "www.sec.gov." In addition, you may request a copy of any of these filings, at no cost, by writing or telephoning us at the following address or phone number Edgen Corporation, 18444 Highland Road, Baton Rouge, LA 70809, Attn: David Laxton, Chief Financial Officer; (225) 756-9868.

If for any reason we are not required to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended, we are still required under the terms of the indenture, so long as any notes are outstanding, to furnish to the trustee and the holders of notes (1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K, if we were required to file such Forms, including a "Management's Discussion and Analysis of Financial Conditions and Results of Operations" that describes our financial condition and results of operations and our consolidated subsidiaries and, with respect to the annual information only, a report thereon by our certified independent accountants and (2) all current reports that would be required to be filed with the SEC on Form 8-K if we were required to file such reports. In addition, whether or not required by the rules and regulations of the SEC, we will file a copy of all such information and reports with the SEC for public availability (unless the SEC will not accept such a filing) and make such information available to the holders upon request. In addition, we have agreed that, for so long as any notes remain outstanding, we will furnish to the holders, upon their request, information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Edgen Corporation
Baton Rouge, Louisiana

We have audited the accompanying consolidated balance sheets of Edgen Corporation and subsidiaries as of December 31, 2004 and 2003 and the related consolidated statements of operations, shareholders' deficit, and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Edgen Corporation and subsidiaries at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

New Orleans, Louisiana
April 18, 2005

EDGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2004 and 2003

	2004	2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 134,299	$ 3,124,606
Accounts receivable−net of allowance for doubtful accounts of $658,675 and $1,369,954	31,750,990	21,176,965
Inventory	57,960,261	53,473,849
Income tax receivable	2,601,312	2,786,814
Prepaid expenses and other current assets	1,049,274	2,000,755
Deferred tax asset	9,280,850	4,637,484
Total current assets	102,776,986	87,200,473
PROPERTY, PLANT AND EQUIPMENT−net	10,422,777	11,668,139
GOODWILL AND OTHER INTANGIBLES	6,518,093	6,536,008
DEFERRED FINANCING COSTS	35,272	155,337
TOTAL	$ 119,753,128	$ 105,559,957
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Managed cash overdrafts	$ 1,361,404	$ 4,273,205
Accounts payable	19,017,837	19,115,127
Accrued expenses and other current liabilities	6,375,597	2,191,908
Current portion of long-term debt	7,229,553	7,987,006
Total current liabilities	33,984,391	33,567,246
DEFERRED TAX LIABILITY	890,980	621,911
LONG-TERM DEBT	40,653,230	42,985,658
Total liabilities	75,528,601	77,174,815
Mandatorily redeemable preferred stock, $.01 par value, 372,644 shares authorized and designated; 367,644 shares plus accrued dividends issued and outstanding, Series A	51,978,809	49,918,086
Mandatorily redeemable preferred stock, $.01 par value, 10,000 shares authorized, issued, and outstanding, Series B	4,000,000	4,000,000
Total mandatorily redeemable preferred stock	55,978,809	53,918,086
COMMITMENTS AND CONTINGENCIES	–	–

SHAREHOLDERS' DEFICIT:		
Common stock−Class A, $.01 par value, 6,000,000 shares authorized; 4,307,880 shares issued and outstanding	43,079	43,079
Common stock−Class B, $.01 par value, 505,512 shares authorized, issued, and outstanding	5,055	5,055
Paid-in capital	22,578,191	22,578,191
Notes receivable from shareholders	–	(1,089,082)
Accumulated deficit	(31,742,997)	(45,746,138)
Less treasury stock 570,300 and 320,487 shares−at cost at December 31, 2004 and 2003	(2,637,610)	(1,324,049)
Total shareholders' deficit	(11,754,282)	(25,532,944)
TOTAL	$ 119,753,128	$ 105,559,957

See accompanying notes to consolidated financial statements.

EDGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31, 2004, 2003 and 2002

	2004	2003	2002
SALES	$ 207,820,561	$ 147,025,113	$ 212,311,669
COST OF SALES	155,357,167	121,145,944	168,367,646
Gross profit	52,463,394	25,879,169	43,944,023
OPERATING EXPENSES:			
Yard and shop expense	4,592,408	4,013,223	4,595,688
Selling, general, and administrative expense	27,416,048	25,581,987	23,055,408
Depreciation and amortization expense	2,399,569	2,000,512	1,671,975
Total operating expenses	34,408,025	31,595,722	29,323,071
INCOME (LOSS) FROM OPERATIONS	18,055,369	(5,716,553)	14,620,952
OTHER INCOME (EXPENSE):			
Other income	105,752	173,397	54,261
Interest expense	(5,162,981)	(3,122,067)	(3,102,071)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	12,998,140	(8,665,223)	11,573,142
INCOME TAX EXPENSE (BENEFIT)	(3,210,865)	(4,194,627)	1,384,520
INCOME (LOSS) FROM CONTINUING OPERATIONS	16,209,005	(4,470,596)	10,188,622
DISCONTINUED OPERATIONS:			
Loss from discontinued operations before income taxes	–	(347,866)	(4,469,438)
Income tax benefit	–	159,124	1,759,967
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	16,209,005	(4,659,338)	7,479,151
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	–	–	(39,414,019)
NET INCOME (LOSS)	16,209,005	(4,659,338)	(31,934,868)
PREFERRED DIVIDEND REQUIREMENT	(2,205,864)	(2,211,864)	(2,235,864)
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	$ 14,003,141	$ (6,871,202)	$ (34,170,732)

See accompanying notes to consolidated financial statements.

EDGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

Years Ended December 31, 2004, 2003 and 2002

	Class A Common Stock	Class B Common Stock	Paid-In Capital	Notes Receivable from Shareholders	Retained Earnings (Deficit)	Treasury Stock	Total
BALANCE–January 1, 2002	$ 43,079	$ 5,055	$ 22,578,191	$ (2,117,735)	$ (4,704,204)	$ (156,300)	$ 15,648,086
Preferred dividend requirement	–	–	–	–	(2,235,864)	–	(2,235,864)
Net loss	–	–	–	–	(31,934,868)	–	(31,934,868)
BALANCE–December 31, 2002	43,079	5,055	22,578,191	(2,117,735)	(38,874,936)	(156,300)	(18,522,646)
Payment of Shareholder Notes	–	–	–	1,028,653	–	–	1,028,653
Purchase of Class A Common	–	–	–	–	–	(1,167,749)	(1,167,749)
Preferred dividend requirement	–	–	–	–	(2,211,864)	–	(2,211,864)
Net loss	–	–	–	–	(4,659,338)	–	(4,659,338)
BALANCE–December 31, 2003	43,079	5,055	22,578,191	(1,089,082)	(45,746,138)	(1,324,049)	(25,532,944)
Payment of Shareholder Notes	–	–	–	1,089,082	–	–	1,089,082
Net income	–	–	–	–	16,209,005	–	16,209,005
Repurchase of Class A Common Stock	–	–	–	–	–	(1,313,561)	(1,313,561)
Preferred dividend requirement	–	–	–	–	(2,205,864)	–	(2,205,864)
BALANCE–December 31, 2004	$ 43,079	$ 5,055	$ 22,578,191	$ –	$ (31,742,997)	$ (2,637,610)	$ (11,754,282)

See accompanying notes to consolidated financial statements

EDGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2004, 2003 and 2002

	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss) from continuing operations	$ 16,209,005	$ (4,470,596)	$ 10,188,622
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	2,399,569	2,000,512	1,822,877
Amortization of deferred financing costs	1,519,002	160,226	98,146
Provision for doubtful accounts	352,701	868,787	501,167
Deferred income tax benefit	(4,374,297)	(1,561,885)	(2,770,672)
Gain on redemption of Preferred and Common Stock	–	(81,973)	–
Gain on sale of property, plant and equipment	(333)	(32,675)	(476,166)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(10,926,726)	7,864,754	9,764,197
(Increase) decrease in inventories	(4,486,412)	10,210,604	(4,819,922)
Decrease (increase) in prepaid expenses and other current assets	951,480	(16,405)	(10,271)
(Decrease) increase in accounts payable	(97,290)	11,543,201	(11,949,325)
Increase (decrease) in accrued liabilities and other expenses	4,216,373	(1,965,637)	(1,301,899)
Decrease in income tax payable	–	(1,631,080)	(60,954)
Decrease in income tax receivable	185,502	–	–
Increase in deferred financing costs	(1,431,623)	–	(273,102)
Increase in intangibles	(100,000)	(44,189)	(445,950)
Net cash provided by operating activities from continuing operations	4,416,951	22,843,644	266,748
Net cash provided by (used in) operating activities from discontinued operations	–	1,894,655	(2,310,136)
Net cash provided by (used in) operating activities	4,416,951	24,738,299	(2,043,388)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of SISCO–net of cash acquired	–	(500,000)	(9,143,373)
Purchase of ProMetals, Inc.–net of cash acquired	–	(400,000)	–
Purchase of property, plant and equipment	(1,111,757)	(2,498,838)	(2,369,325)
Proceeds from the sale of capital assets	75,800	–	1,323,886
Net cash used in investing activities from continuing operations	(1,035,957)	(3,398,838)	(10,188,812)
Net cash provided by (used in) investing activities from discontinued operations	–	283,772	(25,533)
Net cash used in investing activities	(1,035,957)	(3,115,066)	(10,214,345)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payments on notes payable and long-term debt	(6,225,056)	(577,072)	(4,553,308)
Proceeds from issuance of long-term debt	1,500,000	6,065,705	4,940,000
Proceeds from issuance of preferred stock	–	–	4,000,000
Proceeds from debt issuance–net of payments under revolving credit agreement	1,635,175	(19,722,267)	5,555,498
Purchase of common stock for treasury	(1,313,561)	(1,167,749)	–
Proceeds from repayment of shareholder notes	1,089,083	1,028,653	–
Redemption of preferred stock	(145,141)	(464,627)	–

(Decrease) increase in managed cash overdraft	(2,911,801)	(3,661,270)	1,732,361
Net cash (used in) provided by financing activities from continuing operations	(6,371,301)	(18,498,627)	11,674,551
Net cash provided by financing activities from discontinued operations	–	–	–
Net cash (used in) provided by financing activities	(6,371,301)	(18,498,627)	11,674,551
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,990,307)	3,124,606	(583,182)
CASH AND CASH EQUIVALENTS (Beginning of year)	3,124,606	–	583,182
CASH AND CASH EQUIVALENTS (End of year)	$ 134,299	$ 3,124,606	$ –
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	$ 2,553,693	$ 3,090,045	$ 3,674,268
Income taxes	$ 1,327,110	$ 338,082	$ 2,732,681

See accompanying notes to consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business–Edgen Corporation ("*Edgen*" or the "*Company*"), formerly TPS Holdings, Inc. a Nevada corporation, was formed on November 30, 2000. Through its wholly owned subsidiaries, Edgen Alloy Products Group, L.L.C. ("*Edgen Alloy*"), Edgen Carbon Products Group, L.L.C. ("*Edgen Carbon*"), and Edgen Canada Inc. ("*Edgen Canada*"), Edgen distributes and sells prime carbon steel pipe, alloy grade pipe, fittings and flanges, and provides services for the applications of such pipe and steel products. The Company has no assets or operations independent of its wholly owned subsidiaries.

On February 1, 2005 Edgen Acquisition Corporation, a corporation newly formed by Jefferies Capital Partners and certain members of Edgen management, purchased all of the outstanding capital stock of Edgen from its existing stockholders for an aggregate purchase price of approximately $124.0 million, which included the assumption or repayment of indebtedness of Edgen but excluded the payment of fees and expenses. The acquisition was funded with proceeds to Edgen Acquisition Corporation from the issuance and sale of $105 million aggregate principal amount of $9^{7}/_{8}$% senior secured notes due 2011 and from an equity investment from funds managed by Jefferies Capital Partners and certain members of Edgen management. Concurrently with the purchase, Edgen entered into a new $20 million senior secured revolving credit facility.

Simultaneously with the acquisition and the related financing transactions, Edgen Acquisition Corporation was merged with and into Edgen, which survived the merger and became liable for all obligations under the notes and the borrowings under the revolving credit facility.

Payment obligations under the notes are guaranteed by all of the Company's domestic subsidiaries. In addition, the notes and the related guarantees are secured by a lien on substantially all of the Company's assets and the assets of its domestic subsidiaries (other than certain excluded assets such as the Company's and its existing and future subsidiaries' leasehold interests and the capital stock of the Company's existing and future subsidiaries), subject to certain permitted liens and other limitations. Under an intercreditor agreement, the security interest in those assets consisting of inventory, accounts receivable, lockboxes, deposit accounts, securities accounts and financial assets credited thereto, and certain related assets that secure the notes and the guarantees are subordinated to a lien thereon that secures the Company's new revolving credit facility.

The Company has no assets or operations independent of our direct and indirect subsidiaries. All of the Company's domestic subsidiaries jointly and severally, and fully and unconditionally, guarantee the notes, and the Company's management has determined that Edgen Canada, the only subsidiary that is not a guarantor of the notes, is a "minor" subsidiary as that term is used in Rule 3-10 of Regulation S-X promulgated by the Securities and Exchange Commission. There are no significant restrictions on the Company's ability and the ability of the subsidiary guarantors to obtain funds from the Company's and the subsidiary guarantors' respective subsidiaries by dividend or loan. Consequently, separate financial statements have not been presented for the Company's subsidiaries because management has determined that they would not be material to investors.

Basis of Presentation–The consolidated financial statements and notes are presented in accordance with accounting principles generally accepted in the United States of America ("*generally accepted accounting principles*"). The consolidated financial statements include the accounts of Edgen and its wholly owned subsidiaries. All intercompany transactions are eliminated in consolidation.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates–The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents–The Company considers all highly-liquid investments with a maturity of one year or less at the time of purchase to be cash equivalents.

Inventory–Inventory consists primarily of prime carbon steel pipe, alloy grade pipe, fittings and flanges. Inventory is stated at the lower of cost or market. Cost is determined by the average cost method.

Property, Plant and Equipment–Property, plant and equipment are recorded at cost. Depreciation of property, plant and equipment is provided for financial reporting purposes on the straight-line method over the estimated useful lives of the individual assets, which range from 2 to 39 years. For income tax purposes, accelerated methods of depreciation are used. Ordinary maintenance and repairs which do not extend the physical or economic lives of the plant or equipment, are charged to expense as incurred. Management reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses are recognized based on the excess of the asset's carrying amount over its fair value.

Intangible Assets–Intangible assets consist primarily of the excess of cost over net assets of acquired businesses (goodwill), and noncompete agreements. Identifiable intangible assets with finite useful lives are amortized to expense over the estimated useful life of the asset. Identifiable intangible assets with an indefinite useful life, including goodwill, are evaluated, at least annually, for impairment by comparison with their carrying amounts with the fair value of the individual assets.

Deferred Financing Costs–Deferred financing costs are charged to operations as additional interest expense over the life of the underlying indebtedness using the interest method. Deferred financing costs charged to operations as interest during the years ended December 31, 2004, 2003 and 2002 were $1,519,002, $160,226, and $98,146 respectively.

Income Taxes–Income taxes are provided using the liability method in accordance with SFAS No. 109, Accounting for Income Taxes. Under this method, deferred income taxes are recorded based upon differences between the financial reporting and income tax basis of assets and liabilities and are measured using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse.

Revenue Recognition–Revenue is recognized on products sales when products are shipped and the customer takes title and assumes risk of loss. Shipping and handling costs incurred are included as a component of cost of goods sold.

Stock-Based Compensation–The Company accounts for its stock-based employee compensation plan using the intrinsic value-based method of accounting, as permitted, and discloses, if material, pro forma information as if accounted for using the fair value-based method as prescribed by accounting principles. Because the exercise price of the Company's employee stock options equals the market price

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of the underlying stock on the date of grant, no compensation expense is recognized on options granted.

If compensation cost for the Company's cost based compensation plan had been determined on the fair value method at the grant dates for awards, there would have been no material impact on the Company's reported net income or earnings per share. The fair value of options was estimated using a Black-Scholes option pricing model. Because employee stock options have differing characteristics and changes in the subjective input assumptions can materially affect the fair value estimate, the Black-Scholes valuation model does not necessarily provide a reliable measure of the fair value of employee options.

The Financial Accounting Standards Board ("*FASB*") has issued FASB Statement No. 123(R), *Share-Based Payment* (the "*Statement*"), that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. The Statement eliminates the ability to account for share-based compensation transactions using the intrinsic value-based method of accounting, and generally requires instead that such transactions be accounted for using a fair-value based method. The Statement permits use of option pricing models other than the Black-Scholes option pricing model. Management has not determined the impact of the Statement on the Company's Consolidated Financial Statements.

Fair Values of Financial Instruments−Fair values of cash and cash equivalents and the current portion of long-term debt approximate cost due to the short period of time to maturity. Fair values of long-term debt, which have been determined based on borrowing rates currently available to the Company, or to other companies with comparable credit ratings, for loans with similar terms or maturity, approximate the carrying amounts in the consolidated financial statements.

Recent Accounting Pronouncements−From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("*FASB*") which are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes the impact of recently issued standards which are not yet effective will not have a material impact on the company's consolidated financial statements upon adoption.

Reclassifications−Certain reclassifications have been made to prior year amounts to conform to current period presentation. All reclassifications have been applied consistently for the periods presented.

Statement of Cash Flows−Management has concluded that certain prior year balances in the consolidated statements of cash flows should be reclassified to appropriately present net cash provided by (used in) discontinued operations. The Company's previous policy was to classify all the cash flow effects of discontinued operations as one line item in the consolidated statements of cash flows. The Company has changed its policy to present net cash provided by (used in) discontinued operations for

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

operating activities, investing activities and financing activities. The following table shows the effects on this reclassification on prior years, consistent with the 2004 presentation.

	Years Ended December 31,	
	2003	2002
Net cash provided by operating activities as previously reported	$ 22,843,644	$ 266,748
Reclassification	1,894,655	(2,310,136)
Revised net cash provided by (used in) operating activities	$ 24,738,299	$ (2,043,388)
Net cash used in investing activities as previously reported	$ (3,398,838)	$ (10,188,812)
Reclassification	283,772	(25,533)
Revised net cash used in investing activities	$ (3,115,066)	$ (10,214,345)
Net cash (used in) provided by financing activities as previously reported	$ (18,498,627)	$ 11,674,551
Reclassification	–	–
Revised net cash (used in) provided by financing activities	$ (18,498,627)	$ 11,674,551

2. ACQUISITIONS

On April 3, 2002, Edgen completed its acquisition of Energy Solutions Professionals, Inc. ("*ESP*") and its wholly-owned subsidiary SISCO. Immediately subsequent to the acquisition, ESP was merged into SISCO in a tax-free exchange. SISCO is a distributor of high yield fittings and flanges used primarily in natural gas transmission lines. SISCO sells its products from one location in Houston, Texas. The acquisition was recorded under the purchase method of accounting and included the purchase of all of the capital stock of SISCO for $9,380,124, which includes the costs of acquisition. The purchase price and goodwill were subsequently increased by $500,000 due to the achievement of certain operating performance benchmarks in the twelve months following the date of acquisition. The acquisition was funded from working capital. The purchase price has been allocated to the assets acquired and the liabilities assumed and was based on the estimated fair value at the date of

2. ACQUISITIONS (Continued)

acquisition. The balance of $6,059,343 was recorded as goodwill. The estimated fair value of the assets acquired and the liabilities assumed relating to the acquisition is summarized below.

Current assets, including cash	$ 7,671,257
Property, plant and equipment	606,630
Other intangibles	136,810
Goodwill	6,059,343
	$ 14,474,040
Current liabilities	$ 4,474,223
Long-term liabilities	119,693
	$ 4,593,916

The operating results of SISCO have been included in the consolidated statements of operations from the date of acquisition.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2004 and 2003 consisted of the following:

	2004	2003
Land and land improvements	$ 5,903,748	$ 5,898,748
Building	908,148	848,285
Equipment and computers	16,250,332	15,497,445
Leasehold improvements	2,255,968	2,037,762
	25,318,196	24,282,240
Less accumulated depreciation	(14,895,419)	(12,614,101)
Property, plant and equipment–net	$ 10,422,777	$ 11,668,139

Substantially all of the Company's property, plant and equipment serves as collateral for the Company's credit arrangements and long-term debt (See Note 6.)

4. INTANGIBLE ASSETS

Intangible assets consists of the following:

	2004	2003
Non-compete agreements	$ 45,000	$ 62,915
Other	13,750	13,750
	$ 58,750	$ 76,665

Amortization expense was $117,917, $154,167, and $218,334 years ended December 31, 2004, 2003, and 2002 respectively. Accumulated amortization of intangible assets at December 31, 2004, 2003, and 2002 was $205,000, $157,083, and $252,917 respectively.

5. GOODWILL

Effective January 1, 2002, the Company adopted SFAS No. 142, Goodwill and Other Intangible Assets, which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, all goodwill amortization ceased effective January 1, 2002. As a result, $5,559,343 of goodwill at December 31, 2002 is not subject to amortization. In addition, another $900,000 of goodwill was recorded during 2003 to reflect the payment of certain earnout provisions in the acquisition agreements of ProMetals and SISCO and is also not subject to amortization. Under SFAS No. 142, an impairment test is required to be performed upon adoption and at least annually thereafter. The impairment test is the result of adopting a fair value approach to testing goodwill as compared to the previous method utilized in which evaluations of goodwill impairment were made using the estimated future undiscounted cash flows compared to the carrying amount. Material amounts of recorded goodwill attributable to each of the Company's reporting units were tested on January 1, 2004, 2003, and 2002 for impairment by comparing the fair value of each reporting unit with its carrying value. Fair value was determined using discounted cash flows, and guideline company multiples. Significant estimates used in the methodologies include estimates of future cash flows, future short-term and long-term growth rates, weighted average cost of capital and guideline company multiples for each of the reportable units. On an ongoing basis (absent any impairment indicators), the Company expects to perform its impairment tests during the first quarter.

Based on the impairment test, the Company recognized no charge in 2004 and 2003, and a charge of $39,414,019 in 2002 to reduce the carrying values of goodwill of the reporting units to its implied fair values. Under SFAS No. 142, the impairment adjustment recognized at adoption of the new rules was reflected as a cumulative effect of change in accounting principle in the 2002 statement of operations.

The carrying amount of goodwill attributable to each reportable segment with goodwill balance and charges therein follows:

	December 31, 2002	Impairment Adjustment	ProMetal Acquisition	Sisco Acquisition	December 31, 2003
Edgen Alloy	$ –	$ –	$ 400,000	$ –	$ 400,000
Edgen Carbon	5,559,343	–	–	500,000	6,059,343
Totals	$ 5,559,343	$ –	$ 400,000	$ 500,000	$ 6,459,343

	December 31, 2001	Initial Impairment Adjustment	Sisco Acquisition	December 31, 2002
Edgen Alloy	$ 18,379,227	$ 18,379,227	$ –	$ –
Edgen Carbon	21,034,792	21,034,792	5,559,343	5,559,343
Totals	$ 39,414,019	$ 39,414,019	$ 5,559,343	$ 5,559,343

There were no changes in the carrying amount of goodwill from December 31, 2003 to December 31, 2004.

6. CREDIT ARRANGEMENTS AND LONG-TERM DEBT

Credit arrangement and long-term debt consisted of the following at December 31, 2004 and 2003:

	2004	2003
Revolving credit loans; interest due monthly at a base rate of LIBOR plus 300 basis points (5.4%, 6% at December 31, 2004 and 2003, respectively), through maturity in February 2008; secured by a lien on the assets of Edgen Alloy and Edgen Carbon	$ 39,608,998	$ 37,973,823
Term loan, quarterly principal payments beginning June 30, 2004, including interest at the base rate of LIBOR plus 300 basis points (5.4% at December 31, 2004) through maturity in February 2008; secured by a lien on the assets of Edgen Alloy and Edgen Carbon	1,275,000	–
Unsecured Convertible Term Note to a shareholder; due August 24, 2004, including interest accrued at a rate of 7.0%	–	1,500,000
Unsecured Convertible Term Notes to shareholders; due November 7, 2004, including interest accrued at a rate of 7.0%	–	2,776,500
Unsecured Convertible Term Note to a shareholder; due January 6, 2005, including interest accrued at a rate of 7.0%	–	723,500
Demand note; monthly interest payments at LIBOR plus 10 basis points per annum (2.43% and 1.25% at December 31, 2004 and 2003, respectively), commencing October 1, 2002 through maturity to September 2005, payable to Amsouth Bank	4,490,000	4,720,000
Convertible term notes; interest due at maturity at 12% per annum, commencing October 25, 2000 through maturity in October 2005	2,041,644	2,041,644
Various notes and capital leases to a corporation; monthly payments range from $1,222 to $18,815; including interest ranging from 5.9% to 7.9% per annum, commencing April 2000 through maturity in June 2006; secured by equipment	317,141	837,197
Unsecured subordinated promissory note to a corporation; annual payments of $150,000, including interest at 5.0% per annum, commencing March 31, 2004 through maturity in March 31, 2005	150,000	300,000
Unsecured subordinated promissory note to a corporation; annual payments of $100,000, including interest at 9% per annum, commencing March 31, 2002 through maturity in March 2004	–	100,000
Total	47,882,783	50,972,664
Less current portion	(7,229,553)	(7,987,006)
Long-term debt	$ 40,653,230	$ 42,985,658

6. CREDIT ARRANGEMENTS AND LONG-TERM DEBT (Continued)

The Company's borrowing capacity under its revolving loan agreement totaled $55.5 million (subject to borrowing limitations under the revolving credit agreement) at December 31, 2004. Under the revolving credit agreement, interest is payable at market rates plus applicable margins.

On February 27, 2004, the Company replaced its existing $55 million revolving credit agreement which was scheduled to mature on April 9, 2004, with a new $55.5 million revolving credit agreement (the "new credit agreement"), subject to borrowing limitations, which matures February 27, 2008. In accordance with the new credit agreement, the Company can convert any base loan to a eurodollar loan on any business day, provided no event of default has occurred. Each conversion into or conversion of a eurodollar loan shall be in minimum amounts of $1 million. The eurodollar loans will bear interest at an adjusted London Interbank Offered Rate. As of December 31, 2004, none of the loan had been converted to a eurodollar loan. The Company must pay a monthly facility fee of $^{1}/_{2}$ of 1 percent per annum on the unused portion of the maximum revolving amount. The new credit agreement contains financial and other covenants, including limitations on dividends and maintenance of certain financial ratios. Specifically, the Company is prohibited from paying any dividends without the prior permission of the lender. See Note 16 related to the Company's issuance of senior secured notes and the replacement of the new credit facility with a new senior secured revolving credit facility subsequent to December 31, 2004. Scheduled annual maturities for the years after December 31, 2004 are as follows:

2005	$	7,229,553
2006		369,232
2007		300,000
2008		39,983,998
Thereafter		–
Total	$	47,882,783

7. MANDATORILY REDEEMABLE PREFERRED STOCK

Holders of the Series A Cumulative Redeemable, $0.01 par value, Preferred Stock are entitled to receive cash dividends at the rate of $6.00 per annum per share. Outstanding shares of Preferred Stock are mandatorily redeemable by the Company upon the occurrence of certain events including a public offering, the sale of substantially all the assets of the company or a change in control, at a price of $100.00 per share, plus accrued and unpaid dividends. The Preferred Stock is also subject to optional redemption at the discretion of the Board of Directors at a price of $100.00 per share, plus accrued and unpaid dividends.

Holders of the Series B Redeemable, $0.01 par value, Preferred Stock, with respect to rights of liquidation, winding up and dissolution, rank junior to the Series A Cumulative Redeemable Preferred Stock, but senior to all other Edgen equity securities. The holders of the Series B Redeemable Preferred Stock are not entitled to receive cash dividends. The outstanding shares of Series B Redeemable Preferred Stock are mandatorily redeemable similarly to the Series A Preferred Stock except that the redemption price is $400 per share plus a "return" amount up to an additional $400 per share.

7. MANDATORILY REDEEMABLE PREFERRED STOCK (Continued)

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.* This statement establishes standards classifying and measuring certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires a mandatorily redeemable financial instrument to be classified as a liability unless the redemption is required to occur only upon the liquidation or termination of the reporting entity. A financial instrument that embodies a conditional obligation to redeem the instrument by transferring assets upon an event not certain to occur becomes mandatorily redeemable and, therefore becomes a liability, if that event occurs or the event becomes certain to occur. Because the events indicated in the preceding paragraph which would cause the Company's preferred stock to be mandatorily redeemable have not occurred the preferred stock is classified as mezzanine equity in the consolidated balance sheets at December 31, 2004 and 2003. As discussed in Note 16, the Company's shareholders signed a definitive stock purchase agreement on December 31, 2004. On February 1, 2005, the conditions for closing were satisfied. Had the conditions for closing been satisfied as of December 31, 2004, the Company would have been required to classify its preferred stock as a liability. The liability would be measured initially at fair value.

8. SHAREHOLDERS' EQUITY

Common Stock–The Class B Common Stock is identical to Class A Common Stock, except that the Class B Common Stock is non-voting. The Class B Common Stock is exchangeable at any time at the option of the holder thereof, pursuant to terms of a certain agreement between such holder and Edgen, into shares of Class A Common Stock on a one-for-one basis.

Shareholder Loans–Through December 31, 2003 and pursuant to a Management Stock Purchase Agreement, certain officers, directors and managers of Edgen purchased 556,033 shares of Class A Common Stock and 7,570 shares of Preferred Stock in exchange for cash and promissory notes. The notes were secured by certain of the shares of Preferred Stock and all of the shares of Class A Common Stock. The notes were scheduled to mature from December 31, 2004 through December 15, 2007 and bore interest at rates of 3.5% to 6% per annum. All of the outstanding notes were paid in 2004 in conjunction with the buy back of the related outstanding shares by the Company. The notes receivable from officers, directors and managers at December 31, 2003 and 2002 was $1,089,082 and $2,117,735, respectively. The notes are shown as a reduction to Shareholders' Equity.

Stock Options–In December 1998, the stockholders of the Company approved a stock option plan (the "*Plan*") to provide stock options as incentives and rewards for employees of the Company. A maximum of 500,000 Class A Common Shares of Company stock can be granted.

The exercise price is the fair market value of the shares at the date of grant and the options vest ratably over a five year period. The Plan expires December 2009. At December 31, 2004, 2003, and 2002, 113,283, 113,283, and 204,769 options were outstanding and unexercised.

8. SHAREHOLDERS' EQUITY (Continued)

A summary of changes in outstanding options is as follows:

	December 31,					
	2004		2003		2002	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Shares under option−beginning of year	113,283	$ 6.53	204,769	$ 7.50	194,769	$ 7.50
Shares granted	−		20,000	$ 2.00	10,000	$ 7.50
Shares forfeited	−		(111,486)	$ 7.50	−	
Shares exercised	−		−		−	
Shares under option−end of period	113,283	$ 6.53	113,283	$ 6.53	204,769	$ 7.50
Shares exercisable−end of period	68,627		68,627		113,362	
Remaining authorized shares under approved plan−end of year	386,717		386,717		295,231	

The following table presents information relating to the Company's stock options outstanding at December 31, 2004 (share data in thousands):

		Options Outstanding		Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Years	Number Exercisable	Weighted-Average Exercise Price
$2.00−$7.50	113,283	$ 6.53	4.95	68,627	$ 7.50

9. INCOME TAXES

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax

9. INCOME TAXES (Continued)

purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2004 and 2003 are as follows:

	December 31,	
	2004	2003
Deferred tax assets:		
Deferred compensation	$ 208,066	$ 367,404
Inventory	750,647	731,608
Bad debt allowance	235,397	505,516
Net operating loss carryforward	791,889	2,867,277
Goodwill impairment	7,118,731	8,013,997
Other	176,120	165,679
Depreciation	–	–
Total deferred tax assets	9,280,850	12,651,481
Deferred tax liabilities:		
Depreciation	782,000	616,193
Other	107,651	–
Cash discounts earned	1,329	5,718
Total deferred tax liabilities	890,980	621,911
Net deferred tax asset before valuation	8,389,870	12,029,570
Valuation–goodwill impairment	–	(8,013,997)
Net deferred tax asset	$ 8,389,870	$ 4,015,573

Components of income tax expense (benefit) are as follows:

	Years Ended December 31,	
	2004	2003
Current	$ 1,163,432	$ (2,791,866)
Deferred	(4,374,297)	(1,561,885)
	$ (3,210,865)	$ (4,353,751)

As of December 31, 2003, a valuation allowance was recorded against the deferred tax asset because management believed that the deferred tax assets related to the goodwill impairment (see Note 5) would not more than likely be realized in full through future operating

results and the reversal of taxable timing differences. Based on operating results for fiscal 2004 and projected operating results for fiscal 2005 and 2006, management believes that a valuation allowance is no longer required and the valuation allowance was reversed as of December 31, 2004. This resulted in an increase in the deferred tax asset as of December 31, 2004 and a corresponding decrease in income tax expense for the year then ended of $7.1 million.

9. INCOME TAXES (Continued)

For state income tax purposes, the Company has net operating loss carryforwards ("NOLs") of approximately $17,597,523 available to reduce future state taxable income. These NOLs expire in varying amounts beginning in 2013 through 2018.

The total provision for income taxes varied from the U.S. federal statutory rate due to the following:

	Year Ended December 31,		
	2004	2003	2002
Federal income tax expense (benefit) at statutory rate	$ 4,419,368	$ (3,064,450)	$ (10,985,507)
State income taxes net of federal income tax benefit	389,944	(270,393)	(969,309)
Increase (decrease) in valuation allowance	(8,014,009)	(872,771)	8,886,780
Non-deductible goodwill	–	–	2,633,259
Non-deductible expenses and other	(6,168)	(146,137)	59,330
Total provision for income taxes	$ (3,210,865)	$ (4,353,751)	$ (375,447)

10. COMMITMENTS AND CONTINGENCIES

Through its subsidiaries, Edgen leases various properties, warehouses, equipment and office space under operating leases with remaining terms ranging from two to twelve years with various renewal options. Substantially all leases require payment of taxes, insurance and maintenance costs in addition to rental payments. Total rental expense for all operating leases was $1,251,180, $1,355,500, and $1,435,608 the years ended December 31, 2004, 2003, and 2002 respectively.

Future minimum payments under noncancelable leases with initial or remaining terms in excess of one year for fiscal years beginning after December 31, 2004 are:

2005	$ 1,209,593
2006	1,055,780
2007	715,598
2008	431,134
2009	216,428
Thereafter	885,236
Total	$ 4,513,769

In the ordinary course of business, the Company has entered into employment contracts with certain executives and former owners; these contracts provide for minimum salary levels and incentive bonuses.

The Company is involved in various claims, lawsuits and proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs that may be incurred, management believes the resolution of such uncertainties and the incurrence of such costs will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

11. CONCENTRATION OF CREDIT RISK

Financial instruments which would potentially subject Edgen to a significant concentration of credit risk consist primarily of trade accounts receivable. However, concentration of credit risk with respect to the trade accounts receivable is limited due to a large number of entities comprising the customer base. No one customer typically accounts for 5% or more of the trade accounts receivable of the Company. An allowance for losses is maintained based on the expected collectibility of accounts receivable.

12. DISCONTINUED OPERATIONS

In 2002, Edgen committed to a plan to sell the steel service center assets of the Thomas Pipe & Steel division of Edgen Carbon, and this transaction was completed on May 11, 2003. Additionally in 2002, Edgen discontinued the operations of the Bartow International division of Edgen Carbon. The operations of Bartow International ceased in March 2002, and the assets were all liquidated by December 31, 2002. The activity related to these divisions is accounted for as discontinued operations and therefore, the results of operations and cash flows have been removed from the Company's results of continuing operations for all periods presented in this document. The results of these two divisions are presented as discontinued operations in a separate category on the statement of operations following results from continuing operations.

13. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The table below sets forth unaudited financial information for each quarter of fiscal 2004 and fiscal 2003 (in thousands, except per share amounts):

	2004				2003			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Sales	$ 57,894	$ 53,054	$ 54,041	$ 42,831	$ 36,961	$ 34,623	$ 36,563	$ 38,879
Cost of sales	43,333	38,188	40,294	33,543	31,224	28,341	29,845	31,737
Gross profit	14,561	14,866	13,747	9,288	5,737	6,282	6,718	7,142
Operating expenses	10,965	8,850	7,974	6,618	10,415	5,989	7,547	7,644
Income (loss) from Operations	3,596	6,016	5,773	2,670	(4,678)	293	(829)	(502)
Other income (expense)	143	(72)	15	20	104	(3)	33	40
Interest expense	(1,984)	(1,551)	(905)	(723)	(1,020)	(642)	(733)	(728)
Income (loss) from operations before income tax expense	1,755	4,393	4,883	1,967	(5,594)	(352)	(1,529)	(1,190)
Income tax expense (benefit)	(6,583)	632	1,951	789	(2,868)	(152)	(661)	(514)
Income (loss) from continuing operations	8,338	3,761	2,932	1,178	(2,726)	(200)	(868)	(676)
Loss from discontinued operations before income tax	–	–	–	–	(200)	–	(26)	(122)
Income tax benefit	–	–	–	–	159	–	–	–
Net income (loss)	$ 8,338	$ 3,761	$ 2,932	$ 1,178	$ (2,767)	$ (200)	$ (894)	$ (798)

14. SEGMENT INFORMATION

Edgen markets and distributes specialty pipe, fittings and flanges made of highly engineered prime carbon and alloy steel. Edgen distributes its products primarily to companies operating within the oil

14. SEGMENT INFORMATION (Continued)

and gas production and transmission, the process/petrochemical and the power generation industries. Edgen aggregates its operations into two reportable segments: alloy products and carbon products.

The alloy products segment distributes specialty steel pipe and components for use in environments that are highly corrosive, extremely high or low temperature and/or involve high pressures. These products are sold primarily to the process/petrochemical and power generation industries.

The carbon products segment distributes specialty carbon steel pipe and components primarily for use in high pressure and/or abrasive environments. The primary industries served are natural gas transmission and distribution, offshore fabrication and mining.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Edgen evaluates performance based on profit or losses from operations before income taxes not including nonrecurring gains or losses and discontinued operations.

14. SEGMENT INFORMATION (Continued)

The following table presents the financial information for each reportable segment:

	December 31,		
	2004	2003	2002
Sales:			
Alloy Products	$ 52,251,466	$ 41,011,052	$ 77,408,698
Carbon Products	155,569,095	106,014,061	134,902,971
	$ 207,820,561	$ 147,025,113	$ 212,311,669
Operating Income (Loss):			
Alloy Products	$ 5,309,092	$ 1,435,622	$ 11,788,610
Carbon Products	21,843,928	1,626,731	9,117,637
General Corporate	(9,097,651)	(8,778,906)	(6,285,295)
	$ 18,055,369	$ (5,716,553)	$ 14,620,952
Capital Expenditures:			
Alloy Products	$ 213,040	$ 171,666	$ 477,605
Carbon Products	456,360	357,151	353,918
General Corporate	442,356	1,970,021	1,537,802
	$ 1,111,757	$ 2,498,838	$ 2,369,325
Depreciation and Amortization:			
Alloy Products	$ 177,347	$ 177,298	$ 206,934
Carbon Products	959,832	1,028,415	1,390,041
General Corporate	1,262,390	794,799	75,000
	$ 2,399,569	$ 2,000,512	$ 1,671,975
Total Assets:			
Alloy Products	$ 26,324,510	$ 30,232,536	$ 38,133,450
Carbon Products	79,177,069	61,526,201	78,211,763
General Corporate	14,251,549	13,801,220	5,305,194
	$ 119,753,128	$ 105,559,957	$ 121,650,407

15. EMPLOYEE BENEFIT PLAN

The Company maintains a 401(k) plan for all employees who have met the eligibility requirements to participate. Under the plan, employees may contribute up to 15% of compensation, subject to an annual maximum as determined under the Internal Revenue Code. The Company matches 50% of up to 6% of the employees' contributions. The plan provides that employees' contributions will be 100% vested at all times and that the Company's contributions vest over a five year period. The Company contributed $250,937, $272,440 and $301,408 to the plan for the years ended December 31, 2004, 2003 and 2002, respectively.

16. SUBSEQUENT EVENT (UNAUDITED)

On February 1, 2005 Edgen Acquisition Corporation, a corporation newly formed by Jefferies Capital Partners and certain members of Edgen management, purchased all of the outstanding capital stock of Edgen from its existing stockholders for an aggregate purchase price of approximately $124.0 million, which included the assumption or repayment of indebtedness of Edgen but excluded the payment of fees and expenses. The acquisition was funded with proceeds to Edgen Acquisition Corporation from the issuance and sale of $105 million aggregate principal amount of $9^{7}/_{8}$% senior secured notes due 2011 and from an equity investment from funds managed by Jefferies Capital Partners and certain members of Edgen management. Concurrently with the purchase, Edgen entered into a new $20 million senior secured revolving credit facility.

Simultaneously with the acquisition and the related financing transactions, Edgen Acquisition Corporation was merged with and into Edgen, which survived the merger and became liable for all obligations under the notes and the borrowings under the revolving credit facility.

Payment obligations under the notes are guaranteed by all of the Company's domestic subsidiaries. In addition, the notes and the related guarantees are secured by a lien on substantially all of the Company's assets and the assets of its domestic subsidiaries (other than certain excluded assets such as the Company's and its existing and future subsidiaries' leasehold interests and the capital stock of the Company's existing and future subsidiaries), subject to certain permitted liens and other limitations. Under an intercreditor agreement, the security interest in those assets consisting of inventory, accounts receivable, lockboxes, deposit accounts, securities accounts and financial assets credited thereto, and certain related assets that secure the notes and the guarantees are subordinated to a lien thereon that secures the Company's new revolving credit facility.

No person has been authorized to give any information or to make any representations other than those contained in this prospectus, and, if given or made, such information and representations must not be relied upon as having been authorized. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or any offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Edgen Corporation since the date of this prospectus or that the information contained in this prospectus is correct as of any time subsequent to the date of this prospectus.

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Until , 2005 (90 days after the date of this prospectus), all dealers that effect transactions in the notes, whether or not participating in the original distribution, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

$105,000,000

Edgen Corporation

9 7/8% Senior Secured Notes due 2011

PROSPECTUS

$9^{7}/8\%$ Senior Secured Notes due 2011
and Related Guarantees
for
all outstanding
$9^{7}/8\%$ Senior Secured Notes due 2011
and Related Guarantees

, 2005

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Edgen Corporation

Section 78.7502 of the Nevada Revised Statutes (NRS) permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (except an action by or in the right of the corporation), by reason of being or having been an officer, director, employee, or agent of the corporation or serving in certain capacities at the request of the corporation. Indemnification against expenses may include attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person to be indemnified in connection with the action.

Section 78.7502 of the NRS additionally provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of being or having been an officer, director, employee, or agent of the corporation or serving in certain capacities at the request of the corporation. Indemnification against expenses may include amounts paid in settlement and attorney's fees actually and reasonably incurred by him or her in connection with the defense or settlement of the suit or action. Indemnification may not be made for any claim, issue, or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that, in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper. In either case, however, to be entitled to indemnification, the person to be indemnified must not be found to have breached his fiduciary duties with such breach involving intentional misconduct, fraud, or a knowing violation of the law or must have acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 78.7502 of the NRS also provides that to the extent a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any such action, suit, or proceeding or in defense of any claim, issue, or matter therein, the corporation shall indemnify him against expenses, including attorney's fees actually and reasonably incurred in connection with the defense.

Section 78.751 of the NRS permits a corporation, in its articles of incorporation, bylaws, or other agreement, to provide for the payment of expenses incurred by an officer or director in defending any civil or criminal action, suit, or proceeding as they are incurred and in advance of the final disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that the person is not entitled to indemnification.

Section 78.752 of the NRS permits a corporation to purchase and maintain insurance or make other financial arrangements (including the creation of a trust fund, the establishment of a program of self-insurance, the securing of its obligation of indemnification by granting a security interest or other lien on any assets of the corporation, or the establishment of a letter of credit, guaranty or surety) on behalf of any person who is or was an officer, director, employee, or agent of the corporation, or any person who is or was serving in certain capacities at the request of the corporation, for any liability asserted against such person and liability and expenses incurred by him in his capacity as officer,

director, employee, or agent or arising out of his status as such, whether or not the corporation has the authority to indemnify him against such liability and expenses.

Article Nine of the amended and restated articles of incorporation of Edgen Corporation (which we refer to as Edgen) provides that the directors of Edgen shall be entitled to the benefits of all limitations on the liability of directors generally that are now or hereafter become available under the NRS.

Article Eight of the amended and restated by-laws of Edgen provides that Edgen shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person, or a person of whom he or she is the legal representative, is or was a director, officer, employee, or agent of Edgen or any predecessor of Edgen, or serves or served any other enterprise as a director, officer, employee, or agent at the request of Edgen or any predecessor of Edgen.

Article Eight also provides that Edgen shall pay any expenses reasonably incurred by a director or officer in defending a civil or criminal action, suit, or proceeding in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by Edgen. Edgen may, by action of its board of directors, provide for the payment of such expenses incurred by employees and agents of Edgen as it deems appropriate.

Additionally, Article Eight provides that the rights conferred on any person under Article Eight shall not be deemed exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of Edgen's article of incorporation, by-laws, agreement, vote of shareholders or disinterested directors, or otherwise.

Edgen Louisiana Corporation

Section 12:83 of the Louisiana Business Corporation Law (LBCL) provides in part that a corporation may indemnify any director, officer, employee, or agent of the corporation against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with any action, suit, or proceeding to which he is or was a party or is threatened to be made a party (including any action by or in the right of the corporation), if such action arises out of his acts on behalf of the corporation and he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The indemnification and advancement of expenses provisions of the LBCL are not exclusive; however, no corporation may indemnify any person for willful or intentional misconduct. A corporation has the power to obtain and maintain insurance, or to create a form of self-insurance, on behalf of any person who is or was acting for the corporation, regardless of whether the corporation has the legal authority to indemnify the insured person against such liability.

Article VI of the restated articles of incorporation of Edgen Louisiana Corporation (which we refer to as Edgen Louisiana) provides that the board of directors may (1) cause Edgen Louisiana to enter into contracts with directors and officers providing for the limitation of liability to the fullest extent permitted by law, (2) adopt by-laws or resolutions, or cause Edgen Louisiana to enter into contracts, providing for indemnification of directors and officers of Edgen Louisiana and other persons, and (3) cause Edgen Louisiana to exercise its power to procure or maintain insurance or other similar arrangements (including self-insurance), as provided by the LBCL, notwithstanding that some or all of the members of the board of directors acting with respect to the foregoing may be parties to such contracts, or beneficiaries of such by-laws or resolution, or the exercise of such powers.

Section 6.1 of Edgen Louisiana's bylaws provides that Edgen Louisiana shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a director, officer, employee or agent of another corporation, partnership, or other enterprise, against expenses, including attorney's fees, to the extent that the director has been successful on the merits or otherwise in defense of the action, suit, or proceeding, or in defense of any claim, issue, or matter therein.

Section 6.2 of Edgen Louisiana's bylaws provides that Edgen Louisiana has authority, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, upon an affirmative authorization by the board of directors, to indemnify and hold harmless any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a director or officer of Edgen Louisiana or is or was serving at the request of Edgen Louisiana as a director, officer, employee, or agent of another corporation, partnership, or other enterprise against expenses, including attorney's fees, without regard to whether the director has been successful on the merits or otherwise in defense of the action, suit, or proceeding, or in defense of any claim, issue, or matter therein. Unless ordered by a court, indemnification may be paid under this section only as authorized in a specific case after a determination that the applicable standard of conduct has been met by the persons seeking indemnification.

Section 6.3 of Edgen Louisiana's bylaws provides that Edgen Louisiana shall pay the expenses including attorney's fees, incurred by a director or former director in defending any proceeding in advance of its final disposition and in advance of a final determination of the person's entitlement to indemnification but only if Edgen Louisiana has first received from the person seeking payment of such expenses an undertaking to repay all amounts advanced if it should ultimately be determined that the director or former director, was not entitled to indemnification. Such advance of expenses is not mandatory with respect to proceedings against that director that are commenced by Edgen Louisiana or by the person seeking the advance or continued with the approval of the board of directors.

Edgen Alloy Products Group, L.L.C. and Edgen Carbon Products Group, L.L.C.

Section 12:1315 of the Louisiana Limited Liability Company Law (LLLCL). provides that the articles of organization or a written operating agreement may (1) eliminate or limit the personal liability of a member or members or manager or managers for monetary damages for breach of their duties to act in good faith, with the diligence, care, judgment, and skill which an ordinary prudent person in a like position would exercise under similar circumstances, and (2) provide for indemnification of a member or members or a manager or managers, for judgments, settlements, penalties, fines, or expenses incurred because he is or was a member or manager. No such permitted provisions shall limit or eliminate the liability of a member or manager for the amount of a financial benefit received by a member or manager to which he is not entitled or for an intentional violation of a criminal law.

Section 9.1 of the operating agreement and by-laws of each of Edgen Alloy Products Group, L.L.C. (which we refer to as Edgen Alloy) and Edgen Carbon Products Group, L.L.C. (which we refer to as Edgen Carbon) provides that Edgen Alloy or Edgen Carbon, as applicable, shall indemnify and hold harmless, to the fullest extent permitted by the LBCL or the LLLCL as they presently exist or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a member, manager, officer, employee, or agent of another corporation, partnership, or other

enterprise against expenses, including attorney's fees, to the extent that the manager has been successful on the merits or otherwise in defense of the action, suit, or proceeding, or in defense of any claim, issue, or matter therein.

Section 9.2 of the operating agreement and by-laws of each of Edgen Alloy and Edgen Carbon provides that Edgen Alloy or Edgen Carbon, as applicable, has authority, to the fullest extent permitted by the LBCL or the LLLCL as they presently exist or may hereafter be amended, upon an affirmative authorization by the members, to indemnify and hold harmless any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a member, manager, or officer of Edgen Alloy or Edgen Carbon, as applicable, or is or was serving at the request of Edgen Alloy or Edgen Carbon, as applicable, as member, manager, officer, employee, or agent of another corporation, partnership, or other enterprise, against expenses, including attorney's fees, without regard to whether the person has been successful on the merits or otherwise in defense of the action, suit, or proceeding, or in defense of any claim, issue, or matter therein. Unless ordered by a court, indemnification may be paid under this section only as authorized in a specific case after a determination that the applicable standard of conduct has been met by the person seeking indemnification.

Section 9.3 of the operating agreement and by-laws of each of Edgen Alloy and Edgen Carbon provides that Edgen Alloy or Edgen Carbon, as applicable, shall pay the expenses, including attorney's fees, incurred by a manager or member or former manager or member in defending any proceeding in advance of its final disposition and in advance of a final determination of the person's entitlement to indemnification but only if Edgen Alloy or Edgen Carbon, as applicable, has first received from the person seeking payment of such expenses an undertaking to repay all amounts advanced if it should ultimately be determined that the manager or member or former manager or member was not entitled to indemnification. Such advance of expenses is not mandatory with respect to proceedings against a manager that are commenced by Edgen Alloy or Edgen Carbon, as applicable, or by the person seeking the advance or continued with the approval of the members.

Item 21. Exhibits and Financial Statement Schedules

(a) *Exhibits.*

2.1	Stock Purchase Agreement, dated as of December 31, 2004, by and among Edgen Acquisition Corporation, Edgen Corporation, the stockholders of Edgen Corporation parties thereto, and Harvest Partners III, LP.
3.1	Amended and Restated Articles of Incorporation of Edgen Corporation.
3.2	Amended and Restated Bylaws of Edgen Corporation.
3.3	Articles of Incorporation of Edgen Louisiana Corporation.*
3.4	Bylaws of Edgen Louisiana Corporation.*
3.5	Articles of Organization of Edgen Alloy Products Group, L.L.C.
3.6	Operating Agreement and Bylaws of Edgen Alloy Products Group, L.L.C.
3.7	Articles of Organization of Edgen Carbon Products Group, L.L.C.
3.8	Operating Agreement and Bylaws of Edgen Carbon Products Group, L.L.C.

4.1	Indenture, dated as of February 1, 2005, by and between Edgen Corporation (as successor in interest to Edgen Acquisition Corporation) and The Bank of New York, as trustee and collateral agent.
4.2	Supplemental Indenture, dated as of February 1, 2005, by and among Edgen Corporation, Edgen Louisiana Corporation, Edgen Alloy Products Group, L.L.C., Edgen Carbon Products Group, L.L.C. and The Bank of New York, as trustee and collateral agent.
4.3	Security Agreement, dated as of February 1, 2005, by and among Edgen Corporation, Edgen LouisianaCorporation, Edgen Alloy Products Group, L.L.C., Edgen Carbon Products Group, L.L.C. and The Bank of New York, as collateral agent.
4.4	Form of 9 7/8% Senior Secured Notes due 2011. (Included in Exhibit 4.1)
5.1	Opinion of Dechert LLP regarding legality.*
5.2	Opinion of Kantrow Spaht Weaver and Blitzer (APLC) regarding legality.*
5.3.	Opinion of Schreck Brignone regarding legality.*
10.1	Purchase Agreement, dated January 25, 2005, by and between Edgen Acquisition Corporation, Edgen Corporation, Edgen Louisiana Corporation, Edgen Alloy Products Group, L.L.C., Edgen Carbon Products Group, L.L.C. and Jefferies & Company, Inc., as initial purchaser.
10.2	Registration Rights Agreement, dated as of February 1, 2005, by and among Jefferies & Company, Inc., Edgen Corporation, Edgen Louisiana Corporation, Edgen Alloy Products Group, L.L.C. and Edgen Carbon Products Group.
10.3	Intercreditor Agreement, dated as of February 1, 2005, by and between GMAC Commercial Finance LLC, as agent, and The Bank of New York, as trustee, as acknowledged and agreed to by Edgen Corporation, Edgen Louisiana Corporation, Edgen Alloy Products Group, L.L.C. and Edgen Carbon Products Group.
10.4	Amended and Restated Loan and Security Agreement, dated February 1, 2005, among Edgen Carbon Products Group and L.L.C., Edgen Alloy Products Group, L.L.C., as borrowers, Edgen Corporation and Edgen Louisiana Corporation, as guarantors, the financial institutions party thereto, as lenders, and GMAC Commercial Finance LLC, as agent for the lenders.
10.5	Amended and Restated Employment Agreement, dated as of January 1, 2005, by and between Daniel J. O'Leary, Edgen Louisiana Corporation and Edgen Corporation.
10.6	Amended and Restated Employment Agreement, dated as of January 1, 2005, by and between David L. Laxton, III, Edgen Louisiana Corporation and Edgen Corporation.
10.7	Employment Agreement, dated as of January 1, 2004, by and between Robert L. Gilleland, Edgen Alloy Products Group, L.L.C., and Edgen Corporation.
10.8	Amended and Restated Employment Agreement, dated as of April 30, 2004, by and between Craig S. Kiefer, Edgen Carbon Products Group, L.L.C., and Edgen Corporation.
10.9	Management Agreement, dated as of February 1, 2005, by and among FS Private Investments III LLC and Edgen Corporation.*
10.10	Edgen Corporation Incentive Plan.
10.11	Securities Holders Agreement, dated as of February 1, 2005, by and among Edgen Corporation (as successor in interest to

Edgen Acquisition Corporation), ING Furman Selz Investors III L.P., ING Barings Global Leveraged Equity Plan Ltd., ING Barings U.S. Leveraged Equity Plan LLC, and the Management Investors party thereto.

10.12	Securities Purchase Agreement, dated as of February 1, 2005, by and among Edgen Corporation (as successor in interest to Edgen Acquisition Corporation), ING Furman Selz Investors III L.P., ING Barings Global Leveraged Equity Plan Ltd., and ING Barings U.S. Leveraged Equity Plan LLC.
10.13	Securities Purchase Agreement, dated as of February 1, 2005, by and among Edgen Corporation (as successor in interest to Edgen Acquisition Corporation), and the Management Investors party thereto.
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of Edgen Corporation.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Dechert LLP. (Included in Exhibit 5.1)*
23.3	Consent of Kantrow Spaht Weaver and Blitzer (APLC). (Included in Exhibit 5.2)*
23.4	Consent of Schreck Brignone. (Included in Exhibit 5.3)*
24.1	Power of Attorney. (Included on signature pages)
25.1	Statement of Eligibility and Qualification of The Bank of New York on Form T-1.*
99.1	Form of Letter of Transmittal.*
99.2	Form of Notice of Guaranteed Delivery.*
99.3	Form of Letter to Holders.*
99.4	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
99.5	Form of Letter to Clients.*
99.6	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*

* To be filed by amendment

(b) *Financial Statement Schedules*

Schedules are omitted because of the absence of the conditions under which they are required or because the information required by such omitted schedules is set forth in the financial statements or the notes thereto.

Item 22. Undertakings

(a) The undersigned registrants hereby undertake:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated

maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Baton Rouge, State of Louisiana on May 2, 2005.

EDGEN CORPORATION
EDGEN LOUISIANA CORPORATION

/s/ DANIEL J. O'LEARY

By: Daniel J. O'Leary
President and Chief Executive Officer

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

/s/ ROBERT GILLELAND

By: Robert Gilleland
President

EDGEN CARBON PRODUCTS GROUP, L.L.C.

/s/ CRAIG KIEFER

By: Craig Kiefer
President

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Daniel J. O'Leary and David L. Laxton, III, his true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this registration statement, including post-effective amendments, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents or any of them or their substitute or substitutes may lawfully do or cause to be done by virtue thereof.

This power of attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together shall constitute one instrument.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

EDGEN CORPORATION

Name	Title	Date
/s/ DANIEL J. O'LEARY Daniel J. O'Leary	President, Chief Executive Officer and Director (Principal Executive Officer)	May 2, 2005
/s/ DAVID L. LAXTON, III David L. Laxton, III	Executive Vice President of Finance and Chief Financial Officer (Principal Financial Officer and Accounting Officer)	May 2, 2005
/s/ NICHOLAS DARAVIRAS Nicholas Daraviras	Director	May 2, 2005
/s/ JAMES L. LUIKART James L. Luikart	Director	May 2, 2005

EDGEN LOUISIANA CORPORATION

Name	Title	Date
/s/ DANIEL J. O'LEARY Daniel J. O'Leary	President, Chief Executive Officer and Director (Principal Executive Officer)	May 2, 2005
/s/ DAVID L. LAXTON, III David L. Laxton, III	Treasurer and Director (Principal Financial Officer and Accounting Officer)	May 2, 2005

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

Name	Title	Date
/s/ DANIEL J. O'LEARY Daniel J. O'Leary	President, Chief Executive Officer and Manager, and Director of Edgen Louisiana Corporation, the sole member of Edgen Alloy Products Group, L.L.C. (Principal Executive Officer)	May 2, 2005
/s/ DAVID L. LAXTON, III David L. Laxton, III	Treasurer and Manager, and Director of Edgen Louisiana Corporation, the sole member of Edgen Alloy Products Group, L.L.C. (Principal Financial Officer and Accounting Officer)	May 2, 2005

EDGEN CARBON PRODUCTS GROUP, L.L.C.

Name	Title	Date
/s/ DANIEL J. O'LEARY Daniel J. O'Leary	President, Chief Executive Officer and Manager, and Director of Edgen Louisiana Corporation, the sole member of Edgen Carbon Products Group, L.L.C. (Principal Executive Officer)	May 2, 2005
/s/ DAVID L. LAXTON, III David L. Laxton, III	Treasurer and Manager, and Director of Edgen Louisiana Corporation, the sole member of Edgen Carbon Products Group, L.L.C. (Principal Financial Officer and Accounting Officer)	May 2, 2005

QuickLinks

Exhibit 2.1

[Execution Version]

STOCK PURCHASE AGREEMENT

among

EDGEN ACQUISITION CORPORATION,

as Purchaser,

EDGEN CORPORATION,
as Edgen,

The Stockholders set forth on the
Stockholder Signature Page attached hereto

as Sellers,

and

THE SELLERS REPRESENTATIVE

Dated as of December 31, 2004

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EXHIBITS

Exhibit A -	Form of Escrow Agreement
Exhibit B -	Sellers Representative Agreement

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT dated as of December 31, 2004 (the "Agreement"), is by and among Edgen Acquisition Corporation, a Nevada corporation (the "Purchaser"), Edgen Corporation, a Nevada corporation ("Edgen"), the stockholders of Edgen listed on the Schedule 1.1(a) attached hereto (each a "Seller" and collectively, the "Sellers") and Harvest Partners III, LP, a Delaware limited partnership, as the Sellers Representative. The Purchaser, Sellers and Edgen are sometimes referred to collectively herein as the "Parties." Certain capitalized terms which are used herein are defined in Article I below.

WHEREAS, as of the date hereof, the Sellers collectively own 100% of the issued and outstanding capital stock of Edgen;

WHEREAS, Sellers desire to sell all of the issued and outstanding shares of capital stock of Edgen (such shares, the "Shares"), to the Purchaser, and the Purchaser desires to purchase all of the Shares from the Sellers, upon the terms and subject to the conditions contained in this Agreement (the "Acquisition"); and

WHEREAS, as a result of the purchase of the Shares, the Purchaser will own 100% of the issued and outstanding equity interests of Edgen.

NOW, THEREFORE, in consideration of the premises and the mutual promises made herein, and in consideration of the representations, warranties and covenants herein contained, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. As used herein, the following terms shall have the following meanings:

"2002 Tax Refund" means any of the refunds listed on Schedule 1.1(b) attached hereto of federal, state and local income taxes of any of the Companies for the year ended December 31, 2002 (or, in the case of certain state refunds, such earlier year, as indicated on Schedule 1.1(b)), as a result of a carryback to such year of net operating losses, capital losses, tax credits or any other carryback items from the year ended December 31, 2003 or any earlier year. The parties presently anticipate that the aggregate amount of the 2002 Tax Refund will be $2,526,028, as set forth in Schedule 1.1(b).

"Acquisition" has the meaning given to such term in the recitals hereto.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement" has the meaning given to such term in the preamble of this Agreement.

"Audited Financial Statements" means the audited consolidated balance sheets of Edgen as of December 31, 2002 and 2003 and September 30, 2004 and related audited consolidated statements of income, cash flows and retained earnings for the twelve and nine month periods then ended.

"Balance Sheet" has the meaning given to such term in Section 4.6.

"Business" means the business of supplying and distributing specialty carbon and alloy steel pipe, fittings and flanges to the oil and gas, processing and power generation industries.

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York, New York are authorized or obligated by applicable law to close.

"Capital Leases" shall mean any capital leases, as defined by GAAP, under which any of the Companies is liable as a lessee.

"Certificate of Closing Amounts" has the meaning given to such term in Section 2.2(b).

"Class A Common Stock" has the meaning given to such term in Section 4.2(a).

"Class B Common Stock" has the meaning given to such term in Section 4.2(a).

"Closing" has the meaning given to such term in Section 2.6.

"Closing Date" has the meaning given to such term in Section 2.6.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" has the meaning given to such term in Section 4.2(a).

"Companies" means Edgen, EAPG, ECPG, ELC, ECI and any other direct or indirect subsidiary of Edgen, collectively.

"Companies' Copyrights" has the meaning given to such term in Section 4.10.

"Companies' Marks" has the meaning given to such term in Section 4.10.

"Company Options" has the meaning given to such term in Section 2.5.

"Company Parties" has the meaning given to such term in Section 10.12.

"Companies' Patents" has the meaning given to such term in Section 4.10.

"Confidentiality Agreement" has the meaning given to such term in Section 6.5(b).

"Contingency Letter Agreement" has the meaning given to such term in Section 5.6.

"Damages" has the meaning given to such term in Section 9.2(a).

"Deductible Amount" has the meaning given to such term in Section 9.4(a).

"Deductible Transaction Expenses" means the expenses identified in Schedule 1.1(f), to be paid by Edgen (or another of the Companies) in connection with the consummation of the transactions contemplated by this Agreement.

"EAPG" means Edgen Alloy Products Group, LLC, a Louisiana limited liability company and a wholly-owned subsidiary of ECPG.

"ECI" means Edgen Canada Inc., a Canadian corporation and wholly-owned subsidiary of Edgen.

"ECPG" means Edgen Carbon Products Group, LLC, a Louisiana limited liability company and a wholly-owned subsidiary of ELC.

"Edgen" has the meaning given to such term in the Recitals hereto.

"ELC" means Edgen Louisiana Corporation, a Louisiana corporation and a wholly-owned subsidiary of Edgen.

"Employee Plan" means each "employee benefit plan" (as defined in Section 3(3) of ERISA), employment, severance or similar contract, plan, arrangement or policy and each other plan or arrangement providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance, health or medical benefits, employee assistance program, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, and post-employment or retirement benefits, which is sponsored, maintained or contributed to by any of the Companies for the benefit of any employee or former employee of any of the Companies.

"Environmental Law" means any applicable law in effect prior to or as of the Closing Date relating to pollution, Regulated Substances or otherwise relating to protection of the environment, natural resources or workplace health and safety, including the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and Superfund Amendment Reauthorization Act ("CERCLA"), the Toxic Substances Control Act, the Emergency Planning and Community Right-to-Know Act, the Hazardous Substances Transportation Act, the Safe Drinking Water Act, the Solid Waste Disposal Act and the Radon.

"Environmental Permits" has the meaning given to such term in Section 4.18.

"Equity Commitment" has the meaning given to such term in Section 5.6.

"Equity Financing Party" has the meaning given to such term in Section 5.6.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any trade or business the employees of which, together with the employees of any of the Companies, are treated as employed by a single employer under Section 414(b), (c), (m) or (o) of the Code.

"Escrow Account" means the account into which all of the Indemnity Escrowed Funds shall be deposited.

"Escrow Agent" has the meaning given to such term in Section 2.3(a).

"Escrow Agreement" has the meaning given to such term in Section 2.3(a).

"Exception Documents" has the meaning given to such term in Section 4.9(b).

"Excess Parachute Payments" has the meaning given such term in Section 6.8.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Federal Leave Acts" means the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and the Family and Medical Leave Act (FMLA).

"GAAP" means generally accepted accounting principles in the United States of America, applied on a consistent basis.

"Governmental Authority" means any foreign or United States federal, state or local court, administrative agency, commission or governmental or regulatory authority.

"Indebtedness" means, as applied to Edgen and its Subsidiaries, on a consolidated basis, (a) all indebtedness of any of the Companies for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness of any such Person for the deferred purchase price of property or services represented by a note, bond, debenture or similar instrument and any other obligation or liability represented by a note, bond, debenture or similar instrument, (c) all indebtedness of any such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) excluding inventory held pursuant to extended payment terms in the ordinary course of business consistent with past practice, (d) all indebtedness of any such Person secured by a purchase money mortgage or other lien to secure all or part of the purchase price of the property subject to such mortgage or lien, (e) all obligations under any Capital Leases, (f) all unpaid reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person, (g) all obligations of such Person under any forward contract, futures contract, swap, option or other financing agreement or arrangement (including caps, floors, collars and similar agreements), the value of which is dependent upon interest rates, currency exchange rates, commodities or other indices, (h) all interest, fees and other expenses owed with respect to the indebtedness referred to above (and any prepayment penalties or fees or similar breakage costs or other fees and costs and similar expenses required to be paid in respect of any of the Indebtedness for such Indebtedness to be satisfied and discharged in full at the Closing), and (i) all indebtedness referred to above

which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss.

"Indemnity Escrowed Funds" has the meaning given to such term in Section 2.3(a).

"Indemnity Percentage" shall mean the amount set forth opposite each Seller' s name on Schedule 1.1(a), with such amounts to be determined and delivered by the Sellers to Purchaser prior to Closing.

"Individual Seller Claim" has the meaning given to such term in Section 9.2(b).

"Interim Statement" has the meaning given to such term in Section 4.6.

"Intellectual Property" means any and all now known or hereafter known tangible and intangible: (i) rights associated with works of authorship throughout the world, including but not limited to copyrights; (ii) trademark, service mark and trade name rights and similar rights, including by way of example and not limitation, domain name registrations; (iii) rights in any concepts, ideas, developments, innovations, inventions, algorithms, techniques, designs, processes, procedures, improvements, trade secrets, know how, show how, and other confidential and proprietary information (whether or not patented or patentable); (iv) all patents, registrations, applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any rights in any of the foregoing); and (v) all other intellectual and industrial property rights, whether arising by operation of law, contract, license, or otherwise.

"Knowledge of Edgen" means the actual knowledge, after due inquiry, of a particular fact or other matter being possessed as of the pertinent date by any of the individuals listed on Schedule 1.1(c) hereto.

"Leased Properties" has the meaning given to such term in Section 4.9(a).

"Leased Property Contracts" has the meaning given to such term in Section 4.9(b).

"Lien" means any mortgage, lien, pledge, charge, equitable interest, right-of-way, easement, encroachment, security interest, preemptive right, right of first refusal or similar restriction or right, option, judgment, title defect or encumbrance of any kind.

"Litigation Conditions" has the meaning given to such term in Section 9.3.

"Major Customers" has the meaning given to such term in Section 4.23.

"Major Suppliers" has the meaning given to such term in Section 4.23.

"Manages" (or "Management," as the context requires) means uses, possesses, generates, treats, manufactures, processes, handles, stores, recycles, transports or disposes of Regulated Substances.

"Material Adverse Effect" means any change or effect that, individually or taken together with all other such changes or effects, is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of operations of the Companies taken as a whole or the Business or may prohibit or impair the Companies use, occupancy or possession of any of the Real Property or Leased Property locations material to the Business; provided, however, that in no event shall any of the following, alone or in combination, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been, or will be, a Material Adverse Effect: (a) adverse changes in general economic conditions in the United States or adverse changes that are generally applicable to the industry in which the Companies operate (in each case which changes do not affect the Companies taken as a whole in a materially disproportionate manner), including any regulatory changes; (b) any failure of the Companies to meet internal financial projections or forecasts for any period ending on or after the date of this Agreement, it being understood that the underlying reason for the failure to meet such projections or forecasts are not included in this proviso; (c) changes resulting from or related to the announcement of this Agreement or (d) changes after the date hereof in GAAP or any law or interpretation thereof.

"Material Contracts" has the meaning given to such term in Section 4.11(a).

"Maximum Amount" has the meaning given to such term in Section 9.4(b).

"Net Cash Amount" shall mean, as of any date, the aggregate amount of (a) Edgen' s and each of its Subsidiaries' cash and cash equivalents on hand, in lockboxes or in other bank accounts as of such date (but not including any such cash or cash equivalents subject to the rights of third parties or the use of which is restricted, including customer deposits for goods or services to be provided or any trust funds established under any deferred compensation program of Edgen or any of its Subsidiaries) minus (b) the aggregate amount of outstanding and unpaid checks issued by Edgen and each of its Subsidiaries as of such date.

"Owned Real Property" has the meaning given to such term in Section 4.9(b).

"Party" means Sellers or Edgen, on one hand, or Purchaser, on the other hand, as the context requires, and the term "Parties" means, collectively, Sellers, Edgen and Purchaser.

"Permits" has the meaning given to such term in Section 4.12.

"Permitted Lien" means: (a) any Lien imposed by law for Taxes, assessments or governmental charges that are not yet delinquent and remain payable without penalty or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on the Balance Sheet; (b) any carrier' s, warehousemen' s, mechanic' s, materialmen' s, repairmen' s or other like Lien imposed by law, arising in the ordinary course of business and securing obligations that are not yet delinquent or are being contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on the Balance Sheet, but only to the extent such reserves are required by GAAP; (c) any pledge or deposit made in the ordinary course of business in compliance with workers' compensation, unemployment insurance or other social security laws or other statutory obligations of any of the Companies;

(d) any pledge or deposit to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, government contracts and other obligations of a like nature, in each case in the ordinary course of business; and (e) Liens, none of which, individually or in the aggregate, materially detracts from the value of or materially impairs the use, value, title or marketability of title of the affected properties or materially impairs the Business.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, limited liability partnership, syndicate, person (including a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association, entity or government or political subdivision, agency or instrumentality of a government.

"Phase I" has the meaning given to such term in Section 6.5(a).

"Policies" has the meaning given to such term in Section 4.21.

"Pre-Closing Tax Periods" has the meaning given to such term in Section 6.7(a).

"Purchase Price" has the meaning given to such term in Section 2.2(a).

"Purchase-Price-Limited Claims" has the meaning given to such term in Section 9.4(a).

"Purchaser" has the meaning given to such term in the preamble of this Agreement.

"Purchaser Indemnitees" has the meaning given to such term in Section 9.2(a).

"Real Property" has the meaning given to such term in Section 4.9(b).

"Real Property Contracts" has the meaning given to such term in Section 4.9(b).

"Repaid Indebtedness" has the meaning given to such term in Section 2.2(a).

"Regulated Substance" means any substance as to which liability or standards of conduct may be imposed under Environmental Laws, including hazardous waste, as defined pursuant to the Resource Conservation Recovery Act, hazardous substances, as defined pursuant to CERCLA, toxic substances as defined under the Toxic Substances Control Act, hazardous materials, as defined under the Hazardous Materials Transportation Act, petroleum and its fractions, asbestos-containing materials and polychlorinated biphenyls.

"Released" (or "Release," as the context requires) means released, spilled, leaked, discharged, disposed of, pumped, poured, emitted, emptied, injected, leached, dumped or allowed to escape.

"Representative" means, with respect to either Party, any of such Party' s directors, officers, managers, employees, attorneys, accountants, brokers, finders, investment bankers or other agents.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller Exercise Price Amount" has the meaning given to such term in Section 2.3.

"Seller Parties" has the meaning given to such term in Section 10.12(a).

"Sellers" has the meaning given to such term in the preamble of this Agreement.

"Sellers Representative" has the meaning given to such term in Section 2.7.

"Senior Commitment" has the meaning given to such term in Section 5.6.

"Senior Notes Offering" has the meaning given to such term in Section 7.3(k).

"Series A Preferred Stock" has the meaning given to such term in Section 4.2(a).

"Series B Preferred Stock" has the meaning given to such term in Section 4.2(a).

"Shares" has the meaning given to such term in the recitals hereto.

"Straddle Period" has the meaning given to such term in Section 6.7(b).

"Subsidiaries" shall mean ECI, ELC, ECPG and EAPG, collectively.

"Surveys" has the meaning given to such term in Section 4.9(b).

"Taxes" means: (a) any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind, imposed by any Governmental Authority, including: (i) taxes or other charges on, measured by, or with respect to income, franchise, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation or net worth; (ii) taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value-added or gains taxes; (iii) license, registration and documentation fees; and (iv) customs duties, tariffs and similar charges; and (b) any and all interest, penalties, additions to tax and additional amounts imposed in connection with or with respect to any amounts described in (a).

"Tax Return" means any return, report, statement, form or other documentation (including any additional or supporting material and any amendments or supplements) filed or maintained, or required to be filed or maintained, with respect to or in connection with the calculation, determination, assessment or collection of any Taxes.

"Third Party Claim" has the meaning given to such term in Section 9.3.

"Title Policies" has the meaning given to such term in Section 4.9(b).

"Transaction Documents" means, collectively, this Agreement and each of the other agreements and instruments to be executed and delivered by either or both of the Parties in connection with the consummation of the Acquisition and the transactions contemplated hereby.

"Transaction Expenses" means all expenses of Edgen (at or prior to the Closing) and the Sellers incurred or to be incurred in connection with the preparation, execution and consummation of this Agreement and the Closing, to the extent (i) not paid prior to the Closing and (ii) set forth with specificity on the Certificate of Closing Amounts, including without limitation (a) fees and disbursements of attorneys, accountants and other advisors and service providers incurred at or prior to the closing, (b) fees and expenses of Morgan Keegan & Company, Inc., (c) deal or transaction bonuses payable by Edgen or its Subsidiaries in connection with the Closing (including the bonuses referred to on Schedule 1.1(d) hereto), and (d) other payments, fees and expenses payable by Edgen in connection with the consummation of the transactions contemplated by this Agreement; provided, however, that "Transaction Expenses" shall not include any expenses of any of the Companies incurred or to be incurred in connection with (x) the Purchaser' s obtaining the financing necessary to (A) pay the Purchase

Price and all fees and expenses of the Purchaser arising in connection with the transactions contemplated by this Agreement, and (B) finance the working capital needs of Edgen and its Subsidiaries following the Closing, (y) the September 30, 2004 Audited Financial Statements or (z) the non-imputation endorsements required pursuant to Section 7.3(n) hereof.

"Transfer Taxes" has the meaning given to such term in Section 6.7(f).

"Unfiled 2002 Claims" has the meaning given to such term in Section 6.7(g).

1.2. Rules of Construction. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "but not limited to." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Exhibits and Schedules attached to this Agreement shall be deemed incorporated herein by reference as if fully set forth herein. Words such as "herein," "hereof," "hereto," "hereby" and "hereunder" refer to this Agreement and to the Schedules and Exhibits, taken as a whole. Except as otherwise expressly provided herein: (a) any reference in this Agreement to any agreement shall mean such agreement as amended, restated, supplemented or otherwise modified from time to time; and (b) any reference in this Agreement to any law shall include corresponding provisions of any successor law and any regulations and rules promulgated pursuant to such law or such successor law. Neither the captions to Sections or subdivisions thereof nor the Table of Contents shall be deemed to be a part of this Agreement.

ARTICLE II
PURCHASE AND SALE OF SHARES

2.1. Purchase and Sale. Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties, covenants and agreements of the Parties contained herein, at the Closing, each of the Sellers shall sell and transfer to Purchaser, and Purchaser shall purchase and acquire from each of the Sellers, all of the Shares owned by such Seller as set forth opposite such Seller' s name on Schedule 1.1(a) hereto, for the consideration set forth below.

2.2. Purchase Price.

(a) The aggregate purchase price (the "Purchase Price") for the Shares shall be an amount equal to (i) One Hundred Twenty Four Million Dollars ($124,000,000), plus (ii) the Net Cash Amount on the Closing Date (if a positive number, the Purchase Price will be increased by such amount and if a negative number, the Purchase Price will be reduced by such Net Cash Amount), less (iii) the aggregate amount required to be paid to satisfy and discharge in full the Indebtedness on the Closing Date (including (without double counting) Capital Leases which remain outstanding at Closing), less (iv) the Transaction Expenses, plus (v) cash received by Edgen upon the exercise of options after the date hereof. The Purchase Price shall be paid at Closing in accordance with Section 2.3 below.

(b) The Sellers Representative shall cause Edgen to prepare and deliver to the Purchaser immediately prior to Closing a certificate (the "Certificate of Closing Amounts") certifying (i) the Net Cash Amount on the Closing Date, and (ii) the amount of the Transaction Expenses, specifying the amounts owing to each creditor with respect thereto (together with payment instructions therefor); provided, that the Sellers Representative shall deliver a good faith estimate of the Certificate of Closing Amounts two days before Closing.

(c) It is contemplated by the Parties that, upon the Closing, all Indebtedness of Edgen and the Subsidiaries outstanding immediately prior to the Closing other than Capital Leases will be fully repaid (the "Repaid Indebtedness"). To facilitate such repayment, no less than three (3) days prior to the Closing Date, Edgen shall obtain payoff letters for all Repaid Indebtedness of the Companies, which payoff letters shall indicate the amount necessary to repay such creditors in full and that such creditors have agreed to release all Liens in respect of such Repaid Indebtedness relating to the assets and properties of the Companies, upon receipt of the amounts indicated in such payoff letters. Subject to the satisfaction of all of the conditions, covenants and obligations of the Sellers and Edgen to be satisfied prior to the Closing, in connection with the Closing, the Sellers and Edgen hereby instruct Purchaser (i) to make the payments referenced in such payoff letters on the Closing Date to discharge the Indebtedness covered thereby and (ii) to pay the Transaction Expenses in the amounts and to the parties specified in the Certificate of Closing Amounts.

2.3. Payment of Purchase Price. At the Closing:

(a) $4,000,000 of the Purchase Price (the "Indemnity Escrowed Funds") will be placed in escrow with The Bank of New York, N.A. (the "Escrow Agent") pursuant to an escrow agreement in the form of Exhibit B hereto (the "Escrow Agreement"); and

(b) The Purchaser shall distribute the balance of the Purchase Price by wire transfer of immediately available funds to the account or accounts designated in writing by the Sellers Representative for such purpose, in accordance with the following preferences:

(i) first, to the holders of shares of Edgen' s Series A Preferred Stock issued on October 25, 1996 *pro rata* in an amount equal to $148.66 per share, plus $0.02

per share for each day from and after December 31, 2004 to but not including the Closing Date;

(ii) second, to the holders of shares of Edgen' s Series A Preferred Stock issued on December 28, 1998 *pro rata* in an amount equal to $136.00 per share, plus $0.02 per share for each day from and after December 31, 2004 to but not including the Closing Date;

(iii) third, to the holders of shares of Edgen' s Series B Preferred Stock *pro rata* in an amount equal to $800.00 per share; and

(iv) then, to the holders of shares of Edgen' s Common Stock, to be distributed *pro rata* in accordance with the number of shares of Common Stock held by each such holder;

provided, however, that the amount to be paid to each Seller pursuant to this Section 2.3 shall be reduced by the aggregate exercise price payable by such Seller at Closing upon the exercise of such Seller' s Company Options (if any) (each such amount, a "Seller Exercise Price Amount"), together with all federal and state income and other Taxes required to be withheld in connection with such exercise, and each such Seller referred to herein hereby authorizes and directs the Purchaser to make (and hereby waives and releases all rights to) such deductions from the amount otherwise payable to such Seller hereunder (it being understood and agreed that the aggregate amount of all such deductions referred to herein shall be deemed for purposes hereof to have been paid by the Purchaser to Edgen).

2.4. Tax Refunds; Deductible Transaction Expenses.

(a) In addition to the Purchase Price, the Purchaser shall pay in cash, to the Persons receiving payment as holders of Edgen' s Common Stock pursuant to Section 2.3(b)(iii) above, on the same *pro rata* basis as for the payment pursuant to Section 2.3(b)(iii), an amount equal to the amount received by any of the Companies with respect to the 2002 Tax Refund, within five (5) Business Days of the receipt of any portion of the 2002 Tax Refund, without deduction, offset or counterclaim, other than expenses incurred in making such payments.

(b) In addition to the Purchase Price, the Purchaser shall pay in cash, without offset deduction or counterclaim, other than expenses incurred in making such payments, an amount, not to exceed $1.3 million, equal to the net tax savings realized by the Companies as a result of payment of the Deductible Transaction Expenses. Such payment shall be made no later than five (5) Business Days after such tax savings is realized; provided, however, that if such tax savings results in a reduction of Taxes due by the Companies with respect to a year, such tax savings shall be deemed to be realized upon the earlier of (i) the filing of Tax Returns reflecting such reduction for such year, or (ii) the date on which any of the Companies makes a payment of estimated Taxes with respect to such year which is lower than the amount which such payment would have been but for the payment of the Deductible Transaction Expenses. Notwithstanding the foregoing, unless the Purchaser shall establish otherwise, it shall be presumed that a Tax benefit of no less than $1.3 million with respect to the Deductible Transaction Expenses shall have been realized no later than December 31, 2005. To the extent the Purchaser establishes that

such Tax benefit has not been realized by such time, a similar presumption shall apply with regard to each subsequent fiscal quarter until such Tax benefit has been fully realized; provided, that such presumption shall cease to apply as of December 31, 2008 and Purchaser shall have no further obligation to pay any such Tax benefit. Payments made pursuant to this Section 2.4(b) shall be paid to the Persons receiving payment

as holders of Edgen' s Common Stock pursuant to Section 2.3(b)(iii) above, on the same *pro rata* basis as for the payment pursuant to Section 2.3(b)(iii).

2.5. Company Options. All outstanding options to purchase shares of Edgen stock (the "Company Options") shall be cancelled upon Closing. In any case in which the per share exercise price of a Company Option exceeds the per share price paid to the holders of share of Edgen' s Common Stock, any consideration paid by Edgen in consideration of such cancellation shall be included in Transaction Expenses. The Company shall take all appropriate actions, including, without limitation, obtaining a signed acknowledgement of each holder of outstanding Company Options to the treatment of such Company Options as set forth under this Section 2.5, to effect the cancellation all such Company Options.

2.6. Closing. The consummation of the purchase and sale of the Shares in accordance with this Agreement (the "Closing") shall commence at 10:00 a.m., local time, at the New York offices of Dechert LLP, 30 Rockefeller Plaza, New York, New York 10112, on the second Business Day after all of the conditions precedent to Closing hereunder shall have been satisfied or waived (other than the conditions with respect to actions the respective parties will take at Closing), or at such other time and place as the Parties shall agree upon in writing. The date of the Closing is referred to as the "Closing Date." The Parties shall deliver at the Closing such documents, certificates of officers and other instruments as are set forth in Article VI hereof and as may reasonably be required to effect the transfer by Sellers of the Shares pursuant to and as contemplated by this Agreement and to consummate the Acquisition. All events occurring at the Closing shall be deemed to occur simultaneously (with the concurrent delivery of the documents required to be delivered pursuant to Article VII and payment of the Purchase Price).

2.7. Sellers Representative. Harvest Partners III, LP is hereby appointed and authorized by Sellers to act as their representative (the "Sellers Representative") pursuant to Sellers Representative Agreement attached hereto as Exhibit C, and Harvest Partners III, LP hereby accepts such appointment, for purposes of and as contemplated by this Section 2.7 and in respect of any disputes arising in connection with any of the foregoing or with respect to this Agreement and the transactions contemplated hereby. Sellers Representative shall also be authorized and directed to accept any written notice which may be or is required to be sent to Sellers pursuant to this Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLERS

As an inducement to Purchaser to enter into this Agreement and to consummate the Acquisition, each Seller severally but not jointly represents and warrants to Purchaser as follows:

3.1. Title to Shares. Such Seller holds the issued and outstanding capital stock of Edgen in the amounts, classes and series set forth in Schedule 1.1(a). Such Seller is, and immediately prior to the Closing will be, the record and beneficial owner of, and has good and marketable title to, the Shares set forth opposite such Seller' s name in Schedule 1.1(a), free and clear of any Lien, and such good and marketable title shall be transferred to Purchaser at the Closing, free and clear of any Lien. Except as set forth on Schedule 1.1(a), such Seller is not a party to or bound by and does not have any options, calls, contracts, commitments or rights of any character (including conversion or preemptive rights) relating to any issued or unissued Shares in Edgen or any other debt or equity security issued or to be issued by Edgen, including any agreement, instrument or understanding, order or decree with respect to the voting of or that would restrict the transfer by such Seller of such Seller' s Shares pursuant to this Agreement. Immediately after the Closing, such Seller will not be a party to or bound by and will not have any options, calls, contracts, commitments or rights of any character (including conversion or preemptive rights) relating to any issued or unissued Shares in Edgen or any other debt or equity security issued or to be issued by Edgen, including any agreement, instrument or understanding, order or decree with respect to the voting of or that would restrict the transfer by such Seller of such Seller' s Shares pursuant to this Agreement.

3.2. Authority Relative to this Agreement. If such Seller is a corporation or limited liability company, such Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. Such Seller has full power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and such other Transaction Documents by such Seller and the consummation by such Seller of the Acquisition and the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate or other action on the part of such Seller, and no other corporate or other proceedings on the part of such Seller are necessary to authorize this Agreement or such other Transaction Documents to which such Seller is a party or to consummate the Acquisition and the transactions contemplated hereby. This Agreement has been, and such other Transaction Documents to which such Seller is a party will be duly executed and delivered by such Seller and, assuming due authorization, execution and delivery by Purchaser, this Agreement constitutes, and each other Transaction Document to which such Seller is a party upon execution will constitute, a legal, valid and binding obligation of

such Seller, enforceable against such Seller in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, fraudulent conveyance, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of remedies (whether in a proceeding at law or in equity).

3.3. No Conflict. Except as set forth on Schedule 3.3, the execution and delivery of this Agreement and the Transaction Documents to which such Seller is a party by such Seller does not, and the performance by such Seller of its obligations hereunder and thereunder and the consummation of the Acquisition and the transactions contemplated hereby will not: (a) conflict with or violate any provision of the certificate of formation, limited liability company operating agreement, certificate of incorporation, bylaws or comparable charter document, of such Seller; (b) conflict with or violate any law, rule or regulation or any judgment or order applicable to

such Seller or by which any of such Seller' s Shares is bound or affected; (c) result in any breach of or constitute a default (or an event which might, with the passage of time or the giving of notice or both, constitute a default) under, or require notice or consent under, any mortgage, indenture, deed of trust, lease, contract, agreement, license or other instrument to which any such Seller is a party or by which any of such Seller' s Shares is bound or affected; (d) result in the creation of a Lien on any of such Seller' s Shares or give to others any interests or rights therein; (e) result in the maturation or acceleration of any material liability or obligation of such Seller (or give others the right to cause such a maturation or acceleration); or (f) result in the termination of or loss of any material right (or give others the right to cause such a termination or loss) under any agreement or contract to which such Seller is a party or by which it may be bound, except in the case of clauses (b) and (c), for any conflict, violation, breach or default that would not be material to such Seller' s ability to ability to consummate the transactions contemplated by this Agreement in any material respect.

3.4. Required Filings and Consents. The execution and delivery of this Agreement by such Seller do not, and the performance by such Seller of its obligations hereunder and the consummation of the Acquisition and the transactions contemplated hereby will not, require any consent, approval, authorization or permit of, or registration, qualification or filing by any such Seller with or notification by any such Seller to, any Governmental Authority or other Person, except for any such non-governmental consent, approval, authorization or permit, or registration, qualification or filing or notification the failure of which to obtain would not reasonably be expected to materially and adversely affect such Seller' s ability to consummate the transactions contemplated hereby.

3.5. Litigation. No action, suit, proceeding or investigation is pending or, to such Seller' s knowledge, threatened, against such Seller with respect to his or its execution and delivery of this Agreement or the consummation by such Seller of the transactions contemplated hereby.

3.6. No Finder. Except as set forth on Schedule 4.17, the fees and expenses of which shall be solely the responsibility of Sellers, none of such Seller, nor any Affiliate of such Seller has agreed to pay to any broker, finder, investment banker or any other Person a brokerage, finder' s or other fee or commission in connection with this Agreement or the Acquisition and the transactions contemplated hereby.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF EDGEN

As an inducement to Purchaser to enter into this Agreement and to consummate the Acquisition, Edgen represents and warrants to Purchaser as follows:

4.1. Organization and Qualification. Each of Edgen, ELC and ECI is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on the Business as it is now being conducted. Each of EAPG and ECPG is a limited liability company duly organized, validly existing and in good standing

under the laws of its jurisdiction of formation and has all requisite limited liability company power and authority to own, lease and operate its assets and properties and to carry on the Business as it is now being conducted. Each of the Companies is duly qualified or licensed to do

business, and is in good standing, in each jurisdiction where the assets and properties owned, leased or operated by it or the nature of the Business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not reasonably be expected to have a Material Adverse Effect. Edgen has made available or delivered to Purchaser complete and correct copies of each of the Companies' certificate of incorporation and by-laws or other comparable charter documents, as amended to date, which are in full, force and effect.

4.2. Capitalization.

(a) The authorized capital stock of Edgen consists of (i) 6,505,512 shares of common stock (the "Common Stock"), 6,000,000 shares of which have been designated as Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), 3,737,580 of which are issued and outstanding; and 505,512 shares of which have been designated as Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), 505,512 of which are issued and outstanding; and (ii) 500,000 shares of preferred stock, 372,644 shares of which have been designated as 6% Series A Cumulative Redeemable Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), 367,644 of which are issued and outstanding; and 10,000 of which have been designated as Series B Redeemable Preferred Stock, par value $0.01 per share (the "Series B Preferred Stock"), all of which are issued and outstanding. Schedule 1.1(a) sets forth the name of each holder of options for shares of capital stock of Edgen, the number of shares of capital stock that such options are exercisable for with respect to each holder, along with the applicable vesting schedule, if any, the date upon which such option was granted and the term of such option, and the exercise price. Other than the options set forth on Schedule 1.1(a), all of which shall be cancelled and terminated as of Closing, there are no outstanding options, warrants or other rights to subscribe for, acquire or purchase any securities of Edgen. On the Closing Date, the total number of Shares issued and outstanding will be as set forth in Schedule 1.1(a) and there will be no shares of capital stock of Edgen issued or outstanding other than the Shares being sold by the Sellers to Purchaser hereunder, nor will there be issued or outstanding any securities convertible into or exchangeable for any shares of capital stock of Edgen or any options, warrants or other rights to purchase or acquire such shares or securities. Except as otherwise disclosed in Schedule 1.1(a), there are no outstanding subscriptions, commitments, agreements, understandings or arrangements of any kind relating to the issuance, sale, transfer or assignment, or dividend or voting rights, or rights to designate directors, or rights to register the sale under the Securities Act, with respect to any shares of capital stock of any class or other equity interests of Edgen or any of the Subsidiaries or any securities convertible into or exchangeable for such shares, or any options, warrants or other rights to acquire such shares or securities. Except as set forth in Schedule 1.1(a), neither Edgen nor any of the Subsidiaries has any obligation to purchase, redeem, or otherwise acquire any of its capital stock or any interests therein. All of the outstanding shares of capital stock and membership interests of Edgen and the Subsidiaries are (or will be on the Closing Date, immediately following the exercise of the options) duly and validly authorized and issued, fully paid and non-assessable, were not issued in violation of any agreement or understanding binding upon any of the

Companies and were offered, issued, sold and delivered in compliance with applicable federal and state securities or "blue-sky" laws and regulations. There are no outstanding or authorized equity appreciation, phantom stock or similar rights with respect to any of the Companies.

(b) The authorized capital stock of ECI consists of 100 shares of Class A Common Stock, all of which are issued and outstanding and owned beneficially and of record by Edgen. The authorized capital stock of ELC consists of 1000 shares of common stock, no par value, 501 of which are issued and outstanding and owned beneficially and of record by Edgen. The authorized membership interests of ECPG consists of one membership interest, which is issued and outstanding and owned beneficially and of record by ELC. The authorized membership interests of EAPG consists of 100 membership interests, all of which are issued and outstanding and owned beneficially and of record by ECPG. There are no outstanding options, warrants or other rights to subscribe for, acquire or purchase any securities of any of the Subsidiaries. Except as otherwise disclosed on Schedule 4.2(b), all of the issued and outstanding capital stock of ECI and ELC is owned by Edgen, free clear of any Lien, (ii) all of the issued and outstanding membership interests of ECPG is owned by ELC, free and clear of any Lien and (iii) all of the issued and outstanding membership interests of EAPG is owned by ECPG, free and clear of any Lien.

4.3. Authority Relative to this Agreement. Edgen has all necessary corporate power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and such other Transaction Documents to which it is a party by Edgen and the consummation by Edgen of the Acquisition and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate or other action on the part of Edgen, and no other corporate or other proceedings on the part of Edgen are necessary to authorize this Agreement and such other Transaction Documents to which it is a party and to consummate the Acquisition and the transactions contemplated hereby. This Agreement has been, and such other Transaction Documents to which Edgen is a party will be, duly executed and delivered by Edgen and, assuming due authorization, execution and delivery by Purchaser, this Agreement constitutes, and each other Transaction Document to which Edgen is a party upon execution will constitute, a legal, valid and binding obligation of Edgen, and, assuming due authorization, execution and delivery by Purchaser, enforceable against Edgen in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium,

insolvency, fraudulent conveyance, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of remedies (whether in a proceeding at law or in equity).

4.4. No Conflict. Except as set forth on Schedule 4.4, the execution and delivery of this Agreement and the Transaction Documents to which Edgen is a party by Edgen do not, and the performance by Edgen of its obligations hereunder and thereunder and the consummation of the Acquisition and the transactions contemplated hereby will not: (a) conflict with or violate any provision of the certificate of formation, limited liability company operating agreement, certificate of incorporation, bylaws or comparable charter document, of any of the Companies; (b) assuming the due authorization, execution and delivery by Purchaser, conflict with or violate any law, rule or regulation or any judgment or order applicable to any of the Companies or by

which any of the Companies' assets is bound or affected; (c) result in any breach of or constitute a default (or an event which might, with the passage of time or the giving of notice or both, constitute a default) under, or require notice or consent under, any mortgage, indenture, deed of trust, lease, contract, agreement, license or other instrument to which any of the Companies is a party or by which any of the Companies' assets is bound or affected; (d) result in the creation of a Lien, other than Liens in connection with the transactions contemplated by the Senior Commitment or the Senior Notes Offering, on any asset or property of any of the Companies or the Shares or give to any third party any interest or rights therein; (e) result in the maturation or acceleration of any material liability or obligation of any of the Companies (or give any third party the right to cause such a maturation or acceleration); or (f) result in the termination of or loss of any material right (or give any third party the right to cause such a termination or loss) under any agreement or contract to which any of the Companies are a party or by which it may be bound, except in the case of clauses (b) and (c), for any conflict, violation, breach or default that would not reasonably be expected to have a Material Adverse Effect.

4.5. Required Filings and Consents. The execution and delivery of this Agreement by Edgen does not, and the performance by Edgen of its obligations hereunder and the consummation of the Acquisition and the transactions contemplated hereby will not, require any consent, approval, authorization or permit of, or registration, qualification or filing by any of the Companies with or notification by any of the Companies to, any Governmental Authority or other Person, except for: (a) the consents, approvals, authorizations, permits, registrations, qualifications, filings or notifications set forth on Schedule 4.5; or (b) any such consent, approval, authorization, permit, registration, qualification, filing or notification the failure of which to obtain would not reasonably be expected to materially and adversely affect the Companies' ability to consummate the transactions contemplated hereby.

4.6. Financial Statements. Schedule 4.6 contains true, correct and complete copies of Edgen' s Audited Financial Statements and a copy of its unaudited consolidated balance sheet as of November 30, 2004 (the "Balance Sheet") and the related unaudited consolidated statement of income for the eleven month period then ended (together with the Balance Sheet, the "Interim Statement"). Each of the Audited Financial Statements and the Interim Statement were prepared in accordance with GAAP applied on a consistent basis (except for income tax provisions that relate to the Interim Statement); and fairly present in all material respects the consolidated financial condition, assets and liabilities and the results of operations and cash flows of the Companies for the periods covered thereby, subject in the case of the Interim Statement to normal year end audit adjustments and the absence of notes. The Audited Financial Statements and the Interim Statement have been prepared from and are in accordance with the books and records of the Companies.

4.7. Absence of Undisclosed Liabilities. None of the Companies has any material liability or obligation of any nature (absolute, contingent, accrued or otherwise) other than: (a) liabilities reflected as such in the Interim Statement; (b) liabilities incurred in the ordinary course of business consistent with past practice since the date of the Balance Sheet and fully reflected as liabilities on Edgen' s books of account, none of which has had or would be reasonably expected to have a Material Adverse Effect; (c) obligations of continued performance

under contracts commitments and arrangements entered into in the ordinary course of business and consistent with past practice and (d) the liabilities disclosed on Schedule 4.7.

4.8. Absence of Certain Changes or Events. Since September 30, 2004, except as contemplated by this Agreement or disclosed on Schedule 4.8, the Companies have conducted the Business in the ordinary course of business and consistent with past practice. Without limiting the generality of the foregoing, since September 30, 2004, there has not been:

(a) (i) any event, fact or circumstance which has had or would reasonably be expected to have a Material Adverse Effect, or (ii) any change in the assets, liabilities, sales, income or business of Edgen or any of its Subsidiaries or in any of Edgen' s or any of its Subsidiaries' relationships with suppliers, customers or lessors, other than changes which arose in the ordinary course of business and which have not been or would not be reasonably expected to have a Material Adverse Effect;

(b) any damage to or destruction or loss of any asset, property, right or interest of any of the Companies, whether or not covered by insurance, which has had or would be reasonably expected to have a Material Adverse Effect;

(c) any acquisition, sale or transfer of any asset or property, other than sales of inventory and disposal of obsolete, damaged or defective inventory, or equipment in the ordinary course of business;

(d) any increase in the salary or other compensation payable or to become payable to, or any advance (excluding advances for ordinary business expenses) or loan to, any of the respective officers, directors, agents and employees of any of the Companies, or any bonus payments or arrangements made to or with any of them (other than any annual wage increase in the ordinary course of business and consistent with past practice and other than bonuses and other compensation payable as a result of the transaction contemplated by this Agreement and paid at Closing as a Transaction Expense);

(e) any declaration, setting aside or payment of any dividend or any other distributions in respect of Edgen' s or any of its Subsidiaries' capital stock or other equity securities or any distribution to the Sellers or their Affiliates;

(f) except for the issuance of shares pursuant to the exercise of any options set forth on Schedule 1.1(a), any issuance of any shares of the capital stock of the Companies or any direct or indirect redemption, purchase or other acquisition of any of the Companies' capital stock or other equity securities;

(g) any entry by any of the Companies into any transaction which is not in the ordinary course of business, consistent with past practice or as contemplated herein including, but not limited to, any agreement by Edgen or any Affiliate thereof to compensate any employee of Edgen in any manner upon or with respect to the consummation of the transactions contemplated at Closing;

(h) any creation or incurrence by any of the Companies of (i) any obligations or liabilities, whether absolute, accrued, contingent or otherwise (including, without limitation, any Indebtedness), other than obligations and liabilities which involve an amount not in excess of $100,000 or are incurred in the ordinary course of business or as contemplated herein; or (ii) any Lien on any assets securing obligations in excess of $100,000;

(i) any discharge, forgiveness, cancellation or satisfaction by Edgen or any of its Subsidiaries of any material Lien, debt, claim or payment by any of the Companies of any material obligation or material liability (fixed or contingent) other than in the ordinary course of business or as contemplated herein;

(j) any change in the accounting methods or practices of Edgen or any of its Subsidiaries other than changes required by Regulation S-X (17 CFR § 210, et seq.) in connection with the Senior Notes Offering;

(k) (i) any write-down of the value of any assets or inventory by any of the Companies or (ii) any write-off of any notes or accounts receivable of any of the Companies, in each case, other than those for which reserves or accruals have been established on the Balance Sheet or those in immaterial amounts; or

(l) any material Tax election (or revocation of a Tax election), except in a manner consistent with past practice, any change in any method of accounting for Tax purposes, or any settlement or compromise of any material Tax liability.

4.9. Real Property.

(a) The real property and interests in real property described on Schedule 4.9 by name of record holder, address, acreage and type of use, is all of the real property owned by any of the Companies (the "Real Property"). Each of the Real Property locations is a separate lot or parcel for the purpose of real estate tax, subdivision, zoning, deed conveyance and leases, separated from any property not owned by any Company. Other than those leases described on Schedule 4.9, none of the Companies has entered into any agreements giving any Person any right to lease, sublease or otherwise occupy any portion of such Real Property. The leases, occupancies and similar non-fee ownership described on Schedule 4.9 ("Leased Properties") by name of landlord, mortgage, address, rent, security deposit, maturity and date,

are all of the real property interests other than the Real Property in which the Companies, as lessee or sublessee, have any interest therein. Except as set forth in Schedule 4.9, the Companies (i) own fee simple title to the Real Properties insurable at market rates, free and clear of all Liens, other than Permitted Liens and (ii) hold valid leasehold interests in the Leased Properties. The Real Properties and Leased Properties are not in violation of any Liens. To the Knowledge of Edgen, no proceeding is pending or threatened for the taking or condemnation of all or any portion of such Real Property or any Leased Property. No Company has received any written notice from insurers of the Real Properties and Leased Properties relating to any violations, defects, deficiencies, or need for repairs.

(b) The Sellers have previously made available or delivered to the Purchaser copies of the following: (i) all title insurance policies or commitments that were delivered to the Companies by any title insurance company in connection with the Companies' investigation, acquisition financing, or refinancing of the Real Properties and Leased Properties, to the extent they are in the Companies' possession or reasonably available upon request of a third party (the "Title Policies"); (ii) all instruments, documents or agreements referenced in the Title Policies that create or evidence conditions or exceptions to title affecting the Real Properties and Leased Properties, in the Companies' possession or reasonably available upon request of a third party (the "Exception Documents"); (iii) any surveys, plats or plans delivered to the Companies in connection with the Companies' investigation, purchase, financing or refinancing of the Real Properties and Leased Properties, in the Companies' possession or reasonably available upon request of a third party (the "Surveys"); (iv) all contracts and instruments affecting the Real Property to which any Company is a party or otherwise subject ("Real Property Contracts"), and, (v) all contracts and instruments affecting the Leased Property to which any Company is a party or is otherwise subject ("Leased Property Contracts").

(c) Except as set forth in Schedule 4.9 and as would not, individually as to any particular Real Property or Leased Property location or in the aggregate as to any number of such locations, reasonably be expected to have a Material Adverse Effect, each of the Real Property Contracts and Leased Property Contracts: (i) is in true, correct and complete form, in full force and effect, and has not been amended, modified, or supplemented except by documents provided to the Purchaser, (ii) has no outstanding payment due, (iii) is not subject to cancellation by any third party, (iv) is not in default by any of the Companies, or to the Knowledge of Edgen, any other party, nor has any party thereunder received or given written or, to the Knowledge of Edgen, oral notice of default, and (v) no Company or Seller has undertaken any act or failed to perform an act, which would entitle the insurance companies insuring the Companies' interest to deny or limit coverage, including defense against title insurance based on theories of imputed knowledge.

4.10. Intellectual Property.

(a) Schedule 4.10 sets forth a complete and accurate list of all: patents (including all patent applications, and all continuations, continuations in part, divisionals, or extensions of the foregoing) owned by the Companies (collectively, the "Companies' Patents"); registered or material trademarks, service marks, trade names, and domain names, including any applications for registration of the foregoing, owned by the Companies (collectively, the "Companies' Marks"); material copyrights, including any registrations and applications for registration of copyrights, owned by the Companies (collectively, the "Companies' Copyrights").

(b) Except as described in Schedule 4.10, none of the Companies, or, to the Knowledge of Edgen, any other party, is in breach of or default under any license or other agreement by which the Companies use the Intellectual Property of any third party, and each such license or other agreement is now and following the Closing shall be valid and in full force and effect.

(c) Except as otherwise described in Schedule 4.10:

(i) the Companies own or have the right to use the Intellectual Property used in the business of the Companies free and clear of all liens, claims and encumbrances; and

(ii) to the Knowledge of Edgen, the operation of the business of the Companies, including but not limited to the design, development, use, import, manufacture and sale of the products, technology or services of the Companies, does not, infringe, dilute, misappropriate or otherwise violate the Intellectual Property of any third party, and no claim has been made, notice given, or dispute arisen to that effect. Except as set forth in the Schedule 4.10, the Companies have no pending claim(s) that any third party has infringed, misappropriated or otherwise violated any of the Intellectual Property owned by the Companies.

(d) The information technology, process management, order and inventory management and other computer systems owned, licensed, leased, operated on behalf of, or otherwise held for use in the business of the Companies, including all computer hardware, software, firmware and telecommunications systems used in the business of the Companies, perform reliably and in material conformance with the appropriate specifications or documentation for such systems. Except for scheduled or routine maintenance, the information technology systems of the Companies are fully available for use in the business of the Companies and, as applicable, by the customers and clients of the Companies, 24 hours a day, 7 days a week.

4.11. Contracts.

(a) Schedule 4.11(a) sets forth a list of all material contracts, agreements and instruments to which Edgen or any of the Companies is a party or by which any of them are bound or to which any of them are subject (collectively, the "Material Contracts"), which includes the following contracts:

(i) any contract requiring the payment of more than $250,000 over the life of the contract or $100,000 in any period of twelve consecutive months, whether payable by or to any of the Companies;

(ii) any trust indenture, mortgage, security agreement, promissory note, loan agreement or other contract relating to the borrowing of money in an amount in excess of $100,000;

(iii) any agreement of guarantee (other than inter-Company guarantees), support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the liabilities of any other Person in an amount in excess of $250,000;

(iv) any contract relating to Intellectual Property;

(v) any contract providing for a joint venture, partnership or similar contract with any other Person;

(vi) any contract with any former director or officer or any current director, officer, employee, consultant or shareholder of any of the Companies;

(vii) each real estate lease or sublease with respect to each Leased Property;

(viii) any contract with a labor union (including any collective bargaining agreement);

(ix) any contract which includes or constitutes a power of attorney (excluding powers of attorney in connection with customs forms);

(x) any contract containing confidentiality or non-disclosure obligations from any of the Companies;

(xi) any contract relating to the purchase or sale of a business in the previous five (5) years or in which indemnification obligations remain outstanding; or

(xii) any non-competition or non-solicitation contract including any contract that after the Closing will restrict the conduct of any line of business by the Companies or upon consummation of the transactions contemplated hereby will restrict the ability of the Companies to engage in any line of business in which they may lawfully engage.

(b) Except as set forth on Schedule 4.11(b), each of the Companies has performed in all material respects the obligations required to be performed by it under the Material Contracts, and, to the Knowledge of Edgen, each of the Material Contracts is in full force and effect. Each Material Contract is enforceable against the Company party (and, to the Knowledge of Edgen, any other parties to such Material Contract) in accordance with its terms. There does not exist under any Material Contract any material default, condition or event that, after notice or lapse of time or both, would constitute a material default on the part of any Company, or to the Knowledge of Edgen, on the part of any other parties to such Material Contract. True, correct and complete copies of all Material Contracts have been made available or delivered to Purchaser.

4.12. Permits. Edgen has and maintains, and all of the permits, licenses, approvals, franchises, certificates, consents and other authorizations from any Governmental Authority as are necessary for the conduct of the business of the Companies except for any Permit, which the failure to have maintained such Permit would not reasonably be expected to have a Material Adverse Effect (the "Permits"). Schedule 4.12 sets forth a true and accurate list of all the Permits. Each Permit is in full force and effect and is being complied with in all material respects by the Companies. No notice has been received by any of the Companies with respect to any failure by any Company to have any Permit. True, correct and complete copies of all Permits have been made available or delivered to Purchaser.

4.13. Compliance with Laws. Edgen, each of the Companies has complied in all respects with, and is in compliance in all respects with, all laws, statutes and governmental

regulations and all judicial or administrative tribunal orders, judgments, writs, injunctions or decrees applicable to its business, except where the failure to so comply would not have a Material Adverse Effect. Except as set forth on Schedule 4.13 hereto, no written or, to the Knowledge of Edgen, oral notice has been received by any of the Companies, and none of the Companies has any Knowledge of any notice being given, with respect to any violation of any provision of any federal, state or local law or administrative regulation in respect of its business.

4.14. Litigation. There are no material claims, actions, suits or proceedings pending or, to the Knowledge of Edgen, threatened, against or affecting Edgen of any of its Subsidiaries or any of their assets or affecting the Shares or any Seller' s rights thereto, at law or in equity, by or before any Governmental Authority. There are no outstanding judgments, decrees or orders of any Governmental Authority against any of the Companies, or any of their assets or businesses.

4.15. Employment Matters. Each of the Companies is and has been in compliance in all material respects with all federal and state laws respecting employment and employment practices, terms and conditions of employment, wages and hours and nondiscrimination in employment, and neither Edgen nor any of its Subsidiaries has engaged in any unfair labor practice. Except as set forth on Schedule 4.15: (i) none of the Companies is a party to any contract with any labor organization or other representative of its employees and no such contract is currently being negotiated by Edgen or any of its Subsidiaries; and (ii) none of the Companies has experienced any material labor strike, slowdown, work stoppage or similar labor controversy within the past three (3) years. There is no labor strike, dispute, slow-down or work stoppage actually pending against or involving any of the Companies, other than disputes with individual employees. All employment manuals and other similar documents containing rules or regulations or policies of any of the Companies currently in effect regarding the general conduct, compensation, labor relations and employment and severance of any of the Companies' employees have been made available or delivered to Purchaser.

4.16. Employee Benefits. Edgen has made available to Purchaser a list and copies of each Employee Plan and all material related documents, including the most recent Form 5500 for such plan, as applicable. Each Employee Plan has been operated and administered in all material respects in compliance with ERISA, the Code and all other federal and state laws to the extent applicable. None of the Companies nor any ERISA Affiliate currently is obligated, or has ever maintained or been obligated, to contribute to a (A) "multiemployer plan" (as defined in Section 3(37) of ERISA), or (B) "defined benefit plan" (as defined in Section 3(35) of ERISA). The Companies do not maintain and, to the Knowledge of Edgen, have never maintained any employee welfare benefit plans, as defined in Section 3(1) of ERISA, that provide post-retirement benefits to former employees and to current employees after their termination of employment (including without limitation, medical and life insurance benefits), other than as may be required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and by the regulations thereunder.

4.17. No Finder. Except as set forth on Schedule 4.17, the fees and expenses of which shall be solely the responsibility of Sellers, Edgen has agreed not to pay to any broker, finder, investment banker or any other Person a brokerage, finder' s or other fee or commission in connection with this Agreement, the Acquisition and the transactions contemplated hereby.

4.18. Environmental Matters. Except as specifically disclosed on Schedule 4.18:

(a) Each of the Companies has conducted and is now conducting their operations in compliance in all material respects with all Environmental Laws.

(b) Each of the Companies holds and has been and is in compliance in all material respects with all permits, certificates, licenses, approvals, registrations and authorizations required under Environmental Laws ("Environmental Permits"), all such Environmental Permits are in full force and effect, and are listed in Schedule 4.18(b).

(c) None of the Companies has received any written or, to the Knowledge of Edgen, oral notice, citation, summons, order or complaint, and no penalty has been assessed or is pending or, to the Knowledge of Edgen, threatened by any third party (including any Governmental Authority) with respect to the Management or Release of Regulated Substances by or on behalf of any of the Companies or any of its predecessors, in relation to its past or present operations, or with respect to the presence of or exposure to Regulated Substances. None of the Companies has received and, to the Knowledge of Edgen, no one else has received, any request for information, notice of claims, demand or other notification that it (or any of its predecessors) is or may be potentially responsible with respect to any investigation, cleanup remedial action or other response action of Regulated Substances (whether on-site or off-site).

(d) No Regulated Substances have been Released or are threatened to be Released by any of the Companies or, to the Knowledge of Edgen, by any other person, and no Regulated Substances are present in an uncontained state at, on, about, under the Owned Real Property, the properties leased or subleased by any of the Companies, or to the Knowledge of Edgen, at any property formerly owned, operated or leased by the Companies or any of their predecessors.

(e) Edgen has made available to Purchaser all environmental reports and documents in any of the Companies' possession or control.

4.19. Taxes and Tax Returns. Except as set forth on Schedule 4.19:

(a) The Companies have timely filed or timely requested extensions of time to file all Tax Returns required to be filed by it for all Taxable periods ending on or before the Closing Date, and all such Tax Returns are, or will be when timely filed, true, correct and complete in all material respects;

(b) The Companies have paid to the appropriate Tax Authority, or, if payment is not yet due, will pay when due to the appropriate Tax Authority, all Taxes due and owing, whether or not reflected on the Companies' Tax Returns, for all Taxable periods ending on or before the Closing Date;

(c) The Companies are not a party to any Tax allocation or Tax sharing agreement; and

(d) Edgen is not a Person other than a "United States Person" within the meaning of the Code.

(e) None of the Companies is currently the beneficiary of any extension of time within which to file any Tax Return. No written or, to the Knowledge of Edgen, oral claim has ever been received by any of the Companies from an authority in a jurisdiction where any of the Companies does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Companies.

(f) No foreign, federal, state, or local tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to any of the Companies. None of the Companies has received from any foreign, federal, state, or local taxing authority (including jurisdictions where any of the Companies have not filed Tax Returns) any (i) notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against any of the Companies. Sellers have made available or delivered to Purchaser correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any of the Companies filed or received with respect to taxable periods ending on or after December 31, 2001. None of the Companies is subject to a private letter ruling of the IRS (or similar ruling from any other taxing authority) that has continuing effect after the Closing Date.

(g) None of the Companies has extended any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(h) None of the Companies has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii).

(i) The Companies have disclosed on their federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code § 6662.

(j) None of the Companies (A) has been a member of an affiliated group of corporations filing a consolidated federal income Tax Return (other than a group the common parent of which is Edgen) or (or any similar group of corporations under state, local, or foreign law); or (B) has any liability for the Taxes of any Person (other than Edgen or any of its Subsidiaries) under Treasury Regulation § 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(k) The unpaid Taxes of the Companies (A) did not, as of September 30, 2004, exceed the accrued Tax liability (exclusive of any accrual or liability for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the September 30, 2004 balance sheet (rather than in any notes thereto) and (B) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the

past custom and practice of the Companies in filing their Tax Returns. Since the date of the September 30, 2004 balance sheet, none of the Companies has incurred any liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the ordinary course of business consistent with past custom and practice.

(l) None of the Companies will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code § 7121 (or any corresponding or similar provision of state, local or foreign income Tax law) that has continuing effect after the Closing Date; or (C) intercompany transactions or any excess loss account described in Treasury Regulations under Code § 1502 (or any corresponding or similar provision of state, local or foreign income Tax law).

(m) None of the Companies has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was intended to be governed in whole or in part by Code § 355 or § 361.

4.20. Subsidiaries. Edgen has four wholly-owned Subsidiaries: ECI, ELC, EAPG and ECPG. Except for the Subsidiaries, none of the Companies owns any operational control over or contract or other right to acquire, directly or indirectly, any capital stock or other equity securities of any corporation or other entity, nor do any of the Companies have any direct or indirect equity or ownership interest in any business other than the Business. Neither Edgen nor any of the Subsidiaries has any obligation to invest in or otherwise provide funds to any other Person.

4.21. Insurance. Schedule 4.21 sets forth a list of each insurance policy maintained by the Companies (the "Policies"). All of such Policies are in full force and effect (and will continue in full force and effect to the Closing Date), and none of the Companies is in default with respect to its obligations under any such Policies. The aggregate coverages provided by the Policies are reasonable, in both scope and amount, in light of the risks attendant to the business in which any of the Companies is, or has been, engaged and are comparable to coverages customarily maintained by companies in similar lines of businesses. Except as set forth in Schedule 4.21, (a) there are no outstanding material claims under any Policy, (b) there are no premiums or claims due under any Policy which are delinquent, and (c) there have been no gaps in coverage for the last five years. Except set forth on Schedule 4.21, within the past two years, no notice of cancellation or non-renewal with respect to, or disallowance of any material claim under, any Policy has been received by any of the Companies.

4.22. Title to Assets. Each of the Companies has good title to all of their respective properties and assets, including the properties and assets reflected in the September 30, 2004 audited balance sheet (except those disposed of in the ordinary course of business since the date of such audited balance sheet), free and clear of all Liens except for Permitted Liens. All of such assets and properties have been maintained in all material respects consistent with industry standards and are reasonably adequate and suitable for the purposes for which they are used in the business of the Companies.

4.23. Customers and Suppliers. Schedule 4.23 contains (a) a list of the top ten customers of the Companies (by volume in dollars of sales to such customers) for the eleven-month period ended November 30, 2004 (the "Major Customers") and (b) a list of the top ten suppliers of the Companies (by volume in dollars of purchases from such suppliers) for such period (the "Major Suppliers"). Since

September 30, 2004, none of the Companies has received any written notice from any Major Customer to the effect that such Major Customer will stop or materially modify its purchases from Edgen or any of its Subsidiaries (whether as a result of the consummation of the transactions contemplated hereby or otherwise), which cessation or modification would reasonably be expected to result in a material adverse change to Edgen' s and its Subsidiaries' business relationship with such Major Customer. Neither Edgen nor any of its Subsidiaries, since September 30, 2004, has received any written notice from any Major Supplier to the effect that such Major Supplier will stop or materially modify the aggregate volume of its supply of materials, products or services to the Companies (whether as a result of the consummation of the transactions contemplated hereby or otherwise), which cessation or modification could reasonably be expected to result in a material adverse change to the Companies' business relationship with such Major Supplier.

4.24. Transactions with Affiliates. Except as set forth in Schedule 4.24 hereto, none of the Companies, nor any of their respective Affiliates, nor any of the Companies' officers, directors or employees (or any "associate" (as such term is defined in Rule 405 of the Securities Act) of the foregoing), has any interest, directly or indirectly, in any lease, Lien, contract, license, encumbrance, loan or other agreement or commitment to which Edgen or any of its Subsidiaries is a party, or any property or asset used or owned by, or any interest in any supplier of, any of the Companies in any one case exceeding $25,000. Except as set forth in Schedule 4.24 hereto, none of the Companies is indebted, directly or indirectly, to (a) any Affiliate of Edgen or (b) any officer, director or employee of any of the Companies (or any of their "associates" as defined above) for any liability or obligation, whether arising by reason of stock ownership or oral or written agreement. No employee of any of the Companies owes any money to any of the Companies (except in respect of advances for business expenses).

4.25. Bank Accounts. Schedule 4.25 sets forth the name of each bank in which any of the Companies has an account or safe deposit box, the identifying numbers or symbols thereof and the names of all persons authorized to draw thereon or to have access thereto.

4.26. Inventory. All of the inventories of the Companies, including that reflected in the Balance Sheet, are valued at the lower of cost or market, the cost thereof being determined by the average cost method, except as disclosed in the Audited Financial Statements or Interim Statement. All of the inventories reflected in the Interim Statement and all inventories acquired by the Companies since September 30, 2004 consist of items of a quality and quantity usable and saleable in the ordinary course of the such Companies' business within a reasonable period of time and at normal profit margins. The Companies' reserves in the Audited Financial Statements on account of inventory have been made in accordance with GAAP.

4.27. Accounts Receivable. All of the accounts and notes receivable of the Companies represent amounts receivable for merchandise actually delivered or services actually provided (or, in the case of non-trade accounts or notes represent amounts receivable in respect of other

bona-fide business transactions), have arisen in the ordinary course of business. To the Knowledge of Edgen, all such receivables are fully collectible in the normal and ordinary course of business, except to the extent of a reserve in an amount not in excess of the reserve for doubtful accounts reflected on the Interim Statement.

4.28. Indebtedness. Except as set forth on Schedule 4.28 hereto, none of the Companies has any Indebtedness outstanding at the date hereof. As of the Closing, none of the Companies will have any Indebtedness outstanding other than as described on the Certificate of Closing Amounts.

4.29. Disclosure. No representation or warranty by Edgen in this Agreement or the Transaction Documents, and no exhibit, document, statement, certificate or schedule furnished or to be furnished to Purchaser pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements or facts contained herein or therein not misleading.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PURCHASER

As an inducement to Sellers and Edgen to enter into this Agreement and to consummate the Acquisition, Purchaser represents and warrants to Sellers and Edgen as follows:

5.1. Organization and Qualification. Purchaser is a corporation, duly organized, validly existing and in good standing under the laws of the State of Nevada. Purchaser is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the assets and properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for failures to be so qualified or licensed and in good standing that do not have a Material Adverse Effect on Purchaser.

5.2. Authority Relative to this Agreement. Purchaser has all necessary corporate power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Acquisition and the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and such other Transaction Documents by Purchaser and the consummation by Purchaser of the Acquisition and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Purchaser, and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement or to consummate the Acquisition and the transactions contemplated hereby. This Agreement and such other Transaction Documents have been or will be duly executed and delivered by Purchaser and this Agreement constitutes, and each other Transaction Document upon execution will constitute, a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, fraudulent conveyance, reorganization or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of remedies (whether in a proceeding at law or in equity).

5.3. No Conflict. The execution and delivery of this Agreement and the Transaction Documents by Purchaser do not, and the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the Acquisition and the transactions contemplated hereby will not: (a) conflict with or violate any provision of the certificate of incorporation or by-laws of Purchaser; (b) conflict with or violate any law, rule or regulation or any judgment or order applicable to Purchaser or by which any of Purchaser' s assets is bound or affected; (c) result in any breach of or constitute a default (or an event which might, with the passage of time or the giving of notice or both, constitute a default) under, or require notice or consent under, any mortgage, indenture, deed of trust, lease, contract, agreement, license or other instrument to which Purchaser is a party or by which any of Purchaser' s assets is bound or affected; or (d) result in the creation of a Lien on any Purchaser' s assets or give to others any interests or rights therein, except in the case of clauses (b), (c) and (d) for any conflict, violation, breach or default that would not be material to Purchaser' s ability to consummate the transactions contemplated by this Agreement and the Transaction Documents in any material respect.

5.4. Required Filings and Consents. The execution and delivery of this Agreement and the Transaction Documents to which Purchaser is a party by Purchaser do not, and the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the Acquisition and the transactions contemplated hereby and thereby will not, require any consent, approval, authorization or permit of, or filing by Purchaser with or notification by Purchaser to, any Governmental Authority, except for such consents, approvals, authorizations, permits and filings the failure of which to obtain would not reasonably be expected to have a material adverse effect on Purchaser' s ability to consummate the transactions contemplated by this Agreement and the Transaction Documents.

5.5. No Finder. Purchaser has not agreed to pay to any broker, finder, investment banker or any other Person a brokerage, finder' s or other fee or commission in connection with this Agreement, the Acquisition and the transactions contemplated hereby.

5.6. Financial Resources. Purchaser (a) has attached as Schedule 5.6 hereto a copy of (i) the financing commitment letter from GMAC Commercial Finance, LLC (the "Senior Commitment"), which sets forth the material terms and conditions of the Senior Commitment and agreed to and accepted by Purchaser; (ii) the equity commitment letter (the "Equity Commitment") from ING Furman Selz Investors III L.P., ING Barings U.S. Leveraged Equity Plan LLC and ING Barings Global Leveraged Equity Plan, Ltd. (collectively, the "Equity Financing Parties") and agreed to and accepted by Purchaser, which sets forth the material terms and conditions of the Equity Commitment, and (iii) the contingency letter agreement (the "Contingency Letter Agreement") from the Equity Financing Parties and agreed to and accepted by Purchaser, each of which is in full force and effect; (iv) a certificate of an authorized representative of each of the Equity Financing Parties certifying as to due authorization of the Equity Commitment Letter and the Contingency Letter Agreement, among other things, and (b) proposes to conduct the Senior Notes Offering.

5.7. No Litigation. As of the date hereof, there is no claim, action, suit or proceeding pending or, to the knowledge of Purchaser, threatened, against Purchaser before any

Governmental Authority that prohibits or restricts, or seeks to prohibit or restrict, the consummation of the Acquisition and the transactions contemplated hereby.

5.8. Investment Representation. Purchaser is acquiring the Shares solely for investment purposes and solely for its own account, without any intention to resell or redistribute such Shares in violation of the Securities Act.

ARTICLE VI
ADDITIONAL COVENANTS

6.1. Conduct of Business. From the date hereof through the Closing Date, except as contemplated by this Agreement or described on Schedule 6.1 and except for actions directly related to the announcement of the transactions contemplated by this Agreement, Edgen shall, and Edgen shall cause the Companies to, conduct the Companies' operations in the ordinary course, consistent with past practice in the last twelve (12) months, and Edgen shall not, and Edgen shall cause the Companies not to, directly or indirectly:

(a) grant any increase in the salary or other compensation payable or to become payable to, or any advance (excluding advances for ordinary business expenses) or loan to, any of the respective officers, directors, agents and employees of any of the Companies, or any bonus payments or arrangements made to or with any of them (other than any annual wage increase in the ordinary course of business and consistent with past practice) except for bonus payments for the Companies' 2004 fiscal year in accordance with the express terms of the Companies' pre-existing employment contracts set forth on Schedule 4.11; provided, that the Company and the Sellers shall convene a stockholders meeting to consider and, if deemed advisable, approve the compensation arrangements set forth on Schedules 1.1(d) and 4.11;

(b) make any change in any accounting principle (including Tax accounting), method, estimate or practice, except for any such change required by GAAP, the Code, any state tax codes or as required by Regulation S-X (17 CFR § 210, et seq.) in connection with the Senior Notes Offering;

(c) make a material change in the manner of business or operations of any of the Companies or make any material change in any existing inventory management or credit, collection or payment policies, procedures or practices with respect to accounts receivable or accounts payable;

(d) enter into any lease, contract or commitment or engage in any transaction not contemplated by this Agreement or not in the ordinary course of business and consistent with its normal business practices, or amend, modify or terminate (i) any Material Contract; (ii) any other contract, other than amendments or modifications in the ordinary course of business or (iii) any employee benefit plan of the Companies;

(e) sell or otherwise dispose of any assets with an aggregate fair market value greater than $100,000, other than the sale or other disposal of inventory and obsolete or worn-out equipment in the ordinary course of business;

(f) effect any issuance, grant or sale of any shares of its capital stock (or any securities convertible into or exchangeable for such capital stock, or any options, warrants or other rights to acquire such capital stock or securities) or make any commitment or offer to do the same;

(g) declare, pay or set aside for payment any dividend or other distribution in respect of its capital stock or redeem, purchase or otherwise acquire, or offer, sell or issue, directly or indirectly, any shares of the capital stock or other securities of any of the Companies (including options, warrants or rights to acquire securities), or merge or consolidate (or engage in any other business combination transaction) with any Person or effect any share exchange, reclassification or subdivision of any its capital stock or adopt any plan of liquidation or dissolution or other reorganization or reclassification of its capital stock, or acquire the stock, assets or business of any other Person;

(h) pay, loan or advance any amount to, or sell, transfer or lease any of its material assets to, or enter into any agreement or arrangement with any Affiliate, including, but not limited payments to the Sellers except for (i) management fees of not more than $123,900 payable to Harvest Partners III, LP in accordance with the Amended and Restated Management Agreement dated October 20, 2004 by and among Harvest Partners Inc., Edgen and ECPG and (ii) management fees of not more than $23,925 payable to Stonehenge Capital Company, LLC in accordance with the Amended and Restated Management Agreement dated November 1, 2004 by and among Stonehenge Capital Company, LLC, Edgen and ECPG, each of which payments shall be included as Transaction Expenses ;

(i) (i) incur any Liens other than Permitted Liens; (ii) make, change or revert any tax election or make any agreement or settlement with any taxing authority; (iii) waive, cancel or forgive any amounts owed to any of the Companies in excess of $100,000; (iv) guarantee or become a co-maker or accommodation maker or otherwise become or remain contingently liable in connection with any Indebtedness of any Person other than Edgen or any of its Subsidiaries; (v) loan, advance funds or make an investment in or capital contribution to any Person other than Edgen or any of its Subsidiaries; (vi) commence or settle any litigation or arbitration proceedings; (vii) incur any liabilities or obligations other than in the ordinary course of business; (viii) amend, modify, restate or alter in any manner the certificate of incorporation or bylaws (or other organizational documents) of Edgen or any of its Subsidiaries; (ix) enter into any new

transaction or arrangement which, if existing on the date hereof, would be required to be disclosed on Schedule 4.24 hereto; (x) prepay any Indebtedness of the Companies or modify or amend the schedule of principal or interest payments pursuant to any Indebtedness in effect on the date hereof, except for the prepayment of any Indebtedness without penalty; or (xi) commit or enter into any agreement to do any of the foregoing.

6.2. Consents, Filings and Authorizations; Efforts to Consummate.

(a) The Companies shall make all commercially reasonable efforts to obtain and deliver to Purchaser at the Closing consents from the relevant parties to the contracts or agreements set forth in Schedule 7.3(e).

(b) Purchaser and Edgen shall make all filings and submissions under such laws as are applicable to them or to their respective Affiliates and as may be required for the consummation of the Acquisition in accordance with the terms of this Agreement. Each Party shall as promptly as practicable comply with the laws and regulations of any other Governmental Authority that are applicable to any of the transactions contemplated by this Agreement and pursuant to which any consent is necessary. Purchaser and Edgen shall cooperate with one another in connection with any such filings. All such filings shall comply in form and content in all material respects with applicable laws. The Parties shall keep each other apprised of the status of any communications with, and any inquiries or requests for additional information from, any Governmental Authority with respect to the transactions contemplated by this Agreement.

(c) Subject to the terms and conditions herein, each Party, without material monetary payment, shall use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable: (i) to cause the conditions to the obligations of each Party to consummate the Acquisition to be satisfied as soon as reasonably practicable; (ii) under applicable laws, permits and orders, to consummate and to give each other all of the benefits contemplated by this Agreement and to make effective the Acquisition and the transactions contemplated hereby as soon as reasonably practicable, and to cooperate with each other in connection with the foregoing, including obtaining all consents required in connection with such Party' s consummation of the Acquisition and (iii) obtain such consents, approvals and permissions from landlords, their mortgagees, local regulatory authorities with jurisdiction of the transfer, and other parties with effective rights of approval.

6.3. Public Announcements. From and after the date of this Agreement until the Closing Date, Purchaser, on one hand, Edgen, and on the other hand, agrees not to make (and shall cause their Affiliates not to make) any public announcement or other public disclosure concerning this Agreement or the transactions contemplated herein without obtaining the prior written consent of the other Party as to form, content and timing (such consent not to be unreasonably withheld); provided, however, that the foregoing shall not restrict any Party (or any Affiliate of Edgen) from making any public announcement or public disclosure as may be required by applicable law (including the rules of any stock exchange or other self-regulated body), and, if practicable, such Party (or Affiliate thereof) shall give the other Party not less than five (5) Business Days prior written notice of the proposed disclosure.

6.4. Access to Information; Confidentiality.

(a) From and after the date of this Agreement until the earlier to occur of the Closing Date or the date this Agreement shall be terminated pursuant to Article VII hereof, upon reasonable notice and subject to applicable law relating to the exchange of information and to confidentiality obligations of Edgen entered into prior to the date hereof, Edgen and its Subsidiaries shall afford to Purchaser' s Representatives access during normal business hours to senior management (including key employees), Edgen' s accountants and such properties, books, records, contracts, commitments and other information of the Companies as Purchaser may reasonably request, but excluding bids, contracts and other information prepared solely for use in connection with the sales process resulting in the Acquisition. Purchaser' s Representatives shall

have the right to perform Phase I environmental site assessments ("Phase I") during normal business and at Purchaser' s expense, at any and all Real Property. Purchaser shall have the right to conduct additional invasive environmental investigations, including sampling or testing, at any or all of the Real Property if Purchaser has a reasonable basis to do so based on the information it obtains in its diligence or the results of a Phase I.

(b) Each of Purchaser and Edgen acknowledges that the information provided to the other and its Representatives in connection with the Acquisition and this Agreement is subject to that certain Confidentiality Agreement, dated as of August 15, 2004, between Jefferies Capital Partners and Edgen (the "Confidentiality Agreement"), the terms of which are incorporated herein by this reference.

(c) Each Seller shall, and shall cause his or its Representatives (as such term is defined in the Confidentiality Agreement) to, keep confidential and not disclose to any other person or entity or use for his or its own benefit or the benefit of any other person or entity any Information (as such term is defined in the Confidentiality Agreement) in his, its or their possession or control. The obligations of the Sellers under this Section 6.4(c) shall not apply to Information which (i) is or becomes generally available to the public without breach of the commitment provided for in this Section 6.4(c); or (ii) is required to be disclosed by law, order or regulation of a court or tribunal or governmental authority; provided, however, that, in any such case, each Seller shall notify Edgen or Purchaser as early as reasonably practicable prior to disclosure to allow Edgen or Purchaser to take appropriate measures to preserve the confidentiality of such Information at the cost of Edgen or Purchaser.

6.5. Expenses. All expenses of the preparation, execution and consummation of this Agreement and of the transactions contemplated hereby, including, without limitation, attorneys' , accountants' and outside advisers' fees and disbursements, shall be borne by (a) the Purchaser, if incurred for Purchaser' s account, (b) the Companies, if incurred for the account of the Companies or the Sellers only to the extent actually paid in cash prior to Closing such that the payment of expenses either reduces the Companies' cash on hand or increases Indebtedness, as the case may be; or (c) the Sellers, if incurred for the account of the Companies or the Sellers and which is neither paid in cash by the Companies prior to Closing nor deducted as a Transaction Expenses from the Purchase Price pursuant to Section 2.2. Notwithstanding the foregoing the Purchaser shall pay the fees payable (i) under the filing, local counsel and other fees in connection with governmental consents in Canada (including applicable Canadian provinces); (ii) in connection with expenses of the Companies incurred or to be incurred by the Companies in connection with the Purchaser' s obtaining the financing necessary to pay the Purchase Price (including, but not limited to, the Senior Notes Offering and the Senior Commitment) and (iii) in connection with the September 30, 2004 Audited Financial Statements.

6.6. Supplements to Disclosure Schedules. Each of Sellers and Edgen shall have the right from and after the date hereof until the seventh day prior to the Closing Date to amend or written supplement the Disclosure Schedules attached to this Agreement for any event which first occurs after the date hereof. As promptly as practicable after any event described below which first occurs after the date hereof, the Sellers' Representative will provide Purchaser with a supplement or amendment to the Disclosure Schedules with respect to any matter, condition or

occurrence hereafter arising (or, in the case of matters for which Sellers' or Edgen' s disclosure obligation hereunder is limited to knowledge, discovered) which, if existing or occurring on the date of this Agreement, would have been required to be set forth or described in such Disclosure Schedules. No claim for breach of this Agreement may be made by Purchaser based on any disclosure made by Sellers or Edgen in any such amended or supplemented Disclosure Schedules. In connection with the delivery of any amended or supplemented Disclosure Schedules, the Sellers or Edgen shall promptly provide to Purchaser all additional information reasonably requested by the Purchaser in order to make a determination as to whether Purchaser shall accept such supplement of the Disclosure Schedules. Promptly after making such determination, the Purchaser shall either (i) accept such amended or supplemented Disclosure Schedules, in which case Purchaser shall be deemed at Closing to have waived any claim with respect to the contents thereof, or (ii) terminate this Agreement. The draft of the audited financial statements which are attached as part of Schedule 4.6 as of the date hereof will be replaced by the audited financial statements accompanying the executed report of Deloitte & Touche LLP as soon as practicable but no later than January 7, 2005. Such replacement shall be deemed for all purposes to be a written supplement to the Disclosure Schedules for an event first occurring after the date of the Purchase Agreement.

