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Global Crossing

4 September 2002

**TO ALL CREDITORS OF:**  
**GLOBAL CROSSING LTD.**  
**GLOBAL CROSSING HOLDINGS LTD.**  
**ATLANTIC CROSSING LTD.**  
**ATLANTIC CROSSING HOLDINGS LTD.**  
**MID-ATLANTIC CROSSING HOLDINGS LTD.**  
**GLOBAL CROSSING INTERNATIONAL, LTD.**  
**GLOBAL CROSSING NETWORK CENTER LTD.**  
**MID-ATLANTIC CROSSING LTD.**  
**PAN AMERICAN CROSSING HOLDINGS LTD.**  
**SOUTH AMERICAN CROSSING HOLDINGS LTD.**  
**PAN AMERICAN CROSSING LTD.**  
**ATLANTIC CROSSING II LTD.**  
**(ALL IN PROVISIONAL LIQUIDATION) (TOGETHER "THE BERMUDIAN DEBTORS")**

We are writing to you as it appears that you may be a creditor of one or more of the companies in the Global Crossing group of companies ("the GX Group"). **This letter is relevant only to persons who have a claim against one or more of the above listed companies, being the Bermudian Debtors. If you do not have a claim against any of the Bermudian Debtors, you do not need to take any action in relation to this letter or its enclosures.**

If you believe that you are a creditor of one or more of the Bermudian Debtors, you **may** need to complete and return the enclosed Bermudian Claim Form by 30 September 2002 detailing your claim(s). Details as to (a) which creditors need to do this, and (b) how you should do this, are set out below and in the attached Bermudian Notice to Creditors.

By way of background and as you may be aware, a number of companies in the GX Group are in Chapter 11 proceedings in the US. I will refer to these companies as the "Debtors". The 12 Bermudian Debtors are a sub-group of the Debtors and, in addition to the Chapter 11 proceedings, are also subject to proceedings in Bermuda where Joint Provisional Liquidators ("JPLs") have been appointed. The proceedings in the US and Bermuda are intended to allow time for the preparation of a restructuring plan to be put before creditors and, thereafter, the US and Bermuda courts for approval.

I am one of the JPLs of the Bermudian Debtors. In Bermuda, the restructuring is intended to be effected by schemes of arrangement ("Schemes"). It is anticipated that Schemes will be proposed to creditors in around October this year. Without going into all the procedural details, you should note that:

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- OTH \_\_\_\_\_

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- A separate Scheme will be required for each Bermudian Debtor;
- In relation to each Scheme:
- The creditors will be sent details of the proposals, with an explanatory memorandum.
- Subsequently, different classes or groups of creditors will vote on the Schemes.
- Creditors' votes will be counted both according to the value of each creditor's claim and the number of claims. To be adopted, the proposals require the support of the majority by number, representing over 75% by value of those creditors in that class who cast votes on the Scheme.

In light of the above procedure, it follows that a necessary part of any Scheme is (a) identifying each of the Bermudian Debtors' creditors, and (b) determining the nature and value of the claims.

In the US, the restructuring is intended to take effect by a plan of reorganisation ("the US Plan"). In some ways, a US Plan is very similar to a Bermudian Scheme. However, there are important differences. One of these differences is the way in which creditors vote, which is explained in more detail below.

This letter is concerned only with the Schemes. You should receive separate correspondence in connection with the US Plan through the Chapter 11 proceedings.

I am writing to you at this stage of the proceedings for two reasons, as follows.

#### **A     The Bar Date**

One of the important differences between the Chapter 11 proceedings and the Bermudian provisional liquidation proceedings is that, in the US, it is possible for the court to set a "bar date", being a date by which all creditors must submit details of their claims, failing which they will be prevented from pursuing a claim.

By an order dated 16 August 2002 ("the 16 August Order"), the US Court has set this date for 30 September 2002. You should have already received correspondence within the Chapter 11 process notifying you of this, and of any steps you must take in order to protect any claim you may have against any of the Debtors.

The procedure in Bermuda in connection with the submission of creditors' claims is somewhat different. The Bermudian Court does not customarily set a bar date in the same way as the US Court does. Nevertheless, in this case, in order to ensure that the US Plan and the Bermudian Schemes are as consistent as possible in their approach to the restructuring, the JPLs will in due course ask the Bermudian Court to recognise the US bar date, subject to some important qualifications.

These qualifications will include a provision that the JPLs may allow a creditor of the Bermudian Debtors to submit a claim after the bar date in certain circumstances. At present, the JPLs have the power to fix a final date for the submission of claims, subject to a discretion to admit claims made after that date in "special circumstances". Subject to the approval of the Bermudian Court, this discretion is likely to be expressed in the Schemes as a discretion to allow claims to be submitted after the bar date provided that the creditor's failure to submit its claim before the bar date is not as a result of its wilful default or lack of reasonable diligence.

However, it is likely that this discretion to admit claims after the bar date will cease subsequently, probably on the date the meetings of creditors are held to vote on the Schemes, which is likely to be in November.

