

2955502
DATED 21st October 1994

BABCOCK INTERNATIONAL GROUP PLC

and

BABCOCK HOLDINGS LIMITED

PASSED FOR EJP 1994

AGREEMENT FOR THE SALE AND PURCHASE OF SHAREHOLDING

IN

BABCOCK INTERNATIONAL LIMITED AND BABCOCK OVERSEAS INVESTMENTS LIMITED

Hammond Suddards
Solicitors
Trinity Court
16 John Dalton Street
Manchester
M60 8HS

Tel: 061-834-2222
Fax: 061-834-2244

Ref: JLB/SAW



SHARE SALE AGREEMENT

THIS AGREEMENT is made on *21st October* 1994

BETWEEN:

(1) BABCOCK INTERNATIONAL GROUP PLC ("the Vendor").

(2) BABCOCK HOLDINGS LIMITED ("the Purchaser").

IT IS HEREBY AGREED as follows:

1. SALE AND PURCHASE

Subject to the terms and conditions of this Agreement, the Vendor shall sell as beneficial owner and the Purchaser shall purchase the Shares, free from all liens, charges and encumbrances and together with all accrued benefits and rights attaching thereto, with effect from the date of this Agreement.

For the purposes of this Agreement, the "Shares" means the 444,991,100 ordinary shares of 10p each of Babcock International Limited and the 94,258,437 ordinary shares of £1.00 each of Babcock Overseas Investments Limited or either of them as the context requires.

2. RIGHTS WAIVER

The Vendor waives all rights of pre-emption (if any) over the Shares to which it may be entitled in relation to the sale and purchase of the Shares.

3. CONSIDERATION

3.1 The consideration for the Shares of Babcock International Limited shall be £44,450,000 (Forty Four Million Four Hundred and Fifty Thousand Pounds) and the consideration for the Shares of Babcock Overseas Investments Limited shall be

£77,781,000 (Seventy-Seven Million Seven Hundred and Eighty One Thousand Pounds).

3.2 The consideration for the purchase of the Shares of Babcock Overseas Investments Limited shall be satisfied by the issue on completion of 77,781,000 fully paid ordinary Shares of £1.00 each of the Purchaser to the Vendor.

3.3 The consideration for the Shares of Babcock International Limited shall not be payable on completion but shall be payable on demand by the Vendor. The Purchaser shall not pay any interest on the consideration.

4. COMPLETION

4.1 Completion of the sale and purchase of the Shares shall take place on the date hereof at such place as the parties may agree.

4.2 On Completion the Vendor shall deliver to the Purchaser duly completed and signed transfers in favour of the Purchaser (or as it may direct) of the Shares together with the relative share certificates.

4.3 Upon completion of the matters referred to in Clause 4.2 the Purchaser shall deliver to the Vendor the consideration referred to in Clause 3.2.

5. GENERAL

5.1 This Agreement shall be binding upon and enure for the benefit of the successors in title of the parties and the benefit of this Agreement may be assigned by the Purchaser.

5.2 The Vendor and the Purchaser shall execute and perform all such further acts, deeds or assurances as may be required for effectually vesting the Shares in the Purchaser and otherwise for fulfilling the provisions of this Agreement.

5.3 The provisions of this Agreement insofar as the same shall not have been performed at Completion shall remain in full force and effect notwithstanding Completion.

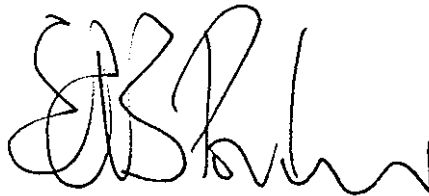
5.4 This Agreement shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relating to the sale and purchase of the Shares and supersedes all previous negotiations, understandings and agreements between the parties in relation to the same. It is expressly agreed that no variations or additions to this Agreement shall be effective unless made in writing, signed for and on behalf of the parties or by their successors or solicitors (as the case may be) and expressed to be such a variation or addition.

AS WITNESS the hands of the parties hereto or their duly authorised representatives the day and year first above written.

Signed by)
for and on behalf of BABCOCK)
INTERNATIONAL GROUP PLC)
in the presence of:)



Signed by)
for and on behalf of)
BABCOCK HOLDINGS LIMITED)
in the presence of:)