6.7. Tax Matters. The following provisions shall govern the allocation of responsibility as between the Purchaser and the Sellers for certain tax matters following the Closing Date:

(a) Tax Indemnification. The Sellers shall indemnify the Companies, Purchaser, and each Purchaser Affiliate and hold them harmless from and against (without duplication), any loss, claim, liability, expense, or other damage attributable to (i) all Taxes (or the non-payment thereof) of the Companies for all Taxable periods (a) ending on or before the Closing Date and (b) the portion through the end of the Closing Date for any Taxable period that includes (but does not end on) the Closing Date ("Pre-Closing Tax Period"), as determined in Section 6.7(b); (ii) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which any of the Companies (or any predecessor of any of the foregoing) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation § 1.1502-6 or any analogous or similar state, local, or foreign law or regulation (other than the consolidated group of which Edgen is the common parent);

(iii) any and all Taxes of any person (other than the Companies) imposed on the Companies as a transferee or successor, by contract or pursuant to any law, rule, or regulation, which Taxes relate to an event or transaction occurring before the Closing; (iv) any amount of the 2002 Tax Refund Purchaser or any of the Companies is required, by applicable law, to repay to any taxing authority, including any interest and penalties with respect to such payment; and (v) any amount of the Tax benefit arising from payment of the Deductible Transaction Expenses which Purchaser or any of the Companies is required by applicable law to repay to any taxing authority, including any interest and penalties with respect thereto, but only to the extent that (x) such repayment reduces the net Tax savings from payment of the Deductible Transaction Expenses to an amount below $1.3 million, and (y) Purchaser has previously made a payment pursuant to Section 2.4(b) in respect of such tax benefit; provided, however, that in the case of clauses (i), (ii), and (iii) above, the Sellers shall be liable only to the extent that any such Tax exceeds the amount, if any, accrued as a liability for such Tax (excluding any accrual or liabilty for deferred Taxes established to reflect timing differences

between book and Tax income) on the face of the balance sheet attached to the September 30, 2004 Audited Financial Statements or accrued since the date of such balance sheet and prior to Closing on the books of the Companies in the ordinary course of business consistent with past practice. The Sellers shall reimburse the Purchaser for any Taxes of the Companies which are the responsibility of the Sellers pursuant to this Section 6.7(a) within fifteen (15) business days after payment of such Taxes.

(b) Straddle Period. In the case of any Taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income or receipts of the Companies for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date and the amount of other Taxes of the Companies for a Straddle Period which relate to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire Taxable period multiplied by a fraction the numerator of which is the number of days in the Taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(c) Responsibility for Preparing and Filing Tax Returns. Purchaser shall prepare or caused to be prepared and file or caused to be filed all Tax Returns for the Companies which are filed after the Closing Date. In the case of Tax Returns for the year which includes the Closing Date, Purchaser shall cause such Tax Returns to be filed in such a manner as to claim a deduction with respect to the Deductible Transaction Expenses. In the case of any Tax Returns which reflect any Tax for which Sellers may be required to indemnify any person under the Agreement, (i) such Tax Returns shall be prepared in a manner consistent with prior practice unless otherwise required by applicable law and such Tax Returns shall be true, correct and complete in all material respects, and (ii) Sellers may review and comment on such Tax Returns prior to filing and Purchasers shall make, or cause the Companies to make, any changes to such Tax Returns as are reasonably requested by Sellers and that would not violate applicable law.

(d) Cooperation on Tax Matters.

(i) Purchaser, the Companies, and the Sellers shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to this Section 6.7 and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party' s request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Companies and the Sellers agree (A) to retain all books and records with respect to Tax matters pertinent to the Companies relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Purchaser or Sellers, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other Party so requests, the Companies or Sellers, as the case may be, shall allow the other

Party to take possession of such books and records. Sellers will retain the right, with the participation of the Purchaser, to conduct and resolve any audit, administrative or judicial proceeding relating to income Taxes with respect to any period ending prior to or on the Closing Date, to the extent Sellers may be obligated to indemnify the Purchaser pursuant to Section 6.7(a); provided, however, that, subject to subsection (g) of this Section 6.7, no resolution of such proceeding shall be accepted that may have an adverse effect on the Purchaser or the Companies, in which case, the Purchaser and the Companies will have the right to participate in and approve of the resolution of such proceeding; provided further, however, that the Purchaser and the Companies shall not approve any such

resolution that may have an adverse effect on the Sellers' obligation to indemnify the Purchaser. Purchaser will promptly notify Sellers of any such audit, proposed adjustment or related matter that could affect the Sellers' obligations pursuant to Section 6.7(a) hereof.

(ii) Purchaser and Sellers further agree, upon request, to use their best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(iii) Purchaser and Sellers further agree, upon request, to provide the other party with all information that either party may be required to report pursuant to Code § 6043A and all Treasury Regulations promulgated thereunder.

(e) Tax Sharing Agreements. All Tax sharing agreements or similar agreements with respect to or involving the Companies (other than any such agreements to which only the Companies are parties) shall be terminated as of the Closing Date and, after the Closing Date, the Companies shall not be bound thereby or have any liability thereunder.

(f) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement ("Transfer Taxes") shall be paid in equal portions by the Sellers and the Purchaser when due. In other words, the Sellers and the Purchaser shall share equally the cost of Transfer Taxes. The Purchaser or the Sellers, as required by applicable law, will prepare and file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the party not filing such a Tax Return will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

(g) Tax Refund; Deductible Transaction Expenses.

(i) Prior to the date hereof, certain of the Companies have prepared (but have not filed) refund claims ("Unfiled 2002 Claims") with respect to portions of the 2002 Tax Refund. At such time as Sellers shall designate, the Companies shall cause

such Unfiled 2002 Claims, as are designated by Sellers, to be signed and filed on behalf of the appropriate Company.

(ii) The parties shall cooperate fully in pursuing claims with respect to the 2002 Tax Refund and in securing the Tax benefits attributable to payment of the Deductible Transaction Expenses. The Companies shall take such actions (in the case of the 2002 Tax Refund, at Sellers' expense), as are reasonably necessary or appropriate to obtain such refund or Tax benefit, as the case may be, and shall not take any action (including, without limitation, making any tax election or filing any Tax Return) which is inconsistent with, or which could adversely affect the ability of any of the Companies to receive any portion of the 2002 Tax Refund or to realize, at the earliest available time, the Tax benefits attributable to payment of the Deductible Transaction Expenses. The Companies shall keep the Sellers informed of all developments in connection with such items. Without limitation of the foregoing, the Companies shall, within two (2) Business Days of receipt by any of the Companies of any notice or communication from any taxing authority with respect to any portion of the 2002 Tax Refund or the tax treatment of any portion of the Deductible Transaction Expenses, provide a copy of such notice or communication to the Sellers.

(iii) In the event any taxing authority proposes to deny all or any portion of the 2002 Tax Refund or to deny or delay all or any portion of the Tax benefits with respect to the Deductible Transaction Expenses, the Sellers shall control any contact with such taxing authority with respect to such refund; provided, however, that Sellers shall (a) keep the Companies informed about such contacts and provide copies of any written communications; (b) not take any action that violates applicable law; and (c) not settle or compromise any matter with respect thereto without the approval of the Companies, which approval shall not be unreasonably withheld. At Sellers' expense, the Companies shall cooperate with reasonable requests in accordance with applicable law in any such contacts with a taxing authority regarding the 2002 Tax Refund or the Tax benefits attributable to the Deductible Transaction Expenses.

6.8. 280G Matters. The Sellers shall indemnify and hold harmless the Companies, Purchaser and each Purchaser Affiliate, to the fullest extent permitted by law from and against any and all liabilities, costs, claims and expenses, including all reasonable professional fees (such as attorneys' or accountants' fees), arising out of the payment of any "excess parachute payments" as defined by section 280G of the Code ("Excess Parachute Payments"). Such costs shall include, but not be limited to, the costs of paying any tax gross-up to the

individual who receives an Excess Parachute Payment and the costs of the lost deduction to Purchaser, the Companies or any successor thereof, if applicable, of the payment of any Excess Parachute Payments.

6.9. Termination of Affiliate Relations. All contracts (i) between the Companies, on the one hand, and Sellers and their Affiliates, on the other hand (other than contracts solely between the Companies), or (ii) under which any of the Companies guarantees any payment or performance of Sellers or any of their Affiliates (other than a Company), shall be terminated as of the Closing.

6.10. No Shop. Each Seller covenants that from the date hereof through the Closing Date it will not, and will not permit any of its Affiliates and its and their respective Representatives to, (a) make, solicit, assist, initiate, facilitate or encourage any inquiries, proposals, offers or bids from any other party relating to the Companies, the equity interests of the Companies or a substantial portion of the Companies' assets or business, or (b) participate in any discussions or negotiations regarding, or furnish or cause to be furnished to any Person any non-public information relating to the Companies, the equity interests of the Companies or a substantial portion of the Companies' assets or business. Each Seller covenants that from the date hereof through the Closing Date, it will not, directly or indirectly, enter into or authorize, or permit any of its Representatives or Affiliates (including the Companies) to enter into, any agreement or agreement in principle with any third party for the acquisition of any of the equity interests of the Companies or a substantial portion of the Companies' assets. Prior to the Closing, none of the Sellers shall, directly or indirectly, sell, transfer, pledge, hypothecate, encumber, gift or otherwise dispose or surrender possession of, or enter into any contract or agreement for the sale, transfer, pledge, hypothecation, gift or other disposition of any shares of capital stock of Edgen owned by such Seller (or any securities convertible into or exchangeable for such shares or any options, warrants or other rights to acquire such shares or securities) or any interest therein.

6.11. Financing. The Purchaser shall use commercially reasonable efforts to obtain the financing contemplated by the Senior Notes Offering and the Senior Commitment on the terms set forth in Section 7.3(k).

6.12. Further Assurances. The Sellers, Edgen and Purchaser shall execute and deliver to all appropriate other parties such other instruments as may be reasonably required in connection with the performance of this Agreement and each shall take all such further actions as may be reasonably required to carry out the transactions contemplated by this Agreement.

ARTICLE VII
CONDITIONS TO CLOSING

7.1. Conditions to the Obligations of Sellers, Edgen and Purchaser. The obligations of Sellers and Edgen, on one hand, and Purchaser, on the other hand, to consummate the Acquisition are subject to the satisfaction or, if permitted by applicable law, waiver of the following conditions on or prior to the Closing Date:

(a) No Injunction. (i) No restraining order or injunction shall prohibit the transactions contemplated by this Agreement.

(b) Antitrust Clearances. Any required clearances, approvals or confirmations of the Acquisition shall have been obtained pursuant to any foreign acquisition control statutes.

7.2. Conditions to Obligation of Sellers and Edgen. The obligation of Sellers and Edgen to consummate the Acquisition is subject to the fulfillment at or prior to the Closing of the following conditions, any one or more of which may be waived in writing in whole or in part by Sellers Representative and Edgen:

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement, in any other Transaction Document or in any written certificate delivered pursuant to this Agreement shall be true and correct on the date of this Agreement, such Transaction Document or such certificate, as the case may be, and shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date (except for representations and warranties that expressly relate to a date earlier than the Closing Date which shall continue to be true and correct as of the specified date and except for representations and warranties that contain any form of materiality qualification, which shall be true and correct in all respects).

(b) Performance. Purchaser shall have performed and complied in all material respects with all agreements, obligations and covenants required to be performed or complied with by it on or prior to the Closing Date.

(c) Deliveries to Sellers Representative and Edgen. Purchaser shall have delivered to Sellers Representative and Edgen the following:

(i) A certificate, dated the Closing Date, of an executive officer of Purchaser confirming the matters set forth in Section 7.2(a) and (b);

(ii) A certificate, dated the Closing Date, of the Secretary or Assistant Secretary of Purchaser certifying, among other things, that attached or appended to such certificate: (A) is a true and correct copy of the certificate of incorporation and by-laws of Purchaser, and all amendments thereto; (B) is a true copy of all corporate actions taken by it, including resolutions of its board of directors, authorizing the consummation of the Acquisition and the execution, delivery and performance of this Agreement and each of the Transaction Documents to be delivered by Purchaser pursuant hereto; and (C) are the names and signatures of Purchaser' s duly elected or appointed officers who are authorized to execute and deliver this Agreement and the other Transaction Documents to which Purchaser is a party; and

(iii) A certificate of good standing from the appropriate state agency, dated as of a recent date, certifying that Purchaser is in good standing in the State of Delaware.

(d) Escrow Agreement. Each of the Purchaser and the Escrow Agent shall have executed and delivered to the Sellers Representative the Escrow Agreement, and the Escrow Agreement shall be in full force and effect.

7.3. Conditions to Obligation of Purchaser. The obligation of Purchaser to consummate the Acquisition is subject to the fulfillment at or prior to the Closing of the following conditions, any one or more of which may be waived in writing in whole or in part by Purchaser:

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Sellers, on one hand, and Edgen, on the other hand, contained in this

Agreement, in any other Transaction Document or in any written certificate delivered pursuant to this Agreement shall be true and correct on the date of this Agreement, such Transaction Document or such certificate, as the case may be, and shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date (except for representations and warranties that expressly relate to a date earlier than the Closing Date which shall continue to be true and correct as of the specified date and except for representations and warranties that contain any form of materiality qualification, which shall be true and correct in all respects).

(b) Performance. Sellers and Edgen shall have performed and complied in all material respects with all agreements, obligations and covenants required to be performed or complied with by them on or prior to the Closing Date.

(c) No Material Adverse Effect. During the period from the date hereof to the Closing Date, there shall not have occurred any Material Adverse Effect.

(d) Deliveries by Sellers Representative and Edgen. Sellers Representative or Edgen shall have delivered to Purchaser the following:

(i) The original certificates evidencing the Shares issued to Sellers, accompanied by stock powers duly executed in blank, and such other instruments of conveyance as may be acceptable to Purchaser and its counsel;

(ii) A certificate, dated the Closing Date, of an executive officer of Edgen confirming the matters set forth in Section 7.3(a) and (b);

(iii) A certificate, dated the Closing Date, of each Seller confirming the matters set forth in Section 7.3(a) and (b);

(iv) A certificate, dated the Closing Date, of the Secretary or Assistant Secretary of Edgen certifying, among other things, that attached or appended to such certificate: (A) is a true and correct copy of Edgen' s certificate of incorporation and by-laws, and all amendments thereto; (B) is a true copy of all corporate actions taken by it, including resolutions of its board of directors, authorizing the consummation of the Acquisition and the execution, delivery and performance of this Agreement and each of the Transaction Documents to be delivered by it pursuant hereto; and (C) are the names and signatures of its duly elected or appointed officers who are authorized to execute and deliver this Agreement and the other Transaction Documents to which it is a party; and

(v) Certificates of good standing from the appropriate state agencies, dated as of a recent date, certifying that each Company is in good standing in the state of its incorporation and in each other jurisdiction in which such Company is qualified to do business as a foreign corporation.

(e) Consents, Waivers, etc. Edgen shall have obtained the third party consents, approvals, filings, releases and waivers listed on Schedule 7.3(e).

(f) Expenses. The Sellers shall have caused Edgen to prepare and deliver to the Purchaser the Certificate of Closing Amounts and shall have delivered payoff letters for all Indebtedness.

(g) Resignations of Directors. The directors of Edgen and each of its Subsidiaries set forth on Schedule 7.3(g) hereto shall have resigned their positions with Edgen and/or its Subsidiaries on or prior to the Closing Date.

(h) Opinions of Counsel. Each of Piper Rudnick LLP, counsel to Edgen, Schreck Brignone, special Nevada counsel to Edgen, shall have delivered to the Purchaser a written opinion, addressed to the Purchaser and dated the Closing Date, substantially in the form of Exhibits C-1 and C-2, respectively, hereto. Edgen' s Canadian counsel shall have delivered to Purchaser a written opinion, substantially in the form of Exhibit C-2 hereto, to the extent it relates to ECI and subject to local custom. To the extent a Seller is not represented by Piper Rudnick LLP, counsel to such Seller shall deliver to Purchaser a written opinion addressed to Purchaser and dated the Closing Date, substantially in the form of Exhibit C-1 hereto, to the extent it relates to such Seller and subject to local custom.

(i) Termination of Agreements. Each of the agreements listed on Schedule 7.3(i) hereto shall have been terminated.

(j) FIRPTA Certificate. Edgen shall have delivered to the Purchaser a certificate of Edgen prepared in accordance with Treasury Regulations section 1.1445-2, certifying that the Shares are not a "U.S. real property interest."

(k) Financing Proceeds. The Purchaser shall have (i) completed an offering of senior notes and (A) the gross proceeds from such offering shall have been not less than $100 million, (B) the yield on such senior notes shall have been no greater than 10% per annum, (C) the other terms and conditions of the senior notes and the related agreements shall be reasonably satisfactory to Purchaser, and (D) no equity of Purchaser or any of its Affiliates shall have been offered in connection with such senior note offering (the "Senior Notes Offering"), and (ii) entered into a credit agreement on terms and conditions consistent with the Senior Commitment and all conditions to borrow under such credit agreement shall have been satisfied.

(l) Escrow Agreement. Each of the Sellers Representative and the Escrow Agent shall have executed and delivered to the Purchaser the Escrow Agreement, and the Escrow Agreement shall be in full force and effect.

(m) Stock Options. The Purchaser shall have received evidence that all stock options and any stock option plans of Edgen or its Subsidiaries have been terminated.

(n) Title Endorsements. Receipt of non-imputation endorsements and such other endorsements as the Purchaser may require to obtain the benefit of title insurance coverage for all Real Property, without exception for acts of the Sellers or the Companies prior to the Closing.

ARTICLE VIII
TERMINATION; EFFECT OF TERMINATION

8.1. Termination of Agreement. This Agreement may be terminated and the Acquisition may be abandoned at any time prior to the Closing:

(a) by mutual written consent of Sellers Representative and Purchaser;

(b) after February 4, 2005, by either Sellers Representative or Purchaser, if the Closing has not occurred by that date; and provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b) shall not be available to a Party whose action or failure to act has been a principal cause of or resulted in the failure of the Acquisition to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

(c) by Sellers Representative, upon written notice, if any representation or warranty of Purchaser shall have become untrue such that the condition set forth in Section 7.2(a) would not be satisfied or if Purchaser shall have materially breached any agreement, obligation or covenant such that the condition set forth in Section 7.2(b) would not be satisfied; provided, that if the inaccuracy in Purchaser' s representations and warranties or the breach of Purchaser' s agreement, obligation or covenant is curable through the exercise of Purchaser' s commercially reasonable efforts, then Sellers Representative may not terminate this Agreement for thirty (30) days after Sellers Representative shall have given written notice of such inaccuracy or breach to Purchaser (so long as Purchaser continues to use commercially reasonable efforts to cure the inaccuracy or breach during such period), it being understood that Sellers Representative may not terminate this Agreement if Purchaser cures such inaccuracy or breach within such thirty (30) day period; and provided, further, that the right to terminate this Agreement pursuant to this Section 8.1(c) shall not be available to Sellers Representative if Sellers' or Edgen' s breach of or failure to comply with their obligations under this Agreement is a principal cause of or resulted in the event giving rise to such termination right;

(d) by Purchaser, upon written notice if any representation or warranty of Sellers or Edgen shall have become untrue such that the condition set forth in Section 7.3(a) would not be satisfied or if Sellers or Edgen shall have materially breached any agreement, obligation or covenant such that the condition set forth in Section 7.3(b) would not be satisfied; provided that if the inaccuracy in Sellers' or Edgen' s representations and warranties or the breach of Sellers' or Edgen' s agreement, obligation or covenant is curable through the exercise of commercially reasonable efforts, then Purchaser may not terminate this Agreement for thirty (30) days after Purchaser shall have given written notice of such inaccuracy or breach to Sellers Representative (so long as Sellers and/or Edgen continue to use commercially reasonable efforts to cure such inaccuracy or breach during such period), it being understood that Purchaser may not terminate this Agreement if Sellers or Edgen cures such inaccuracy or breach within such thirty (30) day period; and provided, further, that the right to terminate this Agreement pursuant to this Section 8.1(d) shall not be available to Purchaser if Purchaser' s breach of or failure to comply with its obligations under this Agreement is a principal cause of or resulted in the event giving rise to such termination event;

(e) by Purchaser or Sellers Representative if there shall be any law that makes consummation of the Acquisition illegal or otherwise prohibited, or if any order of any Governmental Authority enjoining Purchaser, Sellers or Edgen from consummating the Acquisition is entered and such order shall have become final and nonappealable; provided that the Party seeking to terminate this Agreement pursuant to this provision shall have used all reasonable efforts to remove or vacate such order; or

(f) by Purchaser pursuant to Section 6.6.

8.2. Effect of Termination; Right to Proceed.

(a) In the event that this Agreement is terminated pursuant to Section 8.1, then this Agreement shall have no further force or effect, and all further obligations of the Parties shall terminate without further liability of either Party (except for obligations under Sections 6.3, 6.4(b), 6.4(c), 6.5, 10.3, 10.5, 10.6 and this Section 8.2); provided that subject to the following sentence, nothing in this Section 8.2 shall relieve any Party of liability arising out of fraudulent or willful or intentional breach of this Agreement prior to a termination hereof.

(b) In the event that a condition precedent to a Party' s obligation is not met, nothing contained herein shall be deemed to require any Party to terminate this Agreement, rather than to waive such condition precedent and proceed with the Acquisition.

(c) Notwithstanding the foregoing, if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party' s obligations under this Agreement is not satisfied as a

result of the other party' s failure to comply with its obligations under this Agreement, the terminating party' s right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE IX
SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties contained in this Agreement, any Transaction Document or in any statement or certificate furnished or to be furnished pursuant hereto or in connection with the transactions contemplated hereby shall survive the Closing until the date that is 18 months after the Closing Date, except that the representations and warranties (i) made in Section 3.1 hereof (relating to title), Section 4.2 (relating to capitalization), Section 4.1 hereof (relating to organization), Section 4.20 hereof (relating to subsidiaries), Section 3.2 and 4.3 hereof (relating to authority), Sections 3.6 and 4.17 hereof (relating to brokers), Section 4.19 hereof (relating to taxes), Section 4.16 hereof (relating to employee benefits matters) and Section 4.24 (relating to transactions with affiliates), shall survive the Closing until the date that is thirty (30) days after the expiration of the applicable statute of limitations) and (ii) made in Section 4.18 hereof (relating to environmental matters) (and in the officer' s certificate delivered under Section 7.3(d) in so far as it relates to such representations) shall survive the Closing until the date that is three (3) years after the Closing Date. If a claim for indemnification is made hereunder in respect of any alleged breach of a representation and warranty before the expiration of the applicable survival period for such representation or

warranty, such representation or warranty shall survive, with respect to such claim, until such claim is resolved. The covenants contained in this Agreement shall survive the Closing and remain in effect indefinitely.

9.2. Indemnity by the Sellers.

(a) Subject to the overall limitations, the minimum amounts and the time limitations set forth in Sections 9.1 and 9.4, each of the Sellers agrees to indemnify and hold the Purchaser and, after the Closing, Edgen and its Subsidiaries, and their respective Affiliates, officers and directors (collectively, the "Purchaser Indemnitees") harmless from and with respect to any and all claims, liabilities, losses, damages, costs and expenses, including without limitation the fees and disbursements of counsel (collectively, "Damages"), arising directly or indirectly out of:

(i) any breach of or inaccuracy in any representation or warranty made by Edgen in this Agreement or any Transaction Document or breach of or any inaccuracy in any certificate delivered by Edgen at Closing pursuant hereto, including the officer' s certificate referred to in Section 7.3(d) and the Certificate of Closing Amounts;

(ii) any Taxes of Edgen and its Subsidiaries as provided in Section 6.7 or any costs associated with the payment of Excess Parachute Payments as provided in Section 6.8;

(iii) any breach of any covenant made by Edgen in this Agreement or any Transaction Document; and

(iv) any obligation under any bylaw or Certificate of Incorporation (or similar document) of Edgen or any of its Subsidiaries or any agreement or under law requiring any Company to provide indemnification or expense reimbursement to any person who was a director of Edgen or any of its Subsidiaries prior to the Closing except to the extent that such obligation to provide indemnification, contribution or expense reimbursement arose out of or related to the Senior Notes Offering (other than with respect to any untrue statement or alleged untrue statement or omission or alleged omission made in the Senior Notes Offering in reliance upon and in conformity with written information furnished to Purchaser by or on behalf of such director specifically for inclusion therein or in connection with any efforts by any such director to engage in the selling of the notes contemplated by the Senior Notes Offering other than at the express direction of the Purchaser).

(b) Subject to the overall limitations, the minimum amounts and the time limitations set forth in Section 9.1, each of the Sellers agrees severally, and not jointly, to indemnify and hold the Purchaser Indemnitees harmless from and with respect to any and all Damages, related to or arising directly or indirectly out of the following (each, an "Individual Seller Claim"):

(i) any breach of or inaccuracy in any representation or warranty made by such Seller in this Agreement;

(ii) any breach of any covenant made by such Seller in this Agreement; and

(iii) any breach of, or inaccuracy in, the certificate of such Seller delivered pursuant to Section 7.3(d) with respect to such Seller or his, her or its Shares, for which breach or inaccuracy such Seller shall be solely liable.

9.3. Third Party Claims. In the event that any Purchaser Indemnitee desires to make a claim against any Seller under Section 9.2 above in connection with any action, suit, proceeding or demand at any time instituted against or made upon such Purchaser Indemnitee by any third party for which such Purchaser Indemnitee may seek indemnification hereunder (a "Third Party Claim"), such Purchaser Indemnitee shall promptly deliver notice of such Third Party Claim and of such Purchaser Indemnitee' s claim for indemnification with respect thereto to the Sellers Representative or, if such Third Party Claim is an Individual Seller Claim, to the individual Seller against whom such Individual Seller Claim is made, provided, that the failure by such Purchaser Indemnitee to notify the Sellers Representative of any such Third Party Claim or any individual Seller of any Individual Seller Claim, as the case may be, shall not adversely affect such Purchaser Indemnitee' s rights to be indemnified hereunder except to the extent that the indemnifying Seller or Sellers are materially prejudiced thereby. Within thirty (30) days (or, where circumstances require, such shorter time as the Purchaser Indemnitee may reasonably specify as being required under the circumstances) after receipt of notice of a Third Party Claim from a Purchaser Indemnitee, the Sellers Representative or the individual Seller, as the case may be, may notify such Purchaser Indemnitee of the indemnifying Sellers' or Seller' s election to assume the defense of such Third Party Claim, in which case the indemnifying Sellers or Seller shall have the authority to negotiate, compromise and settle such Third Party Claim, if the following conditions are satisfied:

(a) the Sellers Representative or the individual Seller, as the case may be, shall have confirmed in writing that as between the Purchaser Indemnitees and the indemnifying Seller or Sellers, such indemnifying Seller or Sellers shall be solely obligated to satisfy and discharge such claim;

(b) if requested by the Purchaser Indemnitees, the indemnifying Seller or Sellers shall have delivered to Purchaser financial statements of the indemnifying Seller or Sellers evidencing, in the reasonable determination of Purchaser, such Seller' s or Sellers' financial ability, together with monies in the Escrow Account (taking into account the reasonable amount anticipated to be paid in satisfaction of any pending claim) to satisfy the full amount of any adverse monetary judgment that may result from such Third Party Claim;

(c) the Purchaser Indemnitees shall not have given the Sellers Representative or the individual Seller, as the case may be, written notice that it has determined, in the exercise of its reasonable discretion, that a conflict of interest makes separate representation by the Purchaser Indemnitee' s own counsel advisable; and

(d) such Third Party claim involves (and continues to involve) solely monetary damages and shall not be likely in the Purchaser Indemnitee' s reasonable judgment to

have a material adverse effect on any of the Purchaser Indemnitees or, in any of the Purchaser Indemnitees' good faith judgment, to have a detrimental effect on the business prospects of such Purchaser Indemnitee. (Sections 9.3 (a) -(d), collectively, the "Litigation Conditions").

If the indemnifying Sellers, in the case of a Third Party Claim, or the indemnifying Seller, in the case of a Third Party Claim which is an Individual Seller Claim, elect to assume the defense of such Third Party Claim, such indemnifying Sellers or Seller shall be entitled at their own expense to conduct and control the defense and settlement of such Third Party Claim through counsel of their own choosing (which counsel shall be reasonably satisfactory to the Purchaser); provided that the Purchaser may participate in the defense of such Third Party Claim with its own counsel at its own expense; and, provided, further, that the indemnifying Seller or Sellers may not settle any Third Party Claim without the consent of the Purchaser, which consent shall not be unreasonably withheld or delayed. If the Sellers Representative or the individual Seller, as the case may be, does not assume sole control over the defense or settlement of such Third Party Claim within thirty (30) days after receipt of the Purchaser' s notice of a Third Party Claim, or, after assuming such control, fails to diligently defend against such Third Party Claim in good faith (it being agreed that settlement of such Third Party Claim does not constitute such a failure to defend) or any Litigation Condition ceases to be met, the Purchaser Indemnitees shall have the right (as to itself) to defend and settle the claim in such manner as it may deem reasonably appropriate, and the Sellers Representative or the individual Seller, as the case may be, shall promptly reimburse the Purchaser Indemnitees therefore (to the extent such Third Party Claim is subject to indemnification under Section 9.2).

9.4. Limitations of Liability.

(a) Subject to the other provisions of this Section 9.4, the Sellers shall not be required to indemnify the Purchaser Indemnitees under Section 9.2(a)(i) unless the aggregate amount of Damages for which the Purchaser Indemnitees are (but for this subsection (a)) entitled to indemnification from all Sellers pursuant to Section 9.2(a)(i) exceeds $500,000 in the aggregate (the "Deductible Amount"). If the aggregate amount of Damages for which the Purchaser Indemnitees are (but for the provisions of the preceding sentence) entitled to indemnification pursuant to Section 9.2(a)(i) exceeds $500,000, the Purchaser Indemnitees shall be entitled to indemnification for the aggregate amount of all Damages in excess of the Deductible Amount, subject to the limitations on the maximum amount of recovery set forth in Section 9.4(b). Notwithstanding the foregoing, any Damages arising directly or indirectly out of any breach by any of the Companies or the Sellers of, or inaccuracy in, their representations and warranties contained in Section 3.1 hereof (relating to title), Section 4.2 (relating to capitalization), Sections 4.1 hereof (relating to organization), Section 4.20 hereof (relating to subsidiaries), Section 3.2 and 4.3 hereof (relating to authority), Sections 3.6 and 4.17 hereof (relating to brokers), Section 4.19 hereof (relating to taxes), Section 4.16 hereof (relating to employee benefits matters) and Section 4.24 (relating to transactions with affiliates) (or any breach of, or inaccuracy in, the officer' s certificate delivered under Section 7.3(d) to the extent that such breach or inaccuracy relates to such representations and warranties) (all such claims collectively referred to herein as "Purchase-Price-Limited Claims") shall not be subject to the Deductible Amount. Without limitation of the foregoing, subject to Section 9.4(i), any Damages arising directly or indirectly out of the breach by a Seller of, or inaccuracy in, his or its

representations, and warranties contained in Section 3.1, Section 3.2 or Section 3.6, shall be the sole obligation of such Seller.

(b) Subject to Section 9.4(d) below, the aggregate Damages payable by the Sellers, collectively, pursuant to Section 9.2(a)(i) above with respect to all claims other than Purchase-Price-Limited Claims shall not exceed an amount equal to $8,000,000 (the "Maximum Amount"), and with respect to Purchase-Price-Limited Claims shall not exceed the aggregate amount of the Purchase Price received by the Sellers collectively. The aggregate Damages payable by each Seller pursuant to Section 9.2(a)(i) above with respect to all claims other than Purchase-Price-Limited Claims shall not exceed an amount equal to such Seller' s Indemnity Percentage of the Maximum Amount, and with respect to Purchase-Price-Limited Claims shall not exceed the amount (when aggregated with all other amounts previously paid or to be paid by such Seller pursuant to this Article IX) of the Purchase Price actually received by such Seller. Subject to Section 9.4(i), the maximum liability of any Seller with respect to any Third Party Claim or other claim for Damages for which such Seller is responsible under Section 9.2(a)(i) shall be such Seller' s Indemnity Percentage of the amount of such Third Party Claim or other claim for Damages.

(c) The amount of any Damages payable under Section 9.2 by the any of Sellers shall be net of any (i) amounts actually recovered (after deducting all attorneys' fee, expenses and other costs of recovery) by the Purchaser Indemnitee(s) under applicable insurance policies; provided, that the amounts of any increase in insurance premium or retroactive premiums or premium adjustments resulting from the making of a claim or claims against insurers shall, for this purpose, be deemed to be deducted from the amount so paid by such insurers and (ii) Tax benefit recognized by the Purchaser Indemnitee(s) arising from the incurrence or payment of any such Damages. If a Tax benefit with respect to the incurrence or payment of any item of Damages is recognized after an indemnification payment with respect to such item of Damages has been paid, the Purchaser Indemnitee who received such indemnification payment shall, upon recognition of such Tax benefit, refund to the Sellers an amount equal to such Tax benefit. For this purpose, the Purchaser Indemnitee(s) shall be deemed to recognize a tax benefit with respect to a taxable year if, and to the extent that, the Purchaser Indemnitee(s)' cumulative liability for Taxes through the end of such taxable year, calculated by excluding any Tax items attributable to the Damages from all taxable years, exceeds the Purchaser Indemnitee(s)' actual cumulative liability for Taxes through the end of such taxable year, calculated by taking into account any Tax items attributable to the Damages for all taxable years (to the extent permitted by relevant Tax law and treating such Tax items as the last items claimed for any taxable year), provided that, unless the Purchaser shall establish otherwise, a Purchaser Indemnitee shall be presumed to have recognized a Tax benefit for the year in which any item of Damages is paid or accrued, assuming full obligation in such year, at the highest required Tax rate then in effect, of any deduction, credits or other Tax effects of such item of Damages. If the Purchaser Indemnitee(s) receives any amounts under applicable insurance policies subsequent to an indemnification payment by the Sellers, then such Purchaser Indemnitee(s) shall promptly reimburse the applicable Sellers for any payment made or expense incurred by such Sellers in connection with providing such indemnification payment up to the amount received by the Purchaser Indemnitee(s), net of any expenses incurred by such Purchaser Indemnitee(s) in collecting such amount.

(d) Subject to Section 9.4(i) below, the representations and warranties of each Seller contained in Article III and the covenants made by each Seller in this Agreement are made severally by each Seller as to himself, herself or itself only, and any Seller who has breached his, her or its representations or warranties in Article III as to himself, herself or itself or any of his, her or its covenants made in this

Agreement (but only such Seller) shall be liable with respect to all Damages arising from the breach thereof, up to the amount of the Purchase Price actually received by such Seller and no other Seller shall be liable for any such Damages.

(e) No limitation or condition of liability provided in this Article IX shall apply to fraud or intentional misrepresentation.

(f) Any payments made by the Sellers or any of them to the Purchaser under Section 6.7, and any indemnification payments made by the Sellers or any of them pursuant to this Article IX shall be, to the extent permitted by law, treated by all parties as a reduction in the Purchase Price received by such Seller(s) hereunder.

(g) The Sellers and the Purchaser agree that, for purposes of this Article IX, when determining whether or not there has been a breach of any representation or warranty by Edgen or any Seller and when calculating the amount of Damages resulting from any such breach, qualifications of such representations and warranties by "material" or "Material Adverse Effect" or other similar qualifiers shall be disregarded.

(h) Edgen and each Seller acknowledges and agrees that no right of indemnification on the part of the Purchaser or any other Purchaser Indemnitee shall be limited, restricted or waived in any way by reason of any investigation or audit conducted prior to the Closing or the knowledge of the Purchaser or its Affiliates or representatives at any time prior to the Closing of any breach of any representation, warranty, covenant or agreement of Edgen or any Seller, or the decision of the Purchaser to complete the Closing. Notwithstanding anything to the contrary herein, the Purchaser shall have the right, irrespective of any such knowledge or investigation or any decision by the Purchaser to complete the Closing, to rely fully on the representations, warranties, covenants and agreements of Edgen and the Sellers contained in this Agreement (and any certificate delivered hereunder).

(i) From and after the Closing, any indemnification to which a Purchaser Indemnitee is entitled under this Agreement as a result of any Damages shall first be satisfied by recouping all of such Damages (subject to the limitations in this Article IX) from the Escrow Account in accordance with the terms of the Escrow Agreement until all such funds that make up the Escrow Account have been distributed to the Purchaser Indemnitees to satisfy Claims or to the Sellers in accordance with the terms of the Escrow Agreement. It being understood that such Purchaser Indemnitee may recover the full amount of any Damages from the Escrow Account even though the Claim giving rise to such Damages is not being shared by all Sellers in accordance with their Indemnity Percentages. Thereafter, the aggregate amount of Damages payable by each Seller pursuant to Section 9.2(a) above with respect to all claims other than Individual Seller Claims shall not exceed an amount equal to such Seller' s Indemnity Percentage.

9.5. No Additional Warranties. THE REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN ARE THE ONLY REPRESENTATIONS OR WARRANTIES GIVEN BY THE PARTIES. EXCEPT WITH RESPECT TO THE REPRESENTATIONS AND WARRANTIES OF THE PARTIES SET FORTH IN THIS AGREEMENT, THE PARTIES EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, EITHER ORAL OR WRITTEN, MADE BY THE PARTIES OR ANY AGENT OR REPRESENTATIVE OF THE PARTIES WITH RESPECT TO THE PHYSICAL, STRUCTURAL OR ANY OTHER CONDITION OF ANY ASSETS OR THE COMPLIANCE OF ANY OF THE PARTIES WITH ANY LAW.

ARTICLE X
GENERAL

10.1. Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement or the other Transaction Documents shall be in writing and shall be deemed to have been duly given: (a) when delivered, if delivered by hand; (b) one (1) Business Day after transmitted, if transmitted by a nationally-recognized overnight courier service; (c) when sent by facsimile transmission, if sent by facsimile transmission which is confirmed; or (d) three (3) Business Days after mailing, if mailed by registered or certified mail (return receipt requested), in each case to the Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.1):

(a) If to Sellers, Sellers Representative or Edgen:

Ira Kleinman and Colin Farmer
Harvest Partners Inc.
280 Park Avenue, 33rd Floor
New York, New York 10017

Telephone: (212) 599-6300
Fax: (212) 812-0100

with a simultaneous copy to:

Edgen Corporation
1844 Highland Road
Baton Rouge, Louisiana 70809
Attention: David Laxton
Telephone: (225) 756-7223
Fax: (225) 756-7953

and to:

Leonard Gubar, Esq.
Piper Rudnick LLP
1251 Avenue of the Americas

New York, New York 10020
Telephone: (212) 835-6000
Fax: (212) 835-6001

(b) If to Purchaser:

Jefferies Capital Partners
520 Madison Avenue, 8th Floor
New York, New York 10022
Attention: James Luikart and Nicholas Daraviras
Telephone: (212) 284-1700
Fax: (212) 284-1717

With a simultaneous copy to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103
Attention: Carmen J. Romano, Esq.
Telephone: (215) 994-4000
Fax: (215) 994-2222

10.2. Severability. If any provision of this Agreement for any reason shall be held to be illegal, invalid or unenforceable, such illegality shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such illegal, invalid or unenforceable provision had never been included herein. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

10.3. Assignment; Binding Effect. No assignment by either Party of its rights nor delegation by either Party of its obligations under this Agreement or any Transaction Document shall be permitted unless the other Party consents in writing thereto; provided, however,

that the Purchaser may without such consent assign or delegate its rights and obligations hereunder or under any instrument executed in connection herewith to any affiliate or as collateral security to any lender providing financing in connection herewith, and, following the Closing, to any Person who acquires (whether in a single transaction or a series of related transactions) all or substantially all of the assets or capital stock of Edgen or any of its Subsidiaries. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

10.4. Exhibits and Schedules. All Exhibits and Schedules attached hereto and referred to herein are hereby incorporated herein and made a part of this Agreement for all purposes as if fully set forth herein. Notwithstanding any provision to the contrary in this Agreement, the disclosures made by a Party in any Schedule to this Agreement shall apply (notwithstanding the

absence of any express cross-reference) with the same force and effect to each other Section hereof to which it is readily apparent that such disclosures should apply. The inclusion of any item on any Schedule attached hereto shall not constitute an admission that such item is material or that a violation, right of termination, default, liability or other obligation of any kind exists with respect to such item, but rather is intended only to qualify certain representations and warranties in this Agreement and to set forth other information required by the Agreement. Except as expressly set forth on the attached Schedules, the definitions contained in the Agreement are incorporated therein by reference.

10.5. Governing Law; Submission to Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEW YORK. EXCEPT FOR TITLE, LIEN, IN REM, AND SIMILAR MATTERS OF PROPERTY RIGHTS, TITLES AND INTERESTS, COURTS WITHIN THE STATE OF NEW YORK (LOCATED WITHIN THE CITY OF NEW YORK) WILL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS. THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (A) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS; (B) SUCH PARTY AND SUCH PARTY' S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS; OR (C) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

10.6. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

10.7. Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

10.8. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

10.9. Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto) and the other Transaction Documents executed in connection with the consummation of the Acquisition contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, written or oral, with respect thereto, other than the Confidentiality Agreement.

10.10. Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended only by a written instrument signed by Sellers Representative, Edgen and Purchaser. The provisions hereof may be waived only in writing signed by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver

thereof, nor shall any waiver on the part of any Party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

10.11. No Third Party Beneficiaries. Except for the Purchaser Indemnitees, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person other than the Parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

10.12. Seller Release.

(a) Each Seller does hereby, on behalf of itself and its agents, representatives, attorneys, assigns, Affiliates, heirs, executors and administrators (collectively, the "Seller Parties") RELEASE AND FOREVER DISCHARGE Edgen, each of Edgen' s Subsidiaries, the Purchaser and their respective Affiliates, parents, joint ventures, officers, directors, shareholders, members, managers, employees, consultants, representatives, successors and assigns, heirs, executors and administrators (collectively, the "Company Parties") from all causes of action, suits, debts, claims and demands whatsoever at law, in equity or otherwise, which such Seller or any of the Seller Parties ever had, now has, or hereafter may have, by reason of any matter, cause or thing whatsoever, from the beginning of its initial dealings with Edgen or any of its Subsidiaries to the Closing, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to such Seller' s status as a stockholder, investor, holder of any equity interests, lender (except as to any such Seller or any of its Affiliates holding Indebtedness of Edgen as set forth on Schedule 4.28 hereto) or debtor of Edgen or any of its Subsidiaries (including any right to indemnification or contribution from Edgen (whether statutory, common law, pursuant to Edgen' s charter documents or otherwise)), any agreement between such Seller, Edgen or any of its Subsidiaries or any Affiliate of Edgen or any of its Subsidiaries, and, if applicable, such Seller' s employment relationship with Edgen or any of its Subsidiaries, but not including such claims to payments, indemnification, contribution and other rights provided to such Seller under this Agreement and the employment agreements or causes of action, suits, debts, claims and demands whatsoever at law, in equity or otherwise, arising from or relating in any way to such Seller Parties' status as a director, officer, stockholder, investor or holder of any equity interests in connection with the Senior Notes Offering (other than with respect to any untrue statement or alleged untrue statement or omission or alleged omission made in the Senior Notes Offering in reliance upon and in conformity with

written information furnished to Purchaser by or on behalf of any member of such Seller Party specifically for inclusion therein, but only with respect to such member of the Seller Party specifically for inclusion therein or in connection with any efforts by any Seller Party to engage in the selling of the notes contemplated by the Senior Notes Offering other than at the express direction of the Purchaser). The release contained in this paragraph (a) is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) Each Seller, on behalf of itself and the Seller Parties, agrees never to bring (or cause or permit to be brought) any action or proceeding against Edgen or any Company Party regarding such Seller' s status as a stockholder, investor, holder of any equity interests, lender (except as to any such Seller or any of its Affiliates holding Indebtedness of Edgen as set forth on Schedule 4.28 hereto) or debtor of Edgen, any agreements of such Seller with Edgen or any of its Subsidiaries that relate to such Seller' s status as a stockholder, investor, lender or debtor of Edgen (including without limitation the agreements set forth on Schedule 7.3(i) hereto), or any claim released pursuant to Section 10.12(a). Each Seller agrees that in the event that any claim, suit or action released pursuant to Section 10.12(a) shall be commenced by it or any of the Seller Parties against Edgen or any Company Party, the release contained in Section 10.12(a) shall constitute a complete defense to any such claim, suit or action so instituted.

(c) The parties agree and acknowledge that the release of any asserted or unasserted claims against Edgen and the Company Parties pursuant to Section 16(a) are not and shall not be construed to be an admission of any violation of any Federal, state or local statute or regulation, or of any duty owed by Edgen or any of the Company Parties to any Seller Party.

(d) Edgen and each Seller hereby acknowledges and agrees that each agreement set forth on Schedule 7.3(i) hereto has been terminated and is of no further force and effect.

(e) Each Seller that is a holder of shares of Preferred Stock hereby waives its, his or her right to require Edgen to redeem its, his or her shares of Preferred Stock in connection with the transactions contemplated hereby, and hereby releases Edgen from its obligation to redeem such Seller' s shares of Preferred Stock in connection with the transactions contemplated hereby.

(f) Each Seller hereby waives any rights it, he or she may have to acquire equity securities of Edgen.

(g) Each Seller certifies and acknowledges that such Seller:

(i) has read the terms of this Agreement and the release provided hereunder, and that such Seller understands its terms and effects, including the fact that such Seller has agreed to RELEASE AND FOREVER DISCHARGE Edgen and all Company Parties from any legal action or other liability of any type related in any way to the matters released pursuant to Section 10.12(a); and

(ii) has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which such Seller acknowledges is adequate and satisfactory to it.

(h) This Section 10.12 shall be effective upon the consummation of the Closing.

[*Signatures appear on the next page*]

EXECUTION

IN WITNESS WHEREOF, the Parties have caused this Stock Purchase Agreement to be signed in their respective names by their duly authorized representatives as of the date first above written.

PURCHASER:

EDGEN ACQUISITION CORPORATION

By: /s/ Nicholas Daraviras
Name: Nicholas Daraviras
Title: President, Secretary and Treasurer

EDGEN:

EDGEN CORPORATION

By: /s/ Daniel J. O' Leary
Name: Daniel J. O' Leary
Title: Chief Executive Officer

HARVEST PARTNERS III, LP

By: /s/ Ira Kleinman
Name: Ira Kleinman
Title: Managing Member

HARVEST PARTNERS III, BETEILIGUNGSGESELLSCHAFT HARVEST PARTNERS III, BETEILIGUNGSGESELLSCHAFT BUERGERLICHEN RECHTS MIT HAFTUNGSBESCHRAENKUNG

By: /s/ Harvey Mallement
Name: Harvey Mallement
Title: Managing Member

TPS INVESTORS, L.P.

By: TPS MANAGEMENT, L.P.,
General Partner

By: TPS MANAGEMENT, INC.,
General Partner

By: /s/ Harvey P. Mallement
Name: Harvey P. Mallement
Title: President

TPS INVESTORS II, L.P.

By: /s/ Harvey P. Mallement
Name: Harvey P. Mallement
Title: President

BANK ONE EQUITY CORP.

By: /s/ Thomas J. Adameck
Name: Thomas J. Adameck

Title: President

DEUTSCHE BETEILIGUNGSGESELLSCHAFT mbH

By: /s/ Gustav Eggar
Name: Gustav Eggar
Title: Managing Director

By: /s/ Adreas Paulke
Adreas Paulke
Senior Vice President

DBG AUSLAND-HOLDING Gmbh

By: /s/ Gustav Eggar
Name: Gustav Eggar
Title: Managing Director

By: /s/ Dr. Gundel Clouth
Dr. Gundel Clouth
Head of Legal Department

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Babson Capital Management LLC, its Investment Adviser

By: /s/ Robert M. Shettle
Name: Robert M. Shettle
Title: Managing Director

MASS MUTUAL HIGH YIELD PARTNERS, LLC

By: HYP Management, Inc., as Managing Member

By: /s/ R. McFarley
Name: R. McFarley
Title: Vice President

MASS MUTUAL CORPORATE VALUE

By: Babson Capital Management LLC, under delegated authority from Massachusetts Mutual Life Insurance Company, as Investment Manager

By: /s/ Robert M. Shettle
Name: Robert M. Shettle
Title: Managing Director

EUROPEAN DEVELOPMENT CAPITAL CORPORATION (EDCC) N.V.

By: /s/ Robert J. Huyzen
Name: Tarma Trust Management N.V.
Title: Managing Director

By: Robert J. Huyzen
Managing Director

/s/ David L. Laxton, III
David L. Laxton, III

/s/ Robert Gilleland
Robert Gilleland

SELLERS REPRESENTATIVE:

HARVEST PARTNERS III, LP

By: /s/ Ira Kleinman
Name: Ira Kleinman
Title: Managing Member

Exhibit 3.1

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

EDGEN CORPORATION

Edgen Corporation, a corporation organized and existing under the laws of the State of Nevada, DOES HEREBY CERTIFY:

1. The name of the corporation is Edgen Corporation.

2. The original Articles of Incorporation of Edgen Corporation were filed with the Secretary of State for the State of Nevada on November 13, 2000.

3. The Amended and Restated Articles of Incorporation of Edgen Corporation have been duly authorized by a unanimous vote of the stockholders of Edgen Corporation.

4. The Amended and Restated Articles of Incorporation so adopted read in full as set forth in Exhibit A attached hereto and are hereby incorporated by reference and supersede the original Articles of Incorporation.

5. The Amended and Restated Articles of Incorporation shall be effective upon filing with the Secretary of State for the State of Nevada.

IN WITNESS WHEREOF, the Corporation has caused these Amended and Restated Articles of Incorporation to be executed by Daniel O' Leary, its President and Chief Executive Officer, this day of February, 2005.

By: /s/ DANIEL O'LEARY
Name: Daniel O' Leary
Title: President and Chief Executive Officer

ARTICLE 1

Name. The name of the Corporation is Edgen Corporation. (the "Corporation").

ARTICLE 2

Registered Office and Registered Agent. The address of the Corporation' s registered office in the State of Nevada is 6100 Neil Road, Suite 500, Reno, Nevada 89511. The name of the Corporation' s registered agent at such address is The Corporation Trust Company of Nevada.

ARTICLE 3

Authorized Capital. The aggregate number of shares which the Corporation is authorized to issue is five million one hundred thousand (5,100,000) shares, divided into two (2) classes consisting of five million (5,000,000) shares of Common Stock, par value $.01 per share ("Common Stock"); and one hundred thousand (100,000) shares of Preferred Stock, par value $.01 per share ("Preferred Stock").

The following is a statement of the designations, preferences, qualifications, limitations, restrictions and the special or relative rights granted to or imposed upon the shares of each such class.

(1) PREFERRED STOCK

(a) Issue in Series. Preferred Stock may be issued from time to time in one or more series, each such series to have the terms stated in these Amended and Restated Articles of Incorporation and/or the resolution of the Board of Directors of the Corporation providing for its issue. All shares of any one series of Preferred Stock will be identical, but shares of different series of Preferred Stock need not be identical or rank equally except insofar as provided by law or in these Amended and Restated Articles of Incorporation.

(b) Creation of Series. The Board of Directors will have authority by resolution to cause to be created one or more series of Preferred Stock (in addition to the Series A Preferred Stock whose terms are set forth in paragraph (2) below), and to determine and fix with respect to each such series prior to the issuance of any shares of the series to which such resolution relates:

(i) The distinctive designation of the series and the number of shares which will constitute the series, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors;

(ii) The dividend rate and the times of payment of dividends on the shares of the series, whether dividends will be cumulative, and if so, from what date or dates;

(iii) The price or prices at which, and the terms and conditions on which, the shares of the series may be redeemed at the option of the Corporation;

(iv) Whether or not the shares of the series will be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the terms and provisions relative to the operation thereof;

(v) Whether or not the shares of the series will be convertible into, or exchangeable for, any other shares of stock of the Corporation or other securities, and if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(vi) The rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(vii) Whether or not the shares of the series will have priority over or be on a parity with or be junior to the shares of any other series or class in any respect or will be entitled to the benefit of limitations restricting the issuance of shares of any other series or class having priority over or being on a parity with or being junior to the shares of such series in any respect, or restricting the payment of dividends on or the making of other distributions in respect of shares of any other series or class ranking on a parity with or junior to the shares of the series as to dividends or assets, or restricting the purchase or redemption of the shares of any such parity or junior series or class, and the terms of any such restriction;

(viii) Whether the series will have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights; and

(ix) Any other preferences, qualifications, privileges, options and other relative or special rights and limitations of that series.

(c) Dividends. Holders of Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment thereof, dividends at the rates fixed in these Amended and Restated Articles of Incorporation or by the Board of Directors for the respective series, and no more, before any dividends shall be declared and paid, or set apart for payment, on Common Stock with respect to the same dividend period.

(d) Preference on Liquidation. In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, holders of each series of Preferred Stock will be entitled to receive the amount fixed for such series plus, in the case of any series on which dividends will have been determined in these Amended and Restated Articles of Incorporation or by the Board of Directors to be cumulative, an amount equal to all dividends accumulated and unpaid thereon to the date of final distribution whether or not earned or declared before any distribution shall be paid, or set aside for payment, to holders of Common Stock. If the assets of the Corporation are not sufficient to pay such amounts in full, holders of all shares of Preferred Stock will participate in the distribution of assets ratably in proportion to the full amounts to which they are entitled or in such order or priority, if any, as will have been set forth in these Amended and Restated Articles of Incorporation or in the resolution or resolutions of the Board of Directors providing for the creation of the series of Preferred Stock. Neither the merger nor consolidation of the Corporation into or with any other corporation, nor a sale, transfer or lease of all or part of its assets, will be deemed a liquidation, dissolution or winding up of the Corporation within the meaning of this paragraph except to the extent specifically provided for in these Amended and Restated Articles of Incorporation or in the resolution or resolutions of the Board of Directors fixing the terms of such series of Preferred Stock.

(e) Redemption. The Corporation, at the option of the Board of Directors, may redeem all or part of the shares of any series of Preferred Stock on the terms and conditions fixed for such series.

(f) Voting Rights. Except as otherwise required by law or as otherwise provided in these Amended and Restated Articles of Incorporation or in the resolution or resolutions of the Board of Directors fixing the terms of such series of Preferred Stock, the holders of Preferred Stock shall have no voting rights and shall not be entitled to any notice of meeting of stockholders.

(2) SERIES A PREFERRED STOCK

(a) Designation of First Series of Preferred Stock. The first series of Preferred Stock shall be Series A 8.5% Cumulative

Compounding Preferred Stock ("Series A Preferred Stock"), and the number of shares which shall constitute such series shall be forty thousand (40,000). The par value of Series A Preferred Stock shall be $.01 per share.

(b) Rank. With respect to dividend rights and rights on liquidation, winding up and dissolution of the Corporation, Series A Preferred Stock shall rank (i) senior to (1) the Common Stock of the Corporation, and (2) each other class of capital stock or class or series of Preferred Stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank junior to Series A Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (each of the securities in clauses (1) and (2) collectively referred to as "Series A Junior Securities"), (ii) on a parity with each other class of capital stock or class or series of Preferred Stock issued by the Corporation after the date hereof the terms of which do not specifically provide that such class or series shall rank junior to Series A Preferred Stock or senior to Series A Preferred Stock as to dividend distributions or distributions upon liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series A Parity Securities"), and (iii) junior to each other class of capital stock or other class or series of Preferred Stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank senior to Series A Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series A Senior Securities").

(c) Dividends.

(i) Each Holder (as defined in subparagraph (j) of this paragraph (2)) of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available

therefor, cash dividends on each share of Series A Preferred Stock at a rate *per annum* equal to 8.5% of the Liquidation Preference (as defined in subparagraph (j) of this paragraph (2)). All dividends shall be cumulative, whether or not earned or declared, and shall accrue on a share of Series A Preferred Stock on a daily basis from the date of issuance of such share, and shall be payable annually in arrears on each Dividend Payment Date (as defined in subparagraph (j) of this paragraph (2)), commencing on the first Dividend Payment Date after the date of issuance of such share. Each dividend on Series A Preferred Stock shall be payable to the Holders of record of Series A Preferred Stock as they appear on the stock register of the Corporation on such record date as may be fixed by the Board of Directors, which record date shall not be less than 10 nor more than 60 days prior to the applicable Dividend Payment Date. Dividends shall cease to accrue in respect of shares of Series A Preferred

Stock on the date of their repurchase by the Corporation unless the Corporation shall have failed to pay the relevant repurchase price on the date fixed for repurchase. Notwithstanding anything to the contrary set forth above, unless and until such dividends are declared by the Board of Directors, there shall be no obligation to pay such dividends in cash; provided, however, that such dividends shall continue to cumulate and shall be paid at the time of repurchase as provided herein if not earlier declared and paid.

(ii) The Corporation may, at the option of the Board of Directors of the Corporation, pay dividends on the Series A Preferred Stock solely in cash or solely in PIK Dividends (as defined in subparagraph (j) of this paragraph (2)). In no event shall the election by the Corporation to pay dividends in cash or in additional shares of Series A Preferred Stock preclude the Corporation from making a different election with respect to the dividends to be paid on the Series A Preferred Stock on any subsequent date. For each Dividend Period in which the Board of Directors of the Corporation chooses to pay Series A Preferred Stock dividends with PIK Dividends, such PIK Dividends shall be paid on the Dividend Payment Date by delivering to the Holders a number of shares of Series A Preferred Stock equal to a rate of 8.5% of the Liquidation Preference. Any additional shares of Series A Preferred Stock issued pursuant to this paragraph (2)(b) shall be subject in all respects to the same terms as the shares of Series A Preferred Stock originally issued hereunder.

(iii) All dividends (whether payable in cash or in additional shares of Series A Preferred Stock) paid with respect to shares of Series A Preferred Stock pursuant to paragraph (2)(c)(i) and (ii) shall be paid in equal *pro rata* proportions to the Holders entitled thereto.

(iv) Dividends on account of arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the Holders of record on any date as may be fixed by the Board of Directors, which date is not more than 30 days prior to the payment of such dividends.

(v) No full dividends shall be declared by the Board of Directors or paid or funds set apart for the payment of dividends or other distributions on any Series A Parity Securities for any period, nor may funds be set apart for such payment, unless (1) full Accumulated Dividends have been paid or set apart for such payment on the Series A Preferred Stock and Series A Parity Securities for all Dividend Periods (and dividend periods for Series A Parity Securities) terminating on or prior to the date of payment of such full dividends or distributions on such Series A Parity Securities (the "Series A Parity Payment Date") and (2) an amount equal to a prorated dividend on the Series A Preferred Stock and

Series A Parity Securities at the customary dividend rates for such securities for the period from, in the case of Series A Preferred Stock, the Dividend Payment Date and, in the case of Series A Parity Securities, the dividend payment date immediately prior to the Series A Parity Payment Date to the Series A Parity Payment Date, have been paid or set apart for payment. In the event that such dividends are not paid in full or set apart for payment with respect to all outstanding shares of Series A Preferred Stock and of any Series A Parity Securities and funds available for payment of dividends shall be insufficient to permit payment in full to the holders of all such stock or securities of the full preferential amounts to which they are then entitled, then the entire amount available for

payment of dividends shall be distributed ratably among all such holders of Series A Preferred Stock and of any Series A Parity Securities in proportion to the full amount to which they would otherwise be respectively entitled.

(vi) The Holders shall be entitled to receive the dividends provided for in paragraph (2)(c)(i) hereof in preference to and in priority over any dividends or distributions upon any of the Series A Junior Securities. Such dividends on the Series A Preferred Stock shall be cumulative, whether or not earned or declared, so that if at any time full Accumulated Dividends on all shares of Series A Preferred Stock then outstanding have not been paid for all Dividend Periods then elapsed and a prorated dividend on the Series A Preferred Stock at the rate aforesaid from the Dividend Payment Date immediately preceding the Series A Junior Payment Date (as defined below) to the Series A Junior Payment Date have not been paid or set aside for payment, the amount of such unpaid dividends shall be paid before any sum shall be set aside for or applied by the Corporation to the purchase, redemption or other acquisition for value of any Series A Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) or any dividend or other distribution shall be paid or declared and set apart for payment on any Series A Junior Securities (the date of any such actions to be referred to as the "Series A Junior Payment Date"); provided, however, that the foregoing shall not (1) prohibit the Corporation from repurchasing Series A Junior Securities, or options, warrants or other rights to purchase such Series A Junior Securities, from a holder who is, or was, a director or employee of the Corporation (or a direct or indirect subsidiary of the Corporation) or (2) prohibit the Corporation from making dividends, other distributions, redemptions, repurchases or acquisitions in respect of Series A Junior Securities payable in Series A Junior Securities and cash in lieu of fractional Series A Junior Securities.

(vii) No payment in cash or otherwise on account of the purchase, redemption, retirement or other acquisition of Series A Parity Securities shall be made, and no sum shall be set aside for or applied by the Corporation to any Series A Parity Securities (either pursuant to any applicable sinking fund requirement or otherwise) at any time any shares

of Series A Preferred Stock are outstanding unless, prior to such payment or setting aside or applying such sum to the purchase, redemption, retirement or other acquisition of any Series A Parity Securities, all shares of Series A Preferred Stock shall have been purchased or otherwise acquired by the Corporation for value (and the purchase price therefor has been paid in cash); provided, however, that the foregoing shall not (1) prohibit the Corporation from repurchasing Series A Parity Securities, or options, warrants or other rights to purchase such Series A Parity Securities, from a holder who is, or was, a director or employee of the Corporation (or a direct or indirect subsidiary of the Corporation) or (2) prohibit the Corporation from making any purchase, redemption, retirement or other acquisition of Series A Parity Securities payable in Series A Parity Securities and cash in lieu of fractional Series A Parity Securities.

(viii) No payment in cash or otherwise on account of the purchase, redemption, retirement or other acquisition of Series A Junior Securities shall be made, and no sum shall be set aside for or applied by the Corporation to any Series A Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) at any time any shares of Series A Preferred Stock are outstanding unless, prior to such payment or setting aside or applying such sum to the purchase, redemption, retirement or other acquisition of any Series A Junior Securities, all shares of Series A Preferred Stock shall have been purchased or otherwise acquired by the Corporation for value (and the purchase price therefor has been paid or set aside for payment); provided, however, that the foregoing shall not (1) prohibit the Corporation from repurchasing Series A Junior Securities, or options, warrants or other rights to purchase such Series A Junior Securities from a holder who is, or was, a director or employee of the Corporation (or a direct or indirect subsidiary of the Corporation) or (2) prohibit the Corporation from making any purchase, redemption, retirement or other acquisition of Series A Junior Securities payable in Series A Junior Securities and cash in lieu of fractional Series A Junior Securities.

(ix) Dividends payable on Series A Preferred Stock for any period less than one year shall be computed on the basis of a 365/366-day year and the actual number of days elapsed in the period for which such dividends are payable.

(d) Liquidation Preference.

(i) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Holders of all shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Preference per share, plus an

amount equal to a prorated dividend from the last Dividend Payment Date to the date fixed for liquidation, dissolution or winding up, before any distribution is made on any Series A Junior Securities. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the application of all amounts available for payments with respect to Series A Preferred Stock and all other Series A Parity Securities would not result in payment in full of Series A Preferred Stock and such other Series A Parity Securities, the Holders of Series A Preferred Stock and holders of Series A Parity Securities shall share equally and ratably in any distribution of assets of the Corporation in proportion to the full liquidation preference to which each is entitled. After payment in full pursuant to this paragraph (2)(d)(i), the Holders of Series A Preferred Stock shall not be entitled to any further participation in any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation on account of shares of Series A Preferred Stock.

(ii) For the purposes of this paragraph (2)(d), neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation, merger or other business combination of the Corporation with one or more corporations shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, unless such sale, conveyance, exchange or transfer is in connection with a dissolution or winding up of the business of the Corporation; provided, however, that any consolidation or merger of the Corporation in which the Corporation is not the surviving entity shall be deemed to be a liquidation, dissolution or winding up of

the Corporation within the meaning of this paragraph (2)(d) if, (1) in connection therewith, the holders of Common Stock of the Corporation receive as consideration, whether in whole or in part, for such Common Stock (A) cash, (B) notes, debentures or other evidences of indebtedness or obligations to pay cash or (C) preferred stock of the surviving entity (whether or not the surviving entity is the Corporation) which ranks on a parity with or senior to the preferred stock received by Holders of Series A Preferred Stock with respect to liquidation or dividends or (2) the Holders of Series A Preferred Stock do not receive preferred stock of the surviving entity with rights, powers and preferences equal to (or more favorable to the Holders than) the rights, powers and preferences of the Series A Preferred Stock.

(e) Voting Rights.

(i) The Holders of Series A Preferred Stock shall not be entitled or permitted to vote on any matter required or permitted to be voted upon by the stockholders of the Corporation, except as otherwise required by law or these Amended and Restated Articles of Incorporation.

(ii) In any case in which the Holders of Series A Preferred Stock shall be entitled to vote, each Holder shall be entitled to one vote for each share of Series A Preferred Stock held except as otherwise required by applicable law.

(f) Conversion or Exchange. The Holders of Series A Preferred Stock shall not have any rights hereunder to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation.

(g) Reissuance of Series A Preferred Stock. Shares of Series A Preferred Stock which have been issued and reacquired in any manner, including shares purchased, redeemed or exchanged, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions or restrictions on issuance set forth in these Amended and Restated Articles of Incorporation or in any resolution or resolutions adopted by the Board of Directors providing for the issuance of any series of Preferred Stock, it being understood that the Corporation may reissue shares of Series A Preferred Stock which are reacquired by the Corporation from a Holder who is, or was, an employee or director of the Corporation (or a direct or indirect subsidiary of the Corporation) so long as such reissued shares of Series A Preferred Stock are reissued to a person who is an employee or director of the Corporation (or a direct or indirect subsidiary of the Corporation) at the time of such reissue.

(h) Business Day. If any payment shall be required by the terms hereof to be made on a day that is not a Business Day, such payment shall be made on the immediately succeeding Business Day.

(i) Certain Additional Provisions.

(i) Optional Redemption. Upon a Change of Control or an Initial Public Offering (as such terms are defined in subparagraph (j) of this paragraph (2)) at the election of the Corporation, expressed by resolution of the Board of Directors, the outstanding shares of Series A Preferred Stock, in whole or in part, may be redeemed, from funds legally available, in the manner provided herein, at a redemption price per share equal to the Liquidation Preference per share (the "Optional Redemption").

(ii) Procedures for Optional Redemption.

(1) At least five (5) days and not more than 60 days prior to the date fixed for any redemption of Series A Preferred

Stock pursuant to this paragraph (2)(i), written notice (the "Redemption Notice") shall be given by first class mail, postage prepaid, to each Holder of record of Series A Preferred Stock on the record date fixed for such redemption of Series A Preferred Stock at such Holder' s address as set forth on the stock register of the Corporation on such record date; provided, however, that no failure to give such notice nor any deficiency therein shall affect the validity of the procedure for the redemption of any shares of Series A Preferred Stock to be redeemed except as to the Holder or Holders to whom the Corporation has failed to give said notice or except as to the Holder or Holders whose notice was defective. In addition to any information required by law or by the applicable rules of any exchange upon which shares of Series A Preferred Stock may be listed or admitted to trading, the Redemption Notice shall state:

(A) redemption price;

(B) whether all or less than all of the outstanding shares of Series A Preferred Stock redeemable thereunder are to be redeemed and the aggregate number of shares of Series A Preferred Stock being redeemed;

(C) the number of shares of Series A Preferred Stock held, as of the appropriate record date, by the Holder that the Corporation intends to redeem;

(D) the date of the Optional Redemption (the "Optional Redemption Date");

(E) that the Holder is to surrender to the Corporation, at the place or places where certificates for shares of Series A Preferred Stock are to be surrendered for redemption, in the manner and at the price designated, his, her or its certificate or certificates representing the shares of Series A Preferred Stock to be redeemed; and

(F) that dividends on the shares of Series A Preferred Stock to be redeemed shall cease to accumulate on such Optional Redemption Date unless the Corporation defaults in the payment of the redemption price.

Upon the mailing of any such Redemption Notice, the Corporation shall become obligated to redeem, on the Optional Redemption Date specified therein, all shares of Series A Preferred Stock called for redemption.

(2) Each Holder shall surrender the certificate or certificates representing such shares of Series A Preferred Stock being so redeemed to the Corporation, duly endorsed, in the manner and at the place designated in the Redemption Notice, and on the Optional Redemption Date the full redemption price for such shares shall be payable in cash to the Person whose name appears on such certificate or certificates as the owner thereof; and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(3) If a Redemption Notice has been mailed in accordance with paragraph (2)(i)(ii)(1) of this Article Three above, unless the Corporation defaults in the payment in full of the redemption price, dividends on Series A Preferred Stock called for redemption shall cease to accumulate on the Optional Redemption Date, and the Holders of such redemption shares shall cease to have any further rights with respect thereto on the Optional Redemption Date, other than the right to receive the redemption price without interest.

(iii) Method of Payment. Series A Preferred Stock shall be payable as to Liquidation Preference, dividends, redemption payments, cash in lieu of fractional shares or other cash payments at the office of the Corporation maintained for such purpose or, at the option of the Corporation, payment of cash dividends may be made by check mailed to the Holders at their addresses set forth in the stock register of the Corporation.

(j) Definitions. As used in this paragraph (2), the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and *vice versa*), unless the context otherwise requires:

"Accumulated Dividends" means (i) with respect to any share of Series A Preferred Stock, the dividends that have accrued on such share as of such specific date for Dividend Periods ending on or prior to such date and that have not previously been paid in cash, and (ii) with respect to any Series A Parity Security, the dividends that have accrued and are due on such security as of such specific date.

"Annual Dividend Period" means the annual period commencing on each August 1 and ending on the following Dividend Payment Date, respectively.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

"Change of Control" means, with respect to the Corporation, the occurrence of any of the following: (i) if JCP Funds fail to be the "beneficial owner" (as defined in Rule 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the aggregate voting power of the Common Stock of the Corporation then outstanding, whether as a result of an issuance of securities of the Corporation, any merger, consolidation, liquidation or dissolution of the Corporation, any direct or indirect transfer of securities by JCP Funds or otherwise; or (ii) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the assets of the Corporation and its subsidiaries considered as a whole.

"Dividend Payment Date" means December 31 of each year.

"Dividend Period" means the Initial Dividend Period and, thereafter, each Annual Dividend Period.

"Holder" means a holder of shares of Series A Preferred Stock.

"Initial Dividend Period" means the dividend period commencing on the Issue Date and ending on the first Dividend Payment Date to occur thereafter.

"Initial Public Offering" shall mean a sale of Common Stock in a bona fide, firm commitment underwriting registered under the Securities Act (other than a Registration Statement on Forms S-8 or S-4 or any similar or successor forms or any registration statement relating to an exchange offer or an offering of securities solely to the Corporation' s employees or securityholders or used in connection with an acquisition or business combination, or used to offer and sell a combination of debt and equity securities of the Corporation in which (i) not more than 20% of the gross proceeds from such offering is attributable to the equity securities and (ii) after giving effect to such offering, the Corporation does not have a class of equity securities required to be registered under the Exchange Act).

"Issue Date" means the date of issuance of the applicable share or shares of Series A Preferred Stock.

"JCP Funds" means ING Furman Selz Investors III L.P., a Delaware limited partnership, ING Barings Global Leveraged Equity Plan Ltd., a Bermuda corporation, and ING Barings U.S. Leveraged Equity Plan LLC, a Delaware limited liability company.

"Liquidation Preference" means, on any specific date, with respect to any share of Series A Preferred Stock, the sum of (i) $1,000.00 plus (ii) the Accumulated Dividends with respect to such share.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or any other entity of any kind.

"PIK Dividends" means dividends on Series A Preferred Stock that are paid in kind of additional fully paid and nonassessable shares of Series A Preferred Stock instead of being paid in cash.

"Series A Junior Payment Date" has the meaning given to such term in (2)(c)(v).

"Series A Junior Securities" has the meaning given to such term in paragraph (2)(b).

"Series A Parity Payment Date" has the meaning given to such term in (2)(c)(iv).

"Series A Parity Securities" has the meaning given to such term in paragraph (2)(b).

"Series A Preferred Stock" has the meaning given to such term in paragraph (2)(a).

"Series A Senior Securities" has the meaning given to such term in paragraph (2)(b).

(k) Reservation of Right. The Board of Directors of the Corporation reserves the right by subsequent amendment of these Amended and Restated Articles of Incorporation to increase or decrease the number of shares constituting Series A Preferred Stock (but not below the number of shares then outstanding) and in other respects to amend these Amended and Restated Articles of Incorporation within the limits provided by law, these Amended and Restated Articles of Incorporation and any applicable contract or instrument binding on the Corporation.

(3) COMMON STOCK

All shares of Common Stock will be identical and will entitle the holders thereof to the same rights and privileges.

(a) Dividends. Holders of Common Stock will be entitled to receive such dividends as may be declared by the Board of Directors;

(b) Distribution of Assets. In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, holders of Common Stock will be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders after all amounts to which the holders of any Preferred Stock are entitled have been paid or set aside in cash for payment.

(c) Voting Rights. The holders of Common Stock shall have the general right to vote for all purposes, including the election of directors, as provided by law; provided, however, that holders of Common Stock shall not be entitled to vote on any amendment to these Amended and Restated Articles of Incorporation that relates solely to the terms of any class or series of Preferred Stock and does not adversely affect or alter or change the rights, preferences or privileges of the holders of Common Stock if the holder or holders of such affected series are entitled, either separately or together with one or more such series, to vote thereon pursuant to these Amended and Restated Articles of Incorporation or pursuant to the Nevada Revised Statutes ("NRS"). Each holder of Common Stock shall be entitled to one vote for each share thereof held.

ARTICLE 4

Names and Addresses of Board of Directors. The number of directors on the Board of directors shall be not less than one (1) nor more than five (5). The names and addresses of each of the directors on the Board of Directors are:

Director	Address
Nicholas Daraviras	c/o Jefferies Capital Partners 520 Madison Avenue New York, NY 10022
James Luikart	c/o Jefferies Capital Partners 520 Madison Avenue New York, NY 10022
Daniel O' Leary	Edgen Corporation c/o Jefferies Capital Partners 520 Madison Avenue New York, NY 10022

ARTICLE 5

Bylaws. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is authorized to adopt, amend or repeal the Bylaws of the Corporation, except as otherwise specifically provided herein.

ARTICLE 6

Board of Directors. Election of directors need not be by written ballot unless the Bylaws of the Corporation so provide.

ARTICLE 7

Right to Amend. The Corporation reserves the right to amend any provision contained in these Amended and Restated Articles of Incorporation as the same may from time to time be in effect in the manner now or hereafter prescribed by law, and all rights conferred on stockholders or others hereunder are subject to such reservation.

ARTICLE 8

Consent of Stockholders in Lieu of Meeting. Any action required to be taken, or which may be taken, at any meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of shares of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Nevada, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however, that prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given, to the extent required by law, to those stockholders who have not consented in writing.

ARTICLE 9

Limitation on Liability. The Directors of the Corporation shall be entitled to the benefits of all limitations on the liability of directors generally that are now or hereafter become available under the NRS. Without limiting the generality of the foregoing, no Director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director' s duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (3) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article 9 shall be prospective only, and shall not affect, to the detriment of any Director, any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or modification.

Exhibit 3.2

AMENDED AND RESTATED

BY-LAWS

OF

EDGEN CORPORATION

ARTICLE I

Shareholders' Meetings; Voting

Section 1.1. Annual Meetings. An annual meeting of shareholders shall be held for the election of directors on the first Monday in May of each year, if not a legal holiday, and, if a legal holiday, then on the next day not a legal holiday, at 10:00 o' clock in the forenoon at such time and place either within or without the State of Nevada as may be designated by the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of shareholders may be called at any time by the Chairman of the Board, the President, the Board of Directors, or as provided in Section 2.2, to be held at such date, time and place either within or without the State of Nevada as may be stated in the notice of the meeting. A special meeting of shareholders shall be called by the Secretary upon the written request, stating the purpose of the meeting, of shareholders who together own of record at least ten percent (10%) of the outstanding shares of stock entitled to vote at such meeting.

Section 1.3. Notice of Meetings. Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting. and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the shareholder at his address as it appears on the records of the Corporation. The Corporation shall, at the written request of any shareholder, cause such notice to such shareholder to be confirmed to such other address and/or by such other means as such shareholder may reasonably request, provided that if such written request is received after the date any such notice is mailed, such request shall be effective for subsequent notices only.

Section 1.4. Adjournments. Any meeting of shareholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting

at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 1.5. Quorum. At each meeting of shareholders, except where otherwise provided by law or the articles of incorporation or these by-laws, the holders of a majority of the outstanding shares of each class of stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. With respect to any matter on which shareholders vote separately as a class, the holders of a majority of the outstanding shares of such class shall constitute a quorum for a meeting with respect to such matter. Two or more classes or series of stock shall be considered a single class for purposes of determining existence of a quorum for any matter to be acted on if the holders thereof are entitled or required to vote together as a single class at the meeting on such matter. In the absence of a quorum the shareholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided by Section 1.4 of these by-laws until a quorum shall attend.

Section 1.6. Organization. Meetings of shareholders shall be presided over by the Chairman of the Board, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting Proxies. Unless otherwise provided in the articles of incorporation, each shareholder entitled to vote at any meeting of shareholders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after six months from its date, unless the proxy provides for a longer period, not to exceed seven years. Any proxy properly created is not revoked and continues in full force and effect until another instrument or transmission revoking it or a properly created proxy bearing a later date is filed with or transmitted to the secretary of the Corporation or another person or persons appointed by the corporation to count the votes of stockholders and determine the validity of proxies and ballots. Voting at meetings of shareholders need not be by written ballot and need not be conducted by inspectors unless the holders of a majority of the outstanding shares of any class of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. At all meetings of shareholders for the election of directors, such election and all other elections and questions shall, unless otherwise provided by law or by the articles of incorporation or these by-laws, be decided by the vote of the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at the meeting, voting as a single class.

Section 1.8. Fixing Date for Determination of Shareholders of Record. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 1 .9. List of Shareholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting. either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any shareholder who is present.

Section 1.10. Consent of Shareholders in Lieu of Meeting. To the extent provided by any statute at the time in force, whenever the vote of shareholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action, by any statute, by the articles of incorporation or by these by-laws, the meeting and prior notice thereof and vote of shareholders may be dispensed with if the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted shall consent in writing to such corporate

action without a meeting by less than unanimous written consent and notice thereof shall be given to those shareholders who have not consented in writing.

ARTICLE II

Board of Directors

Section 2.1. Powers; Number; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by law or in the articles of incorporation. The number of Directors which shall constitute the whole Board of Directors shall not be less than one (1) nor more than nine (9). Within such limits, the number of directors may be fixed from time to time by vote of the

shareholders or of the Board of Directors, at any regular or special meeting, subject to the provisions of the articles of incorporation.

Section 2.2. Election; Term of Office; Resignation; Removal; Vacancies; Special Elections. Except as otherwise provided in this Section 2.2, the directors shall be elected annually at the annual meeting of the shareholders by a plurality of the votes cast. Each director (whenever elected) shall hold office until the annual meeting of shareholders or any special meeting of shareholders called to elect directors next succeeding his election and until his successor is elected and qualified or until his earlier resignation or removal, except as provided in the articles of incorporation. Any director may resign at any time upon written notice to the Board of Directors or to the Chairman of the Board or to the President of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Any director may be removed with or without cause at any time upon the affirmative vote of the holders of two-thirds of the outstanding shares of stock of the Corporation entitled to vote for the election of such director, given at a special meeting of such shareholders called for the purpose. If any vacancies shall occur in the Board of Directors, by reason of death, resignation, removal or otherwise, or if the authorized number of directors shall be increased, the directors then in office shall continue to act, and such vacancies may be filled by a majority of the directors then in office, though less than a quorum; provided, however, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the articles of incorporation, vacancies and newly created directorships of such class or classes or series shall be filled by a majority of the directors elected by such class or classes or series thereof then in office though less than a quorum or by a sole remaining director so elected. Any such vacancies or newly created directorships may also be filled upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote for the election of directors, given at a special meeting of the shareholders called for the purpose.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Nevada and at such times as the Board may from time to time determine, and if so determined notice thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Nevada whenever called by the Chairman of the Board, by the President or by any two directors. Reasonable notice thereof shall be given by the person or persons calling the meeting.

Section 2.5. Telephonic Meetings Permitted. Unless otherwise restricted by the articles of incorporation or these by-laws, any member of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or of such committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum: Vote Required for Action. At all meetings of the Board of Directors the presence of a majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of at least a majority of the directors present at any meeting at which a quorum is present shall be necessary to constitute and shall be the act of the Board unless the articles of incorporation

or these by-laws shall otherwise provide. In case at any meeting of the Board a quorum shall not be present, the members of the Board present may adjourn the meeting from time to time until a quorum shall attend.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Directors Without a Meeting. Unless otherwise restricted by the articles of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consents thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may, by resolution passed by a majority of the total number of directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board, and unless otherwise restricted by the articles of incorporation or these by-laws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, to the full extent permitted by law.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board or a provision in the rules of such committee to the contrary, the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, the vote of all such member present at a meeting shall be the act of such committee, and in other respects each committee shall conduct its business pursuant to Article II of these by-laws.

ARTICLE IV

Officers

Section 4.1. Officers: Election. As soon as practicable after the annual meeting of shareholders in each year, the Board shall elect a President, Secretary, and a Treasurer. The Board may also elect a Chairman of the Board, one or more Vice Presidents, one or more Assistant Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers and may give any of them such further designations or alternate titles as it considers desirable. Any number of offices may be held by the same person.

Section 4.2. Term of Office; Resignation; Removal; Vacancies. Except as otherwise provided in the resolution of the Board of Directors electing any officer, each officer shall hold office until the first meeting of the Board after the annual meeting of shareholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the Board or to the President of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. The Board may remove any officer with or without cause at any time, provided that such action by the Board shall require the vote of a majority of the whole Board. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, but the election of an officer shall not of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall or may be filled for the unexpired portion of the term by the Board at any regular or special meeting in the manner provided in Section 4. 1 for election of officers following the annual meeting of shareholders.

Section 4.3. President. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation, and shall see that all

orders and resolutions of the board of directors are carried into effect. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

Section 4.4. Vice Presidents. The Vice President or Vice Presidents, at the request of the President or in his absence or during his inability to act, shall perform the duties of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties; or if such determination is not made by the Board, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties. The Vice President or Vice Presidents shall have such other powers and perform such other duties as may be assigned to him or them by the Board or the President or as may be provided by law.

Section 4.5. Secretary. The Secretary shall have the duty to record the proceedings of the meetings of the shareholders, the Board of Directors and any committees in a book to be kept for that purpose; he shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; he shall be custodian of the records of the Corporation; he may affix the corporate seal to any document the execution of which, on behalf of the Corporation, is duly authorized, and when so affixed may attest the same; and, in general, he shall perform all duties incident to the office of secretary of a corporation, and such other duties as, from time to time, may be assigned to him by the Board or the President or as may be provided by law.

Section 4.6. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by or under authority of the Board of Directors; if required by the Board, he shall give a bond for the faithful discharge of his duties, with such surety or sureties as the Board may determine; he shall keep or cause to be kept full and accurate records of all receipts and disbursements in books of the Corporation and shall render to the President and to the Board, whenever requested, an account of the financial condition of the Corporation; and, in general, he shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as may be assigned to him by the Board or the President or as may be provided by law.

Section 4.7. Other Officers. The other officers, if any, of the Corporation shall have such powers and duties in the management of the Corporation as shall be stated in a resolution adopted by the Board of Directors which is not inconsistent with these by-laws and, to the extent not so stated, as generally pertain to their respective offices, subject to the control of the Board. The Board may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by him in the Corporation. If such certificate is manually signed by one officer or manually countersigned by a transfer agent or by a registrar, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI

Miscellaneous

Section 6. 1. Seal. The Corporation may have a corporate seal which shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Section 6.2. Waiver of Notice of Meetings of Shareholders, Directors and Committees. Whenever notice is required to be given by law or under any provision of the articles of incorporation or these by-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the shareholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the articles of incorporation or these by-laws.

Section 6.3. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

Section 6.4. Dividends. Dividends upon the stock of the Corporation, subject to the provisions of the articles of incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, bonds, in property, or in shares of stock, subject to the provisions of the articles of incorporation.

Section 6.5. Reserves. Before the payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of

the Corporation, or for such other purposes as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve.

Section 6.6. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 6.7. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6.8. Offices. The registered office of the Corporation shall be in the City of Carson City, County of Carson City, State of Nevada. The Corporation may also have offices at such other places within or outside the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE VII

Amendments

Section 7.1. Amendments. These by-laws may be altered, amended or repealed at any regular meeting of the shareholders or of the Board of Directors or at any special meeting of the shareholders or of the Board of Directors if notice of such alteration, amendment or repeal be contained in the notice of such special meeting.

ARTICLE VIII

Indemnification

Section 8. 1. Indemnification. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom he or she is the legal representative, is or was a director, officer, employee or agent of the Corporation or any predecessor of the Corporation, or serves or served any other enterprise as a director, officer, employee or agent at the request of the Corporation or any predecessor of the Corporation.

The Corporation shall pay any expenses reasonably incurred by a director or officer in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation under this Article or otherwise. The Corporation may, by action of its Board of Directors, provide for the payment of such expenses incurred by employees and agents of the Corporation as it deems appropriate.

The rights conferred on any person under this Article shall not be deemed exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Corporation' s articles of incorporation, by-laws, agreement, vote of shareholders or disinterested directors or otherwise. All rights to indemnification and to the advancement of expenses under this Article shall be deemed to be provided by a contract between the Corporation and the director, officer, employee or agent who serves in such capacity at any time while these By-Laws and any other relevant provisions of the General Corporation Law of the State of Nevada and any other applicable law, if any, are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing. For purposes of this Article, references to the Corporation' shall be deemed to include any subsidiary of the Corporation now or hereafter organized under the laws of the State of Nevada.

Exhibit 3.5

ARTICLES OF ORGANIZATION
OF
EDGEN ALLOY PRODUCTS GROUP, L.L.C.

The undersigned, acting pursuant to the Louisiana Limited Liability Company Law, LSA- RS. 12:1301 et seq. (the Act), adopts the following Articles of Organization:

ARTICLE I
NAME

The name of the Limited Liability Company is Edgen Alley Products Group, L.L.C. (the "Company").

ARTICLE II
PURPOSE

The purpose of the Company is to engage in any lawful activity for which limited liability companies may be formed under the Act.

ARTICLE III
AUTHORITY TO BIND COMPANY

The Limitations on the authority of the members to bind the Company are contained in a written operating agreement.

ARTICLE IV
MANAGEMENT BY MANAGERS

The Company shall be managed by managers who will be elected by the members, as provided in the Company' s operating agreement. The vote, consent or approval of the members shall not be required for: (a) the incurrence of any indebtedness by the Company (whether or not in the ordinary course of business)); (b) the sale, exchange, lease or other transfer of assets, including immovable and other real property (whether or not involving all or substantially all of the assets of the Company); or (c) any mortgage, pledge or other security transaction. all of which may be authorized by the managers.

Any restrictions on the authority of managers are contained in a written operating agreement.

ARTICLE V
RELIANCE ON CERTIFICATE

Persons dealing with the Company may rely upon a certificate of any manager or any officer appointed by the managers to establish the membership of any member, the authenticity of any records of the Company, or the authority of any person to act on behalf of the Company,

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including but not limited to the authority to take the actions referred to in Section 1318B of the Act.

ARTICLE VI
LIABILITY TO THIRD PARTIES

Notwithstanding anything to the contrary set forth in these Articles of Organization or the Company' s Operating Agreement, and except as otherwise set forth in the Act, no Member, Director, Officer, employee, or agent of the Company shall be liable in such capacity for a debt, obligation or liability of the Company.

ARTICLE VII
LIABILITY TO COMPANY

Except as otherwise provided by law, no Member, Director, or Officer shall be liable to the Company or its other Members for any action taken on behalf of the Company or any failure to take any action if he performed the duties of his office in compliance with Section 1314 of the Act.

These Articles of Organization are executed this __ day of December, 2003 and are to be effective upon signing of the acknowledgement, or as soon thereafter as allowed in accordance with law.

WITNESSES:

/s/ Melissa Willard
Melissa Willard

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

/s/ David L. Laxton, III
By: David Laxton III
Organizer

OPERATING AGREEMENT AND BY-LAWS
OF
Edgen Alloy Products Group, L.L.C.

This Operating Agreement and By-laws (this "Agreement"), made and entered into effective as of the date and time that the Louisiana Secretary of State issues a certificate of organization for the Company, constitutes the Operating Agreement for Edgen Alloy Products Group, L.L.C. (the "Company"). This Agreement and the Articles of Organization of the Company (the "Articles") shall be binding on all holders of Shares (as hereinafter defined) of the Company as Members of the Company and all transferees of such Shares as substituted or additional Members of the Company (collectively, the "Members" and individually, a "Member").

ARTICLE I
OFFICES AND RECORDS

1.1 Registered Office and Registered Agent. The Company' s registered office and registered agent required by the Limited Liability Company Law of Louisiana (as amended from time to time and any successor statute, the "Act") to be continuously maintained in Louisiana shall be the registered office and agent named in the initial report filed with the Articles or such other office or agent as designated from time to time in the manner provided by the Act.

1.2 Other Offices. The Company may also have offices at such other places both within and without Louisiana as the managers determine or the business of the Company may require.

1.3 Maintenance of Books. The Company shall keep books and records of accounts on an accrual basis and shall keep minutes of the proceedings of its Members.

1.4 No State Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member for any purposes and this Agreement may not be construed to suggest otherwise. The Members intend that the Company be taxed as a corporation for federal income tax purposes.

1.5 Title to Company Assets. Title to Company assets, whether real, personal or, mixed and whether corporeal or incorporeal, shall be deemed to be owned by the Company as an entity and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Title to any or all of the Company assets may be held in the name of the Company or one or more of its affiliates or one or more nominees, as the Members may determine. All Company assets shall be recorded as the property of the Company in its books and records, irrespective of the name in which record title to such Company assets is held.

ARTICLE II
DETERMINATION OF AND MEETINGS OF MEMBERS

2.1 Record Date. The Members may fix in advance a record date for the purpose of determining Members entitled to notice of and to vote at a meeting, receive a distribution or in order to make a determination of Members for any other purpose; however, such date must be not less than ten nor more than 60 days prior to the date on which the action requiring the determination of Members is to be taken. If no record date is fixed for the purpose of determining Members (a) entitled to notice of and to vote at a meeting, the close of business on the day before notice of the meeting is mailed, or if notice is waived, the close of business on the day before the meeting, shall be the record date for such purpose, or (b) for any other purpose or action, the close of business on the day on which the Members adopt the resolution relating to such purpose or action shall be the record date. A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting; provided, however, that the Members may fix a new record date for the adjourned meeting. For purposes of determining Members entitled to consent to company action in writing without a meeting, the Members may fix the

record date, which will not precede the date upon which the resolution fixing the record date is adopted by the Members, and which date should not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Members.

2.2 Place of Meetings. All meetings of Members shall be held at the principal place of business of the Company or at such other place as shall be specified by the Members in the notices or waivers of notice thereof.

2.3 Annual Meetings. Annual meetings of the Members shall be held at the date, time and place, within or outside the State of Louisiana, designated by resolution of the Members for the purpose of electing the Company' s managers and for the transaction of such other business as may properly be brought before the meeting. If no annual meeting of Members is held for a period of eighteen (18) months, any Member may call such meeting to be held at such date, time and place as maybe specified in the respective notices or waivers of notice thereof.

2.4 Special Meetings. Special meetings of the Members may be called at any time by the Company' s president, secretary or treasurer, or by the Members, or in any manner agreed to among the Members. Such special meetings of the Members shall be held at such places, within or outside the State of Louisiana, as shall be specified in the respective notices or waivers of notice thereof. No business shall be transacted at any special meeting of Members other than the items of business stated in the notice of meeting given by the Secretary.

2.5 Notice of Meetings. The authorized person or persons calling a Members' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all Members entitled to vote at such meeting at least ten days but not more than 60 days prior to the day fixed for the meeting. If such notice is mailed, it shall be deemed, delivered to a Member when deposited in the United States Mail, postage prepaid, directed to such Member at his or her address as it appears on the records of the Company. Such further notice shall be given as may be required by law, the Articles or this Agreement. Notice is waived by each Member present in person or represented at any meeting of Members unless at the beginning of the meeting the

Member or his proxy objects to the transaction of any business at the meeting on the grounds that meeting is not properly called or convened.

2.6 Agenda and Conduct of Meetings. The business to be conducted at a Members' meeting shall be limited to the purpose or purposes stated in the notice of the meeting, provided that other matters may be considered if all Members are present or represented at the meeting and consent thereto. The President shall preside over any meetings of Members and shall have the authority to make all decisions regarding the conduct of the meeting.

2.7 Quorum. Except as herein provided or as otherwise required by law or by the Articles, the presence, in person or by proxy, of Members holding a majority of the outstanding Shares entitled to vote shall constitute a quorum at all meetings of Members (including all meetings for the purpose of electing managers). If a quorum is present or represented at a duly organized meeting, such meeting may continue to do business until adjournment, notwithstanding the withdrawal of Members or the refusal of any Members present to vote. If a meeting cannot be organized because a quorum is not present, the Members present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

2.8 Proxies. A Member may vote either in person or by proxy executed in writing by Members. No proxy shall be valid after 3 years from the date of its execution unless otherwise provided in the proxy. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

2.9 Voting. If, pursuant to this Agreement, a record date has been fixed, every holder of record shares entitled to vote at a meeting of Members shall be entitled to one vote for each Share outstanding in such Member' s name on the books of the Company at the

close of business on such record date. If no record date has been fixed, then every holder of record shares entitled to vote at a meeting of the Members shall be entitled to one vote for each Share outstanding in such Member' s name on the books of the Company at the close of business on the day preceding day on which notice of the meeting is given, or, if notice is waived, at the close of business on the date preceding the day on which the meeting is held. Except as otherwise required by law, the Articles or this Agreement, the vote of a majority of the Shares represented in person or by proxy at any meeting at which a quorum is present and entitled to vote on the subject matter shall be the act of the Members.

2.10 Action by Written Consent. Except as provided in this Section 2.10, every action of Members must be taken at a meeting of Members. Any action permitted or required by the Act or this Agreement to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, is signed by all of the Members entitled to vote. Such consent shall have the same force and effect as a unanimous vote at a meeting and may be stated as such in any document or instrument filed with the Louisiana Secretary of State. The consent, together with a

certificate by the secretary of the Company to the effect that those signing the consent constitute all of the required proportion of the Members entitled to vote on the particular question, shall be filed with the records of proceedings of the Members. If no record date has been fixed pursuant to Section 2.1 hereof, the record date for determining Members entitled to consent to action in writing without a meeting shall be the day on which the first written consent is expressed.

ARTICLE III
MANAGEMENT

3.1 Management of the Company' s Affairs. As provided in the Articles and this Agreement, all management powers over the business and affairs of the Company shall be exclusively vested in Managers consisting of not less than one nor more than seven individuals, as set from time to time by resolution adopted by the Members, and, subject to the direction of the Members, the officers elected by the Members in accordance with the terms of this Agreement (the "Officers"), who shall collectively (Officers and Managers) constitute "managers" of the Company within the meaning of the Act. No Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or actual or apparent authority to enter into contracts on behalf of, or to otherwise bind, the Company. Except as otherwise specifically provided in this Agreement, the authority and functions of the Members shall be identical to the authority and functions of the Members and officers, respectively, of a corporation organized under the Louisiana Business Corporation Law. Thus, except as otherwise specifically provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the Managers, and the day-to-day activities of the Company shall be conducted on the Company' s behalf by the Officers, who shall be agents of the Company. In addition to the powers that now or hereafter can be granted to managers under the Act and to all other powers granted under any other provision of this Agreement, the Managers and the Officers (subject to the direction of the Members) shall have full power-and authority to do all things on such terms as they, in their sole discretion, may deem necessary or appropriate to conduct, or cause to be conducted, the business and affairs of the Company. This power and authority shall include, without the necessity of obtaining the vote, consent or approval of the Members, taking or carrying out the actions described in the Articles and those set forth in La. R.S. 12:1317A and La. RS. 12:1318B(2), (4) and (5).

3.2 Election; Removal; Vacancies.

(a) Managers shall consist of not more than seven (7) persons. Managers need not be Members. Managers, other than the first Managers, shall be elected at the annual meeting of Members, provided a quorum is present, by a majority of the vote of the Shares present in person or represented by proxy at such meeting, and each Manager elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified, or until his other earlier death, resignation or removal if the annual meeting for the election of Manager is not held on the date designed therefore, the Manager shall cause the meeting to be held as soon thereafter as convenient, but, in any event, within thirty (30) days after the date designated therefore. However, in any event, a Manager shall serve in such capacity until removed by the Members. Any Member may resign at any time upon written notice to the Corporation.

3.3 Officers.

(a) General. Members, as set forth below, shall appoint agents of the Company who shall be referred to as "Officers" of the Company. Unless provided otherwise by resolution of the Members, the Officers shall have the titles, power, authority and duties described below in this Section 3.3.

(b) Titles and Number. The Officers of the Company shall be chosen by the Members and shall be a President, any Vice Presidents, a Secretary and a Treasurer. There shall be appointed from time to time, in accordance with Section 3.3(c), such Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Members may desire. Any person may hold two or more offices. The President shall also serve as a manager. Other officers may also be classified as a Manager.

(c) Appointment of Certain Officers. At the first meeting of the Members, or at such time when there shall be a vacancy in the office, the Member shall select a President a Secretary, a Treasurer, and may select one or more Vice Presidents, each of whom shall serve for one (1) year, or until his or her successor has been elected and qualified, or until his or her earlier death, resignation or removal.

(d) Appointment of Other Officers. The Members may also appoint such other officers, employees and agents of the Company as it may deem necessary; or it may vest the authority to appoint other officers, employees and agents in the President or such other of the officers of the Company as it deems appropriate, subject in all cases to the direction of the Members. Subject to this Agreement, all of the officers, employees and agents of the Company shall hold their offices or positions for such terms and shall exercise such powers and perform such duties as shall be specified from time to time by the Members or the President.

(e) Compensation. The salary and any bonus of the President shall be fixed from time to time by the Members. The salaries and bonuses of all other officers and employees of the Company shall be fixed from time to time by the President with the approval of the Compensation Committee, if any.

(f) Removal. Any officer or employee of the Company may be removed, with or without cause, at any time by the action of the Members-or the President, but such removal shall not prejudice the rights, if any, of the person so removed to recover damages for breach of contract. This section shall not be construed to create any contract of employment.

(g) Duties and Powers of Officers. The Officers of the Company shall have such duties and powers as are provided and prescribed from time to time by resolution of the Members, or as customarily exercised by corporate officers holding such offices.

ARTICLE IV
MEETINGS OF TIE MEMBERS

4.1 Annual and Regular Meetings; Notice. The Members shall meet not less than once every calendar quarter with the period between any two meetings of the Members not to exceed one hundred (100) days. The annual meeting of the Members shall be held at such places

within or outside the State of Louisiana as the Member may from time to time determine and may be held without notice, provided, however, that notice of the date, time, and place fixed or changed by the Members be promptly mailed, furnished by telephone, telex, telecopier, telegram, radio or cable, or delivered personally, to each Member who shall not have been present at such meeting. Notice of such action at the meeting need not be given to any Member who attends the first regular meeting after such action is taken without protesting lack of notice

to him or her, prior to or at the commencement of such meeting, or to any Member who submits a signed waiver of notice, whether before or after such meeting.

4.2 Special Meeting; Notice. Special meetings of the Members shall be held whenever called by either the President, the Secretary, the Treasurer, or in the event of their absence or disability, by any Vice President, on five (5) days notice of the date, time, place and purpose of the meeting given to each Member, either personally or by telephone, mail, telegram or electronic facsimile transmission, or on ten (10) days notice if notice is mailed to each Member, addressed to such Member at his or her usual place of business. Notice of any special meeting need not be given to any Member who attends such meeting without protesting to the lack of notice to him or her, prior to or at the commencement of such meeting, or to any Member who submits a signed waiver of notice, whether before or after such special meeting.

4.3 Quorum; Acts of the Members. A majority of the Members shall be necessary to constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Members, the Members present may adjourn the meeting without notice other than announcement at the meeting, until a quorum is present. If a quorum is present when the meeting is convened, the Members present may continue to do business notwithstanding the withdrawal of enough Members to leave less than a quorum or the refusal of any Members present to vote. The act of a majority of the Members shall be the act of the Company.

4.4 Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Members may be taken by a consent in writing, signed by all of the Members and filed with the records of proceedings of the Members.

4.5 Meetings by Telephone or Similar Communication. Members may participate at and be present at any meeting of the Members by means of conference telephone or similar communications equipment if all persons participating in such meeting can hear and communicate with each other.

4.6 Members' Proxies. Any Member absent from a meeting of the Members or any committee thereof may be represented by any other Member, who may cast the vote of the absent Member according to the written instructions, general or special, of the absent Member.

4.7 Committees. The Members may designate one or more committees, each committee to consist of two or more of the Members or Managers of the Company (and one or more Member or Manager way be named as alternate Members to replace any absent or disqualified regular Members of such committees), which, to the extent provided by resolution of the Members or this Agreement, shall have and may exercise the powers of the Members in the management of the business and affairs of the Company, and may have power to authorize the seal of the Company to be affixed to documents. Such committee or committees shall have such

name or names as may be determined from time to time by the Members. Any vacancy occurring in any such committee shall be filed by the Members, but the President may designate another Member to serve on any such committee pending action by the Members.

4.8 Remuneration to Managers and Members. The amount, if any, which each Manager or Member shall be entitled to receive as compensation for his or her services as such shall be fixed from time to time by resolution of the Members. The Company shall reimburse Members for their travel expenses incurred in attending (a) any meetings of the Members or its committees, or (b) any other meetings or function (e.g. trade shows, negotiating sessions, etc.) in their capacity as representatives of the Company

4.9 Waiver of Notice. Whenever by law, the Articles, or this Agreement, notice is required to be given to a Member, a waiver of the notice in writing signed by the person entitled to notice, whether prior to or after the time of the meeting or other action, is the equivalent of the required notice for all purposes. A Member' s attendance at or participation in a meeting, in person or by duly authorized proxy, waives any required notice to him unless at the beginning of the meeting or promptly upon his arrival, the Member or his duly appointed proxy objects to holding the meeting or transacting business at the meeting on rounds that it is not duly called or convened and does not thereafter vote for or assent to the action taken at the meeting.

ARTICLE V
DIVIDENDS

5.1 Distributions. Subject to Section 5.2, the Members may from time to time declare, and the Company may pay, distributions in cash, property or its own Shares.

5.2 Limitation. No distribution shall be made by the Company if, after giving effect to the distribution: (a) the Company would not be able to pay its debts as they become due in the usual course of business; or (b) the ..Company' s total assets would be less than the sum of its total liabilities. The Company may base a determination that a distribution is not prohibited under this Section 5.2 either on financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances or a fair valuation or other method that is reasonable under the circumstances. For purposes of this Section 5.2, generally accepted accounting principles are deemed to be reasonable. The effect of a distribution under this Section shall be measured as of the date upon which the distribution is authorized if the payment occurs within 120 days after the date of authorization, or the date upon which payment is made if it occurs more than 120 days after the date of authorization.

ARTICLE VI
SHARES

6.1 Shares. Each Member' s membership interest in the Company shall be divided into and consist of Shares ("Shares"). The holders of Shares (a) shall be entitled on a pro rata basis to such distributions, if any, as shall be provided thereon from time to time by the Members, (b) upon liquidation or dissolution of the Company shall be entitled on a pro rata basis to all remaining assets after satisfaction of the Company' s liabilities to creditors (c) shall not be subject to any right of redemption by the Company and (d) shall be entitled to one vote per Share

on matters submitted to a vote or consent of Members. Each Share shall be identical in all respects with each other Share. Shares shall be issued, and the holders thereof admitted as Members, for such consideration as determined by the Members.

6.2 Members.

(a) A Person shall be admitted as a Member, and shall become bound by this Agreement, if such Person executes this Agreement or, without such execution, if such, Person purchases or otherwise lawfully acquires any Shares and becomes the record holder of such Shares in accordance with the provisions of this Agreement. For purposes of this Agreement and the Articles, "Person" means any individual, partnership, corporation, limited liability company, trust or other entity. In the case of a Member who is not a natural person, such Member may act through any Person authorized by such Member.

(b) The name and mailing address of each Member shall be listed on the books and records of the Company. The Secretary of the Company shall be required to update the books and records from time to time as necessary to accurately reflect the information therein. A Member' s Shares shall be represented by the Certificate (as hereinafter defined) held by such Member.

6.3 Liability to Third Parties. No Member or beneficial owner of Shares shall be liable for the debts, obligations or liabilities of the Company. No Member shall be required to make any contribution to the capital of the Company with respect to his or her Shares.

6.4 Certificates. Certificates ("Certificates') evidencing Shares shall be in such form, not inconsistent with that required by the Act or any other law and this Agreement, as shall be approved by the Members. The Company shall issue to each Member one or more Certificates, signed by the President and the Secretary of the Company certifying the number of Shares owned by such Member, provided, however, that any of or all the signatures on the Certificate may be facsimile. In case any Officer who shall have signed or whose facsimile signature or signatures shall have been placed upon any such Certificate or Certificates shall have ceased to be such Officer before such Certificate is issued by the Company, such Certificate may nevertheless be issued by the Company with the same effect as if such person were

such Officer at the date of issue. Certificates shall be consecutively numbered and shall be entered in the books and records of the Company as they are issued and shall exhibit the holder' s name and number of Shares.

6.5 Registration of Transfer and Exchange. Upon surrender to the Company or any transfer agent of the Company of a certificate for shares duly endorsed or accompanied by a proper evidence of succession, assignment or authority to transfer, the Company shall have a new certificate issued to the person entitled thereto, have the old certificate canceled and have transaction recorded on its books.

6.6 Mutilated, Destroyed, Lost or Stolen Certificates. The President or the Members may direct a new certificate or certificates to be issued in place of any certificate or certificates issued by the Company alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed.

The President or the Members may, in their discretion and as a condition precedent to the issuance of a new certificate require the owner of the lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as he or it shall require and/or to give the Corporation a bond in such sum as the President or Members deems appropriate as indemnity against any claim that may be made against the Company with respect to the certificate claimed to have been lost, stolen or destroyed.

6.7 Return of Consideration; Withdrawal and Expulsion. A Member is not entitled to return of any part of its consideration paid to the Company for any Shares or to be paid interest in respect thereto. Except as otherwise provided in this Agreement or in the Articles, no Member shall be entitled to a distribution upon such Member ceasing to be a Member for any reason. No Member shall be required to contribute or to lend any cash or property to the Company to enable the Company to return to a Member its consideration paid to the Company for any Shares. Members may not be expelled from the Company or withdraw from the Company, except by transferring Shares.

ARTICLE VII
DISSOLUTION, LIQUIDATION AND TERMINATION

7.1 Dissolution. The Company shall be dissolved and its affairs shall be wound up only upon the affirmative vote of the Members holding the majority of the Shares present at the meeting. The termination of a Member' s status as a Member shall not terminate or dissolve the Company.

7.2 Liquidation and Termination. On dissolution of the Company, the Members shall serve as liquidator. The liquidator shall proceed diligently gently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company' s business with all of the power and authority of the Members. The steps to be accomplished by the liquidator are as follows:

(a) the liquidator shall file Articles of Dissolution with the Louisiana Secretary of State as required by Section 1339 of the Act or similar successor provision and give notice required by Section 1336 of the Act or similar successor provision;

(b) the liquidator shall follow the procedures set forth in Section 1338 of the Act or similar successor provision in order to obtain the benefits of that Section of the Act and of Section 1341 of the Act or similar successor provisions;

(c) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company' s assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(d) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof

(including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(e) all remaining assets of the Company shall be distributed to the Members as follows:

(i) the liquidator may sell any or all Company property, including to Members; and

(ii) liquidation proceeds shall be identical with respect to each outstanding Share.

(f) on completion of the distribution of Company assets as provided herein, the Company is terminated, and the liquidator shall file a certificate stating that the Company has been liquidated and is dissolved with the Louisiana Secretary of State as required by Section 1340 of the Act or any similar successor provision and take such other actions as may be necessary to terminate the Company.

ARTICLE VIII
AMENDMENTS

8.1 Amendments - This Agreement. The Members, by affirmative vote of a majority of those present or represented, may, at any meeting, amend or alter this Agreement.

8.2 Amendments - Articles. The Members, by affirmative vote of a majority of those Shares having voting power present or represented, may, at any meeting, amend or alter the Articles.

ARTICLE IX
LIMITATION OF LIABILITY; INDEMNIFICATION

9.1 Mandatory Indemnification. The Company shall indemnify and hold harmless, to the fullest extent permitted by the Louisiana Business Corporation Law or the Act as they presently exist or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a member, manager, officer, employee or agent of another corporation, partnership or other enterprise against expenses including attorneys' fees, to the extent that the Manager has been successful on the merits or otherwise in defense of the action, suit or proceeding, or in defense of any claim, issue or matter therein.

9.2 Permitted Indemnification. The Company has authority, to the fullest extent permitted by the Louisiana Business Corporation Law or the Act as they presently exist or may hereafter be amended, upon an affirmative authorization by the Members, to indemnify and hold harmless any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative, including any action by or in right of incorporation, by reason of the fact that he is was a member, manager or officer of the Company or is or was serving at the request of the

Company as a manager, member, officer, employee or agent of another corporation, partnership other enterprise against expenses, including attorney' s fees without regard to whether the person has been successful on the merits or otherwise in defense of the action, suit or proceeding, in defense of any claim, issue or matter therein. Unless ordered by a court, indemnification may be paid under this section only as authorized in a specific case after a determination that the applicable standard of conduct has been met by the person seeking indemnification has been made by any of the following:

(A) By the Members by a majority vote of a quorum consisting of Members who were not parties to the proceeding.

(B) If such a quorum cannot be obtained and the Members so directs, by independent legal counsel.

9.3 Advance of Expenses. The Company shall pay the expenses, including attorney' s fees, incurred by a Manager or Member or former Manager or Member in defending any proceeding in advance of its final disposition and in advance of a final determination of the person' s entitlement to indemnification but only if the Company has first received from the person seeking payment of such expenses an undertaking to repay all amounts advanced if it should ultimately be determined that the Member or Manager or former Member or Manager was not entitled to indemnification. Such advance of expenses is not mandatory with respect to proceedings against a Manager that are commenced by the Company or by the person seeking the advance or continued with the approval of the Members.

ARTICLE X
GENERAL PROVISIONS

10.1 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid or by delivering that writing to the recipient in person, by courier, or by facsimile transmission. A notice, request, or consent given under this Agreement is effective on receipt by the person to receive it; however, if such notice is placed in the United States mail, postage prepaid, and addressed to a Member at such Member' s last known address, notice shall be deemed to have been received by such Member on the third day thereafter. All notices, requests, and consents to be sent to a Member must be sent to or made at the address given for that Member on the books and records of the Company or such other address as that a Member may specify by notice to the Company. Any notice, request, or consent to the Company must be given at the following address: P.O. Box 84160, Baton Rouge, LA 70884. Whenever any notice is required to be given by law, the Articles, or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.2 Governing Law; Severability. This Agreement is governed by and shall be construed in accordance with the internal laws of the State of Louisiana. If a direct conflict exists between the provisions of this Agreement and (a) any provision of the Articles or (b) any mandatory provision of the Act, the applicable provision of the Articles or the Act shall control.

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances not affected thereby shall be enforced to the greatest extent permitted by law.

10.3 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document All counterparts shall be construed together and constitute the same instrument.

IN WITNESS WHEREOF, the Organizational Member and the Company have executed and agreed to this Agreement as of the date first set forth above.

S&P HOLDINGS, INC.

By: /s/ David L. Laxton, III
David L. Laxton, III
Vice President, Treasurer and Secretary

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III

David L. Laxton, III

Senior Vice President, Chief Financial Officer and Assistant Secretary

Exhibit 3.7

AMENDMENT TO ARTICLES OF ORGANIZATION OF
THOMAS PIPE & STEEL, L.L.C.
PURSUANT TO LA. R.S.12:1309

I, David Laxton, being a manager of Thomas Pipe & Steel, L.L.C. and being authorized by unanimous consent of the managers of Thomas Pipe & Steel, L.L.C., management of Thomas Pipe & Steel, L.L.C. being vested in one or more managers pursuant to La. RS. 12:1312, do hereby make on behalf of Thomas Pipe & Steel, L.L.C. the following amendment to the Articles of Organization of Thomas Pipe & Steel, L.L.C.:

Amendment: The name of the limited liability company is hereby changed from Thomas Pipe & Steel, L.L.C. to **Edgen Carbon Products Group, L.L.C.**, effective execution hereof, or at the earliest time pursuant to La. RS. 12:1309.

The Secretary of State of the State of Louisiana is hereby authorized and requested to change the name of Thomas Pipe & Steel, L.L.C. to **Edgen Carbon Products Group, L.L.C.**

In all other respects, the Articles of Organization of the limited liability company are to remain unchanged.

Signed in Baton Rouge, Louisiana on the 26th day of December, 2003.

/s/ David Laxton III
David Laxton III, authorized Manager of Thomas Pipe & Steel, L.L.C.

ARTICLES OF ORGANIZATION
OF
THOMAS PIPE & STEEL, L.L.C.

The undersigned, acting pursuant to the Louisiana Limited Liability Company Law, LSAR.S. 12:1301 et seq. (the "Act"), adopts the following Articles of Organization:

ARTICLE I
NAME

The name of the Limited Liability Company is Thomas Pipe & Steel, L.L.C. (the "Company").

ARTICLE II
PURPOSE

The purpose of the Company is to engage in any lawful activity for which limited liability companies may be formed under the Act.

ARTICLE III
AUTHORITY TO BIND COMPANY

The limitations on the authority of members to bind the Company are contained in a written operating agreement.

ARTICLE IV
MANAGEMENT BY MANAGERS

The Company shall be managed by managers who will be elected by the members, as provided in the Company' s operating agreement. The vote, consent or approval of the members shall not be required for (a) the incurrence of any indebtedness by the Company (whether or not in the ordinary course of business); (b) the sale, exchange, lease or other transfer of assets, including immovable and other real property, (whether or not involving all or substantially all of the assets of the Company); or (c) any mortgage, pledge or other security transaction, all of which may be authorized by the managers.

Any restrictions on the authority of managers are contained in a written operating agreement.

ARTICLE V
RELIANCE ON CERTIFICATE

Persons dealing with the Company may rely upon a certificate of any manager or any officer appointed by the managers to establish the membership of any member, the authenticity

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of any records of the Company, or the authority of any person to act on behalf of the Company, including but not limited to take the actions referred to in Section 1318B of the Act.

ARTICLE VI
LIABILITY TO THIRD PARTIES

Notwithstanding anything to the contrary set forth in these Articles of Organization or the Company' s Operating Agreement, and except as otherwise set forth in the Act, no Member, Director, Officer, employee, or agent of the Company shall be liable in such capacity for a debt, obligation, or liability of the Company.

No Member, Director, Officer, employee, or agent of the Company shall be a proper party to a proceeding by of against the Company, except when the object is to enforce such person' s rights against or liability to the Company.

ARTICLE VII
LIABILITY TO COMPANY

Except as otherwise provided by law, no Member, Director, or Officer shall be liable to the Company or its other Members for any action taken on behalf of the Company or any failure to take any action if her performed the duties of his office in compliance with Section 1314 of the Act.

These Articles of Organization are executed this 30th day of December, 1999, to be effective as of 10:00 a.m., December 31, 1999.

WITNESSES:

/s/ Lynn Braswell

/s/ Brent Sheppard

THOMAS PIPE & STEEL, L.L.C

By: /s/ David Laxton
David Laxton
Organizer

Exhibit 3.8

OPERATING AGREEMENT AND BY-LAWS
OF
Edgen Carbon Products Group, L.L.C.
(as amended and restated as of February 1, 2005)

This amended and restated Operating Agreement and By-Laws (this "Agreement"), made and entered into effective as of February 1, 2005, constitutes the Operating Agreement for Edgen Carbon Products Group, L.L.C. (the "Company"). This Agreement and the Articles of Organization of the Company (the "Articles") shall be binding on all holders of Shares (as hereinafter defined) of the Company as Members of the Company and all transferees of such Shares as substituted or additional Members of the Company (collectively, the "Members" and individually, a "Member").

ARTICLE I
OFFICES AND RECORDS

1.1 Registered Office and Registered Agent. The Company' s registered office and registered agent required by the Limited Liability Company Law of Louisiana (as amended from time to time and any successor statute, the "Act") to be continuously maintained in Louisiana shall be the registered office and agent named in the initial report filed with the Articles or such other office or agent as designated from time to time in the manner provided by the Act.

1.2 Other Offices. The Company may also have offices at such other places both within and without Louisiana as the managers determine or the business of the Company may require.

1.3 Maintenance of Books. The Company shall keep books and records of accounts on an accrual basis and shall keep minutes of the proceedings of its Members.

1.4 No State Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member for any purposes and this Agreement may not be construed to suggest otherwise. The Members intend that the Company be taxed as a corporation for federal income tax purposes.

1.5 Title to Company Assets. Title to Company assets, whether real, personal or mixed and whether corporeal or incorporeal, shall be deemed to be owned by the Company as an entity and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Title to any or all of the Company assets may be held in the name of the Company or one or more of its affiliates or one or more nominees, as the Members may determine. All Company assets shall be recorded as the property of the Company in its books and records, irrespective of the name in which record title to such Company assets is held.

ARTICLE II
DETERMINATION OF AND MEETINGS OF MEMBERS

2.1 Record Date. The Members may fix in advance a record date for the purpose of determining Members entitled to notice of and to vote at a meeting, receive a distribution or in order to make a determination of Members for any other purpose; however, such date must be not less than ten nor more than 60 days prior to the date on which the action requiring the determination of Members is to be taken. If no record date is fixed for the purpose of determining Members (a) entitled to notice of and to vote at a meeting, the close of business on the day before notice of the meeting is mailed, or if notice is waived, the close of business on the day before the meeting, shall be the record date for such purpose, or (b) for any other purpose or action, the close of business on the day on which the Members adopt the resolution relating to such purpose or action shall be the record date. A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting; provided, however, that the members may fix a new record date for the adjourned meeting. For purposes of determining Members entitled to consent to company action in writing without a meeting, the Members may fix the record date, which will not precede the date upon which the resolution fixing the record date is adopted by the Members, and which date should not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Members.

2.2 Place of Meetings. All meetings of Members shall be held at the principal place of business of the Company or at such other place as shall be specified by the Members in the notices or waivers of notice thereof.

2.3 Annual Meetings. Annual meetings of the Members shall be held at the date, time and place, within or outside the State of Louisiana, designated by resolution of the Members for the purpose of electing the Company' s managers and for the transaction of such other business as may properly be brought before the meeting. If no annual meeting of Members is held for a period of eighteen (18) months, any Member may call such meeting to be held at such date, time and place as may be specified in the respective notices or waivers of notice thereof.

2.4 Special Meetings. Special meetings of the Members may be called at any time by the Company' s president, secretary or treasurer, or by the Members, or in any manner agreed to among the Members. Such special meetings of the Members shall be held at such places, within or outside the State of Louisiana, as shall be specified in the respective notices or waivers of notice thereof. No business shall be transacted at any special meeting of members other than the items of business stated in the notice of meeting given by the Secretary.

2.5 Notice of Meetings. The authorized person or persons calling a Members' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all Members entitled to vote at such meeting at least ten days but not more than 60 days prior to the day fixed for the meeting. If such notice is mailed, it shall be deemed delivered to a Member when deposited in the United States Mail, postage prepaid, directed to such Member at his or her address as it appears on the records of the company. Such further notice shall be given as may

be required by law, the Articles or this Agreement. Notice is waived by each Member present in person or represented at any meeting of Members unless at the beginning of the meeting the Member or his proxy objects to the transaction of any business at the meeting on the grounds that the meeting is not properly called or convened.

2.6 Agenda and Conduct of Meetings. The business to be conducted at a members' meeting shall be limited to the purpose or purposes stated in the notice of the meeting, provided that other matters may be considered if all members are present or represented at the meeting and consent thereto. The President shall preside over any meetings of Members and shall have the authority to make all decisions regarding the conduct of the meeting.

2.7 Quorum. Except as herein provided or as otherwise required by law or by the Articles, the presence, in person or by proxy, of Members holding a majority of the outstanding Shares entitled to vote shall constitute a quorum at all meetings of Members (including all meetings for the purpose of electing managers). If a quorum is present or represented at a duly organized meeting, such meeting may continue to do business until adjournment, notwithstanding the withdrawal of members or the refusal of any members present to vote. If a meeting cannot be organized because a quorum is not present, the Members present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

2.8 Proxies. A Member may vote either in person or by proxy executed in writing by the Members. No proxy shall be valid after 3 years from the date of its execution unless otherwise provided in the proxy. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

2.9 Voting. If, pursuant to this Agreement, a record date has been fixed, every holder of record shares entitled to vote at a meeting of the Members shall be entitled to one vote for each Share outstanding in such Member' s name on the books of the Company at the close of business on such record date. If no record date has been fixed, then every holder of record shares entitled to vote at a meeting of the Members shall be entitled to one vote for each Share outstanding in such Member' s name on the books of the Company at the close of business on the day preceding the day on which notice of the meeting is given, or, if notice is waived, at the close of business on the date preceding the day on which the meeting is held. Except as otherwise required by law, the Articles or this Agreement, the vote of a majority of the Shares represented in person or by proxy at any meeting at which a quorum is present and entitled to vote on the subject matter shall be the act of the Members.

2.10 Action by Written Consent. Except as provided in this Section 2.10, every action of Members must be taken at a meeting of Members. Any action permitted or required by the Act or this Agreement to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the

action so taken, is signed by all of the Members entitled to vote. Such consent shall have the same force and effect as a unanimous vote at a meeting and may be stated as such in any document or instrument filed with the Louisiana Secretary of State. The consent, together with a certificate by the Secretary of the Company to the effect that those signing the consent constitute all of the required proportion of the Members entitled to vote on the particular question, shall be filed with the records of proceedings of the Members. If no record date has been fixed pursuant to Section 2.1 hereof, the record date for determining Members entitled to consent to action in writing without a meeting shall be the day on which the first written consent is expressed.

ARTICLE III
MANAGEMENT

3.1 Management of the Company' s Affairs. As provided in the Articles and this Agreement, all management powers over the business and affairs of the Company shall be exclusively vested in Managers consisting of not less than one nor more than seven individuals, as set from time to time by resolution adopted by the Members, and, subject to the direction of the Members, the officers elected by the Members in accordance with the terms of this Agreement (the "Officers"), who shall collectively (Officers and Managers) constitute "managers" of the Company within the meaning of the Act. No Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or actual or apparent authority to enter into contracts on behalf of, or to otherwise bind, the Company. Except as otherwise specifically provided in this Agreement, the authority and functions of the Members shall be identical to the authority and functions of the Members and officers, respectively, of a corporation organized under the Louisiana Business Corporation Law. Thus, except as otherwise specifically provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the Managers, and the day-to-day activities of the Company shall be conducted on the Company' s behalf by the Officers, who shall be agents of the Company. In addition to the powers that now or hereafter can be granted to managers under the Act and to all other powers granted under any other provision of this Agreement, the Managers and the Officers (subject to the direction of the Members) shall have full power and authority to do all things on such terms as they, in their sole discretion, may deem necessary or appropriate to conduct, or cause to be conducted, the business and affairs of the Company. This power and authority shall include, without the necessity of obtaining the vote, consent or approval of the Members, taking or carrying out the actions described in the Articles and those set forth in La. R.S. 12:1317A and La. R.S. 12:1318B(2), (4) and (5).

3.2 Election; Removal; Vacancies.

(a) Managers shall consist of not more than seven (7) persons. Managers need not be Members. Managers, other than the first Managers, shall be elected at the annual meeting of Members, provided a quorum is present, by a majority of the vote of the Shares present in person or represented by proxy at such meeting, and each Manager elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified, or until his or her earlier death, resignation or removal. If the annual meeting for the election of Manager is not held on the date designed therefore, the Manger shall cause the meeting to be held as soon thereafter as convenient, but, in any event, within thirty (30) days

after the date designated therefore. However, in any event, a Manager shall serve in such capacity until removed by the Members. Any Member may resign at any time upon written notice to the Corporation.

3.3 Officers.

(a) General. Members, as set forth below, shall appoint agents of the Company who shall be referred to as "Officers" of the Company. Unless provided otherwise by resolution of the Members, the Officers shall have the titles, power, authority and duties described below in this Section 3.3

(b) Titles and Number. The Officers of the Company shall be chosen by the members and shall be a President, any Vice Presidents, a Secretary and a Treasurer. There shall be appointed from time to time, in accordance with Section 3.3(c), such Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Members may desire. Any person may hold two or more offices. The President shall also serve as a Manager. Other officers may also be classified as a Manager.

(c) Appointment of Certain Officers. At the first meeting of the Members, or at such time when there shall be a vacancy in the office, the Member shall select a President, a Secretary, a Treasurer, and may select one or more Vice Presidents, each of whom shall serve for one (1) year, or until his or her successor has been elected and qualified, or until his or her earlier death, resignation or removal.

(d) Appointment of Other Officers. The Members may also appoint such other officers, employees and agents of the Company as it may deem necessary; or it may vest the authority to appoint other officers, employees and agents in the President or such other of the officers of the Company as it deems appropriate, subject in all cases to the direction of the Members. Subject to this Agreement, all of the officers, employees and agents of the Company shall hold their offices or positions for such terms and shall exercise such powers and perform such duties as shall be specified from time to time by the Members or the President.

(e) Compensation. The salary and any bonus of the President shall be fixed from time to time by the Members. The salaries and bonuses of all other officers and employees of the Company shall be fixed from time to time by the President with the approval of the Compensation Committee, if any.

(f) Removal. Any officer or employee of the Company may be removed, with or without cause, at any time by the action of the Members or the President, but such removal shall not prejudice the rights, if any, of the person so removed to recover damages for breach of contract. This section shall not be construed to create any contract of employment.

(g) Duties and Powers of Officers. The Officers of the Company shall have such duties and powers as are provided and prescribed from time to time by resolution of the Members, or as customarily exercised by corporate officers holding such offices.

ARTICLE IV
MEETINGS OF THE MEMBERS

4.1 Annual and Regular Meetings; Notice. The Members shall meet not less than once every calendar quarter with the period between any two meetings of the Members not to exceed one hundred (100) days. The annual meeting of the Members shall be held at such places within or outside the State of Louisiana as the Member may from time to time determine and may be held without notice, provided, however, that notice of the date, time, and place fixed or changed by the Members be promptly mailed, furnished by telephone, telex, telecopier, telegram, radio or cable, or delivered personally, to each Member who shall not have been present at such meeting. Notice of such action at the meeting need not be given to any Member who attends the first regular meeting after such action is taken without protesting lack of notice to him or her, prior to or at the commencement of such meeting, or to any Member who submits a signed waiver of notice, whether before or after such meeting.

4.2 Special Meeting; Notice. Special meetings of the Members shall be held whenever called by either the President, the Secretary, the Treasurer, or in the event of their absence or disability, by any Vice President, on five (5) days notice of the date, time, place and purpose of the meeting given to each Member, either personally or by telephone, mail, telegram or electronic facsimile transmission, or on ten (10) days notice if notice is mailed to each Member, addressed to such Member at his or her usual place of business. Notice of any special meeting need not be given to any Member who attends such meeting without protesting to the lack of notice to him or her, prior to or at the commencement of such meeting, or to any Member who submits a signed waiver of notice, whether before or after such special meeting.

4.3 Quorum; Acts of the Members. A majority of the Members shall be necessary to constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Members, the Members present may adjourn the meeting without notice other than announcement at the meeting, until a quorum is present. If a quorum is present when the meeting is convened, the Members present may continue to do business notwithstanding the withdrawal of enough Members to leave less than a quorum or the refusal of any Members present to vote. The act of a majority of the Members shall be the act of the Company.

4.4 Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Members may be taken by a consent in writing signed by all of the Members and filed with the records of proceedings of the Members.

4.5 Meetings by Telephone or Similar Communication. Members may participate at and be present at any meeting of the Members by means of conference telephone or similar communications equipment if all persons participating in such meeting can hear and communicate with each other.

4.6 Members' Proxies. Any Member absent from a meeting of the Members or any committee thereof may be represented by any other Member, who may cast the vote of the absent Member according to the written instructions; general or special, of the absent Member.

4.7 Committees. The members may designate one or more committees, each committee to consist of two or more of the Members or Managers of the Company (and one or more member or Manager may be named as alternate Members to replace any absent or disqualified regular Members of such committees), which, to the extent provided by resolution of the members or this Agreement, shall have and may exercise the powers of the Members in the management of the business and affairs of the Company, and may have power to authorize the seal of the Company to be affixed to documents. Such committee or committees shall have such name or names as may be determined from time to time by the Members. Any vacancy occurring in any such committee shall be filled by the Members, but the President may designate another Member to serve on any such committee pending action by the Members.

4.8 Remuneration to Managers and Members. The amount, if any, which each Manager or Member shall be entitled to receive as compensation for his or her services as such shall be fixed from time to time by resolution of the Members. The Company shall reimburse Members for their travel expenses incurred in attending (a) any meetings of Members or its committees, or (b) any other meetings or function (e.g. trade shows, negotiating sessions, etc.) in their capacity as representatives of the Company.

4.9 Waiver of Notice. Whenever by law, the Articles, or this Agreement, notice is required to be given to a Member, a waiver of the notice in writing signed by the person entitled to notice, whether prior to or after the time of the meeting or other action, is the equivalent of the required notice for all purposes. A Member' s attendance at or participation in a meeting, in person or by duly authorized proxy, waives any required notice to him unless at the beginning of the meeting or promptly upon his arrival, the Member or his duly appointed proxy objects to holding the meeting or transacting business at the meeting on grounds that it is not duly called or convened and does not thereafter vote for or assent to the action taken at the meeting.

ARTICLE V
DIVIDENDS

5.1 Distributions. Subject to Section 5.2, the Members may from time to time declare, and the Company may pay, distributions in cash, property or its own Shares.

5.2 Limitation. No distribution shall be made by the Company if, after giving effect to the distribution: (a) the Company would not be able to pay its debts as they become due in the usual course of business; or (b) the Company' s total assets would be less than the sum of its total liabilities. The Company may base a determination that a distribution is not prohibited under this Section 5.2 either on financial statement prepared on the basis of accounting practices and principals that are reasonable under the circumstances or a fair valuation or other method that is reasonable under the circumstances. For purposes of this Section 5.2, generally accepted accounting principals are deemed to be reasonable. The effect of a distribution under this Section shall be measured as of the date upon which the distribution is authorized if the payment occurs within 120 days after the date of authorization, or the date upon which payment is made if it occurs more than 120 days after the date of authorization.

ARTICLE VI
SHARES

6.1 Shares. Each Member' s membership interest in the Company shall be divided into and consist of Shares ("Shares"). The holders of Shares (a) shall be entitled on a pro rata basis to such distributions, if any, as shall be provided thereon from time to time by the Members, (b) upon liquidation or dissolution of the Company shall be entitled on a pro rata basis to all remaining assets after satisfaction of the Company' s liabilities to creditors; (c) shall not be subject to any right of redemption by the Company and (d) shall be entitled to one vote per Share on matters submitted to a vote or consent of Members. Each Share shall be identical in all respects with each other Share. Shares shall be issued, and the holders thereof admitted as Members, for such consideration as determined by the Members.

6.2 Members.

(a) A Person shall be admitted as a Member, and shall become bound by this Agreement, if such Person executes this Agreement or, without such execution, if such Person purchases or otherwise lawfully acquires any Shares and becomes the record holder of such Shares in accordance with the provisions of this Agreement. For purposes of this Agreement and the Articles, "Person" means any individual, partnership, corporation, limited liability company, trust or other entity. In the case of a Member who is not a natural person, such Member may act through any Person authorized by such Member.

(b) The name and mailing address of each Member shall be listed on the books and records of the Company. The Secretary of the Company shall be required to update the books and records from time to time as necessary to accurately reflect the information therein. A Member' s Shares shall be represented by the Certificate (as hereinafter defined) held by such Member.

6.3 Liability to Third Parties. No Member or beneficial owner of Shares shall be liable for the debts, obligations or liabilities of the Company. No Member shall be required to make any contribution to the capital of the Company with respect to his or her Shares.

6.4 Certificates. Certificates ("Certificates") evidencing Shares shall be in such form, not inconsistent with that required by the Act or any other law and this Agreement, as shall be approved by the Members. The Company shall issue to each Member one or more Certificates, signed by the President and the Secretary of the Company certifying the number of Shares owned by such Member; provided, however, that any of or all the signatures on the Certificate may be facsimile. In case any Officer who shall have signed or whose facsimile signature or signatures shall have been placed upon any such Certificate of Certificates shall have ceased to be such Officer before such Certificate is issued by the Company, such Certificate may nevertheless be issued by the Company with the same effect as if such person were such Officer at the date of issue. Certificates shall be consecutively numbered and shall be entered in the books and records of the Company as they are issued and shall exhibit the holder' s name and number of Shares.

6.5 Registration of Transfer and Exchange. Upon surrender to the Company or any transfer agent of the Company of a certificate for shares duly endorsed or accompanied by a proper evidence of succession, assignment or authority to transfer, the Company shall have a new certificate issued to the person entitled thereto, have the old certificate canceled and have the transaction recorded on its books.

6.6 Mutilated, Destroyed, Lost or Stolen Certificates. The President or the Members may direct a new certificate of certificates to be issued in place of any certificate or certificates issued by the Company alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. The President or the Members may, in their discretion and as a condition precedent to the issuance of a new certificate require the owner of the lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as he or it shall require and/or to give the Corporation a bond in such sum as the President or Members deems appropriate as indemnity against any claim that may be made against the Company with respect to the certificate claimed to have been lost, stolen or destroyed.

6.7 Return of Consideration; Withdrawal and Expulsion. A Member is not entitled to the return of any part of its consideration paid to the Company for any Shares or to be paid interest in respect thereto. Except as otherwise provided in this Agreement or in the Articles, no Member shall be entitled to a distribution upon such Member ceasing to be a Member for any reason. No Member shall be required to contribute or to lend any cash or property to the Company to enable the Company to return to a Member its consideration paid to the Company for any Shares. Members may not be expelled from the Company or withdraw from the Company, except by transferring Shares.

ARTICLE VII
DISSOLUTION, LIQUIDATION AND TERMNIATION

7.1 Dissolution. The Company shall be dissolved and its affairs shall be wound up only upon the affirmative vote of the Members holding the majority of the Shares present at the meeting. The termination of a Member' s status as a Member shall not terminate or dissolve the Company.

7.2 Liquidation and Termination. On dissolution of the Company, the Members shall serve as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company' s business with all of the power and authority of the Members. The steps to be accomplished by the liquidator are as follows:

(a) the liquidator shall file Articles of Dissolution with the Louisiana Secretary of State as required by Section 1339 of the Act or similar successor provision and give the notice required by Section 1336 of the Act or similar successor provision;

(b) the liquidator shall follow the procedures set forth in Section 1338 of the Act or similar successor provision in order to obtain the benefits of that Section of the Act and of Section 1341 of the Act or similar successor provisions;

(c) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company' s assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(d) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount for such term as the liquidator may reasonably determine); and

(e) all remaining assets of the Company shall be distributed to the Members as follows:

(i) the liquidator may sell any or all Company property, including to Members; and

(ii) liquidation proceeds shall be identical with respect to each outstanding Share.

(f) on completion of the distribution of Company assets as provided herein, the Company is terminated, and the liquidator shall file a certificate stating that the Company has been liquidated and is dissolved with the Louisiana Secretary of State as required by Section 1340 of the Act or any similar successor provision and take such other actions as may be necessary to terminate the Company.

ARTICLE VIII
AMENDMENTS

8.1 Amendments – This Agreement. The Members, by affirmative vote of a majority of those present or represented, may, at any meeting, amend or alter this Agreement.

8.2 Amendments – Articles. The Members, by affirmative vote of a majority of those Shares having voting power present or represented, may, at any meeting, amend or alter the Articles.

ARTICLE IX
LIMITATION OF LIABILITY; INDEMNIFICATION

9.1 Mandatory Indemnification. The Company shall indemnify and hold harmless, to the fullest extent permitted by the Louisiana Business Corporation Law or the Act as they

presently exist or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a member, manager, officer, employee or agent of another corporation, partnership or other enterprise against expenses including attorneys' fees, to the extent that the Manager has been successful on the merits or otherwise in defense of the action, suit or proceeding, or in defense of any claim, issue or matter therein.

9.2 Permitted Indemnification. The Company has authority, to the fullest extent permitted by the Louisiana Business Corporation Law or the Act as they presently exist or may hereafter be amended, upon an affirmative authorization by the Members, to indemnify and hold harmless any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative, including any action by or in right of incorporation, by reason of the fact that he is or was a member, manager or officer of the Company or is or was serving at the request of the Company as a manager, member,

officer, employee or agent of another corporation, partnership or other enterprise against expenses, including attorney' s fees without regard to whether the person has been successful on the merits or otherwise in defense of the action, suit or proceeding, or in defense of any claim, issue or matter therein. Unless ordered by a court, indemnification may be paid under this section only as authorized in a specific case after a determination that the applicable standard of conduct has been met by the person seeking indemnification has been made by any of the following:

(A) By the Members by a majority vote of a quorum consisting of Members who were not parties to the proceeding.

(B) If such a quorum cannot be obtained and the Members so directs, by independent legal counsel.

9.3 Advance of Expenses. The Company shall pay the expenses, including attorney' s fees, incurred by a Manager or Member or former Manager or Member in defending any proceeding in advance of its final disposition and in advance of a final determination of the person' s entitlement to indemnification but only if the Company has first received from the person seeking payment of such expenses an undertaking to repay all amounts advanced if it should ultimately be determined that the Member or Manager or former Member or Manager was not entitled to indemnification. Such advance of expenses is not mandatory with respect to proceedings against a Manager that are commenced by the Company or by the person seeking the advance or continued with the approval of the Members.

ARTICLE X
GENERAL PROVISIONS

10.1 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid or by delivering that writing to the recipient in person, by

courier, or by facsimile transmission. A notice, request, or consent given under this Agreement is effective on receipt by the person to receive it; however, if such notice is placed in the United States mail, postage prepaid, and addressed to a Member at such Member' s last known address, notice shall be deemed to have been received by such Member on the third day thereafter. All notices, requests, and consents to be sent to a Member must be sent to or made at the address given for that Member on the books and records of the Company or such other address as that a Member may specify by notice to the Company. Any notice, request, or consent to the Company must be given at the following address: P.O. Box 84160, Baton Rouge, LA 70884. Whenever any notice is required to be given by law, the Articles, or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.2 Governing Law; Severability. This Agreement is governed by and shall be construed in accordance with the internal laws of the State of Louisiana. If a direct conflict exists between the provisions of this Agreement and (a) any provision of the Articles or (b) any mandatory provision of the Act, the applicable provision of the Articles or the Act shall control. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances not affected thereby shall be enforced to he greatest extent permitted by law.

10.3 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

IN WITNESS WHEREOF, the sole Member and the Company have executed and agreed to this Agreement as of the date first set forth above.

EDGEN LOUISIANA CORPORATION

By: /s/ DAVID L. LAXTON, III
David L. Laxton, III, Secretary

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: /s/ DAVID L. LAXTON, III

David L. Laxton, III,
Senior Vice President, Chief Financial Officer and Secretary

Exhibit 4.1

INDENTURE,

dated as of February 1, 2005,

among

EDGEN ACQUISITION CORPORATION

as Issuer,

THE GUARANTORS HEREAFTER PARTIES HERETO,

as Guarantors

and

The Bank of New York,

as Trustee and Collateral Agent

$9^{7}/_{8}$% Senior Secured Notes due 2011

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.03; 7.08; 7.10
(c)	N.A.
311(a)	7.03; 7.11
(b)	7.03; 7.11

(c)	N.A.
312(a)	2.05
(b)	7.07; 11.03
(c)	11.03
313(a)	7.06
(b)	7.06
(c)	7.06
(d)	7.06
314(a)	4.06; 4.20
(b)	12.02
(c)(1)	11.04
(c)(2)	11.04
(c)(3)	N.A.
(d)	12.03
(e)	11.05
(f)	N.A.
315(a)	7.01(b)
(b)	7.05
(c)	7.01(a)
(d)	7.01(c)
(e)	6.11
316(a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	9.04
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04
318(a)	11.01
(b)	N.A.
(c)	11.01

N.A. means Not Applicable

NOTE: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of this Indenture.

TABLE OF CONTENTS

NOTE: This Table of Contents shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of February 1, 2005, among Edgen Acquisition Corporation, a Nevada corporation (the "Company"), the Guarantors (as herein defined) hereafter parties hereto and The Bank of New York, as Trustee (in such capacity, the "Trustee") and Collateral Agent (in such capacity, the "Collateral Agent").

Effective as of the date hereof, the Company will be merged with and into Edgen Corporation, a Nevada corporation (the "Surviving Corporation"), with the Surviving Corporation as the surviving corporation (the "Merger"). Effective upon effectiveness of the Merger, the Surviving Corporation will assume the Company' s obligations under this Indenture and will cause its subsidiaries to become Guarantors to the extent required by this Indenture. Effective upon effectiveness of the Merger, all references in this Indenture to the "Company" shall refer to the Surviving Corporation. Each party agrees as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the $9^{7}/_{8}$% Series A Senior Secured Notes due 2011 (the "Initial Notes") and the $9^{7}/_{8}$% Series B Senior Notes due 2011 (the "Exchange Notes," and together with the Initial Notes, the "Notes"):

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"Acceleration Notice" has the meaning set forth in Section 6.02.

"Acquisition" means the acquisition of all of the issued and outstanding Capital Stock of Edgen Corporation.

"Acquired Indebtedness" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time it merges or consolidates with or into the Company or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such acquisition, merger or consolidation and which Indebtedness is without recourse to the Company or any of its Subsidiaries or to any of their respective properties or assets other than the Person or the assets to which such Indebtedness related prior to the time such Person became a Restricted Subsidiary of the Company or the time of such acquisition, merger or consolidation; *provided* that Indebtedness of such Person that is redeemed, defeased, retired or otherwise repaid at the time, or immediately upon consummation, of the transaction by which such Person is merged with or into or became a Restricted Subsidiary of the Company shall not be Acquired Indebtedness. Acquired Indebtedness shall be deemed to be incurred on the date of any such acquisition, merger or consolidation or the date the acquired Person becomes a Restricted Subsidiary.

"Additional Interest" has the meaning set forth in the Registration Rights Agreement.

"Additional Notes" means all $9^{7}/_{8}$% Senior Secured Notes due 2011 that are not Exchange Notes issued after the Issue Date (other than pursuant to Sections 2.06, 2.07, 2.10 and 3.06 of this Indenture) from time to time in accordance with the terms of this Indenture, including, without limitation, the provisions of Section 2.02.

"Administrative Agent" means, at any time, the Person serving at such time as the "Administrative Agent" under the Credit Agreement or any other representative of the lenders then most

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recently designated by a majority of the lenders under the Credit Agreement in a written notice delivered to the Collateral Agent and the Trustee.

"Affiliate" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; provided, that Beneficial Ownership of 10% or more of the Voting Stock of the Person shall be deemed to be control. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Affiliate Transaction" has the meaning set forth in Section 4.15.

"Agent" means any Registrar, Paying Agent or co-Registrar.

"Agent Members" has the meaning set forth in Section 2.14 and means, with respect to DTC, Euroclear or Clearstream, a Person who has an account with DTC, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Applicable Indebtedness" means:

(1) in respect of any asset that is the subject of an Asset Sale at a time when such asset is included in the Collateral, Indebtedness that is pari passu with the Notes and secured at such time by Collateral; or

(2) in respect of any other asset, Indebtedness that is pari passu with the Notes.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of DTC, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Acquisition" means:

(1) an Investment by the Company or any Restricted Subsidiary of the Company in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Company or any Restricted Subsidiary of the Company, or shall be merged with or into the Company or any Restricted Subsidiary of the Company, or

(2) the acquisition by the Company or any Restricted Subsidiary of the Company of the assets of any Person (other than a Restricted Subsidiary of the Company) which constitute all or substantially all of the assets of such Person or comprise any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"Asset Sale" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (other than a Lien in accordance with this Indenture) for value by (x) the Company or any of its Restricted Subsidiaries to any Person other than the Company or a Guarantor or (y) a Foreign Restricted Subsidiary to any Person other than the Company or a Wholly Owned Restricted Subsidiary of the Company of:

(1) any Capital Stock of any Restricted Subsidiary of the Company; or

(2) any other property or assets of the Company or any Restricted Subsidiary of the Company other than in the ordinary course of business; *provided*, *however*, that Asset Sales shall not include:

(A) a transaction or series of related transactions for which the Company or its Restricted Subsidiaries receive aggregate consideration of less than $1.0 million;

(B) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of the Company as permitted under Section 5.01;

(C) any Restricted Payment permitted under Section 4.09, including a Permitted Investment;

(D) the sale or other disposition of Cash Equivalents;

(E) the sale or other disposition of used, worn out, obsolete or surplus equipment;

(F) the sale of an Unrestricted Subsidiary;

(G) dispositions of Investments or receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in a bankruptcy or similar proceeding and exclusive of factoring or similar arrangements; and

(H) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Company and its Restricted Subsidiaries.

"Authenticating Agent" has the meaning set forth in Section 2.02.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended, and codified as 11 U.S.C. §§101 et seq.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have meanings correlative to the foregoing.

"Board of Directors" means, as to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"Board Resolution" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"Business Day" means a day that is not a Legal Holiday.

"Capital Stock" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

"Capitalized Lease Obligation" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"Cash Equivalents" means:

(1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(2) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor' s Ratings Group ("S&P") or Moody' s Investors Service, Inc. ("Moody' s");

(3) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody' s;

(4) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined net capital and surplus of not less than $250.0 million;

(5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) and (2) above entered into with any bank meeting the qualifications specified in clause (4) above; and

(6) investments in money market funds which invest substantially all its assets in securities of the types described in clauses (1) through (5) above.

"Change of Control" means the occurrence of one or more of the following events:

(1) any direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or

substantially all of the assets of the Company to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "Group"), other than a transaction in which the transferee is controlled by one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, other than (A) a transaction in which the surviving or transferee Person is a Person that is controlled by the Permitted Holders or (B) any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Capital Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance), or any transaction pursuant to which holders of securities representing 100% of the Company' s Voting Stock immediately prior to such transaction have the right or ability by voting power, contract or otherwise, to elect or designate a majority of the Board of Directors of the surviving or transferee Person;

(3) the approval by the holders of Capital Stock of the Company of any plan or proposal for the liquidation, winding up or dissolution of the Company;

(4) prior to the first Public Equity Offering, one or more of the Permitted Holders cease for any reason to be the Beneficial Owner, directly or indirectly, in the aggregate of at least a majority of the total voting power of the Voting Stock of the Company, whether by virtue of the issuance, sale or other disposition of Capital Stock of the Company, a merger, consolidation or sale of assets involving the Company, a Restricted Subsidiary, any voting trust or other agreement;

(5) subsequent to the first Public Equity Offering, (a) any Person or Group is or becomes the Beneficial Owner, directly or indirectly, in the aggregate of more than 35% of the total voting power of the Voting Stock of the Company, and (b) one or more of the Permitted Holders Beneficially Own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company than such other Person or Group and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Company; or

(6) individuals who on the Issue Date constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved pursuant to a vote of a majority of the directors then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

"Change of Control Offer" has the meaning set forth in Section 4.10.

"Change of Control Payment Date" has the meaning set forth in Section 4.10.

"Clearstream" means Clearstream Banking, societe anonyme.

"Collateral" means collateral as such term is defined in the Security Agreement, all property mortgaged under the Mortgages and any other property, whether now owned or hereafter acquired, upon which a Lien securing the Obligations is granted or purported to be granted under any Collateral Agreement; *provided*, *however* that the term "Collateral" shall not include any Excluded Assets.

"Collateral Agent" means The Bank of New York, as collateral agent and any successor under this Indenture.

"Collateral Agreements" means, collectively, the Security Agreement and each Mortgage, in each case, as the same may be in force from time to time.

"Commodity Agreement" means any hedging agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in commodity prices.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock..

"Company" has the meaning set forth in the preamble to this Indenture.

"Comparable Treasury Issue" means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Company as having a maturity comparable to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008) that would be utilized at the time of the selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008).

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 pm. Quotations for U.S. Government Securities" or (2) if such release (or any successor release is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Company obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"Consolidated EBITDA" means, with respect to any Person, for any period, the sum (without duplication) of:

(1) Consolidated Net Income; and

(2) to the extent Consolidated Net Income has been reduced thereby:

(A) all income and franchise taxes of such Person and its Restricted Subsidiaries paid or accrued in accordance with GAAP for such period;

(B) Consolidated Fixed Charges;

(C) Consolidated Non-cash Charges;

(D) (a) customary fees and expenses of the Company and its Restricted Subsidiaries payable in connection with (i) the issuance and maintenance of the Notes and the related

borrowing under the Credit Agreement, (ii) any Equity Offering, (iii) the incurrence, maintenance, termination or repayment of Indebtedness permitted by Section 4.08 (including Indebtedness constituting Permitted Indebtedness), (iv) the Acquisition and any acquisition permitted under this Indenture and (v) compliance with the Federal securities laws and the Sarbanes-Oxley Act of 2002 for a period of 12 months following the Issue Date, (b) extraordinary bonus payments payable to the officers and employees of the Company pursuant to the Company's 2004 Bonus Plan in respect of the Company's 2004 fiscal year and (c) bonuses and fees payable to existing stockholders, directors, officers and employees of the Company, lenders, financial advisors and other Persons in connection with the Acquisition on or substantially contemporaneous with the Issue Date;

(E) restructuring charges (as determined in accordance with GAAP) relating to the consolidation of operations or reduction in head-count;

(F) any premium or penalty paid in connection with redeeming or retiring Indebtedness of such Person and its consolidated Restricted Subsidiaries prior to the stated maturity thereof pursuant to the agreements governing such Indebtedness; and

(G) any increase in cost of sales expense as a result of the Company's adoption of the LIFO method of costing inventory after the Issue Date,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the four consecutive full fiscal quarters (the "*Four Quarter Period*") most recently ending on or prior to the date of the transaction or event giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio for which internal financial statements are available (the "*Transaction Date*") to Consolidated Fixed Charges of such Person for the Four Quarter Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period;

(2) any Asset Sale or other disposition of operations or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date), as if such Asset Sale or other disposition of operations or Asset Acquisition (including the incurrence, assumption or liability for any such Indebtedness or Acquired Indebtedness and also including any Consolidated EBITDA

associated with such Asset Acquisition) occurred on the first day of the Four Quarter Period. If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness;

(3) any Person that is a Restricted Subsidiary on the Transaction Date (or would become a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed to have been a Restricted Subsidiary at all times during such Four Quarter Period; and

(4) any Person that is not a Restricted Subsidiary on the Transaction Date (or would cease to be a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed not to have been a Restricted Subsidiary at any time during such Four Quarter Period.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date (including Indebtedness actually incurred on the Transaction Date) and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense (excluding amortization or write-off of deferred financing costs); *plus*

(2) the product of (x) the amount of all cash dividend payments (other than dividends paid by the Subsidiaries to the Company or to the Company' s Wholly-Owned Restricted Subsidiaries) on any class or series of Preferred Stock of such Person paid or in the case of any such class or series of Preferred Stock that is Disqualified Capital Stock, paid, accrued or scheduled to be paid or accrued, in each case, during such period *times* (y) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated federal, state and local tax rate of such Person, as estimated in good faith by the chief financial officer of the Company, expressed as a decimal.

"Consolidated Interest Expense" means, with respect to any Person for any period, the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, as determined in accordance with GAAP, and including, without duplication, (a) all amortization or accretion of original issue discount, (b) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period, and (c) net cash costs under all Interest Swap Obligations (including amortization of fees), but excluding amortization of debt issuance costs and excluding accrued dividends on preferred stock that is reclassified as Indebtedness due to a change in accounting principles.

"Consolidated Net Income" means, with respect to any Person, for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period on a consolidated basis, determined in accordance with GAAP; *provided, however,* that there shall be excluded therefrom:

(1) after-tax gains and losses from Asset Sales or abandonments or reserves relating thereto;

(2) after-tax items classified as extraordinary gains or losses;

(3) the net income (but not loss) of any Restricted Subsidiary of the referent Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is restricted by a contract, operation of law or otherwise;

(4) the net income of any Person, other than the referent Person or a Restricted Subsidiary of the referent Person, except to the extent of cash dividends or distributions paid to the referent Person or to a Wholly Owned Restricted Subsidiary of the referent Person by such Person;

(5) any restoration to income of any material contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(6) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(7) all gains and losses realized on or because of the purchase or other acquisition by such Person or any of its Restricted Subsidiaries of any securities of such Person or any of its Restricted Subsidiaries;

(8) the cumulative effect of a change in accounting principles;

(9) interest expense attributable to dividends on Qualified Capital Stock pursuant to Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity;"

(10) non-cash charges resulting from the impairment of intangible assets; and

(11) only for purposes of calculating cumulative Consolidated Net Income for purposes of Section 4.09, in the case of a successor to the referent Person by consolidation or merger or as a transferee of the referent Person' s assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

Notwithstanding the foregoing, for purposes of calculating Consolidated Net Income for any period, Consolidated Net Income for such period shall (except for purposes of calculating Consolidated Net Income for such period as used in clause (1) of the definition of the term

"Consolidated EBITDA") include, to the extent Consolidated Net Income for such period has been reduced thereby, any non-cash charges associated with the purchase accounting write-up of inventory, including without limitation, pursuant to FAS 141.

"Consolidated Net Tangible Assets" means, as of any date of determination and with respect to any Person, the total assets, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property), shown on the balance sheet of such Person and its

Restricted Subsidiaries for the most recently ended fiscal quarter for which internal financial statements are available, determined on a consolidated basis in accordance with GAAP.

"Consolidated Non-cash Charges" means, with respect to any Person, for any period, the aggregate depreciation, amortization and other non-cash items and expenses of such Person and its Restricted Subsidiaries to the extent they reduce Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (A) including, but not limited to, (i) non-cash charges attributable to the grant, exercise or repurchase of options for or shares of Qualified Capital Stock to or from employees of such Person and its consolidated subsidiaries, (ii) unrealized losses resulting solely from the marking to market of derivative securities or securities held in deferred compensation plans, (iii) non-cash charges associated with the amortization or write-off of deferred financing costs and debt issuance costs of such Person and its consolidated subsidiaries during such period, (iv) amortization expense associated with the purchase accounting write-up of tangible and intangible assets and (v) non-cash charges associated with the purchase accounting write-up of inventory, including, without limitation, pursuant to FAS 141, but (B) excluding any such charges constituting an extraordinary item or loss or any such charge which requires an accrual of or a reserve for cash charges for any future period.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date of this Indenture, located at The Bank of New York, 101 Barclay Street, Floor 8W, New York, New York 10286, Attn: Corporate Trust Administration.

"Covenant Defeasance" has the meaning set forth in Section 8.01.

"Credit Agreement" means the Amended and Restated Loan and Security Agreement dated as of the Issue Date, between the Company, certain Subsidiaries of the Company and the lenders party thereto (together with their successors and assigns, the "*Lenders*") and the Administrative Agent, setting forth the terms and conditions of the senior credit facility, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as amended, restated, modified, renewed, refunded, replaced (whether on or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and Company include one or more of the Company and the Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder, *provided* that on the date such Indebtedness is incurred, such Indebtedness would be permitted under clause (2) or (17) (either individually or in the aggregate) of the definition of "Permitted Indebtedness," or

(4) otherwise altering the terms and conditions thereof in a manner not prohibited by the terms of this Indenture and whether by the same or any other agent, lender or group of lenders (including by means of sales of debt securities to institutional lenders).

"Currency Agreement" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Company or any Restricted Subsidiary of the Company against fluctuations in currency values.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Code.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"Depository" means DTC, its nominees and successors.

"Disqualified Capital Stock" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event that would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except in each case, upon the occurrence of a Change of Control) on or prior to the first anniversary of the final maturity date of the Notes for cash or is convertible into or exchangeable for debt securities of the Company or its Subsidiaries at any time prior to such anniversary.

"Domestic Restricted Subsidiary" means, with respect to any Person, a Domestic Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"Domestic Subsidiary" means, with respect to any Person, a Subsidiary of such Person that is not a Foreign Subsidiary of such Person.

"DTC" means The Depository Trust Company, its nominees and successors.

"Equity Offering" means any private or public offering of Capital Stock of the Company or any holding company of the Company to any Person (other than issuances upon exercise of options by employees of any holding company, the Company or any of the Restricted Subsidiaries).

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"Event of Default" has the meaning set forth in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Exchange Notes" has the meaning set forth in the preamble to this Indenture and means the Notes, if any, issued under Section 2.02 pursuant to the Registration Rights Agreement.

"Exchange Offer" means an exchange offer that may be made by the Company, pursuant to the Registration Rights Agreement, to exchange for any and of all the Initial Notes for a like aggregate principal amount of Exchange Notes having substantially identical terms to the Initial Notes registered under the Securities Act.

"Excluded Assets" means:

(1) any lease, license, contract, property right or agreement to which the Company or any Guarantor is a party or any of its rights or interests thereunder if and only for so long as the grant of a Lien under the Collateral Agreements (i) is prohibited by applicable law or would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the grantor of such

Lien therein pursuant to applicable law, or (ii) would require the consent of third parties and such consent shall not have been obtained, or (iii) would constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such consent requirement or other term thereof would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law or principles of equity); *provided* that such lease, license, contract, property right or agreement will be an Excluded Asset only to the extent and for so long as the consequences specified above will result and will cease to be an Excluded Asset and will become subject to the Lien granted under the Collateral Agreements, immediately and automatically, at such time as such consequences will no longer result;

(2) leasehold interests in real property with respect to which the Company or any Guarantor is a tenant or subtenant;

(3) Capital Stock of each Subsidiary of the Company or any Guarantor;

(4) property and assets owned by the Company or any Guarantor that are the subject of Permitted Liens described in clause (6) or (7) of the definition thereof for so long as such Permitted Liens are in effect; and

(5) any other assets owned or acquired by the Company or any of its Guarantors that are expressly not required to constitute "Collateral" pursuant to the terms of the Collateral Agreements.

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm' s length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Board of Directors of the Company; *provided*, *however*, that with respect to any price less than $2.5 million only the good faith determination by the Company' s senior management shall be required.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"Foreign Subsidiary" means, with respect to any Person, any Subsidiary of such Person that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"GAAP" means accounting principles generally accepted in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

"Global Notes" has the meaning set forth in Section 2.01.

"Guarantee" has the meaning set forth in Section 10.01.

"Guarantor" means (1) each of the Company' s Domestic Restricted Subsidiaries existing on the Issue Date and (2) each of the Company' s Domestic Restricted Subsidiaries that in the future executes a supplemental indenture in which such Domestic Restricted Subsidiary agrees to be bound by the terms of this Indenture as a Guarantor; *provided* that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its respective Guarantee is released in accordance with the terms of this Indenture.

"Holder" means the Person in whose name a Note is registered on the registrar' s books.

"IAI Global Notes" has the meaning set forth in Section 2.01.

"incur" has the meaning set forth in Section 4.08.

"Indebtedness" means with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings and any deferred purchase price represented by earn outs consistent with the Company' s past practice) to the extent such Obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(5) all Obligations for the reimbursement of any obligor on any letter of credit, banker' s acceptance or similar credit transaction, whether or not then due;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Obligations of any other Person of the type referred to in clauses (1) through (6) which are secured by any Lien on any property or asset of such Person, the amount of any such Obligation being deemed to be the lesser of the Fair Market Value of the property or asset securing such Obligation or the amount of such Obligation;

(8) all Interest Swap Obligations and all Obligations under Currency Agreements and Commodity Agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or

involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

Notwithstanding the foregoing, Indebtedness shall not include any Qualified Capital Stock. For purposes hereof, the "*maximum fixed repurchase price*" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock.

"Indemnified Party" has the meaning set forth in Section 7.07.

"Indenture" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof.

"Indenture Documents" means, collectively, this Indenture, the Notes, the Guarantees, and the Collateral Agreements.

"Independent Financial Advisor" means a nationally-recognized accounting, appraisal or investment banking firm that, in the judgment of the Board of Directors of the Company (including a majority of the disinterested members thereof), is independent and qualified to perform the task for which it is to be engaged.

"Initial Notes" has the meaning set forth in the preamble to this Indenture.

"Initial Purchaser" means Jefferies & Company, Inc.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Intercreditor Agreements" means, collectively, the Senior Intercreditor Agreement and the Subordinated Intercreditor Agreement.

"Interest Payment Date" means the stated maturity of an installment of interest on the Notes.

"Interest Swap Obligations" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition for value of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted

Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary," the definition of "Restricted Payment" and Section 4.09:

(i) "Investment" shall include the portion (proportionate to the Company' s equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company' s "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Company' s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

"Issue Date" means the date of original issuance of the Notes.

"JCP Group" means (i) ING Furman Selz Investors III L.P., ING Barings Global Leveraged Equity Plan Ltd., ING Barings U.S. Leveraged Equity Plan LLC and FS Private Investments III LLC and any of their respective Affiliates and (ii) any investment vehicle that is managed (whether through ownership of securities having a majority of the voting power or through management of investments) by any of the Persons listed in clause (i), but excluding any portfolio companies of any Person listed in clause (i) or (ii).

"Junior Lien Collateral Agent" means any person appointed as such by the Junior Lien Debtholders.

"Junior Lien Debt" means the Indebtedness permitted to be incurred pursuant to Section 4.08 (including indebtedness constituting Permitted Indebtedness) and secured by Permitted Liens of the type set forth in clause (19) of the definition of Permitted Liens.

"Junior Lien Debtholders" means the holders of Junior Lien Debt.

"Legal Defeasance" has the meaning set forth in Section 8.01.

"Legal Holiday" has the meaning set forth in Section 11.07.

"Lenders" has the meaning set forth in the definition of the term "Credit Agreement."

"Lien" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"Management Agreement" means the management agreement, dated as of the Issue Date, between the Company and Jefferies Capital Partners, as in effect on the Issue Date and as amended; *provided*, any such amendment does not adversely affect the Company, any Guarantor or the Holders of the Notes.

"Management Fees" means the management fees payable pursuant to the Management Agreement.

"Management Investors and Related Trusts" means Daniel J. O' Leary, David L. Laxton III, Robert L. Gilleland, Craig Stephen Kiefer, Roy J. Meredith, Douglas J. Daly, Jr. and each trust created by any of the foregoing Persons for estate planning purposes.

"Maturity Date" means February 1, 2011.

"Moody' s" means Moody' s Investor Services, Inc.

"Mortgages" means the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents securing Liens on the Premises, as well as the other Collateral secured by and described in the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents.

"Net Cash Proceeds" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by the Company or any of its Restricted Subsidiaries from such Asset Sale net of:

(1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees and sales commissions;

(2) all taxes and other costs and expenses actually paid or estimated by the Company (in good faith) to be payable in cash in connection with such Asset Sale;

(3) repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale and is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale;

provided, however, that if, after the payment of all taxes with respect to such Asset Sale, the amount of estimated taxes, if any, pursuant to clause (2) above exceeded the tax amount actually paid in cash in respect of such Asset Sale, the aggregate amount of such excess shall, at such time, constitute Net Cash Proceeds.

"Net Proceeds Offer" shall have the meaning set forth in Section 4.11.

"Net Proceeds Offer Amount" shall have the meaning set forth in Section 4.11.

"Net Proceeds Offer Payment Date" shall have the meaning set forth in Section 4.11.

"Net Proceeds Offer Trigger Date" shall have the meaning set forth in Section 4.11.

"Non-U.S. Person" means a Person who is not a U.S. person, as defined in Regulation S.

"Notes" has the meaning set forth in the preamble to this Indenture and means the Initial Notes, the Additional Notes, if any, and the Exchange Notes treated as single class of securities, as amended or supplemental from time to time in accordance with the terms hereof, that are issued pursuant to this Indenture.

"Obligations" means all obligations for principal, premium, interest, Additional Interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offering" means the offering of the Initial Notes hereunder.

"Offering Circular" means the offering circular dated January 25, 2005. related to the offer and sale of the Initial Notes.

"Officer" means the Chief Executive Officer, the President, the Chief Financial Officer or any Vice President of the Company.

"Officers' Certificate" means a certificate signed by two Officers of the Company, at least one of whom shall be the principal financial officer of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel who shall be reasonably acceptable to the Trustee.

"Paying Agent" has the meaning set forth in Section 2.03.

"Permitted Business" means any business that is the same as or similar, reasonably related, complementary or incidental to the business in which the Company and its Restricted Subsidiaries are engaged on the Issue Date.

"Permitted Holders" means the JCP Group and its Affiliates (excluding any portfolio companies of any such Person) and the Management Investors and Related Trusts.

"Permitted Indebtedness" means, without duplication, each of the following:

(1) Indebtedness under the Notes issued in the offering or in the Exchange Offer in an aggregate outstanding principal amount not to exceed $105.0 million and the related Guarantees;

(2) Indebtedness incurred pursuant to the Credit Agreement in an aggregate principal amount at any time outstanding not to exceed $20.0 million as such amount may be reduced from time to

time as a result of permanent reductions of the revolving commitments thereunder as provided in Section 4.11;

(3) other Indebtedness of the Company and its Restricted Subsidiaries outstanding on the Issue Date;

(4) Interest Swap Obligations of the Company or any Restricted Subsidiary of the Company covering Indebtedness of the Company or any of its Restricted Subsidiaries that are entered into for the purpose of fixing or hedging interest rates with respect to any fixed or variable rate Indebtedness that is permitted by this Indenture to be outstanding; *provided*, that the notional amount of any such Interest Swap Obligation does not exceed the principal amount of Indebtedness to which such Interest Swap Obligation relates;

(5) Indebtedness under Currency Agreements and Commodity Agreements, in each case arising in the ordinary course of business of the Company and its Restricted Subsidiaries; *provided* that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of the Company and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) Intercompany Indebtedness of (a) the Company or a Guarantor for so long as such Indebtedness is held by the Company or a Guarantor and (b) any Foreign Restricted Subsidiary for so long as such Indebtedness is held by (i) the Company or any Guarantor and is permitted to be made by the Company or such Guarantor in such Foreign Restricted Subsidiary pursuant to (A) clause (7), (8), (14)(a) or (17) of the definition of the term "Permitted Investment" or (B) as a Restricted Payment pursuant to Section 4.09 or (ii) any other Foreign Restricted Subsidiary; *provided* that if as of any date any Person other than the Company or a Guarantor owns or holds any such Indebtedness or holds a Lien in respect of such Indebtedness, such date shall be deemed the incurrence of Indebtedness not constituting Permitted Indebtedness under this clause (6) by the issuer of such Indebtedness;

(7) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within five Business Days of incurrence;

(8) Indebtedness of the Company or any of its Restricted Subsidiaries represented by letters of credit, surety bonds, insurance obligations or other similar bonds for the account of the Company or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(9) obligations in respect of performance, bid and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business;

(10) Indebtedness represented by Capitalized Lease Obligations and Purchase Money Indebtedness of the Company and its Restricted Subsidiaries incurred in the ordinary course of business (including Refinancings thereof that do not result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and plus the amount of reasonable expenses incurred by the Company in connection with such Refinancing)) not to exceed $5.0 million at any time outstanding;

(11) Refinancing Indebtedness;

(12) Indebtedness of Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof, the aggregate principal amount of which Indebtedness outstanding at any time in reliance of this clause (12) does not exceed, as to all such Foreign Restricted Subsidiaries, $5.0 million, plus the amount by which the U.S. dollar equivalent of the principal amount of such Indebtedness exceeds $5.0 million as a result of currency fluctuations;

(13) Indebtedness represented by guarantees by the Company or a Restricted Subsidiary of Indebtedness incurred by the Company or a Restricted Subsidiary so long as the incurrence of such Indebtedness by the Company or any such Restricted Subsidiary is otherwise permitted by the terms of this Indenture;

(14) Indebtedness arising from agreements of the Company or a Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Subsidiary,

other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company and the Subsidiary in connection with such disposition;

(15) Indebtedness of the Company or any of its Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the Notes in full or deposited to defease or discharge the Notes, in each case, in accordance with this Indenture;

(16) Indebtedness of Foreign Restricted Subsidiaries of the Company, the aggregate principal amount of which Indebtedness outstanding at any time in reliance of this clause (16) does not exceed, as to all such Foreign Restricted Subsidiaries, $2.5 million, plus the amount by which the U.S. dollar equivalent of the principal amount of such Indebtedness exceeds $2.5 million as a result of currency fluctuations; and

(17) additional Indebtedness of the Company and its Restricted Subsidiaries in an aggregate principal amount not to exceed $5.0 million at any time outstanding (which amount may, but need not, be incurred in whole or in part under the Credit Agreement).

For purposes of determining compliance with Section 4.08, (a) the outstanding principal amount of any item of Indebtedness shall be counted only once and (b) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (17) above or is entitled to be incurred pursuant to the Consolidated Fixed Charge Coverage Ratio provisions of such covenant, the Company shall be entitled, in its sole discretion, to classify (or later reclassify) such item of Indebtedness in any manner that complies with Section 4.08.

"Permitted Investments" means:

(1) Investments by the Company or any Restricted Subsidiary of the Company in any Person that is or will become immediately after such Investment a Guarantor or that will merge or consolidate with or into the Company or a Guarantor, or that transfers or conveys all or substantially all of its assets to the Company or a Guarantor;

(2) Investments in the Company by any Restricted Subsidiary of the Company; *provided* that any Indebtedness evidencing such Investment is unsecured and subordinated, pursuant to a written agreement, to the Company' s Obligations under the Notes and this Indenture;

(3) Investments in cash and Cash Equivalents;

(4) Currency Agreements, Commodity Agreements and Interest Swap Obligations, in each case, entered into (a) in the ordinary course of the Company' s or its Restricted Subsidiaries' businesses, (b) not for speculative purposes and (c) otherwise in compliance with this Indenture;

(5) Investments in the Notes;

(6) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers in exchange for claims against such trade creditors or customers;

(7) Investments in Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof by the Company or any Domestic Restricted Subsidiary; *provided* that the aggregate amount of such Investments outstanding at any time in reliance of this clause (7) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed $2.5 million;

(8) Investments in Foreign Restricted Subsidiaries of the Company organized under the laws of Canada or any Province thereof by the Company or any Domestic Restricted Subsidiary; *provided* that (a) the aggregate amount of such Investments outstanding at any time in reliance of this clause (8) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed 5% of the Consolidated Net Tangible Assets of the Company and its Restricted Subsidiaries, (b) each such Investment is used by each such Foreign Restricted Subsidiary (i) for working capital purposes or (ii) substantially contemporaneous with its receipt thereof to purchase all or substantially

all of the assets of, or all of the Capital Stock of, any Person (other than a Restricted Subsidiary of the Company) engaged in a Permitted Business primarily in Canada (including by means of a merger, consolidation or other business combination permitted under this Indenture), which Person shall become a Foreign Restricted Subsidiary of the Company in the case of where such purchase is of all of the Capital Stock of such Person and (c) any such Investment made in reliance upon this clause (8) may continue to be maintained notwithstanding that such Investment if made thereafter would not comply with the requirements of this clause (8);

(9) Investments made by the Company or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with Section 4.11;

(10) Investments in existence on the Issue Date;

(11) loans and advances, including advances for travel and moving expenses, to employees, officers, directors of the Company or any Restricted Subsidiary of the Company in the ordinary course of business for bona fide business purposes not in excess of $1.0 million at any one time outstanding;

(12) advances to suppliers and customers in the ordinary course of business;

(13) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms as the Company or such Restricted Subsidiary deems reasonable under the circumstances;

(14) Investments in Foreign Restricted Subsidiaries of the Company by (a) the Company or any Domestic Restricted Subsidiary; *provided* that the aggregate amount of such Investments outstanding at any time in reliance of this clause (14)(a) (after giving effect to any such Investments or any portions thereof that are returned to the Company or any Domestic Restricted Subsidiary in cash on or prior to the date of such calculation) shall not exceed $2.5 million and (b) any other Foreign Restricted Subsidiary of the Company;

(15) payroll, travel and similar advances to cover matters that are expected at the time of the advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business and consistent with past practice;

(16) Investments consisting of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business and consistent with past practice; and

(17) additional Investments (including Investments in any Foreign Restricted Subsidiary or Foreign Restricted Subsidiaries) in an aggregate amount not to exceed $5.0 million at any time outstanding.

"Permitted Liens" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not yet delinquent or (b) contested in good faith by appropriate proceedings and as to which the Company or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law or pursuant to customary reservations or retentions of title incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) any judgment Lien not giving rise to an Event of Default;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(6) any interest or title of a lessor under any Capitalized Lease Obligation permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" *provided* that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(7) Liens securing Purchase Money Indebtedness permitted pursuant to clause (10) of the definition of "Permitted Indebtedness;" *provided, however,* that (a) the Indebtedness shall not exceed the cost of the property or assets acquired, together, in the case of real property, with the cost

of the construction thereof and improvements thereto, and shall not be secured by a Lien on any property or assets of the Company or any Restricted Subsidiary of the Company other than such property or assets so acquired or constructed and improvements thereto and (b) the Lien securing such Indebtedness shall be created within 180 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 180 days of such refinancing;

(8) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person' s obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(9) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(10) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;

(11) Liens securing Interest Swap Obligations which Interest Swap Obligations relate to Indebtedness that is otherwise permitted under this Indenture;

(12) Liens securing Indebtedness under Currency Agreements and Commodity Agreements, in each case, that are permitted under this Indenture;

(13) Liens securing Acquired Indebtedness incurred in accordance with Section 4.08; *provided* that:

(A) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company; and

(B) such Liens do not extend to or cover any property or assets of the Company or of any of its Restricted Subsidiaries other than the property or assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Company or a Restricted Subsidiary of the Company and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary of the Company;

(14) Liens existing as of the Issue Date and securing Indebtedness permitted to be outstanding under clause (3) of the definition of the term "Permitted Indebtedness" to the extent and in the manner such Liens are in effect on the Issue Date;

(15) Liens securing the Notes and all other monetary obligations under this Indenture and the Guarantees;

(16) Liens securing Indebtedness under the Credit Agreement to the extent such Indebtedness is permitted under clause (2) or (17) of the definition of the term "Permitted Indebtedness;" *provided,* that any such Liens on Priority Collateral are contractually subordinated to the Liens described in clause (15) above pursuant to the Senior Intercreditor Agreement;

(17) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness which has been secured by a Lien permitted under this paragraph and which has been incurred in accordance with Section 4.08 or clause (1), (3) or (11) of the definition of the term "Permitted Indebtedness;" *provided*, *however*, that such Liens: (i) are no less favorable to the Holders and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and (ii) do not extend to or cover any property or assets of the Company or any of its Restricted Subsidiaries not securing the Indebtedness so Refinanced;

(18) Liens incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries securing Obligations (other than Obligations under the Credit Agreement) that do not exceed $2.0 million at any time outstanding;

(19) Liens securing Indebtedness which is contractually subordinated to the Notes and which is incurred in accordance with Section 4.08 (including Indebtedness constituting Permitted Indebtedness); *provided* that (i) such Liens are contractually subordinated pursuant to the Subordinated Intercreditor Agreement to the Liens described in clause (15) above and (ii) such Indebtedness is not incurred under the Credit Agreement;

(20) leases or subleases granted to Persons other than the Company or any of its Restricted Subsidiaries in the ordinary course of business, and not materially interfering with the ordinary course of business of the Company or any of its Restricted Subsidiaries;

(21) Liens under licensing agreements entered into in the ordinary course of business by the Company of any of its Restricted Subsidiaries for the use by the Company or any such Restricted Subsidiary of intellectual property;

(22) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business; *provided* that such Liens do not extend to or cover any property or assets of the Company or any of its Restricted Subsidiaries other than the goods that are the subject of any such conditional sale, title retention, consignment or similar arrangement;

(23) Liens securing Indebtedness of Foreign Restricted Subsidiaries to the extent such Indebtedness is (i) permitted under clause (12), (16) or (17) of the definition of "Permitted Indebtedness" or (ii) permitted to be incurred under Section 4.08 (other than as Permitted Indebtedness); *provided*, *however*, that no asset of the Company or any Domestic Restricted Subsidiary shall be subject to any such Lien; and

(24) Liens in favor of the Company or any of its Domestic Restricted Subsidiaries.

"Person" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"Physical Notes" has the meaning set forth in Section 2.14.

"Preferred Stock" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"Premises" has the meaning set forth in Section 4.18.

"principal" of any Indebtedness (including the Notes) means the principal amount of such Indebtedness plus the premium, if any, on such Indebtedness.

"Priority Collateral" means all Collateral other than "Working Capital Collateral" as defined in the Senior Intercreditor Agreement as in effect on the Issue Date.

"Private Placement Legend" means the legend set forth on the Initial Notes in the form set forth in Exhibit A.

"pro forma" means, with respect to any calculation made or required to be made pursuant to the terms of this Indenture, a calculation made substantially in accordance with Article 11 of Regulation S-X under the Securities Act, as determined by the Board of Directors of the Company in consultation with its independent public accountants.

"Public Equity Offering" means an underwritten public offering of Common Stock of the Company or any holding company of the Company pursuant to a registration statement filed with the SEC (other than on Form S-8).

"Purchase Money Indebtedness" means Indebtedness of the Company and its Restricted Subsidiaries incurred for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of property or equipment, provided, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"QIB Global Notes" has the meaning set forth in Section 2.01.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Capital Stock.

"Record Date" means any of the Record Dates specified in the Notes, whether or not a Legal Holiday.

"Redemption Date" means, when used with respect to any Note to be redeemed, the price fixed for redemption pursuant to this Indenture and the Notes.

"Redemption Price" means, when used with respect to any Note to be redeemed, the price fixed for redemption pursuant to this Indenture and the Notes.

"Reference Date" has the meaning set forth in Section 4.09.

"Reference Treasury Dealer" means any primary U.S. government securities dealer in the City of New York selected by the Company.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such Redemption Date.

"Refinance" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means any Refinancing by the Company or any Restricted Subsidiary of the Company of Indebtedness incurred in accordance with Section 4.08; (other than pursuant to Permitted Indebtedness) or clauses (1), (3) or (11) of the definition of Permitted Indebtedness, in each case that does not:

(1) have an aggregate principal amount (or, if such Indebtedness is issued with original issue discount, an aggregate offering price) greater than the sum of (x) the aggregate principal amount of the Indebtedness being Refinanced (or, if such Indebtedness being Refinanced is issued with original issue discount, the aggregate accreted value) as of the date of such proposed Refinancing plus (y) the amount of fees, expenses, premium, defeasance costs and accrued but unpaid interest relating to the Refinancing of such Indebtedness being Refinanced;

(2) create Indebtedness with: (a) a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; or (b) a final maturity earlier than the final maturity of the Indebtedness being Refinanced; or

(3) affect the security, if any, for such Refinancing Indebtedness (except to the extent that less security is granted to holders of such Refinancing Indebtedness);

If such Indebtedness being Refinanced is subordinate or junior by its terms to the Notes, then such Refinancing Indebtedness shall be subordinate by its terms to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"Register" has the meaning set forth in Section 2.03.

"Registrar" has the meaning set forth in Section 2.03.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Issue Date, between the Surviving Corporation, the Guarantors and the Initial Purchaser, as the same may be amended or modified from time to time in accordance with the terms thereof.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Permanent Global Note" means a permanent Global Note deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"Regulation S Temporary Global Note" means a temporary Global Note deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Initial Notes or Additional Notes initially sold in reliance on Rule 903 of Regulation S.

"Restricted Payment" has the meaning set forth in Section 4.09.

"Restricted Period" means the 40-day distribution compliance period as defined in Regulation S.

"Restricted Security" has the meaning assigned to such term in Rule 144(a)(3) under the Securities Act; provided that the Trustee shall be entitled to conclusively rely on an Opinion of Counsel with respect to whether any Note constitutes a Restricted Security.

"Restricted Subsidiary" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary.

"Rule 144A" means Rule 144A under the Securities Act.

"S&P" means Standard & Poor' s Ratings Group.

"SEC" means the Securities and Exchange Commission.

"Secured Parties" has the meaning set forth in the Security Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security Agreement" means the Security Agreement, dated as of the Issue Date, made by the Company and the Guarantors in favor of the Collateral Agent, as amended or supplemented from time to time in accordance with its terms.

"Senior Intercreditor Agreement" means the intercreditor agreement among the Administrative Agent, the Trustee, the Collateral Agent, the Company and the Subsidiary Guarantors, dated as of the Issue Date, as the same may be amended, supplemented or modified from time to time.

"Significant Subsidiary" with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Subordinated Intercreditor Agreement" means the intercreditor and subordination agreement among the Administrative Agent, the Trustee, the Collateral Agent, the Junior Lien Collateral Agent and/or the holders of Junior Lien Debt, the Company and the Subsidiary Guarantors, substantially in the form of Exhibit G, as the same may be amended, supplemented or modified from time to time.

"Subsidiary" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"Surviving Corporation" has the meaning set forth in the preamble to this Indenture.

"Surviving Entity" shall have the meaning set forth in Section 5.01.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as amended, as in effect on the date of this Indenture.

"Transactions" has the meaning specified thereof in the Offering Circular.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption period.

"Trust Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person' s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions of this Indenture and thereafter means such successor.

"Unrestricted Subsidiary" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated, *provided* that:

(1) the Company certifies to the Trustee that such designation complies with Section 4.09; and

(2) each Subsidiary to be so designated and each of its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Company or any of its Restricted Subsidiaries.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, the Company is able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with the Section 4.08; and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means direct obligations of, and obligations guaranteed by, the United States of America for the payment of which the full faith and credit of the United States of America is pledged.

"U.S. Legal Tender" means such coin or currency of the United States which, as at the time of payment, shall be immediately available legal tender for the payment of public and private debts.

"U.S. Person" means a Person who is a U.S. person as defined in Regulation S.

"Voting Stock" means, with respect to any Person, securities of any class or classes of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (1) the then outstanding aggregate principal amount of such Indebtedness into (2) the sum of the total of the products obtained by multiplying:

(A) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by

(B) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"Wholly-Owned Restricted Subsidiary" of any Person means any Restricted Subsidiary of such Person of which all the outstanding Capital Stock (other than in the case of a Foreign Restricted Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Restricted Subsidiary of such Person.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, such provision is incorporated by reference in, and made a part of, this Indenture. The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means each of the Company or any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule and not otherwise defined herein have the meanings assigned to them therein.

SECTION 1.03. Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and words in the plural include the singular;

(5) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(6) when the words "includes" or "including" are used herein, they shall be deemed to be followed by the words "without limitation";

(7) all references to Sections or Articles refer to Sections or Articles of this Indenture unless otherwise indicated; and

(8) unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Indenture shall have such meanings when used in each other Indenture Document.

ARTICLE TWO

THE NOTES

SECTION 2.01. Form and Dating.

The Initial Notes and the Additional Notes and the Trustee' s certificate of authentication thereon shall be substantially in the form of Exhibit A hereto ("Global Notes"). The Exchange Notes and the Trustee' s certificate of authentication thereon shall be substantially in the

form of Exhibit B hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or DTC rule or usage. The Company and the Trustee shall approve the form of the Notes and any notation, legend or endorsement on them. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the forms of the Notes annexed hereto as Exhibit A and Exhibit B shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Notes originally sold to QIBs shall be issued initially in the form of one or more permanent global notes in registered form, substantially in the form set forth in Exhibit A (the "QIB Global Notes"), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in Exhibit C.

Notes offered and sold to Institutional Accredited Investors as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act shall be issued initially in the form of one or more permanent global notes in registered form, substantially in the form set forth in Exhibit A (the "IAI Global Notes"), deposited

with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in Exhibit C.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more Regulation S Temporary Global Notes deposited with the Trustee, as custodian for the Depository, and registered in the name of the Depository or the nominee of the Depository for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Company and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in Exhibit C.

Following the termination of the Restricted Period, beneficial interests in a Regulation S Temporary Global Note will be exchanged for beneficial interests in a Regulation S Permanent Global Note pursuant to the Applicable Procedures. Simultaneously with the authentication of a Regulation S Permanent Global Note, the Trustee will cancel the related Regulation S Temporary Global Note.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Note that are held by participants through Euroclear or Clearstream.

The aggregate principal amount of any Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, as hereinafter provided.

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officer executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. Execution and Authentication; Additional Notes; Aggregate Principal Amount.

An Officer (who shall have been duly authorized by all requisite corporate action) shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note was an Officer at the time of such execution but no longer holds that office or position at the time the Trustee authenticates the Note, the Note shall nevertheless be valid.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may, subject to compliance with Section 4.08 hereof, issue Additional Notes in an unlimited amount under this Indenture.

The Trustee shall authenticate (i) Initial Notes for original issue in the aggregate principal amount not to exceed $105.0 million, (ii) Exchange Notes from time to time for issue only in exchange for a like principal amount at maturity of Initial Notes, and (iii) one or more series of Additional Notes in each case upon written orders of the Company in the form of an Officers' Certificate, which Officers' Certificate shall, in the case of any issuance of Additional Notes, certify that such issuance is in compliance with

Section 4.08. In addition, each Officers' Certificate shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated, whether the Notes are to be Initial Notes, Exchange Notes or Additional Notes. All Notes issued under this Indenture shall vote and consent together on all matters as one class and no series of Notes shall have the right to vote or consent as a separate class on any matter.

The Trustee may appoint an authenticating agent (the "Authenticating Agent") reasonably acceptable to the Company to authenticate Notes. Unless otherwise provided in the appointment, an Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such Authenticating Agent. An Authenticating Agent has the same rights as an Agent to deal with the Company and Affiliates of the Company.

The Notes shall be issuable in fully registered form only, without coupons, in denominations of $1,000 in principal amount and any integral multiple thereof.

SECTION 2.03. Registrar and Paying Agent.

The Company shall maintain an office or agency which shall initially be the office of the Trustee in the Borough of Manhattan, The City of New York, where (a) Notes may be presented or surrendered for registration of transfer or for exchange (the "Registrar"), (b) Notes may be presented or surrendered for payment (the "Paying Agent") and (c) notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Registrar shall keep a register of the Notes and of their transfer and exchange (the "Register"). The Company, upon prior written notice to the Trustee, may have one or more co-Registrars and one or more additional Paying Agents reasonably acceptable to the Trustee. The term "Paying Agent" includes any additional Paying Agent. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which agreement shall incorporate the provisions of the TIA and implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee in writing, in advance, of the name and address of any such Agent and otherwise be reasonably satisfactory to the Trustee. If the Company fails to maintain a Registrar or Paying Agent, or fails to give the foregoing notice, the Trustee shall act as such.

The Company initially appoints the Trustee as Registrar, Paying Agent and agent for service of demands and notices in connection with the Notes. The Paying Agent or Registrar may resign upon thirty (30) days' written notice to the Company.

SECTION 2.04. Obligations of Paying Agent.

The Company shall require each Paying Agent other than the Trustee to agree in writing that such Paying Agent shall hold separate and apart from, and not commingle with any other properties, for the benefit of the Holders or the Trustee, all assets held by the Paying Agent for the payment of principal of, or interest or Additional Interest, if any, on, the Notes (whether such assets have been distributed to it by the Company or any other obligor on the Notes), and the Company and the Paying Agent shall notify the Trustee in writing of any Default by the Company (or any other obligor on the Notes) in making any such payment. The Company at any time may require a Paying Agent to

distribute all assets held by it to the Trustee and account for any assets disbursed and the Trustee may at any time during the continuance of any payment Default, upon written request to a Paying Agent, require such Paying Agent to distribute all assets held by it to the Trustee and to account for any assets distributed. Upon receipt by the Trustee of

all assets that shall have been delivered by the Company to the Paying Agent, the Paying Agent shall have no further liability for such assets.

SECTION 2.05. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish or cause the Registrar to furnish to the Trustee before each Record Date and at such other times as the Trustee may request in writing a list as of such date and in such form as the Trustee may reasonably request of the names and addresses of the Holders, which list may be conclusively relied upon by the Trustee.

SECTION 2.06. Transfer and Exchange.

Subject to the provisions of Sections 2.14 and 2.15, when Notes are presented to the Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested; provided, however, that the Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing and such other documents as the Registrar or co-Registrar may reasonably require. To permit registrations of transfers and exchanges, the Company shall issue and the Trustee shall authenticate Notes at the Registrar' s or co-Registrar' s request. No service charge shall be made for any registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchanges or transfers pursuant to Section 2.10, 3.06, 4.10, 4.11 or 9.05, in which event the Company shall be responsible for the payment of such taxes).

The Registrar or co-Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three, except the unredeemed portion of any Note being redeemed in part.

Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through DTC, in accordance with this Indenture and the Applicable Procedures.

SECTION 2.07. Replacement Notes.

If a mutilated Note is surrendered to the Trustee or if the Holder of a Note claims in writing that the Note has been lost, destroyed or wrongfully taken, then, in the absence of written notice to the Company upon its request or the Trustee that such Note has been acquired by a protected purchaser, the Company shall issue and the Trustee shall authenticate a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding if the Trustee' s requirements are met. Except with respect to mutilated Notes, if required by the Trustee or the Company, such Holder must provide an affidavit of lost certificate and an indemnity bond or other indemnity, sufficient in the judgment of both the Company and the Trustee, to protect the Company, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced. The Company may charge such Holder for its reasonable out-of-pocket expenses in replacing a Note, including reasonable fees and expenses of its

counsel and of the Trustee and its counsel. In case any mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof. Every replacement Note shall constitute an additional obligation of the Company, entitled to the benefits of this Indenture.

SECTION 2.08. Outstanding Notes.

Notes outstanding at any time are all the Notes that have been authenticated by the Trustee except those cancelled by it, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. Subject to the provisions of Section 2.09, a Note does not cease to be outstanding because the Company or any of its Affiliates holds the Note.

If a Note is replaced pursuant to Section 2.07 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.07.

If on a Redemption Date or the Maturity Date the Paying Agent holds U.S. Legal Tender or U.S. Government Obligations sufficient to pay all of the principal and interest and Additional Interest, if and, due on the Notes payable on that date and is not prohibited from paying such money to the Holders thereof pursuant to the terms of this Indenture, then on and after that date such Notes cease to be outstanding and interest and Additional Interest, if applicable, on them ceases to accrue.

SECTION 2.09. Treasury Notes; When Notes Are Disregarded.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver, consent or notice, Notes owned by the Company or any of its Affiliates shall be considered as though they are not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Trust Officer of the Trustee actually knows are so owned shall be so considered. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee' s right so to act with respect to such Notes and that the pledgee is not one of the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor.

SECTION 2.10. Temporary Notes.

Until definitive Notes are ready for delivery, the Company may prepare and execute and the Trustee shall authenticate temporary Notes upon receipt of a written order of the Company in the form of an Officers' Certificate. The Officers' Certificate shall specify the amount of temporary Notes to be authenticated and the date on which the temporary Notes are to be authenticated. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company consider appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate upon receipt of a written order of the Company pursuant to Section 2.02 definitive Notes in exchange for temporary Notes. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.11. Cancellation.

The Company at any time may deliver Notes previously authenticated hereunder which the Company has acquired in any lawful manner, to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or

payment. The Trustee, or at the direction of the Trustee, the Registrar or the Paying Agent, and no one else, shall cancel all Notes surrendered for transfer, exchange, payment or cancellation. Subject to Section 2.07, the Company may not issue new Notes to replace Notes that it has paid or delivered to the Trustee for cancellation. If the Company shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are surrendered to the Trustee for

cancellation pursuant to this Section 2.11. The Trustee shall dispose of all cancelled Notes in accordance with customary procedures or, at the written request of the Company, shall return the same to the Company.

SECTION 2.12. CUSIP Numbers.

A "CUSIP" number shall be printed on the Notes, and the Trustee shall use the CUSIP number in notices of redemption, purchase or exchange as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee of any change in the CUSIP number.

SECTION 2.13. Deposit of Moneys.

Prior to 11:00 a.m. New York City time on each Interest Payment Date and the Maturity Date, the Company shall deposit with the Paying Agent U.S. Legal Tender sufficient to make cash payments, if any, due on such Interest Payment Date or the Maturity Date, as the case may be.

SECTION 2.14. Book-Entry Provisions for Global Notes.

(a) The Global Notes initially shall (i) be registered in the name of DTC or the nominee of DTC, (ii) be delivered to the Trustee as custodian for DTC and (iii) bear legends as set forth in Exhibit C.

Members of, or participants in, DTC ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC, or the Trustee as its custodian, or under any Global Note, and DTC may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of the Global Notes shall be limited to transfers in whole, but not in part, to DTC, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged in accordance with the Applicable Procedures of DTC and the provisions of Section 2.15; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person. In addition, Notes in the form of certificated Notes in registered form in substantially the form set forth in Exhibit A hereto (the "Physical Notes") shall be transferred to all beneficial owners in exchange for their beneficial interests in the Global Notes if (i) DTC notifies the Company that it is unwilling or unable to continue as depository for the Global Notes and a successor Depository is not appointed by the Company within ninety (90) days of such notice or (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from DTC to issue Physical Notes; provided that a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Physical Note or transferred to a Person who takes delivery thereof in the form of a

Physical Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note shall, upon transfer, cease to be an interest in such Global Note and become a beneficial interest in such other Global Note and, accordingly, shall thereafter be subject to all transfer restrictions, if any, and other procedures applicable to a beneficial interest in such other Global Notes for as long as it remains such an interest.

(d) In connection with any transfer or exchange of a portion of the beneficial interest in the Global Note to beneficial owners pursuant to clause (b) of this Section 2.14, the Registrar shall (if one or more Physical Notes are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the

Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Notes of like tenor and aggregate principal amount.

(e) In connection with the transfer of an entire Global Note to beneficial owners pursuant to clause (b) of this Section 2.14, the Global Notes shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in the Global Notes, an equal aggregate principal amount of Physical Notes of authorized denominations.

At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Physical Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement will made on such Global Notes by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(g) Any Physical Note constituting a Restricted Security delivered in exchange for an interest in the Global Note pursuant to clause (b) or (c) shall, except as otherwise provided by clauses (a)(i)(x) and (c) of Section 2.15, bear the legend regarding transfer restrictions applicable to the Physical Notes set forth in Exhibit A.

(h) The Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

SECTION 2.15. Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors and Non-U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Note constituting a Restricted Security, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after February 1, 2007 or (y) (1) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of Exhibit D hereto or (2) in the case of a transfer to a Non-U.S. Person, the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit E hereto; and

(ii) if the proposed transferor is an Agent Member holding a beneficial interest in the Global Note, upon receipt by the Registrar of (x) the certificate, if any, required by clause (i) above and (y) instructions given in accordance with the Applicable Procedures and the Registrar' s procedures,

whereupon (1) the Registrar shall reflect on its books and records the date and (if the transfer does not involve a transfer of outstanding Physical Notes) a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and (2) the Company shall execute and the Trustee shall authenticate and deliver one or more Physical Notes of like tenor and principal amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has

requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in the Global Note, upon receipt by the Registrar of instructions given in accordance with the Applicable Procedures and the Registrar' s procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so transferred.

(c) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the circumstance contemplated by clause (a)(i)(x) of this Section 2.15 exists or (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the

Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

(d) General. By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it shall transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.14 or this Section 2.15. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by DTC.

SECTION 2.16. Transfers of Global Notes and Physical Notes.

A transfer of a Global Note or a Physical Note (including the right to receive principal and interest and Additional Interest, if any, payable thereon) may be made only by the Registrar' s entering the transfer in the Register. Prior to such entry, the Company shall treat the person in whose name such Note is registered as the owner of the Note for all purposes.

ARTICLE THREE

REDEMPTION

SECTION 3.01. Redemption.

(a) Optional Redemption on or after February 1, 2008. Except as described in Sections 3.01(b) and (c), the Notes are not redeemable before February 1, 2008. At any time on or after February 1, 2008, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on February 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2008	104.938%
2009	102.469%
2010 and each year thereafter	100.000%

(b) Optional Redemption Upon Equity Offerings. At any time, or from time to time, on or prior to February 1, 2007, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under this Indenture at a redemption price of 109.875% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under this Indenture shall remain outstanding immediately after such Redemption Date; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) Optional Redemption Prior to February 1, 2008. At any time prior to February 1, 2008, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes being redeemed; or

(2) the sum of the present values of 104.938 % of the principal amount of the Notes being redeemed and scheduled payments of interest on such Notes to and including February 1, 2008 discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, together in either case with accrued and unpaid interest, if any, to the date of redemption.

(d) Notice of Redemption. Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, provided that no Notes of a principal amount of $1,000 or less shall be redeemed in part; and provided, further, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $1,000 or more may be redeemed in part.

Except as set forth in this Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) Mandatory Redemption. The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Each Officers' Certificate provided for in this Section 3.01 shall be accompanied by an Opinion of Counsel stating that such redemption shall comply with the conditions contained herein and in the Notes.

SECTION 3.02. Selection of Notes to be Redeemed.

If fewer than all of the Notes are to be redeemed pursuant to Paragraph 5 of the Notes, selection of the Notes for redemption will be made by the Trustee either:

(1) in compliance with the requirements of the principal national securities exchange, if any, on which such Notes are listed; or

(2) if such Notes are not then listed on a national securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate; provided that no partial redemption will reduce the principal amount of a Note not redeemed to less than $1,000; and provided, further, that if a partial redemption is made with the proceeds of an Equity Offering then the selection of the Notes or portions thereof for redemption shall be made by the Trustee only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to the procedures of DTC), unless such method is prohibited.

The Trustee shall make the selection from the Notes outstanding and not previously called for redemption and shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount at maturity thereof, to be redeemed. Notes in denominations of $1,000 in principal amount at maturity may be redeemed only in whole. The Trustee may select for redemption portions (equal to $1,000 in principal amount at maturity or any integral multiple thereof) of the principal of Notes that have denominations larger than $1,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.03. Notice of Redemption.

At least thirty (30) days but not more than sixty (60) days before a Redemption Date, the Company shall mail or cause to be mailed a notice of redemption by first class mail, postage prepaid, to each Holder whose Notes are to be redeemed at its registered address, with a copy to the Trustee and any Paying Agent. At the Company' written request delivered at least ten (10) days before the notice of redemption is to be given to the Holders (unless a shorter period shall be acceptable to the Trustee), the Trustee shall give the notice of redemption in the Company' name and at the Company' expense. Failure to give notice of redemption, or any defect therein to any Holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Note.

Each notice of redemption shall identify the Notes to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price and the amount of accrued interest and Additional Interest, if any, to be paid the Redemption Date;

(3) the name and address of the Paying Agent;

(4) the CUSIP number;

(5) the subparagraph of the Notes pursuant to which such redemption is being made;

(6) the place where such Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date;

(7) that, unless the Company fails to deposit with the Paying Agent funds in satisfaction of the applicable Redemption Price, interest Additional Interest, if any, on Notes called for redemption ceases to accrue on and after the Redemption Date in accordance with Section 3.05, and the only remaining right of the Holders of such Notes is to receive payment of the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date, upon surrender to the Paying Agent of the Notes redeemed;

(8) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date, and upon surrender of such Note, a new Note or Notes in the aggregate principal amount equal to the unredeemed portion thereof shall be issued; and

(9) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portion thereof) to be redeemed, as well as the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption.

If any of the Notes to be redeemed is in the form of a Global Note, then the Company shall modify such notice to the extent necessary to accord with the procedures of DTC applicable to redemption.

SECTION 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03, Notes or portions thereof called for redemption shall become irrevocably due and payable on the Redemption Date and at the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date. Upon surrender to the Trustee or Paying Agent, such Notes or portions thereof called for redemption shall be paid at the Redemption Price plus accrued interest and Additional Interest, if any, thereon to (but not including) the Redemption Date, but installments of interest and Additional Interest, if applicable, the maturity of which is on or prior to the Redemption Date, shall be payable to Holders of record at the close of business on the relevant Record Dates referred to in the Notes.

SECTION 3.05. Deposit of Redemption Price.

Not later than 10:00 a.m. local time in the place of payment on the Redemption Date, the Company shall deposit with the Paying Agent U.S. Legal Tender sufficient to pay the Redemption Price plus accrued interest and Additional Interest, if any, to (but not including) the Redemption Date, of all Notes or portions thereof to be redeemed on that date.

The Paying Agent shall promptly return to the Company any U.S. Legal Tender so deposited which is not required for that purpose, except with respect to monies owed as obligations to the Trustee pursuant to Article Seven.

If the Company complies with the preceding paragraph, then, unless the Company defaults in the payment of such Redemption Price plus accrued interest and Additional Interest, if any, interest to (but

not including) the Redemption Date, on the Notes to be redeemed shall cease to accrue on and after the applicable Redemption Date, whether or not such Notes are presented for payment.

SECTION 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is to be redeemed in part, the Company shall issue and the Trustee shall authenticate for the Holder at the expense of the Company a new Note or Notes equal in principal amount to the unredeemed portion of the Note surrendered.

ARTICLE FOUR

COVENANTS

SECTION 4.01. Payment of Notes.

The Company shall pay the principal of, premium, if any, and interest and Additional Interest, if any, on, the Notes on the dates and in the manner provided in the Notes and in this Indenture. An installment of principal of, premium, if any, and interest and Additional Interest, if any, on, the Notes shall be considered paid on the date it is due if the Trustee or Paying Agent (other than the Company or an Affiliate of the Company) holds on that date U.S. Legal Tender designated for and sufficient to pay the installment in full and is not prohibited from paying such money to the Holders pursuant to the terms of this Indenture.

Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it are required to do so by law, deduct or withhold income or other similar taxes imposed by the United States from principal or interest payments hereunder.

SECTION 4.02. Maintenance of Office or Agency.

The Company shall maintain the office or agency required under Section 2.03. The Company shall give prior written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

SECTION 4.03. Corporate Existence.

Except as otherwise permitted by Article Four, Article Five and Article Ten, the Company shall do or cause to be done, at its own cost and expense, all things necessary to preserve and keep in full force and effect its corporate existence and the limited liability company or corporate existence of each of the Restricted Subsidiaries in accordance with the respective organizational documents of the Company and of each such Restricted Subsidiary and the material rights (charter and statutory) and franchises of the Company and each such Restricted Subsidiary; provided, however, that the Company shall not be required to preserve, with respect to themselves, any material right or franchise and, with respect to any of the Restricted Subsidiaries, any such existence, material right or franchise, if the Board of Directors of the Company shall determine in good faith that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole.

SECTION 4.04. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all material taxes, assessments and governmental charges (including withholding taxes and any penalties, interest and additions to taxes) levied or imposed upon them or any of the Restricted Subsidiaries or their properties or any of the Restricted Subsidiaries' properties; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being or shall be contested in good faith by appropriate proceedings diligently conducted for which adequate reserves, to the extent required under GAAP, have been taken.

SECTION 4.05. Maintenance of Properties and Insurance.

The Company shall, and shall cause each of its Restricted Subsidiaries to, maintain in good working order and condition in all material respects (subject to ordinary wear and tear) their properties that are used or useful in the conduct of their business and that are material to the conduct of such business, and make all necessary repairs, renewals, replacements, additions, betterments and improvements thereto; provided, however, that nothing in this Section 4.05 shall prevent the Company or any of its Restricted Subsidiaries from discontinuing the operation and maintenance of any of their properties if such discontinuance is desirable in the conduct of their businesses and is not disadvantageous in any material respect to the Holders, in each case as determined in the good faith judgment of the Board of Directors or other governing body of the Company or the Restricted Subsidiary concerned, as the case may be.

The Company shall maintain insurance (including appropriate self-insurance) against loss or damage of the kinds that, in the good faith judgment of the Company, are adequate and appropriate for the conduct of the business of the Company and the Restricted Subsidiaries in a prudent manner, with reputable insurers or with the government of the United States or an agency or instrumentality thereof, in such amounts, with such deductibles, and by such methods as shall be customary, in the good faith judgment of the Company, for companies similarly situated in the industry in which the Company and the Restricted Subsidiaries are engaged.

SECTION 4.06. Compliance Certificate, Notice of Default.

(1) The Company and each Guarantor shall deliver to the Trustee, within ninety (90) days after the end of the Company' s fiscal year, an Officers' Certificate stating that a review of its activities during the preceding fiscal year has been made under the supervision of the signing Officers (one of whom is the principal executive officer, principal financial officer or principal accounting officer) with a view to determining whether it has kept, observed, performed and fulfilled its obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of such Officer' s actual knowledge the Company during such preceding fiscal year has kept, observed, performed and fulfilled each and every condition and covenant under this Indenture and no Default or Event of Default occurred during such year and at the date of such certificate there is no Default or Event of Default that has occurred and is continuing or, if such signers do know of such Default or Event of Default, the certificate shall describe the Default or Event of Default and its status with particularity. The Officers' Certificate shall also notify the Trustee should the Company elect to change the manner in which it fixes its fiscal year end.

(2) (i) If any Default or Event of Default has occurred and is continuing or (ii) if any Holder has provided written notice to the Company that such Holder seeks to exercise any remedy hereunder with respect to a claimed Default under this Indenture or the Notes, the Company shall deliver to the

Trustee, at its address set forth in Section 11.02, by registered or certified mail or by telegram, telex or facsimile transmission followed by hard copy by registered or certified mail an Officers' Certificate specifying such event or notice, and the status thereof within ten (10) Business Days of any such officer becoming aware of such occurrence.

SECTION 4.07. Waiver of Stay, Extension or Usury Laws.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of, premium, if any, or interest or Additional Interest, if any, on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force; and (to the extent that it may lawfully do so) the Company hereby expressly waive all benefit or advantage of any such law, and covenant that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.08. Limitation on Incurrence of Additional Indebtedness.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "*incur*") any Indebtedness (other than Permitted Indebtedness); *provided*, *however*, that the Company or any of its Restricted Subsidiaries that is or, upon such incurrence, becomes a Guarantor may incur Indebtedness (including, without limitation, Acquired Indebtedness) if on the date of the incurrence of such Indebtedness the Consolidated Fixed Charge Coverage Ratio of the Company will be, after giving effect to the incurrence thereof greater than: (i) 2.0 to 1.0 prior to the first anniversary of the Issue Date and (ii) 2.25 to 1.0 on and after the first anniversary of the Issue Date.

The Company will not, and will not permit any of its Domestic Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is contractually subordinated to any other Indebtedness of the Company or such Domestic Restricted Subsidiary unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made contractually subordinate to the Obligations of the Company or such Domestic Restricted Subsidiary under (i) in the case of the Company, the Notes and this Indenture or (ii) in the case of such Domestic Restricted Subsidiary, its Guarantee and

this Indenture, in each case, on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured.

The accrual of interest, accrual of dividends on Disqualified Capital Stock, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness in accordance with their terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of Section 4.08. Notwithstanding any other provision of Section 4.08, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to Section 4.08 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person without recourse to such Person or any of its assets (other than to the assets that are the subject of such Lien), the lesser of:

(a) the Fair Market Value of such assets that are the subject of such Lien at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

SECTION 4.09. Limitation on Restricted Payments.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution (other than dividends or distributions payable in Qualified Capital Stock of the Company and dividends and distributions payable to the Company or another Restricted Subsidiary of the Company) on or in respect of shares of Capital Stock of the Company or its Restricted Subsidiaries to holders of such Capital Stock in their capacity as such;

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or its Restricted Subsidiaries (other than any such Capital Stock held by the Company or any Restricted Subsidiary);

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Company or any Guarantor that is contractually subordinate or junior in right of payment to the Notes or a Guarantee (excluding any intercompany indebtedness held by the Company or any Guarantor); or

(4) make any Investment (other than Permitted Investments);

(each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a "*Restricted Payment*"), if at the time of such Restricted Payment or immediately after giving effect thereto:

(i) a Default or an Event of Default shall have occurred and be continuing;

(ii) the Company is not able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with Section 4.08; or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property at the time of the making thereof) shall exceed the sum of:

(A) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income is a loss, minus 100% of such loss) of the Company earned during the period beginning on the Issue Date and ending on the last day of the Company' s most recent fiscal quarter ending prior to the date the Restricted Payment occurs for which internal financial statements are available (the "*Reference Date*") (treating such period as a single accounting period); *plus*

(B) 100% of the aggregate net cash proceeds received by the Company from any Person (other than a Subsidiary of the Company) from the issuance and sale subsequent to the Issue Date and on or prior to the Reference Date of Qualified Capital Stock of the Company; *plus*

(C) without duplication of any amounts included in clause (iii)(B) above, 100% of the aggregate net cash proceeds of any equity contribution received by the Company from a holder of the Company' s Capital Stock subsequent to the Issue Date and on or prior to the Reference Date; *plus*

(D) 100% of the aggregate net cash proceeds received from the issuance of Indebtedness or shares of Disqualified Capital Stock of the Company that have been converted into or exchanged for Qualified Capital Stock of the Company subsequent to the Issue Date and on or prior to the Reference Date; *plus*

(E) an amount equal to the sum of (i) the net reduction in the Investments (other than Permitted Investments) made by the Company or any of its Restricted Subsidiaries in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any of its Restricted Subsidiaries, and (ii) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company' s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; *provided*, *however*, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any of its Restricted Subsidiaries in such Person or Unrestricted Subsidiary; *plus*

(F) any cash dividends received by the Company or any of its Restricted Subsidiaries after the Issue Date from an Unrestricted Subsidiary of the Company, to the extent that such cash dividends were not otherwise included in the calculation of cumulative Consolidated Net Income; *plus*

(G) 100% of the Fair Market Value as of the date of issuance of any shares of Qualified Capital Stock issued by the Company as consideration for the purchase by the Company or any Guarantor of all or substantially all of the assets of, or all of the Capital Stock of, any Person (other than a Restricted Subsidiary of the Company) engaged in a Permitted Business primarily in the United States (including by means of a merger, consolidation or other business combination permitted under this Indenture), which Person shall become a Domestic Restricted Subsidiary of the Company in the case of where such purchase is of all of the Capital Stock of such Person.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or other distribution or redemption within 60 days after the date of declaration of such dividend or call for redemption if such payment would have been permitted on the date of declaration or call for redemption;

(2) the acquisition of any shares of Qualified Capital Stock of the Company, either (i) solely in exchange for other shares of Qualified Capital Stock of the Company or (ii) through the application of net proceeds of a sale for cash (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(3) the acquisition of any Indebtedness of the Company or the Guarantors that is subordinate or junior in right of payment to the Notes and Guarantees either (i) solely in exchange for shares of Qualified Capital Stock of the Company, or (ii) through the application of net proceeds of a sale for

cash (other than to a Subsidiary of the Company) within 60 days after such sale of (a) shares of Qualified Capital Stock of the Company or (b) if no Default or Event of Default would exist after giving effect thereto, Refinancing Indebtedness;

(4) an Investment either (i) solely in exchange for shares of Qualified Capital Stock of the Company or (ii) through the application of the net proceeds of a sale for cash (other than to a Restricted Subsidiary of the Company) of shares of Qualified Capital Stock of the Company within 60 days after such sale;

(5) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the repurchase or other acquisition of shares of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Restricted Subsidiary of the Company (or permitted transferees of such employees, former employees, directors or former directors (or their respective heirs or estates)), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors of the Company under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; *provided*, that the aggregate amount of all such repurchases and other acquisitions (other than any such repurchase or other acquisition of shares of such Capital Stock from (i) any employee whose employment has been terminated by the Company or such Restricted Subsidiary or (ii) any employee who has retired or resigned from the Company or such Restricted Subsidiary) in any calendar year shall not exceed $500,000 plus up to $500,000 of any unused amount permitted under this clause (5) for the immediately preceding year;

(6) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights if such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights;

(7) payments or distributions to dissenting stockholders of Capital Stock of the Company pursuant to applicable law, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of this Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company or any of its Restricted Subsidiaries;

(8) the application of the proceeds from the issuance of the Notes on the Issue Date as described in the "Use of Proceeds" section of the Offering Circular;

(9) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the payment of Management Fees, *provided*, *however*, that the aggregate amount of such Management Fee payments in any calendar year shall not exceed $500,000;

(10) any dividend, distribution or other payments by any of the Company' s Subsidiaries on its Capital Stock that is paid pro rata to all holders of such Capital Stock;

(11) within 60 days after the completion of a Change of Control Offer pursuant to the covenant described in Section 4.10 (including the repurchase of all Notes validly tendered and not properly withdrawn in connection therewith), any purchase or redemption of Indebtedness subordinated to the Notes required pursuant to the terms thereof as a result of the related Change of Control at a purchase or redemption price not to exceed 101% of the aggregate principal amount thereof (or, if such Indebtedness was issued with original issue discount, 101% of the accreted value thereof) to be so purchased or redeemed, plus accrued and unpaid interest thereon, if any; *provided*, that (i) at the time of such purchase or redemption, no Default or Event of Default shall have occurred and be continuing or would exist after giving effect thereto, (ii) the Company would be able to incur at least $1.00 of additional Indebtedness

(other than Permitted Indebtedness) in compliance with Section 4.08 after giving pro forma effect to such Restricted Payment and (iii) such purchase or redemption is not made, directly or indirectly, from the proceeds of (or made in anticipation of) any issuance of Indebtedness by the Company or any of its Subsidiaries;

(12) (a) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, the acquisition of any shares of Disqualified Capital Stock of the Company in exchange for other shares of Disqualified Capital Stock of the Company or with the net cash proceeds from an issuance of Disqualified Capital Stock of the Company within 60 days of such issuance, in each case that is permitted to be issued under Section 4.08 and (b) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Capital Stock issued on or after the Issue Date in accordance with the covenant described above under Section 4.08; and

(13) if no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, Restricted Payments not otherwise permitted pursuant to Section 4.09 in an aggregate amount pursuant to this clause (13) not to exceed $2.5 million on and after the Issue Date; provided however, that the amount of Restricted Payments pursuant to this clause (13) shall not exceed $1.0 million prior to January 1, 2006.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (iii) of the first paragraph of this Section 4.09, amounts expended pursuant to clauses (1), (2)(ii), (3)(ii)(a), (4)(ii) (but only to the extent any Investment made pursuant to such clause (4)(ii) was in an Unrestricted Subsidiary or a Person that became an Unrestricted Subsidiary of the Company in connection with such Investment), (11) and (13) of the second paragraph of this Section 4.09 shall be included in such calculation.

For purposes of determining compliance with Section 4.09, in the event that a Restricted Payment meets the criteria of more than one of the exceptions described in (1) through (13) of the second paragraph of this Section 4.09 or is entitled to be made pursuant to the first paragraph of Section 4.09, the Company shall be permitted, in the Company' s sole discretion, to classify or reclassify such Restricted Payment in any manner that complies with Section 4.09.

Promptly following the end of each fiscal quarter during which any Restricted Payment in excess of $5.0 million was made, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment complies with this Indenture and if the Fair Market Value of any assets or securities that were required to be valued by Section 4.09 exceeded $5.0 million, a Board Resolution evidencing the determination of such Fair Market Value by the Board of Directors shall be delivered to the Trustee.

SECTION 4.10. Repurchase upon Change of Control.

Upon the occurrence of a Change of Control, each Holder will have the right to require that the Company purchase all or a portion (in integral multiples of $1,000) of such Holder' s Notes using immediately available funds pursuant to the offer described below (the "*Change of Control Offer*"), at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase.

Within 30 days following the date upon which the Change of Control occurred, the Company must send, by registered first-class mail, an offer to each Holder, with a copy to the Trustee, which offer shall govern the terms of the Change of Control Offer. The notice to the Holders shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Change of Control Offer. Such notice shall state:

(1) that the Change of Control Offer is being made pursuant to this Section 4.10 and that, to the extent lawful, all Notes validly tendered and not withdrawn shall be accepted for payment;

(2) the purchase date (including the amount of accrued interest and Additional Interest, if any), which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the "*Change of Control Payment Date*").

(3) that any Note not tendered shall continue to accrue interest and Additional Interest, if applicable;

(4) that, unless the Company default in making payment therefor, any Note accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest and Additional Interest, if applicable, after the Change of Control Payment Date;

(5) that Holders electing to have a Note purchased pursuant to a Change of Control Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the paying agent at the address specified in the notice prior to the close of business on the third business day prior to the Change of Control Payment Date;

(6) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than five (5) Business Days prior to the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have such Notes purchased;

(7) that Holders whose Notes are purchased only in part shall be issued new Notes in a principal amount equal to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new note issued shall be in an original principal amount of $1,000 or integral multiples thereof, and such new Notes will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made); and

(8) the circumstances and relevant facts regarding such Change of Control.

If any of the Notes subject to the Change of Control Offer is in the form of a Global Note, then the Company shall modify such notice to the extent necessary to comply with the procedures of the Depositary applicable to repurchases.

On or before the Change of Control Payment Date, the Company shall, to the extent lawful (i) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent U.S. Legal Tender sufficient to pay the purchase price plus accrued interest and Additional Interest, if any, of all Notes or portions thereof so tendered and (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly mail to the Holders so tendered the purchase price for such Notes and the Company shall promptly issue and the Trustee shall promptly (but in any case not later than five (5) days after the Change of Control Payment Date) authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered; provided that each such new Note shall be in a principal amount of $1,000 or an integral multiple thereof. Any Notes not so accepted shall be promptly mailed by the Company to the Holders thereof. For purposes of this Section 4.10, the Trustee shall act as the Paying Agent.

Any amounts remaining after the purchase of Notes pursuant to a Change of Control Offer shall be returned by the Trustee to the Company.

Neither the Board of Directors of the Company nor the Trustee may waive the Company' s obligation to offer to purchase the Notes pursuant to this Section 4.10.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Section 4.10 of this Indenture, the

Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the provisions of Section 4.10 of this Indenture by virtue thereof.

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not properly withdrawn under such Change of Control Offer.

SECTION 4.11. Limitation on Asset Sales.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed (and if such Fair Market Value exceeds $5.0 million, a Board Resolution evidencing the determination of such Fair Market Value by the Board of Directors shall be delivered to the Trustee);

(2) at least 75% of the consideration received by the Company or the Restricted Subsidiary, as the case may be, from such Asset Sale is in the form of cash or Cash Equivalents and is received at the time of such disposition; *provided* that the amount of any liabilities (as shown on the most recent applicable balance sheet) of the Company or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets shall be deemed to be cash for purposes of this provision so long as the documents governing such liabilities provide that there is no further recourse to the Company or any of its Subsidiaries with respect to such liabilities; and

(3) within 360 days of receipt thereof by the Company or any of its Restricted Subsidiaries, the Company shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale either:

(A) to the extent that the assets and property sold pursuant to such Asset Sale do not constitute Priority Collateral, to repay Indebtedness under the Credit Agreement and permanently reduce the commitments thereunder;

(B) to make an investment in property, plant, equipment or other non-current assets that replace the properties and assets that were the subject of such Asset Sale or that will be used or useful in a Permitted Business (including expenditures for maintenance, repair or improvement of existing properties and assets) or the acquisition of all of the Capital Stock of a Person engaged in a Permitted Business; or

(C) a combination of repayment and investment permitted by the foregoing clauses (3)(A) and (3)(B).

Pending the final application of Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or invest such Net Cash Proceeds in Cash Equivalents. On the 361st day after an Asset Sale or such earlier date, if any, as the Board of Directors of the Company or of such Restricted Subsidiary determines not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in clauses (3)(A), (3)(B) or (3)(C) of the preceding paragraph (each, a "*Net Proceeds Offer Trigger Date*"), such aggregate amount of Net Cash Proceeds which have not been applied on or before such Net

Proceeds Offer Trigger Date as permitted in clauses (3)(A), (3)(B) and (3)(C) of the preceding paragraph (each, a "*Net Proceeds Offer Amount*") shall be applied by the Company or such Restricted Subsidiary to make an offer to purchase (the "*Net Proceeds Offer*") on a date (the "*Net Proceeds Offer Payment Date*") not less than 30 nor more than 45 days following the applicable Net Proceeds Offer Trigger Date, from all Holders and all holders of other Applicable Indebtedness containing provisions similar to those set forth in Section 4.11, on a *pro rata* basis, the maximum principal amount of Notes and such other Applicable Indebtedness that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of the principal amount thereof (or if such Indebtedness was issued with original issue discount, 100% of the

accreted value), plus accrued and unpaid interest and Additional Interest thereon, if any, to the date of purchase; *provided, however*, that if at any time any non-cash consideration received by the Company or any Restricted Subsidiary of the Company, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder on the date of such conversion or disposition, as the case may be, and the Net Cash Proceeds thereof shall be applied in accordance with Section 4.11.

The Company may defer any Net Proceeds Offer until there is an aggregate unutilized Net Proceeds Offer Amount equal to or in excess of $5.0 million resulting from one or more Asset Sales in which case the accumulation of such amount shall constitute a Net Proceeds Offer Trigger Date (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $5.0 million, shall be applied as required pursuant to the immediately preceding paragraph). Upon the completion of each Net Proceeds Offer, the Net Proceeds Offer Amount will be reset at zero.

In the event of the transfer of substantially all (but not all) of the property and assets of the Company and its Restricted Subsidiaries as an entirety to a Person in a transaction permitted under Section 5.01, which transaction does not constitute a Change of Control, the successor entity shall be deemed to have sold the properties and assets of the Company and its Restricted Subsidiaries not so transferred for purposes of Section 4.11, and shall comply with the provisions of Section 4.11 with respect to such deemed sale as if it constituted an Asset Sale. In addition, the Fair Market Value of such properties and assets of the Company or its Restricted Subsidiaries deemed to be sold shall be deemed to be Net Cash Proceeds for purposes of Section 4.11.

Each notice of a Net Proceeds Offer shall be mailed first class, postage prepaid, to the record Holders as shown on the register of Holders within 20 days following the Net Proceeds Offer Trigger Date, with a copy to the Trustee, and shall comply with the procedures set forth in this Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their Notes in whole or in part in integral multiples of $1,000 in exchange for cash. To the extent Holders properly tender Notes in an amount exceeding the Net Proceeds Offer Amount, Notes of tendering Holders will be purchased on a *pro rata* basis (based on amounts tendered). A Net Proceeds Offer shall remain open for a period of 20 business days or such longer period as may be required, or such shorter period as may be permitted, by law.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with Section 4.11 of this Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 4.11 of this Indenture by virtue of such compliance.

SECTION 4.12. Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary of the Company; or

(3) transfer any of its property or assets to the Company or any other Restricted Subsidiary of the Company,

except for such encumbrances or restrictions existing under or by reason of:

(A) applicable law, rule or regulation;

(B) this Indenture, the Notes, the Guarantees, the Collateral Agreements and the Intercreditor Agreements;

(C) customary non-assignment provisions of any contract, lease or license of any Restricted Subsidiary of the Company to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(D) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(E) the Credit Agreement (and all replacements or substitutions thereof on terms no more adverse to the Holders and not more materially restrictive to the Company and its Restricted Subsidiaries);

(F) agreements existing on the Issue Date to the extent and in the manner such agreements are in effect on the Issue Date;

(G) restrictions on the transfer of assets subject to any Lien permitted under this Indenture;

(H) restrictions imposed by any agreement to sell assets or Capital Stock permitted under this Indenture to any Person pending the closing of such sale;

(I) provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered into in the ordinary course of business;

(J) restrictions contained in the terms of the Purchase Money Indebtedness or Capitalized Lease Obligations not incurred in violation of this Indenture; *provided*, that such restrictions relate only to the assets financed with such Indebtedness;

(K) restrictions in other Indebtedness incurred in compliance with the covenant described under Section 4.08 (including Indebtedness constituting Permitted Indebtedness); *provided* that such restrictions, taken as a whole, are, in the good faith judgment of the Company' s Board of Directors, no more materially restrictive with respect to such encumbrances and restrictions than those contained in the existing agreements referenced in clauses (B), (E) and (F) above;

(L) restrictions on cash or other deposits imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business;

(M) restrictions on the ability of any Foreign Restricted Subsidiary to make dividends or other distributions resulting from the operation of covenants contained in documentation governing Indebtedness of such Subsidiary permitted under this Indenture; or

(N) an agreement governing Indebtedness incurred to Refinance the Indebtedness issued, assumed or incurred pursuant to an agreement referred to in clause (B), (D) and (F) above; *provided*, *however*, that the provisions relating to such encumbrance or restriction contained in any such Indebtedness are no less favorable to the Company in any material respect as determined by the Board of Directors of the Company in their reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements referred to in such clause (B), (D) and (F).

SECTION 4.13. Limitation on Issuances and Sales of Capital Stock of Subsidiaries.

The Company will not permit or cause any of its Restricted Subsidiaries to issue or sell any Capital Stock (other than to the Company or to a Wholly Owned Restricted Subsidiary of the Company) or permit any Person (other than the Company or a Wholly Owned Restricted Subsidiary of the Company) to own or hold any Capital Stock of any Restricted Subsidiary of the Company or any Lien or security interest therein (other than as required by applicable law); *provided, however,* that this provision shall not prohibit (1) any issuance or sale if, immediately after giving effect thereto, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect to such issuance or sale would have been permitted to be made under the Section 4.09 if made on the date of such issuance or sale, (2) the sale of all of the Capital Stock of a Restricted Subsidiary in compliance with the provisions of Section 4.11 or (3) issuances of director' s qualifying shares or sales to foreign nationals of shares of capital stock of Foreign Restricted Subsidiaries to the extent required by applicable law.

SECTION 4.14. Limitation on Liens.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind against or upon any property or assets of the Company or any of its Restricted Subsidiaries whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom, except for Permitted Liens.

Notwithstanding anything to the contrary in the immediately preceding paragraph, the Company will not, and will not cause or permit any of its Domestic Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind against or upon any (i) leasehold interest or (ii) Capital Stock issued by a Subsidiary of the Company that is held by the Company or any of its Restricted Subsidiaries whether on or after the Issue Date or any right related thereto (other than (A) with respect to any such leasehold interests, Permitted Liens described in clauses (1), (2), (4) (*provided* that neither the Company or any Restricted Subsidiary shall voluntarily take, or consent to the taking of, any action to perfect any such Permitted Lien described in such clause (4)), (5), (13), (15), (17) and (20) of the definition thereof and (B) with respect to any such Capital Stock, Permitted Liens described in clauses (1), (13), (15) and (17) of the definition thereof; *provided* that, in each such case, an additional limitation to the limitations set forth in such clause (17) shall be that the Indebtedness that was being Refinanced was only secured by a Permitted Lien described in clause (13) of the definition thereof).

SECTION 4.15. Limitations on Transactions with Affiliates.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "*Affiliate Transaction*"), other than

(x) Affiliate Transactions permitted under paragraph (b) below, and

(y) Affiliate Transactions on terms that are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm' s-length basis from a Person that is not an Affiliate of the Company or such Restricted Subsidiary.

Each Affiliate Transaction (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $5.0 million shall be approved by a majority of the members of the Board of Directors of the Company (including a majority of the disinterested members thereof), such approval to be evidenced by a Board Resolution filed with the Trustee that states that such Board of Directors has determined that such transaction complies with the foregoing provisions. If the Company or any Restricted Subsidiary of the Company enters into an Affiliate Transaction (or a series of related Affiliate Transactions related to a common plan) that involves an aggregate Fair Market Value of more than $10.0 million, the Company shall, prior to the consummation thereof, obtain a favorable opinion as to the fairness of the financial terms of such transaction or series of related transactions to the Company or the relevant Restricted Subsidiary, as the case may be, from an Independent Financial Advisor and file the same with the Trustee.

(b) The restrictions set forth in the first paragraph of Section 4.15 shall not apply to:

(1) reasonable fees and compensation (including directors' fees) paid to and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any Restricted Subsidiary of the Company as determined in good faith by the Company' s Board of Directors or senior management;

(2) transactions exclusively between or among the Company and any of its Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries, *provided*, that such transactions are not otherwise prohibited by this Indenture;

(3) any agreement as in effect as of the Issue Date or any transaction contemplated thereby and any amendment thereto or any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Holders in any material respect than the original agreement as in effect on the Issue Date;

(4) Permitted Investments described in clauses (10), (11) and (15) of the definition thereof and Restricted Payments permitted by this Indenture;

(5) any merger or other transaction with an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction or creating a holding company of the Company;

(6) any employment, stock option, stock repurchase, employee benefit compensation, business expense reimbursement, severance, termination or other employment-related agreements, arrangements or plans entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(7) issuances or sales of Qualified Capital Stock of the Company to its Affiliates and employees, officers and directors of the Company or any Restricted Subsidiary of the Company; and

(8) the Management Agreement and payment of Management Fees pursuant thereto, *provided*, *however*, that the aggregate amount of such Management Fee payments in any calendar year shall not exceed $500,000.

SECTION 4.16. Additional Subsidiary Guarantees.

If the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary after the Issue Date (other than an Unrestricted Subsidiary), then the Company shall cause such Domestic Restricted Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture substantially in the form of Exhibit F hereto and endorse a notation of guarantee substantially in the form included in Exhibit A hereto pursuant to which such Domestic Restricted Subsidiary shall unconditionally guarantee on a senior secured basis all of the Company' s obligations under the Notes and this Indenture on the terms set forth in this Indenture;

(2) take such actions necessary or as the Collateral Agent reasonably determines to be advisable to grant to the Collateral Agent for the benefit of the Holders a perfected security interest in the assets of such new Domestic Restricted Subsidiary which are of the type that constitute Collateral under the Collateral Agreements, subject to the Permitted Liens and the terms of the Senior Intercreditor Agreement, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Agreement or by law or as may be reasonably requested by the Collateral Agent;

(3) take such further action and execute and deliver such other documents specified in this Indenture or otherwise reasonably requested by the Trustee or the Collateral Agent to effectuate the foregoing; and

(4) deliver to the Trustee an Opinion of Counsel that such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Domestic Restricted Subsidiary and constitute legal, valid, binding and enforceable obligations of such Domestic Restricted Subsidiary.

Thereafter, such Domestic Restricted Subsidiary shall be a Guarantor for all purposes of this Indenture.

SECTION 4.17. Impairment of Security Interest.

Subject to the Senior Intercreditor Agreement, neither the Company nor any of its Domestic Restricted Subsidiaries will take or omit to take any action which would adversely affect or impair in any material respect the Liens in favor of the Collateral Agent with respect to the Collateral. Neither the Company nor any of its Domestic Restricted Subsidiaries will enter into any agreement that requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than as permitted by this Indenture, the Notes, the Intercreditor Agreements and the Collateral Agreements. The Company shall, and shall cause each Guarantor to, at their sole cost and expense, execute and deliver all such agreements and instruments as the Collateral Agent

or the Trustee shall reasonably request to more fully or accurately describe the property intended to be Collateral or the obligations intended to be secured by the Collateral Agreements. The Company shall, and shall cause each Guarantor to, at its sole cost and expense, file any such notice filings or other agreements or instruments as may be reasonably necessary or desirable under applicable law to perfect the Liens created by the Collateral Agreements to the extent required by the Collateral Agreements, subject to Permitted Liens.

SECTION 4.18. Real Estate Mortgages and Filings.

With respect to any fee interest in any real property (individually and collectively, the "*Premises*") (a) owned by the Company or a Domestic Restricted Subsidiary on the Issue Date or (b) acquired by the Company or a Domestic Restricted Subsidiary after the Issue Date, with (i) a purchase

price or (ii) as of the Issue Date, with a Fair Market Value, of greater than $1.5 million, on the Issue Date in the case of clause (a) and within 90 days of the acquisition thereof in the case of clause (b):

(1) the Company shall deliver to the Collateral Agent, as mortgagee, fully executed counterparts of Mortgages, each dated as of the Issue Date or the date of acquisition of such property, as the case may be, duly executed by the Company or the applicable Domestic Restricted Subsidiary, together with evidence of the completion (or satisfactory arrangements for the completion), of all recordings and filings of such Mortgage as may be necessary to create a valid, perfected Lien, subject to Permitted Liens, against the properties purported to be covered thereby;

(2) the Company shall deliver to the Collateral Agent a mortgagee' s title insurance policy in favor of the Collateral Agent, as mortgagee in an amount equal to 100% of the Fair Market Value of the Premises purported to be covered by the related Mortgage, insuring that the Lien created by such Mortgage constitutes a valid Lien thereon free and clear of all Liens, defects and encumbrances other than Permitted Liens, and such policies shall also include, to the extent available, such endorsements as shall be consistent with endorsements generally obtained in connection with title policies for properties of like size and value in comparable financings and shall be accompanied by evidence of the payment in full of all premiums thereon; and

(3) the Company shall deliver to the Collateral Agent, with respect to the covered Premises, (x) the most recent survey of such Premises in the possession or under the control of the Company or any of its Domestic Restricted Subsidiaries, and (y) if such Premises is acquired after the Issue Date, a survey certified in favor of the Trustee and the Collateral Agent by the surveyor of such survey, which survey shall (I) be reasonably acceptable to the title insurer providing the title insurance policy relating to such property under clause (2) above and (II) allow such title insurer to remove the standard survey exception from such title insurance policy and, if available in the relevant jurisdiction, issue a survey endorsement.

SECTION 4.19. Conduct of Business.

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Notwithstanding anything to the contrary in the immediately preceding paragraph, Edgen Acquisition Corporation will not engage in any business activities other than those consisting of the Transactions or reasonably related thereto.

SECTION 4.20. Reports to Holders.

Whether or not required by the rules and regulations of the Securities and Exchange Commission (the "*SEC*"), so long as any Notes are outstanding, the Company will furnish to the Trustee and, upon request, to the Holders:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management' s Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, either on the face of the financial statements or in the footnotes thereto and in Management' s Discussion and Analysis of Financial Condition and Results of Operations, the financial condition and results of

operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company, if any) and, with respect to the

annual information only, a report thereon by the Company' s certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports, in each case within the time periods specified in the SEC' s rules and regulations.

Notwithstanding the foregoing, the Company may satisfy such requirements prior to the effectiveness of the registration statement contemplated by the Registration Rights Agreement by filing with the SEC such registration statement within the time period required for such filing as specified in the Registration Rights Agreement, to the extent that any such registration statement contains substantially the same information as would be required to be filed by the Company if it were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, and by providing the Trustee and Holders with such Registration Statement (and any amendments thereto) promptly following the filing thereof. Subject to Section 314 of the TIA, the Company' s reporting obligations with respect to this paragraph and clause (1) and (2) of the immediately preceding paragraph shall be satisfied in the event the Company files such reports with the SEC and such reports are publicly accessible via the EDGAR system (unless the SEC will not accept such filing or any Holder reasonably requests such reports be furnished to it).

In addition, following the consummation of the Exchange Offer, whether or not required by the rules and regulations of the SEC, the Company will file a copy of all such information and reports with the SEC for public availability within the time periods specified in the SEC' s rules and regulations (unless the SEC will not accept such a filing). In addition, the Company has agreed that, prior to the consummation of the Exchange Offer, for so long as any Notes remain outstanding, it will furnish to the Holders upon its request, the information required to be delivered pursuant to Rule 144(A)(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee' s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company' s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.21. Landlord, Bailee and Consignee Waivers.

(a) Each of the Company and each of its Domestic Restricted Subsidiaries that is a lessee of, or becomes a lessee of, real property on or in which it will maintain, store, hold or locate assets having an aggregate Fair Market Value of at least $250,000, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a landlord waiver, substantially in the form of Exhibit H-1 attached to this Indenture, executed by the lessor of such real property; *provided* that in the case where such lease is a lease in existence on the Issue Date or the lessee thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that is the lessee thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any landlord waiver to the extent the related lessor has refused to deliver such a landlord waiver following such Person' s use of such commercially reasonable efforts.

(b) Each of the Company and each of its Domestic Restricted Subsidiaries that is a bailor of, or becomes a bailor of, any of its assets having an aggregate Fair Market Value of at least $250,000 with any bailee, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a bailee waiver, substantially in the form of Exhibit H-2, executed by the bailee of such assets; *provided* that in the case where such bailment is a bailment in existence on the Issue Date or the bailor thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that

is the bailor thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any bailee waiver to the extent the related bailee has refused to deliver such a bailee waiver following such Person' s use of such commercially reasonable efforts.

(c) Each of the Company and each of its Domestic Restricted Subsidiaries that is a consignor of, or becomes a consignor of, any of its assets having an aggregate Fair Market Value of at least $250,000 with any consignee, is, and will be, required to use commercially reasonable efforts to deliver to the Collateral Agent a consignee waiver, substantially in the form of Exhibit H-2, executed by the consignee of such assets; *provided* that in the case where such consignment is a consignment in existence on the Issue Date or the consignor thereof that is a Domestic Restricted Subsidiary of the Company was not a Domestic Restricted Subsidiary of the Company on the Issue Date, the Company or such Domestic Restricted Subsidiary that is the consignor thereunder shall have 90 days from the Issue Date or the date it became a Domestic Restricted Subsidiary after the Issue Date, as the case may be, to satisfy such requirement and shall be relieved of such obligation with respect to any consignee waiver to the extent the related consignee has refused to deliver such a consignee waiver following such Person' s use of such commercially reasonable efforts.

SECTION 4.22. Payments for Consent.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes, any Collateral Agreement or the Intercreditor Agreements unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.23. Additional Interest.

If Additional Interest becomes payable by the Company pursuant to the Registration Rights Agreement, the Company shall deliver to the Trustee an Officers' Certificate stating (i) the amount of Additional Interest due and payable, (ii) the Section of the Registration Rights Agreement pursuant to which Additional Interest is due and payable and (iii) the date on which Additional Interest is payable. Unless and until a Responsible Officer of the Trustee receives such an Officers' Certificate, the Trustee may assume without inquiry that no Additional Interest is payable; *provided*, that the failure of the Company to deliver to the Trustee such Officers' Certificate shall not relieve the Company of its obligation to pay any such Additional Interest when due and payable.

ARTICLE FIVE

SUCCESSOR CORPORATION

SECTION 5.01. Merger, Consolidation and Sale of Assets.

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of the Company to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company' s assets (determined on a consolidated basis for the Company and the Company' s Restricted Subsidiaries) to any Person unless:

(1) either:

(A) the Company shall be the surviving or continuing corporation; or

(B) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company' s Restricted Subsidiaries substantially as an entirety (the "*Surviving Entity*"):

(x) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; and

(y) shall expressly assume, (i) by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, interest and Additional Interest, if any, on all of the Notes and the performance of every covenant of the Notes, this Indenture and the Registration Rights Agreement on the part of the Company to be performed or observed thereunder and (ii) by amendment, supplement or other instrument (in form and substance reasonably satisfactory to the Trustee and the Collateral Agent), executed and delivered to the Trustee, all obligations of the Company under the Collateral Agreements, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, shall be able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) in compliance with Section 4.08;

(3) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Company or the Surviving Entity shall have delivered to the Trustee an Officers' Certificate and if requested by the Trustee, an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Company the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and this Indenture in connection with any transaction complying with the provisions of Section 5.01 and Section 4.11) will not, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person, other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is a Person organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes (a) by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and the performance of every covenant of the Guarantee, this Indenture and the Registration Rights Agreement and (b) by amendment, supplement or other instrument (in form and substance satisfactory to the Trustee and the Collateral Agent) executed and delivered to the Trustee and the Collateral Agent, all obligations of the Guarantor under the Collateral Agreements and in connection therewith shall cause such instruments to be filed and

recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Any merger or consolidation of (i) a Guarantor with and into the Company (with the Company being the surviving entity) or another Guarantor or (ii) a Guarantor or the Company with an Affiliate organized solely for the purpose of reincorporating such Guarantor or the Company in another jurisdiction in the United States or any state thereof or the District of Columbia need only comply with:

(A) in the case of a merger or consolidation described in clause (ii), clause (4) of the first paragraph of Section 5.01; and

(B) (x) clause (1)(b)(y) of the first paragraph of Section 5.01and (y) clause (2) of the immediately preceding paragraph.

SECTION 5.02. Successor Entity Substituted.

Upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Company in accordance with the provisions of Section 5.01, in which the Company is not surviving or the continuing corporation, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture and the Notes with the same effect as if such surviving entity had been named as such. Upon such substitution, the Company and any Guarantors that remain Subsidiaries of the Company shall be released from their obligations under this Indenture and the Guarantees.

ARTICLE SIX

DEFAULT AND REMEDIES

SECTION 6.01. Events of Default. The following events are defined as "Events of Default":

(1) the failure to pay interest or Additional Interest, if any, on any Notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal of or premium, if any, on any Notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or a Net Proceeds Offer);

(3) the failure by the Company or any of its Restricted Subsidiaries to comply with Section 4.10 and Section 5.01;

(4) the failure by the Company or any of its Restricted Subsidiaries for 45 days after notice to the Company by the Trustee or the Holders of at least 25% in outstanding principal amount of the Notes to comply with Section 4.08, Section 4.09 and Section 4.11, and remedy the default arising from the failure by the Company or any such Restricted Subsidiary to so comply;

(5) the failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in outstanding principal amount of the Notes to comply with any of the other agreements in this Indenture or any Collateral Agreement and remedy the default arising from the failure by the Company or any such Restricted Subsidiary to so comply;

(6) the failure to pay at final maturity (giving effect to any applicable waivers, amendments, grace periods and any extensions thereof) the principal amount of any Indebtedness of the Company or any Restricted Subsidiary of the Company, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days from the date of acceleration) if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such

Indebtedness in default for failure to pay principal at final maturity or which has been accelerated (in each case with respect to which the 20-day period described above has elapsed), aggregates $5.0 million or more at any time;

(7) one or more judgments in an aggregate amount in excess of $5.0 million shall have been rendered against the Company or any of its Restricted Subsidiaries (other than any judgment to the extent a reputable and solvent third party insurer has not disclaimed coverage) and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(8) the Company or any Significant Subsidiary (A) commences a voluntary case or proceeding under any Bankruptcy Code with respect to itself, (B) consents to the entry of an order for relief against it in an involuntary case under any Bankruptcy Code, (C) consents to the appointment of a Custodian of it or for substantially all of its property, (D) makes a general assignment for the benefit of its creditors; or (E) takes any corporate action to authorize or effect any of the foregoing;

(9) a court of competent jurisdiction enters a judgment, decree or order for relief in respect of the Company or any Significant Subsidiary of the Company in an involuntary case or proceeding under any Bankruptcy Code, which shall (A) approve as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Company or any Significant Subsidiary of the Company, (B) appoint a Custodian of the Company or any Significant Subsidiary of the Company or for substantially all of its property or (C) order the winding-up or liquidation of its affairs; and such judgment, decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days;

(10) any Collateral Agreement at any time for any reason shall cease to be in full force and effect in all material respects, or ceases to give the Collateral Agent the Liens, rights, powers and privileges purported to be created thereby with respect to Collateral having an aggregate Fair Market Value of more than $5.0 million, superior to and prior to the rights of all third Persons therein other than the holders of Permitted Liens and subject to no other Liens except as expressly permitted by the applicable Collateral Agreement, and such failure shall continue for a period of 45 days;

(11) the Company or any of the Guarantors, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Collateral Agreement; or

(12) any Guarantee of a Significant Subsidiary ceases to be in full force and effect or any Guarantee of a Significant Subsidiary is declared to be null and void and unenforceable or any Guarantee of a Significant Subsidiary is found to be invalid or any Guarantor denies its liability under its Guarantee (other than by reason of release of a Guarantor in accordance with the terms of this Indenture).

SECTION 6.02. Acceleration.

(a) If an Event of Default (other than an Event of Default specified in Sections 6.01(8) and (9) with respect to the Company) shall occur and be continuing and has not been waived, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes may declare the principal of and premium, if any, accrued interest and Additional Interest, if any, on all the Notes to be due and payable by notice in writing to the Company and the Trustee specifying the Event of Default and that it is a "notice of acceleration" (the "*Acceleration Notice*"), and the same shall become immediately due and payable.

(b) If an Event of Default specified in Sections 6.01(8) and (9) with respect to the Company occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest and Additional Interest, if any, on all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(c) At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraphs, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal, premium, if any, interest or Additional Interest, if any, that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal and premium, if any, and Additional Interest, if any, which has become due otherwise than by such declaration of acceleration, has been paid; and

(4) in the event of the cure or waiver of an Event of Default of the type described in Sections 6.01(8) and (9), the Trustee shall have received an Officers' Certificate that such Event of Default has been cured or waived.

(d) No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies.

If an Event of Default occurs and is continuing, each of the Trustee and the Collateral Agent may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, or interest or Additional Interest, if any, on the Notes or, subject to the Intercreditor Agreements, to enforce the performance of any provision of the Notes, this Indenture or any of the other Indenture Documents.

Each of the Trustee and the Collateral Agent may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee, the Collateral Agent or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults.

Subject to Sections 2.09, 6.02(c), 6.07 and 9.02, the Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default and its consequences, except (other than as provided in Section 6.02(c)) a default in the payment of the principal of or premium, if any, interest, or Additional Interest, if any, on any Notes. When a Default or Event of Default is waived, it is cured and ceases to exist.

SECTION 6.05. Control by Majority.

Subject to Section 2.09, the Intercreditor Agreements and applicable law, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or the Collateral Agent, as the case may be, or exercising any trust or power conferred on the Trustee or the Collateral Agent, as the case may be, including, without limitation, any remedies provided for in Section 6.03. Subject to Section 7.01 and 7.02(f), however, the Trustee or the Collateral Agent, as the case may be, may refuse to follow any direction (which direction, if sent to the Trustee or the Collateral Agent, as the case may be, shall be in writing) that the Trustee or the Collateral Agent, as the case may be, reasonably believes conflicts with any applicable law, the Intercreditor Agreements or any of the other Indenture Documents, that the Trustee or the Collateral Agent, as the case may be, determines may be unduly prejudicial to the rights of another Holder, or that may subject the Trustee or the Collateral Agent, as the case may be, to personal liability; provided that the Trustee or the Collateral Agent, as the case may be, may take any other action deemed proper by the Trustee or the Collateral Agent, as the case may be, which is not inconsistent with such direction (which direction, if sent to the Trustee or the Collateral Agent, as the case may be, shall be in writing).

SECTION 6.06. Limitation on Suits.

A Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Holder gives to the Trustee written notice of a continuing Event of Default;

(2) subject to Section 2.09, Holders of at least 25% in principal amount of the outstanding Notes make a written request to the Trustee to institute proceedings in respect of that Event of Default;

(3) such Holders offer to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within sixty (60) days after receipt of the request and the offer of indemnity; and

(5) during such sixty (60) day period the Holders of a majority in principal amount of the outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over such other Holder.

SECTION 6.07. Rights of Holders to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of, premium, if any, and interest and Additional Interest, if any, on a Note, on or after the respective due dates expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee or Collateral Agent.

If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, subject to the Intercreditor Agreements, the Trustee or the Collateral Agent may recover judgment (i) in its own name and (ii)(x) in the case of the Trustee, as trustee of an express trust or (y) in the case of the Collateral Agent, as collateral agent on behalf of each of the Secured Parties, in each case against the Company or any other obligor on the Notes for the whole amount of principal of, premium, if any, and accrued interest and Additional Interest, if any, remaining unpaid on, the Notes, together with interest on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest and Additional Interest, if any, at the rate set forth in Section 4.01 and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent and their respective agents and counsel and any other amounts due any such Person under the Collateral Agreements and Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim.

The Trustee and the Collateral Agent are authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee or the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent, their respective agents and counsel) and the Holders allowed in any judicial proceedings relating to the Company or any other obligor upon the Notes, any of their respective creditors or any of their respective property and, subject to the Intercreditor Agreements, shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any Custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee or Collateral Agent and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee or Collateral Agent any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, the Collateral Agent, their respective agents and counsel, and any other amounts due any such Person under the Collateral Agreements and Section 7.07. The Company' payment obligations under this Section 6.09 shall be secured in accordance with the provisions of Section 7.07. Nothing herein contained shall be deemed to authorize the Trustee or Collateral Agent to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee or the Collateral Agent, as the case may be, to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities.

If the Trustee collects any money or property pursuant to this Article Six, it shall pay out the money in the following order:

First: to the Trustee, the Collateral Agent, the Paying Agent and the Registrar for amounts due under Section 7.07 (including payment of all compensation expense, all liabilities incurred and all advances made by the Trustee or the Collateral Agent, as the case may be, and the costs and expenses of collection);

Second: if the Holders are forced to proceed against the Company directly without the Trustee or the Collateral Agent, to Holders for their collection costs;

Third: to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest and Additional Interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest and Additional Interest, if any, respectively; and

Fourth: to the Company or any other obligor on the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

SECTION 6.11. Undertaking for Costs.

All parties to this Indenture agree, and each Holder by its acceptance of its Note shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee or the Collateral Agent, as the case may be, for any action taken or omitted by it as Trustee or the Collateral Agent, as the case may be, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee or the Collateral Agent, as the case may be, a suit by a Holder pursuant to Section 6.07, or a suit by a Holder or Holders of more than 10% in principal amount of the outstanding Notes.

SECTION 6.12. Restoration of Rights and Remedies.

If the Trustee, the Collateral Agent or any Holder has instituted any proceedings to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, the Collateral Agent or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee, the Collateral Agent and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee, the Collateral Agent and the Holders shall continue as though no such proceeding has been instituted.

ARTICLE SEVEN

TRUSTEE

SECTION 7.01. Duties of Trustee.

The duties and responsibilities of the Trustee shall be as provided by the TIA and as set forth herein.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of such person' s own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the TIA and the Trustee need perform only those duties as are specifically set forth in this Indenture and no covenants or obligations shall be implied in or read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; provided, however, in case of any such certificates or opinions furnished to the Trustee which by the provisions hereof are furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) Notwithstanding anything to the contrary herein contained, the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(3) this clause (c) does not limit the effect of clause (b) of this Section 7.01;

(4) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(5) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability (financial or otherwise). The Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture Documents at the request, order or direction of any Holders unless such Holders have offered to the Trustee security and indemnity reasonably satisfactory to the Trustee against the costs and expenses which may be incurred by it (including repayment of its own funds) in compliance with such request, order or direction.

(e) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to clauses (a), (b), (c) and (d) of this Section 7.01.

(f) The Trustee shall not be liable for interest on any money or assets received by it except as the Trustee may agree in writing with the Company. Money and assets held in trust by the Trustee need not be segregated from other funds or assets held by the Trustee except to the extent required by law.

SECTION 7.02. Rights of Trustee.

Subject to Section 7.01:

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement instrument, opinion, report, request direction, consent, order, bond, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may consult with counsel of its selection and may require an Officers' Certificate or an Opinion of Counsel, or both, which shall conform to Sections 11.04 and 11.05. The Trustee shall not be liable for any action it takes or

omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The written advice of the Trustee' s counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action that it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers under this Indenture.

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon reasonable notice to the Company, to examine the books, records and premises of the Company, personally or by agent or attorney and to consult with the officers and representatives of the Company, including the Company' accountants and attorneys. Except as expressly stated herein to the contrary, in no event shall the Trustee have any responsibility to ascertain whether there has been compliance with any of the covenants or provisions of Articles Four or Five hereof.

(f) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(g) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficient if evidenced by a copy of such resolution certified by an Officer of the Company to have been duly adopted and in full force and effect on the date hereof.

(h) The Trustee shall not be deemed to have notice or be charged with knowledge of any Default or Event of Default unless the Trustee shall have received from the Company, any Guarantor or any other obligor upon the Notes or from any Holder written notice thereof at its address set forth in Section 11.02 hereof, and such notice references the Notes and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any persons authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(k) The permissive right of the Trustee to take any action under this Indenture Documents shall not be construed as a duty to so act.

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

SECTION 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company, any Subsidiary of the Company or their respective Affiliates with the same rights it would have if it were not Trustee. Any Agent

may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11 of this Indenture, and the Trustee is subject to TIA Sections 310(b) and 311.

SECTION 7.04. Trustee' s Disclaimer.

The Trustee makes no representation as to the validity, adequacy or sufficiency of this Indenture, the Notes or the Collateral Agreements, and it shall not be accountable for the Company' use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company in this Indenture, the Notes, the Collateral Agreements or any other documents in connection with the issuance of the Notes other than the Trustee' s certificate of authentication, which shall be taken as the statement of Company, and the Trustee assumes no responsibility for their correctness.

Beyond the exercise of reasonable care in the custody thereof and the fulfillment of its obligations under this Indenture and the Collateral Agreements, the Trustee shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Trustee shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property.

The Trustee makes no representations as to and shall not be responsible for the existence, genuineness, value, sufficiency or condition of any of the Collateral or as to the security afforded or intended to be afforded thereby, hereby or by any Collateral Agreement, or for the validity, perfection, priority or enforceability of the Liens or security interests in any of the Collateral created or intended to be created by any of the Collateral Agreements, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Trustee, for the validity or sufficiency of the Collateral, any Collateral Agreements or any agreement or assignment contained in any thereof, for the validity of the title of the Company or any Guarantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

SECTION 7.05. Notice of Default.

If a Default or an Event of Default occurs and is continuing and if a Trust Officer has actual knowledge or has received written notice from the Company or any Holder, the Trustee shall mail to each Holder, with a copy to the Company, notice of the Default or Event of Default within ninety (90) days thereof. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, or interest and Additional Interest, if any, on, any Note, including an accelerated payment and the failure to make payment on the Change of Control Payment Date pursuant to a Change of Control Offer and, except in the case of a failure to comply with Article Five, the Trustee may withhold the notice if and

so long as its Board of Directors, the executive committee of its Board of Directors or a committee of its directors and/or Trust Officers in good faith determines that withholding the notice is in the interest of the Holders.

SECTION 7.06. Reports by Trustee to Holders.

Within sixty (60) days after each February 1, beginning with February 1, 2006, the Trustee shall, to the extent that any of the events described in TIA Section 313(a) occurred within the previous twelve months, but not otherwise, mail to each Holder a brief report dated as of such date that complies with TIA Section 313(a). The Trustee also shall comply with TIA Sections 313(b) and (c).

A copy of each report at the time of its mailing to Holders shall be mailed to the Company and filed by the Trustee with the SEC and each stock exchange or market, if any, on which the Notes are listed or quoted.

The Company shall promptly notify the Trustee if the Notes become listed or quoted on any stock exchange or market and the Trustee shall comply with TIA Section 313(d) and any delisting thereof.

SECTION 7.07. Compensation and Indemnity.

The Company and the Guarantors, jointly and severally, shall pay to the Trustee (the "Indemnified Party") from time to time such compensation for its services as Trustee, as the case may be, as shall from time to time be agreed in writing. The Trustee' s compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Indemnified Party upon request for all reasonable out-of-pocket expenses incurred or made by it in connection with the performance of its duties under, as the case may be, the Indenture Documents. Such expenses shall include the reasonable fees and expenses of the Indemnified Party' s agents and counsel.

The Company and the Guarantors, jointly and severally, hereby agree to indemnify the Indemnified Party for, and to hold it harmless against, any loss, cost, claim, liability or expense (including taxes) incurred by of it except for such actions to the extent caused by any negligence, bad faith or willful misconduct on the part of the Indemnified Party, arising out of or in connection with the Indenture Documents, or the administration of this trust, including the reasonable costs and expenses of enforcing this Indenture or the other Indenture Documents against the Company or any Guarantor (including this Section 7.07) and defending itself. against any claim or liability in connection with the exercise or performance of any of its rights, powers or duties hereunder or thereunder (including the reasonable fees and expenses of counsel). The Trustee shall notify the Company promptly of any claim asserted against it for which the Trustee may seek indemnity hereunder or under the other Indenture Documents. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. At the Indemnified Party' s sole discretion, the Company shall defend the claim and the Indemnified Party shall cooperate and may participate in the defense; provided that any settlement of a claim shall be approved in writing by the Indemnified Party, which consent shall not be unreasonably be withheld. Alternatively, the Indemnified Party may at its option have separate counsel of its own choosing and the Company shall pay the reasonable fees and expenses of such counsel; provided that the Company shall not be required to pay such fees and expenses if it assumes the Indemnified Party' s defense and there is no conflict of interest between the Company and the Indemnified Party in connection with such defense as reasonably determined by the Indemnified Party. The Company need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld.

To secure the Company' s and each Guarantor' s payment obligations in this Section 7.07, the Indemnified Party shall have a lien prior to the Notes on all Collateral held or collected by the Trustee or

the Collateral Agent, in its capacity as such, except assets or money held in trust to pay principal of or interest and Additional Interest, if any, on particular Notes which have been called for redemption.

When an Indemnified Party incurs expenses or renders services after an Event of Default specified in Section 6.01(8) or (9) occurs, such expenses (including the reasonable fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any Bankruptcy Code.

The obligations of the Company and the Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Indenture, termination of the Collateral Agreements or the other Indenture Documents or the resignation or removal of the Trustee, or the Collateral Agent.

The Trustee shall comply with the provisions of TIA Section 312(b)(2) to the extent applicable.

SECTION 7.08. Replacement of Trustee.

The Trustee may resign by so notifying the Company. The Holders of a majority in aggregate principal amount of the outstanding Notes may remove the Trustee by so notifying the Company and the Trustee in writing and may appoint a successor Trustee. The Company, by a Board Resolution, may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting with respect to the Notes.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall notify each Holder in writing of such event and shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, trusts, duties and obligations of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such Trustee so ceasing to act hereunder subject nevertheless to its lien, if any, provided for in Section 7.07. Upon request of the Company or the successor Trustee, such retiring Trustee shall at the expense of the Company and upon payment of the charges of the Trustee then unpaid, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee, at the Company' expense, the Company or the Holders of at least 10% in principal amount of the outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Holder who satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Company shall give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders in writing. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

SECTION 7.09. Successor Trustee by Merger, Etc.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the resulting, surviving or transferee Person without any further act shall, if such resulting, surviving or transferee Person is otherwise eligible hereunder, be the successor Trustee; provided, however, that such Person shall be otherwise qualified and eligible under this Article Seven.

In case any Notes have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

SECTION 7.10. Eligibility; Disqualification.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Sections 310(a)(1), (2), (3) and (5). The Trustee (or, in the case of a corporation included in a bank holding company system, the related bank holding company) shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. In addition, if the Trustee is a corporation included in a bank holding company system, the Trustee, independently of such bank holding company, shall meet the capital requirements of TIA Section 310(a)(2). The Trustee shall comply with TIA Section 310(b); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met. The provisions of TIA Section 310 shall apply to the Company, as obligors of the Notes.

If the Trustee has or acquires a conflicting interest within the meaning of the TIA, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the TIA and this Indenture.

SECTION 7.11. Preferential Collection of Claims Against Company.

The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

SECTION 7.12. Trustee as Paying Agent and Collateral Agent.

References to the Trustee in Sections 7.01(f), 7.02, 7.03, 7.04, 7.07, 7.08 and the first paragraph of Section 7.09 shall include the Trustee in its role as Paying Agent, as Registrar and as Collateral Agent.

SECTION 7.13. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other Persons as to other matters and any such Person may certify or give an opinion as to such matters in one or several documents.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

ARTICLE EIGHT

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.01. Legal Defeasance and Covenant Defeasance.

(a) The Company may, at its option and at any time, elect to have either paragraph (b) or paragraph (c) below be applied to the outstanding Notes upon compliance with the applicable conditions set forth in paragraph (d).

(b) Upon the Company' s exercise under paragraph (a) of the option applicable to this paragraph (b), the Company and the Guarantors shall be deemed to have been released and discharged from their obligations with respect to the outstanding Notes, the Guarantees and the Collateral Agreements on the date the applicable conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, such Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of the Sections and matters under this Indenture referred to in clause (i) and (ii) below, and the Company and the Guarantors shall be deemed to have satisfied all their other obligations under such Notes and this Indenture, the Guarantees and the Collateral Agreements, except for the following which shall survive until otherwise terminated or discharged hereunder: (i) the rights of Holders of outstanding Notes to receive solely from the trust fund described in paragraph (d) below and as more fully set forth in such paragraph payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on such Notes when such payments are due, (ii) obligations listed in Section 8.03, subject to

compliance with this Section 8.01 and (iii) the rights, powers, trusts, duties and immunities of the Trustee and the Company' s obligations in connection therewith. The Company may exercise its option under this paragraph (b) notwithstanding the prior exercise of its option under paragraph (c) below with respect to the Notes.

(c) Upon the Company' s exercise under paragraph (a) of the option applicable to this paragraph (c), the Company and its Restricted Subsidiaries shall be released and discharged from their obligations under any covenant contained in Sections 4.04 through 4.06, Sections 4.08 through 4.23 (provided that the release and discharge of the Company' s obligations under Section 4.23 shall in no way relieve the Company of its obligation to pay any Additional Interest when due and payable) and Section 5.01(2), with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed to be not "outstanding" for the purpose of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed

outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the outstanding Notes and Guarantees, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company' s exercise under paragraph (a) hereof of the option applicable to this paragraph (c), subject to the satisfaction of the conditions set forth in paragraph (d) below, Sections 6.01(3) (solely as pertains to Section 4.10 and Section 5.01(2)), 6.01(4), 6.01(5) (solely as pertains to Sections 4.04 through 4.06, Sections 4.08 through 4.23 (provided that the release and discharge of the Company' s obligations under Section 4.23 shall in no way relieve the Company of its obligation to pay any Additional Interest when due and payable) and Section 5.01(2)), and Section 6.01(6) through Section 6.01(12) shall not constitute Events of Default; provided however, that in the case of Sections 6.01(8) and 6.01(9), to the extent the events described therein occur within the nine month period following the Company' s exercise under paragraph (a) of the option applicable to this paragraph (c), such events will constitute Events of Default.

(d) The following shall be the conditions to application of either paragraph (b) or paragraph (c) above to the outstanding Notes:

1. The Company shall have irrevocably deposited in trust with the Trustee, pursuant to an irrevocable trust and security agreement in form and substance reasonably satisfactory to the Trustee, U.S. Legal Tender or non-callable U.S. Government Obligations or a combination thereof, in such amounts and at such times as are sufficient, in the opinion of a nationally-recognized firm of independent public accountants, to pay the principal of, and premium, if any, interest and Additional Interest, if any, on the outstanding Notes on the stated dates for payment or redemption, as the case may be; *provided*, *however*, that the Trustee (or other qualifying trustee) shall have received an irrevocable written order from the Company instructing the Trustee (or other qualifying trustee) to apply such U.S. Legal Tender or the proceeds of such U.S. Government Obligations to said payments with respect to the Notes to maturity or redemption;

2. No Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the failure to comply with Section 4.08 or Section 4.14 or Section 4.17 arising in connection with the borrowing of funds to fund the deposit referenced in clause (1) above and the granting of any Lien securing such borrowing) or insofar as Defaults or Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of such deposit;

3. Such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default hereunder (other than a Default or Event of Default resulting from the failure to comply with Section 4.08 or Section 4.14 or Section 4.17 arising in connection with the borrowing of funds to fund the deposit referenced in clause (1) above and the granting of any Lien securing such borrowing) or any other material agreement or instrument to which the Company or any of it Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

4. (i) In the event the Company elects paragraph (b) above, the Company shall deliver to the Trustee an Opinion of Counsel in the United States of America, in form and

substance reasonably satisfactory to the Trustee, to the effect that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall state that, Holders shall not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance contemplated hereby and shall be subject to federal income tax in the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred or (ii) in the event the Company elects paragraph (c) above, the Company shall deliver to the Trustee an Opinion of Counsel in the United States, in form and substance reasonably satisfactory to the Trustee, to the effect that Holders shall not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance contemplated hereby and shall be subject to federal income tax in the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

5. The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit under clause (1) was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others;

6. The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent specified herein relating to the defeasance contemplated by this Section 8.01 have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by Section 8.01(d)(4)(i) above with respect to a Legal Defeasance need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation (1) have become due and payable or (2) shall become due and payable on the maturity date within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

In the event all or any portion of the Notes are to be redeemed through such irrevocable trust, the Company must make arrangements reasonably satisfactory to the Trustee, at the time of such deposit, for the giving of the notice of such redemption or redemptions by the Trustee in the name and at the expense of the Company.

SECTION 8.02. Satisfaction and Discharge.

In addition to the Company' s rights under Section 8.01, this Indenture (subject to Section 8.03), and all Liens in connection with the issuance of the Notes, shall be discharged and shall cease to be in further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) are to be called for redemption within one year under arrangements

reasonably satisfactory to the Trustee, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, interest and Additional Interest, if any, on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Company has paid all other sums payable under this Indenture and the Collateral Agreements by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 8.03. Survival of Certain Obligations.

Notwithstanding the satisfaction and discharge of this Indenture and of the Notes referred to in Section 8.01 or 8.02, the respective obligations of the Company and the Trustee under Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, and 2.10, Sections 7.07 and 7.08 and Sections 8.05, 8.06 and 8.07 shall survive until the Notes are no longer outstanding, and thereafter the obligations of the Company and the Trustee under Sections 7.07, 8.04, 8.05, 8.06 and 8.07 shall survive.

SECTION 8.04. Acknowledgment of Discharge by Trustee and Collateral Agent.

Subject to Section 8.07, after (i) the conditions of Section 8.01 or 8.02 have been satisfied, (ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in clause (i) above relating to the satisfaction and discharge of this Indenture have been complied with, the Trustee, upon written request, shall acknowledge in writing the discharge of the Company' obligations under this Indenture except for those surviving obligations specified in Section 8.03 and the Collateral Agent shall execute and deliver to the Company any document reasonably requested by the Company to effect or evidence any release and discharge of Lien or Collateral Agreement contemplated by Section 12.05.

SECTION 8.05. Application of Trust Moneys.

The Trustee shall hold any U.S. Legal Tender or U.S. Government Obligations deposited with it in the irrevocable trust established pursuant to Section 8.01. The Trustee shall apply the deposited U.S. Legal Tender or the U.S. Government Obligations, together with earnings thereon, through the Paying Agent, in accordance with this Indenture and the terms of the irrevocable trust agreement established pursuant to Section 8.01, to the payment of principal of, premium, if any, and interest and Additional Interest, if any, on the Notes. Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the Company' request any U.S. Legal Tender or U.S. Government Obligations held by it as provided in Section 8.01(d) which, in the opinion of a nationally-recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 8.01 or 8.02 or the

principal, premium, if any, and interest and Additional Interest, if any, received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of outstanding Notes.

SECTION 8.06. Repayment to the Company; Unclaimed Money.

Subject to Sections 7.07, 8.01 and 8.02, the Trustee and the Paying Agent shall promptly pay to the Company upon written request from the Company any excess U.S. Legal Tender or U.S. Government Obligations held by them at any time. The Trustee and the Paying Agent shall pay to the Company, upon receipt by the Trustee or the Paying Agent, as the case may be, of a written request from the Company any money held by it for the payment of principal, premium, if any, or interest and Additional Interest, if any, that remains unclaimed for two years after payment to the Holders is required, without interest thereon; provided, however, that the Trustee and the Paying Agent before being required to make any payment may, but need not, at the expense of the Company cause to be published once in a newspaper of general circulation in the City of New York or mail to each Holder entitled to such money notice that such money remains unclaimed and that after a

date specified therein, which shall be at least thirty (30) days from the date of such publication or mailing, any unclaimed balance of such money then remaining shall be repaid to the Company, without interest thereon. After payment to the Company, Holders entitled to money must look solely to the Company for payment as general creditors unless an applicable abandoned property law designated another Person, and all liability of the Trustee or Paying Agent with respect to such money shall thereupon cease.

SECTION 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any U.S. Legal Tender or U.S. Government Obligations in accordance with Section 8.01 or 8.02 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company' s and each Guarantor' s obligations under this Indenture and each other Indenture Document to which such Person is a party shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01 or 8.02 until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Legal Tender or U.S. Government Obligations in accordance with Section 8.01 or 8.02; provided, however, that if the Company have made any payment of premium, if any, or interest and Additional Interest, if any, on or principal of any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE NINE

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders.

From time to time, the Company, the Guarantors, the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement or the Intercreditor Agreements, the Collateral Agent, without the consent of the Holders, may amend, modify or supplement this Indenture, the Notes, the Guarantees, the Collateral Agreements and the Intercreditor Agreements:

(1) to cure any ambiguity, defect or inconsistency contained therein;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company' s or a Guarantor' s obligations to Holders in accordance with Section 5.01;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights of any such Holder under this Indenture, the Notes, the Guarantees or the Collateral Agreements;

(5) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to allow any Subsidiary or any other Person to guarantee the Notes;

(7) to release a Guarantor as permitted by this Indenture and the relevant Guarantee; or

(8) if necessary, in connection with any addition or release of Collateral permitted under the terms of this Indenture or Collateral Agreements, so long as such amendment, modification or supplement does not, in the opinion of the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement, the Collateral Agent, adversely affect the rights of any of the Holders in any material respect. In formulating its opinion on such matters, each of the Trustee and, if such amendment, modification or supplement relates to any Collateral Agreement, the Collateral Agent, will be entitled to rely on such evidence as it deems appropriate, including, without limitation, solely on an Opinion of Counsel.

After an amendment, modification, waiver or supplement under this Section 9.01 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, modification, waiver or supplement. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, modification, waiver or supplement or constitute an Event of Default hereunder.

SECTION 9.02. With Consent of Holders.

The Company and the Guarantors, when authorized by a Board Resolution, and the Trustee, or the Collateral Agent, as applicable, together, with the written consent of the Holder or Holders of at least a majority in aggregate principal amount of the outstanding Notes, may amend, modify or supplement this Indenture, the Notes, the Guarantees and the Collateral Agreements without notice to any other Holders. The Holder or Holders of a majority in aggregate principal amount of the outstanding Notes may waive compliance by the Company with any provision of this Indenture, any Collateral Agreement or the Notes without notice to any other Holder. However, no amendment, modification, supplement or waiver, including a waiver pursuant to Section 6.04, shall without the consent of each Holder of each Note affected thereby:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver of any provision of this Indenture or the Notes;

(2) reduce the rate of or change or have the effect of changing the time for payment of interest, including default interest or Additional Interest, on any Notes;

(3) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption or reduce the Redemption Price therefor;

(4) make any Notes payable in money other than that stated in the Notes;

(5) make any change in provisions of this Indenture protecting the right of each Holder to receive payment of principal of, premium, if any, interest and Additional Interest, if any, on such Note on or after the due date thereof or to bring suit to enforce such payment, or

permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer after the occurrence of a Change of Control, or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or modify any of the provisions or definitions with respect thereto;

(7) modify or change any provision of this Indenture or the related definitions affecting the ranking of the Notes or any Guarantee or any Lien created under any Collateral Agreement in a manner which adversely affects the Holders;

(8) release any Guarantor from any of its obligations under its Guarantee or this Indenture otherwise than in accordance with the terms of this Indenture;

(9) release all or substantially all of the Collateral otherwise than in accordance with the terms of this Indenture and the Collateral Agreements; or

(10) make any change to Section 9.01 or this Section 9.02.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

SECTION 9.03. Compliance with TIA.

Every amendment, waiver or supplement of this Indenture, the Notes, the Collateral Agreements or the Guarantees shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents.

Until an amendment, waiver or supplement becomes effective (which may be prior to any such amendment, waiver or supplement becoming operative), a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder' s Note, even if notation of the consent is not made on any Note. Subject to the following paragraph, any such Holder or subsequent Holder may revoke the consent as to such Holder' s Note or portion of such Note by written notice to the Trustee and the Company received before the date on which the Trustee and if such amendment, waiver or supplement relates to any Collateral Agreement, the Collateral Agent, receives written consents from the Holders of a requisite percentage in principal amount of the outstanding Notes or receives an Officers' Certificate certifying that the Holders of the requisite principal amount of Notes have consented (and not theretofore revoked such consent) to the amendment, supplement or waiver. An amendment, waiver or supplement shall become effective upon receipt by the Trustee or the Collateral Agent, as the case may be, of written consents from the Holders of the requisite percentage in principal amount of the outstanding Notes or such Officers' Certificate, whichever first occurs, and the execution thereof by the Trustee or the Collateral Agent, as the case may be.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then notwithstanding the last sentence of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than ninety (90) days after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it makes a change described in any of clauses (1) through (10) of Section 9.02, in which case, the amendment, supplement or waiver shall bind only each Holder of a Note who has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder' s Note; provided that any such waiver shall not impair or affect the right of any Holder to receive payment of principal of, premium, if any, and interest and Additional Interest, if any, on a Note, on or after the respective due dates expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates without the consent of such Holder.

SECTION 9.05. Notation on or Exchange of Notes.

If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder of the Note to deliver the Note to the Trustee. The Trustee at the written direction of the Company may place an appropriate notation on the Note about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make an appropriate notation, or issue a new Note, shall not affect the validity and effect of such amendment, supplement or waiver. Any such notation or exchange shall be made at the sole cost and expense of the Company. Failure to make the appropriate notation or issue a new Note shall not effect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee to Sign Amendments, Etc.

The Trustee and/or the Collateral Agent, as applicable, shall execute any amendment, supplement or waiver authorized pursuant to this Article Nine; provided that the Trustee or the Collateral Agent, as the case may be, may, but shall not be obligated to, execute any such amendment, supplement or waiver which adversely affects the rights, duties or immunities of the Trustee or the Collateral Agent, as the case may be, under this Indenture or any Collateral Agreement. The Trustee or the Collateral Agent, as the case may be, shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate each stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article Nine is authorized or permitted by this Indenture. Such Opinion of Counsel shall also state that the amendment or supplement is a valid and enforceable obligation of the Company. Such Opinion of Counsel shall not be an expense of the Trustee or the Collateral Agent, as the case may be, and shall be paid for by the Company.

SECTION 9.07. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the TIA as then in effect.

ARTICLE TEN

GUARANTEE

SECTION 10.01. Guarantee.

Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "Guarantee"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(8), whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.03. The Guarantee of each Guarantor shall rank senior in right of payment to all subordinated Indebtedness of such Guarantor and equal in right of payment with all other senior obligations of such Guarantor. Each Guarantor hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes, this Indenture, or any Collateral Agreement, the absence of any action to enforce the same, any waiver or consent by any of the Holders with respect to any provisions hereof or thereof, any release of any other Guarantor, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and in this Guarantee. The obligations of each Guarantor are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, shall result in the obligations of such Guarantor under the Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. The net worth of any Guarantor for such purpose shall include any claim of such Guarantor against the Company for reimbursement and any claim against any other Guarantor for contribution. Each Guarantor may consolidate with or merge into or sell its assets to the Company or another Guarantor without limitation in accordance with Sections 5.01, 4.11 and 10.04. If any Holder, the Collateral Agent or the Trustee is required by any court or otherwise to return to the Company, any

Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or any Guarantor, any amount paid by the Company or any Guarantor to the Trustee, the Collateral Agent or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Guarantor further agrees that, as between each Guarantor, on the one hand, and the Holders, the Collateral Agent and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this

Guarantee notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any acceleration of such obligations as provided in Article Six, such obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purpose of this Guarantee.

SECTION 10.02. Release of a Guarantor.

A Guarantor will be automatically and unconditionally released from its Guarantee (and may subsequently dissolve) without any action required on the part of the Trustee or any Holder:

(1) if (a) all of the Capital Stock issued by such Guarantor or all or substantially all of the assets of such Guarantor are sold or otherwise disposed of (including by way of merger or consolidation and, in the case of a sale of Capital Stock, whether directly by transfer of Capital Stock issued by that Guarantor or indirectly by transfer of Capital Stock of other Subsidiaries that, directly or indirectly, own Capital Stock issued by such Guarantor) to a Person other than the Company or any of its Domestic Restricted Subsidiaries or (b) such Guarantor ceases to be a Restricted Subsidiary, and the Company otherwise complies, to the extent applicable, with Section 4.11;

(2) if the Company designates such Guarantor as an Unrestricted Subsidiary in accordance with Section 4.09;

(3) if the Company exercises its legal defeasance option or its covenant defeasance option as described below under Section 8.01; or

(4) upon satisfaction and discharge of this Indenture as described in Section 8.02 or payment in full in cash of the principal of, and premium, if any, accrued and unpaid interest and Additional Interest, if any, on, the Notes and all other Obligations that are then due and payable.

At the Company' s request and expense, the Trustee will execute and deliver an instrument evidencing such release. A Guarantor may also be released from its obligations under its Guarantee in connection with a permitted amendment of this Indenture. Any Guarantor not so released remains liable for the full amount of its Guarantee as provided in this Article Ten.

SECTION 10.03. Limitation of Guarantor' s Liability.

Each Guarantor and, by its acceptance hereof, each of the Holders hereby confirms that it is the intention of all such parties that the guarantee by such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of any Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the obligations of such Guarantor under the Guarantee shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to Section 10.05, result in the obligations of such Guarantor under the Guarantee not constituting such fraudulent transfer or conveyance.

SECTION 10.04. Guarantors May Consolidate, etc., on Certain Terms.

Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and this Indenture in connection with any transaction complying with this Section 10.04 and Section 4.11) will not, and the Company will not cause or permit any Guarantor to, consolidate with or merge with or into any Person, other than the Company or any other Guarantor unless:

(1) the entity formed by or surviving any such consolidation or merger (if other than the Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is a corporation or limited liability company organized and existing under the laws of the United States or any State thereof or the District of Columbia;

(2) such entity assumes (a) by supplemental indenture (in form and substance reasonably satisfactory to the Trustee), executed and delivered to the Trustee, all of the obligations of the Guarantor under the Guarantee and the performance of every covenant of the Guarantee and this Indenture and (b) by amendment, supplement or other instrument (in form and substance satisfactory to the Trustee and the Collateral Agent) executed and delivered to the Trustee and the Collateral Agent, all obligations of the Guarantor under the Collateral Agreements and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

This Section 10.04 will not apply to:

(a) any merger or consolidation of a Guarantor with and into the Company (with the Company being the surviving entity) or another Guarantor or; or

(b) any merger or consolidation of a Guarantor or the Company with an Affiliate organized solely for the purpose of reincorporating such Guarantor or the Company in another jurisdiction in the United States or any state thereof or the District of Columbia.

SECTION 10.05. Contribution.

In order to provide for just and equitable contribution among the Guarantors, the Guarantors agree, inter se, that each Guarantor that makes a payment or distribution under a Guarantee shall be entitled to a *pro rata* contribution from each other Guarantor hereunder based on the net assets of each other Guarantor. The preceding sentence shall in no way affect the rights of the Holders to the benefits of this Indenture, the Notes or the Guarantees.

SECTION 10.06. Waiver of Subrogation.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

SECTION 10.07. Waiver of Stay, Extension or Usury Laws.

Each Guarantor covenants to the extent permitted by law that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive such Guarantor from performing its Guarantee as contemplated herein, wherever enacted, now or at any time hereafter in force; and each Guarantor hereby expressly waives to the extent permitted by law all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the

Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 10.08. Execution and Delivery of Guarantees.

To evidence the Guarantees set forth in Section 10.1 hereof, each of the Guarantors agrees that a notation of Guarantee substantially in the form included in Exhibit A hereto shall be endorsed on each Note authenticated and delivered by the Trustee and that a supplemental indenture substantially in the form of Exhibit F hereto shall be executed on behalf of each of the Guarantors by an Officer thereof in accordance with Section 4.16 hereof.

Each of the Guarantors agree that the Guarantees set forth in this Article Ten shall remain in full force and effect and apply to all the Notes notwithstanding any failure to endorse on each Note a notation of the Guarantees. If an Officer whose signature is on a Note or a notation of Guarantee no longer holds that office at the time the Trustee authenticates the Note on which the Guarantees are endorsed, the Guarantees shall be valid nevertheless. The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantees set forth in this Indenture on behalf of the Guarantors.

ARTICLE ELEVEN

MISCELLANEOUS

SECTION 11.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control. Any provision of the TIA which is required to be included in a qualified Indenture, but not expressly included herein, shall be deemed to be included by this reference.

SECTION 11.02. Notices.

Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telecopier or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to the Company:

Edgen Corporation
18444 Highland Road
Baton Rouge, Louisiana 70809
Attention: David Laxton
Facsimile Number: (225) 756-7953

if to the Trustee:

The Bank of New York
101 Barclay Street
Floor 8W
New York, New York 10286
Attn: Corporate Trust Administration
Facsimile Number: (212) 815-5707

if to the Collateral Agent:

The Bank of New York
101 Barclay Street
Floor 8W
New York, New York 10286
Attn: Corporate Trust Administration
Facsimile Number: (212) 815-5707

Each of the Company, the Trustee and the Collateral Agent by written notice to each other may designate additional or different addresses for notices to such Person. Any notice or communication to the Company, the Trustee or the Collateral Agent shall be deemed to have been given or made as of the date so delivered if personally delivered; when answered back, if telexed; when receipt is acknowledged, if faxed; and five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address or a notice sent by mail to the Trustee shall not be deemed to have been given until actually received by the addressee).

Any notice or communication mailed to a Holder shall be mailed to such Holder by first class mail or other equivalent means at such Holder' s address as it appears on the registration books of the Registrar and shall be sufficiently given to such Holder if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 11.03. Communications by Holders with Other Holders.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture, any Collateral Agreement, any Guarantee or the Notes. The Company, the Trustee, the Collateral Agent, the Registrar and any other Person shall have the protection of TIA Section 312(c).

SECTION 11.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company or any Guarantor to the Trustee or the Collateral Agent, as the case may be, to take any action under this Indenture, any Collateral Agreement or any other Indenture Document, the Company shall furnish to the Trustee or the Collateral Agent, as the case may be, upon request:

(1) an Officers' Certificate, in form and substance reasonably satisfactory to the Trustee or the Collateral Agent, as the case may be, stating that, in the opinion of the signers, all conditions precedent to be performed by the Company or the applicable Guarantor (as the case

may be), if any, provided for in this Indenture, any Collateral Agreement or any other Indenture Document relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent to be performed by the Company or the applicable Guarantor (as the case may be), if any, provided for in this Indenture relating to the proposed action have been complied with.

SECTION 11.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture, any Collateral Agreement or any other Indenture Document, other than the Officers' Certificate required by Section 4.06(1), shall include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he has made such examination or investigation as is reasonably necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 11.06. Rules by Trustee, Paying Agent, Registrar.

The Trustee may make reasonable rules in accordance with the Trustee' s customary practices for action by or at a meeting of Holders. The Paying Agent or Registrar may make reasonable rules for its functions.

SECTION 11.07. Legal Holidays.

A "Legal Holiday" used with respect to a particular place of payment is a Saturday, a Sunday or a day on which banking institutions in New York, New York or at such place of payment are not required to be open. If a payment date is a Legal Holiday at such place, payment may be made at such place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 11.08. Governing Law.

THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE GUARANTEES, THE COLLATERAL AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE.

SECTION 11.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.10. No Recourse Against Others.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, this Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 11.11. Successors.

All agreements of the Company and the Guarantors in this Indenture, the Notes, and the Guarantees shall bind their successors. All agreements of each of the Trustee and the Collateral Agent in this Indenture shall bind their respective successors.

SECTION 11.12. Duplicate Originals.

All parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.

SECTION 11.13. Severability.

In case any one or more of the provisions in this Indenture, the Notes or in the Guarantees shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 11.14. Waiver of Jury Trial.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS INDENTURE, THE NOTES, THE GUARANTEES, THE COLLATERAL AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE.

ARTICLE TWELVE

SECURITY

SECTION 12.01. Grant of Security Interest.

(1) The due and punctual payment of the principal of, premium, if any, interest and Additional Interest, if any, on the Notes and amounts due hereunder and under the Guarantees when and as the same shall be due and payable, whether on an Interest Payment Date, by acceleration, purchase, repurchase, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest (to the extent permitted by law), if any, on the Notes and the performance of all other Obligations of the Company and the Guarantors to the Holders or the Trustee under this Indenture, the Collateral Agreements, the Guarantees and the Notes shall be secured as provided in the Collateral Agreements. Notwithstanding anything to the contrary herein, no Collateral shall consist of any Excluded Assets.

(2) Each Holder, by its acceptance of a Note, consents and agrees to the terms of each Collateral Agreement and Intercreditor Agreements, as the same may be in effect or may be amended from time to time in accordance with their respective terms, and authorizes and directs the Collateral Agent to enter into this Indenture and the Collateral Agreements and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company shall, and shall cause each of its Domestic Restricted Subsidiaries to, do or cause to be done, at its sole cost and expense, all such actions and things as may be required by the provisions of the Collateral Agreements, to assure and confirm to the Collateral Agent the security interests in the Collateral contemplated by the Collateral Agreements, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes and Guarantees secured hereby, according to the intent and purpose herein and therein expressed and subject to the Intercreditor Agreements, including taking all commercially reasonable actions required or as may be reasonably requested by the Collateral Agent to cause the Collateral Agreements to create and maintain, as security for the Obligations contained in this Indenture, the Notes, the Collateral Agreements and the Guarantees valid and enforceable, perfected (to the extent required therein) security interests in and on all the Collateral, in favor of the Collateral Agent, superior to and prior to the rights of all third Persons other than as set forth in the Senior Intercreditor Agreement, and subject to no other Liens, in each case, except as expressly provided herein or therein. If required for the purpose of meeting the legal requirements of any jurisdiction in which any of the Collateral may at the time be located, the Company, the Trustee and the Collateral Agent shall have the power to appoint, and shall take all reasonable action to appoint, one or more Persons approved by the Trustee and reasonably acceptable to the Company to act as co-Collateral Agent with respect to any such Collateral, with such rights and powers limited to those deemed necessary for the Company, the Trustee or the Collateral Agent to comply with any such legal requirements with respect to such Collateral, and which rights and powers shall not be inconsistent with the provisions of this Indenture or any Indenture Document. The Company shall from time to time promptly pay all reasonable financing and continuation statement recording and/or filing fees, charges and taxes relating to this Indenture, the Collateral Agreements and any amendments hereto or thereto and any other instruments of further assurance required pursuant hereto or thereto.

SECTION 12.02. Opinions.

The Company shall furnish to the Trustee, at such time as required by TIA Section 314(b) an Opinion of Counsel either (i) stating that, in the opinion of such counsel, this Indenture and the Collateral Agreements, financing statements and fixture filings then executed and delivered, as applicable, and all other instruments of further assurance or amendment then executed and delivered have been properly recorded, registered and filed to the extent necessary to perfect the security interests created by this Indenture and the Collateral Agreements and reciting the details of such action or referring to prior

Opinions of Counsel in which such details are given, and stating that as to such Collateral Agreements and such other instruments, such recording, registering and filing are the only recordings, registerings and filings necessary to perfect such security interest and that no re-recordings, re-registerings, or re-filings are necessary to maintain such perfection, and further stating that all financing statements and continuation statements have been filed are necessary fully to preserve and protect the rights of and perfect such security interests of the Trustee for the benefit of itself and the Holders, under the Collateral Agreements or (ii) stating that, in the Opinion of such Counsel, no such action is necessary to perfect any security interest created under this Indenture, the Notes or any of the Collateral Agreements as intended by this Indenture, the Notes or any such Collateral Agreement.

The Company shall furnish to the Trustee and the Collateral Agent (if other than the Trustee), on or within three months of the last day of each fiscal year, commencing on the last day of the fiscal year ending subsequent to the Issuance Date, an Opinion of Counsel either (i) stating that, in the opinion of such counsel, all action necessary to perfect or continue the perfection of the security interests created by the Collateral Agreements and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given have been taken or (ii) stating that, in the Opinion of such Counsel, no such action is necessary to perfect or continue the perfection of any security interest created under any of the Collateral Agreements.

SECTION 12.03. Release of Collateral.

The Collateral Agent shall not at any time release Collateral from the security interests created by the Collateral Agreements unless such release is in accordance with the provisions of this Indenture and the applicable Collateral Agreements.

The release of any Collateral from the terms of the Collateral Agreements shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to this Indenture and the Collateral Agreements. To the extent applicable, the Company shall cause TIA Section 314(d) relating to the release of property from the security interests created by this Indenture and the Collateral Agreements to be complied with. Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Company, except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Trustee in the exercise of reasonable care. A Person is “independent” if such Person (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in the Company or in any Affiliate of the Company and (c) is not an officer, employee, promoter, underwriter, trustee, partner or director or person performing similar functions to any of the foregoing for the Company. The Trustee shall be entitled to receive and conclusively rely upon a certificate provided by any such Person confirming that such Person is independent within the foregoing definition.

Notwithstanding any provision to the contrary herein, Collateral comprised of accounts receivable, and inventory or the proceeds of the foregoing, or cash shall be subject to release upon sales of such inventory, collection of the proceeds of such accounts receivable, and withdrawals of cash from the Company’ s deposit accounts in the ordinary course of business. If requested in writing by the Company, the Trustee shall instruct the Collateral Agent to execute and deliver such documents, instruments or statements and to take such other action as the Company may request to evidence or confirm that the Collateral falling under this Section 12.03 has been released from the Liens of each of the Collateral Agreements.

SECTION 12.04. Specified Releases of Collateral.

Subject to Section 12.03, Collateral may be released from the Lien and security interest created by the Collateral Agreements at any time or from time to time in accordance with the provisions of the Collateral Agreements, or as provided hereby. Upon the request of the Company pursuant to an Officers' Certificate certifying that all conditions precedent hereunder have been met and without the consent of any Holder, the Company and the Guarantors will be entitled to releases of assets included in the Collateral from the Liens securing the obligations under the Notes and the Guarantees under any one or more of the following circumstances:

(1) to enable the Company (or a Guarantor) to consummate asset sales or dispositions that are not Asset Sales or that are Asset Sales permitted under Section 4.11;

(2) with the consent of the Holders of not less than a majority of the aggregate principal amount of Notes outstanding pursuant to Section 9.02;

(3) if any Subsidiary that is a Guarantor is released from its Guarantee in accordance with the terms of this Indenture, such Subsidiary' s assets will also be released;

(4) if the Company exercise its legal defeasance option or covenant defeasance option as described above under Section 8.01;

(5) upon satisfaction and discharge of this Indenture in accordance with Section 8.02 or payment in full in cash of the principal of and premium, if any, and accrued and unpaid interest on the Notes and all other Obligations under this Indenture and the other Indenture Documents that are then due and payable; or

(6) if such release is required under the Senior Intercreditor Agreement.

Upon receipt of such Officers' Certificate and any necessary or proper instruments of termination, satisfaction or release prepared by the Company, the Collateral Agent shall execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Collateral Agreements.

SECTION 12.05. Release upon Satisfaction or Defeasance of All Outstanding Obligations.

The Liens on, and pledges of, all Collateral will also be terminated and released upon (i) payment in full of the principal of, premium, if any, on, and accrued and unpaid interest and Additional Interest, if any, on the Notes and all other Obligations hereunder, the Guarantees and the Collateral Agreements that are due and payable at or prior to the time such principal, premium, if any, and accrued and unpaid interest and Additional Interest, if any, are paid, (ii) a satisfaction and discharge of this Indenture as described above under Section 8.02 and (iii) the occurrence of a Legal Defeasance or Covenant Defeasance as described above under Section 8.01.

SECTION 12.06. Form and Sufficiency of Release.

In the event that the Company or any Guarantor has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that may be sold, exchanged or otherwise disposed of by such Company or such Guarantor, and such Company or such Guarantor requests in writing the Collateral Agent to furnish a written disclaimer, release or quit-claim of any interest in such property under this Indenture and the Collateral Agreements, the Collateral Agent

shall execute, acknowledge and deliver to the Company or such Guarantor (in proper form prepared by the Company or such Guarantor) such an instrument promptly after satisfaction of the conditions set forth herein for delivery of any such release. Notwithstanding the preceding sentence, all purchasers and grantees of any property or rights purporting to be released herefrom shall be entitled to rely upon any release

executed by the Collateral Agent hereunder as sufficient for the purpose of this Indenture and as constituting a good and valid release of the property therein described from the Lien of this Indenture or of the Collateral Agreements.

SECTION 12.07. Purchaser Protected.

No purchaser or grantee of any property or rights purporting to be released herefrom shall be bound to ascertain the authority of the Trustee or the Collateral Agent to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Indenture to be sold or otherwise disposed of by the Company be under any obligation to ascertain or inquire into the authority of the Company to make such sale or other disposition.

SECTION 12.08. Authorization of Actions to Be Taken by the Collateral Agent Under the Collateral Agreements.

The Bank of New York is hereby appointed Collateral Agent. Subject to the provisions of the applicable Collateral Agreements and the applicable Intercreditor Agreement, each Holder, by acceptance of its Note(s) agrees that (a) the Collateral Agent shall execute and deliver the Collateral Agreements and act in accordance with the terms thereof, (b) the Collateral Agent may, in its sole discretion and without the consent of the Trustee or the Holders, take all actions it deems necessary or appropriate in order to (i) enforce any of the terms of the Collateral Agreements and (ii) collect and receive any and all amounts payable in respect of the Obligations of the Company and the Guarantors hereunder and under the Notes, the Guarantees and the Collateral Agreements and (c) to the extent permitted by this Indenture, the Collateral Agent shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any act that may be unlawful or in violation of the Collateral Agreements or this Indenture, and suits and proceedings as the Collateral Agent may deem expedient to preserve or protect its interests and the interests of the Trustee and the Holders in the Collateral (including the power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest thereunder or be prejudicial to the interests of the Collateral Agent, the Holders or the Trustee). Notwithstanding the foregoing, the Collateral Agent may, at the expense of the Company, request the direction of the Holders with respect to any such actions and upon receipt of the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Notes, shall take such actions; provided that all actions so taken shall, at all times, be in conformity with the requirements of the Intercreditor Agreements.

SECTION 12.09. Authorization of Receipt of Funds by the Trustee Under the Collateral Agreements.

The Collateral Agent is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Collateral Agreements and to the extent not prohibited under the Senior Intercreditor Agreement, for turnover to the Trustee to make further distributions of such funds to itself, the Trustee and the Holders in accordance with the provisions of Section 6.10 and the other provisions of this Indenture.

SECTION 12.10. Intercreditor Agreements.

This Article Twelve and the Collateral Agreements are subject to the terms, limitations and conditions set forth in each of the Intercreditor Agreements.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first written above.

EDGEN ACQUISITION CORPORATION

By: /s/ Nicholas Daraviras
Name: Nicholas Daraviras
Title: President and Treasurer

THE BANK OF NEW YORK, as Trustee and Collateral Agent

By: /s/ Geovanni Barris
Name: Geovanni Barris
Title: Vice President

EXHIBIT A

[FORM OF INITIAL NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS A NON-U.S. PURCHASER AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE OR ANY INTEREST OR PARTICIPATION HEREIN, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHICH NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PURCHASERS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY' S AND THE TRUSTEE' S, OR TRANSFER AGENT' S, AS APPLICABLE, RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C), (D) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER

IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE OR TRANSFER AGENT.

EDGEN ACQUISITION CORPORATION

$9^{7}/_{8}$% SENIOR SECURED NOTES DUE 2011

CUSIP No.
No. $

Edgen Acquisition Corporation, a Nevada corporation (the "Company", which term includes any successors under the Indenture hereinafter referred to), for value received promises to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS ($[ ]) on February 1, 2011.

Interest Rate: $9^{7}/_{8}$%

Interest Payment Dates: February 1 and August 1, commencing August 1, 2005.

Record Dates: January 15 and July 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

EDGEN ACQUISITION CORPORATION

By: _____
Name:
Title:

Dated: February 1, 2005

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the $9^{7}/_{8}$% Senior Secured Notes due 2011 referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

Dated: February 1, 2005

By: _____
Authorized Signatory

(REVERSE OF NOTE)

$9^{7}/_{8}$% Senior Secured Note due 2011

1. Interest. Edgen Acquisition Corporation, a Nevada corporation (the "Company", which term includes any successors under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing August 1, 2005. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

[FOR REGULATION S TEMPORARY GLOBAL NOTES INSERT: Until this Regulation S Temporary Global Note is exchanged for one or more Regulation S Permanent Global Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Note shall in all other respects be entitled to the same benefits as other Notes under the Indenture.]

2. Method of Payment. The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("U.S. Legal Tender"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company may deliver any such interest payment to the Paying Agent or to a Holder at the Holder' s registered address.

3. Paying Agent and Registrar. Initially, The Bank of New York (the "Trustee") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. Indenture. The Notes were issued under an Indenture, dated as of February 1, 2005 (the "Indenture"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "TIA"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise

defined herein.

5. Redemption.

(a) Optional Redemption on or after February 1, 2008. Except as described in Sections 5(b) and 5(c), the Notes are not redeemable before February 1, 2008. At any time on or after February 1, 2008, the Company may redeem the Notes, at its option, in whole or

in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on February 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2008	104.938%
2009	102.469%
2010 and each year thereafter	100.000%

(b) Optional Redemption Upon Equity Offerings. At any time, or from time to time, on or prior to February 1, 2007, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 109.875% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such Redemption Date; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) Optional Redemption Prior to February 1, 2008. At any time prior to February 1, 2008, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes being redeemed; or

(2) the sum of the present values of 104.938 % of the principal amount of the Notes being redeemed and scheduled payments of interest on such Notes to and including February 1, 2008 discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, together in either case with accrued and unpaid interest, if any, to the date of redemption.

"*Comparable Treasury Issue*" means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Company as having a maturity comparable to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008) that would be utilized at the time of the selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008).

"*Comparable Treasury Price*" means, with respect to any Redemption Date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 pm. Quotations for U.S. Government Securities" or (2) if such release (or any successor release is not published or does not contain such prices on such Business Day), (A) the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Company obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"*Reference Treasury Dealer*" means any primary U.S. government securities dealer in the City of New York selected by the Company.

"*Reference Treasury Dealer Quotation*" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a

percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such Redemption Date.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption period.

(d) Notice of Redemption. Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, provided that no Notes of a principal amount of $1,000 or less shall be redeemed in part; and provided, further, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $1,000 or more may be redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to receive payment of the Redemption Price plus accrued and unpaid interest and Additional

Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) Mandatory Redemption. The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. Offers to Purchase. Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. Registration Rights. Pursuant to the Registration Rights Agreement among Edgen Corporation, a Nevada corporation (the "Surviving Corporation"), the Guarantors party thereto and the Initial Purchaser of the Initial Notes, the Surviving Corporation will be obligated to consummate an exchange offer. Upon such exchange offer, the Holders of the Initial Notes shall have the right, subject to compliance with securities laws, to exchange such Initial Notes for $9^{7}/_{8}$% Senior Notes due 2011, which have been registered under the Securities Act, in like principal amount and having terms identical in all material respects to the Initial Notes. The Holders of the Initial Notes shall be entitled to receive certain additional interest payments in the event such exchange offer is not consummated and upon certain other conditions, all pursuant to and in accordance with the terms of the Registration Rights Agreement.

8. Denominations; Transfer; Exchange. The Notes are in registered form, without coupons, in denominations of $1,000 and integral multiples thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

9. Persons Deemed Owners. The registered Holder of a Note shall be treated as the owner of it and the Notes of which it is composed for all purposes.

10. Unclaimed Money. If money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. Discharge Prior to Redemption or Maturity. If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

12. Amendment; Supplement; Waiver. Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

13. Restrictive Covenants. The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

14. Successors. When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

15. Defaults and Remedies. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest and except in case of a failure to comply with Article Five of the Indenture) if it determines that withholding notice is in their interest.

16. Trustee Dealings with Company. Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

17. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

18. Notation of Guarantee. Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

19. Intercreditor Agreement. Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreements and all such replacement Intercreditor Agreements and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement.

20. Authentication. This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

21. Governing Law. THIS NOTE, THE GUARANTEES, THE COLLATERAL AGREEMENTS AND THE INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

22. Waiver of Jury Trial. Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

23. Security. The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

24. Abbreviations and Defined Terms. Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

25. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Edgen Corporation, 18444 Highland Road, Baton Rouge, Louisiana 70809

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint _____ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) February 1, 2007, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) ☐ to the Company or a subsidiary thereof; or

(2) ☐ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) ☐ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) ☐ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) ☐ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) ☐ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of

Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned' s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

_____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 ☐

Section 4.11 ☐

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $1,000 only, except if you have elected to have all of your Notes purchased):

$

Dated: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser' s bank or broker.

Social Security or
Tax ID No : _____

Signature Guarantee: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Physical Note, or exchanges of an interest in another Global Note or a Physical Note for an interest in this Global Note, have been made:

Amount of Decrease in Principal Amount	**Amount of Increase in Principal Amount**	**Principal Amount of this Global Note Following Such**	**Signature of Authorized Officer of**

	of this Global Note	of this Global Note	Decrease or Increase	Trustee or Note Custodian
Date of Exchange				

GUARANTEE

Each Guarantor listed below (which term "Guarantor" includes any successors or assigns under the Indenture, dated the date hereof, among Edgen Acquisition Corporation, a Nevada corporation, or any successor company thereto (the "Issuer") and The Bank of New York, as trustee (the "Indenture"), as supplemented by any supplemental indentures thereto), has executed a supplemental indenture in substantially the form attached as Exhibit F to the Indenture and each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally, unconditionally and irrevocably guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "Guarantee"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(8) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.03 of the Indenture.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to such Indenture for the precise terms of this Guarantee.

No direct or indirect stockholder, incorporator, controlling Person, employee, officer or director, as such, past, present or future of the Issuer, the Guarantors or any successor entity shall have any personal liability in respect of the Issuer' s obligations or the obligations of the Guarantors under this Indenture, the Notes, the Guarantees, the Registration Rights Agreement, the collateral Agreements or the Intercreditor Agreement solely by reason of his, her or its status as such stockholder, incorporator, controlling Person, employee, officer or director, except that this provision shall in no way limit the obligation of any Guarantor pursuant to any Guarantee of the Notes. This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Issuer' s obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions

hereof. This is a Guarantee of payment and performance and not of collectibility. This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

The obligations of each Guarantor under this Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE TEN OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

[signature page follows]

IN WITNESS WHEREOF, each Guarantor has caused this instrument to be duly executed.

Dated: February 1, 2005

EDGEN LOUISIANA CORPORATION

By: _____
Name:
Title:

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: _____
Name:
Title:

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: _____
Name:
Title:

EXHIBIT B

[FORM OF EXCHANGE NOTE]

EDGEN CORPORATION

$9^{7}/_{8}$% SENIOR SECURED NOTES DUE 2011

CUSIP No.
No. $

Edgen Corporation, a Nevada corporation (the "Company", which term includes any successors under the Indenture hereinafter referred to), for value received promise to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS ($[ ]) on February 1, 2011.

Interest Rate: $9^{7}/_{8}\%$

Interest Payment Dates: February 1 and August 1, commencing August 1, 2005.

Record Dates: January 15 and July 15.

Reference is made to the further provisions of this Note contained on the reverse side of this Note, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

EDGEN CORPORATION

By: _____
Name:
Title:

Dated: , 2005

TRUSTEE CERTIFICATE OF AUTHENTICATION

This is one of the $9^{7}/_{8}\%$ Senior Secured Notes due 2011 referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

Dated: February 1, 2005

By: _____
Authorized Signatory

(REVERSE OF NOTE)

$9^{7}/_{8}\%$ Senior Secured Note due 2011

1. Interest. Edgen Corporation, a Nevada corporation (the "Company", which term includes any successor entity), promises to pay interest on the principal amount of this Note at the rate per annum shown above. Interest on the Note will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance. The Company will pay interest in cash semi-annually in arrears on each Interest Payment Date, commencing August 1, 2005. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

[FOR REGULATION S TEMPORARY GLOBAL NOTES INSERT: Until this Regulation S Temporary Global Note is exchanged for one or more Regulation S Permanent Global Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Note shall in all other respects be entitled to the same benefits as other Notes under the Indenture.]

2. Method of Payment. The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are the registered Holders at the close of business on the Record Date immediately preceding the Interest Payment Date even if the Notes are cancelled on registration of transfer or registration of exchange after such Record Date, and on or before such Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts ("U.S. Legal Tender"). However, the Company may pay principal and interest by check payable in such U.S. Legal Tender. The Company may deliver any such interest payment to the Paying Agent or to a Holder at the Holder' s registered address.

3. Paying Agent and Registrar. Initially, The Bank of New York (the "Trustee") will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar without notice to the Holders. Neither the Company nor any Affiliate of the Company may act as Paying Agent.

4. Indenture. The Notes were issued under an Indenture, dated as of February 1, 2005 (the "Indenture"), by and between the Company and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb) (the "TIA"), as in effect on the date of the Indenture until such time as the Indenture is qualified under the TIA, and thereafter as in effect on the date on which the Indenture is qualified under the TIA. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders of Notes are referred to in the Indenture and the TIA for a statement of such terms. The Notes are senior secured obligations of the Company. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as the same may be amended from time to time. Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein.

5. Redemption.

(a) Optional Redemption on or after February 1, 2008. Except as described in Sections 5(b) and 5(c), the Notes are not redeemable before February 1, 2008. At any time on or after February 1, 2008, the Company may redeem the Notes, at its option, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on February 1, of each of the years set forth below, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date:

Year	Percentage
2008	104.938%
2009	102.469%
2010 and each year thereafter	100.000%

(b) Optional Redemption Upon Equity Offerings. At any time, or from time to time, on or prior to February 1, 2007, the Company may, at its option, use an amount not to exceed the net cash proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 109.875% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Interest, thereon, if any, to the Redemption Date. In order to effect the foregoing redemption with the proceeds of any Equity Offering,

(1) at least 65% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued under the Indenture shall remain outstanding immediately after such Redemption Date; and

(2) the Redemption Date must be as of a date not more than 120 days after the consummation of any such Equity Offering.

(c) Optional Redemption Prior to February 1, 2008. At any time prior to February 1, 2008, the Company may, at its option, redeem the Notes for cash, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days notice to each Holder of Notes, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes being redeemed; or

(2) the sum of the present values of 104.938% of the principal amount of the Notes being redeemed and scheduled payments of interest on such Notes to and including February 1, 2008 discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, together in either case with accrued and unpaid interest, if any, to the date of redemption.

"*Comparable Treasury Issue*" means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Company as having a maturity comparable to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008) that would be utilized at the time of the selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes (as if the final maturity of the Notes was February 1, 2008).

"*Comparable Treasury Price*" means, with respect to any Redemption Date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 pm. Quotations for U.S. Government Securities" or (2) if such release (or any successor release is not published or does not contain such prices on such Business Day), (A) the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Company obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"*Reference Treasury Dealer*" means any primary U.S. government securities dealer in the City of New York selected by the Company.

"*Reference Treasury Dealer Quotation*" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such Redemption Date.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption period.

(d) Notice of Redemption. Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the Redemption Date to each Holder to be redeemed at its registered address. If fewer than all of the Notes are to be redeemed, at any time, selection of the Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee may reasonably determine is fair and appropriate, provided that no Notes of a principal amount of $1,000 or less shall be redeemed in part; and provided, further, that any such partial redemption made with the proceeds of an Equity Offering will be made only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to DTC procedures), unless such method is otherwise prohibited. Notes in denominations of $1,000 or more may redeemed in part.

Except as set forth in the Indenture, if monies for the redemption of the Notes called for redemption shall have been deposited with the Paying Agent for redemption on such Redemption Date sufficient to pay such Redemption Price plus accrued and unpaid interest and Additional Interest, if any, the Notes called for redemption will cease to bear interest from and after such Redemption Date, and the only remaining right of the Holders of such Notes will be to

receive payment of the Redemption Price plus accrued and unpaid interest and Additional Interest, if any, as of the Redemption Date upon surrender to the Paying Agent of the Notes redeemed.

(e) Mandatory Redemption. The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. Offers to Purchase. Sections 4.10 and 4.11 of the Indenture provide that upon the occurrence of a Change of Control and after certain Asset Sales and subject to further limitations contained therein, the Company will make an offer to purchase certain amounts of the Notes in accordance with the procedures set forth in the Indenture.

7. Denominations; Transfer; Exchange. The Notes are in registered form, without coupons, in denominations of $1,000 and integral multiples thereof. A Holder shall register the transfer of or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes, fees or similar governmental charges payable in connection therewith as permitted by the Indenture. The Registrar shall not be required to register the transfer or exchange of any Note (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Notes and ending at the close of business on the day of such mailing and (ii) selected for redemption in whole or in part pursuant to Article Three of the Indenture, except the unredeemed portion of any Note being redeemed in part.

8. Persons Deemed Owners. The registered Holder of a Note shall be treated as the owner of it and the Notes of which it is composed for all purposes.

9. Unclaimed Money. If money for the payment of principal or interest remains unclaimed for two years, the Trustee and the Paying Agent may pay the money without interest thereon back to the Company. After that, all liability of the Trustee and such Paying Agent with respect to such money shall cease.

10. Discharge Prior to Redemption or Maturity. If the Company at any time deposits with the Trustee U.S. Legal Tender or U.S. Government Obligations sufficient to pay the principal of and interest on the Notes to redemption or stated maturity and complies with the other provisions of the Indenture relating thereto, the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for the rights of Holders to receive payments in respect of the principal of, and premium, if any, interest and Additional Interest, if any, on the Notes when such payments are due from the deposits referred to above.

11. Amendment; Supplement; Waiver. Subject to certain exceptions, the Indenture, the Notes or the Guarantees may be amended or supplemented with the written consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and any existing Default or Event of Default or noncompliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency, provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees, comply with the TIA, or comply with Article Five of the Indenture or make any other change that does not adversely affect the rights of any Holder of a Note.

12. Restrictive Covenants. The Indenture imposes certain limitations on the ability of the Company and the Restricted Subsidiaries to, among other things, incur additional Indebtedness or grant Liens, make payments in respect of their Capital Stock or certain Indebtedness, enter into transactions with Affiliates, create dividend or other payment restrictions affecting Subsidiaries, merge or consolidate with any other Person, sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets or adopt a plan of liquidation. Such limitations are subject to a number of important qualifications and exceptions. The Company must annually report to the Trustee on compliance with such limitations.

13. Successors. When a successor assumes, in accordance with the Indenture, all the obligations of its predecessor under the Notes, the Guarantees and the Indenture, the predecessor will be released from those obligations.

14. Defaults and Remedies. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable in the manner, at the time and with the effect provided in the Indenture. Holders of Notes may not enforce the Indenture except as provided in the Indenture. The Trustee is

not obligated to enforce the Indenture or the Notes unless it has received indemnity satisfactory to it. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of Notes notice of any continuing Default or Event of Default (except a Default in payment of principal or interest) if it determines that withholding notice is in their interest.

15. Trustee Dealings with Company. Subject to the terms of the TIA and the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiaries or their respective Affiliates as if it were not the Trustee.

16. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, this Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

17. Notation of Guarantee. Subject to the terms and conditions of Article Ten of the Indenture, payment of principal, interest and Additional Interest, if any (including interest on overdue principal and overdue interest, if lawful), is unconditionally guaranteed, jointly and severally, by each of the Guarantors.

18. Intercreditor Agreement. Each Holder, by its acceptance of its Note, agrees to be bound by the terms of the Intercreditor Agreements and all such replacement Intercreditor Agreements and each of the Guarantors, if any, and the Holders hereby authorize the Trustee and the Collateral Agent to bind the Holders to the extent provided in the Intercreditor Agreement.

19. Authentication. This Note shall not be valid until the Trustee or Authenticating Agent manually signs the certificate of authentication on this Note.

20. Governing Law. THIS NOTE, THE GUARANTEES, THE COLLATERAL AGREEMENTS AND THE INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.

21. Waiver of Jury Trial. Each of the parties hereto and the Holders (by their acceptance of the Note) hereby irrevocably waives, to the fullest extent permitted by law, any and all right to trial by jury in any action or proceeding arising out of or in connection with the Indenture, this Note, the Guarantees, the Collateral Agreements or the transactions contemplated by the Indenture.

22. Security. The Company' and Guarantors' obligations under the Notes are secured by Liens on the Collateral pursuant to the terms of the Collateral Agreements. The actions of the Trustee and the Holders of the Notes secured by such Liens and the application of proceeds from the enforcement of any remedies with respect to such Collateral are limited pursuant to the terms of the Collateral Agreements.

23. Abbreviations and Defined Terms. Customary abbreviations may be used in the name of a Holder of a Note or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

24. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Company will furnish to any Holder of a Note upon written request and without charge a copy of the Indenture. Requests may be made to: Edgen Corporation, 18444 Highland Road, Baton Rouge, Louisiana 70809

ASSIGNMENT FORM

If you the Holder want to assign this Note, fill in the form below and have your signature guaranteed:

I or we assign and transfer this Note to:

_____

_____

(Print or type name, address and zip code and
social security or tax ID number of assignee)

and irrevocably appoint agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

In connection with any transfer of this Note occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering resales of this Note (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) [ ], 2007, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

(1) ☐ to the Company or a subsidiary thereof; or

(2) ☐ pursuant to and in compliance with Rule 144A under the Securities Act; or

(3) ☐ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

(4) ☐ outside the United States to a person other than a "U.S. person" in compliance with Rule 904 of Regulation S under the Securities Act; or

(5) ☐ pursuant to the exemption from registration provided by Rule 144 under the Securities Act; or

(6) ☐ pursuant to an effective registration statement under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided that if box (3), (4) or (5) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee or the Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Dated: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned' s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, check the appropriate box:

Section 4.10 ☐

Section 4.11 ☐

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.10 or 4.11 of the Indenture, state the amount you elect to have purchased (in denominations of $1,000 only, except if you have elected to have all of your Notes purchased):

$

Dated: _____ Signature: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever and be guaranteed by the endorser' s bank or broker.

Social Security or
Tax ID No : _____

Signature Guarantee: _____

EXHIBIT C

[FORM OF LEGEND FOR GLOBAL NOTES]

Any Global Note authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

[If a Regulation S Temporary Global Note, insert: THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.]

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXHIBIT D

Form of Certificate To Be
Delivered in Connection with
Transfers to Non-QIB Accredited Investors

,

The Bank of New York
101 Barclay Street
Floor 8W
New York, New York 10286
Attn: Corporate Trust Administration

Re: 9 7/8% Senior Secured Notes due 2011 (the "Notes") of Edgen Acquisition Corporation, a Nevada corporation (the "Company," which term includes any successor entity)

Ladies and Gentlemen:

In connection with our proposed purchase of $ aggregate principal amount of the Notes, we confirm that:

1. We have received a copy of the Offering Circular (the "Offering Circular"), dated January 25, 2005, relating to the Notes and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agreed to the matters stated in the section entitled "Notice to Investors" of the Offering Circular.

2. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of February 1, 2005 relating to the Notes (the "Indenture") and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell or otherwise transfer any Notes prior to the date which is within two years after the original issuance of the Notes or the last date on which the Note is owned by the Company or any affiliate of the Company, we will do so only (i) to the Company or any of its subsidiaries, (ii) inside the United States in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), (iii) inside the United States to an institutional "accredited investor" (as defined below) provided that, prior to such transfer, the transferee furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes,

substantially in the form of this letter, (iv) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (v) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (vi) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

4. We are not acquiring the Notes for or on behalf of, and will not transfer the Notes to, any pension or welfare plan (as defined in Section 3 of the Employee Retirement Income Security Act of 1974), except as permitted in the section entitled "Notice to Investors" of the Offering Circular.

5. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certification, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks

of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investment, as the case may be.

7. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

8. We are not acquiring Notes with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of our property and the property of any accounts for which we are acting as fiduciary shall remain at all times within our and their control.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby, and we agree to notify you promptly if any of our representations or warranties herein cease to be accurate and complete.

This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

Very truly yours,

[Name of Transferee]

By: _____

Authorized Signature

EXHIBIT E

Form of Certificate To Be
Delivered in Connection with
Transfers Pursuant to Regulation S

The Bank of New York
101 Barclay Street
Floor 8W
New York, New York 10286
Attn: Corporate Trust Administration

Re: $9^{7}/_{8}$% Senior Secured Notes due 2011 (the "Notes") of Edgen Acquisition Corporation, a Nevada corporation (the "Company," which term includes any successor entity)

Ladies and Gentlemen:

In connection with our proposed sale of $ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

1. the offer of the Notes was not made to a person in the United States;

2. either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

3. no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

4. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

5. we have advised the transferee of the transfer restrictions applicable to the Notes.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferee]

By: _____

Authorized Signature

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE

TO BE DELIVERED BY GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of February 1, 2005, among the parties identified in the signature page of this Supplemental Indenture as a Guaranteeing Subsidiary (each a "Guaranteeing Subsidiary") of the Company, and The Bank of New York, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, Edgen Acquisition Corporation, a Nevada corporation (the "Issuer") has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of February 1, 2005, providing for the issuance of $9^{7}/_{8}$% Senior Secured Notes due 2011 (the "Notes");

WHEREAS, on February 1, 2005 the Issuer merged (the "Merger") with and into Edgen Corporation, a Nevada corporation (the "Company") and upon effectiveness of the Merger, the Company assumed the Issuer' s obligations under the Indenture;

WHEREAS, Section 4.16 of the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture and a Guarantee pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Company' s obligations under the Notes and the Indenture on the terms and conditions set forth therein and herein and in such Guarantee; and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee is authorized to execute and delivery this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Joinder to Indenture. Each of the Guaranteeing Subsidiaries hereby agree to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations stated therein, with the same force and effect as if originally named as a Guarantor therein and as if such Guaranteeing Subsidiary executed the Indenture on the date thereof.

3. Agreement to Guarantee. Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally, unconditionally and irrevocably guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "Guarantee"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(8) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.03 of the Indenture.

The obligations of each Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Supplemental Indenture and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to such Indenture for the precise terms of the Guarantee.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation.

The Guarantee executed and delivered hereby is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company' s obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

The obligations of each Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE TEN OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

4. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date written below.

Dated: [ ]

GUARANTEEING SUBSIDIARIES:

[ ]

By: _____
Name:
Title:

THE TRUSTEE:

THE BANK OF NEW YORK, as Trustee

By: _____
Name:
Title:

EXHIBIT G

FORM OF INTERCREDITOR AND SUBORDINATION AGREEMENT

[TO BE PROVIDED]

Form of Landlord Waiver

1. A true and correct copy of the Lease is attached hereto as Exhibit A. The Lease is in full force and effect and Landlord is not aware of any existing default under the Lease.

2. The Collateral may be stored, utilized and/or installed at the Premises and shall not be deemed a fixture or part of the real estate but shall at all times be considered personal property, whether or not any of the Collateral becomes so related to the real estate that an interest therein arises under real estate law.

3. Until such time as the obligations of Company to the Holders are paid in full, Landlord disclaims any interest in the Collateral, unless secured by an IMC purchase order, and agrees not to distrain or levy upon any of the Collateral or to assert any claim against the Collateral for any reason.

4. The Collateral Agent may enter upon the Premises at any time to inspect or remove the Collateral, unless secured by an IMC purchase order, and may advertise and conduct public auctions or private sales of the Collateral at the Premises, in each case without liability of the Collateral Agent to Landlord; provided however, that the Collateral Agent shall promptly repair, at its expense, any physical damage to the Premises actually caused by said removal by the Collateral Agent. The Collateral Agent shall not be liable for any diminution in value of the Premises caused by the absence of Collateral actually removed or by any necessity of replacing the Collateral.

5. Landlord shall not interfere with any sale of the Collateral, conducted by or on behalf of the Collateral Agent on the premises in accordance with the approved terms of this agreement or if agreed to in writing by the Landlord.

6. Landlord agrees to provide the Collateral Agent with written notice of any default or claimed default by the Company under the Lease, and prior to the termination of the Lease, to permit the Collateral Agent the same opportunity to cure or cause to be cured such default as is granted the Company under the Lease, provided, however that the Collateral Agent shall have at least ten (10) days following receipt of said notice to cure such default. Landlord will permit the Collateral Agent to remain on the Premises for a period of up to thirty (30) days following receipt by Agent of written notice from Landlord that Landlord is in possession and control of the Premises, has terminated the Lease and is directing removal of the Collateral, unless secured by an IMC purchase order for said materials, subject, however, to the payment to Landlord by the Collateral Agent, prorated on per diem basis determined on a 30 day month. The Collateral Agent' s right to occupy the Premises under the preceding sentence shall be extended for the time period the Collateral Agent is prohibited from selling the Collateral due to the imposition of the automatic stay by the filing of bankruptcy proceedings by or against the Company. The Collateral Agent shall not assume nor be liable for any unperformed or unpaid obligations of the Company under the Lease.

7. This waiver shall inure to the benefit of the Collateral Agent, the Holders, their successors and assigns and shall be binding upon Landlord, its heirs, assigns, representatives and successors. Landlord agrees and consents to the filing of this document for recording on the Land Records.

[Remainder of page intentionally left blank]

Dated this day of , 20 .

LANDLORD:
[Landlord]

By: _____

LANDLORD' S ADDRESS:

_____

_____

_____

EXHIBIT A

Lease

EXHIBIT H-2

Form of Bailee and Consignee Waiver

This letter constitutes notice to you of the security interest of Collateral Agent in the Collateral now or hereafter in your possession and that with respect to all such Collateral you are acting as bailee for Collateral Agent' s benefit. Until you are notified to the contrary, however, you may continue to accept instructions from the Company regarding work to be performed and delivery of goods processed, finished and/or stored by you.

[Remainder of page intentionally left blank]

Dated this day of , 20 .

BAILEE:

[Bailee]

By: _____

BAILEE' S ADDRESS:

_____

_____

_____

Exhibit 4.2

SUPPLEMENTAL INDENTURE

Supplemental Indenture (this "Supplemental Indenture"), dated as of February 1, 2005, among the Edgen Corporation, a Nevada corporation (the "Company"), the parties identified in the signature page of this Supplemental Indenture as a Guaranteeing Subsidiary (each a "Guaranteeing Subsidiary") of the Company, and The Bank of New York, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, Edgen Acquisition Corporation, a Nevada corporation (the "Issuer," except that upon effectiveness of the Merger, "Issuer" shall mean the Company) has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of February 1, 2005, providing for the issuance of $9^{7}/_{8}$% Senior Secured Notes due 2011 (the "Notes");

WHEREAS, upon effectiveness of the Merger, the Company assumed the Issuer' s obligations under the Indenture;

WHEREAS, Section 4.16 of the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture and a Guarantee pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Issuer' s obligations under the Notes and the Indenture on the terms and conditions set forth therein and herein and in such Guarantee; and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee is authorized to execute and delivery this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Joinder to Indenture. (a) The Company hereby agrees to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations of the Issuer stated therein, with the same force and effect as if the Company had been the initial issuer of the Notes, and in connection therewith expressly assumes the due and punctual payment of the principal of, and premium, if any, interest and Additional Interest, if any, on all of the Notes and the performance of every covenant of the Notes, the Indenture and the Registration Rights Agreement on the part of the Issuer to be performed or observed thereunder (other than the second paragraph of the covenant regarding Conduct of Business set forth in Section 4.19 of the Indenture).

(b) Each of the Guaranteeing Subsidiaries hereby agrees to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations stated therein, with the same force and effect as if originally named as a Guarantor therein and as if such Guaranteeing Subsidiary executed the Indenture on the date thereof.

3. Agreement to Guarantee. Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally, unconditionally and irrevocably guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the "Guarantee"), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(8) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other

obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.03 of the Indenture.

The obligations of each Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Supplemental Indenture and the Indenture are expressly set forth in Article X of the Indenture and reference is hereby made to such Indenture for the precise terms of the Guarantee.

No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation.

The Guarantee executed and delivered hereby is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company' s obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

The obligations of each Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE X OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

4. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date written below.

Dated: February 1, 2005

EDGEN CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Senior Vice President, Chief Financial Officer and Secretary

GUARANTEEING SUBSIDIARIES:

EDGEN LOUISIANA CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

THE TRUSTEE:

THE BANK OF NEW YORK, as Trustee

By: /s/ Geovanni Barris
Name: Geovanni Barris
Title: Vice President

Exhibit 4.3

EXECUTION COPY

SECURITY AGREEMENT

This SECURITY AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Security Agreement"), dated as of February 1, 2005, is made by EDGEN CORPORATION, a Nevada corporation (as successor by merger to Edgen Acquisition Corporation) (the "Company"), each Guarantor (as defined below) signatory hereto, and each other Guarantor which may from time to time hereafter become a party hereto pursuant to Section 7.5 (each, individually, an "Additional Grantor", and collectively, the "Additional Grantors", and together with the Company, each such Subsidiary, each, individually, a "Grantor", and collectively, the "Grantors"), in favor of THE BANK OF NEW YORK, as collateral agent (together with its successor(s) thereto, in such capacity, the "Collateral Agent") for each of the Secured Parties.

W I T N E S S E T H:

WHEREAS, the Company, the other Grantors and the Collateral Agent, as trustee, have entered into an Indenture, dated as of February 1, 2005 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Indenture"), and in connection therewith, the Company has issued (the "Notes Issuance") its Senior Secured Notes due 2011 (and, if applicable, its Senior Secured Notes due 2011, Series B issued in exchange therefor) (collectively, the "Notes");

WHEREAS, the Grantors have entered into that certain Amended and Restated Loan and Security Agreement, dated as of February 1, 2005, (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Loan Agreement") among the financial institutions party thereto (together with GMAC Commercial Finance LLC ("GMAC CF"), collectively the "Senior Lenders") and GMAC CF, as agent for the Senior Lenders (in such capacity, together with its successors and assigns, in such capacity, the "Agent"), pursuant to which Agent and Senior Lenders have agreed to make certain loans and other financial accommodations available to the Grantors from time to time, which Loan Agreement is referenced as the "Senior Credit Facility" under the Indenture, and the other Grantors hereto have granted Liens to the Agent for the benefit of the Senior Lenders;

WHEREAS, as a condition precedent to the Notes Issuance, each Grantor is required to execute and deliver this Security Agreement;

WHEREAS, each Grantor has duly authorized the execution, delivery and performance of this Security Agreement; and

WHEREAS, it is in the best interests of each Grantor to execute this Security Agreement inasmuch as such Grantor will derive substantial direct and indirect benefits from proceeds of the Notes issued by the Company;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Holders to acquire the Notes and

---

maintain the Indebtedness evidenced thereby, each Grantor agrees, for the benefit of each Secured Party, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Additional Grantor" and "Additional Grantors" are defined in the preamble.

"Agent" is defined in the second recital.

"Collateral" is defined in Section 2.1.

"Collateral Agent" is defined in the preamble.

"Company" is defined in the preamble.

"Computer Hardware and Software Collateral" means:

(a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, card readers, tape drives, hard and soft disk drives, cables, computer accessories and all peripheral devices and other related computer hardware;

(b) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired by any Grantor, designed for use on the computers and electronic data processing hardware described in clause (a) above;

(c) all firmware associated therewith;

(d) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and

(e) all rights with respect to all of the foregoing, including any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all copyrights (including all copyrights for semiconductor chip product mask works) of each Grantor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including all of such Grantor' s right, title and interest in and to all copyrights registered in the United States Copyright Office

including those referred to in Item A of Schedule V attached hereto, and all applications for registration of copyrights, all copyright licenses, including each copyright license referred to in Item B of Schedule V attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

"General Intangibles" means all "general intangibles" and all "payment intangibles", each as defined in the U.C.C, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the U.C.C).

"Grantor" and "Grantors" are defined in the preamble.

"Indenture" is defined in the first recital.

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

"Loan Agreement" is defined in the second recital.

"Motor Vehicles" means motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

"Notes" is defined in the first recital.

"Notes Issuance" is defined in the first recital.

"Patent Collateral" means:

(a) all letters patent and applications for letters patent, including all patent applications in preparation for filing and including each patent and patent application referred to in Item A of Schedule III attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses, including each patent license referred to in Item B of Schedule III attached hereto; and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Schedule III attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Schedule III attached hereto, and all rights corresponding thereto throughout the world.

"Security Agreement" is defined in the preamble.

"Related Documents" means the Indenture, the Notes, this Security Agreement, the Trademark Security Agreement, the Patent Security Agreement, if any, the Copyright Security Agreement, if any, and the Mortgages.

"Secured Obligations" is defined in Section 2.2.

"Secured Parties" means the Collateral Agent, the Trustee and the Holders.

"Securities Act" is defined in Section 6.2.

"Senior Lenders" is defined in the second recital.

"Trademark Collateral" means:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, all registrations thereof and all applications in connection therewith, including registrations and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country in each case, owned by any Grantor, including those referred to in Item A of Schedule IV attached hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Schedule IV attached hereto;

(c) all renewals of any of the items described in clause (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Schedule IV attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in the business of any Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying or incorporating such Trade Secret, all Trade Secret licenses,

including each Trade Secret license referred to in Schedule VI attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"U.C.C." means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that if, with respect to any U.C.C. financing statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Collateral Agent pursuant to the applicable Related Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, then "U.C.C." means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each Related Document and any U.C.C. financing statement relating to such perfection or effect of perfection or non-perfection.

Section 1.2. Indenture Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Indenture.

Section 1.3. U.C.C. Definitions. When used herein the terms Account, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Deposit Account, Document, Electronic Chattel Paper, Equipment, Goods, Instrument, Inventory, Investment Property, Letter-of-Credit Rights, Proceeds, Promissory Notes, Securities Account, Security Entitlement and Supporting Obligations have the meaning provided in Article 8 or Article 9, as applicable, of the U.C.C. Letters of Credit has the meaning provided in Section 5-102 of the U.C.C.

ARTICLE II

SECURITY INTEREST

Section 2.1. Grant of Security Interest. Each Grantor hereby assigns, pledges, hypothecates, charges, mortgages, delivers, and transfers to the Collateral Agent for its benefit and the ratable benefit of each of the Secured Parties, and hereby grants to the Collateral Agent for its benefit and the ratable benefit of each of the Secured Parties, a continuing security interest in all of the following property, whether tangible or intangible, whether now or hereafter existing, owned or acquired by such Grantor, and wherever located (collectively the "Collateral"):

(a) Accounts;

(b) Chattel Paper;

(c) Commercial Tort Claims listed on Item H of Schedule II (as such schedule may be amended or supplemented from time to time);

(d) Deposit Accounts;

(e) Documents;

(f) General Intangibles;

(g) Goods;

(h) Instruments;

(i) Investment Property;

(j) Letter-of-Credit Rights and Letters of Credit;

(k) Supporting Obligations;

(l) all books, records, writings, databases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section;

(m) all Proceeds of the foregoing and, to the extent not otherwise included, (A) all payments under insurance (whether or not the Collateral Agent is the loss payee thereof) and (B) all tort claims; and

(n) all other property and rights of every kind and description and interests therein.

Notwithstanding the foregoing, "Collateral" shall not include Excluded Assets of such Grantor.

Section 2.2. Security for Obligations. This Security Agreement secures the payment of all Obligations of the Company now or hereafter existing under the Indenture, the Notes and each other Related Document to which the Company is or may become a party, whether for principal, interest, costs, fees, expenses or otherwise, and all Obligations of each Grantor now or hereafter existing under its Subsidiary Guarantee, this Security Agreement and each other Related Document to which such Grantor is or may become a party (all such obligations of such Grantor being the "Secured Obligations").

Section 2.3. Delivery of Intercompany Notes. Except with respect to any Term Intercompany Notes (as defined in the Loan Agreement) required under the terms of Section 6.11(ii) of the Loan Agreement to be secured by the security agreement described in such Section (each a "Working Capital Intercompany Note") prior to the payment in full in cash of the Obligations (as defined in the Loan Agreement) and the irrevocable termination of the Loan Agreement, all Collateral comprised of intercompany notes evidenced by an Instrument shall be delivered to and held by or on behalf of (and endorsed to the order of) the Collateral Agent pursuant hereto, shall be in suitable form for transfer by delivery, and shall be accompanied by all necessary instruments of transfer or assignment, duly executed in blank.

Section 2.4. Payments on Intercompany Notes. Except with respect to any Working Capital Intercompany Notes prior to the payment in full in cash of the Obligations (as defined in the Loan Agreement) and the irrevocable termination of the Loan Agreement, in the

event that any payment of principal or interest is to be made on any intercompany note at a time when no Event of Default has occurred and is continuing or would result therefrom such Dividend or

payment may be paid directly to the applicable Grantor. If any such or Event of Default has occurred and is continuing, then any such Dividend or payment shall be paid directly to the Collateral Agent or, with respect to any Working Capital Intercompany Notes prior to the payment in full in cash of the Obligations (as defined in the Loan Agreement) and the irrevocable termination of the Loan Agreement, to the Agent.

Section 2.5. Continuing Security Interest; Transfer of Notes. This Security Agreement shall create a continuing security interest in the Collateral and shall

(a) remain in full force and effect until payment in full in cash of all Secured Obligations,

(b) be binding upon each Grantor, its successors, transferees and assigns, and

(c) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and each other Secured Party.

Without limiting the generality of the foregoing clause (c), any Holder may assign or otherwise transfer (in whole or in part) any Note held by it to any other Person, and such other Person shall thereupon become vested with all the rights and benefits in respect thereof granted to such Holder under any Related Document (including this Security Agreement) or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and to the provisions of Sections 2.15 and 2.16 of the Indenture. Upon the payment in full in cash of all Secured Obligations, the security interest granted herein shall terminate and all rights to the Collateral shall revert to such Grantor. Upon any such termination, the Collateral Agent will, at such Grantor' s sole expense, execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination. Upon (i) the sale, transfer or other disposition of Collateral in accordance with Section 4.11 of the Indenture or (ii) the payment in full in cash of all Secured Obligations, the security interests granted herein shall automatically terminate with respect to (x) such Collateral (in the case of clause (i)) or (y) all Collateral (in the case of clause (ii)). Upon any such sale, transfer, disposition or termination, the Collateral Agent will, at such Grantor' s sole expense, deliver to such Grantor, without any representations, warranties or recourse of any kind whatsoever, all applicable Instruments, together with all other applicable Collateral held by the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination (including such documents as such Grantor shall reasonably request to remove the notation of the Collateral Agent as lienholder on any certificate of title for any applicable Motor Vehicle with a fair market value in excess of $50,000).

Section 2.6. Grantor Remains Liable. Anything herein to the contrary notwithstanding

(a) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed,

(b) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and

(c) neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any such contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Collateral Agent or any other Secured

Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 2.7. Security Interest Absolute. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until all of the Security Obligations have been paid in full. All rights of the Collateral Agent and the security interests granted to the Collateral Agent (for its benefit and the ratable benefit of each other Secured Party) hereunder, and all obligations of each Grantor that is a Guarantor hereunder, shall be absolute and unconditional and irrevocable, irrespective of

(a) any lack of validity, legality or enforceability of the Indenture, any Note or any other Related Document;

(b) the failure of any Secured Party

(i) to assert any claim or demand or to enforce any right or remedy against the Company, any other Grantor or any other Person under the provisions of the Indenture, any Note, any other Related Document or otherwise, or

(ii) to exercise any right or remedy against any other guarantor of, debtor or obligor with respect to, or collateral securing, any Secured Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations or any other extension, compromise or renewal of any Secured Obligations;

(d) any reduction, limitation, impairment or termination of any Secured Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and such Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Secured Obligations or otherwise;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Indenture, any Note or any other Related Document;

(f) any addition, exchange, release, surrender or non-perfection of any collateral (including the Collateral), or any amendment to or waiver or release of or addition to or consent to departure from any guaranty, for any of the Secured Obligations; or

(g) any other circumstances which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Company, any other Grantor, any surety or any guarantor, debtor or obligor.

Section 2.8. Postponement of Subrogation, etc. Each Grantor hereby agrees that it will not exercise any rights which it may acquire by reason of any payment made hereunder, whether by way of subrogation, reimbursement or otherwise, until the prior payment in full in cash of all Secured Obligations. Any amount paid to any Grantor on account of any payment made hereunder prior to the payment in full in cash of all Secured Obligations shall be held in trust for the benefit of the Secured Parties and shall immediately be paid to the Secured Parties and credited and applied against the Secured Obligations, whether matured or unmatured, in accordance with the terms of the Indenture; provided, however, that if

(a) such Grantor has made payment to the Secured Parties of all or any part of the Secured Obligations, and

(b) all Secured Obligations have been paid in full in cash,

each Secured Party agrees that, at the requesting Grantor' s request and sole expense, the Secured Parties will execute and deliver to such Grantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to such Grantor of an interest in the Secured Obligations resulting from such payment by such Grantor. In furtherance of the foregoing, for so long as any Secured Obligations remain outstanding, each Grantor shall refrain from taking any action or commencing any proceeding against the Company or any other Grantor (or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Security Agreement to any Secured Party.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1. Representations and Warranties. Each Grantor represents and warrants to each Secured Party insofar as the representations and warranties contained herein are applicable to such Grantor and its properties, as set forth in this Article III.

Section 3.2. Grantor Name, Location, etc. The jurisdiction in which each Grantor is located for purposes of Sections 9-301 and 9-307 of the U.C.C. is set forth in Item A of Schedule II hereto. Set forth in Item B of Schedule II is each location a secured party would have filed a U.C.C. financing statement to perfect a security interest in equipment, inventory and general intangibles owned by each Grantor in the past five years. No Grantor has any trade names other than those set forth in Item C of Schedule II hereto. During the past five years preceding the date hereof, no Grantor has been known by any legal name different from the one set forth on the signature page hereto, nor has such Grantor been the subject of any merger or other corporate reorganization, except as set forth in Item D of Schedule II hereto. The name set forth on the signature page is the true and correct name of such Grantor. Each Grantor' s federal taxpayer identification number is (and, during the four months preceding the date hereof, such Grantor has

not had a federal taxpayer identification number different from that) set forth in Item E of Schedule II hereto. No Grantor is a party to any federal, state or local government contract except as set forth in Item F of Schedule II hereto. No Grantor maintains any deposit accounts with any Person except as set forth in Item G of Schedule II hereto.

Section 3.3. Ownership, No Liens, etc. Such Grantor owns its Collateral free and clear of any Lien, security interest, charge or encumbrance except for the security interest created by this Security Agreement except as permitted by the Indenture. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Collateral Agent relating to this Security Agreement or as have been filed in connection with Liens permitted pursuant to Section 4.14 of the Indenture or as to which a duly executed termination statement relating to such financing statement or other instrument has been delivered to the Collateral Agent on the Closing Date.

Section 3.4. Possession and Control. Each Grantor agrees that it will maintain exclusive possession of its goods, instruments, promissory notes and inventory, other than (a) inventory in transit in the ordinary course of business, (b) inventory which is in the possession or control of a warehouseman, bailee agent or other Person (other than a Person controlled by or under common control with such Grantor) that has been notified of the security interest created in favor of the Secured Parties pursuant to this Security Agreement, and to whom such Grantor has made commercially reasonable efforts to cause to agree to hold such inventory subject to the Secured Parties' Lien and waive any Lien held by it against such inventory and (c) instruments or promissory notes that have been delivered to the Collateral Agent or the Agent, as applicable, pursuant to Section 3.5.

Section 3.5. Negotiable Documents, Instruments and Chattel Paper. Such Grantor has, contemporaneously herewith, delivered to the Agent, subject to the Senior Intercreditor Agreement, possession of all originals of all negotiable documents, instruments and chattel paper currently owned or held by such Grantor (duly endorsed in blank).

Section 3.6. Intellectual Property Collateral. With respect to any Intellectual Property Collateral the loss, impairment or infringement of which could reasonably be expected to have a Material Adverse Effect:

(a) such Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(b) to the knowledge of such Grantor such Intellectual Property Collateral is valid and enforceable;

(c) such Grantor has made all necessary filings and recordations to protect its interest in any Intellectual Property Collateral that is registered with, issued by, or the subject of an application for registration with or issuance by a Government Authority, including letters patent, trademark registrations or applications for either of the foregoing in its interests in the Patent Collateral, if any, and Trademark Collateral in the United States Patent and Trademark Office and in corresponding offices in countries in which

the failure to so file and/or record could reasonably be expected to have a Material Adverse Effect and its claims to the Copyright Collateral, if any, in the United States Copyright Office and in corresponding offices in countries in which the failure to so file and/or record could reasonably be expected to have a Material Adverse Effect;

(d) with respect to items of Intellectual Property Collateral that are owned by a Grantor, such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property Collateral and no written claim has been received by such Grantor that the use of such Intellectual Property Collateral in the business of such Grantor does or may violate the intellectual property rights of any third party; and

(e) such Grantor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every such item of owned Intellectual Property Collateral in full force and effect throughout the world, as applicable.

Such Grantor owns directly or is entitled to use by license or otherwise, all patents, Trademarks, Trade Secrets, copyrights, mask works, licenses, technology, know-how, processes and rights with respect to any of the foregoing used in the conduct of such Grantor' s business.

Section 3.7. Validity, etc. This Security Agreement creates a valid continuing security interest in the Collateral securing the payment of the Secured Obligations, and, subject to the Senior Intercreditor Agreement and Liens of the type referred to in clause (xiii) of the definition of "Permitted Liens" in the Indenture:

(a) in the case of Collateral comprised of Motor Vehicles with a fair market value in excess of $50,000, upon the recordation or notation of the Collateral Agent' s Lien on the certificates of title or ownership in respect of such Motor Vehicles and the filing of the Uniform Commercial Code financing statements delivered by the Grantor having an interest in such Motor Vehicles to the Collateral Agent with respect to such Collateral, such security interest will be a valid first priority perfected security interest;

(b) in the case of all other Collateral in which a security interest can be perfected by filing of a Uniform Commercial Code financing statements or a Collateral Agreement, upon the filing in the jurisdiction of incorporation or formation of the applicable Grantor Uniform Commercial Code financing statements or such Collateral Agreement delivered by the Grantor to the Collateral Agent with respect to such Collateral, such security interest will be a valid first priority perfected security interest (subject to Permitted Liens).

Each Grantor agrees to deliver UCC-1 and UCC-3 financing statements to a filing agent acceptable to the Collateral Agent and make any other filings reasonably necessary to perfect the security interests contemplated hereby at the sole expense of such Grantor.

Section 3.8. Authorization, Approval, etc. Except as have been obtained or made and are in full force and effect (or otherwise provided for hereunder), no authorization, approval or other

action by, and no notice to or filing with, any governmental authority or regulatory body is required either

(a) for the grant by such Grantor of the security interest granted hereby, the pledge by such Grantor of any Collateral pursuant hereto or for the execution, delivery and performance of this Security Agreement by such Grantor, or

(b) for the perfection of or the exercise by the Collateral Agent of its rights and remedies hereunder.

Section 3.9. Compliance with Laws. Such Grantor is in compliance with the requirements of all applicable laws (including the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which could reasonably be expected to have a Material Adverse Effect or which could reasonably be expected to materially adversely affect the value of the Collateral as a whole or the worth of the Collateral as a whole as collateral security.

ARTICLE IV

COVENANTS

Section 4.1. Certain Covenants. Each Grantor covenants and agrees that, so long as any portion of the Secured Obligations shall remain unpaid, such Grantor will, unless the Trustee shall otherwise consent in writing, perform, comply with and be bound by the obligations set forth in this Article IV.

Section 4.2. Change of Name, Location. No Grantor will change its name or place of incorporation or organization or federal taxpayer identification number except upon 30 days' prior written notice to the Collateral Agent. If any Grantor is organized outside of the United States, it will not change its "location" as determined in accordance with Sections 9-301 and 9-307 of the U.C.C. and as set forth in Item A of Schedule II hereto except upon 30 days' prior written notice to the Collateral Agent.

Section 4.3. As to Accounts. (a) Each Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(b) Subject to the Senior Intercreditor Agreement, upon (i) the occurrence and continuance of an Event of Default and (ii) the delivery of notice by the Collateral Agent to each Grantor, all Proceeds of Collateral received by such Grantor shall be delivered in kind to the Collateral Agent for deposit in a Deposit Account of such Grantor maintained with the Collateral Agent (together with any other Accounts pursuant to which any portion of the Collateral is deposited with the Collateral Agent, the "Collateral Accounts"), and such Grantor shall not commingle any such Proceeds, and shall hold separate and apart from all other property, all such Proceeds in express trust for the benefit of the Collateral Agent until delivery thereof is made to the Collateral Agent.

(c) Following the delivery of notice pursuant to clause (b)(ii), the Collateral Agent shall have the right to apply any amount in the Collateral Account to the payment of any Obligations which are due and payable.

(d) With respect to each of the Collateral Accounts, it is hereby confirmed and agreed that (i) deposits in such Collateral Account are subject to a security interest as contemplated hereby, (ii) such Collateral Account shall be under the control of the Collateral Agent and (iii) the Collateral Agent shall have the sole right of withdrawal over such Collateral Account.

Section 4.4. Motor Vehicles. (a) Such Grantor shall deliver to the Collateral Agent the original of the certificate of title or ownership listing the Collateral Agent as lienholder for any Motor Vehicle owned by such Grantor that has a fair market value of at least $50,000.

(b) Upon the acquisition after the date hereof by such Grantor of any Motor Vehicle having a fair market value of at least $50,000 or such Grantor shall deliver to the Collateral Agent originals of the certificates of title or ownership for such Motor Vehicles, together with the manufacturer' s statement of origin with the Collateral Agent listed as lienholder.

(c) Without limiting Section 5.1, such Grantor hereby appoints the Collateral Agent as its attorney-in-fact, effective the date hereof, and terminating upon the termination of this Security Agreement, for the purpose of (i) executing on behalf of such Grantor title or ownership applications for filing with appropriate state agencies to enable Motor Vehicles having a fair market value of at least $50,000 now owned or hereafter acquired by such Grantor to be retitled and the Collateral Agent listed as lienholder thereon, (ii) filing such applications with such state agencies and (iii) executing such other documents and instruments on behalf of, and taking such other action in the name of, such Grantor as the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof (including, without limitation, the purpose of creating in favor of the Collateral Agent a perfected lien on such Motor Vehicles and exercising the rights and remedies of the Collateral Agent under Section 6.1 hereof). This appointment as attorney-in-fact is irrevocable and coupled with an interest.

(d) Any certificates of title or ownership delivered pursuant to the terms hereof shall be accompanied by odometer statements for each such Motor Vehicle covered thereby.

Section 4.5. As to Collateral. (a) Until the occurrence and continuance of an Event of Default such Grantor (i) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Collateral Agent may reasonably request following the occurrence and continuance of an Event of Default or, in the absence of such request, as such Grantor may deem advisable, and (ii) may grant, in the ordinary course of business (except as otherwise prohibited under the Indenture), to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such

Collateral. The Collateral Agent, however, may, at any time following the occurrence and during the continuance an Event of Default, whether before or after any revocation of such power and authority or the maturity of any of the Secured Obligations, notify any parties obligated on any of the Collateral to make payment to the Collateral Agent of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Collateral Agent following the occurrence and during the continuance of an Event of Default, such Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Collateral Agent of any amounts due or to become due thereunder.

(b) Following the occurrence and during the continuance of an Event of Default, the Collateral Agent is authorized to endorse, in the name of such Grantor, any item, howsoever received by the Collateral Agent, representing any payment on or other proceeds of any of the Collateral.

Section 4.6. As to Intellectual Property Collateral. Each Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral of such Grantor:

(a) such Grantor shall not, unless such Grantor shall either (i) reasonably and in good faith determine that any of the Patent Collateral is of negligible economic value to such Grantor, or (ii) have a valid business purpose to do otherwise, do any act, or omit to do any act, whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable;

(b) such Grantor shall not, and such Grantor shall not permit any of its licensees to, unless such Grantor shall either (i) reasonably and in good faith determine that any of the Trademark Collateral is of negligible economic value to such Grantor, or (ii) have a valid business purpose to do otherwise,

(i) fail to continue to use any of the Trademark Collateral in order to maintain all of the Trademark Collateral in full force free from any claim of abandonment for non-use,

(ii) fail to maintain as in the past the quality of products and services offered under all of the Trademark Collateral in a manner which might reasonably be expected to cause material impairment of any such Trademark Collateral,

(iii) fail to employ any of the Trademark Collateral registered with any Federal or state or foreign authority with an appropriate notice of such registration,

(iv) knowingly do or permit any act or knowingly omit to do any act whereby any of the Trademark Collateral may lapse or become invalid or unenforceable;

(c) such Grantor shall not, unless such Grantor shall either (i) reasonably and in good faith determine that any of the Copyright Collateral or any of the Trade Secrets Collateral is of negligible economic value to such Grantor, or (ii) have a valid business purpose to do otherwise, do or permit any act or knowingly omit to do any act whereby any of the Copyright Collateral or any of the Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenewable term of a registration thereof;

(d) such Grantor shall notify the Collateral Agent immediately if it knows, or has reason to know, that any application or registration relating to any material item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof or any court) regarding such Grantor' s ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same;

(e) in the event such Grantor or any of its agents, employees, designees or licensees shall file an application for the registration of any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, it shall promptly inform the Collateral Agent, and upon request of the Collateral Agent, execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent' s security interest in such Intellectual Property Collateral and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(f) such Grantor shall take all necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, the Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing clauses (a), (b) and (c)); and

(g) such Grantor shall, contemporaneously herewith, execute and deliver to the Collateral Agent a Patent Security Agreement and a Trademark Security Agreement in the forms of Exhibits A and B hereto, respectively, and shall execute and deliver to the Collateral Agent any other document required to acknowledge or register or perfect the Collateral Agent' s interest in any part of the Intellectual Property Collateral.

Section 4.7. Insurance. Such Grantor will maintain or cause to be maintained with responsible insurance companies insurance with respect to its business and properties (including the Equipment and Inventory) against such casualties and contingencies and of such types and in

such amounts as is required pursuant to the Indenture and will, upon the request of the Collateral Agent, furnish a certificate of a reputable insurance broker setting forth the nature and extent of all insurance maintained by such Grantor in accordance with this Section.

Section 4.8. Further Assurances, etc. Such Grantor agrees that, from time to time at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, subject to the Senior Intercreditor Agreement, such Grantor will

(a) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or desirable, or as the Collateral Agent may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Collateral Agent hereby;

(b) promptly execute and deliver all further instruments, and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral;

(c) cause the Collateral Agent to be listed as the lienholder on the certificate of title or ownership relating to any Motor Vehicle owned by such Grantor that has a fair market value of at least $50,000;

(d) not take or omit to take any action the taking or the omission of which would result in any impairment or alteration of any obligation of the maker of any Intercompany Note or other instrument constituting Collateral;

(e) furnish to the Collateral Agent, from time to time at the Collateral Agent' s request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail;

(f) do all things reasonably requested by the Collateral Agent in order to enable the Collateral Agent to have control (as such term is defined in Article 8 and Article 9 of any applicable Uniform Commercial Code relevant to the creation, perfection or priority of Collateral consisting of investment property, deposit accounts, electronic chattel paper and letter of credit rights) over any Collateral;

(g) notify the Collateral Agent if such Grantor reasonably believes it is entitled to recover a commercial tort claim the value of which is in excess of $100,000 and such

Grantor take all such action reasonably requested by the Collateral Agent to grant to the Collateral Agent and perfect a security interest in such commercial tort claim; and

(h) in the event the Obligations and Commitments (as each such term is defined in the Loan Agreement) are terminated, use commercially reasonably efforts to enter into control agreements with respect to such Grantor' s deposit accounts within a commercially reasonable time from such termination, naming the Collateral Agent as the secured party thereunder, in each case substantially similar to the control agreements, if any, entered into by such Grantor pursuant to clause (dd) of Section 8.1 of the Loan Agreement (which shall be released in favor of a new agent upon the consummation of a replacement Credit Agreement).

With respect to the foregoing and the grant of the security interest hereunder, each Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral. Each Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any UCC financing statement covering the Collateral or any part thereof shall be sufficient as a UCC financing statement where permitted by law. Each Grantor hereby authorizes the Collateral Agent to file financing statements describing as the collateral covered thereby "all of the debtor' s personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V

THE COLLATERAL AGENT

Section 5.1. Collateral Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Collateral Agent such Grantor' s attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Collateral Agent' s discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral; and

(d) to perform the affirmative obligations of such Grantor hereunder (including all obligations of such Grantor pursuant to Section 4.10).

Such Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

Section 5.2. Collateral Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by such Grantor pursuant to Section 6.3.

Section 5.3. Collateral Agent Has No Duty. In addition to, and not in limitation of, Section 2.6, the powers conferred on the Collateral Agent hereunder are solely to protect its interest (on behalf of the Secured Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or responsibility for

(a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or

(b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

Section 5.4. Reasonable Care. The Collateral Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided, however, the Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if it takes such action for that purpose as any Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of the Collateral Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI

REMEDIES

Section 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the U.C.C. (whether or not the U.C.C. applies to the affected Collateral) and also may

(i) require each Grantor to, and such Grantor hereby agrees that it will, at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent which is reasonably convenient to both parties, and

(ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent' s offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' prior notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Collateral Agent against, all or any part of the Secured Obligations as follows:

(i) first, to the payment of any amounts payable to the Collateral Agent pursuant to Sections 6.08 and 7.07 of the Indenture and Section 6.4;

(ii) second, to the equal and ratable payment of Secured Obligations, in accordance with each Secured Party' s Secured Obligations owing to it under or pursuant to the Indenture or any other Related Document, applied

(A) first to fees and expense reimbursements then due to such Secured Party,

(B) then to interest due to such Secured Party, and

(C) then to pay the remaining outstanding Secured Obligations; and

(iii) third, to be held as additional collateral security until the payment in full in cash of all of the Secured Obligations, after which such remaining cash proceeds shall be paid over to the applicable Grantor or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Collateral Agent may,

(i) transfer all or any part of the Collateral into the name of the Collateral Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder,

(ii) notify the parties obligated on any of the Collateral to make payment to the Collateral Agent of any amount due or to become due thereunder,

(iii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or

renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto,

(iv) endorse any checks, drafts, or other writings in such Grantor' s name to allow collection of the Collateral,

(v) take control of any proceeds of the Collateral, and

(vi) execute (in the name, place and stead of such Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

Section 6.2. Compliance with Restrictions. Each Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Collateral Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental regulatory authority or official, and such Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Collateral Agent be liable nor accountable to such Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

Section 6.3. Indemnity and Expenses.

(a) Each Grantor jointly and severally agrees to indemnify the Collateral Agent from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including enforcement of this Security Agreement), except claims, losses or liabilities resulting from the Collateral Agent' s gross negligence or wilful misconduct.

(b) Each Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Collateral Agent may incur in connection with

(i) the administration of this Security Agreement,

(ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral,

(iii) the exercise or enforcement of any of the rights of the Collateral Agent or the Secured Parties hereunder, and

(iv) the failure by any Grantor to perform or observe any of the provisions hereof.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1. Related Document. This Security Agreement is a Related Document executed pursuant to the Indenture and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the provisions of Article I thereof.

Section 7.2. Amendments; etc. No amendment to or waiver of any provision of this Security Agreement nor consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent (on behalf of (x) the Holders or (y) the Holder or Holders of at least a majority in aggregate principal amount of the outstanding Notes, as the case may be), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.3. Protection of Collateral. The Collateral Agent may from time to time, at its option, perform any act which each Grantor agrees hereunder to perform and which such Grantor shall fail to perform after being requested in writing so to perform (it being understood that no such request need be given after the occurrence and during the continuance of an Event of Default) and the Collateral Agent may from time to time take any other action which the Collateral Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

Section 7.4. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and, if to any Grantor, mailed or telecopied or delivered to it, addressed to it in care of the Company at the address of the Company specified in the Indenture, if to the Collateral Agent, mailed or telecopied or delivered to it, addressed to it at the address of the Collateral Agent specified in the Indenture. All such notices and other communications, when mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any such notice or communication, if transmitted by telecopier, shall be deemed given when transmitted and electronically confirmed.

Section 7.5. Additional Grantors. Upon the execution and delivery by any other Person of an instrument in the form of Annex I hereto, such Person shall become a "Grantor" hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

Section 7.6. Section Captions. Section captions used in this Security Agreement are for convenience of reference only, and shall not affect the construction of this Security Agreement.

Section 7.7. Severability. Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any

provision of this Security Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

Section 7.8. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed an original and all of which shall constitute together but one and the same agreement.

Section 7.9. Governing Law, Entire Agreement, etc. **THIS SECURITY AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. THIS SECURITY AGREEMENT AND THE OTHER RELATED DOCUMENTS CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.**

Section 7.10. Senior Intercreditor Agreement. (a) In case of any conflict or inconsistency between this Security Agreement and the Senior Intercreditor Agreement or with respect to the rights and obligations of the parties, the Senior Intercreditor Agreement shall control; provided, however, that the terms of the Senior Intercreditor Agreement shall not increase the obligations of, or adversely affect any rights, of any Grantor, in each case under this Security Agreement.

(b) Not in limitation but in furtherance of the foregoing, any provision of this Security Agreement that provides for the Collateral Agent to have "control" of any Collateral for purposes of Article 8 or 9 of the U.C.C. shall be deemed satisfied if the Agent shall have control of such Collateral so long as the conditions described in Section 9-314(c) of the U.C.C. shall not be satisfied prior to the Collateral Agent obtaining control of any such Collateral following the relinquishment of such control by the Agent unless the Lien of the Collateral Agent in such Collateral is terminated or released in accordance with the terms hereof or the Senior Intercreditor Agreement.

(c) Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to this Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder, are subject to the provisions of the Senior Intercreditor Agreement. In the event of any conflict between the terms of the Senior Intercreditor Agreement and this Security Agreement, the terms of the Senior Intercreditor Agreement shall govern.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, each Grantor has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

EDGEN CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Senior Vice President, Chief Financial Officer and Secretary

EDGEN LOUISIANA CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

THE BANK OF NEW YORK, as Collateral Agent

By: /s/ Geovanni Barris
Name: Geovanni Barris
Title: Vice President

Exhibit 10.1

$105,000,000

EDGEN ACQUISITION CORPORATION

to be merged with and into

EDGEN CORPORATION

9.875% Senior Secured Notes due 2011

PURCHASE AGREEMENT

January 25, 2005

JEFFERIES & COMPANY, INC.
520 Madison Avenue
12th Floor
New York, New York 10022

Ladies and Gentlemen:

Edgen Acquisition Corporation, a Nevada corporation (the "Acquisition Corporation") to be merged (the "Merger") with and into Edgen Corporation, a Nevada corporation (the "Company"), the Company and each of the Guarantors (as hereinafter defined) hereby agree with you as follows:

1. Issuance of Notes. Subject to the terms and conditions herein contained, Acquisition Corporation (the "Issuer," except that references to the "Issuer" shall be deemed upon effectiveness of the Merger to refer to the Company) proposes to issue and sell to Jefferies & Company, Inc. (the "Initial Purchaser") $105,000,000 aggregate principal amount of 9.875% Senior Secured Notes due 2011 (each a "Note" and, collectively, the "Notes"). The Notes will be issued pursuant to an indenture (the "Indenture"), as supplemented by a supplemental indenture (the "Supplemental Indenture") to be dated as of the Closing Date (as hereinafter defined), by and among the Issuer, the Guarantors party thereto, as applicable, and The Bank of New York, as trustee (in such capacity, the "Trustee") and collateral agent (in such capacity, the "Collateral Agent"). Capitalized terms used, but not defined herein, shall have the meanings set forth in the "Description of the Notes" section of the Final Offering Circular (as hereinafter defined).

The Notes will be offered and sold to the Initial Purchaser pursuant to an exemption from the registration requirements under the Securities Act of 1933, as amended (the "Act"). Upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Act, the Notes shall bear the legends set forth in the final offering circular, dated the date hereof (the "Final Offering Circular"). The Issuer and the Company have prepared a preliminary offering circular, dated January 12, 2005 (the "Preliminary Offering Circular"), and the Final Offering Circular relating to the offer and sale of the Notes (the "Offering"). "Offering Circular" means, as of any date or time referred to in this Agreement, the most recent offering circular (whether the Preliminary Offering Circular or the Final Offering Circular, and any amendment or supplement to either such document), including exhibits and schedules thereto.

Concurrently with the sale of the Notes on the Closing Date, the Company will enter into a new amended and restated senior secured revolving credit facility among the Company and the Subsidiaries of

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the Company named therein, GMAC Commercial Finance LLC, and the other lenders signatory thereto, which provides for a revolving loan facility in an amount of up to $20.0 million (the "Credit Agreement").

2. Terms of Offering. The Initial Purchaser has advised the Issuer and the Company, and the Issuer and the Company understand, that the Initial Purchaser will make offers to sell (the "Exempt Resales") the Notes purchased by the Initial Purchaser hereunder on the terms set forth in the Final Offering Circular solely to persons (the "Subsequent Purchasers") whom the Initial Purchaser reasonably believes to be (i) "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Act (ii) (based upon written representations made by such persons to the Initial Purchaser) institutional "accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) under the Act ("Accredited Investors") or (iii) non-U.S. persons in reliance upon Regulation S under the Act.

Pursuant to the Indenture (as supplemented by the Supplemental Indenture defined below), all Domestic Restricted Subsidiaries of the Company shall jointly and severally and fully and unconditionally guarantee, on a senior secured basis, to each holder of the Notes and the Trustee, the payment and performance of the Company' s obligations under the Indenture and the Notes (each such subsidiary being referred to herein as a "Guarantor" and each such guarantee being referred to herein as a "Guarantee").

Pursuant to the terms of the Collateral Agreements, all of the obligations under the Notes and the Indenture will be secured by a lien and security interest in substantially all of the assets of the Company and its Domestic Restricted Subsidiaries (other than, as provided by the Collateral Agreements, certain excluded assets such as the leasehold interests of the Company or its subsidiaries and the Capital Stock of any of their respective subsidiaries); provided however that the liens securing all of the obligations under the Notes and the Indenture will be contractually subordinated to the liens securing the Credit Agreement with respect to collateral consisting of accounts, inventory and certain related assets.

Holders of the Notes (including Subsequent Purchasers) will have the registration rights set forth in the registration rights agreement applicable to the Notes (the "Registration Rights Agreement"), to be executed on and dated as of the Closing Date, in a form reasonably acceptable to the Issuer and the Initial Purchaser in conformity with the description of such registration rights contained in the Offering Circular. Pursuant to the Registration Rights Agreement, the Company will agree, among other things, to file with the Securities and Exchange Commission (the "SEC") (a) a registration statement under the Act relating to Senior Secured Notes (the "Exchange Notes") which shall be identical to the Notes (except that the Exchange Notes shall have been registered pursuant to such registration statement and will not be subject to restrictions on transfer or contain additional interest provisions) to be offered in exchange for the Notes (such offer to exchange being referred to as the "Exchange Offer"), and/or (b) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Act (the "Shelf Registration Statement") relating to the resale by certain holders of the Notes. If required under the Registration Rights Agreement, the Company will issue Exchange Notes to the Initial Purchaser (the "Private Exchange Notes"). If the Company fails to satisfy its obligations under the Registration Rights Agreement, it will be required to pay additional interest to the holders of the Notes under certain circumstances in accordance with the terms of the Registration Rights Agreement.

Effective upon consummation of the Merger, the Company will assume the Issuer' s obligations under the Indenture, the Collateral Agreements and the Notes, and will cause the Guarantors to become Guarantors and execute a supplemental indenture (the "Supplemental Indenture") to the Indenture as required by the Indenture.

This Agreement, the Indenture, the Supplemental Indenture, the Collateral Agreements, the Registration Rights Agreement, the Notes, the Guarantees, the Exchange Notes and the Private Exchange Notes are collectively referred to herein as the "Documents."

3. Purchase, Sale and Delivery. On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Issuer agrees to issue and sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Issuer, $105,000,000 aggregate principal amount of Notes for a purchase price equal to the aggregate principal amount thereof, net of fees and commissions to the Initial Purchaser in an amount equal to $5,150,000, of which $3,150,000 is commissions. Delivery to the Initial Purchaser of and payment for the Notes shall be made at a Closing (the "Closing") to be held at 10:00 a.m., New York time, on February 1, 2005 (the "Closing Date") at the New York offices of Dechert LLP. The Closing Date and time and location of the Closing may be varied by agreement between the Initial Purchaser and the Issuer.

The Issuer shall deliver to the Initial Purchaser one or more certificates representing the Notes in definitive form, registered in such names and denominations as the Initial Purchaser may request upon at least two business days prior to the Closing, against payment by

the Initial Purchaser of the purchase price therefor by immediately available Federal funds bank wire transfer to such bank account or accounts as the Issuer shall designate to the Initial Purchaser at least two business days prior to the Closing. The certificates representing the Notes in definitive form shall be made available to the Initial Purchaser for inspection at the New York offices of Dechert LLP (or such other place as shall be reasonably acceptable to the Initial Purchaser) not later than the close of business one business day immediately preceding the Closing Date. Notes to be represented by one or more definitive global securities in book-entry form will be deposited on the Closing Date, by or on behalf of the Issuer, with The Depository Trust Company ("DTC") or its designated custodian, and registered in the name of Cede & Co.

4. Representations and Warranties of the Issuer, the Company and the Guarantors. The Issuer represents and warrants to the Initial Purchaser that:

(a) The Preliminary Offering Circular as of its date did not, and the Final Offering Circular as of its date did not, and as of the Closing Date will not, contain any untrue statement of a material fact, or omit to state a material fact (except in the case of the Preliminary Offering Circular, for pricing terms and other financial or similar terms intentionally left blank) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this Section 4(a) do not apply to statements or omissions made in reliance upon and in conformity with information relating to the Initial Purchaser and furnished to the Issuer or the Company in writing by the Initial Purchaser expressly for use in the Preliminary Offering Circular or the Final Offering Circular. No injunction or order has been issued that either (i) asserts that any of the transactions contemplated by the Documents is subject to the registration requirements of the Act or (ii) would prevent or suspend the issuance or sale of any of the Notes or the use of the Preliminary Offering Circular, the Final Offering Circular or any amendment or supplement thereto, in any jurisdiction. Each of the Preliminary Offering Circular and the Final Offering Circular, as of their respective dates contained, and the Final Offering Circular, as of the Closing Date will contain, all the information specified in, and meet the requirements of Rule 144A(d)(4) under the Act.

(b) Each corporation, partnership, or other entity in which the Company, directly or indirectly through any of its subsidiaries, owns more than fifty percent (50%) of any class of equity securities or interests is listed on Schedule I attached hereto (the "Subsidiaries"). Each such Subsidiary that is a Foreign Restricted Subsidiary has an asterisk ("*") next to its name on such

schedule. Acquisition Corporation does not have any Subsidiaries as of the date hereof and as of the Closing Date will not have any Subsidiaries other than as a result of the Acquisition.

(c) Each of the Issuer, the Company and the Subsidiaries (i) has been duly organized or formed and is a validly existing corporation or limited liability company, as the case may be, and is in good standing under the laws of its jurisdiction of organization, (ii) has all requisite corporate or limited liability company power and corporate or limited liability company authority to carry on its business and to own, lease and operate its properties and assets as described in the Offering Circular, and (iii) is duly qualified or licensed to do business and is in good standing as a foreign corporation or limited liability company, as the case may be, authorized to do business in each jurisdiction in which the nature of such businesses or the ownership or leasing of such properties requires such qualification, except where the failure to be so qualified, licensed or in good standing would not, individually or in the aggregate, have a material adverse effect on (A) the properties, business, operations, assets, liabilities or financial condition of the Issuer, the Company and the Company' s Subsidiaries, taken as a whole, (B) the ability of each of the Issuer, the Company or the Guarantors to perform their respective obligations in all material respects under any of the Documents, (C) the attachment, perfection or priority of any of the Liens or security interests intended to be created by the Collateral Agreements which Liens or security interests are, individually or in the aggregate, material, or (D) the validity or enforceability of any of the Documents, and (E) the consummation of any of the transactions contemplated under any of the Documents (each, a "Material Adverse Effect").

(d) All of the issued and outstanding shares of capital stock of the Company have been duly authorized, validly issued, and are fully paid and nonassessable, and were not issued in violation of, and are not subject to, any preemptive or similar rights. The column titled "Actual" in the table under the caption "*Capitalization*" in the Final Offering Circular (including the footnotes thereto) sets forth, as of its date, the capitalization of the Company. All of the outstanding shares of capital stock or other equity interests of each of the Subsidiaries of the Company are owned, directly or indirectly, by the Company, free and clear of all liens, security interests, mortgages, pledges, charges, equities, claims or restrictions on transferability or encumbrances of any kind other than those (i) imposed by the Act or the securities or "Blue Sky" laws of certain domestic or foreign jurisdictions, (ii) granted pursuant to or in connection with the Company' s existing credit facility, existing notes or existing letters of credit or (iii) contemplated by this Agreement, the Credit Agreement, or any of the Documents (collectively, the "Liens"). Except as disclosed in the Offering Circular and except in connection with the Acquisition and the Merger, upon the effectiveness of the Merger, there are no outstanding (A) options, warrants or other rights to purchase from the Company or any of its Subsidiaries, (B) agreements, contracts,

arrangements or other obligations of the Company or any of its Subsidiaries to issue or (C) other rights to convert any obligation into or exchange any securities for, in the case of each of clauses (A) through (C), shares of capital stock of or other ownership or equity interests in the Company or any of the Subsidiaries.

(e) Except as contemplated by this Agreement or the Registration Rights Agreement, no holder of securities of the Company or any of its Subsidiaries will be entitled to have such securities registered under the registration statements required to be filed by the Company and the Guarantors with respect to the Notes pursuant to the Registration Rights Agreement.

(f) The Company and each of the Guarantors that is a corporation has all requisite corporate power and corporate authority, and each of the Guarantors that is a limited liability company has all the requisite limited liability company power and limited liability company authority, to execute, deliver and perform its obligations under the Documents to which it is a party and to consummate the transactions contemplated thereby.

(g) This Agreement has been duly and validly authorized, executed and delivered by the Issuer, the Company and each of the Guarantors. The execution, delivery and performance of the Indenture, the Supplemental Indenture and the Collateral Agreements have been duly and validly authorized by, to the extent party thereto, the Issuer, the Company and the Guarantors. Each of the Indenture, the Supplemental Indenture and the Collateral Agreements, when executed and delivered by the Issuer, the Company and the Guarantors, as applicable, and assuming due authorization, execution and delivery by the Trustee and the Collateral Agent, will constitute a legal, valid and binding obligation of each of the Issuer, the Company and the Guarantors, as applicable, enforceable against each of the Issuer, the Company and the Guarantors, as applicable, in accordance with its terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, (ii) general principles of equity (whether considered in a proceeding at law or in equity) and the discretion of the court or other body before which any proceeding therefor may be brought, and (iii) an implied covenant of good faith and fair dealing, and except as rights to indemnity and contribution may be limited by federal or state securities laws or public policy considerations.

(h) The Registration Rights Agreement has been duly and validly authorized by the Company and the Guarantors. The Registration Rights Agreement, when executed and delivered by the Company and the Guarantors and assuming due authorization, execution and delivery by the Initial Purchaser, will constitute a legal, valid and binding obligation of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its terms, except that (A) the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally and (ii) general principles of equity (whether considered in a proceeding at law or in equity) and the discretion of the court or other body before which any proceeding therefor may be brought, and (iii) an implied covenant of good faith and fair dealing, and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations.

(i) The Notes, when issued, will be in the form contemplated by the Indenture. When duly executed and delivered by the Issuer, and to the extent parties thereto, the Guarantors, the Indenture (as supplemented by the Supplemental Indenture) will meet the requirements for qualification under the Trust Indenture Act of 1939, as amended (the "TIA"). The Notes, Exchange Notes and Private Exchange Notes have each been duly and validly authorized by the Issuer (and by the Company, effective upon the Merger) and, in the case of the Notes, when duly authenticated by the Trustee, delivered to and paid for by the Initial Purchaser in accordance with the terms of this Agreement and the Indenture, the Notes will have been duly executed, validly issued and delivered by the Issuer and will be legal, valid and binding obligations of the Issuer, and effective upon the effectiveness of the Merger, the Company, entitled to the benefit of the Indenture and the Supplemental Indenture and, effective upon effectiveness of the Merger, enforceable against the Company in accordance with their terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, (ii) general principles of equity (whether considered in a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought, and (iii) an implied covenant of good faith and fair dealing, and except as rights to indemnity and contribution may be limited by federal or state securities laws or public policy considerations.

(j) The Guarantees have been duly and validly authorized by the Guarantors and, when executed by the Guarantors in accordance with the terms of the Indenture and the Supplemental Indenture, and assuming due authentication of the Notes by the Trustee, upon delivery to the Initial Purchaser

against payment therefor in accordance with the terms of this Agreement and the Indenture, effective upon effectiveness of the Merger will have been duly executed, issued and delivered by each such Guarantor and will be legal, valid and binding obligations of the Guarantors, entitled to the benefit of the Indenture and the Supplemental Indenture and, effective upon effectiveness of the Merger, enforceable against the Guarantors in accordance with their terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought, and (iii) an implied covenant of good faith and fair dealing, and except as rights to indemnity and contribution may be limited by federal or state securities laws or public policy considerations.

(k) None of the Issuer, the Company or any of the Company' s Subsidiaries is in violation of its certificate of incorporation, by-laws or other organizational documents (the "Charter Documents"). None of the Issuer, the Company or any of the Company' s Subsidiaries is (i) in violation of any Federal, state, local or foreign statute, law (including, without limitation, common law) or ordinance, or any judgment, decree, rule, regulation or order applicable to any of them or their respective properties (collectively, "Applicable Law") of any federal, state, local and other governmental authority, governmental or regulatory agency or body, court, arbitrator or self-regulatory organization, domestic or foreign, with jurisdiction over any of them or any of their respective properties (each, a "Governmental Authority"), or (ii) in breach of or default under any bond, debenture, note or other evidence of indebtedness, indenture, mortgage, deed of trust, lease or any other agreement or instrument to which any of them is a party or by which any of them or their respective property is bound (collectively, "Applicable Agreements"), other than as disclosed in the Final Offering Circular and except for such violations, breaches or defaults that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. There exists no condition that, with the passage of time or otherwise, would constitute (a) a violation of any such (1) Charter Document or (2) Applicable Law, (b) a breach of or default under any Applicable Agreement or (c) result in the imposition of any penalty or the acceleration of any indebtedness that in the case of clause (a)(2), (b) or (c) above could reasonably be expected to result in a Material Adverse Effect.

(l) Neither the execution, delivery or performance by the Issuer, the Company or the Guarantors of the Documents to which they are parties nor the consummation by them of any transactions contemplated therein will conflict with, violate, constitute a breach of or a default (with the passage of time or otherwise) under, require the consent of any person (other than consents already obtained and in full force and effect or that will have been obtained on or prior to the Closing Date) under, result in the imposition of a Lien on any assets of the Issuer, the Company or any of the Company' s Subsidiaries, or result in an acceleration of indebtedness under or pursuant to (i) the Charter Documents, (ii) any Applicable Agreement, or (iii) assuming the accuracy of the representations and warranties of the Initial Purchaser in Section 6 of this Agreement and, in the case of any Exempt Resales made to Accredited Investors, the accuracy of the representations and warranties of such Accredited Investors contained in the Accredited Investor Letters executed by such Accredited Investors, any Applicable Law, except for conflicts, violations, breaches, defaults, consent requirements, Lien impositions or the acceleration of indebtedness that could not reasonably be expected to result, in the case of clauses (ii) or (iii) above, a Material Adverse Effect.

(m) When executed and delivered, the Documents will conform in all material respects to the descriptions thereof in the Final Offering Circular.

(n) Assuming the accuracy of the representations and warranties of the Initial Purchaser in Section 6 of this Agreement and, in the case of any Exempt Resales made to Accredited Investors, the accuracy of the representations and warranties of such Accredited Investors contained in the Accredited Investor Letters executed by such Accredited Investors, no consent, approval, authorization or order of any Governmental Authority is required for the issuance and sale by the Company of the Notes to the Initial Purchaser or the consummation by the Company of the other transactions contemplated hereby, except (A) such as have been obtained or will be obtained under or made on or prior to the Closing Date, (B) registration of the Exchange Offer or resale of the Notes under the Act pursuant to the Registration Rights Agreement, and qualification of the Indenture under the TIA, in connection with the issuance of the Exchange Notes, (C) such filings and recordings with Governmental Authorities as may be required to perfect liens under the Collateral Agreements and the Credit Agreement, (D) such consents, approvals, authorizations, orders, filings, registrations, qualifications, licenses or permits as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes, (E) in connection with the Merger, the filing of the Certificate of Merger with the Nevada Secretary of State, or (F) which could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(o) Except as disclosed in the Final Offering Circular, there is no action, claim, suit, demand, hearing, notice of violation or deficiency, or proceeding, domestic or foreign (collectively, "Proceedings"), pending or, to the knowledge of the Issuer, the Company or any of the Company' s Subsidiaries, threatened, that either (i) seeks to restrain, enjoin, prevent consummation of, or otherwise challenge any of the Documents or any of the transactions contemplated therein, or (ii) individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Neither the Issuer nor the Company is subject to any judgment, order, decree, rule or regulation of any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(p) Each of the Company and the Guarantors own, license or possess all licenses, permits, certificates, consents, orders, approvals and other authorizations from, and has made all declarations and filings with, all Governmental Authorities, presently required or necessary to own or lease, as the case may be, and to operate their respective properties and to carry on their respective businesses as now or proposed to be conducted as set forth in the Offering Circular ("Permits"), except where the failure to obtain such Permits, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; each of the Company and its Subsidiaries has fulfilled and performed all of its obligations with respect to such Permits and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, except as otherwise set forth in the Offering Circular or where such failure to fulfill and perform, revocation, termination or material impairment, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and neither the Company nor any of its Subsidiaries has received any notice of any proceeding relating to revocation or modification of any such Permit, except as described in the Offering Circular or except where such revocation or modification, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(q) Each of the Company and its Subsidiaries has good and insurable title to all real property owned by it and good title to all material personal property owned by it and good and valid title to all leasehold estates in real and personal property being leased by it and, as of the Closing Date, will be free and clear of all Liens.

(r) All material Tax returns required to be filed on or prior to the date hereof by the Company or any of its Subsidiaries have been filed (taking into account all applicable extensions) and all such returns when filed were true, complete, and correct in all material respects and all material Taxes that are shown as due thereon from the Company and its Subsidiaries have been paid other than those (i) currently payable without penalty or interest or (ii) being contested in good faith and by appropriate proceedings and for which adequate reserves have been established in accordance with generally accepted accounting principles of the United States, consistently applied ("GAAP"). To the knowledge of the Company, there are no actual or proposed Tax assessments against the Company or any of its Subsidiaries that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company and its Subsidiaries, the accruals and reserves on the books and records of the Company and its Subsidiaries in respect of any material Tax liability for any period not finally determined are adequate to meet any assessments of Tax for any such period. For purposes of this Agreement, the term "Tax" and "Taxes" shall mean all Federal, state, local and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto.

(s) Each of the Company and its Subsidiaries owns, licenses, or has the right to use the patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "Intellectual Property") currently used or currently proposed to be used for the operation of its businesses and as of the Closing Date, will be free and clear of all Liens, other than Permitted Liens, except as disclosed in the Offering Circular and except where the failure to so own, license of have the right to use would not reasonably be expected to have a Material Adverse Effect. To the Company' s knowledge, no claims or notices of any potential claim have been asserted by any person challenging the use of any such Intellectual Property by the Company or any of its Subsidiaries or questioning the validity or effectiveness of the Intellectual Property or any license or agreement related thereto (other than any claims that, if successful, would not, individually or in the aggregate, have a Material Adverse Effect). To the Company' s knowledge, the current or currently proposed use of such Intellectual Property by the Company or any of its Subsidiaries will not infringe on the Intellectual Property rights of any other person.

(t) The Company and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) material transactions are executed in accordance with management' s general or specific authorization, (ii) material transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management' s general or specific authorization and (iv) the

recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences.

(u) The audited historical consolidated financial statements and related notes of the Company and its Subsidiaries contained in the Final Offering Circular (the "Financial Statements") present fairly in all material respects the consolidated financial position, results of operations and cash flows of the Company and its consolidated Subsidiaries, as of the respective dates and for the respective periods to which they apply and have been prepared in accordance with GAAP. The historical financial data set forth under "Summary Historical Consolidated Financial Data" and "Selected Historical Consolidated Financial Data" included in the Final Offering Circular has been prepared on a basis consistent with that of the Financial Statements and present fairly in all material respects the consolidated financial position and results of operations of the Company and its consolidated Subsidiaries as of the respective dates and for the respective periods indicated. The

statistical and market and industry-related data included in the Final Offering Circular are based on or derived from sources that the Company believes to be reliable and accurate in all material respects.

(v) Subsequent to the respective dates as of which information is given in the Final Offering Circular, except as disclosed in the Final Offering Circular and except for the Acquisition, the Merger and the transactions contemplated by this Agreement, the Credit Agreement, and the Documents, (i) the Issuer, the Company and the Subsidiaries have not (x) incurred any liabilities, direct or contingent, that are material, individually or in the aggregate, to the Issuer, the Company and the Subsidiaries, considered as one enterprise, or (y) entered into any transactions not in the ordinary course of business which are material with respect to the Issuer, the Company and the Subsidiaries, considered as one enterprise, (ii) there has not been any material decrease in the capital stock or any material increase in long-term indebtedness or any material increase in short-term indebtedness of the Issuer or the Company, or any payment of or declaration to pay any dividends or any other distribution with respect to the Company and (iii) there has not been any material adverse change in the properties, business, operations, assets, liabilities or financial condition of the Issuer, the Company and the Subsidiaries, considered as one enterprise, in the aggregate (each of clauses (i), (ii) and (iii), a "Material Adverse Change").

(w) On the Closing Date, immediately after the consummation of the Offering, the related financing transactions and the application of the use of proceeds therefrom as indicated in the "Use of Proceeds" section of the Offering Circular, each of the Company and each Guarantor will be solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date and a particular Person, that on such date (i) the present fair market value (or present fair saleable value) of the assets of such Person, considered as a whole and as a going concern, is not less than the total amount required to pay the probable liabilities of such Person on its total existing debts and liabilities (including identified contingent liabilities) as they become absolute and matured; (ii) such Person is generally able to pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Notes and Guarantees as contemplated by this Agreement and the Offering Circular, such Person has not incurred debts or liabilities beyond its ability to pay its debts and liabilities as such debts and liabilities mature; (iv) such Person is not engaged in any business or transaction, and does not currently propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged; and (v) such Person is not otherwise insolvent under the standards set forth in applicable laws. In computing the amount of such contingent liabilities at any time, it is intended that such liabilities will be computed at the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(x) Neither the Issuer nor the Company has and, to its knowledge, no one acting on its behalf (other than the Initial Purchaser or anyone acting on its behalf, as to which no representation is made) has, (i) taken, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the Notes or to facilitate the sale or resale of any of the Notes, (ii) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, any of the Notes in a manner that could require registration of the Notes under the Act, or (iii) except as disclosed in the Final Offering Circular, and except in connection with the Acquisition, paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Issuer or the Company.

(y) Without limiting any provision herein, no registration under the Act and no qualification of the Indenture under the TIA is required for the sale of the Notes to the Initial Purchaser as contemplated hereby or for the Exempt Resales, assuming (i) that the purchasers in

the Exempt Resales are QIBs or Accredited Investors or non-U.S. persons (as defined under Regulation S of the Act), (ii) the accuracy of the Initial Purchaser' s representations contained in Section 6, and (iii) the accuracy of the representations made by each Accredited Investor who purchases Notes pursuant to an Exempt Resale as set forth in the Accredited Investor Letter.

(z) No securities of the Issuer or the Company of the same class (within the meaning of Rule 144A under the Act) as the Notes are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or quoted in a U.S. automated inter-dealer quotation system. No securities of the Issuer or the Company of the same class as the Notes have been offered, issued or sold by the Issuer or the Company or any of the Company' s Affiliates within the six-month period immediately prior to the date hereof.

(aa) None of the Issuer, the Company or any of their affiliates or other person acting on behalf of the Issuer or the Company has offered or sold the Notes by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Act or, with respect to Notes sold outside the United States to non-U.S. persons (as defined in Rule 902 under the Act), by means of any directed selling efforts within the meaning of Rule 902 under the Act, and the Issuer, the Company, any affiliate of the Company and any person acting on behalf of the Issuer or the Company have complied with and will implement the "offering restrictions" within the meaning of such Rule 902; provided, that no representation is made in this subsection with respect to the actions of the Initial Purchaser or anyone acting on its behalf.

(bb) Each of the Company, each of its Subsidiaries and each ERISA Affiliate has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to each "pension plan" (as defined in Section 3(2) of ERISA), subject to Section 302 of ERISA which the Company, any of its Subsidiaries or any ERISA Affiliate sponsors or maintains, or with respect to which it has (or within the last three years had) any obligation to make contributions, and each such plan is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code of 1986, as amended (the "Code"). None of the Company, any of its Subsidiaries or any ERISA Affiliate has incurred any unpaid liability to the Pension Benefit Guaranty Corporation (other than for the payment of premiums in the ordinary course) or to any such plan under Title IV of ERISA. "ERISA Affiliate" means a corporation, trade or business that is, along with the Company or any of its Subsidiaries, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in Section 414 of the Code or Section 4001 of ERISA.

(cc) (i) Neither the Company nor any of the Guarantors is party to or bound by any collective bargaining agreement with any labor organization; (ii) there is no union representation question existing with respect to the employees of the Company or any of the Guarantors, and, to the knowledge of the Company, no union organizing activities are taking place that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; (iii) no labor strike, work stoppage, slowdown, or other material labor dispute is pending against the Company or any of the Guarantors, or, to the knowledge of the Company, threatened against the Company or any of the Guarantors that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; (iv) to the knowledge of the Company, there is no threatened or pending liability against the Company or any of the Guarantors pursuant to the Worker Adjustment Retraining and Notification Act of 1988, as amended ("WARN"), or any similar state or local law concerning a plant closing or mass layoff that, individually or in the aggregate,

would reasonably be expected to have a Material Adverse Effect; (v) there is no employment-related charge, complaint, grievance, investigation, unfair labor practice claim, or inquiry of any kind, pending against the Company or any of the Guarantors that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; and (ix) no term or condition of employment exists through arbitration awards, settlement agreements, or side agreement that is contrary to the express terms of any applicable collective bargaining agreement other than such term or condition that, , individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(dd) None of the transactions contemplated in the Documents or the application of the proceeds by the Company or any of the Subsidiaries of the proceeds of the Notes will violate or result in a violation of Section 7 of the Exchange Act, (including, without limitation, Regulation T (12 C.F.R. Part 220), Regulation U (12 C.F.R. Part 221) or Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System).

(ee) Neither the Company nor any of its Subsidiaries is an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940, as amended (the "Investment Company Act"); and neither the Company nor any of its Subsidiaries, after giving effect to the Offering and sale of

the Notes and the application of the proceeds thereof as described in the Final Offering Circular, will be an "investment company" as defined in the Investment Company Act.

(ff) Neither the Issuer nor the Company has engaged any broker, finder, commission agent or other person (other than the Initial Purchaser) in connection with the Offering or any of the transactions contemplated in the Documents (other than the Acquisition), and the Company is not under any obligation to pay any broker' s fee or commission in connection with such transactions (other than commissions or fees to the Initial Purchaser).

(gg) Each of the Company and each of its Subsidiaries is (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of the environment or hazardous or toxic substances of wastes, pollutants or contaminants ("Environmental Laws"), (ii) has received and is in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its respective businesses and (iii) has not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, in each case except where such non-compliance with Environmental Laws, failure to receive and comply with required permits, licenses or other approvals, or liability, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business. Neither the Company nor any of its Subsidiaries has received notice that it has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, with respect to any matter which, as of the date hereof is unresolved.

(hh) (a) Upon:

(i) execution and delivery of the Collateral Agreements by the Company and the Guarantors parties thereto and the Collateral Agent (as defined therein), compliance by the Company and the Guarantors with their respective obligations thereunder and the Issuance of the Notes; and

(ii) (A) certain of the filing or recording of the Collateral Agreements or appropriate financing statements with the appropriate filing records, registry, or other public office, together with the payment of the requisite filing or recordation fees related thereto, and

(B) in the case of Motor Vehicles (as defined in the Security Agreement), upon the recordation or notation of the Collateral Agent' s security interest on the certificates of title or ownership in respect of such Motor Vehicles and the filing of the Uniform Commercial Code financing statements delivered by the Company or any Guarantor, as the case may be, having an interest in such Motor Vehicles to the Collateral Agent with respect to such Motor Vehicles,

the security interest of the Collateral Agent in the Collateral (as defined in the Collateral Agreements) will, to the extent required by the Collateral Agreements, be a valid and enforceable perfected security interest, which security interests will be superior to and prior to the rights of all third persons other than holders of Permitted Liens.

(b) As of the Closing Date, except with respect to Permitted Liens, there will be no currently effective financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any assets or property of the Company or any Guarantor or any rights thereunder.

(ii) Each certificate signed by any officer of the Issuer, the Company or any Guarantor, and delivered to the Initial Purchaser pursuant to this Agreement shall be deemed a representation and warranty by the Issuer, the Company or any such Guarantor of the Company (and not individually by such officer) to the Initial Purchaser with respect to the matters covered thereby.

(jj) The Company and the Subsidiaries of the Company are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are reasonably adequate for the conduct of the respective businesses in which they are engaged. All policies of insurance insuring the Company or any of its Subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect. The Company and its Subsidiaries are in compliance with the terms of such policies in all

material respects, and there are no claims by the Company or any of its Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause, except for such non-compliance, denial of liability or defense that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, 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, individually or in the aggregate, have a Material Adverse Effect.

5. Covenants of the Company and the Guarantors. Each of the Issuer, on the one hand, as to itself individually, and the Company and the Guarantors on the other hand, as to the Company and the Guarantors jointly and severally, agrees:

(a) To (i) advise the Initial Purchaser promptly after obtaining knowledge (and, if requested by the Initial Purchaser, confirm such advice in writing) of (A) the issuance by any state securities

commission of any stop order suspending the qualification or exemption from qualification of any of the Notes for offer or sale in any jurisdiction, or the initiation of any proceeding for such purpose by any state securities commission or other regulatory authority, or (B) the happening of any event during the period referred to in Section 5(d) that makes any statement of a material fact made in the Final Offering Circular untrue or that requires the making of any additions to or changes in the Final Offering Circular in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (ii) use its commercially reasonable efforts to prevent the issuance of any stop order or order suspending the qualification or exemption from qualification of any of the Notes under any state securities or Blue Sky laws, and (iii) if, at any time, any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of any of the Notes under any such laws, use its commercially reasonable efforts to obtain the withdrawal or lifting of such order at the earliest practicable time.

(b) To furnish the Initial Purchaser, without charge, as many copies of the Final Offering Circular, and any amendments or supplements thereto, as the Initial Purchaser may reasonably request. Each of the Issuer and the Company hereby consents to the use of the Preliminary Offering Circular and the Final Offering Circular, and any amendments and supplements thereto, by the Initial Purchaser in connection with Exempt Resales.

(c) Except as set forth in Section 5(d), not to amend or supplement the Offering Circular prior to the Closing Date, or at any time prior to the completion of the resale by the Initial Purchaser of all the Notes purchased by the Initial Purchaser, unless the Initial Purchaser shall previously have been advised thereof and shall have provided its written consent thereto (which consent shall not be unreasonably withheld or delayed and shall be provided within three business days from the date on which it was so advised).

(d) At any time prior to the completion of the resale by the Initial Purchaser of all of the Notes, (i) if, in the reasonable judgment of the Issuer or its counsel, or the Initial Purchaser or its counsel, it may be necessary or advisable to amend or supplement the Final Offering Circular in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Final Offering Circular to comply with Applicable Law, to notify the Initial Purchaser or the Company, as the case may be, of any the same and in such case the Company will prepare, at the expense of the Company, an appropriate amendment or supplement to the Final Offering Circular (in form and substance reasonably satisfactory to the Initial Purchaser) so that (A) as so amended or supplemented, the Final Offering Circular will not include an untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (B) the Final Offering Circular will comply with Applicable Law and (ii) if in the reasonable judgment of the Issuer it becomes necessary or advisable to amend or supplement the Final Offering Circular so that the Final Offering Circular will contain all of the information specified in, and meet the requirements of, Rule 144A(d)(4) of the Act, to prepare an appropriate amendment or supplement to the Final Offering Circular (in form and substance reasonably satisfactory to the Initial Purchaser) so that the Final Offering Circular, as so amended or supplemented, will contain the information specified in, and meet the requirements of, such Rule.

(e) To cooperate with the Initial Purchaser and the Initial Purchaser' s counsel in connection with the qualification of the Notes under the securities or Blue Sky laws of such jurisdictions as the Initial Purchaser may request and continue such qualification in effect so long as reasonably required for Exempt Resales; provided that none of the Issuer, the Company or any of the Guarantors shall be obligated to (i) execute or file any general consent to service of process or take any action that

would subject it to service of process in suits other than those arising out of the offer and sale of the Notes in any jurisdiction in which it is not otherwise subject, (ii) register or qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it is not now so registered or qualified, or (iii) subject itself to general taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) Whether or not any of the Offering or the transactions contemplated under the Documents are consummated or this Agreement is terminated, to pay (i) all costs, expenses, fees and taxes (other than federal, state, or local taxes of the Initial Purchaser) incident to and in connection with: (A) the preparation, printing and distribution of the Preliminary Offering Circular and the Final Offering Circular and all amendments and supplements thereto (including, without limitation, financial statements and exhibits), and all other agreements, memoranda, correspondence and other documents prepared and delivered in connection herewith, (B) the negotiation, printing, processing and distribution (including, without limitation, word processing and duplication costs) and delivery of, each of the Documents, (C) the preparation, issuance and delivery of the Notes, including but not limited to all stamp, documentary and transfer taxes (other than federal, state, or local taxes of the Initial Purchaser) and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of the Notes or the sale thereof to the Initial Purchaser (D) the qualification of the Notes for offer and sale under the securities or Blue Sky laws of the several states (including, without limitation, the reasonable fees and disbursements of the Initial Purchaser' s counsel relating to such registration or qualification), (E) furnishing such copies of the Preliminary Offering Circular and the Final Offering Circular, and all amendments and supplements thereto, as may reasonably be requested for use by the Initial Purchaser and (F) the performance of the obligations of the Company and the Guarantors obligations under the Registration Rights Agreement, including but not limited to the Exchange Offer, the Exchange Offer Registration Statement and any Shelf Registration Statement, (ii) all fees and expenses of the counsel, accountants and any other experts or advisors retained by the Company, (iii) all expenses and listing fees in connection with the application for quotation of the Notes on the Private Offerings, Resales and Trading Automated Linkages ("PORTAL") market, (iv) all fees and expenses (including fees and expenses of counsel) of the Company in connection with approval of the Notes by DTC for "book-entry" transfer, (v) all fees charged by rating agencies in connection with the rating of the Notes, (vi) all fees and expenses (including reasonable fees and expenses of counsel) of the Trustee and all collateral agents, (vii) all costs and expenses in connection with the creation and perfection of the Liens under the Collateral Agreements (including without limitation, filing and recording fees, search fees, taxes and costs of title policies) and (viii) all fees, disbursements and out-of-pocket expenses incurred by Initial Purchaser in connection with its services to be rendered hereunder including, without limitation, the fees and disbursements of Mayer, Brown Rowe & Maw LLP, counsel to the Initial Purchaser, travel and lodging expenses, word processing charges, messenger and duplicating services, facsimile expenses and other customary expenditures in an amount, with respect to this clause (viii), not to exceed $500,000, *provided* that the Initial Purchaser shall be responsible for and shall pay any of its costs and expenses described in the preceding clause (viii) in excess of such amount, including the fees and disbursements of its counsel. Notwithstanding the foregoing, none of the Issuer, the Company or any of the Guarantors shall be responsible for any of the foregoing costs, fees or expenses provided in clauses (i) through (viii) above to the extent such costs, fees or expenses have been incurred prior to or in respect of periods prior to December 5, 2004, except for the fees and disbursements of Mayer, Brown, Rowe & Maw LLP referred to in clause (viii) above, for which the Issuer, the Company and the Guarantors will be responsible, subject to the limitations described in clause (viii).

(g) In the case of the Issuer, to apply the net proceeds of the Offering in all material respects as described in the Final Offering Circular under the caption "Use of Proceeds."

(h) To do and perform in all material respects all things required to be done and performed by the Company and the Guarantors under this Agreement prior to and after the Closing Date.

(i) Not to, and not to permit any of its Subsidiaries or its other affiliates (as defined in Rule 501(b) of the Act), to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any "security" (as defined in the Act) that would be integrated with the sale of the Notes in a manner that would require the registration under the Act of the sale to the Initial Purchaser or to the Subsequent Purchasers of the Notes.

(j) From and after the Closing Date, for so long as any of the Notes remain outstanding, during any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act, to make available, upon request, to any owner of the Notes in connection with

any sale thereof and any prospective Subsequent Purchasers of such Notes from such owner, the information required by Rule 144A(d)(4) under the Act.

(k) To comply with the representation letter of the Company to DTC relating to the approval of the Notes by DTC for "book entry" transfer.

(l) To use its reasonable best efforts to assist the Initial Purchaser in effecting the inclusion of the Notes on the PORTAL Market.

(m) For so long as any of the Notes remain outstanding, the Company will furnish to the Initial Purchaser copies of all reports and other communications (financial or otherwise) furnished by the Company to the Trustee for distribution to the holders of the Notes and, as soon as available, copies of any reports or financial statements furnished to or filed by the Company with the SEC or any national securities exchange on which any class of securities of the Company may be listed; provided, however, that in no case shall the Company be required to furnish materials pursuant to this paragraph which are filed and publicly accessible via EDGAR.

(n) Except in connection with the Exchange Offer or the filing of the Shelf Registration Statement, not to, and not to authorize or permit any person acting on its behalf to, (i) distribute any offering material in connection with the offer and sale of the Notes other than the Preliminary Offering Circular and the Final Offering Circular and any amendments and supplements to the Final Offering Circular prepared in compliance with this Agreement, or (ii) solicit any offer to buy or offer to sell the Notes by means of any form of general solicitation or general advertising (including, without limitation, as such terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act.

(o) During the two year period after the Closing Date (or such shorter period as may be provided for in Rule 144(k) under the Act, as the same may be in effect from time to time), to not, and to not permit any current or future Subsidiaries of either the Company or any other affiliates (as defined in Rule 144A under the Act) controlled by the Company to, resell any of the Notes which constitute "restricted securities" under Rule 144 that have been reacquired by the Company, any current or future Subsidiaries of the Company or any other "affiliates" (as defined in Rule 144A under the Act) controlled by the Company, except pursuant to an effective registration statement under the Act.

(p) To use their best efforts to complete on or prior to the Closing Date all filings and other similar actions required in connection with the perfection of security interests as and to the extent contemplated by the Collateral Agreements.

6. Representations and Warranties of the Initial Purchaser. The Initial Purchaser represents and warrants to the Issuer, the Company and the Guarantors that as of the date hereof and as of the Closing Date:

(a) It is a QIB as defined in Rule 144A under the Act, with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the Notes and the Initial Purchaser acknowledges that it is purchasing the Notes pursuant to a private sale exempt from registration under the Act and that the Notes have not been registered under the Act. It will offer the Notes for resale only upon the terms and conditions set forth in this Agreement and in the Final Offering Circular.

(b) It is not acquiring the Notes with a view to any distribution thereof that would violate the Act or the securities laws of any state of the United States or any other applicable jurisdiction. It will solicit offers to buy the Notes only from, and will offer and sell the Notes only to, (A) persons reasonably believed by the Initial Purchaser to be QIBs or (B) persons reasonably believed by the Initial Purchaser to be Accredited Investors or (C) non-U.S. persons reasonably believed by the Initial Purchaser to be a purchaser referred to in Regulation S under the Act; provided, however, that in purchasing such Notes, such persons are deemed to have represented and agreed as provided under the caption "Notice to Investors" contained in the Final Offering Circular.

(c) No form of general solicitation or general advertising in violation of the Act has been or will be used nor will any offers in any manner involving a public offering within the meaning of Section 4(2) of the Act.

(d) With respect to offers and sales outside the United States, it has offered the Notes and will offer and sell the Notes (1) as part of its distribution at any time and (2) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, only in accordance with Rule 903 of Regulation S or another exemption from the registration requirements of the Act. Accordingly, neither it nor any person acting on its behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes, and any such persons have complied and will comply with the offering

restrictions requirements of Regulation S. Terms used in this Section 6(e) and Section 6(f) have the meanings given to them by Regulation S.

(e) The Initial Purchaser agrees that, at or prior to confirmation of a sale of the Notes pursuant to Regulation S it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until forty days after the later of the date upon which the offering of the Securities commenced and the date of closing, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meaning given to them by Regulation S."

(f) The Initial Purchaser will deliver to each Subsequent Purchaser of the Notes, in connection with its original distribution of the Notes, a copy of the Final Offering Circular, as amended and supplemented at the date of such delivery.

7. Conditions to Obligations of the Initial Purchaser. The obligations of the Initial Purchaser to purchase the Notes under this Agreement are subject to the satisfaction or waiver of each of the following conditions:

(a) All the representations and warranties of the Issuer, the Company and the Company' s Subsidiaries contained in this Agreement shall be true and correct in all material respects (other than representations and warranties with a materiality qualifier, which shall be true and correct as written) as of the Closing Date. On or prior to the Closing Date, the Issuer, the Company and each other party to the Documents (other than the Initial Purchaser) shall have performed or complied in all material respects with all of the agreements and satisfied all conditions on their respective parts required to be performed, complied with or satisfied as of or prior to the Closing Date pursuant to the Documents (other than conditions to be satisfied by such other parties, which the failure to so satisfy would not, individually or in the aggregate, have a Material Adverse Effect).

(b) No injunction, restraining order or order of any nature by a Governmental Authority shall have been issued as of the Closing Date that would prevent or materially interfere with the consummation of the Offering or any of the transactions contemplated under the Documents; and no stop order suspending the qualification or exemption from qualification of any of the Notes in any jurisdiction shall have been issued and no Proceeding for that purpose shall have been commenced or, to the knowledge of the Issuer or the Company, be pending or threatened as of the Closing Date.

(c) No action shall have been taken and no Applicable Law shall have been enacted, adopted or issued that would, as of the Closing Date, prevent the consummation of the Offering or any of the transactions contemplated under the Documents. No Proceeding shall be pending or, to the knowledge of the Company, threatened other than Proceedings that (A) if adversely determined would not, individually or in the aggregate, adversely affect the issuance or marketability of the Notes, and (B) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) Subsequent to the execution and delivery of this Agreement, there shall not have been any Material Adverse Change the effect of which, in the sole judgment of the Initial Purchaser, makes it impracticable or inadvisable to proceed with the completion of the Offering or the purchase and sale of the Notes.

(e) The Notes shall have been designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. relating to trading in the PORTAL market.

(f) Subsequent to the execution and delivery of this Agreement, (i) there shall not have occurred any downgrading, suspension or withdrawal of, nor shall any notice have been given of any potential or intended downgrading, suspension or withdrawal of, or of any review (or of any potential or intended review) for a possible change that does not indicate the direction of the possible change in, any rating of the Company or any debt securities of the Company (including, without limitation, the placing of any of the foregoing ratings on credit watch with negative or developing implications or under review with an uncertain direction) by any "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Act, (ii)

there shall not have occurred any adverse change, nor shall any notice have been given of any potential or intended adverse change, in the outlook for any rating of the Company or any securities of the Company by any such rating organization and (iii) no such rating organization shall have given notice that it has assigned (or is considering assigning) a lower rating to the Notes than that on which the Notes were marketed.

(g) The Initial Purchaser shall have received on the Closing Date:

(i) certificates dated the Closing Date, signed by (1) the Chief Executive Officer and (2) the principal financial or accounting officer of each of the Issuer and the Company on behalf of Issuer and the Company, respectively, to the effect that, with respect to the Issuer or the Company, as the case may be, (a) the representations and warranties, as to itself, set forth in Section 4 hereof are true and correct in all material respects with the same force and effect as though expressly made at and as of the Closing Date, (b) it has performed and complied with all agreements and satisfied all conditions in all material respects on its part required by this Agreement to be performed or satisfied by it at or prior to the Closing Date, (c) at the Closing Date, since the date hereof or since the date of the most recent financial statements in the Final Offering Circular (exclusive of any amendment or supplement thereto after the date hereof), no event or events have occurred, no information has become known to the Company nor does any condition exist that, individually or in the aggregate, would have a Material Adverse Effect, there has not occurred a Material Adverse Change, and (d) the sale of the Notes has not been enjoined (temporarily or permanently) by a Governmental Authority with applicable jurisdiction;

(ii) a certificate, dated the Closing Date, executed by the Secretary of the Company and each Guarantor, certifying such matters as the Initial Purchaser may reasonably request;

(iii) the opinion of Dechert LLP, special New York counsel to the Issuer and the Company and the Guarantors, dated the Closing Date, containing opinions substantially to the effect of the opinions set forth in Exhibit A attached hereto;

(iv) an opinion of Schreck Brignone, special Nevada counsel to the Issuer and the Company, dated the Closing Date and addressed to the Initial Purchaser, containing opinions substantially to the effect of the opinions set forth in Exhibit B attached hereto;

(v) an opinion of Kantrow, Spaht, Weaver & Blitzer, special Louisiana counsel to the Guarantors, dated the Closing Date and addressed to the Initial Purchaser, containing opinions substantially to the effect of the opinions set forth in Exhibit C attached hereto; and

(vi) an opinion of Mayer, Brown, Rowe & Maw LLP, special New York counsel to the Initial Purchaser, dated the Closing Date and addressed to the Initial Purchaser, in form reasonably satisfactory to the Initial Purchaser covering such matters as are customarily covered in opinions delivered by counsel to an initial purchaser to such initial purchaser.

(h) The Initial Purchaser shall have received from Deloitte & Touche, LLP, independent auditors, with respect to the Company, (A) a customary comfort letter, dated the date of the Final Offering Circular, in form and substance reasonably satisfactory to the Initial Purchaser and its counsel, with respect to the financial statements and certain financial information contained in the Final Offering Circular, and (B) a customary comfort letter, dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchaser and its counsel, to the effect that

Deloitte & Touche, LLP reaffirms the statements made in its letter furnished pursuant to clause (A).

(i) Each of the Documents shall have been executed and delivered by all parties thereto, and if requested, the Initial Purchaser shall have received copies thereof.

(j) The Initial Purchaser shall have received copies of all opinions, certificates and other documents required by this Agreement to be delivered to it on or prior to the Closing Date.

(k) The terms of each Document shall conform in all material respects to the description thereof in the Final Offering Circular to the extent described therein.

(l) The Collateral Agent shall have received (with a copy for the Initial Purchaser) on the Closing Date:

(i) appropriately completed copies of Uniform Commercial Code financing statements naming the Issuer, the Company and each Guarantor as a debtor and the Collateral Agent as the secured party, or other similar instruments or documents to be filed under the UCC of all jurisdictions as may be necessary or, in the reasonable opinion of the Collateral Agent and its counsel, desirable to perfect the security interests of the Collateral Agent pursuant to the Collateral Agreements;

(ii) appropriately completed copies of Uniform Commercial Code Form UCC-3 termination statements, if any, necessary to release all Liens (other than Liens created by the Indenture, Liens created by the Collateral Agreements and Permitted Liens) of any Person in any collateral described in any Collateral Agreement previously granted by any Person;

(iii) Lien search results, dated a date reasonably near to the Closing Date, listing all effective financing statements which name the Issuer, the Company or any Guarantor (under its present name and any previous names) as the debtor, together with copies of such financing statements (none of which shall cover any Collateral described in any Collateral Agreement, other than such financing statements that evidence Permitted Liens);

(iv) a certificate from one or more insurance companies reasonably satisfactory to the Collateral Agent, evidencing coverage required to be maintained pursuant to the Documents and naming the Collateral Agent on behalf of the Holders as mortgagee (in the case of property insurance) or additional insured (in the case of liability insurance);

(v) such other approvals or documents as the Collateral Agent may reasonably request in form and substance reasonably satisfactory to the Collateral Agent; and

(vi) the Collateral Agent and its counsel shall be satisfied that (i) the Lien granted to the Collateral Agent, for the benefit of the Secured Parties in the collateral described above is of the priority described in the Final Offering Circular; and (ii) no Lien exists on any of the collateral described above other than the Lien created in favor of the Collateral Agent, for the benefit of the Secured Parties, pursuant to a Collateral Agreement, in each case subject to the Permitted Liens.

(m) The Initial Purchaser shall have received evidence satisfactory to it that funds managed by Jefferies Capital Partners and certain members of management of the Company shall have made

an equity investment in the Issuer in the amount of $24.0 million in cash substantially as described in the Offering Circular (the "Equity Investment").

(n) The Acquisition, the Merger, the Equity Investment and the Credit Agreement shall have been consummated substantially concurrently with the Offering pursuant to agreements in form and substance reasonably satisfactory to the Initial Purchaser.

8. Indemnification and Contribution.

(a) (A) Prior to the Merger, the Issuer, as to itself, and the Company and each of the Guarantors, agree, and (B) upon effectiveness of the Merger, the Issuer and each of the Guarantors, jointly and severally, agrees, to indemnify and hold harmless the Initial Purchaser, and each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities of any kind to which the Initial Purchaser or such controlling person may

become subject under the Act, the Exchange Act or otherwise, insofar as any such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement of any material fact contained in any Offering Circular or any amendment or supplement thereto; or

(ii) the omission or alleged omission to state, in any Offering Circular or any amendment or supplement thereto, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

and, subject to the provisions hereof, will reimburse promptly upon demand, the Initial Purchaser and each such controlling person for any legal or other expenses reasonably incurred by the Initial Purchaser or such controlling person in connection with investigating or defending against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action in respect thereof; provided, however, none of the Issuer, the Company or any Guarantor shall be liable in any such case to the extent (but only to the extent) that any such loss, claim, damage or liability is finally judicially determined by a court of competent jurisdiction in a final, unappealable judgment, to have resulted primarily from any untrue statement or alleged untrue statement or omission or alleged omission made in any Offering Circular or any amendment or supplement thereto in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Issuer or the Company by the Initial Purchaser specifically for use therein. This indemnity agreement will be in addition to any liability that the Company and the Guarantors may otherwise have to the indemnified parties. The Company and the Guarantors shall not be liable under this Section 8 for any settlement of any claim or action effected without their prior written consent, which shall not be unreasonably withheld; and provided further, however, that this indemnity, as to the Preliminary Offering Circular or the Final Offering Circular, shall not inure to the benefit of the Initial Purchaser (or any person controlling such Initial Purchaser) on account of any loss, claim, damage or liability arising from the sale of Notes to any person by such Initial Purchaser if such Initial Purchaser failed to send or give a copy of the Final Offering Circular (as the same may be supplemented or amended) to such person at or prior to the written confirmation of the sale of the Notes to such person, and the untrue statement or alleged untrue statement or omission or alleged omission of a material fact in such Preliminary Offering Circular was corrected in the Final Offering Circular, unless such failure resulted from noncompliance by the Issuer or the Company with Section 5(b).

(b) The Initial Purchaser agrees to indemnify and hold harmless each of the Issuer, the Company, each of the Guarantors and their respective directors, officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities of any kind to which the Company or any such director, officer or controlling person may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) are finally judicially determined by a court of competent jurisdiction in a final, unappealable judgment, to have resulted primarily from (i) any untrue statement or alleged untrue statement of any material fact contained in any Offering Circular or any amendment or supplement thereto or (ii) the omission or the alleged omission to state therein a material fact required to be stated in any Offering Circular or any amendment or supplement thereto or necessary to make the statements therein not misleading, in each case to the extent (but only to the extent) that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Initial Purchaser, furnished to the Issuer or the Company or their agents by the Initial Purchaser specifically for use therein; and, subject to the limitation set forth immediately preceding this clause, will reimburse promptly upon demand, any legal or other expenses incurred by the Issuer, the Company, each of the Guarantors or any such director, officer or controlling person in connection with any such loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability that the Initial Purchaser may otherwise have to the indemnified parties.

(c) As promptly as reasonably practicable after receipt by an indemnified party under this Section 8 of notice of the commencement of any action for which such indemnified party is entitled to indemnification under this Section 8, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party of the commencement thereof in writing; but the omission to so notify the indemnifying party (i) will not relieve such indemnifying party from any liability under paragraph (a) or (b) above unless and only to the extent it is materially prejudiced as a result thereof and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraphs (a) and (b) above. In case any such action is brought against any indemnified party, and it notifies

the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may determine, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, that if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest under applicable standards of professional responsibility, (ii) the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have been advised by counsel in writing that there may be one or more legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after receipt by the indemnifying party of notice of the institution of such action, then, in each such case, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties at the reasonable expense of the indemnifying party. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in

accordance with the proviso to the immediately preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Initial Purchaser in the case of paragraph (a) of this Section 8 or the Company in the case of paragraph (b) of this Section 8, representing the indemnified parties under such paragraph (a) or paragraph (b), as the case may be, who are parties to such action or actions) or (ii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld), unless such indemnified party waived in writing its rights under this Section 8, in which case the indemnified party may effect such a settlement without such consent.

(d) No indemnifying party shall be liable under this Section 8 for any settlement of any claim or action (or threatened claim or action) effected without its written consent, which shall not be unreasonably withheld, but if a claim or action settled with its written consent, or if there be a final judgment for the plaintiff with respect to any such claim or action, each indemnifying party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each indemnified party from and against any and all losses, claims, damages or liabilities (and legal and other expenses as set forth above) incurred by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement or compromise of any pending or threatened proceeding in respect of which the indemnified party is or could have been a party, or indemnity could have been sought hereunder by the indemnified party, unless such settlement (A) includes an unconditional written release of the indemnified party, in form and substance satisfactory to the indemnified party, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of the indemnified party.

(e) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section 8 is unavailable to, or insufficient to hold harmless, an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contributions, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties, on the one hand, and the indemnified party, on the other, from the Offering or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties, on the one hand, and the indemnified party, on the other, in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof). The relative benefits received by the Issuer, the Company and the Guarantors, on the one hand, and the Initial Purchaser, on the other, shall be deemed to be in the same proportion as the total proceeds from the Offering (before deducting expenses) received by the Issuer bear to the total discounts and commissions received by the Initial Purchaser. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information

supplied by the Issuer or the Company, on the one hand, or the Initial Purchaser, on the other, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent

such statement or omission or alleged statement or omissions, and any other equitable considerations appropriate in the circumstances.

(f) The Issuer, the Company, the Guarantors and the Initial Purchaser agree that it would not be equitable if the amount of such contribution determined pursuant to the immediately preceding paragraph (e) were determined by pro rata or per capita allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the first sentence of the immediately preceding paragraph (e). Notwithstanding any other provision of this Section 8, the Initial Purchaser shall not be obligated to make contributions hereunder that in the aggregate exceed the total discounts, commissions and other compensation received by such Initial Purchaser under this Agreement, less the aggregate amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of the untrue or alleged untrue statements or the omissions or alleged omissions to state a material fact. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of the immediately preceding paragraph (e), each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Initial Purchaser, and each director of the Issuer, the Company and the Guarantors, each officer of the Issuer, the Company and the Guarantors and each person, if any, who controls either of the Company or the Guarantors within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company and the Guarantors.

9. Termination. The Initial Purchaser may terminate this Agreement at any time prior to the Closing Date by written notice to the Issuer if any of the following has occurred:

(a) since the date hereof, any Material Adverse Effect or development involving or reasonably expected to result in a prospective Material Adverse Effect that could, in the Initial Purchaser' s reasonable judgment, be expected to (i) make it impracticable or inadvisable to proceed with the offering or delivery of the Notes on the terms and in the manner contemplated in the Final Offering Circular, or (ii) materially impair the investment quality of any of the Notes;

(b) the failure of the Issuer, the Company or the Guarantors to satisfy the conditions contained in Section 7(a) hereof on or prior to the Closing Date;

(c) any outbreak or escalation of hostilities or other national or international calamity or crisis, including acts of terrorism, or material adverse change or disruption in economic conditions in, or in the financial markets of, the United States (it being understood that any such change or disruption shall be relative to such conditions and markets as in effect on the date hereof), if the effect of such outbreak, escalation, calamity, crisis, act or material adverse change in the economic conditions in, or in the financial markets of, the United States could be reasonably expected to make it, in the Initial Purchaser' s judgment, impracticable or inadvisable to market or proceed with the offering or delivery of the Notes on the terms and in the manner contemplated in the Final Offering Circular or to enforce contracts for the sale of any of the Notes;

(d) the suspension or limitation of trading generally in securities on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market or any setting of limitations on prices for securities on any such exchange or NASDAQ National Market;

(e) on or after the date hereof, any securities of the Company shall have been downgraded or placed on any "watch list" for possible downgrading by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Act; or

(f) the declaration of a banking moratorium by any Governmental Authority; or the taking of any action by any Governmental Authority after the date hereof in respect of its monetary or fiscal affairs that in the Initial Purchaser' s opinion could reasonably be expected to have a material adverse effect on the financial markets in the United States.

10. Survival of Representations and Indemnities. The representations and warranties, covenants, indemnities and contribution and expense reimbursement provisions and other agreements, representations and warranties of the Issuer, the Company and the Guarantors set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchaser, (ii) acceptance of the Notes, and payment for them hereunder, and (iii) any termination of this Agreement.

11. Default by the Initial Purchaser. If the Initial Purchaser shall breach its obligations to purchase the Notes that it has agreed to purchase hereunder on the Closing Date and arrangements satisfactory to the Issuer for the purchase of such Notes are not made within 36 hours after such default, this Agreement shall terminate with respect to the Initial Purchaser without liability on the part of the Issuer. Nothing herein shall relieve the Initial Purchaser from liability for its default.

12. Information Supplied by the Initial Purchaser. The statements set forth on the cover page with respect to price, the last full paragraph on page ii, and in the first sentence of the third paragraph, the fourth sentence of the fifth paragraph, the sixth paragraph and the seventh paragraph under the heading "Plan of Distribution" in the Offering Circular (to the extent such statements relate to the Initial Purchaser) constitute the only information furnished by the Initial Purchaser to the Company or the Guarantors for the purposes of Sections 4(a) and 8 hereof.

13. Company and Guarantor Execution. On the Closing Date, effective upon effectiveness of the Merger, (i) the Company and the Guarantors will become a party to this Agreement by executing and delivering this Agreement to the Initial Purchaser and (ii) each of the Company and the Guarantors shall execute and deliver the Registration Rights Agreement and the Supplemental Indenture. By executing and delivering this Agreement, (A) the Company expressly (i) agrees and acknowledges that by operation of law it has become successor to all of the obligations of the Issuer, (ii) agrees to assume all of the obligations of the Issuer and the Company under this Agreement and (iii) agrees to take any and all actions required to be taken by the Issuer or the Company under this Agreement, (B) the Company and each of the Guarantors expressly agree that all representations and warranties made in this Agreement by the Issuer on behalf of itself, the Company and the Guarantors shall be considered to by made by, effective as to, and binding upon, the Company and the Guarantors.

14. Miscellaneous.

(a) Notices given pursuant to any provision of this Agreement shall be addressed as follows: (i) if to the Company, to: Edgen Corporation, 18444 Highland Road, Baton Rouge, Louisiana 70809, Attention: David Laxton, Chief Financial Officer, with a copy to: Dechert LLP, 30 Rockefeller Plaza, New York, New York 10112-2200, Attention: Bonnie A. Barsamian, Esq., and (ii) if to the Initial Purchaser, to: Jefferies & Company, Inc., 520 Madison Avenue, 12th Floor, New York, New York 10022, Attention: Lloyd H. Feller, Esq., with a copy to: Mayer, Brown, Rowe & Maw LLP, 1675 Broadway, New York, New York 10019-5820, Attention: Ronald S. Brody, Esq., (or in any case to such other address as the person to be notified may have requested in writing).

(b) This Agreement has been and is made solely for the benefit of and shall be binding upon the Issuer, the Company and the Guarantors, the Initial Purchaser and, to the extent provided in Section 8 hereof, the controlling persons, officers, directors, partners, employees, representatives

and agents referred to in Section 8, and their respective heirs, executors, administrators, successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Notes from the Initial Purchaser merely because of such purchase. Notwithstanding the foregoing, it is expressly understood and agreed that each purchaser who purchases Notes from the Initial Purchaser is intended to be a beneficiary of the covenants of the Company and the Guarantors contained in the Registration Rights Agreement to the same extent as if the Notes were sold and those covenants were made directly to such purchaser by the Company and the Guarantors, and each such purchaser shall have the right to take action against the Company and the Guarantors to enforce, and obtain damages for any breach of, those covenants.

(c) THE VALIDITY AND INTERPRETATION OF THIS AGREEMENT, AND THE TERMS AND CONDITIONS SET FORTH HEREIN SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY THEREIN, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

(d) EACH OF THE ISSUER, THE COMPANY AND EACH GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY (I) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY; AND (II) WAIVES (A) ITS RIGHT TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE INITIAL PURCHASER AND FOR ANY COUNTERCLAIM RELATED TO ANY OF THE FOREGOING AND (B) ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(e) This Agreement may be signed in various counterparts, which together shall constitute one and the same instrument.

(f) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(h) This Agreement may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given; provided that the same are in writing and signed by all of the signatories hereto.

(i) This Purchase Agreement, including the documents and the instruments referred to herein and the letter agreement between the Issuer and the Initial Purchaser, dated the date hereof, constitutes the entire agreement between the parties relating to its subject matter and supercedes all prior or contemporaneous negotiations or agreements, whether oral or written, relating to the subject matter hereof.

Please confirm that the foregoing correctly sets forth the agreement between the Issuer, the Company, the Guarantors and the Initial Purchaser.

Very truly yours,

ISSUER:
EDGEN ACQUISITION CORPORATION

By: /s/ Nicholas Davaviras
Name: Nicholas Davaviras
Title: President

COMPANY:
EDGEN CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Senior Vice President, Chief Financial Officer and Secretary

GUARANTORS:
EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN LOUISIANA CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

Accepted and Agreed to:
JEFFERIES & COMPANY, INC.

By: /s/ Rich Goldenberg
Name: Rich Goldenberg
Title: Managing Director

SCHEDULE I

LIST OF SUBSIDIARIES

Name	Jurisdiction of Organization
Edgen Alloy Products Group, L.L.C.	Louisiana

Edgen Carbon Products Group, L.L.C.	Louisiana
Edgen Louisiana Corporation	Louisiana
Edgen Canada, Inc.*	Alberta, Canada

Exhibit 10.2

EXECUTION COPY

$105,000,000

Edgen Corporation

9.875% of Senior Secured Notes due 2011

REGISTRATION RIGHTS AGREEMENT

February 1, 2005

Jefferies & Company, Inc.
520 Madison Avenue
12th Floor
New York, NY 10022

Ladies and Gentlemen:

Pursuant to a purchase agreement dated January 25, 2005 (the "Purchase Agreement") by and among Edgen Acquisition Corporation, a Nevada corporation (the "Acquired Corporation"), Edgen Corporation, a Nevada corporation (the "Company"), the subsidiary guarantors named therein and Jefferies and Company, Inc. as initial purchaser (the "Initial Purchaser") (the "Purchase Agreement"), the Acquired Corporation issued and sold to the Initial Purchaser, on the date hereof, upon the terms set forth in the Purchase Agreement, $105,000,000 aggregate principal amount of 9 7/8% Senior Secured Notes due 2011 (each, a "Note" and collectively, the "Notes"). In connection with the acquisition of the Acquired Corporation by the Company and the merger of the Acquired Corporation with and into the Company (the "Merger"), the Company has (a) assumed all obligations of the Acquired Corporation under the Purchase Agreement and (b) entered into a supplemental indenture to the Indenture (as defined below), by and among the Company, the subsidiary guarantors named therein and the Trustee (as defined below) (the "Supplemental Indenture"), pursuant to which the Company assumed all the obligations of the Acquired Corporation under the Indenture. As consideration for the purchase of the Notes and the Guarantees by the Initial Purchaser, the Company and the subsidiary guarantors listed on the signature pages hereto agree with the Initial Purchaser, for the benefit of the Holders (as defined below) of the Notes (including, without limitation, the Initial Purchaser), as follows:

1. Definitions

Capitalized terms that are used herein without definition and are defined in the Purchase Agreement shall have the respective meanings ascribed to them in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

Additional Interest: See Section 4(a).

Advice: See Section 6(v).

Agreement: This Registration Rights Agreement.

Applicable Period: See Section 2(e).

Business Day: A day that is not a Saturday, a Sunday or a day on which banking institutions in the City of New York are authorized or required by law or executive order to be closed.

Closing Date: February 1, 2005.

Collateral Agreements: Shall have the meaning set forth in the Indenture.

Company: See the introductory paragraph to this Agreement.

Day: Unless otherwise expressly provided, a calendar day.

Effectiveness Date: The 210th day after the Issue Date; provided, however, that if the Effectiveness Date would otherwise fall on a day that is not a Business Day, then the Effectiveness Date shall be the next succeeding Business Day.

Effectiveness Period: See Section 3(a).

Event Date: See Section 4(b).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Exchange Notes: Senior Secured Notes due 2011 of the Company, identical in all material respects to the Notes, including the guarantees endorsed thereon, except (i) that such securities shall have been registered pursuant to an effective registration statement under the Securities Act, (ii) that such securities shall not contain a restrictive legend thereon, (iii) that such securities shall not contain provisions relating to the accrual or payment of Additional Interest (except with respect to Additional Interest, if any, accrued and unpaid as of the issuance of such Exchange Notes) and (iv) as described in the first sentence of Section 2(c).

Exchange Offer: See Section 2(a).

Exchange Registration Statement: See Section 2(a).

Filing Date: The 120th day after the Issue Date; provided, however, that if the Filing Date would otherwise fall on a day that is not a Business Day, then the Filing Date shall be the next succeeding Business Day.

Holder: Any registered holder of Registrable Notes.

Indemnified Party: See Section 8(c).

Indemnifying Party: See Section 8(c).

Indenture: The Indenture, dated as of the Closing Date, among the Acquired Corporation and The Bank of New York, as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms hereof.

Initial Purchaser: See the introductory paragraph to this Agreement.

Initial Shelf Registration: See Section 3(a).

Inspectors: See Section 6(n).

Issue Date: February 1, 2005.

Lien: Shall have the meaning set forth in the Indenture.

Losses: See Section 8(a).

NASD: National Association of Securities Dealers, Inc.

Notes: See the introductory paragraph to this Agreement.

Participating Broker-Dealer: See Section 2(e).

Person: An individual, trustee, corporation, partnership, limited liability company, joint stock company, trust, unincorporated association, union, business association, firm, government or agency or political subdivision thereof, or other legal entity.

Private Exchange: See Section 2(f).

Private Exchange Notes: See Section 2(f).

Prospectus: The prospectus included in any Registration Statement at the time that such Registration Statement is declared effective (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Notes covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Purchase Agreement: See the introductory paragraph to this Agreement.

Records: See Section 6(n).

Registrable Notes: (i) Notes, (ii) Private Exchange Notes and (iii) Exchange Notes received in the Exchange Offer, in each case, that may not be sold without restriction under federal or state securities laws; provided, that for the avoidance of doubt, a Security shall cease to be a Registrable Note when (w) a Shelf Registration Statement covering such Security has been declared effective by the SEC and such Security has been disposed of in accordance with

and in a manner contemplated by such effective Shelf Registration Statement, (x) in the case of a Note, such Note has been exchanged pursuant to the Exchange Offer as contemplated in Section 2(a) (provided, that any Exchange Note that is included in a Prospectus for use in connection with resales by Participating Broker-Dealers shall be deemed to be a Registrable Note with respect to Sections 8 and 11 until resale of such Registrable Note has been effected pursuant to a "Plan of Distribution" within the Applicable Period), for an Exchange Note or Exchange Notes that may be resold without restriction under state and federal securities laws, (y) such Security ceases to be outstanding for purposes of the Indenture or (z) such Security has been sold in compliance with Rule 144 under circumstances in which any legend borne by such Security relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Company or is eligible to be sold by the holders thereof pursuant to Rule 144(k).

Registration Statement: Any registration statement of the Company and the Subsidiary Guarantors filed with the SEC under the Securities Act (including, but not limited to, the Exchange Registration Statement, the Shelf Registration and any subsequent Shelf Registration) that covers any of the Registrable Notes pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Rule 144: Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer or such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 144A: Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC.

Rule 415: Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

Rule 430A: Rule 430A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

SEC: The Securities and Exchange Commission.

Securities: The Notes, the Exchange Notes and the Private Exchange Notes.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Shelf Notice: See Section 2(j).

Shelf Registration: See Section 3(b).

Subsequent Shelf Registration: See Section 3(b).

Subsidiary Guarantor: Each subsidiary of the Company that guarantees the obligations of the Company under the Notes and Indenture.

Supplemental Indenture: See the introductory paragraph to this Agreement.

TIA: The Trust Indenture Act of 1939, as amended.

Trustee: The trustee under the Indenture and, if existent, the trustee under any indenture governing the Exchange Notes and Private Exchange Notes (if any).

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

2. **Exchange Offer**

(a) Unless the Exchange Offer would not be permitted by applicable laws or a policy or currently prevailing applicable interpretations of the staff of the SEC, the Company shall (and shall cause each Subsidiary Guarantor to) (i) prepare and file with the SEC after the date hereof, but in no event later than the Filing Date, a registration statement (the "Exchange Registration Statement") on an appropriate form under the Securities Act with respect to a proposed offer (the "Exchange Offer") to the Holders of Notes who are not prohibited by law or a policy or currently prevailing applicable interpretations of the SEC from participating in the Exchange Offer to issue and deliver to such Holders, in exchange for the Notes, a like principal amount of Exchange Notes, (ii) use its commercially reasonable efforts to cause the Exchange Registration Statement to become effective no later than the Effectiveness Date, (iii) use its commercially reasonable efforts to keep the Exchange Registration Statement effective until the consummation of the Exchange Offer in accordance with its terms, and (iv) use its commercially reasonable efforts to commence the Exchange Offer and issue on or prior to 30 Business Days after the date on which the Exchange Registration Statement is declared effective, Exchange Notes in exchange for all Notes validly tendered and not withdrawn prior thereto in the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that (i) the Exchange Offer does not violate applicable law or any applicable policy or currently prevailing applicable interpretations of the staff of the SEC, (ii) no action or proceeding shall have been instituted in any court or by any governmental agency which might materially impair the ability of the Company and the Subsidiary Guarantors to proceed with the Exchange Offer and (iii) all necessary governmental approvals shall have been obtained for the consummation of the Exchange Offer.

(b) The Exchange Notes shall be issued under, and entitled to the benefits of, (i) the Indenture or a trust indenture that is identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualifications thereof under the TIA) and (ii) the Collateral Agreements.

(c) Interest on the Exchange Notes and Private Exchange Notes will accrue from the last interest payment due date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the date of original issue of the Notes. Each Exchange Note and Private Exchange Note shall bear interest at the rate set forth thereon; provided, that interest with respect to the period prior to the issuance thereof shall accrue at the rate or rates borne by the Notes from time to time during such period.

(d) The Company may require each Holder as a condition to participation in the Exchange Offer to represent in writing to the Company and the Subsidiary Guarantors, prior to the time of the consummation of the Exchange Offer, (i) that any Exchange Notes received by it will be acquired in the ordinary course of its business, (ii) that at the time of the commencement and consummation of the Exchange Offer, such Holder has not entered into any arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act, (iii) that such Holder is not an "affiliate" (as defined in Rule 405 of the Securities Act) of the Company and, if such Holder is an "affiliate" of the Company, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable to it, (iv) if such Holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, the distribution of the Notes and (v) if such Holder is a Participating Broker-Dealer, that it will comply with the applicable prospectus delivery requirements of the Securities Act in connection with any resale of the Exchange Notes.

(e) The Company shall (and shall cause each Subsidiary Guarantor to) include within the Prospectus contained in the Exchange Registration Statement a section entitled "Plan of Distribution" reasonably acceptable to the Initial Purchaser which shall contain (i) a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of Exchange Notes received by such broker-dealer in the Exchange Offer for its own account in exchange for Notes that were acquired by it as a result of market-making or other trading activity (a "Participating Broker-Dealer") and (ii) all other information with respect to such sales by such Participating Broker-Dealers that the SEC may require in order to permit such sales pursuant thereto. Such "Plan of Distribution" section shall also allow, to the extent and in the manner permitted by applicable policies and regulations of the SEC, the use of the Prospectus by all Persons subject to the prospectus delivery requirements of the Securities Act, including, to the extent so permitted, all Participating Broker-Dealers, and include a statement describing the manner in which Participating Broker-Dealers may resell the Exchange Notes. The Company shall use its commercially reasonable efforts to keep the Exchange Registration Statement effective and to amend and supplement the Prospectus contained therein, in order to permit such Prospectus to be lawfully delivered by all Persons subject to the prospectus delivery requirements of the Securities Act

for such period of time as such Persons must comply with such requirements in order to resell the Exchange Notes; provided that such period shall not exceed the lesser of 180 days and the date on which all Persons subject to the prospectus delivery requirements of the Securities Act have sold all Exchange Notes held by them (the "Applicable Period").

(f) If, upon consummation of the Exchange Offer, the Initial Purchaser holds any Notes acquired by it and having the status of an unsold allotment in the initial distribution of the Notes, the Company (upon the written request from the Initial Purchaser) shall, no later than the earlier of (i) 30 days after the delivery of the Exchange Notes in the Exchange Offer and (ii) the declaration of effectiveness by the SEC of a Registration Statement covering the resale of all Private Exchange Notes to be issued and delivered as described in this sentence, issue and deliver to the Initial Purchaser, in exchange (the "Private Exchange") for the Notes held by the Initial Purchaser, a like principal amount of Senior Secured Notes that are substantially identical to the Exchange Notes except for the existence of restrictions on transfer thereof under the Securities Act and securities laws of the several states of the United States (the "Private Exchange Notes"). The Company shall use all reasonable efforts to cause the Private Exchange Notes to bear the same CUSIP number as the Exchange Notes.

(g) In connection with the Exchange Offer, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) Mail, or cause to be mailed to each Holder of record a copy of the Prospectus forming part of the Exchange Registration Statement, together with an appropriate letter of transmittal that is an exhibit to the Exchange Offer Registration Statement, and any related documents;

(ii) keep the Exchange Offer open for not less than 20 Business Days after the date notice thereof is mailed to the Holders (or longer if required by applicable law)

(iii) utilize the services of a depository for the Exchange Offer with an address in the Borough of Manhattan, the City of New York, which may be the Trustee or an affiliate thereof;

(iv) permit Holders to withdraw tendered Registrable Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(v) otherwise comply in all material respects with all applicable laws.

(h) As soon as practicable after the close of the Exchange Offer or the Private Exchange, as the case may be, the Company shall (and shall cause each Subsidiary Guarantor to):

(i) accept for exchange all Registrable Notes validly tendered pursuant to the Exchange Offer or the Private Exchange, as the case may be, and not validly withdrawn;

(ii) deliver to the Trustee for cancellation all Registrable Notes so accepted for exchange; and

(iii) cause the Trustee to authenticate and deliver promptly to each Holder validly tendering such Registrable Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Notes of such Holder so accepted for exchange; provided, that, in the case of any Notes held in global form by a depositary, authentication and delivery to such depositary of one or more replacement Exchange Notes in global form in an equivalent principal amount thereto for the account of such Holders in accordance with the Indenture shall satisfy such authentication and delivery requirement.

(i) The Exchange Notes and the Private Exchange Notes may be issued under (i) the Indenture or (ii) an indenture identical to the Indenture (other than such changes as are necessary to comply with any requirements of the SEC to effect or maintain the qualification thereof under the TIA), which in either event will provide that the Exchange Notes will not be subject to the transfer restrictions set forth in the Indenture, that the Private Exchange Notes will be subject to the transfer restrictions set forth in the Indenture, and that the Exchange Notes, the Private Exchange Notes and the Notes, if any, will be deemed one class of security (subject to the provisions of the Indenture) and entitled to participate in all the security granted by the Company pursuant to the Collateral Agreements and in any Subsidiary Guarantee (as such terms are defined in the Indenture) on an equal and ratable basis.

(j) If: (i) prior to the consummation of the Exchange Offer, the Holders of a majority in aggregate principal amount of Registrable Notes determines in its or their reasonable judgment that the Exchange Notes would not, upon receipt, be tradeable by the Holders thereof without restriction under the Securities Act and the Exchange Act and without material restrictions under applicable Blue Sky or state securities laws; (ii) because of any change in law or currently prevailing applicable interpretations of the staff of the SEC the Company determines upon advice of outside counsel that it is not permitted to consummate the Exchange Offer prior to the Effectiveness Date; (iii) subsequent to the consummation of the Private Exchange, any Holder of Private Exchange Notes so requests; (iv) the Exchange Offer is not consummated within 30 Business Days from the date the Exchange Registration Statement was declared effective; or (v) in the case of (A) any Holder not permitted by applicable law or SEC policy to participate in the Exchange Offer, (B) any Holder participating in the Exchange Offer that receives Exchange Notes that may not be sold without restriction under state and federal securities laws (other than due solely to the status of such Holder as an affiliate of the Company within the meaning of the Securities Act) or (C) any broker-dealer

that holds Notes acquired directly from the Company or any of its affiliates and, in each such case contemplated by this clause (v), such Holder notifies the Company (1) within six months of consummation of the Exchange Offer in the case of a Holder described in subsection (C) of this clause (v) or (2) as soon as is reasonably practicable and in any event within 120 days of consummation of the Exchange Offer in the case of a Holder described in subsection (A) or (B) of this clause (v), then the Company shall promptly (and in any event within ten Business Days) deliver to the Holders (or in the case of an occurrence of any event described in clause (iii) or (v) of this Section 2(j), to any such Holder) and the Trustee notice thereof (the "Shelf Notice") and shall as promptly as possible thereafter (but in no event later than 30 days after delivery of the Shelf Notice) file an Initial Shelf Registration pursuant to Section 3.

3. **Shelf Registration**

If a Shelf Notice is required to be delivered pursuant to clause (i), (ii) or (iv) of Section 2(j), then this Section 3 shall apply to all Registrable Notes and if a Shelf Notice is required to be delivered pursuant to clause (iii) of Section 2(j), then this Section 3 shall apply to all Private Exchange Notes. Otherwise, upon consummation of the Exchange Offer in accordance with Section 2, the provisions of Section 3 shall apply solely with respect to (i) Notes held by any Holder thereof not permitted to participate in the Exchange Offer, (ii) Notes held by any broker-dealer that acquired such Notes directly from the Company or any of its affiliates and (iii) Exchange Notes that are not freely tradeable as contemplated by Section 2(j)(v) hereof, provided in each case that the relevant Holder has duly notified the Company within the time period required by Section 2(j)(v).

(a) Initial Shelf Registration. The Company shall (and shall cause each Subsidiary Guarantor to), as promptly as practicable, file with the SEC a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes (the "Initial Shelf Registration"). If the Company (and any Subsidiary Guarantor) has not yet filed an Exchange Registration Statement, the Company shall (and shall cause each Subsidiary Guarantor to) file with the SEC the Initial Shelf Registration on or prior to the Filing Date and shall use its commercially reasonable efforts to cause such Initial Shelf Registration to be declared effective under the Securities Act on or prior to the Effectiveness Date. Otherwise, the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to file with the SEC the Initial Shelf Registration within 30 days of the delivery of the Shelf Notice and shall use its commercially reasonable efforts to cause such Shelf Registration to be declared effective under the Securities Act as promptly as practicable thereafter (but in no event more than 60 days after the date on which such Initial Shelf Registration Statement was required to be filed). The Initial Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners reasonably designated by them (including, without limitation, one or more Underwritten Offerings). The Company and Subsidiary Guarantors shall not permit any securities other than the Registrable Notes to be included in any

Shelf Registration. The Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to keep the Initial Shelf Registration continuously effective under the Securities Act until the date which is 24 months from the Closing Date (subject to extension pursuant to the last paragraph of Section 6(v) (the "Effectiveness Period"), or such shorter period ending when (i) all Registrable Notes covered by the Initial Shelf Registration have been sold in the manner set forth and as contemplated in the Initial Shelf Registration (ii) a Subsequent Shelf Registration covering all of the Registrable Notes covered by and not sold under the Initial Shelf Registration or an earlier Subsequent Shelf Registration has been declared effective under the Securities Act or (iii) there cease to be any outstanding Registrable Notes.

(b) Subsequent Shelf Registrations. If the Initial Shelf Registration or any Subsequent Shelf Registration (as defined below) ceases to be effective for any reason at any time during the Effectiveness Period (other than because of the sale of all of the securities registered thereunder), the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 30 days of such cessation of effectiveness amend such Shelf Registration in a manner necessary to obtain the withdrawal of the order suspending the effectiveness thereof, or file (and cause each Subsidiary Guarantor to file) an additional "shelf" Registration Statement pursuant to Rule 415 covering all of the Registrable Notes (a "Subsequent Shelf Registration"). If a Subsequent Shelf Registration is filed, the Company shall (and shall cause each Subsidiary Guarantor to) use its commercially reasonable efforts to cause the Subsequent Shelf Registration to be declared effective as soon as practicable after such filing and to keep such Subsequent Shelf Registration continuously effective for a period equal to the number of days in the Effectiveness Period less the aggregate number of days during which the Initial Shelf Registration or any Subsequent Shelf Registration was previously continuously effective. As used herein the term "Shelf Registration" means the Initial Shelf Registration and any Subsequent Shelf Registrations.

(c) Supplements and Amendments. The Company shall promptly supplement and amend any Shelf Registration (i) if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Securities Act, or (ii) if reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Shelf Registration or by any underwriter of such Registrable Notes and if upon the advice of counsel the Company deems such supplement or amendment to be advisable or necessary.

(d) Provision of Information. No Holder of Registrable Notes shall be entitled to include any of its Registrable Notes in any Shelf Registration pursuant to this Agreement unless such Holder furnishes to the Company and the Trustee in writing, within 20 days after receipt of a written request therefor, such information as the Company and the Trustee after conferring with counsel with

regard to information relating to Holders that would be required by the SEC to be included in such Shelf Registration or Prospectus included therein (including the information specified in Item 507 or Item 508 of Regulation S-K, as applicable), may, from time to time, reasonably request for inclusion in any Shelf Registration or Prospectus included therein, and no such Holder shall be entitled to Additional Interest pursuant to Section 4 hereof unless and until such Holder shall have provided such information. Each Holder whose Registrable Notes are to be included in a Shelf Registration Statement agrees to promptly furnish to the Company and the Subsidiary Guarantors any additional information required to be disclosed in order to make the information previously furnished to the Company and the Subsidiary Guarantors by such Holder not materially misleading.

4. **Additional Interest**

(a) The Company and each Subsidiary Guarantor acknowledges and agrees that the Holders of Registrable Notes will suffer damages if the Company or any Subsidiary Guarantor fails to fulfill its material obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company and the Subsidiary Guarantors agree to pay additional cash interest on the Notes ("Additional Interest") under the circumstances and to the extent set forth below:

(i) if (A) neither the Exchange Registration Statement nor the Initial Shelf Registration has been filed with the SEC on or prior to the Filing Date or (B) notwithstanding that the Company has consummated or will consummate an Exchange Offer, the Company is required to file a Shelf Registration Statement and such Shelf Registration Statement is not filed on or prior to the date required by this Agreement, Additional Interest shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following either such required filing date, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if (A) neither the Exchange Registration Statement nor the Initial Shelf Registration is declared effective on or prior to the Effectiveness Date or (B) notwithstanding that the Company has consummated or will consummate an Exchange Offer, the Company is required to file a Shelf Registration Statement and such Shelf Registration Statement is not declared effective by the SEC on or prior to the 60th day following the date such Shelf Registration Statement was filed, Additional Interest shall accrue on the Notes over and above any stated interest at a rate of 0.25% per annum of the principal amount of such Notes for the first 90 days immediately following either such required effectiveness dates, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(iii) if (A) the Company (and any Subsidiary Guarantor) has not exchanged Exchange Notes for all Notes validly tendered and not withdrawn in accordance with the terms of the Exchange Offer on or prior to the 30 Business Days after the Effectiveness Date, (B) if applicable, a Shelf Registration has been declared effective and such Shelf Registration ceases to be effective at any time prior to the second anniversary of the Closing Date (other than such time as all Notes have been disposed of thereunder) and is not declared effective again within 30 days, or (C) (x) pending the announcement of a material corporate transaction or (y) the Company is required to include financial statements and other information of any acquired business in any Registration Statement and related Prospectus as a result of a material acquisition and, despite the best efforts of the Company, such required financial statements or other information is not available for inclusion in such Registration Statement or related Prospectus, the Company issues a written notice pursuant to Section 6(e)(2)(v) or (vi) that a Shelf Registration Statement or Exchange Registration Statement is unusable and the aggregate number of days in any 365-day period for which all such notices issued or required to be issued, have been, or were required to be, in effect exceeds 120 days in the aggregate or 45 days consecutively, in the case of a Shelf Registration statement, or 30 days in the aggregate in the case of an Exchange Registration Statement, then Additional Interest shall accrue on the Notes, over and above any stated interest, at a rate of 0.25% per annum of the principal amount of such Notes commencing on (x) the 31st Business Day after the Effectiveness Date, in the case of (A) above, or (y) the day such Shelf Registration ceases to be

effective in the case of (B) above, or (z) the day the Exchange Registration Statement or Shelf Registration ceases to be usable in case of clause (C) above, such Additional Interest rate increasing by an additional 0.25% per annum at the beginning of each such subsequent 90-day period;

provided, however, that Additional Interest will not accrue under more than one of the foregoing clauses (i), (ii) or (iii) at any time; provided further, however, that the maximum Additional Interest rate on the Notes may not exceed at any one time in the aggregate 1.00% per annum; and provided further, that (1) upon the filing of the Exchange Registration Statement or Initial Shelf Registration (in the case of (i) above), (2) upon the effectiveness of the Exchange Registration Statement or Initial Shelf Registration (in the case of (ii) above), or (3) upon the exchange of Exchange Notes for all Notes tendered (in the case of (iii)(A) above) or upon the effectiveness of a Shelf Registration which had ceased to remain effective (in the case of (iii)(B) above), Additional Interest on the Notes as a result of such clause (or the relevant subclause thereof) or upon the effectiveness of such Registration Statement or Exchange Registration Statement (in the case of clause (iii)(C) above), as the case may be, shall cease to accrue.

(b) The Company shall notify the Trustee within 3 Business Days after each and every date on which an event occurs in respect of which Additional Interest is

required to be paid (an "Event Date"). Any amounts of Additional Interest due pursuant to clause (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash**,** on the dates and in the manner provided in the Indenture, commencing with the first such semi-annual interest payment date occurring after any such Additional Interest commences to accrue. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Notes, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

(c) The parties hereto agree that the Additional Interest provided for in this Section 4 constitutes the sole damages that will be suffered by, and an adequate remedy for, Holders of Registrable Notes by reason of the occurrence of any of the events described in Section 4(a) above.

5. **Hold-Back Agreements**

The Company agrees that it will not effect any public or private sale or distribution (including a sale pursuant to Regulation D under the Securities Act) of any securities the same as or similar (it being understood that debt securities secured on a junior lien basis to the Notes shall not be deemed similar unless the Company and the managing underwriter (referred to below) agree otherwise) to those covered by a Registration Statement filed pursuant to Section 2 or 3 hereof (other than Additional Notes (as defined in the Indenture) issued under the Indenture), or any securities convertible into or exchangeable or exercisable for such securities, during the 10 days prior to, and during the 90-day period beginning on, the effective date of any Registration Statement filed pursuant to Sections 2 and 3 hereof unless the Holders of a majority in the aggregate principal amount of the Registrable Notes to be included in such Registration Statement consent, if the managing underwriter thereof so requests in writing.

6. **Registration Procedures**

In connection with the filing of any Registration Statement pursuant to Sections 2 or 3 hereof, the Company shall (and shall cause each Subsidiary Guarantor to) effect such registrations to permit the sale of such securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Company hereunder, the Company shall (and shall cause each Subsidiary Guarantor to):

(a) Prepare and file with the SEC on or prior to the Filing Date, the Exchange Registration Statement or if the Exchange Registration Statement is not filed because of the circumstances contemplated by Section 2(j), on or prior to the date required by this Agreement, a Shelf Registration as prescribed by Section 3, and use its commercially reasonable efforts to cause each such Registration Statement to become effective and remain effective as provided herein; provided that, if (1) a Shelf Registration is filed pursuant to Section 3 or (2) a Prospectus contained in

an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto the Company shall (and shall cause each Subsidiary Guarantor to), if requested in writing, furnish to and afford the Holders of the Registrable Notes to be registered pursuant to such Shelf Registration Statement, each Participating Broker-Dealer, the managing underwriters, if any, and each of their respective counsel, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least 5 Business Days prior to such filing). The Company and each Subsidiary Guarantor shall not file any such Registration Statement or Prospectus or any amendments or supplements thereto in respect of which the Holders must provide information for the inclusion therein without the Holders being afforded an opportunity to review such documentation if the holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, or any of their respective counsel shall reasonably object in writing on a timely basis.

(b) Provide an indenture trustee for the Registrable Notes, the Exchange Notes or the Private Exchange Notes, as the case may be, and cause the Indenture (or other indenture relating to the Registrable Notes) to be qualified under the TIA not later than the effective date of the first Registration Statement; and in connection therewith, to use its commercially reasonable efforts to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its commercially reasonable efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable such indenture to be so qualified in a timely manner.

(c) Prepare and file with the SEC such pre-effective amendments and post-effective amendments to each Shelf Registration or Exchange Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to them with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus. The Company and each Subsidiary Guarantor shall not, during the Applicable Period, voluntarily take any action that would result in selling Holders of the Registrable Notes covered by a Registration Statement or Participating

Broker-Dealers seeking to sell Exchange Notes not being able to sell such Registrable Notes or such Exchange Notes during that period, unless such action is required by applicable law, rule or regulation required or permitted by this Agreement, the Indenture or the Indenture Documents (as such term is defined in the Indenture).

(d) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, (i) upon the Company' s receipt, a copy of the order of the SEC declaring such Registration Statement and any post effective amendment thereto effective, (ii) such reasonable number of copies of such Registration Statement and of each amendment and supplement thereto (in each case including any documents incorporated therein by reference and all exhibits) and (iii) such reasonable number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and each amendment and supplement thereto, and such reasonable number of copies of the final Prospectus as filed by the Company and each Subsidiary Guarantor pursuant to Rule 424(b) under the Securities Act, in conformity with the requirements of the Securities Act and each amendment and supplement thereto. The Company and the Subsidiary Guarantors hereby consent, subject to the terms of this Agreement, to the use of the Prospectus by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers, if any, in connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(e) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, the Company shall notify in writing the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, the managing underwriters, if any, and each of their respective counsel promptly (but in any event within 3 Business Days) (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective (including in such notice a written statement that any Holder may, upon request, obtain, without charge, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any Prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by

the Securities Act to be delivered in connection with sales of the Registrable Notes, the representations and warranties of the Company and any Subsidiary Guarantor contained in any agreement (including any underwriting agreement) contemplated by Section 6(m) hereof cease to be true and correct in any material respect, (iv) of the receipt by the Company or any Subsidiary Guarantor of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in, or amendments or supplements to, such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement and the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (vi) of any reasonable determination by the Company or any Subsidiary Guarantor that a post-effective amendment to a Registration Statement would be appropriate and (vii) of any request by the SEC for post-effective amendments to the Registration Statement or supplements to the Prospectus or for additional information relating thereto.

(f) Use its commercially reasonable efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes to be sold by any Participating Broker-Dealer, for sale in any jurisdiction, and, if any such order is issued, to use its commercially reasonable efforts to obtain the withdrawal of any such order at the earliest possible date.

(g) If (A) a Shelf Registration is filed pursuant to Section 3, (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period or (C) reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold in connection with an Underwritten Offering, (i) use all reasonable efforts to promptly incorporate in a Prospectus supplement or post-effective amendment such information or revisions to information therein relating to such underwriters or selling Holders as the managing underwriters, if any, or such Holders reasonably request in writing to be included or made therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplements or post-effective amendment.

(h) Prior to any public offering of Registrable Notes or any delivery of a Prospectus contained in the Exchange Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its commercially reasonable efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer or any managing underwriter or underwriters, if any, reasonably request in writing; provided that where Exchange

Notes held by Participating Broker-Dealers or Registrable Notes are offered other than through an Underwritten Offering, the Company and each Subsidiary Guarantor agree to cause its counsel to perform Blue Sky investigations and file any registrations and qualifications required to be filed pursuant to this Section 6(h), keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Exchange Notes held by Participating Broker-Dealers or the Registrable Notes covered by the applicable Registration Statement; provided that neither the Company nor any Subsidiary Guarantor shall be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in any such jurisdiction where it is not then so subject.

(i) If (A) a Shelf Registration is filed pursuant to Section 3 or (B) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is requested to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company, and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or Holders may reasonably request.

(j) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by paragraph 6(e)(2)(v) or 6(e)(2)(vi) hereof, as promptly as practicable, prepare and file with the SEC, at the expense of the Company and the Subsidiary Guarantors, a supplement or post-effective amendment to the Registration Statement or a supplement to the related

Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, if SEC review is required, use all reasonable efforts to cause such post-effective amendment to be declared effective as soon as possible.

(k) Use its commercially reasonable efforts to cause the Registrable Notes covered by a Registration Statement to be rated with such appropriate rating agencies, if so requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or the managing underwriter or underwriters, if any.

(l) Prior to the initial issuance of the Exchange Notes, (i) provide the Trustee with one or more certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Exchange Notes.

(m) If a Shelf Registration is filed pursuant to Section 3, enter into such customary agreements (including an underwriting agreement in form, scope and substance as is customary in Underwritten Offerings of debt securities similar to the Notes, as may be appropriate in the circumstances) and take all such other actions in connection therewith (including those reasonably requested in writing by the managing underwriters, if any, or the Holders of a majority in aggregate principal amount of the Registrable Notes being sold) in order to expedite or facilitate the registration or the disposition of such Registrable Notes (provided that the Company shall have no obligation to enter into an underwriting agreement or permit an Underwritten Offering unless a request therefor shall have been received by Holders of not less than a majority of Registrable Notes outstanding), and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, (i) make such representations and warranties to the Holders and the underwriters, if any, with respect to the business of the Company and its subsidiaries as then conducted, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in Underwritten Offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and confirm the same if and when reasonably required; (ii) obtain an opinion of counsel to the Company and the Subsidiary Guarantors and updates thereof which counsel and opinions (in form and substance) shall be reasonably satisfactory to the managing underwriters, if any, addressed to each of the underwriters, if any, covering the matters customarily covered in opinions of counsel to the Company and the Subsidiary Guarantors requested in Underwritten

Offerings of debt securities similar to the Notes, as may be appropriate in the circumstances; (iii) obtain "cold comfort" letters and updates thereof (which letters and updates (in form and substance) shall be reasonably satisfactory to the managing underwriters) from the independent certified public accountants of the Company and the Subsidiary Guarantors (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with Underwritten Offerings of debt securities similar to the Notes, as may be appropriate in the circumstances, and such other matters as reasonably requested in writing by the underwriters; and (iv) deliver such documents and certificates as may be reasonably requested in writing by the Holders of a majority in aggregate principal amount of the Registrable Notes being sold and the managing underwriters, if any, to evidence the continued validity of the representations and warranties of the Company and its subsidiaries made pursuant to clause (i) above and to evidence compliance with any conditions contained in the underwriting agreement or other similar agreement entered into by the Company or any Subsidiary Guarantor.

(n) If (1) a Shelf Registration is filed pursuant to Section 3, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold, or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney or accountant or other agent retained (in connection with due diligence responsibilities) by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records and pertinent corporate documents of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information reasonably requested in writing by any such Inspector in connection with such Registration Statement; provided, that the foregoing inspection and information gathering shall be coordinated on behalf of all of the selling Holders and each such Participating Broker-Dealer by one counsel as may be chosen by the Holders of a majority in principal amount of Registrable Notes and, if reasonably requested by the underwriters, if any, by one counsel on behalf of the underwriters. Each Inspector shall agree in writing that it will keep the Records confidential and not disclose any of the Records unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) the

information in such Records is public or has been made generally available to the public other than as a result of a disclosure or failure to safeguard by such Inspector or (iv) disclosure of such information is, in the reasonable written opinion of counsel for any Inspector, necessary or advisable in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, related to, or involving this Agreement, or any transaction contemplated hereby or arising hereunder. Each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to agree that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Inspector, each selling Holder of such Registrable Notes and each such Participating Broker-Dealer will be required to further agree that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and, to the extent practicable, use its commercially reasonable efforts to allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential at its expense.

(o) Comply with all applicable rules and regulations of the SEC and make generally available to the security holders of the Company with regard to any applicable Registration Statement earning statements satisfying the provisions of section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes are sold to underwriters in a firm commitment or best efforts Underwritten Offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(p) Upon consummation of an Exchange Offer or Private Exchange, obtain an opinion of counsel to the Company and the Subsidiary Guarantors (in form and substance reasonably satisfactory to the Initial Purchaser), addressed to the Trustee for the benefit of all Holders participating in the Exchange Offer or Private Exchange, as the case may be, to the effect that (i) the Company and the Subsidiary Guarantors have duly authorized, executed and delivered the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture, (ii) the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture constitute legal, valid and binding obligations of the Company and the Subsidiary Guarantors, enforceable against the Company and the Subsidiary Guarantors in accordance with their respective terms, except as such enforcement may be subject to customary United States and foreign exceptions and (iii) all obligations of the Company and the Subsidiary Guarantors under the Exchange Notes or the Private Exchange Notes, as the case may be, and the Indenture are

secured by Liens (as defined in the Indenture) on the assets securing the obligations of the Company and the Subsidiary Guarantors under the Notes, Indenture and Collateral Agreements to the extent and as discussed in the Registration Statement.

(q) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by the Holders to the Company and the Subsidiary Guarantors (or to such other Person as directed by the Company and the Subsidiary Guarantors) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, the Company and the Subsidiary Guarantors shall mark, or caused to be marked, on such Registrable Notes that the Exchange Notes or the Private Exchange Notes, as the case may be, are being issued as substitute evidence of the indebtedness originally evidenced by the Registrable Notes; provided that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(r) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made with the NASD.

(s) Use its commercially reasonable efforts to cause all Securities covered by a Registration Statement to be listed on each securities exchange, if any, on which similar debt securities issued by the Company are then listed.

(t) Use its commercially reasonable efforts to take all other steps reasonably necessary to effect the registration of the Registrable Notes covered by a Registration Statement contemplated hereby.

(u) The Company may require each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected to furnish to the Company such information regarding such seller or Participating Broker-Dealer and the distribution of such Registrable Notes as the Company may, from time to time, reasonably request in writing. The Company may exclude from such registration the Registrable Notes of any seller who fails to furnish such information within a reasonable time (which time in no event shall exceed 45 days, subject to Section 3(d)) hereof) after receiving such request. Each seller of Registrable Notes or Participating Broker-Dealer as to which any registration is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished by such seller not materially misleading.

(v) Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes to be sold by such Participating Broker-Dealer, as the case may be, that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6(e)(2)(ii), 6(e)(2)(iii), 6(e)(2)(iv), 6(e)(2)(v), or 6(e)(2)(vi), such Holder will

forthwith discontinue disposition of such Registrable Notes covered by a Registration Statement and such Participating Broker-Dealer will forthwith discontinue disposition of such Exchange Notes pursuant to any Prospectus and, in each case, forthwith discontinue dissemination of such Prospectus until such Holder' s or Participating Broker-Dealer' s receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(j), or until it is advised in writing (the "Advice") by the Company and the Subsidiary Guarantors that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto and, if so directed by the Company and the Subsidiary Guarantors, such Holder or Participating

Broker-Dealer, as the case may be, will deliver to the Company all copies, other than permanent file copies, then in such Holder' s or Participating Broker-Dealer' s possession, of the Prospectus covering such Registrable Notes current at the time of the receipt of such notice. In the event the Company and the Subsidiary Guarantors shall give any such notice, the Applicable Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each Participating Broker-Dealer shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 6(j) or (y) the Advice.

7. **Registration Expenses**

(a) All fees and expenses incident to the performance of or compliance with this Agreement by the Company and the Subsidiary Guarantors shall be borne by the Company and the Subsidiary Guarantors, whether or not the Exchange Offer or a Shelf Registration is filed or becomes effective, including, without limitation, (i) all registration and filing fees, including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with any Underwritten Offering and (B) fees and expenses of compliance with state securities or Blue Sky laws as provided in Section 6(h) hereof (including, without limitation, reasonable fees and disbursements of counsel in connection with Blue Sky qualifications of the Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the Holders are located, in the case of the Exchange Notes, or (y) as provided in Section 6(h), in the case of Registrable Notes or Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses incurred in connection with the performance of their obligations hereunder, (iv) fees and disbursements of counsel for the Company, the Subsidiary Guarantors and, subject to 7(b), the Holders, (v) fees and disbursements of all independent certified public accountants referred to in Section 6 (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or

incident to such performance), (vi) rating agency fees and the fees and expenses incurred in connection with the listing (if any) of the Securities to be registered on any securities exchange, (vii) Securities Act liability insurance, if the Company and the Subsidiary Guarantors desire such insurance, (viii) fees and expenses of all other Persons retained by the Company and the Subsidiary Guarantors, (ix) fees and expenses of any "qualified independent underwriter" or other independent appraiser participating in an offering pursuant to Section 3 of Schedule E to the By-laws of the NASD, but only where the need for such a "qualified independent underwriter" arises due to a relationship with the Company and the Subsidiary Guarantors, (x) internal expenses of the Company and the Subsidiary Guarantors (including, without limitation, all salaries and expenses of officers and employees of the Company or the Subsidiary Guarantors performing legal or accounting duties), (xi) the expense of any annual audit, (xii) the fees and expenses of the Trustee and the Exchange Agent and (xiii) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement.

(b) The Company and the Subsidiary Guarantors shall reimburse the Holders for the reasonable fees and disbursements of not more than one counsel (in addition to appropriate legal counsel) chosen by the Holders of a majority in aggregate principal amount of the Registrable Notes to be included in any Registration Statement. The Company and the Subsidiary Guarantors shall pay all documentary, stamp, transfer or other transactional taxes attributable to the issuance or delivery of the Exchange Notes or Private Exchange Notes in exchange for the Notes; provided that the Company shall not be required to pay taxes payable in respect of any transfer involved in the issuance or delivery of any Exchange Note or Private Exchange Note in a name other than that of the Holder of the Note in respect of which such Exchange Note or Private Exchange Note is being issued.

8. **Indemnification**

(a) Indemnification by the Company and the Subsidiary Guarantors. The Company and the Subsidiary Guarantors jointly and severally agree to indemnify and hold harmless each Holder and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls each such Holder (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) and the officers, directors and partners of each such Holder, Participating Broker-Dealer and controlling person, to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees as provided in this Section 8) and expenses

(including, without limitation, reasonable costs and expenses incurred in connection with investigating, preparing, pursuing or defending against any of the foregoing) (collectively,

"Losses"), as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus, or in any amendment or supplement thereto, or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, but only to the extent, that such Losses are finally judicially determined by a court of competent jurisdiction in a final, unappealable order, except insofar as such Losses are solely based upon information relating to such Holder or Participating Broker-Dealer and furnished in writing to the Company and the Subsidiary Guarantors (or reviewed and approved in writing) by such Holder or Participating Broker-Dealer or their counsel expressly for use therein; provided, however, that the Company and the Subsidiary Guarantors will not be liable to any Indemnified Party (as defined below) under this Section 8 to the extent Losses were primarily caused by an untrue statement or omission or alleged untrue statement or omission that was contained or made in any preliminary prospectus and corrected in the Prospectus or any amendment or supplement thereto if (i) any such Losses resulted from an action, claim or suit by any Person who purchased Registrable Notes or Exchange Notes which are the subject thereof from such Indemnified Party and (ii) it is established in the proceeding related to the Loss that such Indemnified Party failed to deliver or provide a copy of the Prospectus (as amended or supplemented) to such Person with or prior to the confirmation of the sale of such Registrable Notes or Exchange Notes sold to such Person if required by applicable law, unless such failure to deliver or provide a copy of the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 6 of this Agreement. The Company and the Subsidiary Guarantors also agree to indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or Exchange Act to the same extent as provided above with respect to the indemnification of the Holders or the Participating Broker-Dealer, if requested by such Holders or Participating Broker-Dealer.

(b) Indemnification by Holder. In connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus in which a Holder is participating, such Holder shall furnish to the Company and the Subsidiary Guarantors in writing such information as the Company and the Subsidiary Guarantors reasonably request for use in connection with any Registration Statement, Prospectus or form of prospectus, any amendment or supplement thereto, or any preliminary prospectus, and shall indemnify and hold harmless the Company, the Subsidiary Guarantors, their respective directors and each Person, if any, who controls the Company and the Subsidiary Guarantors (within the meaning of Section 15 of the Securities Act and Section 20(a) of the Exchange Act), and the directors, officers and partners of such controlling persons, to the fullest extent lawful, from and against all Losses arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or form of prospectus or

in any amendment or supplement thereto or in any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading to the extent, but only to the extent that such losses are finally judicially determined by a court of competent jurisdiction in a final, unappealable order to have resulted solely from an untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact contained in or omitted from any information so furnished in writing by or on behalf of such Holder to the Company and the Subsidiary Guarantors expressly for use therein. Notwithstanding the foregoing, in no event shall the liability of any selling Holder be greater in amount than such Holder' s Maximum Contribution Amount (as defined below).

(c) Conduct of Indemnification Proceedings. If any proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the party or parties from which such indemnity is sought (the "Indemnifying Party" or "Indemnifying Parties", as applicable) in writing; provided, that the failure to so notify the Indemnifying Parties shall not relieve the Indemnifying Parties from any obligation or liability except to the extent (but only to the extent) that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal) that the Indemnifying Parties have been prejudiced materially by such failure.

The Indemnifying Party shall have the right, exercisable by giving written notice to an Indemnified Party, within 20 Business Days after receipt of written notice from such Indemnified Party of such proceeding, to assume, at its expense, the defense of any such proceeding, provided, that an Indemnified Party shall have the right to employ separate counsel in any such proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or parties unless: (1) the Indemnifying Party has agreed to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such proceeding or shall have failed to employ counsel reasonably satisfactory to such Indemnified Party; or (3) the named parties to any such proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party or any of its controlling persons, and such Indemnified Party shall have been advised by counsel that there may be one or more defenses available to such Indemnified Party that are in addition to, or in conflict with, those defenses available to the Indemnifying Party or such controlling person (in which case, if such Indemnified Party notifies the Indemnifying Parties in writing that it elects to employ separate counsel at the expense of the Indemnifying Parties, the Indemnifying Parties shall not have the right to assume the defense thereof on behalf of the Indemnified Party and the reasonable fees and expenses of such counsel shall be at the expense of the Indemnifying Party; it being understood, however, that, the Indemnifying Party shall not, in connection with any one such proceeding or separate but substantially similar or related proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (together with appropriate local counsel) at any time for such Indemnified Party).

No Indemnifying Party shall be liable for any settlement of any such proceeding effected without its written consent, which shall not be unreasonably withheld, but if settled with its written consent, or if there be a final judgment for the plaintiff in any such proceeding, each Indemnifying Party jointly and severally agrees, subject to the exceptions and limitations set forth above, to indemnify and hold harmless each Indemnified Party from and against any and all Losses by reason of such settlement or judgment. The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to each Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all Losses in respect of such proceeding for which such Indemnified Party would be entitled to indemnification hereunder (whether or not any Indemnified Party is a party thereto).

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party or is insufficient to hold such Indemnified Party harmless for any Losses in respect of which this Section 8 would otherwise apply by its terms (other than by reason of exceptions provided in this Section 8), then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall have a joint and several obligation to contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party, on the one hand, and such indemnified party, on the other hand, from the sale of Registrable Notes, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such statement or omission. The amount paid or payable by an Indemnified Party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any proceeding, to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in Section 8(a) or 8(b) was available to such party.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8(d), a selling Holder shall not be required to contribute, in the aggregate, any amount in excess of such Holder' s Maximum Contribution Amount. A selling Holder' s "Maximum Contribution Amount" shall equal the excess of (i) the aggregate proceeds received by such Holder pursuant to the sale of such

Registrable Notes or Exchange Notes over (ii) the aggregate amount of damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of the Registrable Securities held by each Holder hereunder and not joint. The Company' s and Subsidiary Guarantors' obligations to contribute pursuant to this Section 8(d) are joint and several.

The indemnity and contribution agreements contained in this Section 8 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

9. **Rules 144 and 144A**

The Company covenants that it shall (a) file the reports required to be filed by it (if so required) under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the written request of any Holder of Registrable Notes, make publicly available other information necessary to permit sales pursuant to Rule 144 and 144A and (b) take such further action as any Holder may reasonably request in writing, all to the extent required from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act pursuant to the exemptions provided by Rule 144 and Rule 144A. Upon the request of any Holder, the Company shall deliver to such Holder a written statement as to whether it has complied with such information and requirements.

10. **Underwritten Registrations of Registrable Notes**

If any of the Registrable Notes covered by any Shelf Registration is to be sold in an Underwritten Offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering; provided, however, that such investment banker or investment bankers and manager or managers must be reasonably acceptable to the Company.

No Holder of Registrable Notes may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder' s Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

11. **Miscellaneous**

(a) Remedies. In the event of a breach by either the Company or any of the Subsidiary Guarantors of any of their respective obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein, in the Indenture or, in the case of the Initial Purchaser, in the

Purchase Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Subsidiary Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by either the Company or any of the Subsidiary Guarantors of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, the Company shall (and shall cause each Subsidiary Guarantor to) waive the defense that a remedy at law would be adequate.

(b) No Inconsistent Agreements. The Company and each of the Subsidiary Guarantors have not entered, as of the date hereof, and the Company and each of the Subsidiary Guarantors shall not enter, after the date of this Agreement, into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Securities in this Agreement or otherwise conflicts with the provisions hereof. The Company and each of the Subsidiary Guarantors have not entered and will not enter into any

agreement with respect to any of its securities that will grant to any Person piggy-back rights with respect to a Registration Statement.

(c) Adjustments Affecting Registrable Notes. The Company shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(d) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, otherwise than with the prior written consent of the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes in circumstances that would adversely affect any Holders of Registrable Notes; provided, however, that Section 8 and this Section 11(d) may not be amended, modified or supplemented without the prior written consent of each Holder. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being tendered pursuant to the Exchange Offer or sold pursuant to a Notes Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being tendered or being sold by such Holders pursuant to such Notes Registration Statement.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of Securities or to any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar of the Notes, with a copy in like manner to the Initial Purchaser as follows:

Jefferies & Company, Inc.
520 Madison Avenue
12th Floor
New York, New York 10022
Attention: Lloyd H. Feller, Esq.

with a copy to:

Mayer, Brown, Rowe & Maw LLP
1675 Broadway
New York, New York 10019
Facsimile No.: (212) 262-1910
Attention: Ronald S. Brody, Esq.

(ii) if to the Initial Purchaser, at the address specified in Section 11(e)(1);

(iii) if to the Company or any Subsidiary Guarantor, as follows:

Edgen Corporation
18444 Highland Road
Baton Rouge, Louisiana 70809
Attention: David Laxton, Chief Financial Officer

with a copy to:

Dechert LLP

30 Rockefeller Plaza
New York, New York 10112-2200
Attention: Bonnie A. Barsamian, Esq.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five Business Days after being deposited in the United States mail, postage prepaid, if mailed, one business day after being deposited in the United States mail, postage prepaid, if mailed; one Business Day after being timely delivered to a next-day air courier guaranteeing overnight delivery; and when receipt is acknowledged by the addressee, if telecopied.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee under the Indenture at the address specified in such Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment, subsequent Holders.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. THE COMPANY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK OR ANY FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITS AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, JURISDICTION OF THE AFORESAID COURTS. THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY AND ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY IRREVOCABLY CONSENTS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY AT ITS SAID ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions

set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Securities Held by the Company or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Securities is required hereunder, Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(l) Third Party Beneficiaries. Holders and Participating Broker-Dealers are intended third party beneficiaries of this Agreement and this Agreement may be enforced by such Persons.

(m) Entire Agreement. This Agreement, together with the Purchase Agreement, the Indenture and the Collateral Agreements, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understanding, correspondence, conversations and memoranda between the Initial Purchaser on the one hand and the Company and the Subsidiary Guarantors on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

EDGEN CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Senior Vice President, Chief Financial Officer and Secretary

EDGEN LOUISIANA CORPORATION, as Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN CARBON PRODUCTS GROUP, LLC, as Subsidiary Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

EDGEN ALLOY PRODUCTS GROUP, LLC, as Subsidiary Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Treasurer and Secretary

ACCEPTED AND AGREED TO:

JEFFERIES & COMPANY, INC.

By: /s/ Rich Goldenberg
Name: Rich Goldenberg
Title: Managing Director

Exhibit 10.3

Execution Version

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT ("Intercreditor Agreement") dated as of February 1, 2005, is by and between GMAC COMMERCIAL FINANCE LLC, a Delaware limited liability company ("GMAC CF"), as agent for the GMAC Facility Lenders defined below (in such capacity, along with any successors and assigns acting as agent for the GMAC Facility Debt (as defined below), the "GMAC Facility Agent") and THE BANK OF NEW YORK, a New York banking corporation, as trustee under the Note Agreement (as defined below) (in such capacity, the "Trustee") and collateral agent for the Noteholders (as defined below) (in such capacity, along with any successors and assigns acting as agent for the Note Debt (as defined below), the "Note Agent").

R E C I T A L S:

A. GMAC Facility Agent and GMAC Facility Lenders have entered into financing arrangements with the GMAC Borrowers and GMAC Guarantors (as each term is hereinafter defined), pursuant to which GMAC Facility Lenders have made revolving credit loans to the GMAC Borrowers and may, upon certain terms and conditions, continue to make revolving credit loans and provide other financial accommodations to the GMAC Borrowers secured by a security interest in the Working Capital Collateral (as such term is hereinafter defined). GMAC Borrowers and GMAC Guarantors may also, in the future, grant security interests in the Note Collateral (as such term is hereinafter defined) to GMAC Facility Agent.

B. Pursuant to the Note Agreement (as defined below), the Noteholders have purchased the Notes (as defined below) issued by Edgen Acquisition Corporation, the obligations for which were immediately assumed by Edgen Corporation ("Edgen"), as successor by merger. The Notes have been guaranteed by the Note Guarantors and secured by a security interest in the Collateral.

C. GMAC Facility Agent, on behalf of GMAC Facility Lenders, and Note Agent, on behalf of itself, the Trustee and the Noteholders, desire to enter into this Intercreditor Agreement to (i) confirm the relative priorities of the security interests of GMAC Facility Agent, on behalf of GMAC Facility Lenders, and Note Agent, on behalf of itself, the Trustee and the Noteholders, in the assets and properties of the Obligors, and (ii) provide for the orderly sharing among them, in accordance with such priorities, of the proceeds of such assets and properties upon any foreclosure thereon or other disposition thereof.

In consideration of the mutual benefits accruing to GMAC Facility Lenders and Noteholders hereunder and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. DEFINITIONS

As used above and in this Intercreditor Agreement, the following terms shall have the meanings ascribed to them below:

1.1. "Additional Notes" means any Notes issued under the Indenture after the date of the Indenture, as part of the same series as the Initial Notes.

1.2. "Agent" shall mean each of the GMAC Facility Agent and the Note Agent.

1.3. "Agreements" shall mean, collectively, the GMAC Facility Loan Documents and the Note Documents.

1.4. "Collateral" shall mean all assets and properties of any kind whatsoever, real or personal, tangible or intangible and wherever located, of each Obligor, except assets and properties expressly excluded pursuant to the GMAC Facility Loan Documents or the Note Documents.

1.5. "GMAC Borrowers" shall mean Edgen Carbon Products Group, L.L.C. and Edgen Alloy Products Group, L.L.C., together with each of their permitted successors and assigns, including, without limitation, any receiver, trustee or debtor-in-possession on behalf of such Person or on behalf of any such permitted successor or assign.

1.6. "GMAC Facility Debt" shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description owing by any Obligor to GMAC Facility Agent and the GMAC Facility Lenders evidenced by or arising under the GMAC Facility Loan Documents, whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, including principal, interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the GMAC Facility Loan Agreement or after the commencement of any Insolvency Proceeding with respect to any Obligor (and including, without limitation, the payment of interest which would accrue and become due but for the commencement of such Insolvency Proceeding whether or not such interest is allowed or allowable in whole or in part in any such Insolvency Proceeding).

1.7. "GMAC Facility Lenders" shall mean GMAC CF, each of the other lenders now or hereafter party to the GMAC Facility Loan Agreement, and their successors and assigns (including any other lender or group of lenders that at any time succeeds to or refinances, replaces or substitutes for all or any portion of the GMAC Facility Debt at any time and from time to time).

1.8. "GMAC Facility Loan Agreement" shall mean the Amended and Restated Loan and Security Agreement, dated as of February 1, 2005, among the GMAC Facility Agent, the GMAC Facility Lenders, the GMAC Borrowers and the GMAC Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed or restated.

1.9. "GMAC Facility Loan Documents" shall mean the GMAC Facility Loan Agreement and all agreements, documents and instruments at any time executed and/or delivered by any Obligor or any other Person with, to or in favor of GMAC Facility Agent and the GMAC Facility Lenders in connection therewith or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed or restated.

1.10. "GMAC Guarantors" shall mean any guarantor of the GMAC Facility Debt from time to time, together with each of their permitted successors and assigns, including, without limitation, any receiver, trustee or debtor-in-possession on behalf of such Person or on behalf of any such permitted successor or assign.

1.11. "Initial Notes" means the first $105.0 million aggregate principal amount of Notes issued under the Note Agreement on the date of the Note Agreement.

1.12. "Insolvency Proceeding" shall mean, as to any Person, any of the following: (i) any case or proceeding with respect to such Person under the U.S. Bankruptcy Code or any other Federal, State or foreign bankruptcy, insolvency, reorganization or other law affecting creditors' rights or any other or similar proceedings seeking any stay, reorganization, arrangement, composition or readjustment of the obligations and indebtedness of such Person, or (ii) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to such Person or any of its assets, or (iii) any proceeding for liquidation, dissolution or other winding up of the business of such Person, or (iv) any assignment for the benefit of creditors or any marshalling of assets of such Person.

1.13. "Insurance Proceeds" shall mean proceeds or payments from insurance with respect to any loss, casualty or damage to the Collateral.

1.14. "Inventory" shall mean and include as to each Person all of such Person' s now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Person' s business or used in selling or furnishing such goods, merchandise and other personal property, all other inventory of such Person, and all documents of title or other documents representing them.

1.15. "Lenders" shall mean, collectively, GMAC Facility Agent, GMAC Facility Lenders, Note Agent and Noteholders, and their respective successors and assigns, being sometimes referred to herein individually as a "Lender".

1.16. "Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance (including, but not limited to, easements, rights of way and the like), lien (statutory or other), security agreement or

transfer intended as security, including without limitation, any conditional sale or other title retention agreement, the interest of a lessor under a capital lease or any financing lease having substantially the same economic effect as any of the foregoing.

1.17. "Lien Enforcement Action" means (a) any action by any Lender to foreclose on the Lien of such Person in any Collateral, (b) any action by any Lender to take possession of, sell or otherwise realize (judicially or non-judicially) upon any Collateral (including, without limitation, by setoff or notification of account debtors but excluding all remittance of collections to blocked accounts established by or for the benefit of the GMAC Facility Agent and/or the GMAC Facility Lenders), and/or (c) the commencement by any Lender

of any legal proceedings against any Obligor or with respect to any Collateral to facilitate the actions described in (a) and (b) above.

1.18. "Maximum GMAC Facility Debt" shall mean $25,000,000.

1.19. "Note Agreement" shall mean the Indenture dated as of February 1, 2005, among the Note Agent, the Trustee, the Noteholders, Edgen and the guarantors party thereto from time to time, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed or restated.

1.20. "Note Collateral" shall mean all Collateral, excluding the Working Capital Collateral.

1.21. "Note Debt" shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by any Obligor to the Note Agent, the Trustee or any Noteholder evidenced by or arising under the Note Documents, whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, including principal, interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Note Documents or after the commencement of any Insolvency Proceeding with respect to any Obligor (and including, without limitation, the payment of interest which would accrue and become due but for the commencement of such Insolvency Proceeding, whether or not such interest is allowed or allowable in whole or in part in any such Insolvency Proceeding).

1.22. "Note Documents" shall mean the Note Agreement and all agreements, documents and instruments at any time executed and/or delivered by any Obligor or any other Person with, to or in favor of the Note Agent, the Trustee or any Noteholder in connection therewith or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed or restated.

1.23. "Noteholders" shall mean each Person in whose name a Note is registered on the books of the Registrar (as defined in the Note Agreement).

1.24. "Note Guarantors" shall mean any guarantor of the Note Debt from time to time, together with each of their permitted successors and assigns, including, without limitation, any receiver, trustee or debtor-in-possession on behalf of such Person or on behalf of any such permitted successor or assign.

1.25. "Notes" means the 9 7/8% Senior Secured Notes due 2011 (including without limitation, Additional Notes).

1.26. "Obligors" shall mean, collectively, the GMAC Borrowers, GMAC Guarantors, Edgen and Note Guarantors, and shall include each of their permitted successors and assigns, including, without limitation, a receiver, trustee or debtor-in-possession on behalf of such Person or on behalf of any such permitted successor or assign (each individually, an "Obligor").

1.27. "Person" or "person" shall mean any individual, sole proprietorship, partnership, corporation (including without imitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture, or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.28. "Receivables" shall mean and include, as to any Person, all accounts (including, without limitation, all health-care insurance receivables), contract rights, instruments (including promissory notes and other instruments evidencing indebtedness owed to such Person by any Affiliate (as defined in the GMAC Facility Loan Agreement) of such Person), documents, chattel paper (whether tangible or electronic), general intangibles relating to accounts, drafts and acceptances, and all other forms of obligations owing to such Person, each of which is arising out of or in connection with the sale, lease or other disposition of Inventory or the rendition of services, and all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to GMAC Facility Agent under the GMAC Facility Loan Documents.

1.29. "Release Event" means, individually and collectively, a Release Event (GMAC) and/or a Release Event (Note).

1.30. "Release Event (GMAC)" means (a) prior to the occurrence of an Insolvency Proceeding by or against any Obligor: the occurrence and continuance of an Event of Default (as such term is defined in the GMAC Facility Loan Agreement) or the taking of any Lien Enforcement Action with respect to the Working Capital Collateral by the GMAC Facility Agent or the GMAC Facility Lenders, provided that any Release Event (GMAC) occurring prior to an Insolvency Proceeding by or against any Obligor shall cease to constitute a Release Event (GMAC) as of the occurrence of such Insolvency Proceeding if the GMAC Facility Lenders continue making loans or providing letter of credit accommodations (whether pursuant to the GMAC Facility Loan Documents or otherwise) or consent to the use of cash collateral after the occurrence of such Insolvency Proceeding, or (b) after the occurrence of an Insolvency Proceeding by or against any Obligor: the occurrence of any of the following: (i) the entry of an order of a Bankruptcy Court pursuant to Section 363 of the U.S. Bankruptcy Code authorizing the sale of any portion of any Obligor' s assets or (ii) the taking of any Lien Enforcement Action described in clauses (a) and (b) of the definition of such term with respect to Working Capital Collateral by the GMAC Facility Agent or the GMAC Facility Lenders or the entry of an order of a Bankruptcy Court pursuant to Section 362 of the U.S. Bankruptcy Code vacating the automatic stay and authorizing the GMAC Facility Agent or the GMAC Facility Lenders to take any Lien Enforcement Action with respect to Working Capital Collateral.

1.31. "Release Event (Note)" means (a) prior to the occurrence of an Insolvency Proceeding by or against any Obligor: the occurrence and continuance of an Event of Default (as such term is defined in the Note Agreement) or the taking of any Lien Enforcement Action with respect to the Note Collateral by the Note Agent or the Noteholders, provided that any Release Event (Note) occurring prior to an Insolvency Proceeding by or against any Obligor shall cease to constitute a Release Event (Note) as of the occurrence of such Insolvency Proceeding if the Noteholders consent to the use of cash collateral after the occurrence of such Insolvency

Proceeding, or (b) after the occurrence of an Insolvency Proceeding by or against any Obligor: the occurrence of any of the following: (i) the entry of an order of a Bankruptcy Court pursuant to Section 363 of the U.S. Bankruptcy Code authorizing the sale of any portion of any Obligor' s assets or (ii) the taking of any Lien Enforcement Action described in clauses (a) and (b) of the definition of such term with respect to Note Collateral by the Note Agent or the Noteholders or the entry of an order of a Bankruptcy Court pursuant to Section 362 of the U.S. Bankruptcy Code vacating the automatic stay and authorizing the Note Agent or the Noteholders to take any Lien Enforcement Action with respect to Note Collateral.

1.32. "Stock Purchase Agreement" shall mean the Stock Purchase Agreement, dated as of December 31, 2004, among Edgen Acquisition Corporation, as Purchaser, Edgen, the stockholders party thereto as Sellers, and the Sellers' Representative (as defined therein).

1.33. "Working Capital Collateral" shall mean all Receivables and Inventory of the Obligors, wherever located and whether now in existence or hereafter arising, together with all of each Obligor' s right, title and interest in and to (i) all merchandise returned or rejected by Customers (as defined in the GMAC Facility Loan Agreement), relating to or securing any of the Receivables; (ii) all of each Obligor' s rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all supporting obligations and all additional amounts due to any Obligor from any Customer relating to the Receivables; (iv) all supply agreements and agreements with Customers with respect to Receivables and Inventory,

indemnification claims under the Acquisition Documents (as defined in the GMAC Facility Loan Agreement) solely to the extent relating to Receivables and Inventory, and warranty claims relating to any Inventory; (v) if and when obtained by any Obligor, all real and personal property of third parties in which such Obligor has been granted a lien or security interest as security for the payment or enforcement of Receivables; (vi) commercial tort claims solely to the extent related to any of the foregoing; and (vii) all Term Intercompany Notes (as defined in the GMAC Facility Loan Agreement) required under the terms of Section 6.11(ii) of the GMAC Facility Loan Agreement to be secured by the security agreement described in such Section; all of each Obligor' s ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computer software (owned by any Obligor or in which it has an interest), computer programs, tapes, disks and documents relating to any of the foregoing; and all proceeds and products of all of the foregoing in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, Insurance Proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

1.34. All terms defined in the Uniform Commercial Code as in effect in the State of New York, unless otherwise defined herein shall have the meanings set forth therein. All references to any term in the plural shall include the singular and all references to any term in the singular shall include the plural.

2. SECURITY INTERESTS; PRIORITIES; REMEDIES

2.1. GMAC Facility Agent hereby acknowledges that Note Agent, for the benefit of itself, the Trustee and the Noteholders, has been granted Liens upon all of the Collateral pursuant to the Note Documents to secure the Note Debt. Note Agent hereby acknowledges that GMAC Facility Agent, for the benefit of the GMAC Facility Lenders, (a) has been granted Liens upon all of the Working Capital Collateral pursuant to the GMAC Facility Loan Documents to secure the GMAC Facility Debt and (b) may, at the option of one or more Obligors, be granted Liens upon the Note Collateral pursuant to the GMAC Facility Loan Documents to secure the GMAC Facility Debt.

2.2. Notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a Lien in favor of each Agent in any Collateral, and notwithstanding any conflicting terms or conditions which may be contained in any of the Agreements, the Liens of GMAC Facility Agent with respect to the Working Capital Collateral to the extent that such Liens secure the GMAC Facility Debt have and shall have priority over the Liens of Note Agent with respect to the Working Capital Collateral and such Liens are and shall be junior and subordinate to the Liens of GMAC Facility Agent with respect to the Working Capital Collateral to the extent that such Liens secure the GMAC Facility Debt, in each case to the extent such Liens of GMAC Facility Agent are valid, perfected and enforceable. Notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a Lien in favor of each Agent in any Collateral, and notwithstanding any conflicting terms or conditions which may be contained in any of the Agreements, the Liens of Note Agent with respect to the Note Collateral to the extent that such Liens secure the Note Debt have and shall have priority over the Liens of GMAC Facility Agent with respect to the Note Collateral and such Liens are and shall be junior and subordinate to the Liens of Note Agent with respect to the Note Collateral to the extent that such Liens secure the Note Debt, in each case to the extent such Liens of Note Agent are valid, perfected and enforceable.

2.3. The priorities of the Liens provided in Section 2.2 shall not be altered or otherwise affected by any amendment, modification, supplement, extension, renewal, restatement, replacement or refinancing of the GMAC Facility Debt or the Note Debt, nor by any action or inaction which any of the Lenders may take or fail to take in respect of the Collateral. GMAC Facility Agent agrees not to subordinate, or otherwise voluntarily relinquish the benefits of, its Lien in any Working Capital Collateral to the Lien, indebtedness or claim of any other creditor of any Obligor without the prior written consent of Note Agent. Note Agent agrees not to subordinate, or otherwise voluntarily relinquish the benefits of, its Lien in any Note Collateral to the Lien, indebtedness or claim of any other creditor of any Obligor without the prior written consent of GMAC Facility Agent.

2.4. Subject to Sections 2.2 and 2.9, (w) after the occurrence and during the continuance of an Event of Default (as defined in the GMAC Facility Loan Documents) of which GMAC Facility Agent has provided written notice to the Note Agent in accordance with Section 4.7 (provided that the foregoing notice shall be deemed to have been given automatically upon Edgen' s issuance of a Change of Control Offer (as defined in Section 4.10 of the Note

Agreement)), (x) after the occurrence and during the continuance of an Event of Default (as defined in the Note Documents) of which Note Agent has provided written notice to GMAC Facility Agent in accordance with Section 4.7, (y) after the exercise of remedies by GMAC Facility Agent and/or Note Agent and/or (z) after the acceleration by the GMAC Facility Agent of any GMAC Facility Debt or the acceleration by Note Agent or any Noteholder of any Note Debt,(A) (i) all proceeds of Working Capital Collateral and (ii) all Insurance Proceeds in connection with a casualty event with respect to Working Capital Collateral shall each be applied to the GMAC Facility Debt prior to the application of any such proceeds to the Note Debt; and (B) (i) all proceeds of Note Collateral and (ii) Insurance Proceeds in connection with a casualty event with respect to Note Collateral shall each be applied to the Note Debt prior to the application of any such proceeds to the GMAC Facility Debt; provided, however, that in all other cases such proceeds shall be applied (I) with respect to Working Capital Collateral, as set forth in the GMAC Facility Loan Agreement, and (II) with respect to Note Collateral, as set forth in the Note Agreement. All proceeds of (x) the Working Capital Collateral received by GMAC Facility Agent or the GMAC Facility Lenders after the GMAC Facility Debt has been paid in full in cash and the GMAC Facility Loan Documents have been irrevocably terminated shall be forthwith paid over, in the funds and currency received, to the Note Agent for application to the Note Debt (unless otherwise required by law) and (y) the Note Collateral received by Note Agent after the Note Debt has been paid in full in cash shall be forthwith paid over, in the funds and currency received, to the GMAC Facility Agent for application to the GMAC Facility Debt (but only to the extent that the GMAC Facility Agent has a Lien therein and unless otherwise required by law). For purposes of this Section 2.4, payments made by the Obligors to Note Agent and the Noteholders in respect of the Note Debt with proceeds of loans by GMAC Facility Lenders to GMAC Borrowers shall not be construed to constitute proceeds of Working Capital Collateral.

2.5. Neither Agent shall be responsible to the other Agent for perfecting or maintaining the perfection of any Lien in and to any item constituting the Collateral in which the other Agent has been granted a Lien. The foregoing provisions of this Intercreditor Agreement are intended solely to govern the respective Lien priorities as between the Agents and shall not impose on either Agent any obligations in respect of the disposition of proceeds of any Collateral which would conflict with prior perfected claims therein in favor of any other Person or any order or decree of any court or governmental authority or any applicable law. Subject to the terms of this Intercreditor Agreement, Note Agent agrees that it will not contest (and will not support any other Person in contesting) the validity, perfection, priority or enforceability of the Liens of GMAC Facility Agent in the Collateral and GMAC Facility Agent agrees that it will not contest (and will not support any other Person in contesting) the validity, perfection, priority or enforceability of the Liens of Note Agent in the Collateral.

2.6. In the event that either Agent shall, in the exercise of its rights under its Agreements or otherwise, receive possession or control of any books and records of any Obligor which contain information identifying or pertaining to any Collateral in which the other Agent has been granted a Lien, the Agent shall notify the other Agent that it has received such books and records and shall, as promptly as practicable thereafter, make available to the Agent such books and records for inspection and duplication, provided that all reasonable out-of-pocket expenses incurred by the Agent in connection with making such books and records available to the other Agent shall be paid by the recipient Agent.

2.7. Subject to the terms and conditions set forth in this Intercreditor Agreement, GMAC Facility Agent shall have the exclusive right to manage, perform and enforce its rights and remedies with respect to the Working Capital Collateral, to exercise and enforce all privileges and rights with respect thereto according to its discretion and the exercise of its business judgment, including, without limitation, the exclusive right to take or retake control or possession of such Working Capital Collateral and to hold, prepare for sale, process, sell, lease, dispose of, or liquidate such Working Capital Collateral. Subject to the terms and conditions set forth in this Intercreditor Agreement, Note Agent shall have the exclusive right to manage, perform and enforce its rights and remedies with respect to the Note Collateral, to exercise and enforce all privileges and rights with respect thereto according to its discretion and the exercise of its business judgment, including, without limitation, the exclusive right to take or retake control or possession of such Note Collateral and to hold, prepare for sale, process, sell, lease, dispose of, or liquidate such Note Collateral.

2.8. (A) Notwithstanding anything to the contrary contained in any of the Agreements but subject to Sections 2.9 and 2.10, prior to the time when GMAC Facility Lenders shall have received payment in full of all GMAC Facility Debt in cash and the GMAC Facility Loan Documents shall have been irrevocably terminated, during the continuance of a Release Event (GMAC) only the GMAC Facility Agent and the GMAC Facility Lenders shall have the right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of the Working Capital Collateral. In addition, the Obligors and the Lenders agree that any Asset Sale (as such term is defined in the Note Agreement) with respect to the sale, casualty or other disposition of Working Capital Collateral requiring a mandatory redemption of the Note Debt under Section 4.11 of the Note Agreement shall also require a mandatory prepayment under Section 2.13 of the GMAC Facility Loan Agreement.

(B) Notwithstanding anything to the contrary contained in any of the Agreements but subject to Sections 2.9 and 2.10, prior to the time when Noteholders shall have received payment in full of all Note Debt in cash, during the continuance of a Release Event (Note) only the Note Agent and the Noteholders shall have the right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of the Note Collateral.

2.9. (A) Note Agent shall, at any time during the continuance of a Release Event (GMAC):

(a) upon the request of the GMAC Facility Agent with respect to the Working Capital Collateral identified in such request as set forth below (which request shall specify the proposed terms of the sale and the type and amount of consideration to be received in connection therewith), release or cause to be released, or otherwise terminate or cause to be terminated, its Liens on such Working Capital Collateral, to the extent such Working Capital Collateral is to be sold or otherwise disposed of either by (i) the GMAC Facility Agent or its agents, or (ii) any Obligor with the consent of the GMAC Facility Agent or the GMAC Facility Lenders;

(b) deliver such release documents as the GMAC Facility Agent may reasonably require (which shall be prepared by the GMAC Facility Agent at its expense) in connection therewith; provided that:

(i) such release shall not extend to or otherwise affect any of the rights of the Note Agent and the Noteholders to the proceeds from any such sale or other disposition of Working Capital Collateral, except to the extent such proceeds are applied in accordance with Section 2.9(A)(b)(ii),

(ii) the GMAC Facility Agent and the GMAC Facility Lenders Lender shall promptly apply such proceeds as specified in the GMAC Facility Loan Agreement,

(iii) if any such sale or disposition results in a surplus after application of the proceeds to the GMAC Facility Debt, such surplus shall be paid to the Note Agent, the Trustee and the Noteholders, and

(iv) no such release documents shall be delivered (A) to any Obligor or (B) more than two (2) business days prior to the date of the closing of the sale or disposition of such Working Capital Collateral; provided, further, that if the closing of the sale or disposition of such Working Capital Collateral is not consummated within five (5) business days of the proposed date of the closing of the sale or disposition of the Working Capital Collateral, the GMAC Facility Agent shall promptly return all release documents to the Note Agent; and

(c) be deemed to have consented under the Agreements to which the Note Agent is a party to such sale or other disposition.

(B) GMAC Facility Agent shall, at any time during the continuance of a Release Event (Notes):

(a) upon the request of the Note Agent with respect to the Note Collateral identified in such request as set forth below (which request shall specify the proposed terms of the sale and the type and amount of consideration to be received in connection therewith), release or cause to be released, or otherwise terminate or cause to be terminated, its Liens on such Note Collateral, to the extent such Note Collateral is to be sold or otherwise disposed of either by (i) the Note Agent or its agents, or (ii) any Obligor with the consent of the Note Agent or the Noteholders;

(b) deliver such release documents as the Note Agent may reasonably require (which shall be prepared by the Note Agent at its expense) in connection therewith; provided that:

(i) such release shall not extend to or otherwise affect any of the rights of the GMAC Facility Agent and the GMAC Facility Lenders to the proceeds from any such sale or other disposition of Note Collateral, except to the extent such proceeds are applied in accordance with Section 2.9(B)(b)(ii),

(ii) the Note Agent and the Noteholders shall promptly apply such proceeds as specified in the Note Documents,

(iii) if any such sale or disposition results in a surplus after application of the proceeds to redeem the Note Debt in full in cash, such surplus shall be paid to the GMAC Facility Agent and the GMAC Facility Lenders, and

(iv) no such release documents shall be delivered (A) to any Obligor or (B) more than two (2) business days prior to the date of the closing of the sale or disposition of such Note Collateral; provided, further, that if the closing of the sale or disposition of such Note Collateral is not consummated within five (5) business days of the proposed date of the closing of the sale or disposition of the Note Collateral, the Note Agent shall promptly return all release documents to the GMAC Facility Agent; and

(c) be deemed to have consented under the Agreements to which the GMAC Facility Agent is a party to such sale or other disposition.

The effectiveness of any such release or termination by the GMAC Facility Agent and/or the Note Agent shall be subject to the sale or other disposition of the Collateral described in such request and on the terms described in such request or on substantially similar terms and shall lapse in the event such sale or other disposition does not occur within five (5) business days of the anticipated closing date. In any sale or other disposition of any of the Collateral by an Agent, such Agent shall conduct such sale or other disposition in a commercially reasonable manner. Subject to the immediately preceding sentence, each Agent waives any and all rights to affect the method or challenge the appropriateness of any such action by the other Agent. Each Agent hereby irrevocably appoints the other Agent as its attorney-in-fact (coupled with an interest) to execute and deliver (at the appointing Agent' s sole cost and expense) all instruments, releases and other agreements that are, in the other Agent' s good faith judgment, necessary or appropriate to effect the appointing Agent' s compliance with this Section 2.9; provided, however, that each Agent agrees not to exercise any of its rights under the foregoing appointment unless and until such Agent shall have requested in writing the delivery of the subject release documents pursuant to the terms and conditions of this Section 2.9 and the appointing Agent shall not have complied promptly with its obligations under this Section 2.9 (with promptness to be measured given the circumstances of the subject sale or disposition transaction).

2.10. (A) Except as specifically provided in this Section 2.10 and subject to the provisions of Section 2.2, notwithstanding any rights or remedies available to Note Agent under any of the Note Documents, applicable law or otherwise, prior to the time that GMAC Facility Lenders shall have received the payment in full of all GMAC Facility Debt in cash and the GMAC Facility Loan Documents shall have been irrevocably terminated, Note Agent shall not, directly or indirectly, take any Lien Enforcement Action with respect to any of the Collateral. In the event of any Event of Default (as defined in the Note Agreement), commencing on the date which is (x) ninety (90) days after the date the Collateral Agent gives notice to the GMAC Facility Agent of the occurrence of such Event of Default under the Note Documents and/or (y) ninety (90) days after (I) the Collateral Agent gives notice to the GMAC Facility Agent of the occurrence of such Event of Default under the Note Documents and (II) the

Note Agent delivers a written declaration to the GMAC Facility Agent that the Note Agent and/or the Noteholders intend to take Lien Enforcement Action with respect to such Event of Default (unless any Obligor is subject to an Insolvency Proceeding by reason of which any Lien Enforcement Action is stayed, in which case, commencing on the date of the commencement of such Insolvency Proceeding),

then, upon five (5) business days prior written notice to GMAC Facility Agent (which notice may be given by Note Agent separately from, but at any time after the delivery by Note Agent of, the written declaration and written demand referred to above), the Note Agent and/or the Noteholders may take action to enforce their Liens (i) on the Note Collateral in the event that the declaration set forth in clause (x) above has been delivered and (ii) on any Collateral in the event that the declaration set forth in clause (y) above has been delivered, but (with respect to the enforcement of Liens on the Working Capital Collateral) only so long as GMAC Facility Agent is not diligently pursuing in good faith the exercise of its enforcement rights or remedies against, or diligently attempting to vacate any stay or enforcement of its Liens on, the Working Capital Collateral (including, without limitation, any of the following: commencement of a Lien Enforcement Action with respect to the Working Capital Collateral, solicitation of bids from third parties to conduct the liquidation of the Working Capital Collateral, the engagement or retention of sales brokers, marketing agents, investment bankers, accountants, auctioneers or other third parties for the purpose of valuing, marketing, promoting and selling the Working Capital Collateral, notification of accounts debtors to make payments to GMAC Facility Agent

or its agents, any action to take possession of the Working Capital Collateral or commencement of any legal proceedings or actions against or with respect to the Working Capital Collateral). In any sale or other disposition of any of the Collateral by the Note Agent, the Note Agent shall conduct such sale or other disposition in a commercially reasonable manner. Subject to the immediately preceding sentence, the GMAC Facility Agent waives any and all rights to affect the method or challenge the appropriateness of any such action by the Note Agent. Subject to the provisions of Section 2.2, all proceeds from any sale or other disposition of the Working Capital Collateral under this Section 2.10 shall be applied as specified in Section 2.4 hereof. The GMAC Facility Agent does not hereby waive its right to foreclose its Lien after any sale by the Note Agent under its Lien. The Note Agent shall hold any proceeds of the Lien in the Working Capital Collateral in trust for the GMAC Facility Agent and shall turn over such proceeds to be applied as provided in the GMAC Facility Loan Documents. In the event Note Agent has commenced any actions to enforce its Lien on any Collateral to the extent permitted hereunder and is diligently pursuing such actions, GMAC Facility Agent shall not take any action of a similar nature with respect to such Collateral, subject to the rights of GMAC Facility Agent under Section 2.11.

(B) Except as specifically provided in this Section 2.10 and subject to the provisions of Section 2.2, notwithstanding any rights or remedies available to GMAC Facility Agent under any of the GMAC Facility Loan Documents, applicable law or otherwise, prior to the time that Noteholders shall have received the payment in full of all Note Debt in cash, GMAC Facility Agent shall not, directly or indirectly, take any Lien Enforcement Action with respect to any of the Note Collateral. In the event of any Event of Default (as defined in the GMAC Facility Loan Agreement), commencing on the date which is one hundred and fifty (150) days after the date the GMAC Facility Agent gives notice to the Note Agent of such Event of Default under the GMAC Facility Loan Documents (unless any Obligor is subject to an

Insolvency Proceeding by reason of which any Lien Enforcement Action is stayed, in which case, commencing on the date of the commencement of such Insolvency Proceeding),

then, upon five (5) business days prior written notice to Note Agent (which notice may be given by GMAC Facility Agent separately from, but at any time after the delivery by GMAC Facility Agent of, the written notice referred to above), the GMAC Facility Agent and/or the GMAC Facility Lenders may take action to enforce their Liens on the Note Collateral but only so long as Note Agent is not diligently pursuing in good faith the exercise of its enforcement rights or remedies against, or diligently attempting to vacate any stay or enforcement of its Liens on, the Note Collateral (including, without limitation, any of the following: commencement of a Lien Enforcement Action with respect to the Note Collateral, solicitation of bids from third parties to conduct the liquidation of the Note Collateral, the engagement or retention of sales brokers, marketing agents, investment bankers, accountants, auctioneers or other third parties for the purpose of valuing, marketing, promoting and selling the Note Collateral, any action to take possession of the Note Collateral or commencement of any legal proceedings or actions against or with respect to the Note Collateral). In the event GMAC Facility Agent has commenced any actions to enforce its Lien on any Note Collateral to the extent permitted hereunder and is diligently pursuing such actions, Note Agent shall not take any action of a similar nature with respect to such Collateral. In any sale or other disposition of any of the Note Collateral by the GMAC Facility Agent, the GMAC Facility Agent shall conduct such sale or other disposition in a commercially reasonable manner. Subject to the immediately preceding sentence, the Note Agent waives any and all rights to affect the method or challenge the appropriateness of any such action by the GMAC Facility Agent. Subject to the provisions of Section 2.2, all proceeds from any sale or other disposition of the Note Collateral under this Section 2.10 shall be applied as specified in Section 2.4 hereof. The Note Agent does not hereby waive its right to foreclose its Lien after any sale by the GMAC Facility Agent under its Lien. The GMAC Facility Agent shall hold any proceeds of the Lien in the Note Collateral in trust for the Note Agent and shall turn over such proceeds to be applied as provided in the Note Documents. Except as set forth in the last sentence of Section 2.10(A), nothing in this Section 2.10 shall limit or affect the exercise of rights and remedies by the GMAC Facility Agent against the Working Capital Collateral.

2.11. In the event Note Agent or any Noteholder shall acquire control or possession of any Collateral consisting of real property (the "Premises") or shall, through the exercise of remedies under the Note Documents or otherwise, sell any of the Premises to any third party (a "Third Party Purchaser"), such Note Agent and/or Noteholder shall permit GMAC Facility Agent (or use its commercially reasonable efforts to require as a condition of such sale to the Third Party Purchaser that the Third Party Purchaser agree to permit GMAC Facility Agent) at its option to enter any of the Premises under such control or possession (or sold to a Third Party Purchaser) in order to inspect, remove or take any action with respect to the Working Capital Collateral (including manufacturing or processing raw materials or work-in-process into finished inventory) or to enforce GMAC Facility Agent' s rights with respect thereto, including, but not limited to, the examination and removal of Working Capital Collateral and the examination and duplication of any Collateral under such control or

possession (or sold to a Third Party Purchaser) consisting of books and records of Obligors related to the Working Capital Collateral or to otherwise handle, deal with or dispose of any Working Capital Collateral, such right to include, without limiting the generality of the foregoing, the right to conduct one or

more public or private sales or auctions on any premises included as part of the Collateral. Without limiting the foregoing, Note Agent will not interfere with, or prevent GMAC Facility Agent from entering the Premises of any Obligor as permitted under the GMAC Facility Agreement at *any* time prior to Note Agent acquiring control or possession of any of the Collateral.

2.12. The rights of GMAC Facility Agent set forth in Section 2.11 above with respect to any Premises shall continue until the date one hundred and twenty (120) days after the date GMAC Facility Agent receives written notice from Note Agent that Note Agent has control or possession of such Premises (except, that such one hundred twenty (120) day period shall be reduced to ninety (90) days to the extent that such Premises are the subject of an executed bona fide contract of sale pursuant to which possession of such Premises is required to be delivered to the purchaser thereof prior to the expiration of such 120 day period). The time periods set forth herein shall be tolled during the pendency of any proceeding of Obligor under the U.S. Bankruptcy Code or other proceedings pursuant to which both GMAC Facility Agent and the Note Agent are effectively stayed from enforcing their rights against the Collateral. In no event shall Note Agent take any action to interfere, limit or restrict the rights of GMAC Facility Agent, or the exercise of such rights by GMAC Facility Agent to have access to such Premises under such possession or control prior to the expiration of such periods.

2.13. Solely for the period of actual occupation and control by GMAC Facility Agent, its agents or representatives, of the Premises during the access and use period permitted by Section 2.12 above, GMAC Facility Agent shall (a) repair at its expense any physical damage to such Premises resulting from any act or omission of GMAC Facility Agent or its agents or representatives pursuant to such access, occupancy, use or control of such Premises and (b) leave the Premises in a condition substantially similar to the condition of such Premises prior to the date of the commencement of the use thereof by GMAC Facility Agent.

2.14. (a) GMAC Facility Agent shall indemnify and hold harmless Note Agent from and against (a) any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel) arising out of any claim asserted by any third party as a result of any acts or omissions by GMAC Facility Agent, or any of its agents or representatives, in connection with the exercise by GMAC Facility Agent of the rights of access set forth in Section 2.12 above, (b) any damage to any Collateral caused by any act of GMAC Facility Agent or its agents or representatives (other than employees of any Obligor unless any such employee of the Obligor is acting on behalf of GMAC Facility Agent) and (c) any injury resulting from any release of hazardous materials on such Premises or arising in connection with the investigation, removal, clean-up and/or remediation of any hazardous material at such Premises caused by the access, occupancy, use or control of such Premises by GMAC Facility Agent, or any of its agents or representatives. In no event shall GMAC Facility Agent have any liability to Note Agent or any Third Party Purchaser pursuant to this Section 2.14 or otherwise as a result of any condition on or with respect to such Premises existing prior to the date of the exercise by GMAC Facility Agent of its rights under Section 2.12 and GMAC Facility Agent shall have no duty or liability to maintain such Premises in a condition or manner better than that in which it was maintained prior to the access and/or use thereof by GMAC Facility Agent.

(b) For any period during which Note Agent controls or possesses any of the Premises in which any Working Capital Collateral is located, Note Agent shall indemnify and hold harmless GMAC Facility Agent from and against any damage to any Working Capital Collateral solely to the extent of any damage caused by the gross negligence or willful misconduct of Note Agent or its agents or representatives (other than employees of the Obligor unless any such employee is acting on behalf of Note Agent).

2.15. Notwithstanding any contrary provision of any of the GMAC Facility Loan Documents or Note Documents, the Lenders agree as follows with respect to any insurance on the Collateral:

(a) Each Lender agrees that the other Lender shall be entitled to obtain loss payee endorsements and additional insured status with respect to all policies of insurance now or hereafter obtained by any Obligor insuring casualty or other loss to any property of the Obligors in which either Lender may have a Lien, and, in connection therewith, to file claims, settle disputes, make adjustments and take any and all other actions otherwise then permitted to each party hereto in regard thereto which it may then deem advisable with respect to any Collateral in which it has a Lien. The rights and priorities of the Lenders to any Insurance Proceeds shall be as provided in this Agreement.

(b) Any Insurance Proceeds with respect to the Working Capital Collateral shall be deemed part of the Working Capital Collateral, and the rights and priorities of the Lenders to any Insurance Proceeds with respect to the Working Capital Collateral shall be the same as with respect to the Working Capital Collateral.

(c) Any Insurance Proceeds with respect to the Note Collateral shall be deemed part of the Note Collateral, and the rights and priorities of the Lenders to any Insurance Proceeds with respect to the Note Collateral shall be the same as with respect to the Note Collateral.

2.16. Section 2.10 shall not be construed to in any way limit or impair the right of: (i) any Lender to bid for (but not, credit bid if the making of such credit bid or the consummation of such credit bid would result in the Lien of the GMAC Facility Agent or the Note Agent, as the case may be, being terminated, released or subordinated to any Person) or purchase Collateral at any private or judicial foreclosure upon such Collateral initiated by any Lender, (ii) Note Agent to join (but not control) any foreclosure or other judicial lien enforcement proceeding with respect to the Working Capital Collateral initiated by GMAC Facility Agent, so long as it does not delay or interfere with the exercise by GMAC Facility Agent of its rights as provided in this Intercreditor Agreement, (iii) Note Agent' s and Noteholders' right to receive any remaining proceeds of Working Capital Collateral after satisfaction and payment in full in cash of all GMAC Facility Debt and the irrevocable termination of the GMAC Facility Loan Documents, (iv) GMAC Facility Agent to join (but not control) any foreclosure or other judicial lien enforcement proceeding with respect to the Note Collateral initiated by Note Agent, so long as it does not delay or interfere with the exercise by Note Agent of its rights as provided in this Intercreditor Agreement, and (v) GMAC Facility

Agent' s and GMAC Facility Lenders' right to receive any remaining proceeds of Note Collateral after satisfaction and payment in full in cash of all Note Debt.

2.17. If GMAC Facility Lenders should honor a request by any GMAC Borrower for a loan, advance or other financial accommodation under the GMAC Facility Loan Documents, whether or not GMAC Facility Lenders have knowledge that such loan, advance or other financial accommodation will be used for a purpose which would result in an event of default, or act, condition or event which with notice or passage of time or both would constitute an event of default under the Note Documents, in no event shall GMAC Facility Lenders have any liability to Note Agent and/or the Noteholders as a result of such breach, and without limiting the generality of the foregoing, Note Agent, on behalf of itself and the Noteholders, agrees that GMAC Facility Lenders shall not have any liability for tortious interference with contractual relations or for inducement by GMAC Facility Lenders of any Borrower to breach of contract or otherwise. Nothing contained in this Section 2.17 shall limit or waive any right that Note Agent has to enforce any of the provisions of the Note Documents against any Obligor.

2.18. Each Agent shall give to the other Agent concurrently with the giving thereof to any Obligor, a copy of any written notice by such Agent of (x) an event of default under its Agreements, (y) demand of payment, or (z) at any time an event of default under such Agent' s Agreements exists stating such Agent' s intention to exercise any of its enforcement rights or remedies, including written notice pertaining to any foreclosure on any of the Collateral or other judicial or non-judicial remedy in respect thereof to the extent permitted hereunder, and any legal process served or filed in connection therewith; provided that the failure of either Agent to give notice as required hereby shall not affect the relative priorities of the Agents' respective Liens as provided herein or the validity or effectiveness of any such notice as against any Obligor.

3. NOTEHOLDERS' PURCHASE OPTION

3.1. Upon the occurrence and during the continuance of (i) an acceleration of the GMAC Facility Debt under the GMAC Facility Loan Agreement; or (ii) a Lien Enforcement Action on the part of the GMAC Facility Agent, any or all of the Noteholders, acting as a single purchaser group, shall have the option at any time upon five (5) business days prior written notice (each such notice, a "Note Agent Notice") from Note Agent to GMAC Facility Agent to purchase all of the GMAC Facility Debt from the GMAC Facility Lenders. Such Note Agent Notice to GMAC Facility Agent shall be irrevocable.

3.2. On the date specified by Note Agent in such Note Agent Notice (which shall not be less than five (5) business days, nor more than ten (10) business days, after the receipt by GMAC Facility Agent of the Note Agent Notice from Note Agent of the election by the Noteholders to exercise such option), GMAC Facility Lenders shall sell to Noteholders, and Noteholders shall purchase from GMAC Facility Lenders, the GMAC Facility Debt. The GMAC Facility Agent hereby represents and warrants that, as of the date hereof, no approval of any court or other regulatory or governmental authority is required for such sale.

3.3. Upon the date of such purchase and sale, Noteholders shall (i) pay to GMAC Facility Agent as the purchase price therefor (the "Purchase Price") the full amount of

the GMAC Facility Debt then outstanding and unpaid (including principal, interest, fees and expenses, including reasonable attorneys' fees and legal expenses but excluding any early termination fee or prepayment fee), (ii) furnish cash collateral to GMAC Facility Agent in such amounts as GMAC Facility Agent determines is reasonably necessary to secure GMAC Facility Lenders in connection with any issued and outstanding letters of credit provided by GMAC Facility Agent (or letters of credit that GMAC Facility Agent has arranged to be provided by third parties pursuant to the financing arrangements of GMAC Facility Lenders with any Obligor) to any Obligor (but not in any event in an amount greater than 105% of the aggregate undrawn face amount of such letters of credit), (iii) agree to reimburse GMAC Facility Lenders for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any commissions, fees, costs or expenses related to any issued and outstanding letters of credit as described above and any checks or other payments provisionally credited to the GMAC Facility Debt, and/or as to which GMAC Facility Lenders have not yet received final payment, (iv) agree to pay to GMAC Facility Lenders any early termination fee or prepayment fee payable in connection with the GMAC Facility Loan Document within three (3) business days of the receipt of same by the Note Agent and/or Noteholders, after the payment in full in cash to Noteholders of the Note Debt and the GMAC Facility Debt purchased by Noteholders pursuant to this Section 3, including principal, interest and fees thereon and costs and expense of collection thereof (including reasonable attorneys' fees and legal expenses, but excluding any early termination fee (whether owing under the GMAC Facility Loan Documents or the Note Documents) or prepayment fee (whether owing under the GMAC Facility Loan Documents or the Note Documents)), provided that (x) the notice of termination is received by the Note Agent or (y) the effective date of termination occurs, within ninety (90) days after the effective date of the purchase of the GMAC Facility Debt by the Noteholders. Such purchase price and cash collateral shall be remitted by wire transfer in federal funds to such bank account of GMAC Facility Agent, as GMAC Facility Agent may designate in writing to Note Agent for such purpose. Interest shall be calculated to but excluding the business day on which such purchase and sale shall occur if the amounts so paid by Noteholders to the bank account designated by GMAC Facility Agent are received in such bank account no later than 1:00 p.m., New York City time and interest shall be calculated to and including such business day if the amounts so paid to the bank account designated by GMAC Facility Agent are received in such bank account later than 1:00 p.m., New York City time.

3.4. Such purchase shall be expressly made without representation or warranty of any kind by GMAC Facility Lenders as to the GMAC Facility Debt or otherwise and without recourse to GMAC Facility Lenders, except that GMAC Facility Lenders shall represent and warrant: (i) the amount of the GMAC Facility Debt being purchased, (ii) that GMAC Facility Lenders will transfer the GMAC Facility Debt to the Noteholders Lenders free and clear of any Liens or encumbrances and (iii) GMAC Facility Lenders have the right to assign the GMAC Facility Debt and the assignment is duly authorized.

4. MISCELLANEOUS

4.1 Representations.

(a) Note Agent represents and warrants to GMAC Facility Agent and GMAC Facility Lenders that:

(i) the execution, delivery and performance of this Intercreditor Agreement by Note Agent is within the powers of Note Agent pursuant to the Note Agreement, has been duly authorized by Note Agent, and, to its knowledge without independent investigation, does not contravene any law or any provision of any of the Note Documents;

(ii) this Intercreditor Agreement constitutes the legal, valid and binding obligations of Note Agent, enforceable in accordance with its terms and shall be binding on it; and

(iii) the Note Agent is authorized by and has been directed by the Noteholders to enter into this Intercreditor Agreement on behalf of the Noteholders.

(b) GMAC Facility Agent hereby represents and warrants to Note Agent and Noteholders that:

(i) the execution, delivery and performance of this Intercreditor Agreement by GMAC Facility Agent is within the powers of GMAC Facility Agent, has been duly authorized by GMAC Facility Agent and does not contravene any law, any provision of the GMAC Facility Loan Documents or any agreement to which GMAC Facility Agent is a party or by which it is bound;

(ii) this Intercreditor Agreement constitutes the legal, valid and binding obligations of GMAC Facility Agent, enforceable in accordance with its terms and shall be binding on it; and

(iii) the GMAC Facility Agent is authorized by the GMAC Facility Lenders to enter into this Intercreditor Agreement on behalf of the GMAC Facility Lenders.

4.2 Amendments. Any waiver, permit, consent or approval by either Agent of or under any provision, condition or covenant to this Intercreditor Agreement must be in writing and shall be effective only to the extent it is set forth in writing and as to the specific facts or circumstances covered thereby. Any amendment of this Intercreditor Agreement must be in writing and signed by GMAC Facility Agent and Note Agent. Promptly after the execution of any amendment to any of the Agreements, the applicable Agent signatory to such amendment agrees to use commercially reasonable efforts to notify the other Agent of such amendment.

4.3 Successors and Assigns.

(a) This Intercreditor Agreement shall be binding upon each of the Agents and its respective successors and assigns and shall inure to the benefit of each of the Agents and its respective successors, participants and assigns.

(b) To the extent permitted in their respective Agreements, each of the Lenders reserves the right to grant participations in, or otherwise sell, assign, transfer or negotiate all or any part of, or any interest in, the GMAC Facility Debt or the Note Debt, as the case may be; provided that neither Agent shall be obligated to give any notices to or otherwise in any manner deal directly with any participant in the GMAC Facility Debt or the Note Debt, as the case may be, and no participant shall be entitled to any rights or benefits under this Intercreditor Agreement except through the Lender with which it is a participant, and any sale of a participation in either the GMAC Facility Debt or the Note Debt shall be expressly made subject to the provisions of this Intercreditor Agreement (including, without limitation, Section 3).

(c) In connection with any participation or other transfer or assignment, a Lender (i) may, subject to its respective Agreement, disclose to such assignee, participant or other transferee or assignee all documents and information which such Lender now or hereafter may have relating to any Obligor or the Collateral and (ii) shall disclose to such participant or other transferee or assignee the existence and terms and conditions of this Intercreditor Agreement.

(d) In the case of an assignment or transfer, the assignee or transferee acquiring any interest in the Note Debt or the GMAC Facility Debt, as the case may be, shall execute and deliver to each of the Agents, at the request of the Agents, a written acknowledgment of receipt of a copy of this Intercreditor Agreement and the written agreement by such Person to be bound by the terms of this Intercreditor Agreement.

(e) In connection with any assignment or transfer of any or all of the rights of GMAC Facility Agent or any refinancing of the GMAC Facility Debt, Note Agent agrees to execute and deliver an agreement identical to this Intercreditor Agreement (subject to changing names of parties, documents and addresses, and the modification of defined terms and section references, in each case as appropriate) in favor of any such assignee or transferee and, in addition, will execute and deliver an agreement identical to this Intercreditor Agreement (subject to changing names of parties, documents and addresses, as appropriate) in favor of any third Person who succeeds to or refinances, replaces or substitutes for any or all of GMAC Facility Agent' s rights whether such successor or replacement financing occurs by transfer, assignment, "takeout" or any other means or vehicle. In connection with any assignment or transfer of any or all of the rights of Note Agent, GMAC Facility Agent agrees to execute and deliver an agreement identical to this Intercreditor Agreement (subject to changing names of parties, documents and addresses, as appropriate) in favor of any such assignee or transferee and, in addition, will execute and deliver an

agreement identical to this Intercreditor Agreement (subject to changing names of parties, documents and addresses, as appropriate) in favor of any third Person who succeeds to or refinances, replaces or substitutes for any or all of Note Agent' s rights

whether such successor or replacement financing occurs by transfer, assignment, "takeout" or any other means or vehicle.

4.4 Insolvency. (a) This Intercreditor Agreement shall be applicable both before and after any Insolvency Proceeding, to include the filing of any petition by or against any Obligor under the U.S. Bankruptcy Code and all converted or succeeding cases in respect thereof, and all references herein to an Obligor shall be deemed to apply to the trustee for such Obligor and such Obligor as debtor-in-possession. The relative rights of GMAC Facility Agent and the GMAC Facility Lenders, on the one hand, and Note Agent and the Noteholders, on the other hand, in or to any distributions from or in respect of any Collateral or proceeds of Collateral, shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, the Obligors, or any of them, as debtor(s)-in-possession.

(b) If, in any Insolvency Proceeding, debt obligations of any reorganized Obligor secured by Liens upon any property of the reorganized Obligor are distributed, both on account of the GMAC Facility Debt and the Note Debt, then, to the extent the debt obligations distributed on account of the GMAC Facility Debt and the Note Debt are secured by Liens upon the same property or type of property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such obligations.

(c) Neither the Note Agent nor any Noteholders will assert or enforce, until the GMAC Facility Debt is paid in full in cash (and any commitments under the GMAC Facility Loan Agreement are terminated), any claim under §506(c) of the United States Bankruptcy Code senior to or on a parity with the Liens of the GMAC Facility Agent on the Working Capital Collateral for costs or expenses of preserving or disposing of any Collateral.

4.5 Bankruptcy Financing.

(a) If any Obligor shall become subject to any Insolvency Proceeding, to include a case under the U.S. Bankruptcy Code and if as debtor(s)-in-possession move for approval of financing to be provided in good faith by GMAC Facility Agent and/or any of the GMAC Facility Lenders (collectively, the "DIP Lender") under Section 364 of the U.S. Bankruptcy Code or the use of cash collateral with the consent of the DIP Lender under Section 363 of the U.S. Bankruptcy Code, Note Agent, on behalf of Noteholders, agrees that no objection will be raised by Noteholders to any such financing on the grounds of a failure to provide "adequate protection" for the Liens of Note Agent so long as (A) the interest rate, fees, advance rates, lending sublimits and limits and other terms are commercially reasonable under the circumstances, (B) Note Agent retains a Lien on the Collateral (including proceeds thereof arising after the commencement of such proceeding) with the same priority as existed prior to the commencement of the case under the U.S. Bankruptcy Code, which for avoidance of doubt is a subordinate Lien to the Lien of the GMAC Facility Agent in the Working Capital Collateral securing the GMAC Facility Debt, including any debtor-in-possession financing which complies with this Section 4.5, (C) Note Agent receives a replacement Lien on post-petition assets to the same extent granted to the DIP Lender, with the same priority as existed prior to the commencement of the case under the U.S. Bankruptcy Code, which for avoidance of doubt is a

subordinate Lien to the Lien of the GMAC Facility Agent in the Working Capital Collateral securing the GMAC Facility Debt, including any debtor-in-possession financing which complies with this Section 4.5, (D) neither the GMAC Facility Agent or any Lender (including the DIP Lender) shall receive any Liens (including replacement Liens) on any post-petition assets constituting Note Collateral (including proceeds of any assets constituting Note Collateral arising after the commencement of the proceeding in connection with such Insolvency or Liquidation Proceedings) unless such Liens are subordinated to the Liens (including replacement Liens) of the Agent with the same priority as existed prior to the commencement of the proceeding in connection with such Insolvency or Liquidation Proceedings pursuant to the terms of this Intercreditor Agreement, (E) the aggregate principal amount of loans and letter of credit accommodations outstanding under such post-petition financing, together with the aggregate principal amount of the pre-petition GMAC Facility Debt shall not exceed the Maximum GMAC Facility Debt, and (F) as between the GMAC Facility Agent and the GMAC Facility Lenders, on the one hand, and the Note Agent and the Noteholders, on the other hand, such financing or use of cash collateral is subject to the terms of this Intercreditor Agreement.

(b) Nothing contained herein shall be deemed to limit the rights of the Noteholders to object to post-petition financing or use of cash collateral on any grounds other than the failure to provide "adequate protection" for the Liens of the Note Agent.

(c) For purposes of this Section 4.5, notice of a proposed financing or use of cash collateral shall be deemed given when given in accordance with Section 4.7.

4.6 Agent for Perfection. Each Agent hereby appoints the other Agent as agent for the purposes of perfecting such Agent' s Liens in and on any of the Collateral in the possession or control of the other Agent and each other Agent hereby agrees to such appointment; provided that the Agent in the possession or control of any Collateral shall not have any duty or liability to protect or preserve any rights pertaining to any of the Collateral and, except for gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction, the non-possessing or non-controlling Agent hereby waives and releases the other Agent from, all claims and liabilities arising pursuant to the possessing or controlling Agent' s role as agent with respect to the Collateral, so long as the possessing or controlling Agent shall use the same degree of care with respect thereto as the possessing or controlling Agent uses for similar property pledged to the possessing or controlling Agent as collateral for indebtedness of others to the possessing or controlling Agent. After GMAC Facility Lenders have received final payment in full of all of the GMAC Facility Debt and the GMAC Facility Loan Documents have been irrevocably terminated, GMAC Facility Agent shall deliver the remainder of the Collateral, if any, in its possession to Note Agent, except as may otherwise be required by applicable law or court order. After Noteholders have received final payment in full of all of the Note Debt, Note Agent shall (to the extent that GMAC Facility Agent has a Lien therein) deliver the remainder of the Collateral, if any, in its possession to GMAC Facility Agent, except as may otherwise be required by applicable law or court order.

4.7 Notices. All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed duly given, made or received: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with

instructions to deliver the next business day, one (1) business day after sending; and if mailed by certified mail, return receipt requested five (5) days after mailing to the parties at their addresses set forth below (or to such other addresses as the parties may designate in accordance with the provisions of this Section 4.7):

To GMAC Facility Agent:	GMAC Commercial Finance LLC 1290 Avenue of the Americas, 3rd Floor New York, NY 10104 Attention:Portfolio Manager/Edgen Facsimile: (212) 884-7692 Telephone: (212) 884-7000
With copies to:	GMAC Commercial Finance LLC 1290 Avenue of the Americas, 3rd Floor New York, NY 10104 Attention:Scott Yablonowitz, Esq. Facsimile: (212) 884-7693 Telephone: (212) 884-7187
And:	Hahn & Hessen LLP 488 Madison Avenue New York, NY 10022 Attention:Leonard Lee Podair, Esq. Facsimile: (212) 478-7400 Telephone: (212) 478-7200
To Note Agent or the Trustee:	The Bank of New York 101 Barclay Street

Floor 8W
New York, New York 10286
Attn: Corporate Trust Administration
Facsimile: (212) 815-5707
Telephone: (212) 815-4770

With copies to: Jefferies & Company, Inc.
520 Madison Avenue, 12th Floor
New York, New York 10022
Attn: Lloyd H. Feller, Esq.
Facsimile: (212)

And: Mayer, Brown, Rowe & Maw LLP
1675 Broadway
New York, New York 10019-5820
Attn: Ronald S. Brody, Esq.
Facsimile: (212) 262-1910

Either Agent may change the address(es) to which all notices, requests and other communications are to be sent by giving written notice of such address change to the other Agent in conformity with this Section 4.7, but such change shall not be effective until notice of such change has been received by the other Agent.

4.8 Waiver of Marshalling. Each Lender hereby waives any right to require the other Lender to marshal any security or collateral or otherwise to compel the other Lender to seek recourse against or satisfaction of the indebtedness and obligations owed to it from one source before seeking recourse or satisfaction from another source.

4.9 Counterparts. This Intercreditor Agreement may be executed in any number of counterparts, each of which shall be an original with the same force and effect as if the signatures thereto and hereto were upon the same instrument.

4.10 Governing Law. The validity, construction and effect of this Intercreditor Agreement shall be governed by the internal laws of the State of New York (without giving effect to principles of conflicts of law).

4.11 Consent to Jurisdiction; Waiver of Jury Trial. EACH PARTY HERETO HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (INCLUDING ITS APPELLATE DIVISION), AND OF ANY OTHER APPELLATE COURT IN THE STATE OF NEW YORK, FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS INTERCREDITOR AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS INTERCREDITOR AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS INTERCREDITOR AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE.

4.12 Complete Agreement. This written Intercreditor Agreement is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement with respect to the subject matter hereof.

4.13 No Third Parties Benefited. Except as expressly provided in Section 4.3 and consents which are deemed to have been given under Section 2.9, this Intercreditor Agreement is solely for the benefit of the Agents and their respective successors, participants

and assigns, and no other Person shall have any right, benefit, priority or interest under, or because of the existence of, this Intercreditor Agreement.

4.14 Disclosures; Non-Reliance. Each Agent has the means to, and shall in the future remain, fully informed as to the financial condition and other affairs of the Obligors and neither Agent shall have any obligation or duty to disclose any such information to the other Agent. Except as expressly set forth in this Intercreditor Agreement, the parties hereto have not otherwise made to each other nor do they hereby make to each other any warranties, express or implied, nor do they assume any liability to each other with respect to: (a) the enforceability, validity, value or collectability of any of the Note Debt or the GMAC Facility Debt or any guarantee or security which may have been granted to any of them in connection therewith, (b) any Obligor' s title to or right to transfer any of the Collateral, or (c) any other matter except as expressly set forth in this Intercreditor Agreement.

4.15 Terms. This Intercreditor Agreement is a continuing agreement and shall remain in full force and effect until the payment in full of the GMAC Facility Debt and Note Debt and the irrevocable termination of the respective Agreements.

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IN WITNESS WHEREOF, the parties have caused this Intercreditor Agreement to be duly executed as of the day and year first above written.

GMAC COMMERCIAL FINANCE LLC,
as GMAC Facility Agent

By: /s/ Frank DiCeglie
Name: Frank DiCeglie
Title: Director

THE BANK OF NEW YORK,
not in its individual capacity, but solely as
Trustee and Note Agent

By: /s/ Geovanni Barris
Name: Geovanni Barris
Title: Vice President

Each of the undersigned hereby acknowledges and agrees to the foregoing terms and provisions. By its signature below, each of the undersigned agrees that it will, together with its successors and assigns, be bound by the provisions hereof.

Each of the undersigned agrees that either Agent holding Collateral does so as agent (under the UCC) for the other Agent which has a Lien on such Collateral and is hereby authorized to and may turn over to such other Agent upon request therefor any such Collateral, after all obligations and indebtedness of the undersigned to such Agent have been fully paid and performed.

Each of the undersigned acknowledges and agrees that: (i) although it may sign this Intercreditor Agreement it is not a party hereto and does not and will not receive any right, benefit, priority or interest under or because of the existence of this Intercreditor Agreement (except for a consent which is deemed to have been given by Note Agent under Section 2.9), and (ii) it will execute and deliver such additional documents and take such additional action as may be necessary or desirable in the reasonable opinion of either Agent to effectuate the provisions and purposes of this Intercreditor Agreement.

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary and Manager

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary and Manager

EDGEN CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary, Chief Financial Officer and Senior Vice President

EDGEN LOUISIANA CORPORATION

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary, Chief Financial Officer and Senior Vice President

Exhibit 10.4

Execution Version

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

GMAC COMMERCIAL FINANCE LLC
(AS LENDER AND AS AGENT)

and

THE LENDERS SIGNATORY HERETO
FROM TIME TO TIME
(AS LENDERS)

with

EDGEN CARBON PRODUCTS GROUP, L.L.C.
(AS A BORROWER)
EDGEN ALLOY PRODUCTS GROUP, L.L.C.
(AS A BORROWER)

and

THE OTHER LOAN PARTIES SIGNATORY HERETO
(AS LOAN PARTIES)

February 1, 2005

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AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT dated February 1, 2005 among EDGEN CARBON PRODUCTS GROUP, L.L.C., a limited liability company organized under the laws of the State of Louisiana ("Edgen Carbon"), EDGEN ALLOY PRODUCTS GROUP, L.L.C., a limited liability company organized under the laws of the State of Louisiana ("Edgen Alloy") (Edgen Carbon and Edgen Alloy, each individually a "Borrower" and collectively, the "Borrowers"), EDGEN CORPORATION, a corporation organized under the laws of the State of Nevada ("Holdings"), EDGEN LOUISIANA CORPORATION, a corporation organized under the laws of the State of Louisiana ("Sub-Holdings" and, together with Holdings and each other Person designated as such on the signature pages hereto, each a "Guarantor" and collectively, the "Guarantors"), the financial institutions which are now or which hereafter become a party hereto (each a "Lender" and collectively, the "Lenders") and GMAC COMMERCIAL FINANCE LLC, a limited liability company organized under the laws of the State of Delaware ("GMAC CF"), as agent for Lenders (GMAC CF, in such capacity, the "Agent").

Borrowers, Guarantors, Lenders and Agent are parties to a Loan and Security Agreement dated as of February 27, 2004 (as amended, modified and supplemented prior to the date hereof, the "Existing Loan Agreement") pursuant to which Lenders (the "Existing Lenders") and Agent provide the Borrowers thereunder with certain financial accommodations. This Agreement is being entered into for the purpose of, among other things, amending and restating the Existing Loan Agreement on the terms and conditions herein set forth.

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Loan Parties, Lenders and Agent hereby agree as follows:

I. DEFINITIONS.

1.1. Accounting Terms.

As used in this Agreement, any Other Document, or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined, shall have the respective meanings given to them under GAAP.

1.2. General Terms.

For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.6.

"Acquired Indebtedness" shall mean Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary of a Loan Party or at the time it merges or consolidates with or into a Loan Party or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Subsidiary of a Loan

Party or such acquisition, merger or consolidation and which Indebtedness is without recourse to a Loan Party or any of its Subsidiaries or to any of their respective properties or assets other than the Person or the assets to which such Indebtedness related prior to the time such Person became a Subsidiary of a Loan Party or the time of such acquisition, merger or consolidation; *provided* that Indebtedness of such Person that is redeemed, defeased, retired or otherwise repaid at the time, or immediately upon consummation, of the transaction by which such Person is merged with or into or became a Subsidiary of a Loan Party shall not be Acquired Indebtedness. Acquired Indebtedness shall be deemed to be incurred on the date of any such acquisition, merger or consolidation or the date the acquired Person becomes a Subsidiary.

"Acquisition" shall mean the acquisition by Edgen Acquisition Corporation ("EAC") of one hundred percent of the issued and outstanding Capital Stock of Holdings, followed by the merger of EAC with and in to Holdings, with Holdings being the survivor, all pursuant to the terms of the Acquisition Agreement.

"Acquisition Agreement" shall mean the Stock Purchase Agreement dated as of December 31, 2004 among EAC, Holdings, the stockholders signatory thereto and the Sellers Representative (as defined therein).

"Acquisition Documents" shall mean the Acquisition Agreement and all agreements, instruments and documents entered into in connection therewith.

"Adjusted LIBOR Rate" shall mean, with respect to any Eurodollar Rate Loan for any Interest Period a rate of interest equal to:

(a) the offered rate for deposits in U.S. dollars in the London interbank market for the relevant Interest Period which is published by the British Bankers' Association and currently is reported by Bloomberg L.P. as of 11:00 a.m. (London time) on the day which is two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, that if such a rate ceases to be available from that or any other source from the British Bankers' Association, then the rate used shall be a rate per annum equal to the offered rate for deposits in U.S. dollars in the London interbank market for the relevant Interest Period that appears on Reuters Screen LIBOR Page (or any successor page) as of 11:00 a.m. (London time) on the day which is two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period, provided that if more than one rate is specified on Reuters Screen LIBOR Page, then the rate used shall be a rate per annum equal to the arithmetic mean of all such rates (rounded upwards, if necessary, to the nearest 1/100 of 1%); provided, however, that if, for any reason, such a rate is not published by the British Bankers' Association or available on the Reuters Screen LIBOR Page, the rate used shall be equal to a rate per annum equal to the average rate (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which Agent determines that U.S. dollars in an amount comparable to the amount of the applicable Revolving Advances are being offered to prime banks at approximately 11:00 a.m. (London time) on the day which is two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period for settlement in immediately available funds by leading banks in the London interbank market selected by Agent; divided by

(b) a number equal to 1.0 minus the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day

which is two (2) Business Days prior to the beginning of such Interest Period (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other governmental authority having jurisdiction with respect thereto, as now and from time to time in effect) for Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) which are required to be maintained by a member bank of the Federal Reserve System; such rate (if greater than zero) to be rounded upward to the next whole multiple of one-sixteenth of one percent (.0625%).

"Advances" shall mean and include the Revolving Advances and the Letters of Credit.

"Advance Rates" shall have the meaning set forth in Section 2.1(a).

"Affiliate" of any Person shall mean (a) any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, managing member, general partner or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote 10% or more of the securities having ordinary voting power for the election of directors (or managing member or general partner, as appropriate) of such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise, provided, however, that the definition of "Affiliate" shall exclude any portfolio company of an entity described in clauses (i) or (ii) of the definition of "Jefferies Entities".

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Agreement" shall mean this Amended and Restated Loan and Security Agreement, as amended, restated, modified and supplemented from time to time.

"AmSouth" shall mean AmSouth Bank, an Alabama banking corporation.

"Applicable Margin" shall mean the applicable percentage specified below:

TYPE OF REVOLVING ADVANCE	APPLICABLE MARGIN FOR DOMESTIC RATE LOANS	APPLICABLE MARGIN FOR EURODOLLAR RATE LOANS
Revolving Advances	Minus 0.50%	1.50%

"Asset Acquisition" means:

(1) an Investment by Holdings or any Restricted Subsidiary of the Loan Parties in any other Person pursuant to which such Person shall become a Restricted Subsidiary of the Loan Parties or any Restricted Subsidiary of the Loan Parties, or shall be merged with or into Holdings or any Restricted Subsidiary of the Loan Parties, or

(2) the acquisition by Holdings or any Restricted Subsidiary of the Loan Parties of the assets of any Person (other than a Restricted Subsidiary of the Loan Parties) which

constitute all or substantially all of the assets of such Person or comprise any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"Asset Sale" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (other than a Lien in accordance with this Agreement) for value by (x) Holdings or any of its Restricted Subsidiaries to any Person other than a Loan Party or (y) a Foreign Restricted Subsidiary to any Person other than Holdings or a Wholly Owned Restricted Subsidiary of the Loan Parties of:

(1) any Capital Stock of any Restricted Subsidiary of the Loan Parties; or

(2) any other property or assets of Holdings or any Restricted Subsidiary other than in the ordinary course of business; *provided*, *however*, that Asset Sales shall not include:

(A) a transaction or series of related transactions for which Holdings or its Restricted Subsidiaries receive aggregate consideration of less than $1.0 million;

(B) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of the Loan Parties as permitted under Section 7.1;

(C) any dividend, distribution, purchase, redemption or retirement of any Capital Stock permitted under Section 7.6, any Investment permitted under Section 7.4 or loans permitted under Section 7.5;

(D) the sale or other disposition of Cash Equivalents;

(E) the sale or other disposition of used, worn out, obsolete or surplus equipment;

(F) the sale of an Unrestricted Subsidiary;

(G) dispositions of Investments or receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in a bankruptcy or similar proceeding and exclusive of factoring or similar arrangements; and

(H) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Loan Parties and their Restricted Subsidiaries.

"Authority" shall have the meaning set forth in Section 4.19(d).

"Base Rate" shall mean a variable rate of interest per annum equal to the rate of interest from time to time published by the Board of Governors of the Federal Reserve System in Federal Reserve statistical release H.15 (519) entitled "Selected Interest Rates" as the Bank Prime Loan Rate, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. Base Rate also includes rates published in any successor publications of the Federal Reserve System reporting the Bank Prime Loan Rate or its equivalent. The statistical release generally sets forth a Bank Prime Loan Rate for each Business Day. The applicable Bank Prime

Loan Rate for any date not set forth in such statistical release or equivalent document shall be the rate set forth for the last preceding date. In the event the Board of Governors of the Federal Reserve System ceases to publish a Bank Prime Loan Rate or equivalent, the term "Base Rate" shall mean a variable rate of interest per annum equal to the highest of the "prime rate," "reference rate," "base rate" or other similar rate as determined by Agent announced from time to time by any of the three largest banks (based on combined capital and surplus) headquartered in New York, New York (with the understanding that any such rate may merely be a reference rate and may not necessarily represent the lowest or best rate actually charged to any customer by such bank).

"Blocked Accounts" shall have the meaning set forth in Section 4.15(h).

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Borrower' s Account" shall have the meaning set forth in Section 2.7, and Borrowers' Account shall mean both Borrower' s Accounts, collectively.

"Borrowing Base Certificate" shall mean a certificate duly executed by an officer of each Borrower appropriately completed and in substantially the form of ***Exhibit A***.

"Business Day" shall mean with respect to Eurodollar Rate Loans, any day on which commercial banks are open for domestic and international business, including dealings in Dollar deposit, in London, England and New York, New York and with respect to all other matters, any day other than a day on which commercial banks in New York are authorized or required by law to close.

"Capital Lease" means any lease of any property (whether real, personal or mixed) that, in accordance with GAAP consistently applied, should be accounted for as a capital lease.

"Capitalized Lease Obligation" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"Capital Stock" shall mean all shares, options, warrants, general or limited partnership interests or other equivalents (regardless of how designated) of or in a corporation, limited liability company, partnership or equivalent entity (including equity issued by a Foreign Subsidiary) whether voting or non-voting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended).

"Cash Equivalents" shall mean: (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within six (6) months from the date of acquisition thereof; (b) commercial paper maturing no more than six (6) months from the date issued and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor' s Corporation or at least P-1 from Moody' s Investors Service, Inc.; and (c) certificates of deposit or bankers' acceptances maturing within six (6) months from the date of issuance thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the

United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $500,000,000 and whose debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency and not subject to setoff rights in favor of such bank.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"Change of Control" shall mean (a) the occurrence of any event (whether in one or more transactions) which results in a transfer of control of any Loan Party to a Person who is not one of the Jefferies Entities; (b) less than forty percent (40%) of any class of the Capital Stock of Holdings is owned and controlled by (including for the purposes of the calculation of percentage ownership, any shares of Capital Stock into which any Capital Stock of Holdings is convertible or for which any such shares of the Capital Stock of any Loan Party or of any other Person may be exchanged and any shares of Capital Stock issuable upon exercise of any warrants, options or similar rights which may at the time of calculation be held by any Person) the Jefferies Entities; (c) except as expressly permitted in this Agreement, the occurrence of any merger or consolidation of or with Holdings or sale of all or substantially all of the property or assets of Holdings; or (d) except as expressly permitted in this Agreement, the sale by Holdings of any shares of the Capital Stock of any Subsidiary; and provided, that in no event shall any transaction set forth in clauses (c) or (d) of this definition constitute a Change of Control so long as the surviving entity assumes all obligations of the other Loan Party under and/or in connection with this Agreement. For purposes of clause (a) of this definition, "control of Loan Party" shall mean the power, direct or indirect (x) to vote 50% or more of the securities having ordinary voting power for the election of directors (or managing member or general partner, as appropriate) of any Loan Party or (y) to direct or cause the direction of the management and policies of any Loan Party by contract or otherwise. In addition, the term "Change of Control" shall include such term as defined in the Senior Note Agreement.

"Charge(s)" shall mean all taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, Capital Stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including, without limitation, the PBGC or any environmental agency

or superfund), upon the Collateral, any Loan Party or, in the case of ERISA and environmental "Charges", any of such Loan Party' s Affiliates to the extent resulting from controlled group liability.

"Closing Date" shall mean February 1, 2005 or such other date as may be agreed to by the parties hereto in writing.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated thereunder.

"Collateral" shall mean and include:

(a) all Receivables;

(b) all Inventory;

(c) all of each Loan Party' s right, title and interest in and to (i) all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of each Loan Party' s rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all supporting obligations and all additional amounts due to any Loan Party from any Customer relating to the Receivables; (iv) all supply agreements and agreements with Customers with respect to Receivables and Inventory, indemnification claims under the Acquisition Documents solely to the extent relating to Receivables and Inventory, and warranty claims relating to any Inventory; (v) if and when obtained by any Loan Party, all real and personal property of third parties in which such Loan Party has been granted a lien or security interest as security for the payment or enforcement of Receivables; (vi) any other goods, personal property or real property now owned or hereafter acquired in which any Loan Party may in the future grant a security interest to Agent hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between Agent and any Loan Party (excluding the Excluded Assets), (vii) commercial tort claims solely to the extent related to any of the foregoing and (viii) all Term Intercompany Notes required under the terms of Section 6.11(ii) to be secured by the security agreements described in such Section 6.11(ii);

(d) all of each Loan Party' s ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computer software (owned by any Loan Party or in which it has an interest), computer programs, tapes, disks and documents relating to clauses (a), (b) and (c) of this definition; and

(e) all proceeds and products of clauses (a), (b), (c) and (d) of this definition in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

"Commitment Percentage" of any Lender shall mean the percentage set forth below such Lender' s name on the signature page hereof, as same may be adjusted upon any assignment by a Lender pursuant to Section 17.3.

"Commitment Transfer Supplement" shall mean a document in the form of ***Exhibit 17.3***, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Advances under this Agreement.

"Commitments" shall mean, as to any Lender, its obligation to make Advances (including participating in Letters of Credit) in an aggregate amount not to exceed at any one time outstanding the amount set forth below such Lender' s name on the signature page hereof under the heading "Commitment", as same may be adjusted in accordance with this Agreement.

"Commodity Agreement" means any hedging agreement or other similar agreement or arrangement designed to protect Loan Parties against fluctuations in commodity prices.

"Consents" shall mean all filings and all material licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and other third parties, domestic or foreign, necessary to carry on any Loan Party' s business, including, without limitation, any Consents required under all applicable federal, state or other applicable law.

"Consolidated EBITDA" means, with respect to any Person, for any period, the sum (without duplication) of:

(1) Consolidated Net Income; and

(2) to the extent Consolidated Net Income has been reduced thereby:

(A) all income and franchise taxes of such Person and its Restricted Subsidiaries paid or accrued in accordance with GAAP for such period;

(B) Consolidated Fixed Charges;

(C) Consolidated Non-cash Charges;

(D) (a) customary fees and expenses of the Holdings and its Restricted Subsidiaries payable in connection with (i) the issuance and maintenance of the Senior Notes and the related borrowing under this Agreement, (ii) any Equity Offering, (iii) the incurrence, maintenance, termination or repayment of Indebtedness permitted by Section 7.7, (iv) the Acquisition and any acquisition permitted under the Senior Note Agreement and (v) compliance with the Federal securities laws and the Sarbanes-Oxley Act of 2002 for a period of 12 months following the Closing Date, (b) extraordinary bonus payments payable to the officers and employees of the Loan Parties pursuant to Loan Parties' 2004 Bonus Plan in respect of the Loan Parties' 2004 fiscal year and (c) bonuses and fees payable to existing stockholders, directors, officers and employees of Loan Parties, lenders, financial advisors and other Persons in connection with the Acquisition on or substantially contemporaneous with the Closing Date;

(E) restructuring charges (as determined in accordance with GAAP) relating to the consolidation of operations or reduction in head-court;

(F) any premium or penalty paid in connection with redeeming or retiring Indebtedness of such Person and its consolidated Restricted Subsidiaries prior to the stated maturity thereof pursuant to the agreements governing such Indebtedness; and

(G) any increase in cost of sales expense as a result of the Loan Parties' adoption of the LIFO method of costing inventory after the Closing Date,

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the four consecutive full fiscal quarters (the "*Four Quarter Period*") most recently ending on or prior to the date of the transaction or event giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio for which internal

financial statements are available (the "*Transaction Date*") to Consolidated Fixed Charges of such Person for the Four Quarter Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period;

(2) any Asset Sale or other disposition of operations or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to the Transaction Date), as if such Asset Sale or other disposition of operations or Asset Acquisition (including the incurrence, assumption or liability for any such Indebtedness or Acquired Indebtedness and also including any Consolidated EBITDA associated with such Asset Acquisition) occurred on the first day of the Four Quarter Period. If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such guaranteed Indebtedness;

(3) any Person that is a Restricted Subsidiary on the Transaction Date (or would become a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed to have been a Restricted Subsidiary at all times during such Four Quarter Period; and

(4) any Person that is not a Restricted Subsidiary on the Transaction Date (or would cease to be a Restricted Subsidiary on such Transaction Date in connection with the transaction requiring determination of such Consolidated EBITDA) will be deemed not to have been a Restricted Subsidiary at any time during such Four Quarter Period.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio":

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date (including Indebtedness actually incurred on the Transaction Date) and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date; and

(2) notwithstanding clause (1) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense (excluding amortization or write-off of deferred financing costs); *plus*

(2) the product of (x) the amount of all cash dividend payments (other than dividends paid by Subsidiaries to Holdings or to Holdings' Wholly-Owned Restricted Subsidiaries) on any class or series of Preferred Stock of such Person paid or in the case of any such class or series of Preferred Stock that is Disqualified Capital Stock, paid, accrued or scheduled to be paid or accrued, in each case, during such period *times* (y) a fraction, the numerator of which is one and the denominator of which is one minus the then current effective consolidated federal, state and local tax rate of such Person, as estimated in good faith by the chief financial officer of the Loan Parties, expressed as a decimal.

"Consolidated Fixed Charge Coverage Test" shall mean, after giving effect to the incurrence or assumption of the subject Indebtedness, whether the Consolidated Fixed Charge Coverage Ratio of the Loan Parties will be greater than: (i) 2.0 to 1.0 prior to the first anniversary of the Closing Date and (ii) 2.25 to 1.0 on and after the first anniversary of the Closing Date.

"Consolidated Interest Expense" means, with respect to any Person for any period, the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, as determined in accordance with GAAP, and including, without duplication, (a) all amortization or accretion of original issue discount, (b) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period, and (c) net cash costs under all Interest Swap Obligations (including amortization of fees), but excluding amortization of debt issuance costs and excluding accrued dividends on preferred stock that is reclassified as Indebtedness due to a change in accounting principles.

"Consolidated Net Income" means, with respect to any Person, for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period on a consolidated basis, determined in accordance with GAAP; *provided, however,* that there shall be excluded therefrom:

(1) after-tax gains and losses from Asset Sales or abandonments or reserves relating thereto;

(2) after-tax items classified as extraordinary gains or losses;

(3) the net income (but not loss) of any Restricted Subsidiary of the referent Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is restricted by a contract, operation of law or otherwise;

(4) the net income of any Person, other than the referent Person or a Restricted Subsidiary of the referent Person, except to the extent of cash dividends or distributions paid to the referent Person or to a Wholly Owned Restricted Subsidiary of the referent Person by such Person;

(5) any restoration to income of any material contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Closing Date;

(6) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(7) all gains and losses realized on or because of the purchase or other acquisition by such Person or any of its Restricted Subsidiaries of any securities of such Person or any of its Restricted Subsidiaries;

(8) the cumulative effect of a change in accounting principles;

(9) interest expense attributable to dividends on Qualified Capital Stock pursuant to Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity;" and

(10) non-cash charges resulting from the impairment of intangible assets.

Notwithstanding the foregoing, for purposes of calculating Consolidated Net Income for any period, Consolidated Net Income for such period shall (except for purposes of calculating Consolidated Net Income for such period as used in clause (1) of the definition of the term "Consolidated EBITDA") include, to the extent Consolidated Net Income for such period has been reduced thereby, any non-cash charges associated with the purchase accounting write-up of inventory, including without limitation, pursuant to FAS 141.

"Consolidated Net Tangible Assets" shall mean, as of any date of determination and with respect to any Person, the total assets, less goodwill and other intangibles (other than patents, trademarks, copyrights, licenses and other intellectual property), shown on the balance sheet of such Loan Party for the most recently ended fiscal quarter for which internal financial statements are available, determined on a consolidated basis in accordance with GAAP.

"Consolidated Non-cash Charges" means, with respect to any Person, for any period, the aggregate depreciation, amortization and other non-cash items and expenses of such Person and its Restricted Subsidiaries to the extent they reduce Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (A) including, but not limited to, (i) non-cash charges attributable to the grant, exercise or repurchase of options for or shares of Qualified Capital Stock to or from employees of such Person and its consolidated subsidiaries, (ii) unrealized losses resulting solely from the marking to market of derivative securities or securities held in deferred compensation plans, (iii) non-cash charges associated with the amortization or write-off of deferred financing costs and debt issuance costs of such Person and its consolidated subsidiaries during such period, (iv) amortization expense associated with the purchase accounting write-up of tangible and intangible assets and (v) non-cash

charges associated with the purchase accounting write-up of inventory, including, without limitation, pursuant to FAS 141, but (B) excluding any such charges constituting an extraordinary item or loss or any such charge which requires an accrual of or a reserve for cash charges for any future period.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Loan Party, are treated as a single employer under Section 414 of the Code.

"Currency Agreement" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designated to protect Loan Parties against fluctuations in currency values.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Loan Party, pursuant to which such Loan Party is to deliver any personal property or perform any services.

"Customs" shall mean the U.S. Customs Service and any successor thereto.

"Default" shall mean an event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1.

"Defaulting Lender" shall have the meaning set forth in Section 2.15(a).

"Disqualified Capital Stock" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event that would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except in each case, upon the occurrence of a Change of Control) on or prior to the first anniversary of the Original Term for cash or is convertible into or exchangeable for debt securities of Loan Parties at any time prior to such anniversary.

"Documentary Letters of Credit" shall mean all Letters of Credit issued in connection with this Agreement to pay the purchase price for Inventory purchased by a Borrower.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Rate Loan" shall mean any Revolving Advance that bears interest based upon the Base Rate.

"Domestic Restricted Subsidiary" means, with respect to any Person, a Domestic Subsidiary of such Person that is a Restricted Subsidiary of such Person.

"Domestic Subsidiary" means, with respect to any Person, a Subsidiary of such Person that is not a Foreign Subsidiary of such Person.

"Edgen Alloy" shall have the meaning set forth in the preamble to this Agreement.

"Edgen Canada" shall mean Edgen Canada Corp., a Canadian corporation and a wholly-owned Subsidiary of Holdings.

"Edgen Carbon" shall have the meaning set forth in the preamble to this Agreement.

"Eligible Inventory" shall mean and include Inventory (excluding work in process) owned by a Borrower, located at any of those locations listed on ***Schedule 4.5*** and which is either in the possession of a Borrower or is subject to a bailee waiver, as applicable, and which is subject to a landlord waiver (to the extent it is located on premises leased by a Borrower), in each case acceptable in form and substance to Agent, which is not, in Agent' s opinion, obsolete, slow-moving or unmerchantable and which Agent, in the good faith exercise of its reasonable judgment, shall not deem ineligible Inventory, based on such considerations as Agent may from time to time deem appropriate including, without limitation, whether the Inventory is subject to a perfected, first priority security interest in favor of Agent and no other Lien (other than Permitted Encumbrances described in clauses (a), (b) (f), (i), (j) and (k) of the definition thereof that in each case are subordinate to the Lien of Agent) and whether the Inventory conforms to all standards imposed by any governmental agency, division or department thereof which has regulatory authority over such goods or the use or sale thereof. Eligible Inventory shall not include licensed or private label Inventory, unless (i) a Loan Party is the owner of such license or private label, or (ii) a consent, in form and substance satisfactory to Agent, has been obtained from the owner of such license or private label with respect to Agent' s security interest in such Inventory. The inclusion of Inventory in Eligible Inventory notwithstanding the absence of a landlord waiver or bailee waiver, as applicable, shall not limit Agent' s ability to exclude such Inventory from Eligible Inventory in the future.

"Eligible Receivables" shall mean and include with respect to each Borrower, each Receivable of such Borrower arising in the ordinary course of such Borrower' s business and which Agent, in the good faith exercise of its reasonable judgment, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent' s first priority perfected security interest and no other Lien (other than Permitted Encumbrances described in clauses (a), (b) (f), (i), (j) and (k) of the definition thereof that in each case are subordinate to the Lien of Agent), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Borrower to a Subsidiary, another Borrower or an Affiliate of any Borrower or to a Person controlled by a Subsidiary or an Affiliate of any Borrower;

(b) it is due or unpaid more than sixty (60) days after the original due date, not to exceed ninety (90) days after the original invoice date;

(c) fifty percent (50%) or more of the Receivables owing to any Borrower or to Borrowers in the aggregate from such Customer are not deemed Eligible Receivables hereunder;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;

(e) the applicable Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state, federal or foreign bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) the underlying sale is to a Customer outside the United States of America or Canada, unless such sale is on letter of credit, guaranty, acceptance terms or supported by credit insurance, in each case acceptable to Agent in its reasonable discretion;

(g) the underlying sale to the Customer is on a bill-and-hold basis or is a guaranteed sale or is on a sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper; provided, however, that Receivables that arise from bill-and-hold sales with no more than four (4) Customers at any one time (in a maximum aggregate amount of $1,000,000 for such four (4) Customers taken in the aggregate) shall not be excluded from Eligible Receivables under this clause (g) if, with respect to such Receivables, the applicable Borrower provides Agent with a letter to such Borrower and Agent from the applicable Customer which sets forth the agreement of such Customer to pay such Receivables in form and substance satisfactory to Agent in its sole discretion;

(h) Agent believes, in the good faith exercise of its reasonable judgment, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer' s financial inability to pay;

(i) the applicable Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or has otherwise complied with other applicable statutes or ordinances;

(j) the goods giving rise to such Receivable have not been shipped and delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by the applicable Borrower and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(k) such Receivable is subject to any offset, deduction, defense, dispute, or counterclaim, the Customer is also a creditor or supplier of any Borrower or such Receivable is contingent in any respect or for any reason;

(l) the applicable Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts or allowances made in the ordinary course of business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(m) any return, rejection or repossession of the applicable merchandise has occurred;

(n) such Receivable is not payable to the applicable Borrower;

(o) (i) such Receivables are with respect to a Customer located in New Jersey, Minnesota, or any other state denying creditors access to its courts in the absence of a Notice of Business Activities Report or other similar filing, unless the applicable Borrower is incorporated under the laws of such state or has either qualified as a foreign corporation authorized to transact business in such state or has filed a Notice of Business Activities Report or similar filing with the applicable state agency for the then current year or the Agent is not in fact denied access to the courts of such jurisdiction and (ii) Agent, in its good faith exercise of its reasonable discretion, deems such Receivables to not be Eligible Receivables; or

(p) such Receivable is not otherwise satisfactory to Agent as determined in good faith by Agent in the exercise of its reasonable judgment.

"Environmental Complaint" shall have the meaning set forth in Section 4.19(d).

"Environmental Laws" shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, authoritative interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Equipment" shall mean and include as to each Loan Party all of such Loan Party' s goods (other than Inventory) whether now owned or hereafter acquired and wherever located including, without limitation, all equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"Equity Documents" shall mean the (i) Securities Holders Agreement dated as of February 1, 2005 by and among EAC, ING Furman Selz Investors III, L.P., ING Barings Global Leveraged Equity Plan Ltd., ING Barings U.S. Leveraged Equity Plan LLC and the other Investors named therein, (ii) the Securities Purchase Agreement dated as of February 1, 2005 by and among EAC and the Management Investors (as defined therein) named therein, and (iii) the Securities Purchase Agreement dated as of February 1, 2005 by and among EAC, ING Furman Selz Investors III, L.P., ING Barings Global Leveraged Equity Plan Ltd. and ING Barings U.S. Leveraged Equity Plan LLC.

"Equity Offerings" means any private or public offering of Capital Stock of Holdings or any holding company of Holdings to any Person (other than issuances upon exercise of options by employees of any holding company, Holdings or any of the Restricted Subsidiaries).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated thereunder.

"Eurodollar Rate" shall mean for any Eurodollar Rate Loan for the then current Interest Period relating thereto the rate per annum (such Eurodollar Rate to be adjusted to the next higher 1/100 of one percent (1%)) equal to the Adjusted LIBOR Rate.

"Eurodollar Rate Loan" shall mean a Revolving Advance at any time that bears interest based on the Adjusted LIBOR Rate.

"Event of Default" shall mean the occurrence and continuance of any of the events set forth in Article X.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Assets" shall mean:

(1) any lease, license, contract, property right or agreement to which any Loan Party is a party or any of its rights or interests thereunder if and only for so long as the grant of a Lien under this Agreement and the Other Documents (i) is prohibited by applicable law or would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the grantor of such Lien therein pursuant to applicable law, or (ii) would require the consent of third parties and such consent shall not have been obtained, or (iii) would constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such consent requirement or other term thereof would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law or principles of equity); *provided* that such lease, license, contract, property right or agreement will be an Excluded Asset only to the extent and for so long as the consequences specified above will result and will cease to be an Excluded Asset and will become subject to the Lien of Agent, immediately and automatically, at such time as such consequences will no longer result;

(2) leasehold interests in real property with respect to which any Loan Party is a tenant or subtenant;

(3) Capital Stock of each Loan Party and each Subsidiary of each Loan Party;

(4) property and assets owned by any Loan Party that are the subject of Permitted Encumbrances described in clause (g) of the definition hereof for so long as such Permitted Encumbrances are in effect; and

(5) Motor Vehicles with a fair market value of less than $50,000.

"Existing Other Documents" shall mean all promissory notes, guaranties, security agreements and any and all other agreements, instruments and documents executed by any Loan Party and/or delivered to Agent, any Lender or any Issuer in connection with the Existing Loan Agreement (excluding any pledge agreements or other agreements that are expressly modified by Agent under Section 17.19 of this Agreement).

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm' s length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of Holdings acting in good faith and shall be evidenced by a Board Resolution of the Board of Directors of Holdings; *provided*, *however*, that with respect to any price less than $2.5 million only the good faith determination by Holdings' senior management shall be required.

"Federal Funds Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day, the average of quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by Agent.

"Fee Letter" shall mean the fee letter agreement dated as of the date hereof, among Loan Parties and GMAC CF.

"Foreign Restricted Subsidiary" means any Restricted Subsidiary that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"Foreign Subsidiary" shall mean, with respect to any Person, any Subsidiary of such Person that is organized under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"Formula Amount" shall have the meaning set forth in Section 2.1(a).

"Four Quarter Period" shall have the meaning set forth, in the definition of Consolidated Fixed Charge Coverage Ratio.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time.

"GMAC CF" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

"Guarantor" or "Guarantors" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Guaranty" shall mean the guaranty set forth in Article XV of this Agreement and any other guaranty of the obligations of Borrowers executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders.

"Hazardous Discharge" shall have the meaning set forth in Section 4.19(d).

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA, Articles 15 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and in the rules, regulations, policies and guidelines adopted pursuant thereto.

"Hazardous Wastes" shall mean all waste materials subject to regulation as hazardous waste under CERCLA, RCRA or applicable state law, and any other applicable Federal and state laws now in force or hereafter enacted during the term hereof relating to hazardous waste disposal.

"Holdings" shall have the meaning set forth in the preamble to this Agreement.

"Indebtedness" of a Loan Party on a particular date shall mean, without duplication:

(a) Capitalized Lease Obligations;

(b) all Indebtedness of any other Person which such Loan Party has guaranteed to the extent such Indebtedness is of the type referred to in clauses (a), (c) through (h) and (j);

(c) all reimbursement obligations in connection with letters of credit or letter of credit guaranties issued for the account of such Loan Party;

(d) all liabilities under interest rate swap and interest rate protection agreements of any kind and all obligations under Currency Agreements and Commodity Agreements of such Person;

(e) all indebtedness for borrowed money to the extent such Indebtedness would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(f) the Obligations;

(g) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money to the extent the foregoing would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(h) any obligation owed for all or any part of the deferred purchase price of property or services if the purchase price is due more than six (6) months from the date the

obligation is incurred or is evidenced by a note or similar written instrument (but excluding trade accounts payable, not past due in accordance with the customary terms granted by the applicable vendor to the Loan Party, or other accrued liabilities arising in the ordinary course of business or any deferred purchase price represented by "earnouts" consistent with such Person' s past practice) to the extent such obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP;

(i) all Indebtedness of any other Person of the type referred to in clauses (a) through (h) and clause (j) secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person, the amount of any such Indebtedness being deemed to be the lesser of the fair market value of the property or assets securing such Indebtedness or the face amount of such Indebtedness;

(j) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments to the extent such obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP; and

(k) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

Notwithstanding the foregoing, Indebtedness shall not include any Capital Stock (other than Disqualified Capital Stock). For purposes hereof, the *"maximum fixed repurchase price"* of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value shall be determined reasonably and in good faith by the board of directors of the issuer of such Disqualified Capital Stock.

"Individual Formula Amount" shall mean, at the date of determination thereof, with respect to each Borrower an amount equal to: (a) up to the Receivables Advance Rate of Eligible Receivables of such Borrower, plus (b) up to the Inventory Advance Rate of the value of Eligible Inventory of such Borrower; minus (c) Reserves.

"Intercreditor Agreement" shall mean the Intercreditor Agreement dated as of the Closing Date by and between the Agent and the Senior Note Agent, as acknowledged and agreed to by the Loan Parties, as the foregoing may be amended, restated modified or supplemented in accordance with its terms.

"Interest Period" shall mean the period provided for any Eurodollar Rate Loan pursuant to Section 2.2(b).

"Interest Swap Obligations" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest

on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Inventory" shall mean and include as to each Loan Party all of such Loan Party' s now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Loan Party' s business or used in selling or furnishing such goods, merchandise and other personal property, all other inventory of such Loan Party, and all documents of title or other documents representing them.

"Inventory Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(ii).

"Investments" shall have the meaning set forth in Section 7.4.

"Issuer" shall mean any Person who issues a Letter of Credit and/or accepts a draft pursuant to the terms thereof (it being agreed that so long as GMAC CF shall be Agent or a Lender, then the Issuer shall be General Motors Acceptance Corporation; provided,

however, that in the event that GMAC CF is neither the Agent nor a Lender, the "Issuer" with respect to all subsequently issued Letters of Credit shall be a Lender selected by the Borrowers to the extent such Lender agrees to be the Issuer).

"Jefferies Entities" shall mean (i) ING Furman Selz Investors III L.P., ING Barings Global Leveraged Equity Plan Ltd., ING Barings U.S. Leveraged Equity Plan LLC, FS Private Investments III LLC and (ii) any investment vehicle that is owned or controlled (whether through ownership of securities having a majority of the voting power or through management of investments) by any of the Persons listed in clause (i), but excluding any portfolio companies of any Person listed in clause (i) or (ii).

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender.

"Lender Default" shall have the meaning set forth in Section 2.15(a).

"Letter of Credit Application" shall have the meaning set forth in Section 2.9.

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2.

"Letter of Credit Obligations" shall mean the sum of (x) the aggregate undrawn amount of Letters of Credit plus the aggregate amount of any draws or other amounts paid or disbursed under Letters of Credit which have not been reimbursed (whether through the making of a Revolving Advance or otherwise).

"Letters of Credit" shall have the meaning set forth in Section 2.8.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), Charge, claim or encumbrance, or preference,

priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the UCC or comparable law of any jurisdiction.

"Loan Parties on a Consolidated Basis" shall mean the consolidation in accordance with GAAP of the accounts or other items of Loan Parties and their respective Subsidiaries.

"Loan Party" shall mean, individually, each Borrower and each Guarantor, and "Loan Parties" shall mean, collectively, the Borrowers and the Guarantors.

"Loan Year" means, collectively, the period of twelve (12) consecutive months commencing on the Closing Date and ending on the day prior to the first anniversary of the Closing Date, together with each subsequent period of twelve consecutive months commencing on the anniversary of the Closing Date and ending on the day prior to the next anniversary of the Closing Date.

"Management Agreement" shall mean that certain Management Agreement dated February 1, 2005 by and among Holdings and FS Private Investments LLC.

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition, operations, assets or business of the Loan Parties on a consolidated basis, (b) any Loan Party' s ability to pay the Obligations in accordance with the terms thereof, (c) the value of the Collateral, or Agent' s Liens on the Collateral or the priority of any such Lien or (d) the practical realization of the benefits of Agent' s and each Lender' s rights and remedies under this Agreement and the Other Documents.

"Maximum Revolving Advance Amount" shall mean $20,000,000.

"Monthly Advances" shall have the meaning set forth in Section 3.1.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"Non-Defaulting Lenders" shall have the meaning set forth in Section 2.15(b).

"Note" or "Notes" shall mean, individually or collectively, the Revolving Credit Note.

"Obligations" shall mean and include any and all of each Loan Party' s indebtedness and/or liabilities to Agent, Lenders or any Issuer of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, evidenced by this Agreement and/or the Other Documents (including all interest accruing after the commencement of any bankruptcy or similar proceeding whether or not enforceable in such proceeding) and all obligations of any Loan Party to Agent, Lenders or any Issuer to perform acts or refrain from taking any action under this Agreement and/or the Other Documents.

"Original Closing Date" shall mean February 27, 2004.

"Original Fee Letter" shall mean the fee letter agreement dated February 27, 2004, among Loan Parties and GMAC CF.

"Original Term" shall have the meaning set forth in Section 13.1.

"Other Documents" shall mean the Notes, the Questionnaire, any Guaranty, any pledge agreement, the Existing Other Documents and any and all other agreements, instruments and documents, including, without limitation, guaranties, security agreements, pledges, powers of attorney, consents, and all other writings heretofore, now or hereafter executed by any Loan Party and/or delivered to Agent, any Lender or any Issuer in respect of the transactions contemplated by this Agreement.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any Other Documents.

"Parent" of any Person shall mean a corporation or other entity owning, directly or indirectly, at least 50% of the shares of stock or other ownership interests having ordinary voting power to elect a majority of the directors of the Person, or other Persons performing similar functions for any such Person. The term "Parent" shall include, without limitation, Holdings.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

"Payment Office" shall mean initially 3000 Town Center, Suite 280, Southfield, Michigan 48075; thereafter, such other office of Agent, if any, which it may designate by notice to Borrowers and to each Lender to be the Payment Office.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Permitted Acquisition" shall mean acquisitions by a Loan Party of assets or Capital Stock of another Person who is not a Loan Party (so long as after giving effect to such acquisition an Event of Default will not be in existence), whether directly or indirectly, including by merger, consolidation or otherwise, whereby (x) the Loan Party is the surviving entity or (y) the surviving entity assumes all of such Loan Party' s Obligations and becomes a Loan Party hereunder. "Permitted Acquisitions" shall include the acquisition by a Loan Party of the Capital Stock of a Person who would constitute a Foreign Subsidiary after such acquisition; provided, however, it shall exclude the

merger into, or acquisition of a Loan Party by, a Person that is organized under the laws of any jurisdiction other than the United States of America, any State thereof or the District of Columbia.

"Permitted Encumbrances" shall mean (a) Liens in favor of Agent for the benefit of Agent, Lenders and/or any Issuer, which, in each case, secure Obligations; (b) Liens for taxes, assessments or other governmental charges (excluding any Lien imposed pursuant to any of the provisions of ERISA), which are in each case not delinquent or are being contested in good faith and by appropriate proceedings and with respect to which proper reserves have been taken by Loan Parties; provided, that, a stay of enforcement of any such Lien shall be in effect; (c) Liens disclosed

in the financial statements referred to in Section 5.5, the existence of which Agent has consented to in writing; (d) Liens (other than any Lien imposed pursuant to any of the provisions of ERISA) incurred or deposits or pledges to secure obligations under worker' s compensation, social security or similar laws, or under unemployment insurance; (e) Liens (other than any lien imposed pursuant to any of the provisions of ERISA) incurred or deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of any Loan Party' s business; (f) judgment Liens that have been stayed or bonded or do not give rise to an Event of Default and statutory Liens of mechanics' , workers' , materialmen' s or other similar Liens arising under law arising in the ordinary course of any Loan Party' s business with respect to which obligations are not due or which are being contested in good faith by the applicable Loan Party; (g) Liens placed upon fixed assets or real property hereafter acquired to secure a portion of the purchase price thereof and Liens created under Capital Leases, provided that (x) any such Lien shall not encumber any property of the Loan Parties other than the subject fixed assets or real property and (y) the aggregate amount of Indebtedness secured by such Liens incurred as a result of such purchases and/or Capital Leases during any fiscal year shall not exceed the aggregate amount of $5,000,000; (h) Liens with respect to indebtedness of one Loan Party to another Loan Party; (i) Liens in favor of the Senior Note Agent for the benefit of the Senior Noteholders under the Senior Note Agreement, which, in each case, secure the Senior Note Obligations and are permitted under and are subject to the Intercreditor Agreement; (j) Liens in favor of the Subordinated Lenders under the Subordinated Debt Documentation, which, in each case, secure the Subordinated Debt and are permitted under and are subject to the Subordination Agreement; (k) Liens consented to in writing by Agent and Required Lenders (which consent may be withheld in the sole discretion of Agent and Required Lenders); (l) Liens disclosed on ***Schedule 7.2***.; (m) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the Loan Parties and any exception to title to the owned real property appearing on policies of title insurance relating thereto; (n) Liens on assets (other than assets described in the definition of Collateral but including Collateral described in clause (c)(vi) of the definition thereof) securing Acquired Indebtedness permitted under this Agreement and any refinancing thereof (provided that such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by a Loan Party and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by such Loan Party and such Liens do not extend to or cover any property or assets of any Loan Party other than the assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Loan Party (in any event specifically excluding any assets described in the definition of Collateral but including Collateral described in clause (c)(vi) of the definition thereof) and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by the Loan Party and provided, further that the holder of any such Lien on real property shall execute and deliver a mortgagee waiver, in form and substance satisfactory to Agent, in order for such Liens to be permitted hereunder); (o) leases or subleases of real property and equipment granted to Persons other than the Loan Parties in the ordinary course of business, and not materially interfering with the ordinary course of business of the Loan Parties; (p) Liens under licensing agreements entered into by Loan Parties as licensee in the ordinary course of business by the Loan Parties for the use by the Loan Parties of intellectual property; (q) Liens arising from (i) operating leases and precautionary UCC financing statement filings in respect thereof and (ii) precautionary UCC financing statement filings in respect of equipment or other materials which are not owned by a Loan Party located on the premises of a Loan Party (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of business; (r) Liens securing Indebtedness permitted to be refinanced under Section

7.7, but only covering assets which secured the Indebtedness being refinanced and (s) Liens on assets (other than Collateral but including Collateral described in clause (c)(vi) of the definition thereof) incurred in the ordinary course of business of the Loan Parties securing obligations that do not exceed $2,000,000 at any time outstanding.

"Permitted Investments" shall mean (a) Investments by the Loan Parties in any Person that is or will become immediately after such Investment a Guarantor or that will merge or consolidate with or into a Borrower or a Guarantor, or that transfers or conveys all or substantially all of its assets to a Borrower or a Guarantor, provided that after giving effect to such Investment, no Default or Event of Default shall be in existence and provided, further, that this clause (a) shall exclude Investments in Persons who will be Foreign Subsidiaries after giving effect to such Investment; (b) Investments in the Senior Notes, so long as Undrawn Availability shall equal or exceed $10,000,000 after giving effect thereto; (c) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers in exchange for claims against such trade creditors or customers; (d) receivables owing to the Loan Parties which are overdue in payment; (e) Investments in Foreign Subsidiaries of Holdings organized under the laws of Canada or any Province thereof by Holdings or any domestic Loan Party; *provided* that the aggregate amount of such Investments outstanding at any time in reliance of this clause (e) (after giving effect to any such Investments or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any loans made under Section 7.5(d), shall not exceed $2,500,000; (f) Investments in Foreign Subsidiaries of Holdings organized under the laws of Canada or any Province thereof by Holdings or any domestic Loan Party; *provided* that (i) the aggregate amount of such Investments outstanding at any time in reliance of this clause (f) (i) after giving effect to any such Investments or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any loans made under Section 7.5(e), shall not exceed 5% of the Consolidated Net Tangible Assets of Holdings or its Subsidiaries, (ii) each such Investment is used by each such Foreign Subsidiary (A) for working capital purposes or (B) substantially contemporaneous with its receipt thereof to purchase all or substantially all of the assets of, or all of the Capital Stock of, any Person (other than a Subsidiary of Holdings) engaged in a business substantially similar or complementary to the business of the Loan Parties primarily in Canada (including by means of a merger, consolidation or other business combination permitted under this Agreement), which Person shall become a Foreign Subsidiary of Holdings in the case of where such purchase is of all of the Capital Stock of such Person and (iii) any such Investment made in reliance upon this clause (f) may continue to be maintained notwithstanding that such Investment if made thereafter would not comply with the requirements of this clause (f); (g) Investments in existence on the date hereof; (h) Investments in Foreign Subsidiaries of Holdings by Holdings or any domestic Loan Party; *provided* that the aggregate amount of such Investments outstanding at any time in reliance of this clause (h) (after giving effect to any such Investments or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any loans made under Section 7.5(i), shall not exceed $2,500,000; (i) Investments consisting of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business and consistent with past practice; (j) Investments in non-cash consideration received in connection with a disposition permitted under Section 7.1(b); (k) Investments in Loan Parties that constitute Indebtedness permitted hereunder; (l) Investments made by Holdings to the extent the consideration for such Investment consists solely of its Capital Stock and (m) additional Investments (including Investments in any Foreign Subsidiary or Subsidiaries) in an aggregate amount not to exceed, together with any loans made under Section 7.5(n), $5,000,000 at any time outstanding.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether Federal, state, county, city, municipal, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"Phase I Reports" shall mean the Phase I Environmental Site Assessment and Limited Compliance Review, Edgen Corporation, 2421 North Line Road, Port Allen, Louisiana, prepared by Environmental Resources Management (dated January 5, 2005) and the Phase I Environmental Site Assessment and Limited Compliance Review, Edgen Corporation, 3595 State Road 60 East, Bartow, Florida, prepared by Environmental Resources Management (misdated December 5, 2004).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Loan Parties or any member of the Controlled Group or any such Plan to which any Loan Party or any member of the Controlled Group is required to contribute on behalf of any of its employees.

"Preferred Stock" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"Purchase Money Indebtedness" shall mean Indebtedness incurred by a Borrower constituting (x) the purchase price for fixed assets or real property and/or (y) Capitalized Lease Obligations, to the extent (i) secured by a Permitted Encumbrance described in clause (g) of the definition thereof and (ii) that the aggregate annual amount of such Indebtedness and/or Capitalized Lease Obligations outstanding during any fiscal year shall not exceed $5,000,000 for Borrowers in the aggregate.

"Purchasing Lender" shall have the meaning set forth in Section 17.3(c).

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Capital Stock.

"Questionnaire" shall mean the Documentation Information Questionnaire and the responses thereto provided by Loan Parties and delivered to Agent.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of each Loan Party' s right, title and interest in and to the owned and leased premises identified on ***Schedule 4.19***.

"Receivables" shall mean and include, as to each Loan Party, all of such Loan Party' s accounts (including, without limitation, all health-care insurance receivables), contract rights, instruments (including promissory notes and other instruments evidencing Indebtedness owed to Loan Parties by their Affiliates), documents, chattel paper (whether tangible or electronic), general intangibles relating to accounts, drafts and acceptances, and all other forms of obligations owing to such Loan Party, each of which is arising out of or in connection with the sale, lease or other disposition of Inventory or the rendition of services, all guarantees and other security therefor,

whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(i).

"Release" shall have the meaning set forth in Section 5.7(c).

"Reportable Event" shall mean a reportable event described in Section 4043(b) of ERISA or the regulations promulgated thereunder as to which the requirement to file a notice with the PBGC has not been waived under PBGC or other applicable regulations.

"Required Lenders" shall mean Lenders holding at least sixty-six and two-thirds percent (66 $^{2/3}$%) of the Advances and, if no Advances are outstanding, shall mean Lenders holding at least sixty-six and two-thirds percent (66 $^{2/3}$%)of the Commitment Percentages; provided, however, that at all times when there shall be two or fewer Lenders hereunder, "Required Lenders" shall mean Lenders holding one hundred percent (100%) of the Advances and, if no Advances are outstanding, shall mean Lenders holding one hundred percent (100%) of the Commitment Percentages.

"Reserves" shall mean such reserves as Agent may reasonably deem proper and necessary from time to time.

"Restricted Subsidiary" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary.

"Revolving Advances" shall mean Advances made other than Letters of Credit.

"Revolving Credit Note" shall have the meaning set forth in Section 2.1(a).

"Revolving Interest Rate" shall mean an interest rate per annum equal to (a) the sum of the Base Rate plus the Applicable Margin per annum with respect to Domestic Rate Loans that are Revolving Advances and (b) the sum of the Eurodollar Rate plus the Applicable Margin per annum with respect to Eurodollar Rate Loans that are Revolving Advances.

"Senior Note Agent" shall mean The Bank of New York, in its capacity as collateral agent under the Senior Note Agreement.

"Senior Note Agreement" shall mean the Indenture dated February 1, 2005 among Holdings, certain Loan Parties, The Bank of New York, as Trustee, and Senior Note Agent, as the foregoing may be amended, restated, modified and supplemented from time to time in accordance with Section 7.17 hereof.

"Senior Note Documents" shall mean the Senior Note Agreement and all agreements, instruments and documents, including, without limitation, guaranties, security agreements, pledges, powers of attorney, consents and all other writings heretofore, now or hereafter executed by any Loan Party and/or delivered to Senior Note Agent or any Senior Noteholder in respect of the transactions contemplated by the Senior Note Agreement.

"Senior Noteholder" shall mean each Person in whose name the notes under the Senior Note Agreement are registered on the registrar' s books, and all permitted successors and assigns thereof.

"Senior Note Obligations" shall mean all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursement, damages and other liabilities and amounts payable under the Senior Note Documents.

"Settlement Date" shall mean the Closing Date and thereafter every Business Day designated by Agent as a "Settlement Date" by notice from Agent to each Lender, but not less frequently than weekly.

"Significant Subsidiary" shall mean, with respect to any Person, any Subsidiary of a Loan Party that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"Standby Letters of Credit" shall mean all Letters of Credit issued in connection with this Agreement as a credit enhancement for certain Indebtedness (other than Indebtedness for borrowed money) of Borrowers.

"Subordinated Debt" shall mean all Indebtedness of any Loan Party under or in connection with the Subordinated Debt Documentation.

"Subordinated Debt Documentation" shall mean the Subordinated Notes and all related agreements, instruments and other documents executed and delivered in connection therewith (including, without limitation, the Subordination Agreement).

"Subordinated Lenders" shall mean, collectively, the holders of Subordinated Debt and their respective successors and assigns.

"Subordinated Notes" those certain notes that are anticipated to be executed by the Loan Parties in favor of the Subordinated Lenders subsequent to the Closing Date hereof.

"Subordination Agreement" shall mean any Subordination Agreement to be entered into among Agent on behalf of the Lenders, Senior Note Agent on behalf of the Senior Noteholders, Loan Parties and Subordinated Lenders or their duly authorized representative, in substantially the form of Exhibit B hereto.

"Subsidiary" of a Person shall mean a corporation or other entity whose shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

"Taxes" means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, (i) such taxes (including income taxes or franchise taxes) as are imposed on or measured by the Agent' s or each Lender' s net income in any the jurisdiction (whether federal, state or local and including any political subdivision thereof) under the laws of which such Lender or the

Agent, as the case may be, is organized or maintains a lending office, and (ii) any U.S. federal withholding tax that is imposed on amounts payable to any Lender at the time such Lender becomes a party hereto (or designates a new lending office) or is attributable to such Lender' s failure to comply with Section 3.9(e).

"Term" shall mean the period commencing on the Closing Date and ending on the Termination Date.

"Termination Date" shall have the meaning set forth in Section 13.1.

"Termination Event" shall mean (i) a Reportable Event with respect to any Plan or Multiemployer Plan; (ii) the withdrawal of any Loan Party or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (iii) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (v) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vi) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of any Loan Party or any member of the Controlled Group from a Multiemployer Plan.

"Toxic Substance" shall mean and include any material present on the Real Property which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., applicable state law, or any other applicable Federal or state laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Transactions" shall have the meaning set forth in Section 5.5.

"Transaction Date" shall have the meaning set forth in the definition of Consolidated Fixed Charge Coverage Ratio.

"Transaction Documents" shall have the meaning set forth in Section 8.1(c).

"Transferee" shall have the meaning set forth in Section 17.3(b).

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount, minus (b) the sum of (i) the outstanding amount of Advances plus (ii) all amounts due and owing to any Borrower' s trade creditors which are outstanding beyond normal trade terms (except to the extent consistent with the past business practices of such Borrower) plus (iii) accrued interest under this Agreement and fees and expenses for which any Borrower is liable under this Agreement but which have not been paid or charged to any Borrower' s Account.

"Unrestricted Subsidiary" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Holdings may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, Holdings or any other Subsidiary of Holdings that is not a Subsidiary of the Subsidiary to be so designated, *provided* that:

(1) Holdings certifies to the Agent that such designation complies with Section 4.09 of the Senior Note Agreement; and

(2) each Subsidiary to be so designated and each of its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of Holdings or any of its Restricted Subsidiaries.

The Board of Directors of Holdings may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, Holdings is able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness as defined in the Senior Note Agreement) in compliance with the Section 4.08 of the Senior Note Agreement; and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Agent by promptly filing with the Agent a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"Week" shall mean the time period commencing with the opening of business on a Monday and ending on the end of business the following Sunday.

"Wholly-Owned Restricted Subsidiary" of any Person means any Restricted Subsidiary of such Person of which all the outstanding Capital Stock (other than in the case of a Foreign Restricted Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Restricted Subsidiary of such Person.

Notwithstanding any other provision hereof, the defined terms Asset Acquisition, Asset Sale, Capitalized Lease Obligation, Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Fixed Charges, Consolidated Interest Expense, Consolidated Net Tangible Assets, Domestic Restricted Subsidiary, Four Quarter Period, Preferred Stock, Equity Offering, Consolidated Net Income, Consolidated Non-cash Charges, Domestic Subsidiary, Equity Offering, Fair Market Value, Foreign Restricted Subsidiary, Interest Swap Obligations, Qualified

Capital Stock, Restricted Subsidiary, Transaction Date, and Wholly-Owned Restricted Subsidiary are included herein solely for use in connection with the Consolidated Fixed Charge Coverage Test.

1.3. UCC Terms.

All terms used herein and defined in the UCC shall have the meaning given therein unless otherwise defined herein.

1.4. Certain Matters of Construction.

The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Each reference to a Section, an Exhibit or a Schedule shall be deemed to refer to a Section, an Exhibit or a Schedule, as applicable, of this Agreement unless otherwise specified. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes (including the UCC) and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Agent is a party, including, without limitation, references to any of the Other Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

II. ADVANCES, PAYMENTS.

2.1. Revolving Advances.

(a) Revolving Advances. Subject to the terms and conditions set forth in this Agreement (including, without limitation, Section 2.1(c)), each Lender, severally and not jointly, will make Revolving Advances to the Borrowers in aggregate amounts outstanding at any time equal to such Lender' s Commitment Percentage of the lesser of (x) an amount equal to (i) the Maximum Revolving Advance Amount minus (ii) the aggregate amount of outstanding Letter of Credit Obligations and (y) an amount equal to the sum of:

(i) up to 85%, subject to the provisions of Section 2.1(c) (the "Receivables Advance Rate"), of Eligible Receivables, plus

(ii) up to the least of (A) 60%, subject to the provisions of Section 2.1(c), of the lesser of (I) the aggregate cost, calculated on a first-in-first-out basis, of Eligible Inventory at such time and (II) the aggregate fair market value of Eligible Inventory at such time, (B) 85%, subject to the provisions of Section 2.1(c), of the appraised net orderly liquidation value of Eligible Inventory (as determined by an appraiser acceptable to Agent and, for the purposes of this clause (B) only, without giving effect to any reduction of Eligible Inventory for slow-moving Inventory) at such time (the percentages set forth in clauses (A) and (B), each an "Inventory Advance Rate" and, together with the Receivables Advance Rate, the "Advance Rates") and (C) $10,000,000; minus

(iii) the aggregate amount of outstanding Letter of Credit Obligations, minus

(iv) Reserves.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i) and (ii) minus (y) Section 2.1 (a)(y)(iv) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall be evidenced by one or more secured promissory notes (each, a "Revolving Credit Note") substantially in the form attached hereto as ***Exhibit 2.1(a)***.

(b) Individual Limits on Revolving Advances. Without limiting the provisions of Section 2.1(a), in no event shall any Lender be obligated to make Revolving Advances to any Borrower in aggregate amounts outstanding at any time in excess of such Lender' s

Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount minus the sum of (i) outstanding Revolving Advances made to the other Borrower and (ii) the aggregate amount of outstanding Letter of Credit Obligations or (y) such Borrower' s Individual Formula Amount minus the aggregate Letter of Credit Obligations outstanding with respect to such Borrower.

(c) Discretionary Rights. The Inventory Advance Rate may be decreased by Agent at any time and from time to time in the exercise of its reasonable discretion in the event that the Agent determines that the percentage of slow-moving Inventory has increased after the Closing Date. Each Borrower consents to any such decreases and acknowledges that decreasing the Inventory Advance Rate or increasing the Reserves may limit or restrict Revolving Advances requested by Borrowers.

(d) Existing Revolving Advances. Upon the effectiveness of this Agreement, all Revolving Advances outstanding under the Existing Loan Agreement shall be deemed to be Revolving Advances outstanding under this Agreement.

2.2. Procedure for Borrowing.

(a) Any Borrower may notify Agent prior to 11:00 a.m. (New York time) on a Business Day of such Borrower' s request to incur, on that day, a Revolving Advance hereunder. Agent may, in its sole discretion, accept telephonic notices of borrowing; provided, however, that any such acceptance in one or more instances shall not create a course of dealing or require Agent to accept any telephonic notices in the future. In addition, neither Agent nor any Lender shall incur any liability to any Loan Party in (x) acting upon any telephonic or other notice of borrowing that Agent believes in good faith to have been given by an officer or other person authorized to act on behalf of the applicable Borrower and/or (y) in refusing to act upon any telephonic or other notice of borrowing that Agent believes in good faith may not have been given by an officer or other person authorized to act on behalf of the applicable Borrower. Any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other agreement with Agent, Lenders and/or any Issuer, or with respect to any other Obligation, which shall become due, shall be deemed a request for a Revolving Advance by the Borrower obligated to pay such amount as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation under this Agreement or any other agreement with Agent, Lenders and/or any Issuer and such request shall be irrevocable.

(b) Notwithstanding the provisions of (a) above, in the event any Borrower desires to obtain a Eurodollar Rate Loan, such Borrower shall give Agent at least three (3) Business Days' prior written notice, specifying (i) the date of the proposed borrowing (which shall be a

Business Day), (ii) the type of Revolving Advance and the amount on the date of such Revolving Advance to be borrowed, which amount shall be in a minimum amount of $1,000,000 and in integral multiples of $250,000 in excess thereof, and (iii) the duration of the first Interest Period therefor. Interest Periods for Eurodollar Rate Loans shall be for one, two, three or six months. No Eurodollar Rate Loan shall be made available to any Borrower during the continuance of a Default or an Event of Default.

(c) Each Interest Period of a Eurodollar Rate Loan shall commence on the date such Eurodollar Rate Loan is made and shall end on such date as the requesting Borrower may elect as set forth in (b)(iii) above provided that the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the Termination Date.

(d) The requesting Borrower shall elect the initial Interest Period applicable to a Eurodollar Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion given to Agent pursuant to Section 2.2(e), as the case may be. The requesting Borrower shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not less than three (3) Business Days prior to the last day of the then current Interest Period applicable to such Eurodollar Rate Loan. If Agent does not receive timely notice of the Interest Period elected by the applicable Borrower, such Borrower shall be deemed to have elected to convert to a Domestic Rate Loan subject to Section 2.2(e).

(e) Provided that no Event of Default shall have occurred and be continuing, the applicable Borrower may, (i) on the last Business Day of the then current Interest Period applicable to any outstanding Eurodollar Rate Loan, continue such loan as a Eurodollar Rate Loan or convert any such loan into a loan of another type in the same aggregate principal amount provided that any continuation or conversion of a Eurodollar Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Eurodollar Rate Loan; or (ii) on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount. If the applicable Borrower desires to continue or convert a loan, such Borrower shall give Agent not

less than three (3) Business Days' prior written notice to continue a Eurodollar Rate Loan or convert from a Domestic Rate Loan to a Eurodollar Rate Loan or one (1) Business Day' s prior written notice to convert from a Eurodollar Rate Loan to a Domestic Rate Loan, specifying the date of such continuation or conversion, the loans to be continued or converted and (other than with respect to conversions from a Eurodollar Rate Loan to a Domestic Rate Loan) the duration of the first (or next, as appropriate) Interest Period therefor. After giving effect to each request for Eurodollar Rate Loan, and/or such continuation and/or conversion, there shall not be outstanding more than four (4) Eurodollar Rate Loans, in the aggregate.

(f) At its option and upon three (3) Business Days' prior written notice, any Borrower may prepay the Eurodollar Rate Loans in whole at any time or in part from time to time, without premium or penalty, but with accrued interest on the principal being prepaid to the date of such repayment. Such Borrower shall specify the date of prepayment of Revolving Advances which are Eurodollar Rate Loans and the amount of such prepayment. In the event that any prepayment of a Eurodollar Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, each Borrower and each other Loan Party shall indemnify Agent and Lenders therefor in accordance with Section 2.2(g).

(g) Each Loan Party shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, continuation of, conversion of or any default by any Borrower in the payment of the principal of or interest on any Eurodollar Rate Loan or failure by any Borrower to complete a borrowing of, a prepayment of, a continuation of or conversion of or to a Eurodollar Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Eurodollar Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrowers shall be conclusive absent manifest error.

(h) Notwithstanding any other provision hereof, if any applicable law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender (for purposes of this Section 2.2(h), the term "Lender" shall include any Lender and the office or branch where any Lender or any corporation or bank controlling such Lender makes or maintains any Eurodollar Rate Loans) to make or maintain its Eurodollar Rate Loans, the obligation of Lenders to make Eurodollar Rate Loans hereunder, as the case may be, shall forthwith be cancelled and the applicable Borrower shall, if any affected Eurodollar Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Eurodollar Rate Loans or convert such affected Eurodollar Rate Loans into loans of another type. If any such payment or conversion of any Eurodollar Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Eurodollar Rate Loan, the applicable Borrower shall pay Agent, upon Agent' s request, such amount or amounts as may be necessary to compensate Lenders for any loss or expense sustained or incurred by Lenders in respect of such Eurodollar Rate Loan as a result of such payment or conversion, including (but not limited to) any interest or other amounts payable by Lenders to lenders of funds obtained by Lenders in order to make or maintain such Eurodollar Rate Loan. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to the applicable Borrower shall be conclusive absent manifest error.

2.3. Disbursement of Revolving Advance Proceeds.

All Revolving Advances shall be disbursed from whichever office or other place Agent may designate from time to time (subject to Section 3.10) and, together with any and all other Obligations of Borrowers to Agent or Lenders, shall be charged to the applicable Borrower' s Account on Agent' s books. During the Term, Borrowers may use the Revolving Advances by borrowing, prepaying and reborrowing, all in accordance with the terms and conditions hereof. The proceeds of each Revolving Advance requested by a Borrower or deemed to have been requested by a Borrower under Section 2.2(a) shall, with respect to requested Revolving Advances to the extent Lenders make such Revolving Advances, be made available to the applicable Borrower on the day so requested by way of credit to such Borrower' s operating account at Bank One N.A. or such other bank as such Borrower may designate following notification to Agent, in immediately available federal funds or other immediately available funds or, with respect to Revolving Advances deemed to have been requested by any Borrower, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request.

2.4. Maximum Revolving Advances.

The aggregate balance of Revolving Advances outstanding plus the aggregate amount of Letter of Credit Obligations at any time shall not exceed the lesser of (a) Maximum Revolving Advance Amount and (b) the Formula Amount.

2.5. Repayment of Revolving Advances.

(a) The Revolving Advances shall be due and payable in full on the Termination Date subject to earlier prepayment as herein provided.

(b) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received. In consideration of Agent' s agreement to conditionally credit the applicable Borrower' s Account as of the Business Day on which Agent receives those items of payment, each Borrower agrees that, in computing the charges under this Agreement, all items of payment shall be deemed applied by Agent on account of the Obligations the same Business Day as confirmation to Agent by the Blocked Account bank, as provided for in Section 4.15(h), that such items of payment have been collected in good funds and credited to Agent' s account. Agent is not, however, required to credit any Borrower' s Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge the applicable Borrower' s Account for the amount of any item of payment which is returned to Agent unpaid.

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the related agreements shall be made to Agent at the Payment Office not later than 1:00 p.m. (New York time) on the due date therefor in lawful money of the United States of America in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment on any and all Obligations due and owing hereunder by charging the applicable Borrower' s Account or by making Revolving Advances as provided in Section 2.2.

(d) Borrowers shall pay principal, interest, and all other amounts payable hereunder, or under any related agreement, without any deduction whatsoever, including, but not limited to, any deduction for any setoff or counterclaim.

2.6. Repayment of Excess Advances.

The aggregate balance of Revolving Advances outstanding at any time in excess of the maximum amount of Revolving Advances permitted hereunder (including, without limitation, any Revolving Advances outstanding in excess of the individual Borrower limits set forth in Section 2.1(b)) shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or Event of Default has occurred.

2.7. Statement of Account.

Agent shall maintain, in accordance with its customary procedures, a loan account for each Borrower (each, a Borrower' s Account") in the name of the applicable Borrower in which shall be recorded the date and amount of each Advance made by Lenders with respect to such Borrower and the date and amount of each payment in respect thereof; provided, however, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to the Borrowers a statement for each Borrower showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between

Lenders and each Borrower, during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrower unless Agent receives a written statement of Borrowers' specific exceptions thereto within thirty (30) days after such statement is received by the Borrowers. The records of Agent with respect to the loan account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.8. Letters of Credit.

Subject to the terms and conditions hereof, Agent shall issue or cause the issuance of Documentary Letters of Credit and Standby Letters of Credit (collectively, together with any Letters of Credit issued in connection with the Existing Loan Agreement, "Letters of Credit") by the Issuer on behalf of any Borrower; provided, however, that Agent will not be required to issue or cause to be issued any Letters of Credit to the extent that the face amount of such Letters of Credit would then cause the sum of (i) the outstanding Revolving Advances plus (ii) outstanding Letter of Credit Obligations to exceed the lesser of (x) the Maximum Revolving Advance Amount or (y) the Formula Amount; provided, further, however, that Agent will not be required to issue or cause to be issued any Letters of Credit for the account of any Borrower to the extent that the face amount of such Letters of Credit issued for such Borrower would then cause the sum of (i) the outstanding Revolving Advances to such Borrower plus (ii) the outstanding Letters of Credit issued or caused to be issued on behalf of such Borrower to exceed the lesser of (x) the Maximum Revolving Advance Amount or (y) such Borrower' s Individual Formula Amount. The maximum amount of outstanding Letters of Credit for the account of Borrowers shall not exceed $5,000,000 in the aggregate at any time. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the Revolving Interest Rate for Domestic Rate Loans; Letters of Credit that have not been drawn upon shall not bear interest.

2.9. Issuance of Letters of Credit.

(a) Any Borrower may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent at the Payment Office, Issuer' s standard form of letter of credit and security agreement and standard form of letter of credit application (collectively, the "Letter of Credit Application") and any draft if applicable, completed to the satisfaction of Agent; and, such other certificates, documents and other papers and information as Agent or Issuer may reasonably request. The applicable Borrower also has the right to give instructions and make agreements with respect to any application, any applicable letter of credit and security agreement, any applicable letter of credit reimbursement agreement and/or any other applicable agreement, any letter of credit and the disposition of documents, disposition of any unutilized funds, and to arrange the issuance of any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or acceptances of issuance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) (a) with respect to Documentary Letters of Credit, have an expiry date not later than ninety (90) days after such Documentary Letter of Credit' s date of issuance or (b) with respect to Standby Letters of Credit, have an expiry date not later than six (6) months after such Standby Letter of Credit' s date of issuance, and (with respect to clauses (ii)(a) and (ii)(b) above) in no event having an expiry date later than the Termination Date unless Loan Parties provide cash collateral equal to not less than one hundred five percent (105%) of the face amount thereof to be held by Agent pursuant to a cash collateral

agreement in form and substance satisfactory to Agent. Each Documentary Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any amendments or revision thereof adhered to by the Issuer and, to the extent not inconsistent therewith, the laws of the State of New York. All Standby Letters of Credit shall be subject to the laws or rules designated in such Standby Letter of Credit, or if no laws or rules are designated, the International Standby Practices (ISP98 − International Chamber of Commerce Publication Number 590) (the "ISP98 Rules") and, as to matters not governed by the ISP98 Rules, the laws of the State of New York.

(c) Agent shall use its reasonable efforts to notify Lenders of the request by any Borrower for a Letter of Credit hereunder.

2.10. Requirements For Issuance of Letters of Credit.

(a) In connection with the issuance of any Letter of Credit, Borrowers shall indemnify, save and hold Agent, each Lender and each Issuer harmless from any loss, cost, expense or liability, including, without limitation, payments made by Agent, any Lender or any Issuer and expenses and reasonable attorneys' fees incurred by Agent, any Lender or any Issuer arising out of, or in connection with, any Letter of Credit to be issued or created for any Borrower except to the extent arising out of Agent' s, such Lender' s or such Issuer' s gross negligence or willful misconduct. Borrowers shall be bound by Agent' s or Issuer' s regulations and good faith interpretations of any Letter of Credit issued or created for any Borrower' s Account, although this interpretation may be different from its own; and, neither Agent, nor any Lender, nor any Issuer nor any of their correspondents shall be liable for any error, negligence, or mistakes, whether of omission or

commission, in following any Borrower' s instructions or those contained in any Letter of Credit or of any modifications, amendments or supplements thereto or in issuing or paying any Letter of Credit except for Agent' s, any Lender' s, any Issuer' s or such correspondents' gross negligence or willful misconduct.

(b) Borrowers authorize and direct any Issuer of a Letter of Credit to name the applicable Borrower as the "Applicant" or "Account Party" therein, to deliver to Agent all related payment/acceptance advices, to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent' s instructions and agreements with respect to all matters arising in connection with the Letter of Credit or the application therefor.

(c) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, each Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority if an Event of Default shall have occurred and be continuing, (i) to sign and/or endorse such Borrower' s name upon any warehouse or other receipts, letter of credit applications and acceptances; (ii) to sign such Borrower' s name on bills of lading; (iii) to clear Inventory through Customs in the name of such Borrower or Agent or Agent' s designee, and to sign and deliver to Customs officials powers of attorney in the name of such Borrower for such purpose; and (iv) to complete in such Borrower' s name or Agent' s, or in the name of Agent' s designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent' s or its attorney' s gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

(d) Each Lender shall to the extent of the percentage amount equal to the product of such Lender' s Commitment Percentage times the aggregate amount of all unreimbursed reimbursement obligations arising from disbursements made or obligations incurred with respect to the Letters of Credit be deemed to have irrevocably purchased an undivided participation in (i) each such unreimbursed reimbursement obligation, (ii) Agent' s credit support enhancement provided to the Issuer of any Letter of Credit and (iii) each Revolving Advance made as a consequence of the issuance of a Letter of Credit and all disbursements thereunder, in each case in an amount equal to such Lender' s applicable Commitment Percentage times the outstanding amount of the Letters of Credit and disbursements thereunder. In the event that at the time a disbursement is made the unpaid balance of Revolving Advances exceeds or would exceed, with the making of such disbursement, the amount permitted under Section 2.1(a) or under Section 2.1(b), and such disbursement is not reimbursed by Borrowers within two (2) Business Days, Agent shall promptly notify each Lender and upon Agent' s demand each Lender shall pay to Agent such Lender' s proportionate share of such unreimbursed disbursement together with such Lender' s proportionate share of Agent' s unreimbursed costs and expenses relating to such unreimbursed disbursement. Upon receipt by Agent of a repayment from any Borrower of any amount disbursed by Agent for which Agent had already been reimbursed by Lenders, Agent shall deliver to each Lender that Lender' s pro rata share of such repayment. Each Lender' s participation commitment shall continue until the last to occur of any of the following events: (A) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (B) no Letters of Credit issued hereunder remain outstanding and uncancelled or (C) all Persons (other than the applicable Borrower) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.11. Additional Payments.

Any sums expended by Agent or any Lender due to any Loan Party' s failure to perform or comply with its obligations under this Agreement or any Other Document including, without limitation, any Loan Party' s obligations under Sections 4.2, 4.4, 4.12, 4.13, 4.14 and 6.1, may be charged to the applicable Borrower' s Account as a Revolving Advance and added to the Obligations.

2.12. Manner of Borrowing and Payment.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Commitment Percentages of Lenders.

(b) Each payment (including each prepayment) by a Borrower on account of the principal of the Revolving Advances shall be applied to the Revolving Advances pro rata according to the applicable Commitment Percentages of Lenders. Except as expressly provided herein, all payments (including prepayments) to be made by Borrowers on account of principal, interest and fees shall be made without set off or counterclaim and shall be made to Agent on behalf of the Lenders to the Payment Office, in each case on or prior to 1:00 p.m. (New York time), in Dollars and in immediately available funds.

(c) (i) Notwithstanding anything to the contrary contained in Sections 2.12(a) and 2.12(b), commencing with the first Business Day following the Closing Date, each borrowing of Revolving Advances shall be advanced by Agent and each payment by any

Borrower on account of Revolving Advances shall be applied first to those Revolving Advances advanced by Agent. On or before 1:00 p.m. (New York time) on each Settlement Date commencing with the first

Settlement Date following the Closing Date, Agent and Lenders shall make certain payments as follows: (I) if the aggregate amount of new Revolving Advances made by Agent during the preceding Week (if any) exceeds the aggregate amount of repayments applied to outstanding Revolving Advances during such preceding Week, then each Lender shall provide Agent with funds in an amount equal to its applicable Commitment Percentage of the difference between (w) such Revolving Advances and (x) such repayments and (II) if the aggregate amount of repayments applied to outstanding Revolving Advances during such Week exceeds the aggregate amount of new Revolving Advances made during such Week, then Agent shall provide each Lender with funds in an amount equal to its applicable Commitment Percentage of the difference between (y) such repayments and (z) such Revolving Advances.

(ii) Each Lender shall be entitled to earn interest at the applicable Revolving Interest Rate on outstanding Revolving Advances which it has funded.

(iii) Promptly following each Settlement Date, Agent shall submit to each Lender a certificate with respect to payments received and Revolving Advances made during the Week immediately preceding such Settlement Date. Such certificate of Agent shall be conclusive in the absence of manifest error.

(d) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender' s Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender' s Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another Lender' s Advances may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(e) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Revolving Advances available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make such amount available to Agent on the next Settlement Date and, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. Agent will promptly notify Borrowers of its receipt of any such notice from a Lender. If such amount is made available to Agent on a date after such next Settlement Date, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days from and including such Settlement Date to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this paragraph (e) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after such Settlement Date, Agent shall be entitled to

recover such an amount, with interest thereon at the rate per annum then applicable to such Revolving Advances hereunder, on demand from the applicable Borrower; provided, however, that Agent' s right to such recovery shall not prejudice or otherwise adversely affect Borrowers' rights (if any) against such Lender.

2.13. Mandatory Prepayments.

When any Loan Party sells or otherwise disposes of any Collateral, other than Inventory in the ordinary course of business (which shall be governed by the provisions of Section 4.15(h)), or receives insurance proceeds with respect to Collateral or with respect to business interruption in connection with any insurance maintained pursuant to Section 4.11, Loan Parties shall repay the Advances in an

amount equal to the net proceeds of such sale (i.e., gross proceeds less the reasonable costs of such sales or other dispositions) or the gross proceeds of such insurance payment, such repayments to be made promptly but in no event more than one (1) Business Day following receipt of such proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any sale or disposition of Collateral otherwise prohibited by the terms and conditions hereof. Such repayments shall be applied, (x) first, to the Revolving Advances in such order as Agent may determine, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof and (y) second, to the extent required under Section 3.2(b), as cash collateral in an amount of one hundred and five percent (105%) of outstanding Letter of Credit Obligations pursuant to arrangements satisfactory to Agent.

2.14. Use of Proceeds.

Each Borrower shall apply the proceeds of the Revolving Advances made on and after the Closing Date solely for such Borrower' s general corporate purposes to the extent not prohibited by this Agreement.

2.15. Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender (x) has refused (which refusal constitutes a breach by such Lender of its obligations under this Agreement) to make available its portion of any Revolving Advance or (y) notifies either Agent or any Borrower that it does not intend to make available its portion of any Revolving Advance (if the actual refusal would constitute a breach by such Lender of its obligations under this Agreement) (each, a "Lender Default"), all rights and obligations hereunder of such Lender (a "Defaulting Lender") as to which a Lender Default is in effect and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.15 while such Lender Default remains in effect.

(b) Revolving Advances shall be incurred pro rata from Lenders (the "Non-Defaulting Lenders") which are not Defaulting Lenders based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any pro rata share of any Revolving Advances required to be advanced by any Lender shall be increased as a result of such Lender Default. Amounts received in respect of principal of any type of Revolving Advances shall be applied to reduce the applicable Revolving Advances of each Lender pro rata based on the aggregate of the outstanding Revolving Advances of that type of all Lenders at the time of such application; provided, that, such amount shall not be applied to any Revolving Advances of a Defaulting Lender at any time when, and to the extent that, the aggregate amount of Revolving Advances of any Non-

Defaulting Lender exceeds such Non-Defaulting Lender' s Commitment Percentage of all Revolving Advances then outstanding.

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents. All amendments, waivers and other modifications of this Agreement and the Other Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall be deemed not to be a Lender and not to have either Advances outstanding or a Commitment Percentage.

(d) Other than as expressly set forth in this Section 2.15, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.15 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event a Defaulting Lender retroactively cures to the satisfaction of Agent the breach which caused a Lender to become a Defaulting Lender, such Defaulting Lender shall no longer be a Defaulting Lender and shall be treated as a Lender under this Agreement.

III. INTEREST AND FEES.

3.1. Interest.

Interest on Revolving Advances shall be payable to Agent for the benefit of Lenders in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to Eurodollar Rate Loans, at the end of each Interest Period or, for Eurodollar Rate Loans with an Interest Period in excess of three months, at the earlier of (a) each three months after the anniversary date of the commencement of such Eurodollar Rate Loan or (b) the end of the Interest Period. Interest charges shall be computed on the actual principal amount of Revolving Advances outstanding during the month (the "Monthly Advances") at a rate per annum equal to the applicable Revolving Interest Rate. Whenever, subsequent to the date of this Agreement, the Base Rate is increased or decreased, the applicable Revolving Interest Rate for Domestic Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Base Rate during the time such change or changes remain in effect. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent, (i) the Obligations other than Eurodollar Rate Loans shall bear interest at the applicable Revolving Interest Rate plus two percent (2.0%) per annum and (ii) Eurodollar Rate Loans shall bear interest at the applicable Revolving Interest Rate for Eurodollar Rate Loans plus two percent (2.0%) per annum (as applicable, the "Default Rate").

3.2. Letter of Credit Fees; Cash Collateral.

(a) Borrowers shall pay (x) to Agent, for the benefit of Lenders, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter

of Credit multiplied by (i) a per annum rate equal to the Eurodollar Rate Loan Applicable Margin at the time of issuance with respect to Standby Letters of Credit and (ii) a per annum rate equal to the Eurodollar Rate Loan Applicable Margin at the time of issuance with respect to Documentary Letters of Credit, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable monthly in arrears on the first day of each month and on the last day of the Term and (y) to Agent for the benefit of the Issuer, any and all fees and expenses as agreed upon by the Issuer and any Borrower in connection with any Letter of Credit, including, without limitation, in connection with the opening, amendment or renewal of any such Letter of Credit and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees, the "Letter of Credit Fees"). All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the Issuer' s prevailing charges for that type of transaction. Upon and after the occurrence of an Event of Default, and during the continuation thereof, the Agent may, at its option, increase the Letter of Credit Fees under the foregoing clause (x) by two percent (2.0%) per annum.

(b) Upon the occurrence of an Event of Default which is continuing, Borrowers will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to one hundred and five percent (105%) of the outstanding Letters of Credit, and each Borrower hereby irrevocably authorizes Agent, in its discretion, on such Borrower' s behalf and in such Borrower' s name, to open such an account and to make and maintain deposits therein, or in an account opened by such Borrower, in the amounts required to be made by Borrowers, out of the proceeds of Receivables or other Collateral or out of any other funds of such Borrower coming into any Lender' s possession at any time. Agent will invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Borrower mutually agree and the net return on such investments shall be credited to such account and constitute additional cash collateral. Upon the occurrence of an Event of Default which is continuing, no Borrower may withdraw amounts credited to any such account.

3.3. Loan Fees.

(a) Facility Fee. If, for any month during the Term, the average daily unpaid balance of the Advances for each day of such month does not equal the Maximum Revolving Advance Amount, then Borrowers shall pay to Agent for the ratable benefit of Lenders a fee at a rate equal to one-half of one percent (1/2 %) per annum on the amount by which the Maximum Revolving Advance Amount exceeds such average daily unpaid balance. Such fee shall be payable to Agent in arrears on the first day of each month.

(b) Borrowers shall pay the fees as set forth in the Fee Letter in accordance with the terms thereof.

3.4. Computation of Interest and Fees.

Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Revolving Interest Rate during such extension.

3.5. Maximum Charges.

In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrowers, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.6. Increased Costs.

In the event that any introduction of or change in any applicable law, treaty or governmental regulation, or any change therein or in the interpretation or application thereof, or compliance by any Lender (for purposes of this Section 3.6, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender (as so defined) makes or maintains any Eurodollar Rate Loans with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent or any Lender to any tax of any kind whatsoever with respect to this Agreement or any Other Document or change the basis of taxation of payments to Agent or any Lender of principal, fees, interest or any other amount payable hereunder or under any Other Documents (except for changes in the rate of tax on the overall net income of Agent or any Lender by the jurisdiction in which it maintains its principal office);

(b) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent or any Lender, including (without limitation) pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent or any Lender or the London interbank Eurodollar market any other condition with respect to this Agreement or any Other Document;

and the result of any of the foregoing is to increase the cost to Agent or any Lender of making, renewing or maintaining its Advances hereunder by an amount that Agent or such Lender deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent or such Lender deems to be material, then, in any case Borrowers shall promptly pay Agent or such Lender, upon its demand, such additional amount as will compensate Agent or such Lender for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the Adjusted LIBOR Rate. Agent or such Lender shall certify the amount of such additional cost or reduced amount to Borrowers, and such certification shall be conclusive absent manifest error (such amount being hereinafter referred to as the "Increased Costs").

3.7. Basis For Determining Interest Rate Inadequate or Unfair.

In the event that Agent or any Lender shall have determined that:

(a) reasonable means do not exist for ascertaining the Adjusted LIBOR Rate applicable pursuant to Section 2.2 for any Interest Period; or

(b) Dollar deposits in the relevant amount and for the relevant maturity are not available in the London interbank Eurodollar market, with respect to an outstanding Eurodollar Rate Loan, a proposed Eurodollar Rate Loan, or a proposed conversion of a Domestic Rate Loan into a Eurodollar Rate Loan,

then Agent shall give the Borrowers prompt written, telephonic or telegraphic notice of such determination. If such notice is given, (i) any such requested Eurodollar Rate Loan shall be made as a Domestic Rate Loan, unless the applicable Borrower shall notify Agent no later than 10:00 a.m. (New York time) two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Eurodollar Rate Loan, (ii) any Domestic Rate Loan or Eurodollar Rate Loan which was to have been converted to or continued as an affected type of Eurodollar Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if applicable Borrower shall notify Agent, no later than 10:00 a.m. (New York time) two (2) Business Days prior to the proposed conversion or continuation, shall be maintained as an unaffected type of Eurodollar Rate Loan, and (iii) any outstanding affected Eurodollar Rate Loans shall be converted into a Domestic Rate Loan, or, if applicable Borrower shall notify Agent, no later than 10:00 a.m. (New York time) two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Eurodollar Rate Loan, shall be converted into an unaffected type of Eurodollar Rate Loan, on the last Business Day of the then current Interest Period for such affected Eurodollar Rate Loans. Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Eurodollar Rate Loan or maintain outstanding affected Eurodollar Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Eurodollar Rate Loan into an affected type of Eurodollar Rate Loan.

3.8. Capital Adequacy.

(a) In the event that Agent or any Lender shall have determined that any introduction of or change in any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any Lender (for purposes of this Section 3.8, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender (as so defined) makes or maintains any Eurodollar Rate Loans with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent' s or any Lender' s capital as a consequence of its obligations hereunder to a level below that which Agent or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent' s and each Lender' s policies with respect to capital adequacy) by an amount deemed by Agent or any Lender to be material, then, from time to time, Borrowers shall pay upon demand to Agent or such Lender such additional amount or amounts as will compensate Agent or such Lender for such reduction. In determining such amount or amounts, Agent or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.8 shall be available to Agent and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the applicable law, regulation or condition.

(b) A certificate of Agent or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent or such Lender with respect to Section 3.8(a) when delivered to Borrowers shall be conclusive absent manifest error (such amount being hereinafter referred to as the "Capital Adequacy Costs").

3.9. Taxes.

(a) Any and all payments by the Loan Parties to each Lender or the Agent under this Agreement and any Other Document shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, each Borrower shall pay all Other Taxes.

(b) Each Loan Party agrees to indemnify and hold harmless each Lender and the Agent for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.9) paid by any Lender or the Agent and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date such Lender or the Agent makes written demand therefor.

(c) If any Loan Party shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Lender or the Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.9) such Lender or the Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) such Loan Party shall make such deductions and withholdings;

(iii) such Loan Party shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) such Loan Party shall also pay to each Lender or the Agent for the account of such Lender, at the time interest is paid, all additional amounts which the respective Lender specifies as necessary to preserve the after-tax yield such Lender would have received if such Taxes or Other Taxes had not been imposed.

(d) At the Agent' s request, within 30 days after the date of any payment by any Loan Party of Taxes or Other Taxes, such Loan Party shall furnish the Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to the Agent.

(e) Any Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Loan Party is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any Other Document shall, to the extent it may lawfully do so, deliver to such Loan Party (with a copy to the Agent), at the time or times prescribed by applicable requirements of law or reasonably requested by such Loan Party or the Agent, such properly completed and executed documentation prescribed

by applicable requirements of law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by any Loan Party or the Agent, shall deliver such other documentation prescribed by applicable requirements of law or reasonably requested by such Loan Party or the Agent as will enable such Loan Party or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(f) If any Loan Party pays any additional amounts under this Section 3.9 to a Lender and such Lender determines in its reasonable discretion that it has actually received or realized in connection therewith any refund or any reduction of, or credit against, its Tax liabilities in or with respect to the taxable year in which the additional amount is paid (a "Tax Benefit"), such Lender shall pay to such Loan Party an amount that such Lender shall, in its reasonable discretion, determine is equal to the net benefit, after tax, which was obtained by such Lender in such year as a consequence of such Tax Benefit; provided, however, if an Event of Default has occurred and is continuing, any such amount shall be applied to repay the Advances and if a Default has occurred, such amount shall not be paid to the Loan Party until such Default is cured within any applicable grace period or is waived in writing by Agent.

3.10. Additional Costs.

If any Loan Party is required to pay additional amounts to any Lender or the Agent pursuant to subsection (c) of Section 3.9 (such amounts, together with the Increased Costs and Capital Adequacy Costs, collectively, the "Additional Costs") then such Lender shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its lending office so as to eliminate any such additional payments by such Loan Party of Additional Costs which may thereafter accrue, if such change in the judgment of such Lender is not otherwise disadvantageous to such Lender. If any Lender (as defined in Section 3.6 or 3.8) fails to give notice within 60 days after it obtains knowledge of an event giving rise to the payment of Increased Costs or Capital Adequacy Costs, the Lender shall, with respect to compensation payable from such event, only be entitled to payment for such costs incurred from and after the date which is 60 days prior to the date that the Lender gives such notice.

3.11. Substitution of Lenders.

(a) If any Lender (an "Affected Lender") makes demand upon any Loan Party for (or if any Loan Party is otherwise required to pay) any Additional Costs pursuant to Sections 3.6, 3.8 and/or 3.9, the Loan Parties may, within thirty (30) days of receipt of such demand, give written notice (a "Substitution Notice") to the Agent and to each Lender of its intention to replace such Affected Lender with another financial institution (a "Substitute Lender") designated in such Substitution Notice. If, within thirty (30) days of Agent' s receipt of such Substitution Notice, (x) Agent shall notify Loan Parties and each Lender in writing that such Substitute Lender is reasonably satisfactory to the Agent and the Lenders, other than such Affected Lender, and (y) such Affected Lender shall not agree to waive the payment of such Additional Costs, then such Affected Lender shall, so long as no Default or Event of Default exists, assign all of its rights and obligations under this Agreement and the Other Documents to such Substitute Lender, and such Substitute Lender shall assume all of such Affected Lender' s rights and obligations, pursuant to an agreement, substantially in the form of the Commitment Transfer Supplement attached hereto as ***Exhibit 17.3***, executed by such Affected Lender and such Substitute Lender. Upon the effective date of such Commitment Transfer Supplement, such Substitute Lender shall become a party to this Agreement and shall have all the rights and obligations of a Lender as set forth in such Commitment Transfer Supplement, and

such Affected Lender shall be released from its obligations hereunder, and no further consent or action by any party shall be required. If such Substitute Lender is not incorporated under the laws of the United States of America or a State thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Loan Parties and Agent certification as to its exemption from the deduction or withholding of any United States federal income taxes.

(b) Loan Parties, Agent and Lenders shall execute such modifications to this Agreement and the Other Documents as shall, in the reasonable judgment of Agent, be necessary or desirable in connection with the substitution of Lenders in accordance with subsection (a) of this Section 3.11.

IV. COLLATERAL: GENERAL TERMS.

4.1. Security Interest in the Collateral.

Each Loan Party hereby acknowledges, confirms and agrees that Agent, for its benefit and for the ratable benefit of each Lender and each Issuer, has a continuing security interest in, and Lien upon, the Collateral as heretofore granted to Agent pursuant to the Existing Loan Agreement, and that such security interest and Lien continues notwithstanding the amendment and restatement of the Existing Loan Agreement. In addition to and without limiting the foregoing, to secure the prompt payment and performance to Agent, each Issuer and each Lender of the Obligations, each Loan Party hereby assigns, pledges and grants, to Agent for the ratable benefit of Agent, each Issuer and each Lender, a continuing security interest in and to all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located. Each Loan Party shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent' s security interest and shall cause its financial statements to reflect such security interest. Notwithstanding any other provision herein, the priority of the Lien of the Agent in the Collateral described in clause (c)(vi) in the definition of Collateral shall at all times be subject to the terms of the Intercreditor Agreement.

4.2. Perfection of Security Interest.

(a) Each Loan Party shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent' s security interest in the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, in each case to the extent then applicable in the reasonable judgment of Agent to the Collateral, including, but not limited to, (i) immediately discharging all Liens other than Permitted Encumbrances, (ii) obtaining landlords' or mortgagees' lien waivers, (iii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral, (iv) entering into warehousing, lockbox, bailee and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent' s security interest in the Collateral under the UCC or other applicable law.

(b) The Agent may at any time and from time to time file, without the signature of any Loan Party in accordance with Section 9-509 of the UCC, financing statements, continuation statements and amendments thereto that describe the Collateral and which contain any other

information required by the UCC for the sufficiency or filing office acceptance of any financing statements, continuation statements or amendments. Each Loan Party agrees to furnish any such information to Agent promptly upon request.

(c) Each Loan Party shall, at any time and from time to time, take such steps as Agent may reasonably request (provided that, solely in the case of clauses (i) and (ii) hereof, any such steps shall be commercially reasonable) (i) to obtain an acknowledgment, in form and substance reasonably satisfactory to Agent, of any bailee having possession of any of the Collateral, stating that the bailee holds such Collateral for Agent, (ii) to obtain "control" of any letter-of-credit rights, deposit accounts or electronic chattel paper (as such terms are defined in the UCC with corresponding provisions thereof defining what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to Agent, and (iii) otherwise to insure the continued perfection and priority of Agent' s security interest in any of the Collateral for the benefit of the Lenders and of its rights therein. If any Loan Party shall at any time, acquire a "commercial tort claim" (as such term is defined in the UCC) described in clause (c)(vii) of the definition of the Collateral excess of $100,000, such Loan Party shall promptly notify Agent thereof in writing, therein providing a reasonable description and summary thereof, and upon delivery thereof to Agent, such Loan Party shall be deemed to thereby grant to Agent for the benefit of the Lenders (and each Loan Party hereby grants to Agent, for the benefit of each Lender) a security interest and lien in and to such commercial tort claim and all proceeds thereof, all upon the terms of and governed by this Agreement.

(d) Each Loan Party hereby confirms and ratifies all UCC financing statements filed by Agent with respect to such Loan Party on or prior to the date of this Agreement to the extent the foregoing describes the Collateral in which Agent has been granted a Lien.

(e) All charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to the applicable Borrowers' Account as a Revolving Advance and added to the Obligations, or, at Agent' s option, shall be paid to Agent for the ratable benefit of Lenders immediately upon demand.

4.3. Disposition of Collateral.

Each Loan Party will safeguard and protect all Collateral for Agent' s general account and make no disposition thereof whether by sale, lease or otherwise except the sale of Inventory in the ordinary course of business (which shall be governed by the provisions of Section 4.15(h)) and as otherwise permitted under Section 7.1(b)).

4.4. Preservation of Collateral.

In addition to the rights and remedies set forth in Section 11.1, Agent: (a) may at any time take such steps as Agent deems necessary to protect Agent' s interest in and to preserve the Collateral, including the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any Loan Party' s premises a custodian who shall have full authority to do all acts necessary to protect Agent' s interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Loan Party' s owned or leased lifts, hoists, trucks and other facilities or

equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through

any Loan Party' s owned or leased property. Each Loan Party shall cooperate fully with all of Agent' s efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. All of Agent' s out-of-pocket expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to the applicable Borrowers' Account as a Revolving Advance and added to the Obligations.

4.5. Ownership of Collateral.

With respect to the Collateral, at the time the Collateral becomes subject to Agent' s security interest: (a) each Loan Party shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens and encumbrances whatsoever; (b) each document and agreement executed by each Loan Party or delivered to Agent or any Lender in connection with this Agreement shall be true and correct in all material respects; (c) all signatures and endorsements of each Loan Party that appear on such documents and agreements shall be genuine and each Loan Party shall have full capacity to execute same; and (d) each Loan Party' s Inventory (except Inventory in transit to a location set forth on ***Schedule 4.5*** in the ordinary course of such Loan Party' s business) shall be located as set forth on ***Schedule 4.5*** and shall not be removed from such location(s) without the prior written consent of Agent except with respect to the sale of Inventory in the ordinary course of business and with respect to any new location in the United States of America of which the Loan Parties have given the Agent thirty (30) days prior written notice.

4.6. Defense of Agent' s and Lenders' Interests.

Until (a) payment and performance in full of all of the Obligations and (b) the irrevocable termination of this Agreement, Agent' s interests in the Collateral shall continue in full force and effect. During such period no Loan Party shall, without Agent' s prior written consent, pledge, sell (except Inventory in the ordinary course of business or as permitted under Section 7.1(b)), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Loan Party shall defend Agent' s interests in the Collateral against any and all Persons whatsoever, other than with respect to Permitted Encumbrances. At any time following and during the continuance of an Event of Default, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including without limitation: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Loan Parties shall, upon demand, assemble it in a commercially reasonable manner and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the UCC or other applicable law. At any time following the occurrence and during the continuance of an Event of Default, each Loan Party shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehouses or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent' s order and if they shall come into any Loan Party' s possession, they, and each of them, shall be held by such Loan Party in trust as Agent' s trustee, and such Loan Party will immediately deliver them to Agent in their original form together with any necessary endorsement.

4.7. Books and Records.

Each Loan Party shall (a) on a commercially reasonable basis, keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs; (b) on a commercially reasonable basis, set up on its books accruals with respect to all taxes, assessments, charges, levies and claims; and (c) on a reasonably current basis, set up on its books, from its earnings, allowances against doubtful Receivables, advances and Investments and all other proper accruals (including

without limitation by reason of enumeration, accruals for premiums, if any, due on required payments and accruals for depreciation, obsolescence, or amortization of properties), which should be set aside from such earnings in connection with its business. All determinations pursuant to this Section 4.7 shall be made in accordance with, or as required by, GAAP consistently applied in the opinion of the Accountants.

4.8. Financial Disclosure.

Each Loan Party hereby irrevocably authorizes and directs all accountants and auditors employed by such Loan Party at any time during the Term to exhibit and deliver to Agent and each Lender copies of any of the Loan Party' s financial statements, trial balances or other accounting records of any sort in the accountant' s or auditor' s possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Loan Party' s financial status and business operations. Each Loan Party hereby authorizes all federal, state and municipal authorities to furnish to Agent and each Lender copies of reports or examinations relating to such Loan Party, whether made by such Loan Party or otherwise; however, Agent and each Lender will attempt to obtain such information or materials directly from such Loan Party prior to obtaining such information or materials from such accountants or such authorities.

4.9. Compliance with Laws.

Each Loan Party shall comply in all material respects with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to its respective Collateral or any part thereof or to the operation of such Loan Party' s business the non-compliance with which could reasonably be expected to have a Material Adverse Effect. Each Loan Party may, however, contest or dispute any acts, rules, regulations, orders and directions of those bodies or officials in any reasonable manner, provided any Lien arising therefrom is a Permitted Encumbrance and sufficient reserves are established to the reasonable satisfaction of Agent to protect Agent' s Lien on the Collateral. The Collateral at all times shall be maintained in accordance with the requirements of all insurance carriers which provide insurance with respect to the Collateral so that such insurance shall remain in full force and effect.

4.10. Inspection of Premises.

Upon two (2) days prior written notice, at all reasonable times during normal business hours, Agent and each Lender shall have full access to and the right to audit, check, inspect and make abstracts and copies from each Loan Party' s books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Loan Party' s business; provided, however, in the event that an Event of Default has occurred and is continuing, the Loan Parties shall hereby be deemed to have waived such two (2) days prior written notice requirement and such requirement regarding normal business hours. Agent, any Lender and their agents may enter upon any of Loan Party' s premises upon two (2) days prior written notice at any time during business hours, and from time to time, for the purpose of inspecting the Collateral and any and all records

pertaining thereto and the operation of such Loan Party' s business; provided, however, in the event that an Event of Default has occurred and is continuing, the Loan Parties shall hereby be deemed to have waived such two (2) days prior written notice requirement and such requirement regarding normal business hours.

4.11. Insurance.

Each Loan Party maintains and shall continue to maintain adequate insurance policies and shall provide Agent with evidence of such insurance coverage for public liability, property damage, product liability, and business interruption with respect to its business and properties and the business and properties of its Subsidiaries against loss or damage of the kinds customarily carried or maintained by corporations of established reputation engaged in similar businesses and in amounts acceptable to Agent. Each Loan Party shall cause Agent at all times be named as loss payee on all insurance policies relating to any Collateral and shall cause Agent at all times be named as additional insured under all liability policies, in each case pursuant to appropriate endorsements in form and substance satisfactory to Agent and shall collaterally assign to Agent, for itself and on behalf of Lenders, as security for the payment of the Obligations all business interruption insurance of Loan Parties. No notice of cancellation has been received with respect to such policies and each Loan Party and each of their respective Subsidiaries is in compliance with all conditions contained in such policies. Any proceeds received from any policies of

insurance relating to any Collateral shall be applied to the Obligations to the extent set forth in Section 2.13. Each Loan Party shall provide Agent evidence of the insurance coverage and of the assignments and endorsements required by this Agreement immediately upon request by Agent and upon renewal of any existing policy. If any Loan Party elects to change insurance carriers, policies or coverage amounts, such Loan Party shall notify Agent and provide Agent with evidence of the updated insurance coverage and of the assignments and endorsements required by this Agreement. In the event any Loan Party fails to provide Agent with evidence of the insurance coverage required by this Agreement, Agent may, but is not required to, purchase insurance at such Loan Party' s expense to protect Agent' s and the Lenders' interests in the Collateral. This insurance may, but need not, protect such Loan Party' s interests. The coverage purchased by Agent may, but need not, pay any claim made by any Loan Party or any claim that is made against any Loan Party in connection with the Collateral. The applicable Loan Party may later cancel any insurance purchased by Agent, but only after providing Agent with evidence that such Loan Party has obtained insurance as required by this Agreement. If Agent purchases insurance for the Collateral, the Loan Parties will be responsible for the costs of that insurance, including interest thereon and other charges imposed on Agent in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance, and such costs may be added to the Obligations. The costs of the insurance may be more than the cost of insurance any Loan Party is able to obtain on its own.

4.12. Failure to Pay Insurance.

If any Loan Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor for Borrowers' Account, and charge Borrowers' Account therefor and such expenses so paid shall be part of the Obligations.

4.13. Payment of Taxes.

Each Loan Party will pay, when due, all material taxes, assessments and other Charges lawfully levied or assessed upon such Loan Party or any of the Collateral including, without limitation, real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes. If any tax by any governmental authority is or may be imposed on or as a result of any transaction between any Loan Party and Agent or any Lender which Agent or any Lender may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent' s or any Lender' s opinion, may possibly create a valid Lien on the Collateral, Agent may without notice to Loan Parties pay the taxes, assessments or other Charges and each Loan Party hereby indemnifies and holds Agent and each Lender harmless in respect thereof. Agent will not pay any taxes, assessments or Charges to the extent that any Loan Party has contested or disputed those taxes, assessments or Charges in good faith, by expeditious protest, administrative or judicial appeal or similar proceeding provided that any Lien arising therefrom is a Permitted Encumbrance and sufficient reserves are established to the reasonable satisfaction of Agent to protect Agent' s security interest in or Lien on the Collateral. The amount of any payment by Agent under this Section 4.13 shall be charged to Borrowers' Account as a Revolving Advance and added to the Obligations and, until Loan Parties shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Loan Parties' credit and Agent shall retain its security interest in any and all Collateral held by Agent.

4.14. Payment of Leasehold Obligations.

Each Loan Party shall at all times pay, when and as due, its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect and, at Agent' s request will provide evidence of having done so.

4.15. Receivables.

(a) Nature of Receivables. Each of the Receivables shall be a bona fide and valid account representing a bona fide liability incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Loan Party, or work, labor or services theretofore rendered by a Loan Party as of the date each Receivable is created. Same

shall be due and owing in accordance with the applicable Loan Party' s standard terms of sale (including standard discounts and similar items in each case as indicated on the applicable invoice) without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Loan Parties to Agent.

(b) Solvency of Customers. Each Customer, to each Loan Party' s knowledge, as of the date each Receivable is created, is solvent and will be able to pay all Receivables on which the Customer is obligated in full when due or with respect to such Customers of any Loan Party who are not solvent such Loan Party has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Locations of Loan Party. Each Loan Party' s chief executive office is located at the addresses set forth on ***Schedule 4.15(c)***. Each Loan Party' s books and records are located at the addresses set forth on ***Schedule 4.15(c)*** and until written notice is given to Agent by any

Borrower of any other office at which any Loan Party keeps its records pertaining to Receivables, all such records shall be kept at such addresses listed on ***Schedule 4.15(c)***.

(d) Collection of Receivables. Until any Loan Party' s authority to do so is terminated by Agent (which notice Agent may give at any time following the occurrence and during the continuance of an Event of Default, each Loan Party will, at such Loan Party' s sole cost and expense, but subject to the Lien of Agent, collect all amounts received on Receivables. Each Loan Party shall deposit in the Blocked Account or, upon request by Agent after the occurrence and during the continuance of an Event of Default, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidence of Indebtedness.

(e) Notification of Assignment of Receivables. At any time following the occurrence and during the continuance of an Event of Default, Agent shall have the right to send notice of the assignment of, and Agent' s security interest in, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. Thereafter, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent' s actual collection expenses, including, but not limited to, stationery and postage, telephone and telecopy, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Power of Agent to Act on Loan Parties' Behalf. Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Loan Party any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Loan Party hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Loan Party hereby constitutes Agent or Agent' s designee as such Loan Party' s attorney with power (i) to endorse such Loan Party' s name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (ii) to sign such Loan Party' s name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (iii) to send verifications of Receivables to any Customer; (iv) to sign such Loan Party' s name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent' s interest in the Collateral and to file same; (v) to demand, upon the occurrence and during the continuance of an Event of Default, payment of the Receivables; (vi) to enforce, upon the occurrence and during the continuance of an Event of Default, payment of the Receivables by legal proceedings or otherwise; (vii) to exercise, upon the occurrence and during the continuance of an Event of Default, all of Loan Parties' rights and remedies with respect to the collection of the Receivables and any other Collateral; (viii) to settle, adjust, compromise, extend or renew, upon the occurrence and during the continuance of an Event of Default, the Receivables; (ix) to settle, adjust or compromise, upon the occurrence and during the continuance of an Event of Default, any legal proceedings brought to collect Receivables; (x) to prepare, file and sign, upon the occurrence and during the continuance of an Event of Default, such Loan Party' s name on a proof of claim in bankruptcy or similar document against any Customer; (xi) to prepare, file and sign, upon the occurrence and during the continuance of an Event of Default, such Loan Party' s name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; and (xii) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence; this power being coupled with an interest is irrevocable while any of the

Obligations remain unpaid. Agent shall have the right at any time following the occurrence and during the continuance of an Event of Default, to change the address for delivery of mail addressed to any Loan Party to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Loan Party.

(g) No Liability. Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom unless resulting from the gross (not mere) negligence or willful misconduct of Agent or such Lender. Following the occurrence and during the continuance of an Event of Default, Agent may, without notice to or consent from any Loan Party, sue upon or otherwise collect, extend the time of payment of, compromise or settle for cash, credit or upon any terms any of the Receivables or any other securities, instruments or insurance applicable thereto and/or release any obligor thereof. Agent is authorized and empowered to accept, following the occurrence and during the continuance of an Event of Default, the return of the goods represented by any of the Receivables, without notice to or consent by any Loan Party, all without discharging or in any way affecting any Loan Party' s liability hereunder.

(h) Establishment of a Lockbox Account, Dominion Account. All proceeds of Collateral shall, at the direction of Agent, be deposited by Loan Parties into one or more lockbox accounts, dominion accounts or such other blocked accounts (collectively, the "Blocked Accounts") as Agent may require pursuant to an arrangement with such bank as may be selected by Loan Parties and be acceptable to Agent. Loan Parties shall issue to any such bank, an irrevocable letter of instruction directing said bank (upon Agent' s written instruction ("Agent' s Instructions")) to transfer such funds so deposited to Agent, either to any account maintained by Agent at said bank or by wire transfer to appropriate account(s) of Agent. All funds deposited in a Blocked Account shall be subject to the Lien of Agent and Loan Parties shall obtain the agreement by such bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for any Blocked Account arrangement, including without limitation, any claim of accord and satisfaction or release with respect to deposits accepted by any bank thereunder. The Loan Parties shall indemnify and save the Agent and Lenders harmless against any and all losses together with any interest, fees and expenses in connection with the deposit of any funds into the Blocked Accounts. Agent agrees that it shall not deliver the Agent' s Instructions referred to in this clause (h) unless and until an Event of Default has occurred and is continuing.

(i) Adjustments. No Loan Party will, without Agent' s consent, compromise or adjust any Receivables (or extend the time for payment thereof) or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as have been heretofore customary in the business of such Loan Party.

4.16. Inventory.

To the extent Inventory held for sale or lease has been produced by any Loan Party, it has been and will be produced by such Loan Party in accordance in all material respects with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.17. Maintenance of Equipment.

The Equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Equipment shall be maintained and preserved. No Loan Party shall use or operate the Equipment in violation in any material respect of any law, statute, ordinance, code, rule or regulation.

4.18. Exculpation of Liability.

Nothing herein contained shall be construed to constitute Agent or any Lender as any Loan Party' s agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of Loan Party' s obligations under any contract or agreement assigned to Agent or such

Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by Loan Party of any of the terms and conditions thereof.

4.19. Environmental Matters.

(a) Except as would not result in a Material Adverse Effect, Loan Parties shall ensure that the Real Property remains in compliance with all Environmental Laws and they shall not place or permit to be placed any Hazardous Substances on any Real Property except as not prohibited by applicable law or appropriate governmental authorities.

(b) Loan Parties shall establish and maintain a system reasonably required to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic reviews of such compliance.

(c) Loan Parties shall (i) employ in connection with the use of the Real Property appropriate technology necessary to maintain compliance with any applicable Environmental Laws as required and (ii) dispose of any and all Hazardous Waste generated at the Real Property only at facilities and with carriers that maintain valid permits if required under RCRA or any other applicable Environmental Laws.

(d) In the event any Loan Party obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Substances at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Loan Party' s interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which the Real Property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "Authority"), then Borrowers shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(e) Loan Parties shall promptly forward to Agent copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Substances at any other site owned, operated or used by any Loan Party to dispose of Hazardous Substances and shall continue to forward copies of material correspondence between any Loan Party and the Authority regarding such claims to Agent until the claim is settled. Loan Parties shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge at the Real Property that any Loan Party is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent' s security interest in the Collateral.

(f) Loan Parties shall respond promptly to any Hazardous Discharge or Environmental Complaint and take all action reasonably necessary in order to safeguard the health of any Person and to avoid subjecting the Collateral to any Lien. If any Loan Party shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or any Loan Party shall fail to comply within a reasonable time with any of the requirements of any Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent' s interest in the Collateral: (A) give such notices or (B) enter onto the Real Property (or authorize third parties to enter onto the Real Property) and take such actions as Agent (or such third parties as directed by Agent) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Revolving Advances constituting Domestic Rate Loans shall be paid upon demand by Loan Parties, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Loan Party.

(g) Promptly upon the written request of Agent from time to time and upon reasonable cause to believe that a Hazardous Discharge has occurred, Loan Parties shall provide Agent, at Loan Parties' expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, cleanup and removal of any Hazardous Substances found on, under, at or within the Real Property as a result of such Hazardous Discharge. Any report or

investigation of such Hazardous Discharge proposed and acceptable to an appropriate Authority that is charged to oversee the clean-up of such Hazardous Discharge shall be acceptable to Agent. If such estimates, individually or in the aggregate, exceed $100,000, Agent shall have the right to require Loan Parties to post a bond, letter of credit or other security reasonably satisfactory to Agent to secure payment of these costs and expenses.

(h) Loan Parties shall defend and indemnify Agent and Lenders and hold Agent, Lenders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including reasonable attorney' s fees, suffered or incurred by Agent or Lenders with respect to Real Property under or on account of any Environmental Laws, including, without limitation, the assertion of any Lien thereunder, with respect to any Hazardous Discharge, the presence of any Hazardous Substances affecting the Real Property, whether or not the same originates or emerges from the Real Property or any contiguous real estate, including any loss of value of the Real Property as a result of the foregoing except to the

extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Loan Parties' obligations under this Section 4.19 shall arise upon the discovery of the presence of any Hazardous Substances at the Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Substances. Loan Parties' obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(i) For purposes of Sections 4.19 and 5.7, all references to Real Property shall be deemed to include all of Loan Parties' right, title and interest in and to its owned and leased premises.

4.20. Financing Statements.

Except as respects the financing statements filed by Agent and the financing statements described on ***Schedule 7.2***, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office; provided, however, that subsequent to the Closing Date financing statements may also be filed with respect to Liens described in clauses (i), (j), (k), (q), (r) and (s) of the definition of Permitted Encumbrances.

V. REPRESENTATIONS AND WARRANTIES.

Each Loan Party represents and warrants as follows:

5.1. Authority.

Each Loan Party has full power, authority and legal right to enter into this Agreement and the Other Documents and to perform all its respective Obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and of the Other Documents (a) are within such Loan Party' s limited liability company, partnership or corporate powers, have been duly authorized and are not in contravention of terms of such Loan Party' s certificate of formation, partnership agreement, limited liability company agreement, by-laws, certificate of incorporation or other applicable documents relating to such Loan Party' s formation, and (b) will not (i) conflict with applicable law, (ii) conflict with, result in any breach in any of the provisions of or constitute a default under any material agreement or undertaking to which such Loan Party is a party or by which such Loan Party is bound or (iii) result in the creation of any Lien except Permitted Encumbrances upon any asset of such Loan Party except for any conflict, breach or default under clause (i) and (ii) of this clause (b) which could not reasonably be expected to have a Material Adverse Effect.

5.2. Formation and Qualification.

(a) Each Loan Party is duly formed or incorporated and in good standing under the laws of the jurisdiction of its formation or incorporation and is qualified to do business and is in good standing in the jurisdictions which constitute all jurisdictions in which qualification and good standing are necessary for such Loan Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect. The exact State organizational number of each Loan Party is set

forth on ***Schedule 5.2(a)*** or as the applicable Loan Party shall notify Agent in writing no less than thirty (30) days prior to any such change. As of the date hereof, each Loan Party has delivered to Agent true and complete copies of its certificate of

formation, certificate of limited partnership, partnership agreement, limited liability company agreement, certificate of incorporation and by-laws, as the case may be, and will notify Agent of any amendment or changes thereto as required under Section 7.14 hereof.

(b) As of the date hereof, the only Subsidiaries of each Loan Party are listed on ***Schedule 5.2(b)***, as such Schedule may be updated by Loan Parties on or prior to any change in such ***Schedule 5.2(b).***

5.3. Survival of Representations and Warranties.

All representations and warranties of each Loan Party contained in this Agreement and the Other Documents shall be true at the time of such Loan Party' s execution of this Agreement and the Other Documents (or if made solely as of a specific date, as of such date), and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4. Tax Returns.

Each Loan Party' s federal tax identification number is set forth on ***Schedule 5.4***. Each Loan Party has filed all federal, state and local tax returns and other reports each is required by law to file and has paid all material taxes, assessments, fees and other governmental charges that are due and payable, except for those being diligently contested in good faith and adequately provided for on the financial statements of the Loan Parties in accordance with GAAP. Federal, state and local income tax returns of each Loan Party have been examined and reported upon by the appropriate taxing authority or closed by applicable statute and satisfied for all fiscal years prior to and including the fiscal year ended December 31, 2000. The provision for taxes on the books of each Loan Party are adequate for the payment of all material taxes for all years not closed by applicable statutes, and for its current fiscal year, and (x) as of the date hereof, no Loan Party has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books and (y) Loan Parties shall promptly notify Agent if they acquire any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.5. Financial Statements.

The consolidated balance sheets of the Loan Parties, their Subsidiaries and such other Persons described therein (including the accounts of all Subsidiaries for the respective periods during which a subsidiary relationship existed) as of November 30, 2004, and the related statements of income, changes in stockholder' s equity, and changes in cash flow for the period ended on such date, have been prepared in accordance with GAAP, consistently applied, subject to the absence of footnotes and normal recurring year-end adjustments, and present fairly the financial position of the Loan Parties and their Subsidiaries at such date and the results of their operations for such period. Since November 30, 2004, there has been no change in the condition, financial or otherwise, of Loan Parties or their Subsidiaries as shown on the consolidated balance sheet as of such date except for the Acquisition and other changes, none of which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.6. Loan Party Name.

The exact name of each Loan Party is set forth in the first paragraph to this Agreement (or, if such Loan Party is not listed in such first paragraph, such exact name is set forth on ***Schedule 5.6***), subject to name changes of the Loan Parties in connection with any merger, dissolution or other changes of a Loan Party' s name; provided Agent is given fifteen (15) days prior written notice of such name

change. No Loan Party has been known by any other corporate, limited liability company or partnership name in the past five years and no Loan Party sells Inventory under any other name except as set forth on ***Schedule 5.6***, nor has any Loan Party been the surviving entity of a merger or consolidation or acquired all or substantially all of the assets of any Person during the preceding five (5) years, except for the Acquisition and subject to mergers, dissolutions or other transactions expressly permitted hereunder and of which Loan Parties have given the Agent fifteen (15) days prior written notice.

5.7. O.S.H.A. and Environmental Compliance.

Except as could not reasonably be expected to have a Material Adverse Effect,

(a) (i) each Loan Party has in all material respects duly complied with, and its facilities, business, assets, property, leaseholds and Equipment are in compliance in all material respects with, the provisions of the Federal Occupational Safety and Health Act, RCRA and all other Environmental Laws;

(ii) to the knowledge of each Loan Party, there have been no outstanding citations, notices or orders of non-compliance issued to any Loan Party or relating to its business, assets, property, leaseholds or Equipment under any such laws, rules or regulations, in each case except as set forth on ***Schedule 5.7***; and

(iii) each Loan Party has provided to Agent prior to the Closing Date copies of all environmental audit reports in its or any of its consultant' s possession or control with respect to the Real Property.

(b) Each Loan Party has been issued all required federal, state and local licenses, certificates or permits relating to all applicable Environmental Laws, except as set forth on ***Schedule 5.7***.

(c) (i) Except as set forth in the Phase I Reports, there are no visible signs of releases, spills, discharges, leaks or disposal (each, a "Release") of Hazardous Substances at, upon, under or within any Real Property; (ii) there are no underground storage tanks or polychlorinated biphenyls on the Real Property; (iii) to the knowledge of each Loan Party, the Real Property has never been used as a treatment, storage or disposal facility of Hazardous Waste; and (iv) to the knowledge of each Loan Party, no Hazardous Substances are present on the Real Property, excepting such quantities as are handled in accordance with all applicable manufacturer' s instructions and governmental regulations and in proper storage containers and as are necessary for the operation of the commercial business of any Loan Party or of its tenants, in each case except as set forth on ***Schedule 5.7***.

5.8. Solvency; No Litigation, Indebtedness, Violation or Default.

(a) Both immediately prior to and after giving effect to the Transactions, each Loan Party is solvent, able to pay its debts as they mature, has capital sufficient to carry on its business and all businesses in which it is about to engage, and (i) as of the Closing Date, the fair present saleable value of each Loan Party' s assets is in excess of the amount of its liabilities and (ii) subsequent to the Closing Date, the fair saleable value of each Loan Party' s assets will be in excess of the amount of its liabilities.

(b) Except as disclosed in ***Schedule 5.8(b)***, no Loan Party has (i) any pending or threatened litigation, arbitration, actions or proceedings which involve the possibility of having a Material Adverse Effect, and (ii) any indebtedness for borrowed money other than the Obligations, the Senior Note Obligations, or indebtedness and liabilities under the Subordinated Debt Documentation to the extent permitted under Section 7.7(g)(i) hereof or as otherwise expressly permitted to be incurred under Section 7.7 hereof.

(c) No Loan Party is in violation of any applicable statute, regulation or ordinance in any respect which could reasonably be expected to have a Material Adverse Effect, nor is any Loan Party in violation of any order of any court, governmental authority or arbitration board or tribunal which could reasonably be expected to have a Material Adverse Effect.

(d) Except as set forth in ***Schedule 5.8(d)***, (i) no Plan that is covered by Title IV of ERISA has incurred any "accumulated funding deficiency," as defined in Section 302(a)(2) of ERISA and Section 412(a) of the Code, whether or not waived, which is reasonably likely to result in a Material Adverse Effect and each Loan Party and, to the knowledge of each Loan Party, each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA in respect of each such Plan unless any such failure is not reasonably likely to result in a Material Adverse Effect, (ii) each Plan maintained by any Loan Party which is intended to be

a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code, (iii) no Loan Party nor any member of the Controlled Group has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid and which are reasonably likely to result in a Material Adverse Effect, (iv) no Plan that is covered by Title IV of ERISA has been terminated by the plan administrator thereof nor by the PBGC, and there is no occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Plan, (v) at this time, the current value of the assets of each Plan that is covered by Title IV of ERISA exceeds the present value of the accrued benefits and other liabilities of such Plan and no Loan Party knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities which are reasonably likely to result in a Material Adverse Effect, (vi) no Loan Party or member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan so as to result in a Material Adverse Effect, (vii) no Loan Party has, nor to the knowledge of each Loan Party, no member of the Controlled Group has incurred any liability for any excise tax arising under Section 4972 or 4980B of the Code which is reasonably likely to result in a Material Adverse Effect and, to the knowledge of each Loan Party, no fact exists which could give rise to any such liability, (viii) no Loan Party nor, to the knowledge of any Loan Party, any fiduciary of, nor any trustee to, any Plan, has engaged in a "prohibited transaction" described in Section 406 of ERISA or Section 4975 of the Code nor taken any action which would constitute or result in a Termination Event with respect to any such Plan which would result in a Material Adverse Effect, (ix) each Loan Party has made all contributions due and payable with respect to each Plan unless such failure would not result

in a Material Adverse Effect, (x) there exists no event described in Section 4043(b) of ERISA, for which the thirty (30) day notice period contained in 29 CFR §2615.3 has not been waived, (xi) no Loan Party has any fiduciary responsibility for investments with respect to any Plan existing for the benefit of persons other than employees or former employees of any Loan Party and any member of the Controlled Group, and (xii) no Loan Party nor any member of the Controlled Group has withdrawn, completely or partially, from any Multiemployer Plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980 which is reasonably likely to result in a Material Adverse Effect.

5.9. Patents, Trademarks, Copyrights and Licenses.

All patents, patent applications, trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, design rights, tradenames and assumed names owned by any Loan Party and all material licenses to the foregoing that are held by any Loan Party are set forth on ***Schedule 5.9***. To the knowledge of the Loan Parties, the items designated as owned by a Loan Party on ***Schedule 5.9*** are valid. The owned and licensed intellectual property identified on ***Schedule 5.9*** constitutes the material intellectual property rights used in the operation of the business of the Loan Parties. Except as set forth on ***Schedule 5.9***, there is no objection to or pending challenge to the validity of any material patent, trademark, copyright, design right, tradename or trade secret owned by any Loan Party or any material license held by any Loan Party and no Loan Party is aware of any grounds for any such challenge. With respect to all software used by any Loan Party (other than commercially available software), such Loan Party is in possession of all source and object codes related to each piece of software or is the beneficiary of a source code escrow agreement, each such source code escrow agreement being listed on ***Schedule 5.9***.

5.10. Licenses and Permits.

Except as set forth in ***Schedule 5.10***, each Loan Party (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state or local law or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to be in compliance or procure such licenses or permits could reasonably be expected to have a Material Adverse Effect.

5.11. No Defaults.

(a) Except as set forth on ***Schedule 5.11***, no Loan Party is in default in the payment of (i) the principal of or interest (beyond any applicable grace period) on any Indebtedness with an outstanding principal amount, individually or in the aggregate, in excess of $1,000,000, or (ii) under any instrument or agreement under or subject to which any such Indebtedness has been issued which default would permit the holder of such Indebtedness to accelerate its stated maturity, and no other event of default has occurred under the provisions of any

such instrument or agreement which event of default would permit the holder of such Indebtedness to accelerate its stated maturity. No Default or Event of Default has occurred or is continuing.

(b) No Loan Party is in default in the payment or performance of any other contractual obligations where such default could reasonably be expected to have a Material Adverse Effect.

5.12. No Burdensome Restrictions.

No Loan Party is party to any contract or agreement the performance of which could have a Material Adverse Effect. No Loan Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.13. No Labor Disputes, Etc..

No Loan Party is involved in any labor dispute; there are no strikes or walkouts or union organization of any Loan Party' s employees, or to the knowledge of any Loan Party, threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on ***Schedule 5.13***, except for any of the foregoing which would not have a Material Adverse Effect. As of the date hereof, ***Schedule 5.13*** sets forth a description of all collective bargaining agreements with respect to the employees of any Loan Party.

5.14. Margin Regulations.

No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the meaning of the quoted term under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.15. Investment Company Act.

No Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.16. Disclosure.

No representation or warranty made by any Loan Party in this Agreement or in any financial statement, report, certificate or any other document furnished in connection herewith contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein (taken as a whole) not misleading in any material respect on the date made or furnished (or deemed furnished). There is no fact known to Loan Parties or which reasonably should be known to Loan Parties which Loan Parties have not disclosed to Agent in writing with respect to the transactions contemplated by this Agreement which could reasonably be expected to have a Material Adverse Effect. The projections and pro forma financial information contained in the material furnished herewith are based upon good faith estimates and assumptions believed by the chief financial officer and other management of the Loan Parties to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

5.17. Delivery of Senior Note Documents, Equity Documents and Subordinated Debt Documentation.

As of the date hereof, Agent has received complete copies of the Senior Note Documents and Equity Documents (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any). The Loan Parties will notify Agent in writing at least five (5) Business Days prior to the execution and delivery of the Subordinated Debt Documentation and will make reasonable efforts to provide Agent with an opportunity to review drafts thereof prior to execution. The Loan Parties will deliver the Subordinated Debt Documentation and all amendments thereto and waivers relating to the Senior Note Documents and Subordinated Debt Documentation promptly after execution thereof.

5.18. Swaps.

Except as set forth on ***Schedule 5.18***, no Loan Party is a party to, nor will it be a party to, any swap agreement whereby such Loan Party has agreed or will agree to swap interest rates or currencies.

5.19. Conflicting Agreements.

No provision of any mortgage, indenture, contract, agreement, judgment, decree or order binding on any Loan Party or affecting the Collateral conflicts with (except to the extent such conflict could not reasonably be expected to have a Material Adverse Effect), or requires any Consent which has not already been obtained to, or would in any way prevent the execution, delivery or performance of, the terms of this Agreement or the Other Documents.

5.20. Application of Certain Laws and Regulations.

No Loan Party is subject to any statute, rule or regulation which regulates the incurrence of any Indebtedness, including without limitation, statutes or regulations relative to common or interstate carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

5.21. Business and Property of Loan Parties.

Upon and after the Closing Date, Loan Parties and the Foreign Subsidiaries do not propose to engage in any business other than the distribution of carbon and alloy steel pipe (and related materials and services) and activities necessary to conduct the foregoing or substantially related thereto. On the Closing Date, each Loan Party and Foreign Subsidiary of a Loan Party will own all the property and possess all of the rights and Consents necessary for the conduct of the business of such Loan Party.

5.22. Material Contracts.

As of the date hereof, ***Schedule 5.22*** contains a true, correct and complete list of all contracts which are material to the operation of any Loan Party' s business. Except as set forth on ***Schedule 5.22***, and except as could not reasonably be expected to have a Material Adverse Effect, each such contract is in full force and effect in all respects and no defaults exist thereunder. As of the date hereof, no Loan Party has received notice from any party to such contract stating that it intends to terminate or amend such contract.

5.23. Acquisition Agreement.

The Acquisition has been consummated, or simultaneously with the closing hereof is being consummated, (i) in accordance with the terms of the Acquisition Documents provided to the Agent and without any waiver or amendment of any material term thereof without the prior written consent of Agent, and (ii) in compliance in all material respects with all applicable laws.

VI. AFFIRMATIVE COVENANTS.

Each Loan Party shall, until payment in full of the Obligations and termination of this Agreement:

6.1. Payment of Fees.

Pay to Agent on demand all usual and customary fees and expenses which Agent incurs in connection with (a) the forwarding of Advance proceeds and (b) the establishment and maintenance of any Blocked Accounts as provided for in Section 4.15(h). Agent may, without making demand, charge any Borrowers' Account for all such fees and expenses.

6.2. Conduct of Business and Maintenance of Existence and Assets.

(i) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as the Collateral and other property may be disposed of in accordance with the terms of this Agreement), including, without limitation, all licenses, patents, copyrights, design rights, domain names and addresses, tradenames, trade secrets and trademarks and take all actions necessary to enforce and protect the validity of any intellectual property right or other right that may be included in the Collateral; (ii) keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect; and (iii) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof where the failure to do so could reasonably be expected to have a Material Adverse Effect.

6.3. Violations.

Promptly notify Agent in writing of any violation of any law, statute, regulation or ordinance of any Governmental Body, or of any agency thereof, applicable to any Loan Party which could reasonably be expected to have a Material Adverse Effect.

6.4. Government Receivables.

Take all steps necessary to protect Agent' s interest in the Collateral under the Federal Assignment of Claims Act or other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of contracts between any Loan Party and the United States, any state or any department, agency or instrumentality of any of them.

6.5. Execution of Supplemental Instruments.

Execute and deliver to Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may reasonably request, in order that the full intent of this Agreement may be carried into effect.

6.6. Payment of Indebtedness.

Subject at all times to any applicable subordination arrangement in favor of Agent and/or Lenders, pay, discharge or otherwise satisfy at or before maturity (subject, where applicable, to specified grace periods and, in the case of the trade payables, to normal payment practices) all its obligations and liabilities of whatever nature, except when the failure to do so could not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and each Loan Party shall have provided for such reserves as Agent may reasonably deem proper and necessary.

6.7. Standards of Financial Statements.

Cause all financial statements referred to in Sections 9.6, 9.7, 9.8, 9.9 and 9.11 as to which GAAP is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to the absence of footnotes and normal year-

end audit adjustments) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as concurred in by such reporting accountants or officer, as the case may be, and disclosed therein).

6.8. Taxes and Other Governmental Charges.

File, and cause each of its Subsidiaries to file, when due, all tax returns and other reports which it is required to file and (b) pay, and cause each of its Subsidiaries to pay, or provide for the payment, when due, of all material taxes, fees, assessments and other governmental charges against it or upon its property, income and franchises, make all required withholding and other tax deposits, and establish adequate reserves for the payment of all such items, and provide to the Agent and the Lenders, upon request, satisfactory evidence of its timely compliance with the foregoing; provided, however, so long as the Loan Parties have has notified the Agent in writing, none of the Loan Parties or any of their respective Subsidiaries need pay any tax, fee, assessment, or governmental charge (i) it is contesting in good faith by appropriate proceedings diligently pursued, (ii) as to which the appropriate Loan Party or Subsidiary, as the case may be, has established proper reserves as required under GAAP, and (iii) the nonpayment of which does not result in the imposition of a Lien (other than a Permitted Encumbrance described in clause (b) of the definition thereof).

6.9. Revisions or Updates to Schedules.

Should any of the information or disclosures provided on any of the schedules originally attached hereto become outdated or incorrect in any material respect, the Loan Parties shall deliver to the Agent and the Lenders as part of the officer' s certificate required pursuant to Section 9.9 such revisions or updates to such schedule(s) as may be necessary or appropriate to update or correct such schedule(s), provided that no such revisions or updates to any schedule(s) shall be deemed to have amended, modified or superseded such schedule(s) as originally attached hereto, or to have cured any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such schedule(s), unless and until (x) the Required Lenders shall have

accepted in writing such revisions or updates to such schedule(s) or (y) the revisions or updates to the applicable schedule reflects a state of facts that is expressly permitted under the existing provisions of this Agreement.

6.10. Financial Statements.

(a) The pro forma balance sheet of as of the Closing Date the Loan Parties on a Consolidated Basis (the "Pro Forma Balance Sheet") shall be furnished to Agent within 120 days of the Closing Date and shall reflect the consummation of the transactions contemplated by the Acquisition Documents, the Senior Note Documents, Subordinated Debt Documentation (if any), the Equity Documents and under this Agreement (the "Transactions") and shall be accurate, complete and correct and fairly reflect in all material respects the financial condition of the Loan Parties on a Consolidated Basis as of the Closing Date after giving effect to the Transactions, and will be prepared in accordance with Loan Parties' past practices, consistently applied. The Pro Forma Balance Sheet shall be certified as accurate, complete and correct in all material respects by the President and Chief Financial Officer of the Loan Parties. All financial statements referred to in this Section 6.10(a), including the related schedules and notes thereto, shall be prepared, in accordance with Loan Parties' past practices, consistently applied.

(b) The twelve month cash flow projections for the twelve month period ending December 31, 2005 of the Loan Parties on a Consolidated Basis and their projected balance sheets, which shall be furnished to Agent within 120 days of the Closing Date (the "Projections"), shall be prepared by the Chief Financial Officer of the Loan Parties, based on underlying assumptions which the Loan Parties believe provide a reasonable basis for the projections contained therein and reflect Loan Parties' judgment based on current facts known to Loan Parties based on reasonable assumptions concerning conditions and course of action for the projected period. The Projections together with the Pro Forma Balance Sheet are referred to as the "Pro Forma Financial Statements".

6.11. Perfection of Lien on Canadian Intercompany Obligations.

Within (i) 30 days of the Closing Date with respect to Edgen Canada and (ii) five (5) days of the creation or acquisition of any other Foreign Subsidiary organized under the laws of Canada or any Province thereof (any such Foreign Subsidiary, including Edgen Canada, a "Canadian Subsidiary"), Loan Parties shall deliver to Agent, in form and substance reasonably satisfactory to Agent, (i) a term

promissory note (each a "Term Intercompany Note"), which shall evidence all advances and loans by any Loan Party to such Canadian Subsidiary (but which shall not be cross-defaulted to the Obligations under this Agreement), duly pledged and endorsed to Agent as Collateral (and Agent shall have a first priority perfected security interest therein); (ii) a Security Agreement executed by such Canadian Subsidiary to the Loan Parties securing the obligations of the Canadian Subsidiary under such Term Intercompany Note with a first priority Lien on all assets of such Canadian Subsidiary of the type described in the definition of Collateral under this Agreement (excluding Collateral describe in clause (c)(vi) of the definition thereof), (iii) a PPSA Registration Statements filed by the Loan Parties against the Canadian Subsidiary in all appropriate filing offices, naming Agent as secured party, (iv) a Canadian opinion of counsel with respect to the foregoing and (v) any other lien search, document, charter document, certificate or agreement that Agent reasonably believes is necessary for the perfection of its interest in the pledge of the Term Intercompany Note and the perfection and priority of the collateral granted by the Canadian Subsidiary to the Loan Parties therefor.

VII. NEGATIVE COVENANTS.

No Loan Party shall, until satisfaction in full of the Obligations and termination of this Agreement:

7.1. Merger, Consolidation, Acquisition and Sale of Assets.

(a) Enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or stock of any Person or permit any other Person to consolidate with or merge with it other than (i) the Acquisition; (ii) a merger or consolidation of a Loan Party into a Borrower; (iii) a Subsidiary of a Borrower into such Borrower; (iv) of Loan Parties that are not Borrowers into each other; and/or (v) Permitted Acquisitions.

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets (including the sale of any Capital Stock of any Loan Party other than Capital Stock issued by Holdings), except (i) in the ordinary course of its business, (ii) as provided in Section 4.3, (iii) any or all assets of a Loan Party' s Subsidiary (upon voluntary liquidation or otherwise) to the Borrowers or any or all assets of a Loan Party' s Subsidiary (upon voluntary liquidation or otherwise, but excluding the assets of a Borrower) to any other Loan Party; (iv) for the sale or issuance of any Subsidiary' s Capital Stock to the Borrowers or any other Loan Party; (v) for obsolete or worn out property (other than Collateral but including Collateral described in clause (c)(vi) of the definition thereof) in the ordinary course of business; (vi) for non-exclusive licenses of proprietary rights or the abandonment of intellectual property rights in the ordinary course of business; (vii) for assets in respect of any property or casualty insurance claim or any condemnation proceeding relating to any assets of the Loan Parties or any of their Subsidiaries; (viii) as provided in (a) above; (ix) dispositions of investments or receivables in connection with the compromise or collection thereof in a bankruptcy or similar proceeding of the Customer or obligor with respect thereto and (x) for other assets (other than Collateral but including Collateral described in clause (c)(vi) of the definition thereof) in any fiscal year of the Loan Parties for which the Loan Parties receive aggregate consideration of $1,000,000 or less.

7.2. Creation of Liens.

Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter acquired, except Permitted Encumbrances.

7.3. Guarantees.

Become liable upon the obligations of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on ***Schedule 7.3***, (b) unsecured guarantees by Holdings and/or Sub-Holdings of the trade payables of any Borrower in the ordinary course of business, consistent with past practices, (c) unsecured guarantees by Holdings with respect to Sub-Holdings, Sub-Holdings with respect to Edgen Carbon and Edgen Carbon with respect to Edgen Alloy, of Real Property leases and employment agreements entered into in the ordinary course of business, consistent with past practices, (d) unsecured guarantees (other than those described in clauses (b) and (c) above) made in the ordinary course of business up to an aggregate amount of $100,000 outstanding at any time for all Loan Parties, (e) the endorsement of checks in the ordinary course of business, (f) guarantees by Loan Parties of the Senior Note Obligations, (g) guarantees by Loan Parties of the Subordinated Notes, (h) standard contractual indemnities and

warranties consistent with the Loan Parties' past practice and (i) guarantees by the Loan Parties of Indebtedness permitted to be incurred by other Loan Parties hereunder.

7.4. Investments.

Purchase or acquire obligations or stock of, or any other interest in, any Person (collectively, "Investments") except for (a) Permitted Investments, (b) Cash Equivalents and (c)(i) the repurchase of Capital Stock of Holdings owned by employees, directors, former employees or former directors of Loan Parties in connection with any compensation or benefit plan or the termination of their employment, (ii) repurchase of Capital Stock deemed to occur upon the "cashless" exercise of stock options, warrants or other similar rights to the extent such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights or (iii) the repurchase of Capital Stock of Holdings in exchange for, or out of the net cash proceeds, of the concurrent sale of Holdings' Capital Stock or from the concurrent contribution of equity capital to Holdings.

7.5. Loans.

Make advances, loans or extensions of credit to any Person, including without limitation, any Parent, Subsidiary or Affiliate except with respect to (a) the extension of commercial trade credit in connection with the sale of Inventory in the ordinary course of its business; (b) loans to employees on an arm' s-length basis in the ordinary course of business consistent with the Loan Parties' past practices for travel expenses, relocation costs and similar purposes up to a maximum of $25,000 to any employee and up to a maximum of $200,000 in the aggregate at any one time outstanding; (c) unsecured loans by one Borrower to another Borrower not to exceed the outstanding balance of $5,000,000 at any time for Borrowers in the aggregate; provided, however, that both immediately prior to and immediately after the making of any such loan (x) the representations and warranties contained in Section 5.8 hereof shall be true and correct and (y) no Event of Default shall be in existence; (d) loans, advances or extensions of credit to Foreign Subsidiaries of Holdings organized under the laws of Canada or any Province thereof by Holdings or any domestic Loan Party; *provided* that the aggregate amount of such loans, advances or extensions of credit outstanding at any time in reliance of this clause (d) (after giving effect to any such loans, advances or extensions of credit or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any Investments made under clause (e) of the definition of Permitted Investments, shall not exceed $2,500,000; (e) loans, advances or extensions of credit to Foreign Subsidiaries of Holdings organized under the laws of Canada or any Province thereof by Holdings or any domestic Loan Party; *provided* that (i) the aggregate amount of such loans, advances or extensions of credit outstanding at any time in reliance of this clause (e)(i) after giving effect to any such loans, advances or extensions of credit or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any Investments made under clause (f) of the definition of Permitted Indebtedness, shall not exceed 5% of the Consolidated Net Tangible Assets of Holdings or its Subsidiaries, (ii) each such loans, advances or extensions of credit is used by each such Foreign Subsidiary (A) for working capital purposes or (B) substantially contemporaneous with its receipt thereof to purchase all or substantially all of the assets of, or all of the Capital Stock of, any Person (other than a Subsidiary of Holdings) engaged in a business substantially similar or complementary to the business of the Loan Parties primarily in Canada (including by means of a merger, consolidation or other business combination permitted under this Agreement), which Person shall become a Foreign Subsidiary of Holdings in the case of where such purchase is of all of the Capital Stock of such Person and (iii) any such loans, advances

or extensions of credit made in reliance upon this clause (e) may continue to be maintained notwithstanding that such loans, advances or extensions of credit if made thereafter would not comply with the requirements of this clause (e); (f) loans and advances, including advances for travel and moving expenses, to employees, officers, directors of the Loan Parties in the ordinary course of business for bona fide business purposes not in excess of $1,000,000 at any one time outstanding; (g) advances to suppliers and customers in the ordinary course of business; (h) receivables owing to the Loan Parties if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms as the Loan Parties deem reasonable under the circumstances; (i) loans, advances or extensions of credit to Foreign Subsidiaries of Holdings by Holdings or any domestic Loan Party; *provided* that the aggregate amount of such loans, advances or extensions

of credit outstanding at any time in reliance of this clause (i) (after giving effect to any such loans, advances or extensions of credit or any portions thereof that are returned to Holdings or any domestic Loan Party in cash on or prior to the date of such calculation), plus any Investments made under clause (h) of the definition of Permitted Investments, shall not exceed $2,500,000; (j) payroll, travel and similar advances to cover matters that are expected at the time of the advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business and consistent with past practice; (k) loans, advances or extensions of credit consisting of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business and consistent with past practice; (l) loans, advances or extensions of credit to employees to purchase Holdings' Capital Stock, so long as the full amount of such loan, advance or extension of credit is immediately contributed to the Borrowers as common equity; (m) the endorsement of instruments for collection or deposit in the ordinary course of business; and (n) additional loans, advances or extensions of credit (including loans, advances or extensions of credit in any Foreign Subsidiary or Subsidiaries) in an aggregate amount not to exceed, together with any Investment made under clause (m) of the definition of Permitted Investments, $5,000,000 at any time outstanding; provided, however, that both immediately prior to and immediately after the making of any loan described in clauses (d), (e), (i), (l) or (n) of this Section 7.5 (x) the representations and warranties contained in Section 5.8 hereof shall be true and correct and (y) no Default or Event of Default shall be in existence; and provided, further, prior to making any such loan to Edgen Canada or to any other Foreign Subsidiary organized under the laws of Canada or any Province thereof, Loan Parties shall comply with Section 6.11 hereof.

7.6. Dividends and Distributions.

Declare, pay or make any dividend or distribution on any shares of the common stock, preferred stock or other equity interests of any Loan Party (other than dividends or distributions payable in its stock or other equity interests or split-ups or reclassifications of its stock or other equity interests) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any such common or preferred stock or any other equity interests, except that Loan Parties shall be permitted to pay dividends (i) to Holdings, to pay regularly scheduled interest and regularly scheduled principal on the Senior Notes and regularly scheduled interest on the Subordinated Debt, each to the extent permitted by the terms of the Intercreditor Agreement and the Subordination Agreement, respectively and to repurchase the Capital Stock issued by Holdings, owned by Loan Parties' employees, directors, former employees or former directors whose employment has terminated or otherwise in connection with any compensation or benefit plan, (ii) to Sub-Holdings, to reimburse Sub-Holdings for all out-of-pocket expenses, professional fees, franchise taxes and other ordinary course of business operating expenses incurred by Sub-Holdings solely in its capacity as a parent corporation of Borrowers (including, without limitation the reimbursement by

Borrowers of expenses to Sub-Holdings for administrative services rendered by Sub-Holdings to Borrowers, consistent with past practices and payments under employment agreements entered into by Sub-Holdings incurred in the ordinary course of business for the benefit of Borrowers), (iii) to fund any management fee payments under the Management Agreement to the extent permitted under Section 7.9, (iv) to a Borrower, and (v) to its member (if such upper-tier Loan Party is a limited liability company) or shareholder (if such upper-tier Loan Party is a corporation) for a taxable year in an aggregate amount not exceeding the amount sufficient to cover the payment of the portion of the federal, state and local income and franchise tax liability of, or attributable to, such member or shareholder, if any, by reason of its inclusion of the taxable income of its lower-tier Loan Party or Loan Parties for such taxable year ("Increased Tax Burden"). Payments to a member or shareholder shall be made so as to be available when the tax is due, including in respect of estimated tax payments. In the event the actual distributions or dividends to a member or shareholder exceed such upper-tier Loan Party' s Increased Tax Burden, then such upper-tier member or shareholder or the common parent ("Common Parent") of the consolidated tax group of which such upper-tier member or shareholder is a member (the "Loan Party Consolidated Group") shall repay such lower-tier Loan Party the amount of such excess no later than the later of (A) the date the annual Federal income tax return must be filed by the Common Parent of such lower-tier Loan Party (without giving effect to any filing extensions) and (B) in a situation where such Loan Party Consolidated Group is entitled to a tax refund solely attributable to a tax loss realized by the lower-tier Loan Party for such tax year, and only if the tax return on which such refund is claimed is prepared by the Loan Party Consolidated Group in good faith (and correctly in the reasonable judgment of the Agent), two (2) Business Days after such Loan Party Consolidated Group (or any member thereof) receives such refund. All of the foregoing repayments shall be applied to the repayment of principal and/or interest on Revolving Advances and cash collateral as may be required under Section 3.2(b). In the event such amounts are not repaid in a timely manner by the applicable member of the Loan Party Consolidated Group, then Loan Parties shall not pay or make any dividend or distribution with respect to, or purchase, redeem or retire, any limited liability company interests or Capital Stock

of any Loan Party held or controlled by, directly or indirectly, such member or shareholder until such payment has been made, provided, however, that both before and after giving effect to the payment of such purchases, redemptions and/or dividends in clause (iii) above there shall not exist any Event of Default or Default.

7.7. Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness except in respect of the following:

(a) Obligations owing to Agent and/or Lenders;

(b) Indebtedness of any Borrower to another Borrower not in excess of $5,000,000 at any time outstanding;

(c) accounts payable to trade creditors and current operating expenses which are not aged more than 180 days from billing date or more than 60 days from due date, in each case incurred in the ordinary course of business and paid within such time period, unless the same are being actively contested by the applicable Loan Party in good faith and by appropriate and lawful proceedings and such Loan Parties shall have set aside such reserves, if any, with respect thereto as are required by GAAP and deemed adequate by the applicable Loan Party and its independent accountants;

(d) obligations to pay rental payments permitted by Section 7.10;

(e) Purchase Money Indebtedness;

(f) contingent liabilities arising out of endorsements of checks and other negotiable instruments for deposit or collection in the ordinary course of business;

(g) Indebtedness due under (i) the Subordinated Debt Documentation (provided, however, that such Indebtedness may only be created, incurred or assumed if the Consolidated Fixed Charge Coverage Test with respect to such creation, incurrence or assumption has been satisfied) and (ii) the Senior Note Documents not to exceed an aggregate principal amount of $105,000,000 and Indebtedness which refinances the foregoing pursuant to terms that are substantially the same as the Indebtedness being refinanced (including, without limitation, without any increase in the outstanding principal amount thereof as of the date of such refinancing or the shortening of the principal amortization or maturity of any principal amount thereof);

(h) guarantees permitted under Section 7.3;

(i) other Indebtedness of Holdings and any other Loan Party outstanding on the date hereof to the extent reflected on the financial statements furnished to Agent on or before the Closing Date and Indebtedness which refinances the foregoing pursuant to terms that are substantially the same as the Indebtedness being refinanced;

(j) intercompany Indebtedness of any Loan Party to another Loan Party or to a Foreign Subsidiary;

(k) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within five business days of incurrence;

(l) Indebtedness of any Loan Party represented by letters of credit, surety bonds, insurance obligations or other similar bonds for the account of the any Loan Party, as the case may be, to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(m) obligations in respect of performance, bid and surety bonds and completion guarantees provided by any Loan Party in the ordinary course of business (provided that the issuer of any such bond or guarantee shall subordinate all rights to the Collateral that it may have under law or contract in a manner acceptable to Agent);

(n) Indebtedness arising from agreements of the Loan Parties providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Subsidiary, other than

guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Loan Parties and the Subsidiary in connection with such disposition;

(o) Indebtedness incurred to finance Permitted Acquisitions so long as the Consolidated Fixed Charge Coverage Test has been satisfied after giving effect to the incurrence of such Indebtedness and any refinancings, refundings, renewals or extensions thereof pursuant to terms that are substantially the same as the Indebtedness being refinanced (including, without limitation, without any increase in the principal amount thereof as of the date of such refinancing or the shortening of the principal amortization or maturity of any principal amount thereof);

(p) Acquired Indebtedness in connection with a Permitted Acquisition so long as the Consolidated Fixed Charge Coverage Test has been satisfied after giving effect to the incurrence or assumption of such Indebtedness, and any refinancings, refundings, renewals or extensions thereof pursuant to terms that are substantially the same as the Indebtedness being refinanced (including, without limitation, without any increase in the principal amount thereof as of the date of such refinancing or the shortening of the maturity of any principal amount thereof); and

(q) unsecured Indebtedness not included in clauses (a) through (p) above which does not exceed at any time outstanding, in the aggregate, the sum of $5,000,000.

The Loan Parties will not, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is contractually subordinated to any other Indebtedness of the Loan Parties unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made contractually subordinate to the Obligations of the Loan Parties under this Agreement; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Loan Parties' solely by virtue of being unsecured.

The accrual of interest, accrual of dividends on Disqualified Capital Stock, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness in accordance with their terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of this Section 7.7. Notwithstanding any other provision of this Section 7.7, the maximum amount of Indebtedness that the Loan Parties may incur pursuant to this Section 7.7 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person without recourse to such Person or any of its assets (other than to the assets that are the subject of such Lien), the lesser of:

(a) the Fair Market Value of such assets that are the subject of such Lien at the date of determination; and

(b) the amount of the Indebtedness of the other Person.

7.8. Nature of Business.

Substantially change the nature of the business in which it is presently engaged, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the ordinary course of business for assets or property which are useful in, necessary for and are to be used in its business as presently conducted and/or are expressly permitted hereunder to be conducted in the future.

7.9. Transactions with Affiliates.

Except (a) as expressly permitted by Section 7.1 and Section 7.4, (b) pursuant to those agreements described on ***Schedule 7.9*** as in effect on the Closing Date (and any amendment thereto or replacement agreement which is not more disadvantageous to the Loan Party in any material respect than the agreement existing as of the Closing Date), (c) issuances and sales of Capital Stock of Holdings to its Affiliates and (d) so long as no Default or Event of Default shall have occurred and be continuing, the payment of fees under the Management Agreement in an amount not to exceed $500,000 in any calendar year, directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, any Affiliate, except transactions in the ordinary course of business, on an arm' s-length basis on terms no less favorable than terms which would have been obtainable from a Person other than an Affiliate and in any event disclosed to Agent.

7.10. Leases.

Enter as lessee into any lease arrangement for real or personal property (other than Capital Leases) if after giving effect thereto, aggregate annual rental payments for all leased property would exceed $5,000,000 in any one fiscal year for all Loan Parties.

7.11. Subsidiaries.

(a) Form any Subsidiary, unless (i) such Subsidiary expressly joins in this Agreement as a Loan Party and becomes jointly and severally liable for the obligations of Loan Parties hereunder and under any other agreement between any Loan Party and Lenders (other than any Foreign Subsidiary) and (ii) Agent shall have received all documents, including legal opinions, it may reasonably require to establish compliance with each of the foregoing conditions.

(b) Enter into any partnership, joint venture or similar arrangement.

(c) Permit any Foreign Subsidiary to own any Goods (as defined in the UCC), other than Goods in transit, located in the United States of America, any state thereof or the District of Columbia.

7.12. Fiscal Year and Accounting Changes.

Change its fiscal year from December 31 or make any significant change (i) in accounting treatment and reporting practices except as required by GAAP or (ii) in tax reporting treatment except as required by law.

7.13. Pledge of Credit.

Now or hereafter pledge Agent' s or any Lender' s credit on any purchases or for any purpose whatsoever or use any portion of any Advance in or for any business other than the applicable Loan Party' s business as conducted on the date of this Agreement.

7.14. Amendment of Organizational Documents.

Amend, modify or waive any term or provision of its certificate or articles of formation, limited liability company agreement, partnership agreement, certificate of incorporation, by-laws, or any other applicable documents relating to such Loan Party' s formation or organization, unless required by law or unless such amendment, modification or waiver could not reasonably be expected to adversely affect the rights of the Agent and/or the Lenders (and, in any such event, with prompt written notice to Agent).

7.15. Compliance with ERISA.

(i) Without prior notice to Agent, (x) maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute to, or permit any member of the Controlled Group to become obligated to contribute to, any Plan covered by Title IV of ERISA, (ii) engage in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA and Section 4975 of the Code, (iii) incur, or permit any member of the Controlled Group to incur, any "accumulated funding deficiency", as that term is defined in Section 302 of ERISA or Section 412 of the Code, where such deficiency is reasonably likely to result in a Material Adverse Effect, (iv) terminate, or permit any member of the Controlled Group to terminate, any Plan where such event could result in any liability of any Loan Party or the imposition of a lien on the property of any Loan Party pursuant to Section 4068 of ERISA where such liability or lien is reasonably likely to result in a Material Adverse Effect, (v) assume, or permit any member of the Controlled Group to assume, any obligation to contribute to any Multiemployer Plan not disclosed on ***Schedule 5.8(d)***, (vi) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan where such liability is reasonably likely to result in a Material Adverse Effect, (vii) fail promptly to notify Agent of the occurrence of any Termination Event, (viii) fail to comply with the requirements of ERISA or the Code or other applicable laws in respect of any Plan where such failure is reasonably likely to result in a Material Adverse Effect, (ix) fail to meet, or permit any member of the Controlled Group to fail to meet, all minimum funding requirements under ERISA or the Code or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Plan covered by Title IV of ERISA where such failure, postponement or delay is reasonably expected to result in a Material Adverse Effect.

7.16. Prepayment of Indebtedness.

Except as permitted pursuant to Section 7.17, at any time, directly or indirectly, prepay any Indebtedness (other than to Lenders), or repurchase, redeem, retire or otherwise acquire any Indebtedness of any Loan Party.

7.17. Senior Note Obligations; Subordinated Notes.

At any time, (a) (x) directly or indirectly, pay, prepay, repurchase, redeem, retire or otherwise acquire, or make any payment on account of any principal of, interest on or premium

payable in connection with the repayment or redemption of any of the Subordinated Notes in violation of the Subordination Agreement or with respect to any principal amount of the Subordinated Notes or (y) directly or indirectly, pay, prepay, repurchase, redeem, retire or otherwise acquire, or make any payment on account of any principal of the Senior Note Obligations, if Borrowers do not have at least $10,000,000 of Undrawn Availability after giving effect thereto; or (b) amend or waive any provision in any of the (x) Senior Note Documents without the prior written consent of Agent, if such amendment, modification or other change would (i) increase the aggregate principal amount of the Senior Note Obligations, (ii) shorten the final maturity of the Senior Note Obligations, (iii) require any scheduled principal payment to be made earlier than the date originally scheduled or otherwise amend Article Three, Section 4.10 or Section 4.11 of the Senior Note Agreement in a manner that is adverse to Agent and/or Lenders, (iv) increase the amount of any mandatory prepayment of principal, or (v) increase the interest rate with respect to the Senior Note Obligations by more than 250 basis points above the highest rate of interest specified therein as of the date hereof (it being understood that the imposition of a default rate of interest in the amount and under the circumstances in the Senior Note Agreement as in effect on the date hereof shall not be restricted by this clause) or (y) Subordinated Debt Documentation if such amendment or waiver increases the principal amount outstanding or modifies or amends any other material term therein in a manner that is adverse to Agent and/or Lenders.

7.18. State of Organization.

Change the State or applicable jurisdiction in which it is incorporated or otherwise organized, unless it has given the Agent not less than thirty (30) days prior written notice thereof.

7.19. Foreign Asset Control Regulations.

Become, nor shall any Affiliate of any Loan Party have become, sanctioned or targeted under any Federal regulation governing Foreign Asset Control, or any other comparable statute or regulation.

VIII. CONDITIONS PRECEDENT.

8.1. Conditions to Initial Advances.

The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Lenders, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent:

(a) Notes. Agent shall have received the Notes duly executed and delivered by an authorized officer of each Borrower;

(b) Filings, Registrations, Recordings and Searches. Each document (including, without limitation, any UCC financing statement) required by this Agreement, any related agreement or under law or reasonably requested by the Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and

satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto. The Agent shall also have received UCC, tax, judgment and other lien searches with respect to each Loan Party in such jurisdictions as the Agent shall require, and the results of such searches shall be satisfactory to the Agent;

(c) Proceedings of Loan Parties. Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors (or equivalent authority) of each Loan Party authorizing (i) the execution, delivery and performance of this Agreement, the Other Documents (other than the Existing Other Documents to the extent terminated pursuant to the terms of Section 17.19 of this Agreement), the Acquisition Documents, the Equity Documents, the Senior Note Documents, and any other agreements related to the transactions contemplated hereby to the extent such Loan Party is a party thereto, (collectively the "Transaction Documents"), and (ii) the granting by each Loan Party of the security interests in and liens upon the Collateral as provided hereunder, in each case certified by the Secretary or an Assistant Secretary of each Loan Party as of the Closing Date; and, such certificate shall state that the resolutions thereby certified are in accordance with the provisions of the charter, operating agreement, LLC agreement or partnership agreement and the law of the jurisdiction of such Loan Party' s organizations or formation and have not been amended, modified, revoked or rescinded as of the date of such certificate;

(d) Incumbency Certificates of Loan Parties. Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Loan Party, dated the Closing Date, as to the incumbency and signature of the officers of each Loan Party executing this Agreement, any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(e) Certificates. Agent shall have received a copy of the articles or certificate of incorporation or other charter documents and by-laws or similar documents of each Loan Party, and the Equity Documents, and all amendments thereto, certified by Secretary of such Loan Party that there have been no changes to such certificate since February 27, 2004.

(f) Good Standing Certificates. Agent shall have received good standing certificates for each Loan Party dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each Loan Party' s jurisdiction of organization and each jurisdiction where the conduct of each Loan Party' s business activities or the ownership of its properties necessitates qualification;

(g) Legal Opinion. Agent shall have received the executed legal opinion, each in form and substance satisfactory to Agent, of (x) Dechert L.L.P. which shall cover such matters incident to the transactions contemplated by this Agreement, the Other

Documents and the other Transactions as Agent may reasonably require, (y) Schreck Brignone, Nevada counsel and (z) Kantrow, Spaht Weaver and Blitzer (APLC), Louisiana counsel, and each Loan Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(h) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Loan Party or against the officers or directors of, or equivalent Persons with respect to, any Loan Party (A) in connection with this Agreement and/or the Other Documents or any of the transactions contemplated thereby and which, in the

reasonable opinion of Agent, is deemed material or (B) which could, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Loan Party or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(i) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of ***Exhibit 8.1(i)***.

(j) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date pursuant to Article III and under the Fee Letter;

(k) Other Documents. Agent shall have received executed Other Documents, each in form and substance reasonably satisfactory to Lenders;

(l) Insurance. Agent shall have received in form and substance satisfactory to Agent, certified copies of Loan Parties' casualty insurance policies, together with loss payable endorsements on Agent' s standard form of loss payee endorsement naming Agent as loss payee, and certified copies of Loan Parties' liability insurance policies, together with endorsements naming Agent as a co-insured;

(m) Equity Documents. Agent shall have received final executed copies of the Equity Documents as in effect on the Closing Date and the transactions contemplated thereby (including, without limitation the common equity contribution of $24,000,000) shall have been consummated;

(n) Senior Note Documents. Agent shall have received final executed copies of the Senior Note Documents. The Senior Note Obligations shall have terms and conditions acceptable to Agent, including, without limitation, limitations on principal payments to be made by the Loan Parties, as are acceptable to Agent. The closing of the Senior Note Documents shall occur substantially simultaneously with the closing hereof.

(o) Intercreditor Agreement. The Liens securing the Senior Note Obligations shall be subordinated to the Liens in the Collateral in favor of the Agent pursuant to the Intercreditor Agreement, which shall be in form and substance satisfactory to Agent including, without limitation, containing standstill, liquidation and bankruptcy (waterfall) provisions in form and substance satisfactory to Agent. Agent shall have received an executed counterpart of the Intercreditor Agreement from the Senior Note Agent and all other signatories to the Intercreditor Agreement.

(p) Acquisition. Agent shall have received final executed copies of all Acquisition Documents. The Acquisition Documents and all terms and conditions of the Acquisition shall be acceptable to Agent, and all due diligence of Agent and its counsel with respect thereto shall be satisfactory in all respects to Agent and its counsel. The Acquisition shall (i) be consummated in compliance in all material respects with all requirements of all United States laws and regulations, and (ii) be consummated prior to or simultaneously with the closing hereof, in accordance with the Acquisition Documents.

(q) Solvency. The Loan Parties will be required to satisfy Agent on the Closing Date that after giving effect to the Transactions, they are solvent, able to meet their obligations as they mature and have sufficient capital to enable them to operate their business.

(r) Foreign Asset Control Regulations. No Loan Party, nor any Affiliate of any Loan Party, shall have become sanctioned or targeted under any Federal regulation governing Foreign Asset Control, or any other comparable statute or regulation.

(s) Environmental Reports. Agent shall have received all environmental studies and reports prepared by independent environmental engineering firms with respect to all Real Property owned or leased by Loan Parties;

(t) Payment Instructions. Agent shall have received written instructions from Loan Parties directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(u) Blocked Accounts. Agent shall have received duly executed Blocked Account Agreements currently in place with JP Morgan Chase Bank and Bank One, N.A. which establish the springing nature of each of the Blocked Accounts and shall in all respects be reasonably acceptable to Agent.

(v) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(w) No Material Adverse Change. As determined by Agent in its sole discretion, (i) since September 30, 2004, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied to Lenders shall have been proven to be inaccurate or misleading in any material respect;

(x) Leasehold Agreements. Agent shall have received landlord, mortgagee or warehouse agreements satisfactory to Agent with respect to all premises leased by Loan Parties at which Inventory is located;

(y) Contract Review. Agent shall have reviewed all material contracts of Loan Parties including, without limitation, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(z) Officer' s Certificate. Agent shall have received an officer' s certificate signed by the Chief Financial Officer of each Loan Party dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct in all material respects on and as of such date (except to the extent made as of a specific date in which case it shall be true and correct in all material respects as of such date), (ii) Loan Parties are on such date in compliance in all material respects with all the terms and provisions set forth in this Agreement and the Other Documents and (iii) on such date no Default or Event of Default has occurred or is continuing;

(aa) Borrowing Base. Agent shall have received a duly executed Borrowing Base Certificate which shall indicate that the aggregate amount of Eligible Receivables and Eligible

Inventory is sufficient in value and amount to support Revolving Advances and Letters of Credit in the amount requested by Borrowers on the Closing Date;

(bb) Undrawn Availability. After giving effect to the Transactions, the initial Revolving Advances and Letters of Credit hereunder, Borrowers shall have Undrawn Availability of at least $17,000,000;

(cc) Control Agreements. Agent shall have received control agreements with respect to all Collateral in which a security interest may be perfected by means of control under the UCC;

(dd) Payoff of Indebtedness. (x) All principal, interest and fees with respect to the term loan and revolving advances under the Existing Loan Agreement shall have been repaid in full, and (y) all principal, interest, fees and other amounts owing (i) to AmSouth

in connection with the AmSouth Facility Documents shall be placed in escrow to apply to the repayment in full of all such principal, interest, fees and other amounts and such deposit in escrow shall be sufficient to repay and defease all obligations of Loan Parties under the AmSouth Documents and (ii) the Subordinated Lenders (as defined in the Existing Loan Agreement) shall have been repaid in full. Agent shall have received evidence of the events described in the foregoing clause (y) and the release of all collateral security in connection therewith, in each instance in form and substance satisfactory to Agent; and

(ee) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with this Agreement shall be satisfactory in form and substance to Agent, Lenders and their counsel.

8.2. Conditions to Each Advance.

The agreement of Lenders to make any Advance requested to be made on any date (including, without limitation, the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any related agreement shall be true and correct in all material respects on and as of such date as if made on and as of such date (except to the extent such representation or warranty is made solely as of a specific date, in which case such representation or warranty shall continue to be true and correct in all material respects as of such date);

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; provided, however, that Lenders, in their sole discretion, may continue to make Advances notwithstanding the existence of an Event of Default or Default and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default;

(c) Maximum Revolving Advances. In the case of any Revolving Advances requested to be made, after giving effect thereto, the aggregate Revolving Advances shall not exceed the maximum amount of Revolving Advances permitted under Section 2.1; and

(d) Maximum Letters of Credit. In the case of any Letters of Credit requested to be made, after giving effect thereto, the aggregate Letter of Credit Obligations shall not exceed the maximum amount permitted under Section 2.8.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Borrower as of the date of such Advance that the conditions contained in this Section 8.2 shall have been satisfied.

IX. INFORMATION AS TO LOAN PARTIES.

Each Loan Party shall, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1. Disclosure of Material Matters.

(a) Immediately upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectibility of any portion of the Collateral with a value, individually or in the aggregate, in excess of $1,000,000, including, without limitation, any Loan Party' s reclamation or repossession of, or the return to any Loan Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

(b) Promptly notify Agent in writing upon the occurrence of (a) any Event of Default or Default; (b) any event of default under the Subordinated Debt Documentation and/or the Senior Note Documents; (c) any event which with the giving of notice or lapse of time, or both, would constitute an event of default under the Subordinated Debt Documentation and/or the Senior Note Documents; (d) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied to the extent applicable, the financial condition or operating results of any Loan Party as of the date of such statements; (e) any accumulated retirement plan funding deficiency which, if such deficiency continued for two plan years and was not corrected as provided in Section 4971 of the Code, could subject any Loan Party to a tax imposed by Section 4971 of

the Code; (f) each and every default by any Loan Party which might result in the acceleration of the maturity of Indebtedness with an outstanding principal amount, individually or in the aggregate, in excess of $1,000,000, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; (g) any other development in the business or affairs of any Loan Party which could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Loan Parties propose to take with respect thereto; (h) the receipt by any Loan Party of notice of any material labor dispute to which any Loan Party may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Loan Party is a party or by which any Loan Party is bound; (i) any lapse or other termination of any Consent issued to any Loan Party by any Governmental Body or any other Person that is material to the operation of the Loan Parties' business; (j) any refusal by any Governmental Body or any other Person to renew or extend any such Consent which is material to the operation of the Loan Parties' business; (k) copies of any periodic or special reports filed by any Loan Party with any Governmental Body or Person, if such reports indicate any material adverse change in the business, operations, affairs or condition of any Loan Party, or if copies thereof are requested by Agent or any Lender; (l) copies of any material notices

and other communications from any Governmental Body or Person which specifically relate to any Loan Party, (m) its receipt of notice from any party to any contract listed on Schedule 5.22 or any other contract that is material to the operation of the Loan Parties' business stating that it intends to terminate or amend such contract and which termination or amendment could reasonably be expected to have a Material Adverse Effect, (n) the termination of any contract listed on Schedule 5.22 or any other contract that is material to the Loan Parties' business which termination could reasonably be expected to have a Material Adverse Effect and (o) the execution and delivery by any Loan Parties or any Subsidiary thereof of any guarantees or collateral security with respect to the Senior Note Obligations other than the guarantees in effect on the date hereof and the Collateral.

9.2. Reporting.

(a) Deliver to Agent, within five (5) days of the end of each month (or more frequently if required by Agent), a Borrowing Base Certificate (which shall be calculated as of the last day of the immediately preceding month and which shall not be binding upon Agent or restrictive of Agent' s rights under this Agreement).

(b) Deliver to Agent on or before the fifteenth (15th) day of each month as and for the prior month, and for each Borrower on an individual basis (x) accounts receivable agings, (y) accounts payable agings, and (z) Inventory reports (including information with respect to slow-moving Inventory levels and Inventory mix). In addition, each Borrower shall deliver to Agent at such intervals as Agent may require: (i) confirmatory assignment schedules, (ii) copies of Customer' s invoices, (iii) evidence of shipment or delivery, and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may require including, without limitation, trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers commercially reasonable and do whatever it may deem reasonably necessary to protect its interests hereunder.

(c) The items to be provided under Sections 9.2(a) and 9.2(b) are to be in form satisfactory to Agent and executed by each Loan Party and delivered to Agent from time to time solely for Agent' s convenience in maintaining records of the Collateral, and any Loan Party' s failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent' s Lien with respect to the Collateral.

9.3. Environmental Reports.

Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.6 and 9.7, with a certificate signed by the President of each Loan Party stating, to the best of his knowledge, that each Loan Party is in compliance in all material respects with all federal, state and local laws relating to environmental protection and control and occupational safety and health. To the extent any Loan Party is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Loan Party will implement in order to achieve full compliance.

9.4. Litigation.

Promptly notify Agent in writing of any litigation, suit or administrative proceeding affecting any Loan Party, whether or not the claim is covered by insurance, and of any suit or

administrative proceeding, which in any such case could reasonably be expected to have a Material Adverse Effect.

9.5. Government Receivables.

Notify Agent immediately if any of its Receivables arise out of contracts between any Loan Party and the United States, any state, or any department, agency or instrumentality of any of them.

9.6. Annual Financial Statements.

Furnish Agent as soon as available (but in any event within one hundred twenty (120) days after the end of each fiscal year of Loan Parties), financial statements of Loan Parties on a consolidating and consolidated basis, including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Loan Parties and satisfactory to Agent (the "Accountants"). The report of the Accountants shall be accompanied by a statement of the Accountants certifying that (i) they have caused the Loan Agreement to be reviewed, (ii) in making the examination upon which such report was based either no information came to their attention which to their knowledge constituted an Event of Default or a Default under this Agreement or any related agreement or, if such information came to their attention, specifying any such Default or Event of Default, its nature, when it occurred and whether it is continuing, and such report shall contain or have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 7.7 and 7.10. In addition, the reports shall be accompanied by a certificate of each Loan Party' s Chief Financial Officer which shall state that, based on an examination sufficient to permit him to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to such event, and such certificate shall have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 7.7 and 7.10.

9.7. Quarterly Financial Statements.

Furnish Agent as soon as available (but in any event within forty-five (45) days after the end of each fiscal quarter (other than the last quarter of any fiscal year)), an unaudited balance sheet of Loan Parties on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to the business of Loan Parties. Each such balance sheet, statement of income and stockholders' equity and statement of cash flow shall set forth a comparison of the figures for (w) the current fiscal period and (x) the current year-to-date with the figures for (y) the same fiscal period and year-to-date period of the immediately preceding fiscal year and (z) the projections for such fiscal period and year-to-date period delivered pursuant to Section 6.10(b) or Section 9.11, as applicable. The financial statements shall be accompanied by a certificate signed by the Chief Financial Officer of each Loan Party, which shall state that, based on an examination sufficient to permit him to make an informed

statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to such default, and such certificate shall have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 7.7 and 7.10.

9.8. Monthly Financial Statements.

Furnish Agent as soon as available (but in any event within thirty (30) days after the end of each month other than the twelfth such month), an unaudited balance sheet of Loan Parties on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the business of Loan Parties. Each such balance sheet, statement of income and stockholders' equity and statement of cash flow shall set forth a comparison of the figures for (w) the current fiscal period and (x) the current year-to-date with the figures for (y) the same fiscal period and year-to-date period of the immediately preceding fiscal year and (z) the projections for such fiscal period and year-to-date period delivered pursuant to Section 6.10(b) or Section 9.11, as applicable. The financial statements shall be accompanied by a certificate of each Loan Party' s Chief Financial Officer, which shall state that, based on an examination sufficient to permit him to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to such event.

9.9. Other Reports.

Furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, with (i) copies of such financial statements, reports and returns as each Loan Party shall make publicly available to its stockholders and (ii) copies of all notices, material financial statements, reports and returns sent pursuant to the Senior Note Documents and/or the Subordinated Debt Documentation.

9.10. Additional Information.

Furnish Agent with such additional information as Agent shall reasonably request in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Notes have been complied with by Loan Parties including, without limitation and without the necessity of any request by Agent, (a) copies of all environmental audits and reviews, (b) at least thirty (30) days prior thereto, notice of any Loan Party' s opening of any new office or place of business or any Loan Party' s closing of any existing office or place of business, and (c) promptly after the filing thereof, copies of any annual report to be filed with the PBGC and/or pursuant to ERISA in connection with any Plan.

9.11. Projected Operating Budget.

Furnish Agent, no later than the beginning of each Loan Party' s fiscal years commencing with fiscal year 2006, a month-by-month projected operating budget and cash flow of

Loan Parties on a consolidated and consolidating basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by the President or Chief Financial Officer of each Loan Party to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

9.12. Variances From Operating Budget.

Furnish Agent, concurrently with the delivery of the quarterly and annual financial statements referred to in Section 9.6 and 9.7, a written report summarizing all material variances from budgets submitted by Loan Parties pursuant to Sections 6.10(b) and 9.11, and a discussion and analysis by management with respect to such variances.

9.13. ERISA Notices and Requests.

Furnish Agent with prompt written notice in the event that (i) any Loan Party knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Loan Party or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) any Loan Party knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which such Loan Party has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan covered by Title IV of ERISA together with all communications received by any Loan Party or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which any Loan Party or any member of the Controlled Group was not previously contributing shall occur and is reasonably likely to result in a Material Adverse Effect, (v) any Loan Party shall receive or shall have knowledge that any member of the Controlled Group has received from the PBGC a notice of intention to terminate a Plan covered by Title IV of ERISA or to have a trustee appointed to administer such a Plan, together with copies of each such notice, if a Material Adverse Effect is reasonably likely to result; (vi) any Loan Party shall receive any unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) any Loan Party shall receive or shall have knowledge that any member of the Controlled Group has received a notice regarding the imposition of withdrawal liability, together with copies of each such notice, if a Material Adverse Effect is reasonably likely to result; (viii) any Loan Party or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment and such failure is reasonably likely to result in a Material Adverse Effect; (ix) any Loan Party or any member of the Controlled Group knows that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan if, in any such case, a Material Adverse Effect is likely to result.

9.14. Additional Documents.

Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement.

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1. Failure by any Loan Party to pay (a) any principal on the Obligations when due, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or by notice of intention to prepay, or by required prepayment or (b) any interest or any other liabilities or make any other payment, fee or charge in accordance with the terms provided for herein or in any Other Document within two (2) days after such interest or other amount becomes due;

10.2. (i) Failure by Loan Parties to perform, keep or observe any provision of Sections 4.2, 4.3, 4.4, 4.5, 4.6, 4.9, 4.10, 4.11, 4.15(h), 6.8, or Article VII or (ii) any representation or warranty made or deemed made by any Loan Party in this Agreement or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been inaccurate in any material respect on the date when made or deemed to have been made;

10.3. Failure by any Loan Party to (i) furnish financial information (including, without limitation, information to be furnished under Article IX) when due or when requested and, solely with respect to the quarterly and monthly financial statements described in Sections 6.10(a), 9.7 and 9.8, respectively, remaining unreceived for five (5) days or (ii) permit the inspection of its books or records;

10.4. Issuance of a notice of levy, assessment or attachment by the United States or any department or instrumentality thereof or by any state, county, municipality or other governmental agency against a material portion of any Loan Party' s property which levy, assessment or attachment is not stayed or lifted within the earlier of (x) thirty (30) days of issuance or (y) five (5) days prior to the exercise of remedies with respect to any such levy, assessment, injunction or attachment;

10.5. Failure or neglect of any Loan Party to perform, keep or observe any term, provision, condition or covenant herein contained, or contained in any Other Document, now or hereafter entered into between any Loan Party, Agent and/or any Lender (to the extent

such breach is not otherwise embodied in any other provision of this Article X for which a different grace or cure period is specified or which constitutes an immediate Event of Default under this Agreement or the Other Documents), which is not cured within fifteen (15) Business Days after the occurrence of such Event of Default;

10.6. Any judgment or judgments (to the extent Loan Parties' insurance carrier has not confirmed coverage in writing) are rendered against one or more Loan Parties for an aggregate amount in excess of $2,000,000 which within thirty (30) days of such rendering is not either satisfied, stayed or discharged of record;

10.7. Any Loan Party shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of creditors, (iii) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (iv) be adjudicated a bankrupt or insolvent, (v) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vi) acquiesce to, or fail to have dismissed, within forty-five (45) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (vii) take any action for the purpose of effecting any of the foregoing;

10.8. Any Loan Party shall admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business;

10.9. Any Significant Subsidiary of any Loan Party shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, within forty-five (45) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

10.10. Any Lien created hereunder or provided for hereby or under any Other Document for any reason ceases to be or is not a valid and perfected Lien having a first priority interest with respect to the Collateral (subject, as to priority, to (x) Liens described in clauses (b), (f) and (k) of the definition of Permitted Encumbrances, and (y) the terms of the Intercreditor Agreement);

10.11. An event of default has occurred and been declared under the Senior Note Documents or the Subordinated Debt Documentation, which default shall not have been cured or waived within any applicable grace period and for which Senior Note Agent, Senior Noteholders and/or Subordinated Lenders are permitted to take action;

10.12. A default of the obligations of any Loan Party (i) (x) with respect to the payment of any Indebtedness in excess of $1,000,000 (including, for the purpose of any interest rate swap or interest rate protection agreement, the notional amount thereof) shall occur which would permit the holder of such Indebtedness to accelerate it prior to its stated maturity or (ii) under any Indebtedness in excess of $1,000,000 (including, for the purpose of any interest rate swap or interest rate protection agreement, the notional amount thereof) which would permit the holder of such Indebtedness to accelerate it prior to its stated maturity or (y) under any other agreement to which it is a party shall occur which could reasonably be expected to have a Material Adverse Effect (financial or otherwise), which default in each case is not cured or waived within any applicable grace period;

10.13. Material breach of any Guaranty or any similar agreement executed and delivered to Agent in connection with the Obligations of any Loan Party or such Guaranty or similar agreement shall cease to be in full force and effect, other than a partial or full release in accordance with the express terms of this Agreement, or if any Guarantor or any other Person obligated on any Guaranty

attempts to terminate, challenges the validity of, or its liability under, any such Guaranty or any similar agreement;

10.14. Any Change of Control shall occur;

10.15. Any material provision of this Agreement or any Other Document shall, for any reason, other than a partial or full release in accordance with the express terms of this Agreement, cease to be valid and binding on any Loan Party, or any Loan Party shall so claim in writing to Agent;

10.16. (i) Any Governmental Body shall (A) revoke, terminate, suspend or adversely modify any license, permit, patent, trademark or tradename of any Loan Party, the continuation of which is material to the continuation of the Loan Parties' business, or (B) commence proceedings to suspend, revoke, terminate or adversely modify any such license, permit, patent, trademark or tradename and such proceedings shall not be dismissed or discharged within sixty (60) days, or (C) schedule or conduct a hearing on the renewal of any license, permit, patent, trademark or tradename necessary for the continuation of the Loan Parties' business and the staff of such Governmental Body issues a report recommending the termination, revocation, suspension or material, adverse modification of such license, permit, patent, trademark or tradename; and/or (ii) any agreement which is necessary or material to the operation of the Loan Parties' business shall be revoked or terminated and not replaced by a substitute acceptable to Agent within thirty (30) days after the date of such revocation or termination, and in the case of clauses (i) and (ii) such revocation, termination, suspension, modification, revocation and non-replacement would reasonably be expected to have a Material Adverse Effect;

10.17. Any material portion of the Collateral shall be seized or taken by a Governmental Body; or

10.18. An event or condition specified in Section 7.15 or Section 9.13 shall occur or exist and, as a result of such event or condition, together with all other such events or conditions, any Loan Party or any member of the Controlled Group shall incur, or in the opinion of Agent be reasonably likely to incur, a liability to a Plan or the PBGC (or both) which, in the reasonable judgment of Agent, would have a Material Adverse Effect; or

10.19. The indictment of any Loan Party under any criminal statute, or commencement of criminal or civil proceedings against any Loan Party, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture to any Governmental Authority of any material portion of the property of such Loan Party and in Agent' s reasonable judgment there is a reasonable probability of an adverse determination;

10.20. Any breach, default, event of default or termination shall occur under any of the Acquisition Documents after giving effect to applicable grace periods, if any, contained in any such Acquisition Documents, in each case where the foregoing could reasonably be expected to have a Material Adverse Effect.

10.21. Any Loan Party of Affiliate thereof shall be subject to any statute, rule, regulation or executive order which would prohibit or restrict the Agent or the Lenders from entering into, or consummating the transactions contemplated by, this Agreement, including without limitation, (a) rules or regulations issued by the United States Treasury Department, including, without limitation,

the Office of Foreign Asset Control, and (b) executive orders, or lists appending executive orders, pursuant to which (1) property or interests in property have been blocked, or (2) persons have been identified as parties with whom the Agent or the Lenders may not transact business.

XI. AGENT' S AND LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1. Rights and Remedies.

Upon the occurrence (i) of an Event of Default pursuant to Section 10.7, all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated; (ii) and during the continuance of any of the other Events of Default and at any time thereafter, at the option of Required Lenders all Obligations shall be immediately due and payable and Lenders shall have the right to terminate this Agreement and to terminate the obligation of Lenders to make Advances and (iii) of a filing of a petition against any Loan Party in any involuntary case under any state or federal bankruptcy laws, the obligation of Lenders to make Advances hereunder shall be terminated other than as may be required by an appropriate order of the bankruptcy court having jurisdiction over any Loan Party. Upon the occurrence and during the continuance of any Event of Default, Agent shall have the right to exercise any and all other rights and remedies provided for herein, under the UCC and at law or equity generally, including, without limitation, the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure

and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any Loan Party' s premises or other premises without legal process and without incurring liability to any Loan Party therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Loan Parties to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Loan Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Loan Parties at least five (5) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and such right and equity are hereby expressly waived and released by each Loan Party. Agent may specifically disclaim any warranties of title or the like at any sale of Collateral. In connection with the exercise of the foregoing remedies, Agent is granted permission to use all of each Loan Party' s trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and other proprietary rights which are used in connection with (a) Inventory for the purpose of disposing of such Inventory and (b) Equipment for the purpose of completing the manufacture of unfinished goods.

11.2. Application of Proceeds.

The proceeds realized from the sale of any Collateral shall be applied as follows: first, to the reasonable costs, expenses and attorneys' fees and expenses incurred by Agent for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the

Collateral; second, to interest due upon any of the Obligations; third, to fees payable in connection with this Agreement; fourth, to furnish to Agent cash collateral in an amount not less than 105% of the aggregate undrawn amount of all Letters of Credit, such cash collateral arrangements to be in form and substance satisfactory to Agent; fifth, to the principal of the Obligations; sixth, to all remaining unpaid Obligations; and seventh, to the appropriate Loan Party (subject to the equal or prior claims of other Persons under applicable law). If any deficiency shall arise, Loan Parties shall remain liable to Agent and Lenders therefor. If it is determined by an authority of competent jurisdiction that a disposition by Agent did not occur in a commercially reasonably manner, Agent may obtain a deficiency judgment for the difference between the amount of the Obligation and the amount that a commercially reasonable sale would have yielded. Agent will not be considered to have offered to retain the Collateral in satisfaction of the Obligations unless Agent has entered into a written agreement with Loan Party to that effect.

11.3. Agent' s Discretion.

Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify or to take any other action with respect thereto and such determination will not in any way modify or affect any of Agent' s or Lenders' rights hereunder.

11.4. Setoff.

In addition to any other rights which Agent, any Lender or any Issuer may have under applicable law, upon the occurrence and during the continuance of an Event of Default, Agent, such Lender and such Issuer shall have a right to apply any Loan Party' s property held by Agent, such Lender or such Issuer to reduce the Obligations.

11.5. Rights and Remedies not Exclusive.

The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1. Waiver of Notice.

Each Loan Party hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2. Delay.

No delay or omission on Agent' s or any Lender' s part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any default.

12.3. Jury Waiver.

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1. Term.

This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Loan Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until the earliest of (x) February 1, 2010 (the "Original Term"), (y) the acceleration of all Obligations pursuant to the terms of this Agreement or (z) the date on which this Agreement shall be terminated in accordance with the provisions hereof or by operation of law (the earliest of (x), (y) and (z), the "Termination Date"). Loan Parties may terminate this Agreement at any time upon ninety (90) days' prior written notice upon payment in full of the Obligations.

13.2. Termination.

The termination of the Agreement shall not affect any Loan Party' s, Agent' s or any Lender' s rights, or any of the Obligations having their inception prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created or Obligations have been fully disposed of, concluded or liquidated. The Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that any or all Borrowers' Accounts may from time to time be temporarily in a zero or credit position, until all of the Obligations of each Loan Party have been paid or performed in full after the termination of this Agreement or each Loan Party has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders in their sole discretion with respect thereto. Accordingly, each Loan Party waives any rights which it may have under Section 9-513(c) of the UCC to

demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Loan Party, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid in full in immediately available funds. All representations,

warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are paid or performed in full.

XIV. REGARDING AGENT.

14.1. Appointment.

Each Lender hereby designates GMAC CF to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in the Fee Letter), charges and collections (without giving effect to any collection days) received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including without limitation, collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or applicable law unless Agent is furnished with an indemnification by the Lenders reasonably satisfactory to Agent with respect thereto.

14.2. Nature of Duties.

Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. None of Agent, any Lender, or any Issuer nor any of their respective officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct, or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of Loan Party to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Loan Party. The duties of Agent as respects the Advances shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement except as expressly set forth herein.

14.3. Lack of Reliance on Agent and Resignation.

(a) Independently and without reliance upon Agent, any Issuer or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Loan Party in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Loan Party. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any

Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Loan Party pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any Other Document, or of the financial condition of any Loan Party, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Other Documents or the financial condition of any Loan Party, or the existence of any Event of Default or any Default.

(b) Agent may resign on sixty (60) days' written notice to each of Lenders and each Borrower and upon such resignation, the Required Lenders will promptly designate a successor Agent reasonably satisfactory to Loan Parties. If no such successor Agent is appointed at the end of such sixty (60) day period, Agent may designate one of the Lenders as a successor Agent.

(c) Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent' s rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent' s resignation as Agent, the provisions of this Article XIV shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

14.4. Certain Rights of Agent.

(a) If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

(b) Anything in this Agreement or otherwise to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action (other than with respect to its right of setoff regarding property of Loan Parties in its possession or control and/or actions against the Agent for violating its obligations under this Agreement) to protect or enforce its rights arising out of this Agreement or any Other Document without first obtaining the prior written consent of Agent.

14.5. Reliance.

Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram,

order or other document, electronic or "e-mail" message or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care, except to the extent of the gross negligence or willful misconduct of such agents or attorneys-in-fact.

14.6. Notice of Default.

Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or a Loan Party referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.1 hereof) as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.1 hereof) as it shall deem advisable in the best interests of Lenders.

14.7. Indemnification.

To the extent Agent is not reimbursed and indemnified by Loan Parties, each Lender will reimburse and indemnify Agent and each Issuer in proportion to its respective portion of the Advances (or, if no Advances are outstanding, according to its Commitment Percentage), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent and such Issuer in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that, Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the indemnified party' s gross (not mere) negligence or willful misconduct.

14.8. Agent in its Individual Capacity.

With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Loan Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to give notice to or account for the same to Lenders.

14.9. Delivery of Documents.

To the extent Agent receives documents and information from any Loan Party pursuant to Sections 9.6, 9.7 and 9.8, Agent will promptly furnish such documents and information to Lenders.

14.10. Loan Parties' Undertaking to Agent.

Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Loan Party hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Loan Party' s obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

XV. GUARANTY.

15.1. Guaranty.

Each Guarantor hereby unconditionally guarantees, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, the due and punctual performance of all Obligations. Each payment made by any Guarantor pursuant to this Guaranty shall be made in lawful money of the United States in immediately available funds.

15.2. Waivers.

Each Guarantor hereby absolutely, unconditionally and irrevocably waives (i) promptness, diligence, notice of acceptance, notice of presentment of payment and any other notice hereunder, (ii) demand of payment, protest, notice of dishonor or nonpayment, notice of the present and future amount of the Obligations and any other notice with respect to the Obligations, (iii) any requirement that the Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any other Loan Party, or any Person or any Collateral, (iv) any other action, event or precondition to the enforcement hereof or the performance by each such Guarantor of the Obligations, and (v) any defense arising by any lack of capacity or authority or any other defense of any Loan Party or

any notice, demand or defense by reason of cessation from any cause of Obligations other than payment and performance in full of the Obligations by the Loan Parties and any defense that any other guarantee or security was or was to be obtained by Agent.

15.3. No Defense.

No invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor shall affect, impair or be a defense hereunder.

15.4. Guaranty of Payment.

The Guaranty hereunder is one of payment and performance, not collection, and the obligations of each Guarantor hereunder are independent of the Obligations of the other Loan Parties, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce the terms and conditions of this Article XV, irrespective of whether any action is brought against any other Loan Party or other Persons or whether any other Loan Party or other Persons are joined in any such action or actions. Each Guarantor waives any right to require that any resort be had by Agent or any Lender to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of any Agent or any Lender in favor of any Loan Party or any other Person. No election to proceed in one form of action or proceedings, or against any Person, or on any Obligations, shall constitute a waiver of Agent' s right to proceed in any other form of action or proceeding or against any other Person unless Agent has expressed any such right in writing. Without limiting the generality of the foregoing, no action or proceeding by Agent against any Loan Party under any document evidencing or securing indebtedness of any Loan Party to Agent shall diminish the liability of any Guarantor hereunder, except to the extent Agent receives actual payment on account of Obligations by such action or proceeding.

15.5. Liabilities Absolute.

The liability of each Guarantor hereunder shall be absolute, unlimited and unconditional and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any claim, defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any other Obligation or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired, released, limited or otherwise affected by:

(i) any change in the manner, place or terms of payment or performance, and/or any change or extension of the time of payment or performance of, release, renewal or alteration of, or any new agreements relating to any Obligation, any security therefor, or any liability incurred directly or indirectly in respect thereof, or any rescission of, or amendment, waiver or other modification of, or any consent to departure from, this Agreement or any Other Document, including any increase in the Obligations resulting from the extension of additional credit to any Borrower or otherwise;

(ii) any sale, exchange, release, surrender, loss, abandonment, realization upon any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, all or any of the Obligations, and/or any offset there against, or failure to perfect, or continue the perfection of, any Lien in any such property, or delay in the perfection of any such Lien, or any amendment or waiver of or consent to departure from any other guaranty for all or any of the Obligations;

(iii) the failure of the Agent or any Lender to assert any claim or demand or to enforce any right or remedy against any Borrower or any other Loan Party or any other Person under the provisions of this Agreement or any Other Document or any other document or instrument executed and delivered in connection herewith or therewith;

(iv) any settlement or compromise of any Obligation, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and any subordination of the payment of all or any part thereof to the

payment of any obligation (whether due or not) of any Loan Party to creditors of any Loan Party other than any other Loan Party;

(v) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any Loan Party; and

(vi) any other agreements or circumstance of any nature whatsoever that may or might in any manner or to any extent vary the risk of any Guarantor, or that might otherwise at law or in equity constitute a defense available to, or a discharge of, the Guaranty hereunder and/or the obligations of any Guarantor, or a defense to, or discharge of, any Loan Party or any other Person or party hereto or the Obligations or otherwise with respect to the Advances or other financial accommodations to any Borrower pursuant to this Agreement and/or the Other Documents.

15.6. Waiver of Notice.

The Agent shall have the right to do any of the above without notice to or the consent of any Guarantor and each Guarantor expressly waives any right to notice of, consent to, knowledge of and participation in any agreements relating to any of the above or any other present or future event relating to Obligations whether under this Agreement or otherwise or any right to challenge or question any of the above and waives any defenses of such Guarantor which might arise as a result of such actions.

15.7. Agent' s Discretion.

Agent may at any time and from time to time (whether prior to or after the revocation or termination of this Agreement) without the consent of, or notice to, any Guarantor, and without incurring responsibility to any Guarantor or impairing or releasing the Obligations, apply any sums by whomsoever paid or howsoever realized to any Obligations regardless of what Obligations remain unpaid.

15.8. Reinstatement.

(a) The Guaranty provisions herein contained shall continue to be effective or be reinstated, as the case may be, if claim is ever made upon the Agent or any Lender for repayment or recovery of any amount or amounts received by such Person in payment or on account of any of the Obligations and such Person repays all or part of said amount for any reason whatsoever, including, without limitation, by reason of any judgment, decree or order of any court or administrative body having jurisdiction over such Person or the respective property of each, or any settlement or compromise of any claim effected by such Person with any such claimant (including any Loan Party); and in such event each Guarantor hereby agrees that any such judgment, decree, order, settlement or compromise or other circumstances shall be binding upon such Guarantor, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any Obligation, and each Guarantor shall be and remain liable to the Agent and/or Lenders for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person(s).

(b) Agent shall not be required to marshal any assets in favor of any Guarantor, or against or in payment of Obligations.

(c) No Guarantor shall be entitled to claim against any present or future security held by Agent for Obligations in priority to or equally with any claim of Agent, any Lender or Issuer, or assert any claim for any liability of any Loan Party to any Guarantor in priority to or equally with claims of Agent, any Lender or Issuer for Obligations, and no Guarantor shall be entitled to compete with Agent with respect to, or to advance any equal or prior claim to any security held by Agent for Obligations.

(d) If any Loan Party makes any payment to Agent, which payment is wholly or partly subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any Person under any federal or provincial statute or at common law or under equitable principles, then to the extent of such payment, the Obligation intended to be paid shall be revived and continued in full force and effect as if the payment had not been made, and the resulting revived Obligation shall continue to be guaranteed, uninterrupted, by each Guarantor hereunder.

(e) All present and future monies payable by any Loan Party to any Guarantor, (other than by virtue of Guarantor' s right of subrogation, which Guarantor waives pursuant to Section 17.8), are assigned to Agent for its benefit and for the ratable benefit of Lenders as security for such Guarantor' s liability to Agent and Lenders hereunder and are postponed and subordinated to Agent' s prior right to payment in full of Obligations. Except to the extent prohibited otherwise by this Agreement, all monies received by any Guarantor from any Loan Party shall be held by such Guarantor as agent and trustee for Agent. This assignment, postponement and subordination shall only terminate when the Obligations are paid in full in cash and this Agreement is irrevocably terminated.

(f) Each Loan Party acknowledges this assignment, postponement and subordination and, except as otherwise set forth herein, agrees to make no payments to any Guarantor without the prior written consent of Agent. Each Loan Party agrees to give full effect to the provisions hereof.

15.9. Action Upon Event of Default.

Upon the occurrence and during the continuance of any Event of Default, the Agent may and upon written request of the Required Lenders shall, without notice to or demand upon any Loan Party or any other Person, declare any obligations of such Guarantor hereunder immediately due and payable, and shall be entitled to enforce the obligations of each Guarantor. Upon such declaration by the Agent, the Agent and Lenders (and any Affiliates thereof) are hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisions or final) at any time held and other indebtedness at any time owing by the Agent or Lenders (or such Affiliate) to or for the credit or the account of any Guarantor against any and all of the obligations of each Guarantor now or hereafter existing hereunder, whether or not the Agent or Lenders shall have made any demand hereunder against any other Loan Party and although such obligations may be contingent and unmatured. The rights of the Agent and Lenders hereunder are in addition to other rights and remedies (including other rights of set-off) which the Agent and Lenders may have. Upon such declaration by the Agent, with respect to any claims (other than those claims referred to in the immediately preceding paragraph) of any Guarantor against any Loan Party (the "Claims"), the Agent shall have the full right on the part of the Agent in its own name or in the name

of such Guarantor to collect and enforce such Claims by legal action, proof of debt in bankruptcy or other liquidation proceedings, Guarantor will not vote with respect to such Claims in any bankruptcy or proceeding for the arrangement of debts at any time proposed in a manner adverse to Agent' s interest, the Agent and each of its officers being hereby irrevocably constituted attorneys-in-fact for each Guarantor for the purpose of such enforcement and for the purpose of endorsing in the name of each Guarantor any instrument for the payment of money. Each Guarantor will receive as trustee for the Agent and will pay to the Agent forthwith upon receipt thereof any amounts which such Guarantor may receive from any Loan Party on account of the Claims. Each Guarantor agrees that at no time hereafter will any of the Claims be represented by any notes, other negotiable instruments or writings, except and in such event they shall either be made payable to the Agent, or if payable to any Guarantor, shall forthwith be endorsed by such Guarantor to the Agent. Each Guarantor agrees that no payment on account of the Claims or any security interest therein shall be created, received, accepted or retained after the occurrence of any Event of Default which has not been waived in writing by Agent nor shall any financing statement be filed with respect thereto by any Guarantor.

15.10. Statute of Limitations.

Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by any Loan Party or others (including any Lenders) with respect to any of the Obligations shall, if the statute of limitations in favor of any Guarantor against the Agent or Lenders shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

15.11. Interest.

All amounts due, owing and unpaid from time to time by any Guarantor hereunder shall bear interest at the interest rate per annum then chargeable with respect to Domestic Rate Loans constituting Revolving Advances.

15.12. Guarantor' s Investigation.

Each Guarantor acknowledges receipt of a copy of each of this Agreement and the Other Documents. Each Guarantor has made an independent investigation of the Loan Parties and of the financial condition of the Loan Parties. Neither Agent nor any Lender has made and neither Agent nor any Lender does make any representations or warranties as to the income, expense, operation, finances or any other matter or thing affecting any Loan Party nor has Agent or any Lender made any representations or warranties as to the amount or nature of the Obligations of any Loan Party to which this Article XV applies as specifically herein set forth, nor has Agent or any Lender or any officer, agent or employee of Agent or any Lender or any representative thereof, made any other oral representations, agreements or commitments of any kind or nature, and each Guarantor hereby expressly acknowledges that no such representations or warranties have been made and such Guarantor expressly disclaims reliance on any such representations or warranties.

15.13. Borrower or Guarantor.

The fact that a Guarantor is also a Borrower shall not reduce, limit or affect such Borrower' s independent obligations as a Borrower and/or as a Guarantor under this Agreement and/or under any Other Document.

15.14. Termination.

The provisions of this Article XV shall remain in effect until the indefeasible payment in full in cash of all Obligations and irrevocable termination of this Agreement.

XVI. JOINT AND SEVERAL BORROWINGS.

16.1. Joint and Several Obligations.

All Obligations of the Borrowers shall be their joint and several obligation and liability, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and/or forbearance granted by Agent or any Lender to any Loan Party, failure of Agent or any Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Loan Party and/or the release by Agent or any Lender of any Collateral now or thereafter acquired from any Loan Party, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Borrower, any other Loan Party or any Collateral for the Obligations or the lack thereof.

XVII. MISCELLANEOUS.

17.1. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against any Loan Party with respect to any of the Obligations, this Agreement or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each party hereto accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Loan Party hereby irrevocably waives the right to remove any action commenced by the Agent or any Lender in a state court to federal court. Each Loan Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Holdings, the Agent or any Lender at its address set forth in Section 17.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at the Agent' s and/or any Lender' s option, by any other type of service authorized by law upon Holdings which each Loan Party irrevocably appoints as such Loan Party' s agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Loan Party in the courts of any other jurisdiction. Each Loan Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens or upon the failure to name, serve or join an allegedly indispensable or necessary party or parties. Any judicial proceeding by any Loan Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or

connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the City of New York, State of New York.

17.2. Entire Understanding; Amendments.

(a) This Agreement and the documents executed concurrently herewith contain the entire understanding between each Loan Party, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by Loan Parties' , Agent' s and each Lender' s respective officers as required under Section 17.2(b) hereof. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing complying with Section 17.2(b) hereof. Each Loan Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) The Required Lenders, Agent with the consent in writing of the Required Lenders, and Borrowers may, subject to the provisions of this Section 17.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Loan Parties hereunder or thereunder or the conditions, provisions or terms hereof or thereof or waiving any Event of Default hereunder or thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall, without the consent of all Lenders:

(i) increase the Commitment Percentage of any Lender;

(ii) increase the Maximum Revolving Advance Amount;

(iii) extend the maturity of any Note or the due date for any amount payable hereunder, or decrease the rate of interest (other than a waiver of the applicability of any Default Interest) or reduce any scheduled principal payment or fee payable by Borrowers to Lenders pursuant to this Agreement;

(iv) alter the definition of the term Required Lenders or alter, amend or modify this Section 17.2(b);

(v) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of $250,000;

(vi) change the rights and duties of Agent;

(vii) permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances and Letter of Credit Obligations outstanding hereunder would exceed the Formula Amount for more than sixty (60) consecutive Business Days or exceed one hundred and ten percent (110%) of the Formula Amount; or

(viii) increase the Advance Rates above the Advance Rates in effect on the Closing Date.

Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Loan Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Loan Parties, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

(c) In the event that Agent requests the consent of a Lender pursuant to this Section 17.2 and such Lender shall not respond or reply to Agent in writing within ten (10) days of delivery of such request, such Lender shall be deemed to have consented to the matter that was the subject of the request. In the event that Agent requests the consent of a Lender pursuant to this Section 17.2 and such consent is denied, then GMAC CF may, at its option, require such Lender to assign its interest in the Advances to GMAC CF or to another Lender or to any other Person designated by the Agent (the "Designated Lender"), for a price equal to the then outstanding principal amount thereof plus accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event GMAC CF elects to require any Lender to assign its interest to GMAC CF or to the Designated Lender, GMAC CF will so notify such Lender in writing within forty-five (45) days following such Lender' s denial, and such Lender will assign its interest to GMAC CF or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, GMAC CF or the Designated Lender, as appropriate, and Agent.

(d) Notwithstanding the foregoing, Agent may at its discretion and without the consent of the Required Lenders, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount by up to one hundred and ten percent (110%) of the Formula Amount for up to thirty (30) consecutive Business Days. For purposes of the preceding sentence, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be either "Eligible Receivables" or "Eligible Inventory", as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than ten percent (10%), Agent shall decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence.

17.3. Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Loan Parties, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Loan Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Loan Party acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other financial institutions (each such transferee or purchaser of a participating interest, a "Transferee"). Each Transferee may exercise all rights of payment (including without limitation rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Transferee were the direct holder thereof provided that Loan Parties shall not be required to pay to any Transferee more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Transferee had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder and in no event shall Loan Parties be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Transferee. Each Loan Party hereby grants to any Transferee a continuing security interest in any deposits, moneys or other property actually or constructively held by such Transferee as security for the Transferee' s interest in the Advances. No Lender shall, as between Borrower and that Lender, be relieved of any of its obligations hereunder as a result of any granting of participation in, all or any part of the Advances or other Obligations owed to such Lender.

(c) Any Lender may with the consent of Agent and, provided that no Event of Default exists or is continuing, the Loan Parties (which consent shall not be unreasonably withheld or delayed) sell, assign or transfer all or any part of its rights under this Agreement and the Other Documents to one or more additional banks or financial institutions and one or more additional banks or financial institutions may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than $5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Loan Parties hereby consent to the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or

a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Loan Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Agent shall maintain at its address a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Advances owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Loan Parties, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Loan Parties or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall

receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender upon the effective date of each transfer or assignment to such Purchasing Lender.

(e) Loan Parties authorize each Lender to disclose to any Transferee or Purchasing Lender and any prospective Transferee or Purchasing Lender any and all financial information in such Lender' s possession concerning Loan Parties which has been delivered to such Lender by or on behalf of Loan Parties pursuant to this Agreement or in connection with such Lender' s credit evaluation of Loan Parties.

(f) (A) If any Lender or participant is a "foreign corporation, partnership or trust" within the meaning of the Code (hereinafter, "Foreign Lender") and the Foreign Lender claims exemption from, or a reduction of, U.S. withholding tax under Sections 1441 or 1442 of the Code, such Foreign Lender agrees with and in favor of the Agent and the Loan Parties, to deliver to the Agent and the Loan Parties:

(1) if such Foreign Lender claims an exemption from, or a reduction of, withholding tax under a United States of America tax treaty, properly completed IRS Forms W-8BEN and W-8ECI before the payment of any interest in the first calendar year and before the payment of any interest in each third succeeding calendar year during which interest may be paid under this Agreement;

(2) if such Foreign Lender claims that interest paid under this Agreement is exempt from United States of America withholding tax because it is effectively connected with a United States of America trade or business of such Foreign Lender, two properly completed and executed copies of IRS Form W-8ECI before the payment of any interest is due in the first taxable year of such Foreign Lender and in each succeeding taxable year of such Foreign Lender during which interest may be paid under this Agreement, and IRS Form W-9; and

(3) such other form or forms as may be required under the Code or other laws of the United States of America as a condition to exemption from, or reduction of, United States of America withholding tax.

(B) Such Foreign Lender agrees to promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(C) If any Foreign Lender claims exemption from, or reduction of, withholding tax under a United States of America tax treaty by providing IRS Form W-8BEN and such Foreign Lender sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations owing to such Foreign Lender, such Foreign Lender agrees to notify the Agent of the percentage amount in which it is no longer the beneficial owner of Obligations of any Borrower to such Foreign Lender. To the extent of such percentage amount, the Agent will treat such Foreign Lender' s IRS Form W-8BEN as no longer valid.

(D) If any Foreign Lender claiming exemption from United States of America withholding tax by filing IRS Form W-8ECI with the Agent sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations owing to such Foreign Lender, such Foreign Lender agrees to undertake sole responsibility for complying with the withholding tax requirements imposed by Sections 1441 and 1442 of the Code.

(E) If any Foreign Lender is entitled to a reduction in the applicable withholding tax, the Agent may withhold from any interest payment to such Foreign Lender an amount equivalent to the applicable withholding tax after taking into account such reduction. If the forms or other documentation required by subsection (A) of this Section are not delivered to the Agent, then the Agent may withhold from any interest payment to such Foreign Lender not providing such forms or other documentation an amount equivalent to the applicable withholding tax.

(F) If the IRS or any other Governmental Body of the United States of America or other jurisdiction asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Foreign Lender (because the appropriate form was not delivered, was not properly executed, or because such Foreign Lender failed to notify the Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Foreign Lender shall indemnify the Agent fully for all amounts paid, directly or indirectly, by the Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, together with all costs and expenses (including the fees, expenses and disbursements of counsel for Agent). The obligation of the Foreign Lenders under this subsection shall survive the payment of all Obligations, the termination of this Agreement and the resignation or replacement of the Agent.

(g) At the request of Agent from time to time both before and after the Closing Date, the Loan Parties will assist Agent in the syndication of the credit facility provided pursuant to this Agreement and the Other Documents. Such assistance shall include, but not be limited to (i) prompt assistance in the preparation of an information memorandum and the verification of the completeness and accuracy of the information and the reasonableness of the projections contained therein, (ii) preparation of offering materials and financial projections by Loan Parties and their advisors, (iii) providing Agent with all information reasonably deemed necessary by Agent to successfully complete the syndication, (iv) confirmation as to the accuracy and completeness of such offering materials and information and confirmation that management' s projections are based on assumptions believed by the Loan Parties to be reasonable at the time made, and (v) participation of the Loan Parties' senior management in meetings and conference calls with potential lenders at such times and places as Agent may reasonably request.

17.4. Application of Payments.

Subject to the express terms of this Agreement, Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Loan Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Loan Party' s benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

17.5. Indemnity.

Each Loan Party shall indemnify Agent, each Issuer, each Lender and each of their respective officers, directors, Affiliates, employees and agents from and against any and all

liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel) which may be imposed on, incurred by, or asserted against Agent, such Issuer or any Lender in any litigation, proceeding or investigation instituted or conducted by any governmental agency or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent, any Issuer or any Lender is a party thereto, except to the extent that any of the foregoing arises out of the gross negligence or willful misconduct of the party being indemnified. Agent and Lenders shall be indemnified and held harmless from any claims, demands, expenses (including attorneys' fees), losses or damages resulting from or arising out of their refraining from taking any action based upon their uncertainty, for any reason, as to the continuing effectiveness of the authority conferred by any of the resolutions described in the resolutions described in Section 8.1(c) or any other resolutions of any Loan Party until such time as Agent and Lenders are satisfied as to such authority.

17.6. Notice.

Any notice or request hereunder may be given to any Loan Party or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section 17.6. Any notice or request hereunder shall be given by (a) hand delivery, (b) overnight courier, (c) registered or certified mail, return receipt requested, or (d) telecopy to the number set out below (or such other number as may hereafter be specified in a notice designated as a notice of change of address) with electronic confirmation of its receipt. Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (a) when personally delivered to any officer of the party to whom it is addressed (b) on the earlier of actual receipt thereof or three (3) days following posting thereof by certified or registered mail, postage prepaid, (c) upon actual receipt thereof when sent by a recognized overnight delivery service or (d) upon actual receipt thereof when sent by telecopier to the number set forth below with electronic confirmation of its receipt, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

(A) If to Agent or to
GMAC CF as Lender: GMAC COMMERCIAL FINANCE LLC
1290 Avenue of the Americas, 3rd Floor
New York, New York 10104
Attention: Director, Structured Finance Division
Telephone: 212-884-7000
Facsimile: 212-884-7692

with a copy to: GMAC COMMERCIAL FINANCE LLC
1290 Avenue of the Americas, 3rd Floor
New York, New York 10104
Attention: Scott Yablonowitz, Esq.
Telephone: 212-884-7187
Telecopier: 212-884-7693

and: Hahn & Hessen LLP

488 Madison Avenue
New York, New York 10022
Attention: Leonard Lee Podair, Esq.
Telephone: 212-478-7200
Telecopier: 212-478-7400

(B) If to a Lender other than GMAC CF, as specified on the signature pages hereof.

(C) If to any Loan Party: c/o Edgen Louisiana Corporation
18444 Highland Road
Baton Rouge, Louisiana 70809
Attention: David L. Laxton, III
Telephone: (225) 756-7223
Facsimile: (225) 756-7953

with a copy to: Dechert LLP
1717 Arch Street
Philadelphia, Pennsylvania 19103
Attention: Sarah Gelb, Esq.
Telephone: (215) 994-4000

Facsimile: (215) 994-2222

and

Jefferies Capital Partners
520 Madison Avenue, 12th Floor
New York, New York 10022
Attention: James Luikart and Nicholas Daraviras
Telephone: (212) 284-1706
Facsimile: (212) 284-1717

17.7. Survival.

The obligations of Loan Parties under Sections 2.2(g), 3.6, 3.8, 3.11, 4.19(h), 14.7 and 17.5 shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

17.8. Waiver of Subrogation.

Each Loan Party expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution or any other claim which such Loan Party may now or hereafter have against the other Loan Parties or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Loan Parties' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and indefeasible repayment in full of the Obligations.

17.9. Severability.

If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent

so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

17.10. Expenses.

All costs and expenses including, without limitation:

(a) reasonable attorneys' fees and disbursements incurred by Agent and/or Agent on behalf of Lenders (i) in all efforts made to enforce payment of any Obligation or effect collection of any Collateral, or (ii) in connection with the entering into of, and/or any modification, amendment, administration and/or enforcement of, this Agreement or any consents or waivers hereunder and all related agreements, documents and instruments, or (iii) in instituting, maintaining, preserving, enforcing and foreclosing on Agent' s Lien on any of the Collateral, whether through judicial proceedings or otherwise, or (iv) in defending or prosecuting any actions or proceedings arising out of or relating to Agent' s or any Lender' s transactions with any Loan Party, or (v) in connection with any advice given to Agent or any Lender with respect to its rights and obligations under this Agreement and all related agreements;

(b) reasonable fees and disbursements incurred by Agent or Agent on behalf of Lenders in connection with any appraisals of Inventory or other Collateral, field examinations, collateral analysis or monitoring or other business analysis conducted by outside Persons in connection with this Agreement and all related agreements; and

(c) reasonable attorneys' fees and disbursements incurred by Lenders (i) in all efforts made to enforce payment of any Obligation or effect collection of any Collateral, (ii) in connection with the enforcement of this Agreement and all related agreements, documents and instruments or (iii) in defending or prosecuting any actions or proceedings arising out of or relating to Agent' s or any Lender' s transactions with any Loan Party in connection with this Agreement and/or the Other Documents;

may be charged to any Borrower' s Account and shall be part of the Obligations; provided, however, that so long as no Default or Event of Default shall be in existence, the Loan Parties shall be obligated to pay for no more than one (1) appraisal and two (2) collateral audits per calendar year.

17.11. Injunctive Relief.

Each Loan Party recognizes that, in the event any Loan Party fails to perform, observe or discharge any of its obligations or liabilities under or in connection with this Agreement, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

17.12. Consequential Damages.

None of Agent, any Issuer, any Lender, nor any agent or attorney for any of them, shall be liable to any Loan Party for consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations.

17.13. Captions.

The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

17.14. Counterparts; Telecopied Signatures.

This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

17.15. Construction.

The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

17.16. Confidentiality; Sharing Information.

(a) Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent' s, such Lender' s and such Transferee' s customary procedures for handling confidential information of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (i) to its examiners, affiliates, outside auditors, counsel and other professional advisors, (ii) to Agent, any Lender or to any prospective Transferees and Purchasing Lenders, and (iii) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (x) unless specifically prohibited by applicable law or court order, Agent, each Lender and each Transferee shall use reasonable efforts prior to disclosure thereof, to notify the Borrowers of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (y) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Loan Party other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated.

(b) Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Loan Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender

or by one or more Subsidiaries or Affiliates of such Lender and each Loan Party hereby authorizes each Lender to share any information delivered to such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of such Lender, it being understood that any such Subsidiary or Affiliate of any Lender receiving such information shall be bound by the provision of this Section 17.16 as if it were a Lender hereunder. Such authorization shall survive the repayment of the Obligations and the termination of this Agreement.

17.17. Publicity.

Each Loan Party hereby authorizes Agent at its sole expense to make appropriate announcements of the financial arrangement entered into among Loan Parties, Agent and Lenders, including, without limitation, announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall deem appropriate after obtaining the consent of the Borrower (which shall not be unreasonably withheld). In addition, each Loan Party authorizes Agent to include such Loan Party' s name and logo in select transaction profiles and client testimonials prepared by Agent for use in publications, company brochures and other marketing materials of Agent after obtaining the consent of the Borrower (which shall not be unreasonably withheld).

17.18. Amendment and Restatement.

(a) As of the date of this Agreement, the terms, conditions, covenants, agreements, representations and warranties contained in the Existing Loan Agreement shall be deemed amended and restated in their entirety pursuant to this Agreement, and the Existing Loan Agreement shall be consolidated with and into and superseded by this Agreement; provided, however, that nothing contained in this Agreement shall constitute a repayment of any indebtedness under the Existing Loan Agreement, or shall impair, limit or affect the Liens heretofore granted, pledged and/or assigned to Agent for the ratable benefit of the Lenders as security for the Obligations under the Existing Loan Agreement, except as otherwise herein provided.

(b) By their signatures hereto, (i) each of the Existing Lenders assigns to each Lender its Commitment Percentage of the Commitments under the Existing Loan Agreement, and (ii) each of the Lenders accepts from each Existing Lender a percentage of the Commitments equal to such Lender' s Commitment Percentages as set forth on the signature pages hereto, all pursuant to the same terms and conditions as contained in the form of Commitment Transfer Supplement set forth in Exhibit 17.3.

17.19. Confirmation and Ratification of Collateral Security and of Existing Other Documents.

(a) By their respective signatures hereto, each of the Loan Parties hereby confirm and ratify all of their respective agreements, undertakings, covenants, representations and warranties under all Existing Other Documents (including, without limitation, all collateral security granted thereunder (except as otherwise provided in Section 17.19(b) below)) and acknowledge and agree that all of the foregoing shall remain in full force and effect on and after the Closing Date and shall remain applicable to all Obligations as defined in this Agreement and to all Other Documents.

(b) Notwithstanding the terms of any Existing Other Documents, the grant of Collateral security under this Agreement and the Other Documents shall be deemed amended to release any assets of Loan Parties to the extent not included within the definition of "Collateral" as used in this Agreement (provided, however, that the foregoing shall not restrict the ability of the Loan Parties to grant Liens to Agent in assets described in clause (c)(vi) of the definition of Collateral in their future sole discretion).

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK.]

[SIGNATURE PAGES FOLLOW.]

Each of the parties has signed this Agreement as of the day and year first above written.

WITNESS:

/s/ Heather Carmody

EDGEN CARBON PRODUCTS GROUP, L.L.C.,
as a Borrower and as a Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary and Manager

Address: 18444 Highland Road
Baton Rouge, LA 70809

WITNESS:

/s/ Heather Carmody

EDGEN ALLOY PRODUCTS GROUP, L.L.C.,
as a Borrower and as a Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary and Manager

Address: 18444 Highland Road
Baton Rouge, LA 70809

WITNESS:

/s/ Heather Carmody

EDGEN CORPORATION, as a Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary, Chief Financial Officer
and Senior Vice President

Address: c/o Jefferies Capital Partners
520 Madison Avenue, 12th Floor
New York, NY 10022

WITNESS:

/s/ Heather Carmody

EDGEN LOUISIANA CORPORATION,
as a Guarantor

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary, Chief Financial Officer
and Senior Vice President

Address: 18444 Highland Road
Baton Rouge, LA 70809

GMAC COMMERCIAL FINANCE LLC,
as a Lender and as Agent

By: /s/ Frank DiCeglie
Name: Frank DiCeglie
Title: Director
Address: 1290 Avenue of the Americas, 3rd Floor
New York, New York 10104

Commitment Percentage: 100%
Commitment: $20,000,000

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 1st day of February, 2005, before me personally came David L. Laxton, III, to me known, who, being by me duly sworn, did depose and say that he is the Secretary and Manager of Edgen Carbon Products Group, L.L.C., the limited liability company described in and which executed the foregoing instrument, and that he signed his name thereto by order of such limited liability company.

/s/ Yvonne Cappelletti
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 1st day of February, 2005, before me personally came David L. Laxton, III, to me known, who, being by me duly sworn, did depose and say that he is the Secretary and Manager of Edgen Alloy Products Group, L.L.C., the limited liability company described in and which executed the foregoing instrument, and that he signed his name thereto by order of such limited liability company.

/s/ Yvonne Cappelletti
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 1st day of February, 2005, before me personally came David L. Laxton, III, to me known, who, being by me duly sworn, did depose and say that he is the Secretary, Chief Financial Officer and Senior Vice President of Edgen Corporation, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of such corporation.

/s/ Yvonne Cappelletti
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.

COUNTY OF NEW YORK)

On this 1st day of February, 2005, before me personally came David L. Laxton, III, to me known, who, being by me duly sworn, did depose and say that he is the Secretary, Chief Financial Officer and Senior Vice President of Edgen Louisiana Corporation, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the board of directors of such corporation.

/s/ Yvonne Cappelletti
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 1st day of February, 2005, before me personally came Frank DiCeglie, to me known, who, being by me duly sworn, did depose and say that he is the Director of GMAC COMMERCIAL FINANCE LLC, the limited liability company described in and which executed the foregoing instrument, and that he signed his name thereto on behalf of said limited liability company.

/s/ Yvonne Cappelletti
NOTARY PUBLIC

Exhibit 10.5

Execution copy

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT effective as of the 1st day of January 2005 (the "Effective Date"), by and between **Daniel J. O' Leary**, an individual whose address is 17741 Brookcrest Avenue, Baton Rouge, Louisiana 70817 (the "Executive"), **Edgen Louisiana Corporation**, a Louisiana corporation ("EDGEN" or the "Company"), and Edgen Corporation, a Nevada corporation ("Parent").

W I T N E S S E T H

WHEREAS, the Executive served as the President/Chief Operating Officer of Parent and EDGEN, pursuant to an Employment Agreement, dated January 8, 2004 (the "Prior Agreement"), by and between EDGEN and the Executive and since August of 2003 has served as the President/Chief Operating Officer of Parent and EDGEN;

WHEREAS, Parent and EDGEN seek to utilize the Executive' s knowledge, experience, talents and abilities; EDGEN desires to continue to employ the Executive as the President and to employ the Executive as Chief Executive Officer of Parent and of EDGEN, and the Executive desires to be so employed, subject to the terms and conditions set forth herein;

WHEREAS, EDGEN is a wholly-owned subsidiary of Parent; and

WHEREAS, the Executive and EDGEN wish to amend and restate the Prior Agreement in its entirety in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement as follows:

1. Employment.

1.1 General Provision. Subject to the terms and conditions hereinafter set forth, EDGEN hereby agrees to employ the Executive, and the Executive hereby agrees to serve as the President/Chief Executive Officer of Parent and of EDGEN, effective on the Effective Date. The Executive agrees to perform such services customary to such office as shall from time to time be assigned to him by the Board of Directors of Parent and/or EDGEN. The Executive further agrees to use his best efforts to promote the interests of EDGEN and Parent, and to devote his full business time, business energies, and skill to the business and affairs of EDGEN and of Parent in accordance with the directions and orders of the Board of Directors of EDGEN and/or Parent. The Executive may participate in reasonable outside charitable or unrelated business activities as long as such activities do not take up a significant amount of the Executive' s time and energies or interfere in any way with the performance of the Executive' s duties hereunder, and to the extent that any such activities do require the Executive to devote a significant amount of his time and energies, such activities must be approved in advance by the Board of Directors of EDGEN.

1.2 Location of Employment. Unless otherwise agreed by Executive, Executive' s principal place of employment shall be within 50 miles of the Company' s principal executive offices located in Baton Rouge, Louisiana. If executive should agree to any other location, the Company shall (a) pay all out of pocket expenses incurred by Executive in connection with the relocation; and (b) if requested by Executive, shall purchase his residence at fair market value as determined by a real estate appraiser, mutually selected by the Company and Executive. If agreement cannot be reached, each party may select one appraiser and they shall agree on a third appraiser. The average of the three appraisals shall become the fair market value. All expenses incurred in connection with the appraisers shall be paid by the Company.

1.3 Board Membership. During the term of this agreement, the Company shall use its best efforts to nominate and cause the election of the Executive to the Company' s Board of Directors and its Executive Committee, if one is constituted. Except as may otherwise be provided or prohibited in accordance with appropriate law, the Company shall use its best efforts to amend its Articles of Incorporation and Bylaws to provide that directors may only be removed for cause by a vote of the majority of the shares of voting stock of the Company then outstanding, if necessary. If Executive is not elected to the Board of Directors at any time during the term hereof, he shall be entitled to terminate this agreement and receive the Severance benefits set forth in Section 5.5 of this Agreement.

2. Term of Employment. The Executive' s "Employment Term" pursuant to this Agreement shall commence on the Effective Date and, unless terminated earlier pursuant to Section 4 hereof, shall terminate upon the third anniversary of the Effective Date; provided, however, that after the third anniversary, the Employment Term shall automatically be extended for additional periods of one (1) year each unless either EDGEN or the Executive elects not to extend such term by giving written notice thereof at least thirty (30) days prior to the end of the then current term; provided, further, however, that if the Executive is terminated pursuant to Section 4 below, there shall be no automatic renewal of the Employment Term. For purposes hereof, the last day of the Employment Term shall be deemed the "Expiration Date."

3. Compensation and Other Related Matters.

3.1. Base Salary. As compensation for the services rendered by the Executive hereunder, EDGEN shall pay, or shall cause to be paid, to the Executive during the Employment Term, and the Executive shall accept, compensation at the rate of Two Hundred Seventy-Five Thousand Dollars ($275,000) per annum (the "Annual Base Salary"). EDGEN' s obligation to pay the Annual Base Salary shall begin to accrue on the Effective Date and shall be paid in accordance with EDGEN' s customary payroll practices which are in effect from time to time during the Employment Term. The Annual Base Salary may be increased at any time during the Employment Term by action of the Board of Directors. The Executive' s Annual Base Salary shall be subject to all applicable withholding and other taxes.

3.2. Annual Bonus. In addition to the Annual Base Salary set forth above, during the Employment Term, with respect to each fiscal year of EDGEN, subject to Section 5.1, the Executive shall be entitled to receive an annual bonus (the "Annual Bonus") calculated in accordance with Schedule A attached hereto. The Annual Bonus shall be payable by EDGEN to the Executive with respect to each year ending on December 31 by April 1 of the following year.

3.3. Other Employment Benefits. During the Employment Term, the Executive shall be entitled to the following employment benefits:

(a) four (4) weeks of paid vacation in each fiscal year of EDGEN while the Executive is employed hereunder (one week of which, if not used by the Executive in any given fiscal year, may be carried over to the next fiscal year; provided, that the Executive shall not have more than five (5) weeks of paid vacation in any given fiscal year as a result of such carry over), and sick leave in accordance with EDGEN' s policies from time to time in effect for executive officers of EDGEN; provided, that, except as provided herein, vacation and/ or sick leave time not used in any year may not be carried over or transferred from one year to another or converted to cash, except in a year in which there is a Change of Control (as hereinafter defined) where the Executive is no longer employed;

(b) participation, subject to qualification requirements, in medical, life or other insurance or hospitalization plans and long-term disability policies which are presently in effect or hereinafter instituted by EDGEN and applicable to its executive officers generally;

(c) participation, subject to classification requirements and continued maintenance thereof by EDGEN in other Executive benefit plans, such as pension and profit sharing plans, which are from time to time applicable to EDGEN' s executive officers generally;

(d) an automobile allowance of $1,200 per month, which shall be used by the Executive to cover all lease and insurance payments with respect to one automobile of the Executive' s choice for business purposes, which automobile' s retail value shall not exceed $75,000. The Executive shall provide proof of insurance in limits and with a company approved by EDGEN. EDGEN shall also be listed as a "named insured" under the policy. EDGEN shall reimburse the Executive, upon the presentation of appropriate receipts, for all

reasonable and necessary maintenance, repair and gasoline costs incurred by the Executive in connection with the use of such automobile; provided, that such costs are directly related to the performance by the Executive of his obligations to EDGEN and/or to Parent hereunder;

(e) EDGEN shall purchase (subject to the insurability of the Executive at standard rates) a life insurance policy in the amount of $1,000,000 on the life of the Executive to provide benefits under Section 5.2 (b) hereof; and

(f) a supplemental payment of $9500 per annum (the "Supplemental Payment"), which shall be paid in accordance with EDGEN' s customary payroll practices which are in effect from time to time during the Employment Term.

3.4. Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement from EDGEN or all travel, entertainment and out-of-pocket expenses which are reasonably and necessarily incurred by the Executive in the performance of his duties hereunder (including up to $400 monthly for club dues in connection with membership in one country club or similar organization); provided, that, the Executive properly accounts therefor in accordance with EDGEN' s policies as in effect from time to time and such expenses are approved by the Board of Directors of EDGEN.

3.5 Tax Preparation. The Company will reimburse Executive for the cost of tax and financial preparation and planning, including services that may be requested by Executive from time to time pertaining to this Agreement, which shall be limited to $1,500 per year, increased by the greater of (i) six (6%) percent per year or (ii) the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor.

4. Termination.

4.1. Disability. In the event that at any time during the Employment Term, the Executive, due to physical or mental injury, illness, disability or incapacity, including "disability" within the meaning of the disability plan(s) that EDGEN then has in effect entitling the Executive to benefits thereunder (a "Disability"), shall fail to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder for a period of three (3) consecutive months or for a non-consecutive period of five (5) months within any twelve (12) month period, EDGEN may terminate his employment for Disability upon not less than thirty (30) days prior written notice by delivery of a Termination Notice (as defined below) to the Executive specifying that the Executive is being terminated for Disability.

4.2. Death. The Executive' s employment shall terminate immediately upon the death of the Executive.

4.3. Cause. EDGEN may, at any time and in its sole discretion, terminate the Executive' s employment for Cause (as herein defined) by delivery to the Executive of a Termination Notice specifying the nature of such Cause, effective as of the date (such effective date referred to herein as a "Termination Date") of such Termination Notice. For purposes hereof, termination for "Cause" shall mean (i) a conviction of, a plea of nolo contendere, a guilty plea or confession by the Executive to an act of fraud, misappropriation or embezzlement or to a felony; (ii) the commission of a fraudulent act or practice by the Executive affecting EDGEN and/or Parent; (iii) the willful failure by the Executive to follow the directions of the Board of Directors of EDGEN; (iv) the Executive' s habitual drunkenness or use of illegal substances, each as determined in the reasonable discretion of the Board of Directors of EDGEN; (v) the material breach by the Executive of this Agreement; or (vi) an act of gross neglect or gross or willful misconduct that relates to the affairs of Parent and/or EDGEN which Board of Directors of EDGEN, in its reasonable discretion, deems to be good and sufficient cause; provided, that if the Executive shall receive a Termination Notice with respect to a termination for Cause pursuant to subsections (iii), (v) and/or (vi) hereof, then the Executive shall have the thirty (30) days following his receipt of the Termination Notice to cure the breach specified therein, if capable of being cured, to the reasonable satisfaction of Board of Directors of EDGEN prior to his employment being terminated for Cause pursuant thereto; provided, however, the Executive shall have the right to cure any such breach only one (1) time in any twelve (12) month period.

4.4. Voluntary Termination by EDGEN. EDGEN may, at any time, and in its sole discretion, terminate the employment of the Executive hereunder for any reason other than for Cause by the delivery to the Executive of a Termination Notice, effective as of the date of such Termination Notice.

4.5. Termination by EDGEN in Conjunction with a Change of Control. For purposes of this Agreement, a "Change of Control" means the sale of Parent whether by, merger, consolidation, recapitalization, reorganization, sale of securities, sale of assets or otherwise in one transaction or a series of related transactions to a person or persons (other than to funds managed by Jefferies Capital Partners or to any person, persons or entities affiliated therewith), pursuant to which such person or persons (together with its affiliates) acquires (i) securities representing at least a majority of the voting power of all securities including all securities convertible, exchangeable or exercisable for or into voting securities of Parent, assuming the conversion, exchange or exercise of all securities convertible, exchangeable or exercisable for or into voting securities (other than in connection with a successfully completed firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act), or (ii) all or substantially all of the consolidated assets of Parent. EDGEN may terminate the employment of the Executive hereunder in conjunction with any Change of Control by delivery to the Executive of a Termination Notice, effective as of the date stated in the Termination Notice.

4.6 Resignation by Executive in Conjunction with a Change of Control. In the event of a "Change of Control" as defined above, the Executive may elect to resign his position and upon such resignation shall be entitled to a Severance Package and benefits as set forth in Section 5.5 below.

4.7 Termination Notice. For the purposes hereof "Termination Notice" shall mean a written notice delivered by EDGEN and/or Parent to the Executive specifying that EDGEN and/or Parent has terminated the Executive' s employment hereunder.

5. Compensation and Benefits During Disability and Upon Termination. During a Disability Period (as herein defined) or upon the termination of the Executive' s employment hereunder, the Executive shall be entitled to the following benefits:

5.1. Disability. During any period (the "Disability Period") that the Executive, due to Disability fails to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder, EDGEN shall continue to pay to the Executive the Annual Base Salary (as in effect at such time) in accordance with the provisions of Section 3.1 hereof, less any compensation payable to the Executive under the applicable disability insurance plan(s) of EDGEN during such Disability Period. Thereafter, if the Executive' s employment hereunder is terminated pursuant to Section 4.1 hereof, EDGEN shall have no further obligations hereunder after the Termination Date other than the payment of (a) any Annual Base Salary accrued and unpaid on the Termination Date; (b) the Annual Base Salary (as in effect during the year of such termination) payable in accordance with EDGEN' s customary payroll practices (less any compensation payable to the Executive under the applicable disability insurance plan(s) of EDGEN), for the twelve (12) month period immediately following the Termination Date; and (c) any Annual Bonus accrued and unpaid on the Termination Date for the year prior to the year in which the Executive' s termination occurs and the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs (based upon the number of days during such year that the Executive was employed (excluding any Disability Period) over 365 days), payable on the same date as such

Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.2. Death. If the Executive' s employment is terminated pursuant to Section 4.2 hereof as a result of the Executive' s death, EDGEN shall have no further obligations hereunder after the date of the Executive' s death other than the payment to the Executive' s spouse, or in default thereof, to the Executive' s estate, legal representative, or heirs ("Appropriate Beneficiary") of:

(a) any Annual Base Salary and Annual Bonus accrued and unpaid at the date of the Executive' s death; and

(b) the proceeds of a life insurance policy on the life of the Executive in the amount of $1,000,000, obtained by EDGEN. In the event that payment of the proceeds of the policy are refused by the insurer, for whatever reason, and suit is filed against the insurer to force payment of the proceeds, commencing the first EDGEN payroll after suit is filed, EDGEN shall begin paying the Appropriate Beneficiary, in accordance with its customary payroll practices, one twelfth (1/12) of the Annual Base Salary (as in effect during the year of such death) each month, up to a maximum equal to the Annual Base Salary (as in effect during the year of such death). In the event the suit against the insurer is successful, and insurance proceeds are obtained, EDGEN shall first be reimbursed for all death benefits paid under Section 5.2(b) and all expenses of the suit, and the remainder, or balance of the proceeds, if any, shall be paid to the Appropriate Beneficiary

within thirty (30) days of receipt of proceeds from the insurer by EDGEN. EDGEN shall have sole discretion in deciding if any suit will be filed against the insurer and whether or not, and in what amount, any such suit should be settled or compromised. In the event that such policy is not procured, for whatever reason, EDGEN shall pay to the Appropriate Beneficiary the Annual Base Salary (as in effect during the year of such death), payable in accordance with EDGEN' s customary payroll practices, for the 12-month period immediately following the date of the Executive' s death.

5.3. Cause. If the Executive' s employment is terminated by EDGEN for Cause pursuant to Section 4.3 hereof, EDGEN shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. EDGEN shall not be obligated to make any bonus payments to the Executive pursuant to Section 3.2 hereof for the year in which such termination occurs or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law. Upon termination of employment for Cause, the Executive shall be responsible for the payment of any COBRA premiums.

5.4. Voluntary Termination by EDGEN. If EDGEN voluntarily terminates the Executive' s employment hereunder pursuant to Section 4.4 hereof, EDGEN shall have no further obligations hereunder after the Termination Date, except (a) the payment for the greater of either the 12-month period immediately following the Termination Date or the remainder of the Employment Term of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with EDGEN' s customary payroll practices; (b) the payment of the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored

medical and health benefits (or the reimbursement of COBRA premiums), but only to the extent permitted by such policies or plans, or as otherwise required by law; provided, however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy, EDGEN' s obligation to pay the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits shall cease immediately; and (c) the payment of any Annual Bonus accrued and unpaid on the Termination Date for the year prior to the year in which the Executive' s termination occurs and the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated, provided, however, the Annual Bonus for the year in which such termination occurs, shall be *pro rated*, based on the number of days the Executive was employed (less any Disability Period) over 365 days.

5.5 Termination in Conjunction with a Change of Control; Severance Package. If (a) EDGEN terminates the employment of the Executive hereunder in conjunction with any Change of Control, pursuant to Section 4.5 hereof; or if the Executive resigns his position in conjunction with a Change in Control, pursuant to Section 1.3 or 4.6, the Executive shall be entitled to a severance package consisting of: (i) the payment of twelve (12) months of Annual Base Salary (as in effect during the year of such termination) payable in a lump sum, (ii) any Annual Bonus accrued and unpaid on the Termination Date or resignation date for the year prior to the year in which the Executive' s termination occurs and the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated; provided, however, the Annual Bonus for the year in which such termination or resignation occurs, shall be *pro rated*, based on the number of days the Executive was employed (less any Disability Period) over 365 days, and (iii) the payment of the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits (or the reimbursement of COBRA premiums), but only to the extent permitted by such policies or plans, or as otherwise required by law for the period of one year from the date of termination or resignation; provided, however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy EDGEN' s obligation to pay the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits shall cease immediately. Notwithstanding the foregoing, in the event that the Executive, or any of his Affiliates, participates in any Change of Control transaction as an equity participant and/or as a purchaser of securities or assets and, immediately after the consummation of the Change of Control transaction remains, or within six (6) months of such transaction, becomes actively involved in the operation of the Company, Parent or any successor entity thereto as an officer, director or employee, the provisions of this Section 5.5 shall terminate and be of no further force and effect provided, however, that if the Executive is first terminated in connection with a Change of Control and then

subsequently becomes actively involved in EDGEN within six (6) months of a Change of Control transaction the Executive shall pay to the stockholders of the Company immediately prior to the Change of Control (the "Stockholders"), by delivery to Jefferies Capital Partners, as representative for the Stockholders pursuant to that certain Stockholders Agreement, by and among the Stockholders, of cash, bank check or wire transfer of immediately available

funds, an amount equal to the aggregate amount paid to the Executive under Sections 5.5(i), (ii) and (iii) above minus an amount equal to the pro rated Annual Bonus for the year in which the Executive was terminated (based on the number of days the Executive was employed (less any Disability Period) over 365 days).

5.6 Resignation by Executive. If at any time during the Employment Term, the Executive resigns from the employ of EDGEN and/or Parent for any reason whatsoever (other than in conjunction with a Change of Control or for failure to be elected to the Board of Directors), EDGEN shall have no further obligations hereunder after the date of resignation other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the date of resignation. EDGEN shall not be obligated and shall be released from all obligations to make any bonus payments to the Executive pursuant to Section 3.2 hereof.

5.7 Executive Benefit Plans and Premiums. During any Disability Period, and upon termination of employment for any cause, the right of the Executive (and that of his dependents) to participate in any Executive benefit plan(s) of EDGEN, including any health benefit plan(s), shall be controlled by applicable law, including COBRA, and the terms and conditions of the Executive benefit plan. Upon termination of employment for Cause, the Executive shall be responsible for the payment of any COBRA premiums.

6. Confidentiality. The Executive acknowledges that it is the policy of EDGEN and Parent to maintain as secret and confidential all Confidential Information (as defined herein). The parties hereto recognize that the services to be performed by the Executive pursuant to this Agreement are special and unique, and that by reason of his employment by EDGEN, Parent, or any Affiliates thereof both before and after the Effective Date, the Executive will acquire, or may have acquired, Confidential Information. The Executive recognizes that all such Confidential Information is and shall remain the sole property of EDGEN and Parent, as applicable, free of any rights of the Executive, and acknowledges that EDGEN and Parent have a vested interest in assuring that all such Confidential Information remains secret and confidential. Therefore, in consideration of the Executive' s employment with EDGEN and Parent pursuant to this Agreement, the Executive agrees that at all times from and after the Effective Date, he will not, directly or indirectly, disclose to any person, firm, company or other entity, other than Parent, or any of its Affiliates (for the purposes of this Employment Agreement, the term "Affiliate(s)" means Parent, its successor(s), any direct or indirect subsidiary of Parent, or its successor(s), or any division of a subsidiary), any Confidential Information, except as required in the performance of his duties hereunder, without the prior written consent of Parent or EDGEN, as applicable, except to the extent that (i) any such Confidential Information becomes generally available to the public, other than as a result of a breach by the Executive of this Section 6, or (ii) any such Confidential Information becomes available to the Executive on a non-confidential basis from a source other than Parent, or any of its Affiliates or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to Parent, any of its Affiliates or another party. In addition, it shall not be a breach of the confidentiality obligations hereof if the Executive is required by law to disclose any Confidential Information; provided, that in such case, the Executive shall (a) give Parent and/or EDGEN, as applicable, the earliest notice possible that such disclosure is or may be required and (b) cooperate with Parent and/or EDGEN, as applicable, at Parent' s and/or EDGEN' s expense, as applicable, in protecting, to the maximum extent legally permitted, the

confidential or proprietary nature of the Confidential Information which must be so disclosed. The obligations of the Executive under this Section 6 shall survive any termination of this Agreement. During the Employment Term, the Executive shall exercise all due and diligent precautions to protect the integrity of the business plans, customer lists, statistical data and compilation, agreements, contracts, manuals or other documents of Parent and/or EDGEN, as applicable which embody the Confidential Information, and upon the expiration or the termination of the Employment Term, the Executive agrees that all Confidential Information in his possession, directly or indirectly, that is in

writing, computer generated, or other tangible form (together with all duplicates thereof) will forthwith be returned to Parent and/or EDGEN, as applicable, and will not be retained by the Executive or furnished to any person, either by sample, facsimile, film, audio or video cassette, electronic data, verbal communication or any other means of communication. The Executive agrees that the provisions of this Section 6 are reasonably necessary to protect the proprietary rights of Parent and EDGEN in the Confidential Information and their trade secrets, goodwill and reputation.

For purposes hereof, the term "Confidential Information" means all information heretofore or hereafter developed or used by Parent, or any of its Affiliates relating to the Business (as herein defined), and the operations, employees, customers, suppliers and distributors of Parent and/or any of its Affiliates, including, but not limited to, customer lists, customer orders, purchase orders, financial data, pricing information and price lists, business plans and market strategies and arrangements, all books, records, manuals, advertising materials, catalogues, correspondence, mailing lists, production data, sales materials and records, purchasing materials and records, personnel records, quality control records and procedures included in or relating to the Business or any of the assets of Parent and/or its Affiliates, and all trademarks, trade names, copyrights and patents, and applications therefor, all trade secrets, inventions, processes, procedures, research records, market surveys and marketing know-how and other technical papers of Parent and/or any of its Affiliates, except that notwithstanding anything to the contrary contained herein, the term Confidential Information shall not include any such information that is publicly known or that becomes publicly known (other than as a result of any action on the part of, or a breach of the provisions of this Section 6, by the Executive).

For purposes hereof, the term "Business" shall mean the business of (a) distributing and selling industrial steel pipe, including large OD pipe, heavy wall and X-grade pipe, DSAW, seamless, continuous weld, ERW pipe and abrasive resistant pipe (mine pipe), and valves, alloy pipe, flanges and fittings, welded fittings and flanges (high yield, stainless, exotic carbon, chrome and low temp) per ANSI B16.9 and B16.5 (commodity lines and specials, i.e. anchor flanges and swivel ring flanges) forged steel fittings, outlets, pipe nipples, swage nipples, hot induction bends and Pikotek gaskets/insulation kits, stainless steel and other nickel alloy and hastelloy pipe, valves, fittings and flanges, including all chrome grades, (collectively, the "Products"); (b) providing added value services to such pipe and steel Products, including, flame cutting, sawing, welding, sandblasting, priming, top coat painting, epoxy applications and end finishing, and conversion of pipe to other components or products; (c) entering into joint venture, partnership or agency arrangements relating to the sale or distribution of surplus stainless steel pipe, fittings and flanges, but excluding value-added services if not sold as part of the Products; and (d) any endeavor entered into by Parent or any Affiliates after the signing of this agreement,

but before termination of the employment of the Executive. Notwithstanding anything herein to the contrary, the definition of the Business shall not include the manufacturing of steel pipe.

7. Noncompetition; Nonsolicitation.

7.1. If the Executive' s employment is terminated for Disability or for Cause, pursuant to Section 4.1 or 4.3 hereof, respectively, or if the Executive resigns, pursuant to Section 5.6 hereof, during the Employment Term and for a period of twelve (12) months following the date of the termination of the Executive' s employment with EDGEN, or for a period of twelve (12) months following the date of receipt of the last payment by the Executive of any payment made pursuant to any part of Section 5, whichever is longer, the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area (as designated in Schedule B attached hereto) [Need to confirm Schedule B remains accurate] where Parent and/or EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s

employment is terminated pursuant to Section 4.1 or 4.3 hereof, or resigns, pursuant to Section 5.6 hereof, and he will not, either personally or by his agent or by letters, circulars or advertisements, whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected) directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.2. If the Executive' s employment is terminated without Cause pursuant to Section 4.4 of this Agreement, and provided that EDGEN (pursuant to Section 5.4 of this Agreement) pays Executive the Annual Base Salary as set forth in Section 3.1 and the employment benefits set forth in Section 3.3(b) hereof in effect at the time of termination of employment (but only to the extent permitted by such policies or plans, or as otherwise required by law) in accordance with EDGEN' s customary payroll practices which are in effect at the time payments are due (the "Post-termination Benefits"), the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area (as designated in Schedule B attached hereto), where EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder for a period of twelve (12) months from the date of the termination (the "Initial Period of Noncompetition"). EDGEN will have the option of extending the Period of Noncompetition for an additional consecutive twelve (12) months (the "Extended Period of Noncompetition") upon giving written notice to the Executive at least one hundred and twenty (120) days before expiration of the Initial Period of Noncompetition. During the Extended Period of Noncompetition, EDGEN shall pay the Executive the Annual Base Salary and the Post-termination Benefits, in accordance with

EDGEN' s customary payroll practices which are in effect at the time payments are due, for the entire Extended Period of Noncompetition. In the event that EDGEN fails to pay the Annual Base Salary and the Post-termination Benefits called for herein, the Executive shall be automatically released from all restrictions on the right to compete, but shall still be entitled to all rights called for under any other section of this Agreement, including but not limited to payments and benefits due under Section 5.4 of this Agreement. If the Executives employment is terminated pursuant to Section 4.4 (voluntary termination by EDGEN) hereof, and upon condition that the Annual Base Salary and Post-termination Benefits are paid for the period designated, the Executive further agrees he will not during the Period of Noncompetition or the Extended Period of Noncompetition, either personally or by his agent or by letters, circulars, or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.3. If the Executive' s employment is terminated due to the Change of Control of Parent pursuant to Section 4.5 of this Agreement or if the Executive resigns his position due to the Change in Control pursuant to Section 4.6, and provided that EDGEN (pursuant to Section 5.5 of this Agreement) pays Executive the Annual Base Salary and Post-termination Benefits to the extent applicable, the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area (as designated in Schedule B annexed hereto), where EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder for a period of twelve (12) months from the date of the termination (the "Change of Control Period of Noncompetition"). EDGEN shall pay the Executive the Annual Base Salary and Post-termination Benefits for the entire Change of Control Period of Noncompetition. In the event that EDGEN fails to pay the Annual Base Salary and Post-termination Benefits, the Executive shall be automatically released from all restrictions on the right to compete, but shall still be entitled to all rights called for under any other section of this Agreement, including but not limited to payments and benefits due under Section 5.5 of this Agreement.

7.4. If the Executive' s employment is terminated pursuant to Section 4.5 hereof or if the Executive resigns his position due to the Change in Control pursuant to Section 4.6, and provided that EDGEN (pursuant to Section 5.5 of this Agreement) pays Executive the Annual Base Salary and Post-termination Benefits to the extent applicable, the Executive further agrees he will not during the Change of Control Period of Noncompetition, either personally or by his agent or by letters, circulars, or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within

twenty-four (24) months prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.5. The Executive agrees that, at all times from after the Effective Date hereof and for a period of two (2) years following the date of the termination of his employment with Parent or EDGEN for any reason whatsoever, the Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, (i) seek to persuade any Executive of Parent or any of its Affiliates, subsidiaries or divisions to discontinue his or her status or employment therewith or to become employed or to provide consulting or contract services in a business or activities likely to be competitive with the Business; or (ii) solicit, employ or engage any such person at any time following the date of cessation of employment of such person with the Parent or any of its Affiliates.

8. Inventions. Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of Parent and/or EDGEN or otherwise, whether alone or in conjunction with others, and whether during regular working hours or otherwise) during the period of his employment with Parent and EDGEN, which may be directly or indirectly useful in, or relate to, the Business of the business of any of Parent' s Affiliates, shall be promptly and fully disclosed by the Executive to the Board of Directors of Edgen, and shall be Parent' s and/or EDGEN' s, as applicable, exclusive property as against the Executive. The Executive shall promptly deliver to the Board of Directors of EDGEN all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid. The Executive hereby assigns any and all such inventions to EDGEN and hereby agrees to execute and deliver such agreements, certificates, assignments or other documents as may be necessary to effect the assignment to EDGEN of any and all such inventions as contemplated by this Section 8. The Executive shall, upon EDGEN' s or Parent' s request, as applicable, and without any payment therefor, execute any documents necessary or advisable in the opinion of EDGEN' s counsel to direct issuance of patents or copyrights to EDGEN or Parent, as applicable, with respect to such inventions as are to be in EDGEN' s or Parent' s exclusive property, as applicable as against the Executive under this Section 8 or to vest in EDGEN or Parent, as applicable, title to such inventions as against the Executive, the expense of securing any such patent or copyright, to be borne by EDGEN or Parent, as applicable.

9. Breach.

9.1. Both parties recognize that the services to be rendered under this Agreement by the Executive are special, unique and extraordinary in character, and that in the event of a breach by Executive of the material terms and conditions of the obligations to be performed by him hereunder, EDGEN shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, or to enforce the specific performance thereof by the Executive. Without limiting the generality of the foregoing, the parties acknowledge that a breach by the Executive of his material obligations under Sections 6, 7 or 8 could cause EDGEN irreparable harm for which no adequate remedy at law would be available in respect thereof and that therefore upon proof of the same EDGEN would be entitled to seek and obtain injunctive relief with respect thereto.

9.2. In the event of a breach by EDGEN of the material terms and conditions of the obligations to be performed by it hereunder, the Executive shall provide EDGEN with written notice thereof, specifying the nature of the breach, within seven (7) days of such breach and EDGEN shall have thirty (30) days followings its receipt of such notice to cure the breach specified therein to the reasonable satisfaction of Executive. To the extent EDGEN fails to cure such breach as provided herein, the Executive shall then be entitled, if he so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for such breach. To the extent EDGEN fails to cure such breach as provided herein, the non-competition restrictions set forth in Section 7 shall terminate.

10. Parent' s Guaranty. Parent hereby guarantees all of EDGEN' s obligations under this Agreement, including, but not limited to, prompt and full payment of any and all amounts due the Executive under this Agreement.

11. Insurance. The Executive acknowledges and agrees that EDGEN may obtain a life insurance policy on the life of the Executive with EDGEN named as the beneficiary. If EDGEN so elects, the Executive covenants and agrees to cooperate fully with EDGEN' s efforts to obtain such insurance policy.

12. Conflicting Agreements. The Executive hereby represents and warrants to EDGEN that (a) neither the execution of this Agreement by the Executive nor the performance by the Executive of any of his obligations or duties hereunder will conflict with or violate or constitute a breach of the terms of any employment or other agreement to which the Executive is a party or by which the Executive is bound; and (b) the Executive is not required to obtain the consent of any person, firm, corporation or other entity in order to enter into this Agreement or to perform any of his obligations or duties hereunder.

13. Further Assurances. The Executive hereby agrees to execute and deliver such agreements, certificates or other documents as may be reasonably requested by EDGEN, which may be necessary or are required hereunder.

14. Miscellaneous.

14.1. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, that the duties of the Executive hereunder are personal to the Executive and may not be delegated or assigned by him.

14.2 Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service as follows:

(a) If to the Executive:

at his then current address
included in the employment records of EDGEN;

With a copy to:

John C. Miller
Kantrow, Spaht, Weaver, and Blitzer
PO Box 2997
Baton Rouge, LA 70821-2997

(b) If to EDGEN:

c/o EDGEN LOUISIANA CORPORATION
18444 Highland Road
Baton Rouge, LA 70809
Attention: Chief Executive Officer
with a simultaneous copy to:

Jefferies Capital Partners
520 Madison Avenue, 8th Floor
New York, New York 10022
Attention: James Luikart and Nicholas Daraviras

and to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103
Attention: Carmen J. Romano, Esq.

Or to such other address as any party may have furnished to the other parties in writing in accordance herewith.

14.3 Governing Law. This Agreement shall be governed by and in accordance with the laws of the State of Louisiana without regard to conflict of law rules thereof.

14.4 Waivers. The waiver of either party hereto of any right hereunder or of any failure to perform or breach by the other party hereto shall not be deemed a waiver of any other right hereunder or of any other failure or breach by the other party hereto, whether of the same or a similar nature or otherwise. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

14.5 Most Favored Status. The Company and Executive intend that Executive receive the benefit of any new or additional compensation programs developed by the Company hereafter. Accordingly, at such times as the Board of Directors approves any new or additional compensation concepts or programs for any officer of the Company (other than compensation

based on sales or other commissions), then such new or additional concept or program shall also apply to Executive and the Agreement shall be amended by the Company and Executive upon request by Executive to incorporate such new or additional concept or program.

14.6 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall otherwise remain in full force and effect. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration or scope, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law. Specifically, the Executive acknowledges that substantial funds, goodwill and assets will have been expended by EDGEN and/or Parent to fully utilize the knowledge, talent and skills of the Executive, accordingly, if any portion of Section 7 shall be held to be unenforceable, the obligations of the Executive stated in Section 7 shall nonetheless be held to be enforceable for the longest period of time, for the largest geographical area, and to the fullest extent allowed by law.

14.7 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, Executive or representative of either party in respect of said subject matter.

14.8 Headings Descriptive. The headings of the several paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.9 Obligations Absolute. The obligations of EDGEN and the Executive shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation the Executive' s receipt of compensation and benefits from another employer in the event that the Executive accepts new employment following the termination of his employment under this Agreement.

14.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

14.11 Survival. The rights and obligations set forth in Section 5.5 shall survive the termination of this Agreement.

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

EXECUTIVE:

/s/ DANIEL J. O' LEARY
Daniel J. O' Leary

EDGEN LOUISIANA CORPORATION

By: /s/ DAVID L. LAXTON, III
Name: David L. Laxton, III
Title: EVP and CFO

Only with respect to Section 10 hereof:

EDGEN CORPORATION

By: /s/ DAVID L. LAXTON, III
Name: David L. Laxton, III

Exhibit 10.6

Execution Copy

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT effective as of the 1st day of January 2005 (the "Effective Date"), by and between **DAVID L. LAXTON, III**, an individual whose address is 7944 Wrenwood Blvd, Unit A, Baton Rouge, Louisiana 70809 (the "Executive"), **EDGEN LOUISIANA CORPORATION**, a Louisiana corporation ("EDGEN" or the "Company"), and **EDGEN CORPORATION**, a Nevada corporation ("Parent").

W I T N E S S E T H

WHEREAS, the Executive served as the Executive Vice President and Chief Financial Officer of Parent and EDGEN pursuant to an Employment Agreement dated January [1], 2004 (the "Prior Agreement"), by and between EDGEN and the Executive;

WHEREAS, Parent and EDGEN seek to utilize the Executive' s knowledge, experience, talents and abilities; EDGEN desires to continue to employ the Executive as the Executive Vice President and Chief Financial Officer of Parent and of EDGEN, and the Executive desires to be so employed, subject to the terms and conditions set forth herein;

WHEREAS, EDGEN is a wholly-owned subsidiary of Parent; and

WHEREAS, the Executive and EDGEN wish to amend and restate the Prior Agreement in its entirety in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement as follows:

1. Employment.

1.1 General Provision. Subject to the terms and conditions hereinafter set forth, EDGEN hereby agrees to employ the Executive, and the Executive hereby agrees to serve as the Chief Financial Officer and Executive Vice President of EDGEN and of Parent, effective on the Effective Date. The Executive agrees to perform such services customary to such office as shall from time to time be assigned to him by the Board of Directors of Parent and/or EDGEN and/or by Parent' s Chief Executive Officer. The Executive further agrees to use his best efforts to promote the interests of EDGEN and Parent, and to devote his full business time, business energies, and skill to the business and affairs of EDGEN and of Parent in accordance with the directions and orders of the Board of Directors of EDGEN and/or Parent and/or the Parent' s Chief Executive Officer (the "Chief Executive Officer"). The Executive may participate in reasonable outside charitable or unrelated business activities as long as such activities do not take up a significant amount of the Executive' s time and energies or interfere in any way with the performance of the Executive' s duties hereunder, and to the extent that any such activities do require the Executive to devote a significant amount of his time and energies, such activities must be approved in advance by the Board of Directors of EDGEN.

1.2 Location of Employment. Unless otherwise agreed by Executive, Executive' s principal place of employment shall be within 50 miles of the Company' s principal executive offices located in Baton Rouge, Louisiana. If executive should agree to any other location, the Company shall (a) pay all out of pocket expenses incurred by Executive in connection with the relocation; and (b) if requested by Executive, shall purchase his residence at fair market value as determined by a real estate appraiser, mutually selected by the Company and Executive. If agreement cannot be reached, each party may select one appraiser and they shall agree on a third appraiser. The average of the three appraisals shall become the fair market value. All expenses incurred in connection with the appraisers shall be paid by the Company.

2. Term of Employment. The Executive' s "Employment Term" pursuant to this Agreement shall commence on the Effective Date and, unless terminated earlier pursuant to Section 4 hereof, shall terminate upon the third anniversary of the Effective Date; provided, however, that after the third anniversary, the Employment Term shall automatically be extended for additional periods of one (1) year each unless either EDGEN or the Executive elects not to extend such term by giving written notice thereof at least thirty (30) days prior to the end of the then current term; provided, further, however, that if the Executive is terminated pursuant to Section 4 below, there shall be no automatic renewal of the Employment Term. For purposes hereof, the last day of the Employment Term shall be deemed the "Expiration Date."

3. Compensation and Other Related Matters.

3.1. Base Salary. As compensation for the services rendered by the Executive hereunder, EDGEN shall pay, or shall cause to be paid, to the Executive during the Employment Term, and the Executive shall accept, compensation at the rate of Two Hundred Twenty-Five Thousand Dollars ($225,000) per annum (the "Annual Base Salary"). EDGEN' s obligation to pay the Annual Base Salary shall begin to accrue on the Effective Date and shall be paid in accordance with EDGEN' s customary payroll practices which are in effect from time to time during the Employment Term. The Annual Base Salary may be increased at any time during the Employment Term by action of the Board of Directors. The Executive' s Annual Base Salary shall be subject to all applicable withholding and other taxes.

3.2. Annual Bonus. In addition to the Annual Base Salary set forth above, during the Employment Term, with respect to each fiscal year of EDGEN, subject to Section 5.1, the Executive shall be entitled to receive an annual bonus (the "Annual Bonus") calculated in accordance with Schedule A attached hereto. The Annual Bonus shall be payable by EDGEN to the Executive with respect to each year ending on December 31 by April 1 of the following year.

3.3. Other Employment Benefits. During the Employment Term, the Executive shall be entitled to the following employment benefits:

(a) four (4) weeks of paid vacation in each fiscal year of EDGEN while the Executive is employed hereunder (one (1) week of which, if not used by the Executive in any given fiscal year, may be carried over to the next fiscal year; provided, that the Executive shall not have more than five (5) weeks of paid vacation in any given fiscal year as a result of such carry over), and sick leave in accordance with EDGEN' s policies from time to time in effect for executive officers of EDGEN; provided, that, except as provided herein, vacation and/or sick

leave time not used in any year may not be carried over or transferred from one year to another or converted to cash, except in a year in which there is a Change of Control (as hereinafter defined) where the Executive is no longer employed;

(b) participation, subject to qualification requirements, in medical, life or other insurance or hospitalization plans and long-term disability policies which are presently in effect or hereinafter instituted by EDGEN and applicable to its executive officers generally;

(c) participation, subject to classification requirements and continued maintenance thereof by EDGEN in other Executive benefit plans, such as pension and profit sharing plans, which are from time to time applicable to EDGEN' s executive officers generally;

(d) an automobile allowance of $1,200 per month, which shall be used by the Executive to cover all lease and insurance payments with respect to one automobile of the Executive' s choice for business purposes, which automobile' s retail value shall not exceed $75,000. The Executive shall provide proof of insurance in limits and with a company approved by EDGEN. EDGEN shall also be listed as a "named insured" under the policy. EDGEN shall reimburse the Executive, upon the presentation of appropriate receipts, for all reasonable and necessary maintenance, repair and gasoline costs incurred by the Executive in connection with the use of such automobile; provided, that such costs are directly related to the performance by the Executive of his obligations to EDGEN and/or to Parent hereunder;

(e) EDGEN shall purchase (subject to the insurability of the Executive at standard rates) a life insurance policy in the amount of $1,000,000 on the life of the Executive to provide benefits under Section 5.2 (b) hereof; and

(f) a supplemental payment of $7500 per annum (the "Supplemental Payment"), which shall be paid in accordance with EDGEN' s customary payroll practices which are in effect from time to time during the Employment Term.

3.4. Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement from EDGEN or all travel, entertainment and out-of-pocket expenses which are reasonably and necessarily incurred by the Executive in the performance of his duties hereunder (including up to $400 monthly for club dues in connection with membership in one country club or similar organization); provided, that, the Executive properly accounts therefor in accordance with EDGEN' s policies as in effect from time to time and such expenses are approved by the Chief Executive Officer.

3.5 Tax Preparation. The Company will reimburse Executive for the cost of tax and financial preparation and planning, including services that may be requested by Executive from time to time pertaining to this Agreement, which shall be limited to $1,500 per year, increased by the greater of (i) six (6%) percent per year or (ii) the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor.

4. Termination.

4.1. Disability. In the event that at any time during the Employment Term, the Executive, due to physical or mental injury, illness, disability or incapacity, including "disability" within the meaning of the disability plan(s) that EDGEN then has in effect entitling the Executive to benefits thereunder (a "Disability"), shall fail to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder for a period of three (3) consecutive months or for a non-consecutive period of five (5) months within any twelve (12) month period, EDGEN may terminate his employment for Disability upon not less than thirty (30) days prior written notice by delivery of a Termination Notice (as defined below) to the Executive specifying that the Executive is being terminated for Disability.

4.2. Death. The Executive' s employment shall terminate immediately upon the death of the Executive.

4.3. Cause. EDGEN may, at any time and in its sole discretion, terminate the Executive' s employment for Cause (as herein defined) by delivery to the Executive of a Termination Notice specifying the nature of such Cause, effective as of the date (such effective date referred to herein as a "Termination Date") of such Termination Notice. For purposes hereof, termination for "Cause" shall mean (i) a conviction of, a plea of nolo contendere, a guilty plea or confession by the Executive to an act of fraud, misappropriation or embezzlement or to a felony; (ii) the commission of a fraudulent act or practice by the Executive affecting EDGEN and/or Parent; (iii) the willful failure by the Executive to follow the directions of the Board of Directors of EDGEN; (iv) the Executive' s habitual drunkenness or use of illegal substances, each as determined in the reasonable discretion of the Board of Directors of EDGEN; (v) the material breach by the Executive of this Agreement; or (vi) an act of gross neglect or gross or willful misconduct that relates to the affairs of Parent and/or EDGEN which Board of Directors of EDGEN, in its reasonable discretion, deems to be good and sufficient cause; provided, that if the Executive shall receive a Termination Notice with respect to a termination for Cause pursuant to subsections (iii), (v) and/or (vi) hereof, then the Executive shall have the thirty (30) days following his receipt of the Termination Notice to cure the breach specified therein, if capable of being cured, to the reasonable satisfaction of Board of Directors of EDGEN prior to his employment being terminated for Cause pursuant thereto; provided, however, the Executive shall have the right to cure any such breach only one (1) time in any twelve (12) month period.

4.4. Voluntary Termination by EDGEN. EDGEN may, at any time, and in its sole discretion, terminate the employment of the Executive hereunder for any reason other than for Cause by the delivery to the Executive of a Termination Notice, effective as of the date of such Termination Notice.

4.5. Termination by EDGEN in Conjunction with a Change of Control. For purposes of this Agreement, a "Change of Control" means the sale of Parent whether by, merger, consolidation, recapitalization, reorganization, sale of securities, sale of assets or otherwise in one transaction or a series of related transactions to a person or persons (other than to funds managed by Jefferies Capital Partners

or to any person, persons or entities affiliated therewith), pursuant to which such person or persons (together with its affiliates) acquires (i) securities representing at least a majority of the voting power of all securities including all securities

convertible, exchangeable or exercisable for or into voting securities of Parent, assuming the conversion, exchange or exercise of all securities convertible, exchangeable or exercisable for or into voting securities (other than in connection with a successfully completed firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act), or (ii) all or substantially all of the consolidated assets of Parent. EDGEN may terminate the employment of the Executive hereunder in conjunction with any Change of Control by delivery to the Executive of a Termination Notice, effective as of the date stated in the Termination Notice.

4.6 Resignation by Executive in Conjunction with a Change of Control. In the event of a "Change of Control" as defined above, the Executive may elect to resign his position and upon such resignation shall be entitled to a Severance Package and benefits as set forth in Section 5.5 below.

4.7 Termination Notice. For the purposes hereof "Termination Notice" shall mean a written notice delivered by EDGEN and/or Parent to the Executive specifying that EDGEN and/or Parent has terminated the Executive' s employment hereunder.

5. Compensation and Benefits During Disability and Upon Termination. During a Disability Period (as herein defined) or upon the termination of the Executive' s employment hereunder, the Executive shall be entitled to the following benefits:

5.1. Disability. During any period (the "Disability Period") that the Executive, due to Disability fails to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder, EDGEN shall continue to pay to the Executive the Annual Base Salary (as in effect at such time) in accordance with the provisions of Section 3.1 hereof, less any compensation payable to the Executive under the applicable disability insurance plan(s) of EDGEN during such Disability Period. Thereafter, if the Executive' s employment hereunder is terminated pursuant to Section 4.1 hereof, EDGEN shall have no further obligations hereunder after the Termination Date other than the payment of (a) any Annual Base Salary accrued and unpaid on the Termination Date; (b) the Annual Base Salary (as in effect during the year of such termination) payable in accordance with EDGEN' s customary payroll practices (less any compensation payable to the Executive under the applicable disability insurance plan(s) of EDGEN), for the twelve (12) month period immediately following the Termination Date; and (c) any Annual Bonus accrued and unpaid on the Termination Date for the year prior to the year in which the Executive' s termination occurs and the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs (based upon the number of days during such year that the Executive was employed (excluding any Disability Period) over 365 days), payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.2. Death. If the Executive' s employment is terminated pursuant to Section 4.2 hereof as a result of the Executive' s death, EDGEN shall have no further obligations hereunder after the date of the Executive' s death other than the payment to the Executive' s spouse, or in default thereof, to the Executive' s estate, legal representative, or heirs ("Appropriate Beneficiary") of:

(a) any Annual Base Salary or Annual Bonus accrued and unpaid at the date of the Executive' s death; and

(b) the proceeds of a life insurance policy on the life of the Executive in the amount of $1,000,000, obtained by EDGEN. In the event that payment of the proceeds of the policy are refused by the insurer, for whatever reason, and suit is filed against the insurer to force payment of the proceeds, commencing the first EDGEN payroll after suit is filed, EDGEN shall begin paying the Appropriate Beneficiary, in accordance with its customary payroll practices, one twelfth (1/12) of the Annual Base Salary (as in effect during the year of such death) each month, up to a maximum equal to the Annual Base Salary (as in effect during the year of such death). In the event the suit against the insurer is successful, and insurance proceeds are obtained, EDGEN shall first be reimbursed for all death benefits paid under

Section 5.2(b) and all expenses of the suit, and the remainder, or balance of the proceeds, if any, shall be paid to the Appropriate Beneficiary within thirty (30) days of receipt of proceeds from the insurer by EDGEN. EDGEN shall have sole discretion in deciding if any suit will be filed against the insurer and whether or not, and in what amount, any such suit should be settled or compromised. In the event that such policy is not procured, for whatever reason, EDGEN shall pay to the Appropriate Beneficiary the Annual Base Salary (as in effect during the year of such death), payable in accordance with EDGEN' s customary payroll practices, for the 12-month period immediately following the date of the Executive' s death.

5.3. Cause. If the Executive' s employment is terminated by EDGEN for Cause pursuant to Section 4.3 hereof, EDGEN shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. EDGEN shall not be obligated to make any bonus payments to the Executive pursuant to Section 3.2 hereof for the year in which such termination occurs or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law. Upon termination of employment for Cause, the Executive shall be responsible for the payment of any COBRA premiums.

5.4. Voluntary Termination by EDGEN. If EDGEN voluntarily terminates the Executive' s employment hereunder pursuant to Section 4.4 hereof, EDGEN shall have no further obligations hereunder after the Termination Date, except (a) the payment for the greater of either the 12-month period immediately following the Termination Date or the remainder of the Employment Term of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with EDGEN' s customary payroll practices; (b) the payment of the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits (or the reimbursement of COBRA premiums), but only to the extent permitted by such policies or plans, or as otherwise required by law; provided, however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy, EDGEN' s obligation to pay the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits shall cease immediately; and (c) the payment of any Annual Bonus accrued and unpaid on the Termination Date for the year prior to the year in which the Executive' s termination occurs and the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs, payable on the

same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated, provided, however, the Annual Bonus for the year in which such termination occurs, shall be *pro rated*, based on the number of days the Executive was employed (less any Disability Period) over 365 days.

5.5 Termination in Conjunction with a Change of Control; Severance Package. If (a) EDGEN terminates the employment of the Executive hereunder in conjunction with any Change of Control, pursuant to Section 4.5 hereof; or if the Executive resigns his position in conjunction with a Change in Control, pursuant to Section 1.3 or 4.6, the Executive shall be entitled to a severance package consisting of: (i) the payment of twelve (12) months of Annual Base Salary (as in effect during the year of such termination) payable in a lump sum, (ii) any Annual Bonus accrued and unpaid on the Termination Date or resignation date for the year prior to the year in which the Executive' s termination occurs and the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated; provided, however, the Annual Bonus for the year in which such termination or resignation occurs, shall be *pro rated*, based on the number of days the Executive was employed (less any Disability Period) over 365 days, and (iii) the payment of the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits (or the reimbursement of COBRA premiums), but only to the extent permitted by such policies or plans, or as otherwise required by law for the period of one year from the date of termination or resignation; provided, however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy EDGEN' s obligation to pay the premiums, co-payments and deductible expenses due by the Executive for EDGEN-sponsored medical and health benefits shall cease immediately. Notwithstanding the foregoing, in the event that the Executive, or any of his Affiliates, participates in any Change of Control transaction as an equity participant and/or as a purchaser of securities or assets and, immediately after the consummation of the Change of Control transaction remains, or within six (6) months of such transaction, becomes actively involved in the operation of the Company, Parent or any successor entity thereto as an officer, director or employee, the provisions of this Section 5.5 shall terminate and be of no further force and effect provided, however, that if the Executive is first terminated in connection with a Change of Control and then subsequently becomes actively involved in EDGEN within six (6) months of a Change of Control transaction the Executive shall pay to the stockholders of the Company immediately prior to the Change of Control (the "Stockholders"), by delivery to Jefferies Capital Partners, as representative for the Stockholders pursuant to that certain Stockholders Agreement, by and among the Stockholders, of cash, bank check or wire transfer of immediately available funds, an amount equal to the aggregate amount paid to the Executive under Sections 5.5(i), (ii) and

(iii) above minus an amount equal to the pro rated Annual Bonus for the year in which the Executive was terminated (based on the number of days the Executive was employed (less any Disability Period) over 365 days).

5.6 Resignation by Executive. If at any time during the Employment Term, the Executive resigns from the employ of EDGEN and/or Parent for any reason whatsoever (other than in conjunction with a Change of Control), EDGEN shall have no further obligations hereunder after the date of resignation other than the payment to the Executive of the Annual

Base Salary accrued and unpaid through the date of resignation. EDGEN shall not be obligated and shall be released from all obligations to make any bonus payments to the Executive pursuant to Section 3.2 hereof.

5.7 Executive Benefit Plans and Premiums. During any Disability Period, and upon termination of employment for any cause, the right of the Executive (and that of his dependents) to participate in any Executive benefit plan(s) of EDGEN, including any health benefit plan(s), shall be controlled by applicable law, including COBRA, and the terms and conditions of the Executive benefit plan. Upon termination of employment for Cause, the Executive shall be responsible for the payment of any COBRA premiums.

6. Confidentiality. The Executive acknowledges that it is the policy of EDGEN and Parent to maintain as secret and confidential all Confidential Information (as defined herein). The parties hereto recognize that the services to be performed by the Executive pursuant to this Agreement are special and unique, and that by reason of his employment by EDGEN, Parent, or any Affiliates thereof both before and after the Effective Date, the Executive will acquire, or may have acquired, Confidential Information. The Executive recognizes that all such Confidential Information is and shall remain the sole property of EDGEN and Parent, as applicable, free of any rights of the Executive, and acknowledges that EDGEN and Parent have a vested interest in assuring that all such Confidential Information remains secret and confidential. Therefore, in consideration of the Executive' s employment with EDGEN and Parent pursuant to this Agreement, the Executive agrees that at all times from and after the Effective Date, he will not, directly or indirectly, disclose to any person, firm, company or other entity, other than Parent, or any of its Affiliates (for the purposes of this Employment Agreement, the term "Affiliate(s)" means Parent, its successor(s), any direct or indirect subsidiary of Parent, or its successor(s), or any division of a subsidiary), any Confidential Information, except as required in the performance of his duties hereunder, without the prior written consent of Parent or EDGEN, as applicable, except to the extent that (i) any such Confidential Information becomes generally available to the public, other than as a result of a breach by the Executive of this Section 6, or (ii) any such Confidential Information becomes available to the Executive on a non-confidential basis from a source other than Parent, or any of its Affiliates or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to Parent, any of its Affiliates or another party. In addition, it shall not be a breach of the confidentiality obligations hereof if the Executive is required by law to disclose any Confidential Information; provided, that in such case, the Executive shall (a) give Parent and/or EDGEN, as applicable, the earliest notice possible that such disclosure is or may be required and (b) cooperate with Parent and/or EDGEN, as applicable, at Parent' s and/or EDGEN' s expense, as applicable, in protecting, to the maximum extent legally permitted, the confidential or proprietary nature of the Confidential Information which must be so disclosed. The obligations of the Executive under this Section 6 shall survive any termination of this Agreement. During the Employment Term, the Executive shall exercise all due and diligent precautions to protect the integrity of the business plans, customer lists, statistical data and compilation, agreements, contracts, manuals or other documents of Parent and/or EDGEN, as applicable which embody the Confidential Information, and upon the expiration or the termination of the Employment Term, the Executive agrees that all Confidential Information in his possession, directly or indirectly, that is in writing, computer generated, or other tangible form (together with all duplicates thereof) will forthwith be returned to Parent and/or EDGEN, as

applicable, and will not be retained by the Executive or furnished to any person, either by sample, facsimile, film, audio or video cassette, electronic data, verbal communication or any other means of communication. The Executive agrees that the provisions of this Section 6 are reasonably necessary to protect the proprietary rights of Parent and EDGEN in the Confidential Information and their trade secrets, goodwill and reputation.

For purposes hereof, the term "Confidential Information" means all information heretofore or hereafter developed or used by Parent, or any of its Affiliates relating to the Business (as herein defined), and the operations, employees, customers, suppliers and distributors of Parent and/or any of its Affiliates, including, but not limited to, customer lists, customer orders, purchase orders, financial data, pricing information and price lists, business plans and market strategies and arrangements, all books, records, manuals, advertising materials, catalogues, correspondence, mailing lists, production data, sales materials and records, purchasing materials and records, personnel records, quality control records and procedures included in or relating to the Business or any of the assets of Parent and/or its Affiliates, and all trademarks, trade names, copyrights and patents, and applications therefor, all trade secrets, inventions, processes, procedures, research records, market surveys and marketing know-how and other technical papers of Parent and/or any of its Affiliates, except that notwithstanding anything to the contrary contained herein, the term Confidential Information shall not include any such information that is publicly known or that becomes publicly known (other than as a result of any action on the part of, or a breach of the provisions of this Section 6, by the Executive).

For purposes hereof, the term "Business" shall mean the business of (a) distributing and selling industrial steel pipe, including large OD pipe, heavy wall and X-grade pipe, DSAW, seamless, continuous weld, ERW pipe and abrasive resistant pipe (mine pipe), and valves, alloy pipe, flanges and fittings, welded fittings and flanges (high yield, stainless, exotic carbon, chrome and low temp) per ANSI B16.9 and B16.5 (commodity lines and specials, i.e. anchor flanges and swivel ring flanges) forged steel fittings, outlets, pipe nipples, swage nipples, hot induction bends and Pikotek gaskets/insulation kits, stainless steel and other nickel alloy and hastelloy pipe, valves, fittings and flanges, including all chrome grades, (collectively, the "Products"); (b) providing added value services to such pipe and steel Products, including, flame cutting, sawing, welding, sandblasting, priming, top coat painting, epoxy applications and end finishing, and conversion of pipe to other components or products; (c) entering into joint venture, partnership or agency arrangements relating to the sale or distribution of surplus stainless steel pipe, fittings and flanges, but excluding value-added services if not sold as part of the Products; and (d) any endeavor entered into by Parent or any Affiliates after the signing of this agreement, but before termination of the employment of the Executive. Notwithstanding anything herein to the contrary, the definition of the Business shall not include the manufacturing of steel pipe.

7. Noncompetition; Nonsolicitation.

7.1. If the Executive' s employment is terminated for Disability or for Cause, pursuant to Section 4.1 or 4.3 hereof, respectively, or if the Executive resigns, pursuant to Section 5.6 hereof, during the Employment Term and for a period of twelve (12) months following the date of the termination of the Executive' s employment with EDGEN, or for a period of twelve (12) months following the date of receipt of the last payment by the Executive

of any payment made pursuant to any part of Section 5, whichever is longer, the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every

area (as designated in Schedule B attached hereto) [Need to confirm Schedule B remains accurate] where Parent and/or EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated pursuant to Section 4.1 or 4.3 hereof, or resigns, pursuant to Section 5.6 hereof, and he will not, either personally or by his agent or by letters, circulars or advertisements, whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected) directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.2. If the Executive' s employment is terminated without Cause pursuant to Section 4.4 of this Agreement, and provided that EDGEN (pursuant to Section 5.4 of this Agreement) pays Executive the Annual Base Salary as set forth in Section 3.1 and the employment benefits set forth in Section 3.3(b) hereof in effect at the time of termination of employment (but only to the extent permitted by such policies or plans, or as otherwise required by law) in accordance with EDGEN' s customary payroll practices which are in effect at the time payments are due (the "Post-termination Benefits"), the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area (as designated in Schedule B attached hereto), where EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder for a period of twelve (12) months from the date of the termination (the "Initial Period of Noncompetition"). EDGEN will have the option of extending the Period of Noncompetition for an additional consecutive twelve (12) months (the "Extended Period of Noncompetition") upon giving written notice to the Executive at least one hundred and twenty (120) days before expiration of the Initial Period of Noncompetition. During the Extended Period of Noncompetition, EDGEN shall pay the Executive the Annual Base Salary and the Post-termination Benefits, in accordance with EDGEN' s customary payroll practices which are in effect at the time payments are due, for the entire Extended Period of Noncompetition. In the event that EDGEN fails to pay the Annual Base Salary and the Post-termination Benefits called for herein, the Executive shall be automatically released from all restrictions on the right to compete, but shall still be entitled to all rights called for under any other section of this Agreement, including but not limited to payments and benefits due under Section 5.4 of this Agreement. If the Executives employment is terminated pursuant to Section 4.4 (voluntary termination by EDGEN) hereof, and upon condition that the Annual Base Salary and Post-termination Benefits are paid for the period designated, the Executive further agrees he will not during the Period of Noncompetition or the Extended Period of Noncompetition, either personally or by his agent or by letters, circulars, or

advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.3. If the Executive' s employment is terminated due to the Change of Control of Parent pursuant to Section 4.5 of this Agreement or if the Executive resigns his position due to the Change in Control pursuant to Section 4.6, and provided that EDGEN (pursuant to Section 5.5 of this Agreement) pays Executive the Annual Base Salary and Post-termination Benefits to the extent applicable, the Executive agrees he will not, directly or indirectly, engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area (as designated in Schedule B annexed hereto), where EDGEN is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder for a period of twelve (12) months from the date of the termination (the "Change of Control Period of Noncompetition"). EDGEN shall pay the Executive the Annual Base Salary and Post-termination Benefits for the entire Change of Control Period of Noncompetition. In the event that EDGEN fails to pay the Annual Base Salary and Post-termination Benefits, the Executive shall be automatically released from all restrictions on the right to

compete, but shall still be entitled to all rights called for under any other section of this Agreement, including but not limited to payments and benefits due under Section 5.5 of this Agreement.

7.4. If the Executive' s employment is terminated pursuant to Section 4.5 hereof or if the Executive resigns his position due to the Change in Control pursuant to Section 4.6, and provided that EDGEN (pursuant to Section 5.5 of this Agreement) pays Executive the Annual Base Salary and Post-termination Benefits to the extent applicable, the Executive further agrees he will not during the Change of Control Period of Noncompetition, either personally or by his agent or by letters, circulars, or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within twenty-four (24) months prior to the date of such action been a customer or supplier of Parent or any of its Affiliates.

7.5. The Executive agrees that, at all times from after the Effective Date hereof and for a period of two (2) years following the date of the termination of his employment with Parent or EDGEN for any reason whatsoever, the Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, (i) seek to persuade any Executive of Parent or any of its Affiliates, subsidiaries or divisions to discontinue his or her status or employment therewith or to become employed or to provide consulting or contract services in a business or activities likely

to be competitive with the Business; or (ii) solicit, employ or engage any such person at any time following the date of cessation of employment of such person with the Parent or any of its Affiliates.

8. Inventions. Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of Parent and/or EDGEN or otherwise, whether alone or in conjunction with others, and whether during regular working hours or otherwise) during the period of his employment with Parent and EDGEN, which may be directly or indirectly useful in, or relate to, the Business of the business of any of Parent' s Affiliates, shall be promptly and fully disclosed by the Executive to the Board of Directors of Edgen, and shall be Parent' s and/or EDGEN' s, as applicable, exclusive property as against the Executive. The Executive shall promptly deliver to the Board of Directors of EDGEN all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid. The Executive hereby assigns any and all such inventions to EDGEN and hereby agrees to execute and deliver such agreements, certificates, assignments or other documents as may be necessary to effect the assignment to EDGEN of any and all such inventions as contemplated by this Section 8. The Executive shall, upon EDGEN' s or Parent' s request, as applicable, and without any payment therefor, execute any documents necessary or advisable in the opinion of EDGEN' s counsel to direct issuance of patents or copyrights to EDGEN or Parent, as applicable, with respect to such inventions as are to be in EDGEN' s or Parent' s exclusive property, as applicable as against the Executive under this Section 8 or to vest in EDGEN or Parent, as applicable, title to such inventions as against the Executive, the expense of securing any such patent or copyright, to be borne by EDGEN or Parent, as applicable.

9. Breach.

9.1. Both parties recognize that the services to be rendered under this Agreement by the Executive are special, unique and extraordinary in character, and that in the event of a breach by Executive of the material terms and conditions of the obligations to be performed by him hereunder, EDGEN shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, or to enforce the specific performance thereof by the Executive. Without limiting the generality of the foregoing, the parties acknowledge that a breach by the Executive of his material obligations under Sections 6, 7 or 8 could cause EDGEN irreparable harm for which no adequate remedy at law would be available in respect thereof and that therefore upon proof of the same EDGEN would be entitled to seek and obtain injunctive relief with respect thereto.

9.2. In the event of a breach by EDGEN of the material terms and conditions of the obligations to be performed by it hereunder, the Executive shall provide EDGEN with written notice thereof, specifying the nature of the breach, within seven (7) days of such breach and EDGEN shall have thirty (30) days followings its receipt of such notice to cure the breach specified therein to the reasonable satisfaction of Executive. To the extent EDGEN fails to cure such breach as provided herein, the Executive shall then be entitled, if he so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for such

breach. To the extent EDGEN fails to cure such breach as provided herein, the non-competition restrictions set forth in Section 7 shall terminate.

10. Parent' s Guaranty. Parent hereby guarantees all of EDGEN' s obligations under this Agreement, including, but not limited to, prompt and full payment of any and all amounts due the Executive under this Agreement.

11. Insurance. The Executive acknowledges and agrees that EDGEN may obtain a life insurance policy on the life of the Executive with EDGEN named as the beneficiary. If EDGEN so elects, the Executive covenants and agrees to cooperate fully with EDGEN' s efforts to obtain such insurance policy.

12. Conflicting Agreements. The Executive hereby represents and warrants to EDGEN that (a) neither the execution of this Agreement by the Executive nor the performance by the Executive of any of his obligations or duties hereunder will conflict with or violate or constitute a breach of the terms of any employment or other agreement to which the Executive is a party or by which the Executive is bound; and (b) the Executive is not required to obtain the consent of any person, firm, corporation or other entity in order to enter into this Agreement or to perform any of his obligations or duties hereunder.

13. Further Assurances. The Executive hereby agrees to execute and deliver such agreements, certificates or other documents as may be reasonably requested by EDGEN, which may be necessary or are required hereunder.

14. Miscellaneous.

14.1. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, that the duties of the Executive hereunder are personal to the Executive and may not be delegated or assigned by him.

14.2 Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service as follows:

(a) If to the Executive:

at his then current address
included in the employment records of EDGEN;

With a copy to:

John C. Miller
Kantrow, Spaht, Weaver, and Blitzer
PO Box 2997
Baton Rouge, LA 70821-2997

(b) If to EDGEN:

c/o EDGEN LOUISIANA CORPORATION
18444 Highland Road
Baton Rouge, LA 70809
Attention: Chief Executive Officer

with a simultaneous copy to:

Jefferies Capital Partners
520 Madison Avenue, 8th Floor
New York, New York 10022
Attention: James Luikart and Nicholas Daraviras

and to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103
Attention: Carmen J. Romano, Esq.

Or to such other address as any party may have furnished to the other parties in writing in accordance herewith.

14.3 Governing Law. This Agreement shall be governed by and in accordance with the laws of the State of Louisiana without regard to conflict of law rules thereof.

14.4 Waivers. The waiver of either party hereto of any right hereunder or of any failure to perform or breach by the other party hereto shall not be deemed a waiver of any other right hereunder or of any other failure or breach by the other party hereto, whether of the same or a similar nature or otherwise. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

14.5 Most Favored Status. The Company and Executive intend that Executive receive the benefit of any new or additional compensation programs developed by the Company hereafter. Accordingly, at such times as the Board of Directors approves any new or additional compensation concepts or programs for any officer of the Company (other than compensation based on sales or other commissions), then such new or additional concept or program shall also apply to Executive and the Agreement shall be amended by the Company and Executive upon request by Executive to incorporate such new or additional concept or program.

14.6 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which

shall otherwise remain in full force and effect. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration or scope, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law. Specifically, the Executive acknowledges that substantial funds, goodwill and assets will have been expended by EDGEN and/or Parent to fully utilize the knowledge, talent and skills of the Executive, accordingly, if any portion of

Section 7 shall be held to be unenforceable, the obligations of the Executive stated in Section 7 shall nonetheless be held to be enforceable for the longest period of time, for the largest geographical area, and to the fullest extent allowed by law.

14.7 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, Executive or representative of either party in respect of said subject matter.

14.8 Headings Descriptive. The headings of the several paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.9 Obligations Absolute. The obligations of EDGEN and the Executive shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation the Executive' s receipt of compensation and benefits from another employer in the event that the Executive accepts new employment following the termination of his employment under this Agreement.

14.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

14.11 Survival. The rights and obligations set forth in Section 5.5 shall survive the termination of this Agreement.

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

EXECUTIVE:

/s/ DAVID L. LAXTON, III
David L. Laxton, III

EDGEN LOUISIANA CORPORATION

By: /s/ DANIEL J. O' LEARY
Name: Daniel J. O' Leary
Title: President

Only with respect to Section 10 hereof:

EDGEN CORPORATION

By: /s/ DANIEL J. O' LEARY
Name: Daniel J. O' Leary
Title: President

Exhibit 10.7

EMPLOYMENT AGREEMENT

This AGREEMENT made as of the 1st day of January, 2004 by and between **ROBERT L. GILLELAND**, an individual residing at 61 James Towne Court, Baton Rouge, LA 70809 (the "Executive"), **EDGEN ALLOY PRODUCTS GROUP, L.L.C.,** a Louisiana limited liability company (the "Company"), and **EDGEN CORPORATION,** a Nevada corporation ("Parent").

W I T N E S S E T H

WHEREAS, the Executive serves as the President of the Company, which is a wholly-owned subsidiary of Parent; and

WHEREAS, Parent and the Company seek to utilize the Executive' s knowledge, experience, talents and abilities and desire to employ the Executive as the President of the Company, and the Executive desires to be so employed, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto intending to be legally bound hereby agree as follows:

1. Employment. Subject to the terms and conditions hereinafter set forth, the Company and Parent hereby agree to employ the Executive, and the Executive hereby agrees to serve as the President of the Company, effective on January 1, 2004. The Executive agrees to perform such services customary to such office as shall from time to time be assigned to him by the Board of Directors of Parent (the "Board of Directors") and/or by Parent' s Chief Executive Officer, or his designee (collectively the "Chief Executive Officer"). The Executive further agrees to use his best efforts to promote the interests of the Company and of Parent, and to devote his full business time and entire energies and skill to the business and affairs of the Company and of Parent in accordance with the directions and orders of the Board of Directors and/ or the Chief Executive Officer; provided, however, that it shall not be a violation of this Agreement for the Executive to serve on corporate, civic, or charitable boards or committees or manage personal investments, as long as such activities do not interfere in any substantial respect with the Executive' s responsibilities hereunder.

2. Term of Employment. The Executive' s "Employment Term" pursuant to this Agreement shall commence on the date hereof (the "Effective Date") and, unless terminated earlier pursuant to Section 4 hereof, shall terminate upon the first anniversary of the Effective Date; provided, however, that the Employment Term shall automatically be extended on a day-by-day basis (so that the remaining term shall always be one (1) year) unless either the Company or the Executive elects not to renew such term by giving written notice (an "Employment Expiration Notice") thereof; provided, further, however, that if the Executive is terminated pursuant to Section 4 below, there shall be no automatic daily renewal of the Employment Term.

The Employment Term shall terminate on the one (1) year anniversary of the date of receipt of the Employment Expiration Notice by the Employee or the Employer, as applicable.

3. Compensation and Other Related Matters.

3.1. Base Salary. As compensation for the services rendered by the Executive hereunder, the Company shall pay, or shall cause to be paid, to the Executive during the Employment Term, and the Executive shall accept, compensation at the rate of Two Hundred Ten Thousand, Seventeen Dollars ($210,017) per annum (the "Annual Base Salary"). The Company' s obligation to pay the Annual Base Salary shall begin to accrue on the Effective Date and shall be paid in accordance with the Company' s customary payroll practices which are in effect from time to time during the Employment Term. The Annual Base Salary may be increased at any time during the Employment Term by recommendation of the Chief Executive Officer to the Board of Directors. The Executive' s Annual Base Salary shall be subject to all applicable withholding and other taxes.

3.2. Annual Bonus. In addition to the Annual Base Salary set forth above, during the Employment Term; the Executive shall be entitled to receive an annual bonus (the "Annual Bonus") in the amount and calculated in the manner set forth on Schedule A annexed

hereto. The Annual Bonus shall be payable by the Company to the Executive with respect to each year ending on December 31 by March 15 of the following year.

3.3. Other Employment Benefits. During the Employment Term, the Executive shall be entitled to the following employment benefits:

(a) Four (4) weeks of paid vacation in each fiscal year of the Company while the Executive is employed hereunder one (1) week of which, if not used by the Executive in any given fiscal year, may be carried over to the next fiscal year; provided, that the Executive shall not have more than five (5) weeks of paid vacation in any given fiscal year as a result of such carry over and sick leave in accordance with the Company' s policies from time to time in effect for executive officers of the Company; provided, that, as provided herein, vacation and/or sick leave time not used in any year may not be carried over or transferred from one year to another or converted to cash, except in a year in which there is a Change of Control (as hereinafter defined) where the Executive is no longer employed;

(b) participation, subject to qualification requirements, in medical, life or other insurance or hospitalization plans and long-term disability policies which are presently in effect or hereafter instituted by the Company and applicable to its executive officers generally;

(c) participation, subject to classification requirements and continued maintenance thereof by the Company in other employee benefit plans, such as pension and profit sharing plans, which are from time to time applicable to the Company' s executive officers generally; and

(d) an automobile allowance of One Thousand Two Hundred Dollars ($1,200) per month, which shall be used by the Executive to cover all lease and insurance payments with respect to one automobile of the Executive' s choice for business purposes. The

Company shall reimburse the Executive, upon the presentation of appropriate receipts, for all maintenance, repair and gasoline costs incurred by the Executive in connection with the use of such automobile; provided, that such costs are directly related to the performance by the Executive of his obligations to the Company hereunder.

3.4. Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement from the Company of all travel, entertainment and out-of-pocket expenses which are reasonably and necessarily incurred by the Executive in the performance of his duties hereunder; provided that the Executive properly accounts therefor in accordance with the Company' s policies as in effect from time to time and such expenses are approved by the Chief Executive Officer.

4. Termination.

4.1. Disability. In the event that at any time during the Employment Term, the Executive, due to physical or mental injury, illness, disability or incapacity, including "disability" within the meaning of the disability plan(s) which the Company then has in effect entitling the Executive to benefits thereunder ("Disability"), shall fail to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder for a period of three (3) consecutive months or for a non-consecutive period of five (5) months within any twelve (12) month period, the Company may terminate his employment for Disability upon not less than thirty (30) days prior written notice by delivery of a Termination Notice (as defined below) to the Executive.

4.2. Death. The Executive' s employment shall terminate immediately upon the death of the Executive.

4.3. Cause. The Company may, at any time and in its sole discretion, terminate the Executive' s employment for Cause (as herein defined) by delivery to the Executive of a Termination Notice specifying the nature of such Cause, effective as of the date (such effective date referred to herein as a "Termination Date") of such Termination Notice. For purposes hereof, termination for "Cause" shall mean (i) a conviction of, a plea of nolo contendere, a guilty plea or confession by the Executive to an act of fraud, misappropriation or embezzlement or to a felony; (ii) the commission of a fraudulent act or practice by the Executive affecting the Company and/or Parent; (iii) the willful failure by the Executive to follow the directions of the Board of Directors or the Chief Executive Officer; (iv) the Executive' s habitual drunkenness as determined in the reasonable discretion of the Board of Directors or use of illegal substances; (v) the material breach by the Executive of this Agreement or (vi) an act of gross neglect or gross or willful misconduct that relates to the affairs of the Company and/or Parent which the Board of Directors of the Company in its reasonable discretion deems to be good and sufficient cause; provided, that the Executive shall receive a Termination Notice with respect to a termination for Cause pursuant to subsections (iii), (v) and/or (vi) hereof and

the Executive shall have the thirty (30) days following his receipt of the Termination Notice to cure the breach specified therein prior to his employment being terminated for Cause pursuant thereto.

4.4. Voluntary Termination by Company. The Company may, at any time, and in its sole discretion, terminate the employment of the Executive hereunder for any reason other than for Cause by the delivery to the Executive of a Termination Notice, effective as of the date of such Termination Notice.

4.5. Termination by Company in Conjunction with a Change of Control. For purposes of this Agreement, a "Change of Control" means the sale of Parent whether by, merger, consolidation, recapitalization, reorganization, sale of securities, sale of assets or otherwise in one transaction or a series of related transactions to a person or persons (other than to Harvest Partners III, L.P. or to any person, persons or entities affiliated therewith), pursuant to which such person or persons (together with its affiliates) acquires (i) securities representing at least a majority of the voting power of all securities of Parent, including securities convertible, exchangeable or exercisable for or into voting securities of Parent, assuming the conversion, exchange or exercise of all securities convertible, exchangeable or exercisable for or into voting securities or (ii) all or substantially all of the consolidated assets of Parent. The Company may terminate the employment of the Executive hereunder in conjunction with any Change of Control in accordance with Section 5.6 hereof by delivery to the Executive of a Termination Notice (as defined above), effective as of the date stated in the Termination Notice.

4.6. Executive' s Resignation for Good Reason. After a Change of Control, the Executive may terminate his employment for Good Reason in accordance with Section 5.6. For purposes hereof, "Good Reason" shall mean, without the Executive' s consent: (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive' s position (including status, offices, duties and reporting relationships), authority, duties or responsibilities as contemplated by Section 1 hereof, or any other action by the Company which results in a significant diminution in such position, authority, duties, or responsibilities, excluding any isolated and inadvertent action not taken in bad faith and which is remedied by the Company within ten (10) days after receipt of notice thereof from the Executive; (ii) any failure by the Company to comply with any of the provisions of Section 3 hereof other than an isolated and inadvertent failure not committed in bad faith and which is remedied by the Company within ten (10) days after receipt of notice thereof from the Executive; (iii) the Executive' s being required to relocate to a principal place of employment more than fifty (50) miles from his principal place of employment with the Company as of the Effective Date or (iv) delivery by the Company of a notice discontinuing the automatic extension provision of Section 2 hereof.

5. Compensation During Disability and Upon Termination. During a Disability Period (as herein defined) or upon the termination of the Executive' s employment hereunder, the Executive shall be entitled to the following benefits:

5.1. Disability. During any period (the "Disability Period") that the Executive, due to Disability fails to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder, the Company shall continue to pay to the Executive the Annual Base Salary (as in effect at such time) in accordance with the provisions of Section 3.1 hereof, less any compensation payable to the Executive under the applicable disability insurance plan(s) of the Company during such Disability Period. Thereafter, if the Executive' s employment hereunder is terminated pursuant to Section 4.1 hereof, the Company

shall have no further obligations hereunder after the Termination Date other than the payment of (a) the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices (less any compensation payable to the Executive under the applicable disability insurance plan(s) of the Company), for the twelve (12) month period immediately following the Termination Date and (b) the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs (based upon the number of days during such year that the Executive was employed over 365 days prior to termination), payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.2. Death. If the Executive' s employment is terminated pursuant to Section 4.2 hereof as a result of the Executive' s death, the Company shall have no further obligations hereunder after the date of the Executive' s death other than the payment to the Executive' s estate, legal representative, heirs or other beneficiaries of (a) the Annual Base Salary (as in effect during the calendar year of such death) payable in accordance with the Company' s customary payroll practices, for the twelve (12) month period immediately following the date of the Executive' s death, and (b) the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the

calendar year in which such death occurred (based upon the number of days during such year that the Executive was employed over 365 days prior to death), payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.3. Cause. If the Executive' s employment is terminated by the Company for Cause pursuant to Section 4.3 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. The Company shall not be obligated to make any bonus payments to the Executive pursuant to Section 3.2 hereof for the calendar year in which such termination occurs or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law.

5.4. Voluntary Termination by Company. If the Company voluntarily terminates the Executive' s employment hereunder pursuant to Section 4.4 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment of (a) (i) one (1) year of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices, and (ii) at no greater out-of-pocket expense to the Company than incurred prior to termination, the Company-sponsored medical and health benefits (or the reimbursement of COBRA premiums) previously made available to the Executive, but only to the extent permitted by such policies or plans, or as otherwise required by law, and (b) the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such calendar year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.5. Termination by Executive. If at any time during the Employment Term, the Executive terminates his employment with the Company and Parent for any reason

whatsoever other than Good Reason pursuant to Section 4.6 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. The Company shall not be obligated and shall be released from all obligations to make any bonus payments to the Executive pursuant to Section 3.2 hereof, if any, for the calendar year in which such termination occurs, or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law.

5.6. Termination in Conjunction with a Change of Control. If (a) the Company terminates the employment of the Executive hereunder in conjunction with any Change of Control, pursuant to Section 4.5 hereof; (b) the Company or any successor entity thereto terminates the employment of the Executive without Cause within six (6) months of any Change of Control; or (c) the Executive terminates his employment for Good Reason within six (6) months of any Change of Control, the Company, or any successor entity thereto, shall have no further obligations hereunder after the Termination Date other than (i) the payment of one (1) year of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices; (ii) the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such calendar year pursuant to Section 3.2 hereof had the Employment Term not been so terminated; provided, however, the Annual Bonus for the calendar year in which such termination occurs, shall be pro rated, based on the number of days the Executive was employed (less any Disability Period) over 365 days; and (iii) at no greater out-of-pocket expense to the Company than incurred prior to termination, the Company shall pay for twelve (12) months the premiums for Company-sponsored medical and health benefits (or the reimbursement of COBRA premiums) previously made available to the Executive, but only to the extent permitted by such policies or plans, or as otherwise required by law; however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy the Company' s obligation to pay the premiums due by the Executive for Company-sponsored medical and health benefits shall cease immediately. Notwithstanding the foregoing, in the event that the Executive, or any of his Affiliates (as defined below), participates in any Change of Control transaction as an equity participant and/or as a purchaser of securities or assets and, immediately after the consummation of the Change of Control transaction remains, or within six (6) months of such transaction, becomes actively involved in the operation of the Company, Parent or any successor entity thereto as an officer, director or employee, the provisions of this Section 5.6 shall terminate and be of no force or effect. An "Affiliate" shall mean an individual, a corporation, an association, a joint venture, a partnership, a limited liability company, an estate, a trust, an unincorporated organization and any other entity or organization, governmental or otherwise that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Executive.

6. Confidentiality. The Executive acknowledges that it is the policy of the Company and Parent to maintain as secret and confidential all Confidential Information (as defined herein). The parties hereto recognize that the services to be performed by the Executive pursuant to this Agreement are special and unique, and that by reason of his employment by the Company both

before and after the Effective Date, the Executive will acquire, or may have acquired, Confidential Information. The Executive recognizes that all such Confidential Information is and shall remain the sole property of the Company and Parent, as applicable, free of any rights of the Executive, and acknowledges that the Company and Parent have a vested interest in assuring that all such Confidential Information remains secret and confidential. Therefore, in consideration of the Executive' s employment with the Employer pursuant to this Agreement, the Executive agrees that at all times from after the Effective Date, he will not, d[1]rectly or indirectly, disclose to any person, firm, company or other entity (other than Parent or any of its Affiliates (for the purposes of this Employment Agreement, the term "Affiliate(s)" means Parent, its successor(s), any direct or indirect subsidiary of Parent or its successor(s), or any division of a subsidiary)) any Confidential Information, except as required in the performance of his duties hereunder, without the prior written consent of the Company or Parent, as applicable, except to the extent that (i) any such Confidential Information becomes generally available to the public, other than as a result of a breach by the Executive of this Section 6, or (ii) any such Confidential Information becomes available to the Executive on a non-confidential basis from a source other than Parent or any of its Affiliates or advisors; provided that such source is not known by the Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Parent, any of its Affiliates or another party. In addition, it shall not be a breach of the confidentiality obligations hereof if the Executive is required by law to disclose any Confidential Information; provided that in such case, the Executive shall (a) give the Company and/or Parent, as applicable, the earliest notice possible that such disclosure is or may be required and (b) cooperate with the Company and/or Parent, as applicable, at the Company' s and/or Parent' s expense, as applicable, in protecting, to the maximum extent legally permitted, the confidential or proprietary nature of the Confidential Information which must be so disclosed. The obligations of the Executive under this Section 6 shall survive any termination of this Agreement. During the Employment Term, the Executive shall exercise all due and diligent precautions to protect the integrity of the business plans, customer lists, statistical data and compilation, agreements, contracts, manuals or other documents of the Company and/or Parent which embody the Confidential Information, and upon the expiration or the termination of the Employment Term, the Executive agrees that all Confidential Information in his possession, directly or indirectly, that is in writing or other tangible form (together with all duplicates thereof) will forthwith be returned to the Company and/or Parent, as applicable, and will not be retained by the Executive or furnished to any person, either by sample, facsimile, film, audio or video cassette, electronic data, verbal communication or any other means of communication. The Executive agrees that the provisions of this Section 6 are reasonably necessary to protect the proprietary rights of the Company and/or Parent in the Confidential Information and their trade secrets, goodwill and reputation.

For purposes hereof, the term "Confidential Information" means all information heretofore or hereafter developed or used by Parent or any of its Affiliates relating to the Business (as defined below), and the operations, employees, customers, suppliers and distributors of Parent or any of its Affiliates, including, but not limited to, customer lists, customer orders, purchase orders, financial data, pricing information and price lists, business plans and market strategies and arrangements, all books, records, manuals, advertising materials, catalogues, correspondence, mailing lists, production data, sales materials and records, purchasing materials and records, personnel records, quality control records and procedures

included in or relating to the Business or any of the assets of Parent and/or its Affiliates, and all trademarks, tradenames, copyrights and patents, and applications therefor, all trade secrets, inventions, processes, procedures, research records, market surveys and marketing know-how and other technical papers of Parent and/or any of its Affiliates, except that notwithstanding anything to the contrary contained herein, the term Confidential Information shall not include any such information that is publicly known or that becomes publicly known (other than as a result of any action on the part of, or a breach of the provisions of this Section 6, by the Executive).

For purposes hereof, the term "Business" shall mean the business of (a) distributing and selling industrial steel pipe, including large OD pipe, heavy wall and X-grade pipe, DSAW, seamless, continuous weld, ERW pipe and abrasive resistant pipe (mine pipe), and valves, alloy pipe, flanges and fittings, welded fittings and flanges (high yield, stainless, exotic carbon, chrome and low temp) per ANSI B16.9 and B16.5 (commodity lines and specials, i.e. anchor flanges and swivel ring flanges) forged steel fittings, outlets, pipe nipples, swage nipples, hot induction bends and Pikotek gaskets/insulation kits, stainless steel and other nickel alloy and hastelloy pipe, valves, fittings and flanges, including all chrome grades, (collectively, the "Products"); (b) providing added value services to such pipe and steel Products, including,

flame cutting, sawing, welding, sandblasting, priming, top coat painting, epoxy applications and end finishing, and conversion of pipe to other components or products; (c) entering into joint venture, partnership or agency arrangements relating to the sale or distribution of surplus stainless steel pipe, fittings and flanges, but excluding value-added services if not sold as part of the Products; and (d) any endeavor entered into by Parent or any Affiliates after the signing of this agreement, but before termination of the employment of the Executive.

7. Noncompetition; Nonsolicitation. (a) The Executive agrees that, during the Employment Term and for the period during which the Executive receives compensation pursuant to Section 5.4 hereof, (to the extent applicable), whichever is greater (such period being referred to herein as the "Initial Noncompete Period") (A) the Executive will not own or control any business that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area where the Company is engaged in the sale and/or distribution of the Products (a "Competing Business") on the date the Executive' s employment is terminated hereunder, including, without limitation, the State of Texas and each and every parish throughout the State of Louisiana specified on Schedule B hereto, (B) the Executive will not, directly or indirectly, whether for himself or on behalf of any other person (or affiliate), engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest (whether as a stockholder, director, officer, partner, consultant, proprietor, agent or otherwise) in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area where the Company is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder, including, without limitation, the State of Texas and each and every parish throughout the State of Louisiana specified on Schedule B hereto, or (C) the Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or

solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of the Parent or any of its Affiliates, subsidiaries or divisions. It is agreed that for purposes of this Section 7(a), a Competing Enterprise is only a business entity in which the sale and/or distribution of the Products constitutes more than 5% of that business and/or entity' s overall business revenues, and only such a Competing Enterprise shall be considered to "in any significant manner compete with" Parent or its Affiliates. Notwithstanding the foregoing, the Executive' s ownership of securities of a public company engaged in competition with the Company not in excess of 5% of any class of such securities shall not be considered a breach of the covenants set forth in this Section 7(a) above.

(b) The Executive agrees that, at all times from after the Effective Date and for (i) a period of twelve (12) months following the date of termination of the Executive' s employment with Parent and the Company, or (ii) the period during which the Executive receives compensation pursuant to Section 5.4 hereof (to the extent applicable), whichever is greater, the Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, (A) seek to persuade any employee of Parent or any of its Affiliates, subsidiaries or divisions to discontinue his or her status or employment therewith or seek to persuade any employee or former employee to become employed or to provide consulting or contract services in a business or activities competitive with the Business; or (B) solicit, employ or directly or indirectly cause to be solicited or employed, or engage, directly or indirectly, the services of any employee or former employee of Parent or any of its Affiliates.

(c) Notwithstanding anything to the contrary contained herein, the Initial Non-Compete Period referred to in Sections 7(a) and (b) above may be extended for two (2) successive periods of one (1) year each following the expiration of the Initial Non-Compete Period and the restrictions set forth in Section 7(a) and (b) above shall remain in full force and effect until the expiration of such additional one-year period(s), at the Company' s option. Should the Company elect to extend the Initial Non-Compete Period (or any subsequent one-year period) pursuant hereto, the Company shall provide the Executive with written notice of such extension at least ninety (90) days prior to the expiration of each of the Initial Non-Compete Period, the first and the second one-year periods following such Initial Non-Compete Period, as the case may be; provided that it is understood and agreed that the Company' s right to extend for the second one-year period is dependent on the Company having extended for the first one-year period as provided herein. In the event the Company elects to extend the Initial Non-Compete Period (or any subsequent one-year period) pursuant hereto, the Company shall pay the Executive, in consideration of the agreements of the Executive not to compete with the Parent and any of its respective Affiliates until the expiration of such extended one-year period(s), the Annual Base Salary (as in effect during the year of termination of the Executive' s employment) in respect of each such additional one-year period, payable in accordance with the Company' s customary payroll practices.

8. Inventions. Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of the Company and/or Parent or otherwise, whether alone or in conjunction with others, and whether during regular working hours or otherwise) during the period of his employment with the Company and/or Parent, which may be directly or indirectly useful in, or relate to, the Business or the business of Parent or any of its Affiliates, shall be promptly and fully disclosed by the Executive to the Board of Directors, and shall be the Company' s exclusive property as against the Executive. The Executive shall promptly deliver to the Board of Directors all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid. The Executive hereby assigns any and all such inventions to the Company and hereby agrees to execute and deliver such agreements, certificates, assignments or other documents as may be necessary to effect the assignment to the Company of any and all such inventions as contemplated by this Section 8. The Executive shall, upon the Company' s and/or Parent' s request, as applicable, and without any payment therefor, execute any documents necessary or advisable in the opinion of the Company' s and/or Parent' s counsel, as applicable, to direct issuance of patents or copyrights of the Company and/or Parent, as applicable, with respect to such inventions as are to be in the Company' s and/or Parent' s exclusive property, as applicable, as against the Executive under this Section 8 or to vest in the Company and/or Parent, as applicable, title to such inventions as against the Executive, the expense of securing any such patent or copyright, to be borne by the Company and/or Parent, as applicable.

9. Breach.

9.1. Both parties recognize that the services to be rendered under this Agreement by the Executive are special, unique and extraordinary in character, and that in the event of a breach by Executive of the material terms and conditions of the obligations to be performed by him hereunder, the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, or to enforce the specific performance thereof by the Executive. Without limiting the generality of the foregoing, the parties acknowledge that a breach by the Executive of his material obligations under Sections 6, 7 or 8 could cause the Company irreparable harm for which no adequate remedy at law would be available in respect thereof and that therefore upon proof of the same the Company would be entitled to seek and obtain injunctive relief with respect thereto.

9.2. In the event of a breach by the Company of the material terms and conditions of the obligations to be performed by it hereunder, the Executive shall provide the Company with written notice thereof, specifying the nature of the breach, within fourteen (14) days of such breach and the Company shall have thirty (30) days followings its receipt of such notice to cure the breach specified therein to the reasonable satisfaction of Executive. To the extent the Company fails to cure such breach as provided herein, the Executive shall then be entitled, if he so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for such breach. To the extent the Company fails to cure such breach as provided herein, the non-competition restrictions set forth in Section 7 shall terminate.

10. Parent' s Guaranty. Parent hereby guarantees all of Company' s obligations under this Agreement, including, but not limited to, prompt and full payment of any and all amounts due the Executive under this Agreement.

11. Insurance. The Executive acknowledges and agrees that the Company may obtain a life insurance policy on the life of the Executive with the Company named as the beneficiary. If the Company so elects, the Executive covenants and agrees to cooperate fully with the Company' s efforts to obtain such insurance policy.

12. Conflicting Agreements. The Executive hereby represents and warrants to the Company that (a) neither the execution of this Agreement by the Executive nor the performance by the Executive of any of his obligations or duties hereunder will conflict with or violate or constitute a breach of the terms of any employment or other agreement to which the Executive is a party or by which the Executive is bound, and (b) the Executive is not required to obtain the consent of any person, firm, corporation or other entity in order to enter into this Agreement or to perform any of his obligations or duties hereunder.

13. Further Assurances. The Executive hereby agrees to execute and deliver such agreements, certificates or other documents as may be reasonably requested by the Company which may be necessary or are required hereunder.

14. Miscellaneous.

14.1. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, that the duties of the Executive hereunder are personal to the Executive and may not be delegated or assigned by him.

14.2. Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service as follows:

(a) If to the Executive:

at his then current address
included in the employment records of the Company;

(b) If to the Company or Parent:

c/o Edgen Louisiana Corporation
18444 Highland Road
Baton Rouge, LA 70809
Attention: President

with a copy to:

Piper Rudnick LLP
1251 Avenue of the Americas
New York, New York 10020-1104
Attention: Leonard Gubar, Esq.

or to such other address as any party may have furnished to the other parties in writing in accordance herewith.

14.3. Governing Law. This Agreement shall be governed by and in accordance with the laws of the State of Louisiana without regard to conflict of law rules thereof.

14.4. Waivers. The waiver of any party hereto of any right hereunder or of any failure to perform or breach by any other party hereto shall not be deemed a waiver of any other right hereunder or of any other failure or breach by any other party hereto, whether of the same or a similar nature or otherwise. No waiver shall be deemed to have occurred unless set forth in writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

14.5. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall otherwise remain in full force and effect. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration or scope, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

14.6. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of either party in respect of said subject matter.

14.7. Headings Descriptive. The headings of the several paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

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

EXECUTIVE:

/s/ Robert L. Gilleland
Robert L. Gilleland

EDGEN ALLOY PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary/Treasurer

With respect to Section 10 only

EDGEN CORPORATION

By: /s/ Dan J. O' Leary
Name: Dan J. O' Leary
Title: President/CEO

Exhibit 10.8

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED AGREEMENT made as of the 30th day of April, 2004 by and between **CRAIG S. KIEFER**, an individual residing at 415 Carriage Creek Lane, Friendswood, TX 77546 (the "Executive"), **EDGEN CARBON PRODUCTS GROUP, L.L.C.,** a Louisiana limited liability company (the "Company"), and **EDGEN CORPORATION**, a Nevada corporation ("Parent").

W I T N E S S E T H

WHEREAS, the Executive serves as the President of the Company, which is a wholly-owned subsidiary of Parent, pursuant to an Employment Agreement, dated April 3, 2002 (the "Prior Agreement"), by and between the Company and the Executive;

WHEREAS, Parent and the Company seek to utilize the Executive' s knowledge, experience, talents and abilities; Parent and the Company desire to employ the Executive as the President of the Company, and the Executive desires to be so employed, subject to the terms and conditions set forth herein; and

WHEREAS, the Executive and the Company wish to amend and restate the Prior Agreement in its entirety in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement as follows:

1. Employment. Subject to the terms and conditions hereinafter set forth, the Company and Parent hereby agree to employ the Executive, and the Executive hereby agrees to serve as the President of the Company, effective on April 30, 2004. The Executive agrees to perform such services customary to such office as shall from time to time be assigned to him by the Board of Directors of Parent (the "Board of Directors") and/or by Parent' s Chief Executive Officer, or his designee (collectively the "Chief Executive Officer"). The Executive further agrees to use his best efforts to promote the interests of the Company and of Parent, and to devote his full business time and entire energies and skill to the business and affairs of the Company and of Parent in accordance with the directions and orders of the Board of Directors and/ or the Chief Executive Officer; provided, however, that it shall not be a violation of this Agreement for the Executive to serve on corporate, civic, or charitable boards or committees or manage personal investments, as long as such activities do not interfere in any substantial respect with the Executive' s responsibilities hereunder.

2. Term of Employment. The Executive' s "Employment Term" pursuant to this Agreement shall commence on the date hereof (the "Effective Date") and, unless terminated earlier pursuant to Section 4 hereof, shall terminate upon the first anniversary of the Effective Date; provided, however, that the Employment Term shall automatically be extended on a day-by-day basis (so that the remaining term shall always be one (1) year) unless either the Company or the Executive elects not to renew such term by giving written notice (an "Employment

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Expiration Notice") thereof; provided, further, however, that if the Executive is terminated pursuant to Section 4 below, there shall be no automatic daily renewal of the Employment Term. The Employment Term shall terminate on the one (1) year anniversary of the date of receipt of the Employment Expiration Notice by the Employee or the Employer, as applicable.

3. Compensation and Other Related Matters.

3.1. Base Salary. As compensation for the services rendered by the Executive hereunder, the Company shall pay, or shall cause to be paid, to the Executive during the Employment Term, and the Executive shall accept, compensation at the rate of One Hundred Eighty Thousand Dollars ($180,000.00) per annum (the "Annual Base Salary"). The Company' s obligation to pay the Annual Base Salary shall begin to accrue on the Effective Date and shall be paid in accordance with the Company' s customary payroll practices which are in effect from time to time during the Employment Term. The Annual Base Salary may be increased at any time during the Employment

Term by recommendation of the Chief Executive Officer to the Board of Directors. The Executive' s Annual Base Salary shall be subject to all applicable withholding and other taxes.

3.2. Annual Bonus. In addition to the Annual Base Salary set forth above, during the Employment Term, the Executive shall be entitled to receive an annual bonus (the "Annual Bonus") in the amount and calculated in the manner set forth on Schedule A annexed hereto. The Annual Bonus shall be payable by the Company to the Executive with respect to each year ending on December 31 by March 15 of the following year.

3.3. Other Employment Benefits. During the Employment Term, the Executive shall be entitled to the following employment benefits:

(a) Four (4) weeks of paid vacation in each fiscal year of the Company while the Executive is employed hereunder one (1) week of which, if not used by the Executive in any given fiscal year, may be carried over to the next fiscal year; provided, that the Executive shall not have more than five (5) weeks of paid vacation in any given fiscal year as a result of such carry over and sick leave in accordance with the Company' s policies from time to time in effect for executive officers of the Company; provided, that, as provided herein, vacation and/or sick leave time not used in any year may not be carried over or transferred from one year to another or converted to cash, except in a year in which there is a Change of Control (as hereinafter defined) where the Executive is no longer employed;

(b) participation, subject to qualification requirements, in medical, life or other insurance or hospitalization plans and long-term disability policies which are presently in effect or hereafter instituted by the Company and applicable to its executive officers generally; provided that, the Company shall pay all premium, copayment and deductible expenses of the Executive in respect of such Company plans and policies;

(c) participation, subject to classification requirements and continued maintenance thereof by the Company in other employee benefit plans, such as pension and profit sharing plans, which are from time to time applicable to the Company' s executive officers generally; and

(d) an automobile allowance of One Thousand Dollars ($1,000) per month, which shall be used by the Executive to cover all lease and insurance payments with respect to one automobile of the Executive' s choice for business purposes. The Company shall reimburse the Executive, upon the presentation of appropriate receipts, for all maintenance, repair and gasoline costs incurred by the Executive in connection with the use of such automobile; provided, that such costs are directly related to the performance by the Executive of his obligations to the Company hereunder.

3.4. Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement from the Company of all travel, entertainment and out-of-pocket expenses which are reasonably and necessarily incurred by the Executive in the performance of his duties hereunder; provided that the Executive properly accounts therefor in accordance with the Company' s policies as in effect from time to time and such expenses are approved by the Chief Executive Officer.

4. Termination.

4.1. Disability. In the event that at any time during the Employment Term, the Executive, due to physical or mental injury, illness, disability or incapacity, including "disability" within the meaning of the disability plan(s) which the Company then has in effect entitling the Executive to benefits thereunder ("Disability"), shall fail to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder for a period of three (3) consecutive months or for a non-consecutive period of five (5) months within any twelve (12) month period, the Company may terminate his employment for Disability upon not less than thirty (30) days prior written notice by delivery of a Termination Notice (as defined below) to the Executive.

4.2. Death. The Executive' s employment shall terminate immediately upon the death of the Executive.

4.3. Cause. The Company may, at any time and in its sole discretion, terminate the Executive' s employment for Cause (as herein defined) by delivery to the Executive of a Termination Notice specifying the nature of such Cause, effective as of the date (such effective date referred to herein as a "Termination Date") of such Termination Notice. For purposes hereof, termination for "Cause" shall mean (i) a conviction of, a plea of nolo contendere, a guilty plea or confession by the Executive to an act of fraud, misappropriation or embezzlement or to a felony; (ii) the commission of a fraudulent act or practice by the Executive affecting the Company and/or Parent; (iii) the willful failure by the Executive to follow the directions of the Board of Directors or the Chief Executive Officer; (iv) the Executive' s

habitual drunkenness as determined in the reasonable discretion of the Board of Directors or use of illegal substances; (v) the material breach by the Executive of this Agreement or (vi) an act of gross neglect or gross or willful misconduct that relates to the affairs of the Company and/or Parent which the Board of Directors of the Company in its reasonable discretion deems to be good and sufficient cause; provided, that the Executive shall receive a Termination Notice with respect to a termination for Cause pursuant to subsections (iii), (v) and/or (vi) hereof and the Executive shall

have the thirty (30) days following his receipt of the Termination Notice to cure the breach specified therein prior to his employment being terminated for Cause pursuant thereto.

4.4. Voluntary Termination by Company. The Company may, at any time, and in its sole discretion, terminate the employment of the Executive hereunder for any reason other than for Cause by the delivery to the Executive of a Termination Notice, effective as of the date of such Termination Notice.

4.5. Termination by Company in Conjunction with a Change of Control. For purposes of this Agreement, a "Change of Control" means the sale of Parent whether by, merger, consolidation, recapitalization, reorganization, sale of securities, sale of assets or otherwise in one transaction or a series of related transactions to a person or persons (other than to Harvest Partners III, L.P. or to any person, persons or entities affiliated therewith), pursuant to which such person or persons (together with its affiliates) acquires (i) securities representing at least a majority of the voting power of all securities of Parent, including securities convertible, exchangeable or exercisable for or into voting securities of Parent, assuming the conversion, exchange or exercise of all securities convertible, exchangeable or exercisable for or into voting securities or (ii) all or substantially all of the consolidated assets of Parent. The Company may terminate the employment of the Executive hereunder in conjunction with any Change of Control in accordance with Section 5.6 hereof by delivery to the Executive of a Termination Notice (as defined above), effective as of the date stated in the Termination Notice.

4.6. Executive' s Resignation for Good Reason. After a Change of Control, the Executive may terminate his employment for Good Reason in accordance with Section 5.6. For purposes hereof, "Good Reason" shall mean, without the Executive' s consent: (i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive' s position (including status, offices, duties and reporting relationships), authority, duties or responsibilities as contemplated by Section 1 hereof, or any other action by the Company which results in a significant diminution in such position, authority, duties, or responsibilities, excluding any isolated and inadvertent action not taken in bad faith and which is remedied by the Company within ten (10) days after receipt of notice thereof from the Executive; (ii) any failure by the Company to comply with any of the provisions of Section 3 hereof other than an isolated and inadvertent failure not committed in bad faith and which is remedied by the Company within ten (10) days after receipt of notice thereof from the Executive; (iii) the Executive' s being required to relocate to a principal place of employment more than fifty (50) miles from his principal place of employment with the Company as of the Effective Date or (iv) delivery by the Company of a notice discontinuing the automatic extension provision of Section 2 hereof.

5. Compensation During Disability and Upon Termination. During a Disability Period (as herein defined) or upon the termination of the Executive' s employment hereunder, the Executive shall be entitled to the following benefits:

5.1. Disability. During any period (the "Disability Period") that the Executive, due to Disability fails to perform satisfactorily and continuously the duties assigned to him and the services to be performed by him hereunder, the Company shall continue to pay to the Executive the Annual Base Salary (as in effect at such time) in accordance with the provisions of

Section 3.1 hereof, less any compensation payable to the Executive under the applicable disability insurance plan(s) of the Company during such Disability Period. Thereafter, if the Executive' s employment hereunder is terminated pursuant to Section 4.1 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment of (a) the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices (less any compensation payable to the Executive under the applicable disability insurance plan(s) of the Company), for the twelve (12) month period immediately following the Termination Date and (b) the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs (based upon the number of days during such year that the Executive was employed over 365 days prior to

termination), payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.2. Death. If the Executive' s employment is terminated pursuant to Section 4.2 hereof as a result of the Executive' s death, the Company shall have no further obligations hereunder after the date of the Executive' s death other than the payment to the Executive' s estate, legal representative, heirs or other beneficiaries of (a) the Annual Base Salary (as in effect during the calendar year of such death) payable in accordance with the Company' s customary payroll practices, for the twelve (12) month period immediately following the date of the Executive' s death, and (b) the Executive' s *pro rata* portion of the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such death occurred (based upon the number of days during such year that the Executive was employed over 365 days prior to death), payable on the same date as such Annual Bonus would have been payable for such year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.3. Cause. If the Executive' s employment is terminated by the Company for Cause pursuant to Section 4.3 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. The Company shall not be obligated to make any bonus payments to the Executive pursuant to Section 3.2 hereof for the calendar year in which such termination occurs or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law.

5.4. Voluntary Termination by Company. If the Company voluntarily terminates the Executive' s employment hereunder pursuant to Section 4.4 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment of (a) (i) one (1) year of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices, and (ii) at no greater out-of-pocket expense to the Company than incurred prior to termination, the Company-sponsored medical and health benefits (or the reimbursement of COBRA premiums) previously made available to the Executive, but only to the extent permitted by such policies or plans, or as otherwise required by law, and (b) the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such calendar year pursuant to Section 3.2 hereof had the Employment Term not been so terminated.

5.5. Termination by Executive. If at any time during the Employment Term, the Executive terminates his employment with the Company and Parent for any reason whatsoever other than Good Reason pursuant to Section 4.6 hereof, the Company shall have no further obligations hereunder after the Termination Date other than the payment to the Executive of the Annual Base Salary accrued and unpaid through the Termination Date. The Company shall not be obligated and shall be released from all obligations to make any bonus payments to the Executive pursuant to Section 3.2 hereof, if any, for the calendar year in which such termination occurs, or to provide any of the benefits set forth in Section 3.3 of this Agreement after the Termination Date, except as may be required by applicable law.

5.6. Termination in Conjunction with a Change of Control. If (a) the Company terminates the employment of the Executive hereunder in conjunction with any Change of Control, pursuant to Section 4.5 hereof; (b) the Company or any successor entity thereto terminates the employment of the Executive without Cause within six (6) months of any Change of Control; or (c) the Executive terminates his employment for Good Reason within six (6) months of any Change of Control, the Company, or any successor entity thereto, shall have no further obligations hereunder after the Termination Date other than (i) the payment of one (1) year of the Annual Base Salary (as in effect during the year of such termination) payable in accordance with the Company' s customary payroll practices; (ii) the payment of the Annual Bonus due pursuant to Section 3.2 hereof for the calendar year in which such termination occurs, payable on the same date as such Annual Bonus would have been payable for such calendar year pursuant to Section 3.2 hereof had the Employment Term not been so terminated; provided, however, the Annual Bonus for the calendar year in which such termination occurs, shall be pro rated, based on the number of days the Executive was employed (less any Disability Period) over 365 days; and (iii) at no greater out-of-pocket expense to the Company than incurred prior to termination, the Company shall pay for twelve (12) months the premiums for Company-sponsored medical and health benefits (or the reimbursement of COBRA premiums) previously made available to the Executive, but only to the extent permitted by such policies or plans, or as otherwise required by law; however, if the Executive becomes eligible for coverage under any other medical and health policy after termination of employment, or is, or becomes covered by any other medical and health policy the Company' s obligation to pay the premiums due by the Executive for Company-sponsored medical and health benefits shall cease immediately. Notwithstanding the foregoing, in the event that the Executive, or any of his Affiliates (as defined below), participates in any Change of Control transaction as an equity participant and/or as a purchaser of securities or assets and, immediately after the consummation of the Change of Control transaction remains, or within six (6) months of such transaction, becomes actively involved in the operation of the Company, Parent or any successor entity thereto as an officer, director or employee, the provisions of this Section 5.6 shall terminate and be of no force or effect. An "Affiliate" shall mean an individual, a corporation, an association, a joint venture, a partnership, a limited liability company, an estate, a trust, an unincorporated organization and any other entity or organization, governmental or otherwise that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Executive.

6. Confidentiality. The Executive acknowledges that it is the policy of the Company and Parent to maintain as secret and confidential all Confidential Information (as defined herein).

The parties hereto recognize that the services to be performed by the Executive pursuant to this Agreement are special and unique, and that by reason of his employment by the Company both before and after the Effective Date, the Executive will acquire, or may have acquired, Confidential Information. The Executive recognizes that all such Confidential Information is and shall remain the sole property of the Company and Parent, as applicable, free of any rights of the Executive, and acknowledges that the Company and Parent have a vested interest in assuring that all such Confidential Information remains secret and confidential. Therefore, in consideration of the Executive' s employment with the Employer pursuant to this Agreement, the Executive agrees that at all times from after the Effective Date, he will not, directly or indirectly, disclose to any person, firm, company or other entity (other than Parent or any of its Affiliates (for the purposes of this Employment Agreement, the term "Affiliate(s)" means Parent, its successor(s), any direct or indirect subsidiary of Parent or its successor(s), or any division of a subsidiary)) any Confidential Information, except as required in the performance of his duties hereunder, without the prior written consent of the Company or Parent, as applicable, except to the extent that (i) any such Confidential Information becomes generally available to the public, other than as a result of a breach by the Executive of this Section 6, or (ii) any such Confidential Information becomes available to the Executive on a non-confidential basis from a source other than Parent or any of its Affiliates or advisors; provided that such source is not known by the Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Parent, any of its Affiliates or another party. In addition, it shall not be a breach of the confidentiality obligations hereof if the Executive is required by law to disclose any Confidential Information; provided that in such case, the Executive shall (a) give the Company and/or Parent, as applicable, the earliest notice possible that such disclosure is or may be required and (b) cooperate with the Company and/or Parent, as applicable, at the Company' s and/or Parent' s expense, as applicable, in protecting, to the maximum extent legally permitted, the confidential or proprietary nature of the Confidential Information which must be so disclosed. The obligations of the Executive under this Section 6 shall survive any termination of this Agreement. During the Employment Term, the Executive shall exercise all due and diligent precautions to protect the integrity of the business plans, customer lists, statistical data and compilation, agreements, contracts, manuals or other documents of the Company and/or Parent which embody the Confidential Information, and upon the expiration or the termination of the Employment Term, the Executive agrees that all Confidential Information in his possession, directly or indirectly, that is in writing or other tangible form (together with all duplicates thereof) will forthwith be returned to the Company and/or Parent, as applicable, and will not be retained by the Executive or furnished to any person, either by sample, facsimile, film, audio or video cassette, electronic data, verbal communication or any other means of communication. The Executive agrees that the provisions of this Section 6 are reasonably necessary to protect the proprietary rights of the Company and/or Parent in the Confidential Information and their trade secrets, goodwill and reputation.

For purposes hereof, the term "Confidential Information" means all information heretofore or hereafter developed or used by Parent or any of its Affiliates relating to the Business (as defined below), and the operations, employees, customers, suppliers and distributors of Parent or any of its Affiliates, including, but not limited to, customer lists, customer orders, purchase orders, financial data, pricing information and price lists, business plans and market strategies and arrangements, all books, records, manuals, advertising materials,

catalogues, correspondence, mailing lists, production data, sales materials and records, purchasing materials and records, personnel records, quality control records and procedures included in or relating to the Business or any of the assets of Parent and/or its Affiliates, and all trademarks, tradenames, copyrights and patents, and applications therefor, all trade secrets, inventions, processes, procedures, research records, market surveys and marketing know-how and other technical papers of Parent and/or any of its Affiliates, except that notwithstanding anything to the contrary contained herein, the term Confidential Information shall not include any such information that is publicly known or that becomes publicly known (other than as a result of any action on the part of, or a breach of the provisions of this Section 6, by the Executive).

For purposes hereof, the term "Business" shall mean the business of (a) distributing and selling industrial steel pipe, including large OD pipe, heavy wall and X-grade pipe, DSAW, seamless, continuous weld, ERW pipe and abrasive resistant pipe (mine pipe), and valves, alloy pipe, flanges and fittings, welded fittings and flanges (high yield, stainless, exotic carbon, chrome and low temp) per ANSI B16.9 and B16.5 (commodity lines and specials, i.e. anchor flanges and swivel ring flanges) forged steel fittings, outlets, pipe nipples, swage nipples, hot induction bends and Pikotek gaskets/insulation kits, stainless steel and other nickel alloy and hastelloy pipe, valves, fittings and flanges, including all chrome grades, (collectively, the "Products"); (b) providing added value services to such pipe and steel Products, including, flame cutting, sawing, welding, sandblasting, priming, top coat painting, epoxy applications and end finishing, and, conversion of pipe to other components or products; (c) entering into joint venture, partnership or agency arrangements relating to the sale or distribution of surplus stainless steel pipe, fittings and flanges, but excluding value-added services if not sold as part of the Products; and (d) any endeavor entered into by Parent or any Affiliates after the signing of this agreement, but before termination of the employment of the Executive.

7. Noncompetition; Nonsolicitation. (a) The Executive agrees that, during the Employment Term and for the period during which the Executive receives compensation pursuant to Section 5.4 hereof (to the extent applicable), whichever is greater (such period being referred to herein as the "Initial Noncompete Period") (A) the Executive will not own or control any business that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area where the Company is engaged in the sale and/or distribution of the Products (a "Competing Business") on the date the Executive' s employment is terminated hereunder, including, without limitation, the State of Texas and each and every parish throughout the State of Louisiana specified on Schedule B hereto, (B) the Executive will not, directly or indirectly, whether for himself or on behalf of any other person (or affiliate), engage in, own, manage, operate, provide financing to, control or participate in the ownership, management or control of, or be connected as an officer, employee, partner, director, or otherwise with, or have any financial interest (whether as a stockholder, director, officer, partner, consultant, proprietor, agent or otherwise) in, or aid or assist anyone else in the conduct of, any business, that competes, directly or indirectly, with the Business or is otherwise engaged in activities competitive with the Business, in each and every area where the Company is engaged in the sale and/or distribution of the Products on the date the Executive' s employment is terminated hereunder, including, without limitation, the State of Texas and each and every parish throughout the State of Louisiana specified on Schedule B hereto, or (C) the

Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, canvass or solicit, or enter into or effect (or cause or authorize to be solicited, entered into or effected), directly or indirectly, for or on behalf of himself or any other person, any business relating to the sale and/or distribution of any Products from any person, company, firm or other entity, who is, or has at any time within two (2) years prior to the date of such action been a customer or supplier of the Parent or any of its Affiliates, subsidiaries or divisions. It is agreed that for purposes of this Section 7(a), a Competing Enterprise is only a business entity in which the sale and/or distribution of the Products constitutes more than 5% of that business and/or entity' s overall business revenues, and only such a Competing Enterprise shall be considered to "in any significant manner compete with" Parent or its Affiliates. Notwithstanding the foregoing, the Executive' s ownership of securities of a public company engaged in competition with the Company not in excess of 5% of any class of such securities shall not be considered a breach of the covenants set forth in this Section 7(a) above.

(b) The Executive agrees that, at all times from after the Effective Date and for (i) a period of twelve (12) months following the date of termination of the Executive' s employment with Parent and the Company, or (ii) the period during which the Executive receives compensation pursuant to Section 5.4 hereof (to the extent applicable), whichever is greater, the Executive will not, either personally or by his agent or by letters, circulars or advertisements, and whether for himself or on behalf of any other person, company, firm or other entity, (A) seek to persuade any employee of Parent or any of its Affiliates, subsidiaries or divisions to discontinue his or her status or employment therewith or seek to persuade any employee or former employee to become employed or to provide consulting or contract services in a business or activities competitive with the Business; or (B) solicit, employ or directly or indirectly cause to be solicited or employed, or engage, directly or indirectly, the services of any employee or former employee of Parent or any of its Affiliates.

(c) Notwithstanding anything to the contrary contained herein, the Initial Non-Compete Period referred to in Sections 7(a) and (b) above may be extended for two (2) successive periods of one (1) year each following the expiration of the Initial Non-Compete Period and the restrictions set forth in Section 7(a) and (b) above shall remain in full force and effect until the expiration of such additional one-year period(s), at the Company' s option. Should the Company elect to extend the Initial Non-Compete Period (or any subsequent one-year period) pursuant hereto, the Company shall provide the Executive with written notice of such extension at least ninety (90) days prior to the expiration of each of the Initial Non-Compete Period, the first and the second one-year periods following such Initial Non-Compete Period, as the case may be; provided that it is understood and agreed that the Company' s right to extend for the second one-year period is dependent on the Company having extended for the first one-year period as provided herein. In the event the Company elects to

extend the Initial Non-Compete Period (or any subsequent one-year period) pursuant hereto, the Company shall pay the Executive, in consideration of the agreements of the Executive not to compete with the Parent and any of its respective Affiliates until the expiration of such extended one-year period(s), the Annual Base Salary (as in effect during the year of termination of the Executive' s employment) in respect of each such additional one-year period, payable in accordance with the Company' s customary payroll practices.

8. Inventions. Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of the Company and/or Parent or otherwise, whether alone or in conjunction with others, and whether during regular working hours or otherwise) during the period of his employment with the Company and/or Parent, which may be directly or indirectly useful in, or relate to, the Business or the business of Parent or any of its Affiliates, shall be promptly and fully disclosed by the Executive to the Board of Directors, and shall be the Company' s exclusive property as against the Executive. The Executive shall promptly deliver to the Board of Directors all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid. The Executive hereby assigns any and all such inventions to the Company and hereby agrees to execute and deliver such agreements, certificates, assignments or other documents as may be necessary to effect the assignment to the Company of any and all such inventions as contemplated by this Section 8. The Executive shall, upon the Company' s and/or Parent' s request, as applicable, and without any payment therefor, execute any documents necessary or advisable in the opinion of the Company' s and/or Parent' s counsel, as applicable, to direct issuance of patents or copyrights of the Company and/or Parent, as applicable, with respect to such inventions as are to be in the Company' s and/or Parent' s exclusive property, as applicable, as against the Executive under this Section 8 or to vest in the Company and/or Parent, as applicable, title to such inventions as against the Executive, the expense of securing any such patent or copyright, to be borne by the Company and/or Parent, as applicable.

9. Breach.

9.1. Both parties recognize that the services to be rendered under this Agreement by the Executive are special, unique and extraordinary in character, and that in the event of a breach by Executive of the material terms and conditions of the obligations to be performed by him hereunder, the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, or to enforce the specific performance thereof by the Executive. Without limiting the generality of the foregoing, the parties acknowledge that a breach by the Executive of his material obligations under Sections 6, 7 or 8 could cause the Company irreparable harm for which no adequate remedy at law would be available in respect thereof and that therefore upon proof of the same the Company would be entitled to seek and obtain injunctive relief with respect thereto.

9.2. In the event of a breach by the Company of the material terms and conditions of the obligations to be performed by it hereunder, the Executive shall provide the Company with written notice thereof, specifying the nature of the breach, within seven (7) days of such breach and the Company shall have thirty (30) days followings its receipt of such notice to cure the breach specified therein to the reasonable satisfaction of Executive. To the extent the Company fails to cure such breach as provided herein, the Executive shall then be entitled, if he so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for such breach. To the extent the Company fails to cure such breach as provided herein, the non-competition restrictions set forth in Section 7 shall terminate.

10. Parent' s Guaranty. Parent hereby guarantees all of Company' s obligations under this Agreement, including, but not limited to, prompt and full payment of any and all amounts due the Executive under this Agreement.

11. Insurance. The Executive acknowledges and agrees that the Company may obtain a life insurance policy on the life of the Executive with the Company named as the beneficiary. If the Company so elects, the Executive covenants and agrees to cooperate fully with the Company' s efforts to obtain such insurance policy.

12. Conflicting Agreements. The Executive hereby represents and warrants to the Company that (a) neither the execution of this Agreement by the Executive nor the performance by the Executive of any of his obligations or duties hereunder will conflict with or violate or constitute a breach of the terms of any employment or other agreement to which the Executive is a party or by which the Executive is bound, and (b) the Executive is not required to obtain the consent of any person, firm, corporation or other entity in order to enter into this Agreement or to perform any of his obligations or duties hereunder.

13. Further Assurances. The Executive hereby agrees to execute and deliver such agreements, certificates or other documents as may be reasonably requested by the Company which may be necessary or are required hereunder.

14. Miscellaneous.

14.1. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, that the duties of the Executive hereunder are personal to the Executive and may not be delegated or assigned by him.

14.2. Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service as follows:

(a) If to the Executive:

at his then current address
included in the employment records of the Company;

with a copy to:

(b) If to the Company or Parent:

c/o Edgen Louisiana Corporation
18444 Highland Road
Baton Rouge, LA 70809
Attention: President

with a copy to:

Piper Rudnick LLP
1251 Avenue of the Americas
New York, New York 10020-1104
Attention: Leonard Gubar, Esq.

or to such other address as any party may have furnished to the other parties in writing in accordance herewith.

14.3. Governing Law. This Agreement shall be governed by and in accordance with the laws of the State of Louisiana without regard to conflict of law rules thereof

14.4. Waivers. The waiver of any party hereto of any right hereunder or of any failure to perform or breach by any other party hereto shall not be deemed a waiver of any other right hereunder or of any other failure or breach by any other party hereto, whether of the same or a similar nature or otherwise. No waiver shall be deemed to have occurred unless set forth in writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

14.5. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall otherwise remain in full force and effect. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration or scope, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

14.6. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of either party in respect of said subject matter.

14.7. Headings Descriptive. The headings of the several paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

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

EXECUTIVE:

/s/ Craig S. Kiefer
Craig S. Kiefer

EDGEN CARBON PRODUCTS GROUP, L.L.C.

By: /s/ David L. Laxton, III
Name: David L. Laxton, III
Title: Secretary/Treasurer

With respect to Section 10 only

EDGEN CORPORATION

By: /s/ Dan J. O' Leary
Name: Dan J. O' Leary
Title: President/CEO

Exhibit 10.10

EDGEN CORPORATION INCENTIVE PLAN

Adopted February 1, 2005

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1. Purpose of the Plan

The purpose of the Plan is to assist the Company and its Subsidiaries in attracting and retaining valued employees by offering them a greater stake in the Company' s success and a closer identity with it, and to encourage ownership of the Company' s stock by such employees.

2. Definitions

2.1 "Approved Sale" means an Approved Sale as that term is defined in the Securities Holders Agreement.

2.2 "Award" means an award of Restricted Stock under the Plan.

2.3 "Award Agreement" means the Agreement between the Company and a Holder pursuant to which an Award is granted and which specifies the terms and conditions of that Award, including the vesting requirements applicable to that Award.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" means

(a) a conviction of, a plea of nolo contendere, a guilty plea or confession by the Employee to an act of fraud, misappropriation or embezzlement or to a felony;

(b) the commission of a fraudulent act or practice by the Employee affecting the Company or its Subsidiaries;

(c) the willful failure by the Employee to follow the directions of the Board;

(d) the Employee' s habitual drunkenness or use of illegal substances, each as determined in the reasonable discretion of the Board;

(e) the material breach by the Employee of the Employee' s employment agreement with the Company or its Subsidiaries, if any; or

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(f) an act of gross neglect or gross or willful misconduct that relates to the affairs of the Company or its Subsidiaries, which the Board, in its reasonable discretion, deems to be good and sufficient cause; provided, that if the Employee shall receive a Termination Notice with respect to a termination for Cause pursuant to Sections 2.4(c), 2.4(e) and/or 2.4(f), then the Employee shall have thirty (30) days following receipt of the Termination Notice to cure the breach specified therein, if capable of being cured, to the reasonable satisfaction of the Board prior to the Employee' s employment being terminated for Cause pursuant thereto; provided, however, the Employee shall have the right to cure any such breach only one (1) time in any twelve (12) month period.

2.6 "Change in Control" means the sale of the Company in an Approved Sale or by any other, merger, consolidation, recapitalization, reorganization, sale of securities, sale of assets or otherwise in one transaction or a series of related transactions to a person or persons (other than to funds managed by Jefferies Capital Partners or to any person, persons or entities affiliated therewith), pursuant to which such person or persons (together with its affiliates) acquires (i) securities representing at least a majority of the voting power of all securities of the Company including securities convertible, exchangeable or exercisable for or into voting securities of the Company, assuming the conversion, exchange or exercise of all securities convertible, exchangeable or exercisable for or into voting securities, or (ii) all or substantially all of the consolidated assets of the Company. The determination of whether a Change in Control has occurred shall be made by the Board in its sole discretion.

2.7 "Code" means the Internal Revenue Code of 1986, as amended.

2.8 "Committee" means the Board or a committee of Board members designated by the Board to administer the Plan under Section 4.

2.9 "Common Stock" means the Common Stock of the Company, par value $0.01 per share, or such other class or kind of shares or other securities resulting from the application of Section 7.

2.10 "Company" means Edgen Corporation, a Nevada corporation, or any successor corporation.

2.11 "EBITDA" means for any given year, the Company' s earnings before interest, income taxes, depreciation and amortization as determined after payment of bonuses, if any, but adjusted for purchase accounting or any other items that are considered unique, or likely to affect only one accounting period (unique or "one time" charges are charges for which, under generally accepted accounting principles consistently applied, an adjustment to EBITDA would be considered proper), as determined by the Board, in its sole discretion, based on the audited financial statements for such year.

2.12 "Employee" means an officer or other key employee of the Company or a Subsidiary, including a director who is such an employee.

2.13 "Equity Value" of the Company means the amount, in dollars, obtained by multiplying the Company' s EBITDA for the Company' s calendar year accounting period immediately preceding the date as of which Equity Value is to be determined, by the number 5.76, and subtracting from that product (a) all Indebtedness for Borrowed Money of the Company and its Subsidiaries outstanding on the last day of that same accounting period, (b) the

aggregate liquidation preferences (including accrued but unpaid dividends) of all shares of any equity security of the Company or any Subsidiary that, in the event of the Company' s liquidation, entitles the holders of such securities to be paid before the holders of Common Stock and that are outstanding on the last day of that same accounting period, offset by (c) the amount of cash and cash equivalents on the Company' s balance sheet on the last day of that same accounting period.

2.14 "Fair Market Value" means, on any given date, if the Company' s Common Stock is not Publicly Traded, the value of a share of Common Stock determined by the Committee by dividing (a) the Company' s Equity Value, as determined as of the end of the Company' s most recent fiscal year, as adjusted by the Committee, in its sole discretion, in good faith, for changes in that Equity Value occurring since the end of the Company' s most recently ended fiscal year by (b) the number of shares of Common Stock, including any restricted stock, actually issued and outstanding as of that same date. If the Company' s Common Stock is Publicly Traded, "Fair Market Value" means (c) if the Common Stock is listed on an established stock exchange or exchanges, the closing price of Common Stock on the principal exchange on which it is traded on such date, or if no sale was made on such date on such principal exchange, on the last preceding

day on which the Common Stock was traded or (d) if the Common Stock is not then listed on an exchange, but is quoted on NASDAQ or a similar quotation system, the closing price per share for the Common Stock as quoted on NASDAQ or similar quotation system on such date.

2.15 "Holder" means an Employee to whom an Award is made.

2.16 "Indebtedness for Borrowed Money" means (a) all indebtedness of the Company and its Subsidiaries for borrowed money, whether current or funded, secured or unsecured, (b) all indebtedness of the Company and its Subsidiaries for deferred purchase price of property or services represented by a note or other security, (c) all indebtedness of the Company and its Subsidiaries created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company or its Subsidiaries, even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property, (d) all indebtedness of the Company and its Subsidiaries secured by a purchase money mortgage or other lien to secure all or part of the purchase price of property subject to such mortgage or lien, (e) all obligations under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases in respect of which the Company or its Subsidiaries are liable as lessee, (f) any liability of the Company or its Subsidiaries in respect of banker' s acceptances or letters of credit and (g) all indebtedness referred to in clause (a) through (f) above which is directly or indirectly guaranteed by the Company or any of its Subsidiaries or which the Company or any of its Subsidiaries has agreed, contingently or otherwise, to purchase or otherwise to acquire or in respect of which it has otherwise assured a creditor against loss.

2.17 "Indenture" means the 9 7/8% Senior Secured Notes due 2011, under the Company' s offering circular dated February 1, 2005, and/or any subsequent offering by the Company of publicly or privately held debt securities.

2.18 "1934 Act" means the Securities Exchange Act of 1934, as amended.

2.19 "Plan" means the Edgen Corporation Incentive Plan herein set forth, as amended from time to time.

2.20 "Per Share Equity Value" means the per share amount, in dollars, derived by dividing the Equity Value of the Company as the last day of the Company' s fiscal year ending immediately before the date on which Per Share Equity Value is to be determined by the number of shares of Common Stock, including any restricted stock, actually issued and outstanding as of that same date.

2.21 "Publicly Traded" means that the Company' s Common Stock is listed on an established stock exchange or exchanges, or is quoted on NASDAQ or a similar quotation system

2.22 "Restricted Stock" means Common Stock awarded by the Committee under Section 6 of the Plan.

2.23 "Restriction Period" means the period during which Restricted Stock awarded under Section 6 of the Plan is subject to forfeiture. The Restriction Period shall not lapse with respect to any Restricted Stock until all conditions imposed under Sections 6.4 or6.5, or otherwise under this Plan and the Award Agreement, have been satisfied.

2.24 "Securities Holders Agreement" means the Securities Holders Agreement by and among Edgen Acquisition Corporation, ING Furman Selz Investors III L.P.,

2.25 "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company (or any subsequent parent of the Company) if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.26 "Termination Notice" means a written notice delivered by the Company to an Employee specifying that the Company has terminated the Employee' s employment.

3. Eligibility

Any Employee is eligible to receive an Award.

4. Administration and Implementation of Plan

4.1 The Plan shall be administered by the Committee, which shall have full power to interpret and administer the Plan and full authority to act in selecting the Employees to whom Awards will be granted, in determining whether, and to what extent, Awards may be transferable by the Holder, in determining the amount of Awards to be granted to each such Employee, in determining the terms and conditions of Awards granted under the Plan and in determining the terms of the Award Agreements that will be entered into with Holders.

4.2 The Committee shall have the power to adopt regulations for carrying out the Plan and to make changes to such regulations as it shall, from time to time, deem advisable. Any interpretation by the Committee of the terms and provisions of the Plan and the administration thereof, and all actions taken by the Committee, shall be final and binding on Holders.

4.3 The Committee may amend any outstanding Awards without the consent of the Holder to the extent it deems appropriate; provided however, that in the case of amendments adverse to the Holder, the Committee must obtain the Holder' s consent to any such amendment.

5. Shares of Stock Subject to the Plan

5.1 Subject to adjustment as provided in Section 7, the total number of shares of Common Stock available for Awards under the Plan shall be 300,000 shares.

5.2 Any shares issued by the Company through the assumption or substitution of outstanding grants from an acquired company shall not reduce the shares available for Awards under the Plan. Any shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares subject to any Award granted hereunder are forfeited or such Award otherwise terminates, the shares subject to such Award, to the extent of any such forfeiture or termination, shall again be available for Awards under the Plan.

6. Restricted Stock

An Award of Restricted Stock is a grant by the Company of a specified number of shares of Common Stock to the Employee, which shares are subject to forfeiture during a Restriction Period upon the happening of specified events or as result of the failure to meet financial targets or performance goals or satisfy other conditions specified in the Award Agreement. Such an Award shall be subject to the following terms and conditions:

6.1 Restricted Stock shall be evidenced by Award Agreements. Such agreements shall conform to the requirements of the Plan and may contain such other provisions as the Committee shall deem advisable.

6.2 Upon determination of the number of shares of Restricted Stock to be granted to the Holder, the Committee shall direct that a certificate or certificates representing that number of shares of Common Stock be issued to the Holder with the Holder designated as the registered owner. The certificate(s) representing such shares shall bear appropriate legends as to sale, transfer, assignment, pledge or other encumbrances to which such shares are subject, both during the Restriction Period and thereafter under the Securities Holders Agreement, and shall be deposited by the Holder, together with a stock power endorsed in blank, with the Company, to be held in escrow during the Restriction Period.

6.3 During the Restriction Period the Holder shall have the right to receive the Holder' s allocable share of any cash dividends declared by the Company on its Common Stock and to vote the shares of Restricted Stock.

6.4 The Committee may condition the expiration of the Restriction Period upon: (i) the Employee' s continued service over a period of time with the Company or its Subsidiaries, (ii) the Company' s attainment of specified financial targets, (iii) the achievement by the Employee, the Company or its Subsidiaries of any other performance goals set by the Committee, or (iv) any combination of the above conditions, as specified in the Award Agreement. If the specified conditions are not attained, the Holder shall forfeit the portion of the Award with respect to which those conditions are not attained, and the underlying Common Stock shall be forfeited to the Company.

6.5 The Award Agreement shall specify the duration of the Restriction Period and the financial, performance, employment, termination of employment or other conditions under which the Restricted Stock may be forfeited to the Company. At the end of the Restriction Period, when all such conditions have been satisfied, the restrictions imposed hereunder shall lapse with respect to the number of shares of Restricted Stock as determined by the Committee, and any legend described in Section 6.2 that is then no longer applicable, shall be removed and such number of shares delivered to the Holder (or, where appropriate, the Holder' s legal representative). The Board may, in its sole discretion, modify or accelerate the vesting and delivery of shares of Restricted Stock.

6.6 An Employee who is awarded Restricted Stock shall, regardless of whether the Restriction Period with regard to such Award has lapsed, be bound by the Securities Holders Agreement to the same extent as would a Management Investor, as that term is defined in the Securities Holders Agreement. Accordingly, any Restricted Stock issued under the Plan

shall be held, transferred, sold or otherwise disposed of only in accordance with the Securities Holders Agreement. Without limiting the generality of the foregoing, each Holder shall follow the provisions set forth in the Securities Holders Agreement with regard to an Approved Sale, as well as be bound by any transfer restrictions, tag along rights, restrictive covenants and other obligations delineated in the Securities Holders Agreement. Any amendment to the Securities Holders Agreement that effects a provision contained herein shall be deemed to be an amendment to the Plan.

6.7 Upon a Change in Control, and subject to the exercise of the Board' s discretion to vest all Awards under Section 6.5, any then outstanding Awards shall be treated as provided in the applicable Award Agreement.

6.8 Unless specifically provided otherwise in an Award Agreement, upon a termination of a Holder' s employment for any reason, the Holder shall forfeit any unvested Restricted Stock, i.e., any Restricted Stock with respect to which the Restriction Period has not lapsed.

6.9 Notwithstanding any provision in the Plan or in any Award Agreement to the contrary, upon a termination of the Holder by the Company (or its Subsidiaries) for Cause, the Holder shall forfeit any Restricted Stock issued under the Plan, regardless of whether such Restricted Stock is vested and otherwise free from restriction.

7. Adjustments upon Changes in Capitalization

In the event of a reorganization, recapitalization, stock split, spin-off, split-off, split-up, stock dividend, issuance of stock rights, combination of shares, merger, consolidation or

any other change in the corporate structure of the Company affecting Common Stock, or any distribution to stockholders other than a cash dividend, the Committee shall make appropriate adjustment in the number and kind of shares authorized by the Plan and any other adjustments to outstanding Awards as it determines appropriate.

8. Effective Date, Termination and Amendment

The Plan shall become effective on February 1, 2005 and shall remain in full force and effect until the earlier of ten years from the date of its adoption by the Board, or the date it is terminated by the Board. The Board shall have the power to amend, suspend or terminate the Plan at any time, provided that any such termination of the Plan shall not affect Awards outstanding under the Plan at the time of termination.

9. Repurchase of Vested Awards

9.1 If the Company or its Subsidiary terminates the Holder' s employment with the Company and its Subsidiaries for any reason other than for Cause, including death or disability, and the Company' s Common Stock is not Publicly Traded, then the Company shall be obligated to repurchase all of the Holder' s Restricted Stock that, as of the date of such termination, is vested. The purchase price paid by the Company shall be the Fair Market Value of the Common Stock as of the date of the Holder' s termination of employment. The Company must deliver such purchase price to the Holder within 180 days of the Employee' s termination from employment. Notwithstanding the foregoing, the Company' s obligation to deliver payment for the Holder' s Restricted Stock that the Company is obligated to purchase under this Section 9.1 shall be suspended, if the Board, in its sole discretion, determines that such

payment would result in the Company' s violation of its Indenture or the terms of any agreement relating to Indebtedness for Borrowed Money. The Committee shall notify the Holder within 90 days of the Board' s determination that the Company' s obligation to deliver payment for the Holder' s Restricted Stock has been suspended. Beginning on the date on which the Board, in its sole discretion, determines that the payment would no longer result in the Company' s violation of its Indenture or any agreement relating to Indebtedness for Borrowed Money, the Company shall have 180 days to complete the repurchase described in this Section 9.1 by delivering payment for the Restricted Stock to the Holder.

9.2 If the Holder terminates the Holder' s employment with the Company (and its Subsidiaries) for any reason, and the Company' s Common Stock is not Publicly Traded, then the Company shall have the right, but not the obligation to repurchase any or all of the Holder' s Restricted Stock that as of the date of such termination is vested. The Company must notify the Holder within 90 days of the Holder' s termination that the Company will exercise its right to repurchase the Holder' s shares. The purchase price paid by the Company shall be the fair Market Value of the Common Stock as of the date of the Holder' s termination of employment. The Company must deliver such purchase price to the Holder within 180 days of the Company' s notification to the Holder of its intent to repurchase the shares. Notwithstanding the foregoing, the Company' s obligation to deliver payment for shares of the Holder' s Restricted Stock that the Company has determined to purchase under this Section 9.2 shall be suspended, if the Board, in its sole discretion, determines that such payment would result in the Company' s violation of its Indenture or any agreement relating to Indebtedness for

Borrowed Money. The Committee shall notify the Holder within 90 days of the Board' s determination that the Company' s obligation to deliver payment for the Holder' s Restricted Stock has been suspended. Beginning with the date on which the Board, in its sole discretion, determines that the payment would no longer result in the Company' s violation of its Indenture or any agreement relating to Indebtedness for Borrowed Money, the Company shall have 180 days to complete the repurchase described in this Section 9.2 by delivering payment for the Restricted Stock to the Holder..

10. Transferability

Except as provided below, Awards may not be pledged, assigned or transferred for any reason during the Holder' s lifetime, and any attempt to do so shall be void and the relevant Award shall be forfeited. The Committee may grant Awards that are transferable by the Holder during his lifetime, but such Awards shall be transferable only to the extent specifically provided in an agreement entered into with the Holder. The transferee of the Holder shall, in all cases, be subject to the Plan, the Securities Holders Agreement and the provisions of the Award Agreement between the Company and the Holder.

11. General Provisions

11.1 Nothing contained in the Plan, or any Award granted pursuant to the Plan, shall confer upon any Employee any right to continued employment by the Company or any Subsidiary, nor interfere in any way with the right of the Company or a Subsidiary to terminate the employment of any Employee at any time.

11.2 For purposes of this Plan, a transfer of employment between the Company and its Subsidiaries shall not be deemed a termination of employment.

11.3 Holders shall be responsible to make appropriate provision for all taxes required to be withheld in connection with any Award or the transfer of shares of Common Stock pursuant to this Plan. Such responsibility shall extend to all applicable Federal, state, local or foreign withholding taxes. The Company shall, at the election of the Holder, have the right to retain the number of shares of Common Stock whose Fair Market Value equals the amount to be withheld in satisfaction of the applicable withholding taxes.

11.4 To the extent that Federal laws (such as the 1934 Act, the Code or the Employee Retirement Income Security Act of 1974) do not otherwise control, the Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of Nevada and construed accordingly.

Exhibit 10.11

Execution Version

SECURITIES HOLDERS AGREEMENT

by and among

EDGEN ACQUISITION CORPORATION,

ING FURMAN SELZ INVESTORS III L.P.,

ING BARINGS GLOBAL LEVERAGED EQUITY PLAN LTD.,

ING BARINGS U.S. LEVERAGED EQUITY PLAN LLC,

and

THE OTHER INVESTORS NAMED HEREIN

Dated as of February 1, 2005

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DEFINED TERMS

SECURITIES HOLDERS AGREEMENT

THIS IS A SECURITIES HOLDERS AGREEMENT, dated as of February 1, 2005 (the "Agreement"), by and among Edgen Acquisition Corporation, a Nevada corporation (the "Company"), ING Furman Selz Investors III L.P., a Delaware limited partnership ("ING Furman Selz"), ING Barings Global Leveraged Equity Plan Ltd., a Bermuda corporation, ("ING Barings Global"), ING Barings U.S. Leveraged Equity Plan LLC, a Delaware limited liability company ("ING Barings U.S." and, together with ING Furman Selz and ING Barings Global, "JCP Funds" "), and the individuals designated as Management Investors on the signature pages hereto (the "Management Investors"). Each of the JCP Funds and each of the Management Investors and any other investor in the Company who becomes a party to or agrees to be bound by this Agreement are sometimes referred to herein individually as an "Investor" and collectively as the "Investors."

BACKGROUND

A. This Agreement is being entered into in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, dated as of December 31, 2004 (the "Stock Purchase Agreement"), by and among Edgen Corporation, a Nevada corporation ("Edgen"), the Company and the other parties thereto, pursuant to which the Company will acquire all of the outstanding capital stock of Edgen. Immediately after the acquisition the Company will merge into Edgen with Edgen as the surviving entity, pursuant to an associated plan of merger.

B. The Management Investors are employed by Edgen or its direct or indirect subsidiaries.

D. Pursuant to the terms of Securities Purchase Agreements, dated as of the date hereof (the "Securities Purchase Agreements"), the Company has sold, and each of the JCP Funds and Management Investors have purchased for cash, (i) the number of shares of Preferred Stock of the Company, and (ii) the number of shares of Common Stock of the Company, in each case as set forth opposite such Investor' s name on Schedule I hereto.

E. Immediately following the purchase and sale of securities pursuant to the Securities Purchase Agreements, the Company will use such cash proceeds in part to acquire, pursuant to the Stock Purchase Agreement, the outstanding capital stock of Edgen.

F. The Investors and the Company wish to set forth herein certain agreements regarding their future relationships and their rights and obligations with respect to Securities of the Company.

G. Following the Closing (as defined in the Stock Purchase Agreement) hereunder, the Company will merge with and into Edgen (the "Merger") with Edgen as the surviving corporation pursuant to the terms and conditions set forth in the Agreement and Plan of

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Merger (as amended, the "Merger Agreement") dated as of the date hereof. Pursuant to the terms of the Merger Agreement, Edgen shall be the surviving corporation and each issued and outstanding share of Common Stock and Preferred Stock of the Company shall be converted into a share of Common Stock and Preferred Stock, as the case may be, of Edgen, as the surviving corporation. As used herein, the terms Common Stock and Preferred Stock refer to the Common Stock and Preferred Stock of the Company prior to the Merger and the Common Stock and Preferred Stock of Edgen from and after the Merger.

H. As used herein, the term "Securities" shall mean Common Stock, Preferred Stock, and any other shares of capital stock of the Company, and any securities convertible into or exchangeable for such capital stock, and any options (including any options now or hereafter issued to Management Investors), warrants or other rights to acquire such capital stock or securities, now or hereafter held by any party hereto, including all other securities of the Company (or a successor to the Company) received on account of ownership of Common Stock or Preferred Stock, including all securities issued in connection with any merger, (including, without limitation, the Merger), consolidation, stock dividend, stock distribution, stock split, reverse stock split, stock combination, recapitalization, reclassification, subdivision, conversion or similar transaction in respect thereof.

Terms

In consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.

RESTRICTIONS ON TRANSFER OF SECURITIES

1.1. Restrictions on Transfers of Securities. The following restrictions on Transfer (as defined in Section 1.1(a) below) shall apply to all Securities owned by any Investor or Permitted Transferee (as defined in Section 1.1(b) below), except a Permitted Transferee by virtue of Section 1.1(b)(iv) hereof:

(a) No Investor or Permitted Transferee other than the JCP Funds shall Transfer (other than in connection with a redemption or purchase by the Company) any Securities unless (i) such Transfer is to a person approved in advance in writing by the Required Holders (as defined in Section 2.2(a)), and (ii) such Transfer complies with the provisions of this Section 1.1 and Article II hereof. Any purported Transfer in violation of this Agreement shall be null and void and of no force and effect, and the purported transferee shall have no rights or privileges in or with respect to the Company. As used herein, "Transfer" includes the making of any sale, exchange, assignment, hypothecation, gift, security interest, pledge or other encumbrance, or any contract therefor, any voting trust or other agreement or arrangement with respect to the transfer or grant of voting rights (except for the voting agreement set forth in Article III hereof) or any other beneficial interest in any of the Securities, the creation of any

other claim thereto or any other transfer or disposition whatsoever, whether voluntary or involuntary, affecting the right, title, interest or possession in or to such Securities.

Prior to any proposed Transfer of any Securities, the holder thereof shall give written notice to the Company describing the manner and circumstances of the proposed Transfer, together with, if requested by the Company, a written opinion of legal counsel, addressed to the Company and the transfer agent for the Company' s equity securities, if other than the Company, and reasonably satisfactory in form and substance to the Company, to the effect that the proposed Transfer of the Securities may be effected without registration under the Securities Act of 1933, as amended (the "Securities Act"). Each certificate evidencing the Securities transferred shall bear the legends set forth in Section 1.2(a) hereof, except that such certificate shall not bear the legend contained in the first paragraph of Section 1.2(a) hereof if the opinion of counsel referred to above is to the further effect that such legends is not required in order to establish compliance with any provision of the Securities Act.

Nothing in this Section 1.1(a) shall prevent the Transfer, free of any restrictions under this Agreement, of Securities by an Investor or a Permitted Transferee to one or more of its Permitted Transferees or to the Company; provided, however, that each such Permitted Transferee (except a Permitted Transferee by virtue of Section 1.1(b)(iv) hereof) shall take such Securities subject to and be fully bound by the terms of this Agreement applicable to it with the same effect as if it were an Investor (or if the Permitted Transferee were a Management Investor, a Management Investor) hereunder; and provided further, however, that (i) no person (other than a Permitted Transferee by virtue of Section 1.1(b)(iv) hereof) shall be a Permitted Transferee unless such transferee executes and delivers a joinder to this Agreement reasonably satisfactory in form and substance to the Company which joinder states that such person agrees to be fully bound by this Agreement as if it were an Investor (or if the transferor to the Permitted Transferee is a Management Investor hereunder, as a Management Investor) hereunder, and (ii) no Transfer shall be effected except in compliance with the registration requirements of the Securities Act and any applicable state securities laws or pursuant to an available exemption therefrom.

(b) As used herein, "Permitted Transferee" shall mean:

(i) in the case of any Investor or Permitted Transferee who is a natural person, such person' s spouse or children or grandchildren (in each case, natural or adopted), or any trust for the sole benefit of such person, such person' s spouse or children or grandchildren (in each case, natural or adopted), or any corporation, partnership or limited liability company in which the direct and beneficial owner of all of the equity interest is such individual person or such person' s spouse or children or grandchildren (in each case, natural or adopted);

(ii) in the case of any Investor or Permitted Transferee who is a natural person, the heirs, executors, administrators or personal representatives upon the death of such person or upon the incompetency or disability of such person for purposes of the protection and management of such person' s assets;

(iii) in the case of any of the JCP Funds, (I) the general partner or managing member of such JCP Fund (a "JCP Partner") and any corporation, partnership or other entity that is an Affiliate (as hereinafter defined) of any of the JCP Funds or any JCP Partner (including FS Private Investments III LLC, the manager of the JCP Funds) (collectively, "JCP Affiliates"), (II) any present or former managing director, director, general partner, limited partner, member, officer or employee of any of the JCP Funds, a JCP Partner or any JCP

Affiliate, or any spouse or lineal descendant (natural or adopted), sibling or parent of any of the foregoing persons in this clause (II) or any heir, executor, administrator, testamentary trustee, legatee or beneficiary of any of the foregoing persons described in this clause (II) (provided that no JCP Affiliate that becomes such an entity primarily for the purpose of effecting a transfer of Securities shall be considered a Permitted Transferee) (collectively, "JCP Associates"), and (III) any trust, the beneficiaries of which, or any charitable trust, the grantor of which, or any corporation, limited liability company or partnership, the stockholders, members or general and limited partners of which, include only JCP Funds, JCP Partners, JCP Affiliates, or JCP Associates; provided, however, that prior to the Company' s initial Public Offering, no limited partner of any of the JCP Funds, JCP Partner, or JCP Affiliate shall constitute a Permitted Transferee to the extent that a Transfer of Securities to such limited partner would cause the Company to be subject to registration under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iv) in the case of any Investor or Permitted Transferee, any person if such person takes such Securities pursuant to a sale in connection with a Public Offering or, following a Public Offering, in open market transactions or under Rule 144 under the Securities Act.

(c) As used herein, "Affiliate" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with such person.

1.2. Legend. Any certificates representing Securities shall bear the following legend (in addition to any other legend required under applicable law):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED.
>
> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO THE TERMS AND CONDITIONS OF A SECURITIES HOLDERS AGREEMENT BY AND AMONG THE COMPANY AND THE HOLDERS SPECIFIED THEREIN, AS

> AMENDED FROM TIME TO TIME (THE "SECURITIES HOLDERS AGREEMENT"), A COPY OF WHICH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. THE SALE, TRANSFER, ASSIGNMENT OR OTHER DISPOSITION OF THE SECURITIES IS SUBJECT TO THE TERMS OF SUCH AGREEMENT AND THE SECURITIES ARE TRANSFERABLE OR OTHERWISE DISPOSABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH.

1.3. Notation. A notation will be made in the appropriate transfer records of the Company with respect to the restrictions on transfer of the Securities referred to in this Agreement.

ARTICLE II.

OTHER COVENANTS AND REPRESENTATIONS

2.1. Financial Statements and Other Information. (a) The Company shall deliver to each of the JCP Funds (so long as such JCP Fund or its Permitted Transferees (other than Permitted Transferees pursuant to Section 1.1(b)(iv)) own any Securities):

(i) as soon as available and in any event within 15 days after the end of each calendar month, consolidated balance sheets of the Company and its subsidiaries as of the end of such calendar month, and consolidated statements of income and cash flows of the Company and its subsidiaries for the calendar month then ended, shown in comparison to the budgeted amounts for the same period and the same monthly period from the prior fiscal year, prepared in conformity with United States generally accepted accounting principles applied on a consistent basis, except as otherwise noted therein, and subject to the absence of notes and to year-end adjustments;

(ii) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, consolidated balance sheets of the Company and its subsidiaries as of the end of such period, and consolidated statements of income and cash flows of the Company and its subsidiaries for the period then ended, shown in comparison to the budgeted amounts for the same period and the same quarterly period from the prior fiscal year, prepared in conformity with United States generally accepted accounting principles applied on a consistent basis, except as otherwise noted therein, and subject to the absence of notes and to year-end adjustments;

(iii) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, a consolidated and consolidating balance sheet of the Company and its subsidiaries as of the end of such year, and consolidated and consolidating statements of income and cash flows of the Company and its subsidiaries for the year then ended prepared in conformity with United States generally accepted accounting principles applied on a

consistent basis, except as otherwise noted therein, together with an auditor' s report thereon of a firm of established national reputation;

(iv) to the extent the Company is required by law or pursuant to the terms of any outstanding indebtedness of the Company to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Exchange Act, actually prepared by the Company as soon as such reports are generally available, together with any other documents the Company is required to deliver to the holders of any such indebtedness;

(v) prior to the beginning of each fiscal year, an annual budget which has been approved by the Board of Directors of the Company, prepared on a month by month basis for the Company and its subsidiaries for such fiscal year (displaying anticipated statements of income and cash flow), and promptly upon preparation thereof any other significant budgets prepared by the Company, and any revisions of such annual or other budgets; and

(vi) such other documents, reports, financial data and other information as the JCP Funds may reasonably request.

(b) Inspection and Access. The Company and its subsidiaries shall provide to each of the JCP Funds (so long as it or its Permitted Transferees (other than Permitted Transferees pursuant to Section 1.1(b)(iv)) own any Securities) true and correct copies of all quarterly and annual financial reports of the Company and its subsidiaries and budgets prepared by or on behalf of the Company and its subsidiaries, and such other documents, reports, financial data and other information as such party may reasonably request. The Company shall permit any authorized representatives designated by each such party to visit and inspect any of the properties of the Company and its subsidiaries, including its and their books of account (and to make copies and take extracts therefrom), and to discuss its and their affairs, finances and accounts with its and their officers and their current and prior independent public accountants (and by this provision the Company authorizes such accountants to discuss with such representatives the affairs, finances and accounts of the Company and its subsidiaries, whether or not a representative of the Company is present), all at such reasonable times and as often as such party may reasonably request.

2.2. Sale of the Company.

(a) So long as the Company has not consummated a Public Offering, if the Required Holders (as defined hereinafter) approve the sale of the Company, whether by merger, consolidation, sale of outstanding capital stock, sale of all or substantially all of its assets or otherwise (any of the foregoing, an "Approved Sale"), (i) each Investor and Permitted Transferee will consent to, vote for and raise no objections against, and waive dissenters and appraisal rights (if any) with respect to, the Approved Sale, (ii) if the Approved Sale is structured as a sale of stock, each Investor and Permitted Transferee will agree to sell and will be permitted to sell all of such Investor' s or Permitted Transferee' s Common Stock and/or Preferred Stock on the terms and conditions approved by the Required Holders, and (iii) if the Approved Sale includes the

sale, exchange, redemption, cancellation or other disposition of securities convertible into or exchangeable for capital stock of the Company, or options, warrants or other rights to purchase such capital stock or securities, each Investor or Permitted Transferee will sell, exchange,

redeem, agree to cancel or otherwise dispose of such securities or options, warrants or other rights on the terms and conditions approved by the Required Holders. Each Investor and Permitted Transferee will take all necessary and desirable actions in connection with the consummation of an Approved Sale. As used herein, the term "Required Holders" means, as of any date, the holders of the majority of the shares of Common Stock then held by the JCP Funds.

(b) The obligations of each of the Investors and Permitted Transferees with respect to an Approved Sale are subject to the satisfaction of the conditions that: (i) upon the consummation of the Approved Sale, all of the Investors and Permitted Transferees holding Common Stock will receive the same form and amount of consideration per share of Common Stock, or if any holder of Common Stock is given an option as to the form and amount of consideration to be received in respect of Common Stock, all Investors and Permitted Transferees holding Common Stock will be given the same option, (ii) upon the consummation of the Approved Sale, all of the Investors and Permitted Transferees holding Preferred Stock will receive the same form and amount of consideration per share of Preferred Stock (it being understood, however, that the amount of consideration per share of Preferred Stock may vary to reflect the accrued and unpaid dividends thereon, to the extent different shares of Preferred Stock have been outstanding for different periods of time), or if any holder of Preferred Stock is given an option as to the form or amount of consideration to be received in respect of Preferred Stock, all Investors and Permitted Transferees holding Preferred Stock will be given the same option, and (iii) in the case of a holder of any securities referred to in clause (iii) of paragraph (a) above, (I) in the event such Securities are vested, the holder shall receive in such Approved Sale, unless otherwise provided in the terms of any agreement or instrument governing or evidencing such security, either (x) the same securities or other property that such holder would have received if such holder had converted, exchanged or exercised such security immediately prior to such Approved Sale (after taking into account the conversion, exchange or exercise price applying to such Security and any applicable tax obligations of the holder in connection with such conversion, exchange or exercise) or (y) a security convertible or exchangeable for, or option, warrant or right to purchase, capital stock or other securities of a successor entity having substantially equivalent value, or (II) in the case where such securities are not vested, unless otherwise provided in the terms of any agreement or instrument governing or evidencing such security, such securities shall be cancelled.

(c) Each Investor and Permitted Transferee acknowledges that its or his or her pro rata share (based upon the number of shares of Common Stock and Preferred Stock owned (or acquirable pursuant to options, warrants or other rights to purchase Common Stock or securities convertible into or exchangeable for Common Stock or Preferred Stock) by such holder) of the aggregate proceeds of an Approved Sale may be reduced by transaction expenses related to such Approved Sale.

2.3. Tag-Along Rights.

(a) (i) Except as otherwise provided in Section 2.3(a)(iii) below, no Seller (as hereinafter defined) shall sell any shares of Common Stock in any transaction or series of related transactions unless all "Holders" (as hereinafter defined) are offered an equal opportunity to participate in such transaction or transactions on a pro rata basis based on the number of shares of Common Stock then owned by each Holder who elects to participate in such transaction or transactions and, subject to paragraph (ii) below, on identical terms (including amount and type of consideration paid). For the avoidance of doubt, such participation on a pro rata basis shall mean that such Holder shall be entitled to sell the number of shares of Common Stock proposed to be sold by the Seller, multiplied by a fraction, the numerator of which is the number of shares then owned by such Holder and the denominator of which is the number of shares of outstanding Common Stock. If any Holder elects not to participate in full or in part on a pro rata basis, the Seller may increase the number of shares sold by it by the number of shares any such Holder elects not to include pursuant to the terms hereof. As used in this Section 2.3, a "Seller" shall mean any of the JCP Funds; "Holders" shall mean any Investor or any of their Permitted Transferees (other than the selling JCP Fund and other than a Permitted Transferee by virtue of Section 1.1(b)(iv)).

(ii) Prior to any sale of shares of Common Stock subject to these provisions, the Seller shall notify the Company in writing of the proposed sale. Such notice (the "Seller' s Notice") shall set forth: (A) the number of shares of Common Stock subject to the proposed sale, (B) the name and address of the proposed purchaser, and (C) the proposed amount of consideration and terms and conditions of payment offered by such proposed purchaser. The Company shall promptly, and in any event within 15 days of the Company' s receipt of the Seller' s Notice, deliver or cause to be delivered the Seller' s Notice to each Holder. A Holder may exercise the tag-along right by delivery of a written notice (the "Tag-Along Notice") to the Seller within 15 days of the date the Company delivered or caused to be delivered the Seller' s Notice. The Tag-Along Notice shall state the number of shares of Common Stock that the Holder proposes to include in the proposed sale, up to the maximum pro rata share described above. If a Holder entitled to participate therein delivers a Tag-Along Notice, such holder shall be obligated to sell that number of shares of Common Stock specified in the Tag-Along Notice upon the same terms and conditions as those under which the Seller is selling, conditioned upon and contemporaneously with completion of the Seller' s sale of its shares of Common Stock. If no Tag-Along Notice is received during the 15-day period referred to above, the Seller shall have the right for a 60-day period to effect the proposed sale of shares of Common Stock on terms and conditions no more favorable to the Seller than those stated in the Seller' s Notice and in accordance with the provisions of this Section 2.3.

(iii) Notwithstanding anything herein to the contrary, a Seller may make any of the following Transfers without offering the Holders the opportunity to participate: (A) Transfers by a Seller to any Permitted Transferee, provided that the proposed Permitted Transferee (except a Permitted Transferee by virtue of Section 1.1(b)(iv) hereof) agrees in writing to be bound by the provisions of this Agreement; (B) sales pursuant to an effective registration statement under the Securities Act; and (C) sales in connection with an Approved Sale.

(iv) Each Investor acknowledges for itself and its transferees that any of the JCP Funds may grant in the future tag-along rights relating to shares of Common Stock to other holders of Common Stock and such holders will (A) have the same opportunity to participate in sales by such JCP Fund as provided to the parties hereto, and (B) be included in the calculation of the pro rata basis upon which Holders may participate in a sale.

(v) Each of the parties hereto acknowledges that the Company (A) may issue Securities to persons in the future and (B) has adopted an incentive compensation plan pursuant to which employees of the Company or its subsidiaries or other persons may be granted, subject to the terms of such plan, shares of restricted Common Stock, and that such persons or participants may become subject to this Agreement and may be "Holders" for purposes of this Section 2.3.

(vi) The tag-along obligations of the Sellers provided under this Section 2.3 shall terminate upon the earlier of (A) the consummation of a Public Offering, and (B) as to the JCP Funds, the day after the date on which the JCP Funds collectively own less than 20% of the outstanding Common Stock. Upon the termination of such obligations, the rights of Holders with respect thereto shall also terminate.

(vii) Notwithstanding the requirements of this Section 2.3, a Seller may sell shares of Common Stock at any time without complying with the requirements of the above provisions of this Section 2.3 so long as the Seller deposits into escrow with an independent third party at the time of the sale that amount of the consideration received in the sale equal to the Escrow Amount. The "Escrow Amount" shall equal the amount of consideration as all the Holders would have been entitled to receive if they had the opportunity to participate in the sale on a pro rata basis, determined as if each Holder (A) delivered a Tag-Along Notice to the Seller in the time period set forth in Section 2.3(a)(ii) and (B) proposed to include all of its Securities which it would have been entitled to include in the sale. No later than the date of the sale, the Seller shall notify the Company in writing of the proposed sale. Such notice (the "Escrow Notice") shall set forth the information required in the Seller' s Notice, and in addition, such notice shall state the name of the escrow agent and the account number of the escrow account. The Company shall promptly, and in any event within 10 days, deliver or cause to be delivered the Escrow Notice to each Holder. A Holder may exercise the tag-along right described in this clause (viii) by delivery to the Seller, within 15 days of the date the Company delivered or caused to be delivered the Escrow Notice, of (I) a written notice specifying the number of shares of Common Stock it proposes to sell, and (II) the certificates representing such shares of Common Stock, with transfer powers duly endorsed in blank. Promptly after the expiration of the 15th day after the Company has delivered or caused to be delivered the Escrow Notice, (x) the Seller shall purchase that number of shares of Common Stock as Seller would have been required to include in the sale had Seller complied with the provisions of Section 2.3(a) (ii), (y) the Company shall cause to be released from the escrow to the Holder from whom the Seller purchases shares of Common Stock pursuant to clause (x) of this paragraph the applicable amount of consideration due to such Holder together with any interest thereon, and (z) all remaining funds and other consideration held in escrow shall be released to the Seller. If the

Seller received consideration other than cash in the sale, the Seller shall purchase the shares of Common Stock tendered by paying to the Holders cash and non-cash consideration in the same proportion as received by the Seller in the sale.

2.4. Corporate Opportunity. To the fullest extent permitted by any applicable law, the doctrine of corporate opportunity, or any other analogous doctrine, shall not apply with respect to any of the JCP Funds or their Affiliates or representatives (including any directors of the Company designated by such persons). In particular, (a) any of the JCP Funds and their respective Affiliates shall have the right to engage in business activities, whether or not in competition with the Company or its subsidiaries or the Company' s or its subsidiaries' business activities, without consulting any other Investor, and (b) none of the JCP Funds shall have any obligation to any other Investor with respect to any opportunity to acquire property or make investments at any time.

ARTICLE III.

CORPORATE ACTIONS

3.1. Amended and Restated Articles of Incorporation and Bylaws. Each Investor has reviewed the Amended and Restated Articles of Incorporation and Bylaws of the Company in the forms attached hereto as Exhibits A and B, respectively, and hereby approves and ratifies the same.

3.2. Directors and Voting Agreements.

(a) Each Investor and Permitted Transferee agrees that it shall take, at any time and from time to time, all action necessary (including voting the Common Stock entitled to vote owned by him, her or it, calling special meetings of stockholders and executing and delivering written consents) to ensure that the Board of Directors of the Company is composed of such number of directors as determined by ING Furman Selz on behalf of itself and the other JCP Funds. The initial Board of Directors shall be composed of: Nicholas Daraviras, James L. Luikart and Daniel J. O' Leary.

(b) Each Investor and Permitted Transferee agrees to take all necessary action to cause the composition of the Board of Directors of the Company to remain in accordance with Section 3.2(a) hereof (including, without limitation, voting or causing to vote or acting by written consent with respect to, all shares of Common Stock entitled to vote thereon or any other voting capital stock of the Company now or hereafter owned or held by such Investor or Permitted Transferee in favor of such persons) and to act itself (if a member of the Board of Directors) or cause its designee (if any) on the Board of Directors to vote or act by written consent to cause the Board of Directors of the Company to be in accordance with Section 3.2(a) hereof.

(c) Any of the rights to designate directors of the Company of any of the JCP Funds set forth in paragraph (a) above shall terminate on such date as the JCP Funds, together

with their respective Affiliates and Permitted Transferees, collectively own less than 5% of the outstanding Common Stock.

3.3. Right to Remove Certain of the Company' s Directors. ING Furman Selz (on behalf of the JCP Funds) may request that any director be removed (with or without cause) by written notice to the other Investors, and, in any such event, each Investor and Permitted Transferee shall promptly consent in writing or vote or cause to be voted all shares of Common Stock entitled to vote thereon now or hereafter owned or controlled by it for the removal of such person as a director.

3.4. Right to Fill Certain Vacancies in Company' s Board. In the event that a vacancy is created on the Company' s Board of Directors at any time by the death, disability, retirement, resignation or removal (with or without cause) or if otherwise there shall exist or occur any vacancy on the Company' s Board of Directors, such vacancy shall not be filled by the remaining members of the Company' s Board of Directors, but each Investor and Permitted Transferee hereby agrees promptly to consent in writing or vote or cause to be voted all shares of Common Stock entitled to vote thereon or any other voting capital stock of the Company now or hereafter owned or controlled by it to elect that individual designated to fill such vacancy and serve as a director, as shall be designated by the Investor or Investors then entitled to designate such director under Section 3.2 hereof.

3.5. Directors of Subsidiaries. If requested by any of the JCP Funds (so long as the requesting party, together with its respective Affiliates or Permitted Transferees, owns not less than 5% of the outstanding Common Stock, the Company shall cause the Board of Directors of any Subsidiary (defined as "a corporation, partnership, limited liability or other business entity with respect to which the Company (or another Subsidiary) owns 50% or more of the total combined voting power of all classes of stock (or other voting interests)) to be identical to the Board of Directors of the Company, except in the case of Edgen Canada Inc. which Board of Directors may contain additional members in order to comply with Canadian law.

3.6. Amendment of Certificate and Bylaws. Each Investor and Permitted Transferee agrees that it shall not consent in writing or vote or cause to be voted any shares of Common Stock now or hereafter owned or controlled by it in favor of any amendment, repeal, modification, alteration or rescission of, or the adoption of any provision in the Company' s Amended and Restated Certificate of Incorporation or Bylaws inconsistent with Article III of this Agreement unless the JCP Funds consent in writing thereto.

3.7. Termination of Voting Agreements. If not earlier terminated under Section 3.2, the voting agreements in Sections 3.2, 3.3, 3.4, 3.5 and 3.6 hereof shall terminate on the date the Company consummates a Public Offering (if requested by the underwriter with respect to such offering).

3.8. Officers. Each Investor approves the election of such officers as may be elected or appointed by the Company or its Board of Directors.

ARTICLE IV.

MISCELLANEOUS

4.1. Amendment and Modification. This Agreement may be amended or modified, or any provision hereof may be waived, provided that such amendment, modification or waiver is set forth in a writing executed by the Company and the Required Holders; provided, however, that any amendment of this Agreement which materially adversely affects any Investor in a manner materially different from other Investors (other than due to any difference in the number of shares owned by any such Investor) shall require the prior written consent of such Investor. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

4.2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns and executors, administrators and heirs of each party hereto. Except as contemplated hereby within this Section 4.2 or in connection with Transfers of Securities, this Agreement, and any rights or obligations existing hereunder, may not be assigned or otherwise transferred by any party without the prior written consent of the other parties hereto; provided that upon the merger of the Company into Edgen, Edgen as the surviving corporation in the Merger, shall automatically succeed to all the rights and obligations of the Company hereunder.

4.3. Separability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect unless deletion of such provision causes this Agreement to become materially adverse to any party, in which event the parties shall use reasonable efforts to arrive at an accommodation which best preserves for the parties the benefits and obligations of the offending provision.

4.4. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, fax or reputable courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company:

Edgen Acquisition Corporation
c/o Jefferies Capital Partners
520 Madison Avenue
12th Floor
New York, NY 10022
Attention: James Luikart and Nicholas Daraviras
Telephone: (212) 284-1700
Fax: (212) 284-1717

and

Edgen Corporation
c/o Jefferies Capital Partners
520 Madison Avenue
8th Floor

New York, NY 10022
Attention: David Laxton
Telephone: (225) 756-7223
Fax: (225) 756-7953

with a required copy to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
Telephone: (215) 994-4000
Fax: (215) 994-2222

If to any of the JCP Funds, to:

c/o Jefferies Capital Partners
520 Madison Avenue
12th Floor
New York, NY 10022
Attention: James Luikart and Nicholas Daraviras
Telephone: (212) 284-1700
Fax: (212) 284-1717

with a required copy to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
Telephone: (215) 994-4000
Fax: (215) 994-2222

If to any of the Management Investors, to such Management Investor' s address as set forth on the signature page hereto or such other address as may be specified from time to time in writing to the Company by any Management Investor.

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; four business days after being deposited in the mail, postage prepaid, if mailed; when confirmation of transmission is received, if faxed during normal business hours (or, if not faxed during normal business hours, the next business day after confirmation of transmission); and on the next business day, if timely delivered to a reputable courier guaranteeing overnight delivery.

4.5. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law.

4.6. Headings. The headings preceding the text of the sections and subsections of this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

4.7. Counterparts. This Agreement may be executed in two or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

4.8. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.9. Termination. This Agreement shall terminate on the written agreement of the Investors who are parties hereto or when all the Investors except any one Investor no longer hold any Securities.

4.10. Remedies. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived.

4.11. Party No Longer Owning Securities. If a party hereto ceases to own any Securities, such party will no longer be deemed to be an Investor or Management Investor for purposes of this Agreement.

4.12. No Effect on Employment. Nothing herein contained shall confer on the Management Investor the right to remain in the employ or service of the Company or any of its subsidiaries or Affiliates.

4.13. Pronouns. Whenever the context may require, any pronouns used herein shall be deemed also to include the corresponding neuter, masculine or feminine forms.

4.14. Future Individual Investors. The parties hereto agree that any current or future employee of the Company or other person who purchases Securities from the Company subsequent to the date hereof may become a signatory to this Agreement by executing a written instrument setting forth that such person agrees to be bound by the terms and conditions of this Agreement and this Agreement will be deemed to be amended to include such person as a Management Investor (or Investor, as the case may be) and the number of Securities purchased by him or her. Without limiting the generality of the foregoing, any person who has received an award of restricted Common Stock under the Edgen Corporation Incentive Plan shall be bound by the terms and conditions of the Agreement as a Management Investor.

4.15. Entire Agreement. This Agreement sets forth the entire agreement and understanding among the parties and supersedes all prior agreements and understandings, written or oral, relating to the subject matter of this Agreement, it being understood the Investors are contemporaneously entering into other agreements and instruments in connection with the consummation of the Acquisition, including the Securities Purchase Agreements and the Registration Rights Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Securities Holders Agreement the day and year first above written.

EDGEN ACQUISITION CORPORATION

By: /s/ NICHOLAS DARAVIRAS
Name: Nicholas Daraviras
Title: President

ING FURMAN SELZ INVESTORS III L.P.

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES L. LUIKART
Name: James L. Luikart
Title: Managing Member

ING BARINGS GLOBAL LEVERAGED EQUITY PLAN LTD.

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES L. LUIKART
Name: James L. Luikart
Title: Managing Member

ING BARINGS U.S. LEVERAGED EQUITY PLAN LLC

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES L. LUIKART
Name: James L. Luikart
Title: Managing Member

MANAGEMENT INVESTORS:

/s/ JEFFREY L. BIKSHORN
Jeffrey L. Bikshorn

Address:

Telephone No.:

/s/ DOUGLAS J. DALY JR.

Douglas J. Daly Jr.

Address:

Telephone No.:

/s/ ROBERT L. GILLELAND

Robert L. Gilleland

Address:

Telephone No.:

/s/ RANDALL C. HARLESS

Randall C. Harless

Address:

Telephone No.:

/s/ DANIEL D. KEATON

Daniel D. Keaton

Address:

Telephone No.:

/s/ CRAIG STEPHEN KIEFER

Craig Stephen Kiefer

Address:

Telephone No.:

/s/ DAVID L. LAXTON, III

David L. Laxton, III

Address:

Telephone No.:

/s/ ROY J. MEREDITH

Roy J. Meredith

Address:

Telephone No.:

/s/ DANIEL J. O' LEARY

Daniel J. O' leary

Address:

Telephone No.:

Exhibit 10.12

Execution Version

SECURITIES PURCHASE AGREEMENT

by and among

EDGEN ACQUISITION CORPORATION,

ING FURMAN SELZ INVESTORS III L.P.,

ING BARINGS GLOBAL LEVERAGED EQUITY PLAN LTD.,

and

ING BARINGS U.S. LEVERAGED EQUITY PLAN LLC

Dated as of February 1, 2005

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SECURITIES PURCHASE AGREEMENT

THIS IS A SECURITIES PURCHASE AGREEMENT, dated as of February 1, 2005 (the "Agreement"), by and among Edgen Acquisition Corporation, a Delaware corporation (the "Company"), ING Furman Selz Investors III L.P., a Delaware limited partnership ("ING Furman Selz"), ING Barings Global Leveraged Equity Plan Ltd., a Bermuda corporation, ("ING Barings Global"), ING Barings U.S. Leveraged Equity Plan LLC, a Delaware limited liability company ("ING Barings U.S." and, together with ING Furman Selz and ING Barings Global, the "JCP Funds"). The JCP Funds are sometimes referred to herein individually as an "Investor" and collectively as the "Investors."

Background

A. This Agreement is being entered into in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, dated as of December 31, 2004 (the "Stock Purchase Agreement"), by and among Edgen Corporation, a Nevada corporation ("Edgen"), the Company and the other parties thereto, pursuant to which the Company will acquire all of the outstanding capital stock of Edgen. Immediately after the acquisition, the Company will merge with Edgen with Edgen remaining as the surviving entity.

B. Pursuant to the terms hereof, in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, the Company desires to sell, and the Investors desire to purchase for cash, (i) the number of shares of the Company' s Preferred Stock, par value $.01 per share ("Preferred Stock") and (ii) the number of shares of Common Stock of the Company, par value $.01 per share ("Common Stock") in each case as set forth opposite such Investor' s name on Schedule I hereto.

C. Also in connection with the transactions contemplated by the Stock Purchase Agreement, pursuant to a separate Securities Purchase Agreement, the Company intends to sell for cash additional shares of Preferred Stock and Common Stock, to the officers and directors of Edgen who are parties thereto (the "Management Investors").

D. Immediately following the purchase and sale of securities referred to above, the Company will use such cash proceeds in part to acquire, pursuant to the Stock Purchase Agreement, the outstanding capital stock of Edgen.

E. In connection with the execution and delivery of this Agreement, the Investors, the Management Investors and the Company are also entering into a Securities Holders Agreement (the "Securities Holders Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement") substantially in the forms of Exhibit A and Exhibit B hereto, respectively, in order to set forth more fully certain agreements regarding their future relationships and their rights and obligations with respect to Securities of the Company.

F. As used herein, the term "Securities" shall mean Common Stock, Preferred Stock, and any other shares of capital stock of the Company, and any securities convertible into or exchangeable for such capital stock, and any options (including any options now or hereafter issued to Management Investors), warrants or other rights to acquire such capital stock or securities, now or hereafter held by any party hereto, including all other securities of the Company (or a successor to the Company) received on account of ownership of Common Stock or Preferred Stock, including all securities issued in connection with any merger, consolidation, stock dividend, stock distribution, stock split, reverse stock split, stock combination, recapitalization, reclassification, subdivision, conversion or similar transaction in respect thereof.

Terms

In consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE OF SECURITIES

1.1. Sale and Purchase of Common Stock and Preferred Stock. (a) Subject to the terms and conditions set forth herein, at the Closing (as defined in Section 1.2), the Company will issue and sell to each Investor, and each Investor will purchase, the number of shares of Preferred Stock and Common Stock set forth opposite the name of such Investor on Schedule I hereto.

(b) The per share purchase price for the Preferred Stock and Common Stock to be purchased under this Section 1.1 shall be $1,000 per share and $1 per share, respectively. The aggregate purchase price to be paid by each Investor purchasing stock pursuant to this Section 1.1 is set forth opposite such Investor' s name on Schedule I hereto. The Investors shall pay the purchase price for the shares of Preferred Stock and/or Common Stock purchased by them hereunder by wire transfer of immediately available funds to an account designated by the Company.

(c) The obligations of the Investors purchasing Securities under this Section 1.1 are several in nature, and no Investor shall have any obligation to purchase any Securities subscribed for hereunder by any other Investor.

1.2. Closing. (a) The closing (the "Closing") of the purchase and sale of the Securities referred to in Section 1.1 will take place concurrently with the Closing of the Stock Purchase Agreement or at such other time or on such other date as may be agreed by the parties hereto. The date such Closing occurs is referred to herein as the "Closing Date."

(b) At the Closing, the Company will deliver to each Investor certificates evidencing the number of shares of Preferred Stock and Common Stock to be purchased by such

Investor as set forth opposite such Investor' s name on Schedule I hereto, registered in such Management Investor' s name, against payment of the purchase price therefor in cash, by wire transfer of immediately available funds, with confirmed receipt.

1.3. Conditions to the Investor' s Obligations. The obligation of each Investor to purchase such Investor' s Securities at the Closing is subject to the satisfaction on or prior to the date hereof of the following conditions:

(a) The representations and warranties of the Company set forth in Article II hereof shall be true and correct in all material respects on and as of the Closing Date as though then made, and all covenants of the Company set forth in Article I required to be performed on or prior to the Closing shall have been performed in all material respects.

(b) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement.

(c) All of the conditions to effecting the transactions contemplated by the Stock Purchase Agreement shall have been fulfilled or waived in accordance with the terms of the Stock Purchase Agreement.

(d) The Company shall have executed and delivered the Securities Holders Agreement and the Registration Rights Agreement.

(e) The Company' s Amended and Restated Articles of Incorporation and Bylaws shall be substantially in the forms of Exhibit C and Exhibit D hereto, respectively.

(f) All corporate and other proceedings, if any, taken or to be taken by the Company in connection with the transactions contemplated hereby shall have been taken.

1.4. Conditions to the Company' s Obligations. The obligations of the Company to issue and sell the Securities to each Investor as set forth herein at the Closing are subject to the satisfaction on or prior to the Closing of the following conditions:

(a) The representations and warranties of each Investor set forth in Article III hereof shall be true and correct in all material respects at and as of the Closing Date as though then made, and all covenants of each Investor required to be performed at or prior to the Closing shall have been performed in all material respects.

(b) Such Investor shall have delivered the cash purchase price required to be delivered by such Investor under this Article I.

(c) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement.

(d) All of the conditions to effecting the transactions contemplated by the Stock Purchase Agreement shall have been fulfilled or waived in accordance with the terms of the Stock Purchase Agreement.

(e) Such Investor shall have executed and delivered each of the Securities Holders Agreement and the Registration Rights Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND

COVENANTS OF THE COMPANY

2.1. Representations, Warranties and Covenants of the Company. The Company represents and warrants to, and covenants and agrees with, each of the Investors as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada.

(b) The Company has all requisite corporate power and corporate authority to execute, deliver and perform this Agreement and to consummate the transactions provided for herein.

(c) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby, including, but not limited to, the issuance and sale of the Securities to be issued by it hereunder, have been duly authorized, and this Agreement constitutes the valid and binding obligation of the Company, enforceable against it in accordance with the terms hereof.

(d) The Securities issued to the Investors under Article I hereof, when issued in compliance with the provisions of this Agreement, will be validly issued, fully paid and non-assessable.

(e) As of the date hereof and after giving effect to the transactions contemplated by this Agreement and the Securities Purchase Agreement with the Management Investors, but excluding the restricted Common Stock issued or to be issued under the Edgen Corporation Incentive Plan, (i) the authorized capital stock of the Company consists of five million one hundred thousand (5,100,000) shares, divided into two (2) classes consisting of five million (5,000,000) shares of Common Stock, 2,400,000 shares of which are issued and outstanding; and one hundred thousand (100,000) shares of Preferred Stock, of which forty

thousand (40,000) are designated as Series A 8½% Cumulative Compounding Preferred Stock ("Series A Preferred Stock") and 21,600 shares of which Series A Preferred Stock are issued and outstanding; and (ii) the shares of Common Stock and Preferred Stock held by the Investors, together with the shares of Common Stock and Preferred Stock to be issued under the Securities Purchase Agreement to the Management Investors, constitute all of the issued and outstanding shares of the Company' s capital stock.

ARTICLE III

REPRESENTATIONS, WARRANTIES

AND COVENANTS OF INVESTORS

3.1. Representations, Warranties and Covenants of Each Investor. Each of the Investors severally and as to itself represents and warrants to, and covenants and agrees with, the Company that:

(a) Such Investor has the requisite legal right, power and authority (including, if applicable, the due authorization by all necessary corporate action) to enter into this Agreement and to perform such Investor' s obligations hereunder and to consummate the

transactions provided for herein, without the need for the consent of any other person (other than such consents as have heretofore been obtained); this Agreement has been duly authorized, executed and delivered by such Investor; and this Agreement constitutes the valid and binding obligation of such Investor, enforceable against such Investor in accordance with the terms hereof. As used herein, the term "person" means an individual or a corporation, partnership, limited liability company, joint venture, trust, regulatory or governmental agency or authority or other organization or entity of any kind.

(b) No consent, approval or authorization of, or registration, qualification or filing with, any governmental agency or authority is required for the execution and delivery of this Agreement by such Investor or for the consummation by such Investor of the transactions contemplated hereby, except where the failure to obtain any such consent, approval or authorization or to so register, qualify or file would not reasonably be expected to materially and adversely affect such Investor' s ability to consummate the transactions contemplated hereby.

(c) No action, suit, proceeding or investigation is pending or, to such Investor' s knowledge, threatened, against such Investor with respect to his or her execution and delivery of this Agreement or the consummation by such Investor of the transactions contemplated hereby.

(d) The Securities are being purchased by such Investor hereunder for investment, and not with a view to any distribution thereof that would violate the Securities Act or the applicable state securities laws of any state. Such Investor will not distribute the Securities in violation of the Securities Act of 1933, as amended (the "Securities Act") or the applicable securities laws of any state.

(e) Such Investor understands that the Securities have not been registered under the Securities Act or the securities laws of any state and must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws or unless an exemption from such registration becomes or is available.

(f) Such Investor qualifies as an "Accredited Investor" under Regulation D promulgated under the Securities Act. Such Investor agrees to furnish such documents and to comply with such reasonable requests of the Company as may be necessary to substantiate the Investor' s status as a qualifying investor in connection with this private offering of Preferred Stock and Common Stock to the Investor. Each Investor represents and warrants that all information contained in such documents and any other written materials concerning the status of such Investor furnished by such Investor to the Company in connection with such requests will be true, complete and correct in all material respects.

ARTICLE IV

MISCELLANEOUS

4.1. Legend. All certificates representing the Securities shall bear the following legend in addition to any other legend required under applicable law:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO THE TERMS AND CONDITIONS OF A SECURITIES HOLDERS AGREEMENT BY AND AMONG THE COMPANY AND THE HOLDERS SPECIFIED THEREIN, AS AMENDED FROM TIME TO TIME (THE "SECURITIES HOLDERS

AGREEMENT"), A COPY OF WHICH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. THE SALE, TRANSFER, ASSIGNMENT OR OTHER DISPOSITION OF THE SECURITIES IS SUBJECT TO THE TERMS OF SUCH AGREEMENT AND THE SECURITIES ARE TRANSFERABLE OR OTHERWISE DISPOSABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH.

4.2. Amendment and Modification. This Agreement may be amended or modified, or any provision hereof may be waived, provided that such amendment, modification or waiver is

set forth in a writing executed by (i) the Company and (ii) the holders of the majority of the shares of Common Stock then held by the JCP Funds; provided, however, that any amendment of this Agreement which materially adversely affects any Investor in a manner materially different from other Investors (other than due to any difference in the number of shares owned by any such Investor) requires the consent of such Investor. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

4.3. Survival of Representations and Warranties. The representations, warranties, covenants and agreements set forth in this Agreement shall survive the Closing.

4.4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns and executors, administrators and heirs of each party hereto. This Agreement, and any rights or obligations existing hereunder, may not be assigned or otherwise transferred by any party without the prior written consent of the other parties hereto.

4.5. Separability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect unless deletion of such provision causes this Agreement to become materially adverse to any party, in which event the parties shall use reasonable efforts to arrive at an accommodation which best preserves for the parties the benefits and obligations of the offending provision.

4.6. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, fax or reputable courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company:

Edgen Acquisition Corporation
c/o Jefferies Capital Partners
520 Madison Avenue
12th Floor
New York, NY 10022
Attention: James Luikart and Nicholas Daraviras
Telephone: (212) 284-1700
Fax: (212) 284-1717

with a required copy to:

Dechert LLP

4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
Telephone: (215) 994-4000
Fax: (215) 994-2222

If to any of the JCP Funds, to:

c/o Jefferies Capital Partners
520 Madison Avenue
8th Floor
New York, NY 10022
Attention: James Luikart and Nicholas Daraviras
Telephone (212) 284-1700
Fax: (212) 284-1717

with a required copy to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
Telephone: (215) 994-4000
Fax: (215) 994-2222

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; four business days after being deposited in the mail, postage prepaid, if mailed; when confirmation of transmission is received, if faxed during normal business hours (or, if not faxed during normal business hours, the next business day after confirmation of transmission); and on the next business day, if timely delivered to a reputable courier guaranteeing overnight delivery.

4.7. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law.

4.8. Headings. The headings preceding the text of the sections and subsections of this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

4.9. Counterparts. This Agreement may be executed in two or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

4.10. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.11. Entire Agreement. This Agreement sets forth the entire agreement and understanding among the parties and supersedes all prior agreements and understandings, written or oral, relating to the subject matter of this Agreement, it being understood the Investors are contemporaneously entering into other agreements and instruments in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, including the Securities Holders Agreement and the Registration Rights Agreement.

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

EDGEN ACQUISITION CORPORATION

By: /s/ NICHOLAS DARAVIRAS
Name: Nicholas Daraviras
Title: President

ING FURMAN SELZ INVESTORS III L.P.

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES LUIKART
Name: James Luikart
Title Managing Member

ING BARINGS GLOBAL LEVERAGED EQUITY PLAN LTD.

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES LUIKART
Name: James Luikart
Title Managing Member

ING BARINGS U.S. LEVERAGED EQUITY PLAN LLC

By: FS PRIVATE INVESTMENTS III LLC,
its Manager

By: /s/ JAMES LUIKART

Name: James Luikart

Title Managing Member

Schedule I

Investors and Securities Purchased

Investor	Common Stock Purchase Price ($1 per share)	Preferred Stock Purchase Price ($1000 per share)	Number of Shares of Common Stock Received	Number of Shares of Preferred Stock Received	Aggregate Purchase Price
ING Furman Selz Investors III L.P.	$ 1,505,774	13,552,000	1,505,774	13,552	$ 15,057,774
ING Barings Global Leveraged Equity Plan Ltd.	$ 122,102	$ 1,099,000	122,102	1,099	$ 1,221,102
ING Barings U.S. Leveraged Equity Plan LLC	$ 533,124	$ 4,798,000	533,124	4,798	$ 5,331,124
Total	$ 2,161,000	$ 19,449,000	2,161,000	19,449	$ 21,610,000

Exhibit 10.13

Execution Version

SECURITIES PURCHASE AGREEMENT

by and among

EDGEN ACQUISITION CORPORATION

and

THE MANAGEMENT INVESTORS NAMED HEREIN

Dated as of February 1, 2005

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

DEFINED TERMS

SECURITIES PURCHASE AGREEMENT

THIS IS A SECURITIES PURCHASE AGREEMENT, dated as of February 1, 2005 (the "Agreement"), by and among Edgen Acquisition Corporation, a Nevada corporation (the "Company"), and the individuals designated as Management Investors on the signature pages hereto (such individuals, the "Management Investors").

Background

A. This Agreement is being entered into in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, dated as of December 31, 2004 (the "Stock Purchase Agreement"), by and among Edgen Corporation, a Nevada corporation ("Edgen"), the Company and the other parties thereto, pursuant to which the Company will acquire all of the outstanding capital stock of Edgen. Immediately after the acquisition, the Company will merge with Edgen with Edgen remaining as the surviving entity.

B. The Management Investors are employed by Edgen or its direct or indirect subsidiaries. In order to assist the Company in attracting and retaining valued employees, the Company wishes to offer such employees the opportunity to acquire shares of the Company' s capital stock. This Agreement is intended to be a written compensatory contract as defined under Rule 701 of the Securities Act of 1933, as amended (the "Securities Act").

C. Pursuant to the terms hereof, in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, the Company desires to sell, and the Management Investors, desire to purchase for cash, (i) the number of shares of the Company' s Preferred Stock, par value $.01 per share ("Preferred Stock"), and (ii) the number of shares of Common Stock of the Company, par value $.01 per share ("Common Stock"), in each case as set forth opposite such Investor' s name on Schedule I hereto.

D. Also in connection with the transactions contemplated by the Stock Purchase Agreement, pursuant to a separate Securities Purchase Agreement dated as of the date hereof (the "Securities Purchase Agreement"), the Company intends to sell for cash additional shares of Preferred Stock and Common Stock to the investors who are parties thereto (the "Institutional Investors").

E. Immediately following the purchase and sale of securities referred to above, the Company will use such cash proceeds in part to acquire, pursuant to the Stock Purchase Agreement, the outstanding capital stock of Edgen.

F. In connection with the execution and delivery of this Agreement, the Management Investors, the Institutional Investors and the Company are also entering into a Securities Holders Agreement (the "Securities Holders Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement") substantially in the forms of Exhibit A and

Exhibit B hereto, respectively, in order to set forth more fully certain agreements regarding their future relationships and their rights and obligations with respect to Securities of the Company.

G. As used herein, the term "Securities" shall mean Common Stock, Preferred Stock, and any other shares of capital stock of the Company, and any securities convertible into or exchangeable for such capital stock, and any options (including any options now or hereafter issued to Management Investors), warrants or other rights to acquire such capital stock or securities, now or hereafter held by any party hereto, including all other securities of the Company (or a successor to the Company) received on account of ownership of Common Stock or Preferred Stock, including all securities issued in connection with any merger, consolidation, stock dividend, stock distribution, stock split, reverse stock split, stock combination, recapitalization, reclassification, subdivision, conversion or similar transaction in respect thereof.

Terms

In consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND EXCHANGE OF SECURITIES

1.1. Sale and Purchase of Common Stock and Preferred Stock. (a) Subject to the terms and conditions set forth herein, at the Closing (as defined in Section 1.2), the Company will issue and sell to the Management Investors, and the Management Investors will purchase, the number of shares of Preferred Stock and Common Stock set forth opposite the name of such Management Investor on Schedule I hereto.

(b) The per share purchase price for the Preferred Stock and Common Stock to be purchased under this Section 1.1 shall be $1,000 per share and $1 per share, respectively. The aggregate purchase price to be paid by each Management Investor purchasing Preferred Stock and Common Stock pursuant to this Section 1.1, is set forth opposite such Management Investor' s name on Schedule I hereto. The Management Investors shall pay the purchase price for the shares of Preferred Stock and Common Stock purchased by him or her hereunder by wire transfer of immediately available funds (or such other means as the parties might agree) to an account designated by the Company.

(c) The obligations of the Management Investors purchasing Securities under this Section 1.2 are several in nature, and no Management Investor shall have any obligation to purchase any Securities subscribed for hereunder by any other Management Investor.

1.2. Closing. (a) The closing (the "Closing") of the purchase and sale of the Securities referred to in Section 1.1 will take place concurrently with the Closing of the Stock

Purchase Agreement or at such other time or on such other date as may be agreed by the parties hereto. The date such Closing occurs is referred to herein as the "Closing Date."

(b) At the Closing, the Company will deliver to each Management Investor certificates evidencing the number of shares of Preferred Stock and Common Stock to be purchased by such Management Investor as set forth opposite such Management Investor' s name on Schedule I hereto, registered in such Management Investor' s name, against payment of the purchase price therefor in cash, by wire transfer of immediately available funds (or such other means as the parties might agree), with confirmed receipt.

1.3. Conditions to the Management Investor' s Obligations. The obligation of each Management Investor to purchase such Management Investor' s Securities at the Closing is subject to the satisfaction on or prior to the date hereof of the following conditions:

(a) The representations and warranties of the Company set forth in Article II hereof shall be true and correct in all material respects on and as of the Closing Date as though then made, and all covenants of the Company set forth in Article I required to be performed on or prior to the Closing shall have been performed in all material respects.

(b) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement.

(c) All of the conditions to effecting the transactions contemplated by the Stock Purchase Agreement shall have been fulfilled or waived in accordance with the terms of the Stock Purchase Agreement.

(d) The Company shall have executed and delivered the Securities Holders Agreement and the Registration Rights Agreement.

(e) The Company' s Amended and Restated Articles of Incorporation and Bylaws shall be substantially in the forms of Exhibit C and Exhibit D hereto, respectively.

(f) All corporate and other proceedings, if any, taken or to be taken by the Company in connection with the transactions contemplated hereby shall have been taken.

1.4. Conditions to the Company' s Obligations. The obligations of the Company to issue and sell the Securities to each Management Investor as set forth herein at the Closing are subject to the satisfaction on or prior to the Closing of the following conditions:

(a) The representations and warranties of each Management Investor set forth in Article III hereof shall be true and correct in all material respects at and as of the Closing Date

as though then made, and all covenants of each Management Investor required to be performed at or prior to the Closing shall have been performed in all material respects.

(b) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Stock Purchase Agreement.

(c) All of the conditions to effecting the transactions contemplated by the Stock Purchase Agreement shall have been fulfilled or waived in accordance with the terms of the Stock Purchase Agreement.

(d) Such Management Investor shall have executed and delivered each of the Securities Holders Agreement and the Registration Rights Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND

COVENANTS OF THE COMPANY

2.1. Representations, Warranties and Covenants of the Company. The Company represents and warrants to, and covenants and agrees with, each of the Management Investors as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada.

(b) The Company has all requisite corporate power and corporate authority to execute, deliver and perform this Agreement and to consummate the transactions provided for herein.

(c) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby, including, but not limited to, the issuance and sale of the Securities to be issued by it hereunder, have been duly authorized, and this Agreement constitutes the valid and binding obligation of the Company, enforceable against it in accordance with the terms hereof.

(d) The Securities issued to the Management Investors under Article I hereof, when issued in compliance with the provisions of this Agreement, will be validly issued, fully paid and non-assessable.

(e) As of the date hereof and after giving effect to the transactions contemplated by this Agreement and the Securities Purchase Agreement with the Institutional Investors, but excluding the restricted Common Stock issued under the Edgen Corporation

Incentive Plan, (i) the authorized capital stock of the Company consists of five million one hundred thousand (5,100,000) shares, divided into two (2) classes consisting of five million (5,000,000) shares of Common Stock, 2,400,000 shares of which are issued and outstanding; and one hundred thousand (100,000) shares of Preferred Stock, of which forty thousand (40,000) are designated as Series A 8½% Cumulative Compounding Preferred Stock ("Series A Preferred Stock") and 21,600 shares of which Series A Preferred Stock are issued and outstanding; and (ii) the shares of Common Stock and Series A Preferred Stock held by the Investors, together with the shares of Common Stock and

Series A Preferred Stock issued under the Securities Purchase Agreement with the Institutional Investors, constitute all of the issued and outstanding shares of the Company' s capital stock.

(f) The Securities offered to the Management Investors under Article I hereof are offered to those Management Investors in their capacity as employees, officers or directors of the Company.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND

COVENANTS OF MANAGEMENT INVESTORS

3.1. Representations, Warranties and Covenants of Each Management Investor. Each of the Management Investors severally and as to itself represents and warrants to, and covenants and agrees with, the Company that:

(a) Such Management Investor has the requisite legal right, power and authority (including, if applicable, the due authorization by all necessary corporate action) to enter into this Agreement and to perform such Management Investor' s obligations hereunder and to consummate the transactions provided for herein; this Agreement has been duly authorized, executed and delivered by such Management Investor; and this Agreement constitutes the valid and binding obligation of such Management Investor, enforceable against such Management Investor in accordance with the terms hereof. As used herein, the term "person" means an individual or a corporation, partnership, limited liability company, joint venture, trust, regulatory or governmental agency or authority or other organization or entity of any kind.

(b) No consent, approval or authorization of, or registration, qualification or filing with, any governmental agency or authority is required for the execution and delivery of this Agreement by such Management Investor or for the consummation by such Management Investor of the transactions contemplated hereby, except where the failure to obtain any such consent, approval or authorization or to so register, qualify or file would not reasonably be expected to materially and adversely affect such Management Investor' s ability to consummate the transactions contemplated hereby.

(c) No action, suit, proceeding or investigation is pending or, to such Management Investor' s knowledge, threatened, against such Management Investor with respect

to his or her execution and delivery of this Agreement or the consummation by such Management Investor of the transactions contemplated hereby.

(d) The Securities are being purchased by such Management Investor hereunder for investment, and not with a view to any distribution thereof that would violate the Securities Act or the applicable state securities laws of any state. Such Management Investor will not distribute the Securities in violation of the Securities Act or the applicable securities laws of any state.

(e) Such Management Investor understands that the Securities have not been registered under the Securities Act or the securities laws of any state and must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws or unless an exemption from such registration becomes or is available.

(f) In formulating a decision to enter into this Agreement, such Management Investor has relied solely upon (i) the provisions of this Agreement, (ii) an independent investigation of the Company' s business, and (iii) consultations with, his or her legal and financial advisors with respect to this Agreement and the nature of his or her investment; and that in entering into this Agreement no reliance was placed by the Management Investor upon any representations or warranties other than those contained in this Agreement.

(g) Such Management Investor is financially able to hold the Securities for long-term investment, believes that the nature and amount of the Securities being purchased are consistent with his or her overall investment program and financial position, and recognizes that there are substantial risks involved in the purchase of the Securities.

(h) Such Management Investor confirms that (i) he or she or she is familiar with the business of the Company, (ii) he or she or she has had the opportunity to ask questions of the officers and directors of the Company and to obtain (and that such Management Investor has received to his or her satisfaction) such information about the business and financial condition of the Company as he or she has reasonably requested, and (iii) such Management Investor, either alone or with a representative (as defined in Rule 501(h) promulgated under the Securities Act), has such knowledge and experience in financial and business matters that such Management Investor is capable of evaluating the merits and risks of the prospective investment in the Securities.

(i) Such Management Investor confirms and acknowledges that (i) he or she understands that the opportunity to purchase the Securities offered to such Management Investor under this contract are offered in his or her capacity as an employee, officer or director of the Company and (ii) he or she has received a copy of this contract in accordance with Rule 701 under the Securities Act.

(j) Such Management Investor confirms that he or she qualifies as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act under which the Management Investor (i) has a net worth of at least one million dollars

($1,000,000), (ii) has had an annual income of at least two hundred thousand dollars ($200,000), individually or joint income with spouse of three hundred thousand dollars ($300,000) for each of the last two years or (iii) or is a director, executive officer, or general partner of the issuer of the securities being offered or sold.

(k) Such Management Investor' s residence address is as set forth below his or her signature to this Agreement.

ARTICLE IV

MISCELLANEOUS

4.1. Legend. (a) All certificates representing the Securities shall bear the following legend in addition to any other legend required under applicable law:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR THE DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED.
>
> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO THE TERMS AND CONDITIONS OF A SECURITIES HOLDERS AGREEMENT BY AND AMONG THE COMPANY AND THE HOLDERS SPECIFIED THEREIN, AS AMENDED FROM TIME TO TIME (THE "SECURITIES HOLDERS AGREEMENT"), A COPY OF WHICH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. THE SALE, TRANSFER, ASSIGNMENT OR OTHER DISPOSITION OF THE SECURITIES IS SUBJECT TO THE TERMS OF SUCH AGREEMENT AND THE SECURITIES ARE TRANSFERABLE OR OTHERWISE DISPOSABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH.

4.2. Amendment and Modification. This Agreement may be amended or modified, or any provision hereof may be waived, provided that such amendment, modification or waiver is set forth in a writing executed by (i) the Company, and (ii) the holders of the majority of the shares of Common Stock then held by the Management Investors; provided, however, that any amendment of this Agreement which materially adversely affects any Management Investor in a manner materially different from other Management Investors (other than due to any difference in the number of shares owned by and such Management Investor) requires the consent of such Management Investor. No course of dealing between or among any persons having any interest

in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

4.3. Survival of Representations and Warranties. The representations, warranties, covenants and agreements set forth in this Agreement shall survive the Closing.

4.4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns and executors, administrators and heirs of each party hereto. This Agreement, and any rights or obligations existing hereunder, may not be assigned or otherwise transferred by any party without the prior written consent of the other parties hereto.

4.5. Separability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect unless deletion of such provision causes this Agreement to become materially adverse to any party, in which event the parties shall use reasonable efforts to arrive at an accommodation which best preserves for the parties the benefits and obligations of the offending provision.

4.6. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, fax or reputable courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company:

Edgen Acquisition Corporation

c/o Jefferies Capital Partners
520 Madison Avenue
12th Floor
New York, NY 10022
Attention: James Luikart and Nicholas Daraviras
Telephone:(212) 284-1700
Fax: (212) 284-1717

with a required copy to:

Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
Telephone:(215) 994-4000
Fax: (215) 994-2222

If to any of the Management Investors, to such Management Investor' s address as set forth on the signature pages hereto.

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; four business days after being deposited in the mail, postage prepaid, if mailed; when confirmation of transmission is received, if faxed during normal business hours (or, if not faxed during normal business hours, the next business day after confirmation of transmission); and on the next business day, if timely delivered to a reputable courier guaranteeing overnight delivery.

4.7. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law.

4.8. Headings. The headings preceding the text of the sections and subsections of this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

4.9. Counterparts. This Agreement may be executed in two or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

4.10. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.11. Entire Agreement. This Agreement sets forth the entire agreement and understanding among the parties and supersedes all prior agreements and understandings, written or oral, relating to the subject matter of this Agreement, it being understood the Management Investors are contemporaneously entering into other agreements and instruments in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, including the Securities Holders Agreement and the Registration Rights Agreement.

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

EDGEN ACQUISITION CORPORATION

By: /s/ NICHOLAS DARAVIRAS
Name: Nicholas Daraviras
Title:President

MANAGEMENT INVESTORS:

/s/ JEFFREY L. BIKSHORN
Jeffrey L. Bikshorn

Address:

Telephone No.:

/s/ DOUGLAS J. DALY JR.
Douglas J. Daly Jr.

Address:

Telephone No.:

/s/ ROBERT L. GILLELAND
Robert L. Gilleland

Address:

Telephone No.:

/s/ RANDALL C. HARLESS
Randall C. Harless

Address:

Telephone No.:

/s/ DANIEL D. KEATON
Daniel D. Keaton

Address:

Telephone No.:

/s/ CRAIG STEPHEN KIEFER

Craig Stephen Kiefer

Address:

Telephone No.:

/s/ DAVID L. LAXTON, III

David L. Laxton, III

Address:

Telephone No.:

/s/ ROY J. MEREDITH

Roy J. Meredith

Address:

Telephone No.:

/s/ DANIEL J. O' LEARY

Daniel J. O' Leary

Address:

Telephone No.:

Schedule I

Management Investors and Securities Purchased

Management Investor	Cash Investment	Common Stock Purchase Price ($1 per share)	Preferred Stock Purchase Price ($1000 per share)	Number of Shares of Common Stock Received	Number of Shares of Preferred Stock Received	Aggregate Purchase Price
O' Leary Daniel J.	$ 750,000	$ 75,000	$ 675,000	75,000	675	$ 750,000
Laxton III, David L.	$ 350,000	$ 35,000	$ 315,000	35,000	315	$ 350,000
Gilleland, Robert L.	$ 300,000	$ 30,000	$ 270,000	30,000	270	$ 300,000

Kiefer, Craig Stephen	$	300,000	$	30,000	$	270,000	30,000	270	$	300,000
Meredith, Roy J.	$	200,000	$	20,000	$	180,000	20,000	180	$	200,000
Daly, Jr., Douglas J.	$	300,000	$	30,000	$	270,000	30,000	270	$	300,000
Bikshorn, Jeffrey L.	$	50,000	$	5,000	$	45,000	5,000	45	$	50,000
Harless, Randall C.	$	100,000	$	10,000	$	90,000	10,000	90	$	100,000
Keaton, Daniel D.	$	40,000	$	4,000	$	36,000	4,000	36	$	40,000
TOTAL	$	2,390,000	$	239,000	$	2,151,000	239,000	2,151	$	2,390,000

Exhibit 12.1

EDGEN CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in thousands, except ratios)

	Fiscal Year Ended December 31,					
	2000	2001	2002	2003	2004	2004 (Pro Forma)
Income(loss) from continuing operations before taxes	$ 360	$ 8,082	$ 11,573	$ (8,665)	$ 12,998	$ 7,128
Add:						
Interest expense	5,114	5,148	3,004	2,962	3,644	10,439
Amortization of deferred financing costs	755	42	98	160	1,519	1,190
Preference securities dividend requirements	3,549	3,745	2,541	4,287	1,769	2,914
Income (loss) as adjusted	$ 9,778	$ 17,017	$ 17,216	$ (1,256)	$ 19,930	$ 21,671
Fixed charges:						
Interest expense	$ 5,114	$ 5,148	$ 3,004	$ 2,962	$ 3,644	$ 10,439
Amortization of deferred financing costs	755	42	98	160	1,519	1,190
Preference securities dividend requirements	3,549	3,745	2,541	4,287	1,769	2,914
Fixed charges	$ 9,418	$ 8,935	$ 5,643	$ 7,409	$ 6,932	$ 14,543
Ratio of earnings to fixed charges(1)	1.04	1.90	3.05	–	2.88	1.49

(1) For the year ended December 31, 2003 earnings were not sufficient to cover fixed charges. For the year ended December 31, 2003, the deficiency was $8,665.

QuickLinks

Exhibit 21.1

Subsidiaries of Edgen Corporation

Edgen Louisiana Corporation, a Louisiana corporation

Edgen Alloy Products Group, L.L.C., a Louisiana limited liability company

Edgen Carbon Products Group, L.L.C., a Louisiana limited liability company

Edgen Canada Inc., an Alberta corporation

QuickLinks

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-4 of our report dated April 18, 2005 relating to the financial statements of Edgen Corporation appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

New Orleans, Louisiana
April 28, 2005

QuickLinks

Dechert LLP
30 Rockefeller Plaza
New York, NY 10112

May 2, 2005

VIA EDGAR

Securities and Exchange Commission
Division of Corporation Finance
450 Fifth Street, NW
Washington, DC 20549

Re: Edgen Corporation and Additional Registrants
Registration Statement on Form S-4

Ladies and Gentlemen:

At the request of Edgen Corporation, a Nevada corporation (the "Company"), attached hereto for electronic filing under the Securities Act of 1933, as amended, is a Registration Statement on Form S-4 of the Company and the Additional Registrants named therein. The Registration Statement relates to the Company' s and the Additional Registrants' proposed offer to exchange an aggregate principal amount of $105,000,000 of the Company' s 9-7/8% Senior Secured Notes due 2011 and the related guarantees for a like principal amount of the Company' s outstanding 9-7/8% Senior Secured Notes due 2011 and the related guarantees.

Should you have any questions, comments or desire further information with respect to the attached filing, please contact Bonnie Barsamian of this office at 212.698.3520, Jonathan Silverblatt of this office at 212.698.3550 or the undersigned at 212.698.3574.

Sincerely,

/s/ Scott E. Lerner

Scott E. Lerner

Attachment

cc: Bonnie Barsamian
Jonathan Silverblatt