## **B Voting on the Schemes**

As I mention above, one of the important differences between a US Plan and a Bermudian Scheme concerns voting.

In the US Plan, it is intended that the Chapter 11 Debtors will be deemed to be consolidated for specific purposes. One of those purposes is voting. This means that where there is a joint liability on the part of more than one Debtor to a creditor, that creditor will have just one vote in relation to its claim. For example, where one Debtor is primarily liable for the claim and the claim has been guaranteed by another Debtor, the creditor will have one vote in respect of its claims. In other words, the creditor will not have a vote in respect of each Debtor which is liable.

There cannot be a deemed consolidation for the purpose of voting on a Bermudian Scheme. As a separate Scheme will be required for each Bermudian Debtor, there needs to be a separate vote on each individual Scheme. Therefore, where two or more Debtors are jointly liable for a creditor's claim, and at least one of those Debtors is a Bermudian Debtor, that creditor will have:

- a vote on *each* of the Schemes for the relevant Bermudian Debtor(s); and
- one vote on the US Plan.

Therefore, to determine a creditor's voting rights for the purpose of the Schemes, it is necessary to know the nature and value of the creditor's claim(s) against each Bermudian Debtor, and details of which, if any, Debtors are jointly responsible for the claim<sup>1</sup>.

## **C What creditors need to do as a result of the above**

To the extent possible, the JPLs will obtain details of creditors' claims from the Chapter 11 proceedings where details of the claims have been (or are deemed to have been) submitted<sup>2</sup>.

However, in relation to claims where more than one Debtor is jointly liable, it is possible that the information which has been submitted in the Chapter 11 proceedings will be insufficiently detailed to work out the voting rights in relation to the Bermudian Schemes.

Therefore, and in order to ensure the US and Bermudian proceedings run as consistently and efficiently as possible, the Bermudian Court has authorised the JPLs to adopt the following procedure in connection with creditors' claims:

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<sup>1</sup> The nature of the claim is important because the valuation of a guarantee claim for voting purposes may well be different from the valuation of a claim for which the Debtor is primarily liable.

<sup>2</sup> Creditors who have submitted a claim in the Chapter 11 proceedings are (a) those creditors who have completed and submitted a Proof of Claim within the Chapter 11 proceedings as required by the 16 August Order, and (b) those creditors who are deemed by the 16 August Order to have already submitted a claim in the Chapter 11 proceedings.

1. Save for any claims which fall within paragraph 2 below, all claims against the Bermudian Debtors in respect of which a claim has been, or is deemed to have been, submitted to the Debtors in the Chapter 11 proceedings in accordance with the 16 August Order, are deemed to be claims for the purposes of participation in any proposed scheme of arrangement. Consequently, if your claims falls into this category, you do not need to take any action.
2. All creditors who have a claim in respect of which two or more Debtors are jointly liable where at least one of those Debtors is a Bermudian Debtor should submit details of their claim to the JPLs by completing the enclosed Bermudian Claim Form. In other words, if you fall into this category you need to submit a Bermudian Claim Form to the JPLs even if you have registered your claim in the Chapter 11 proceedings.

The following creditors are excused from this procedure and do not need to take any action:

- those holders of the following debt securities issued by Global Crossing Holdings Ltd (a) 9.125% Senior Notes due 2006, (b) 9.5% Senior Notes due 2009, (c) 9.625% Senior Notes due 2008, and (d) 8.7% Senior Notes due 2007; and
- those lenders who have a claim against the Bermudian Debtors arising under the Credit Agreement dated 10 August 2000 between, among others, Global Crossing Ltd, Global Crossing Holdings Ltd, Global Crossing North America Inc., and JP Morgan Chase Bank as administrative agent.

3. All creditors who:

- have not (or are not deemed to have) submitted a claim in the Chapter 11 proceedings, and
- are not required to submit a claim in the Bermudian proceedings by the paragraph 2 above,

and who nevertheless wish to submit a claim to the JPLs in the Bermudian proceedings for the purposes of participation in any Schemes should submit details of their claim to the JPLs by completing the enclosed Bermudian Claim Form.

**All of the completed Bermudian Claim Forms must be returned to the JPLs (according to the instructions in the attached Bermudian Notice to Creditors) by 30 September 2002. This deadline is subject to the proviso referred to in section A of this letter.**

You will appreciate that, by asking creditors to file their claims now, the JPLs will get a head start on identifying the Bermudian Debtors' creditors and assessing the value of their claims. These steps will be beneficial to creditors as they will reduce the time required to consider claims as part of the anticipated Schemes. This will assist the Schemes to proceed quickly and smoothly.

Finally, I draw to your attention the fact that the submission of claims to the JPLs will not protect our claim in the Chapter 11 proceedings. You should receive a separate Notice and Proof of Claim Form relating to the Chapter 11 proceedings and you should read and follow the instructions accompanying any such correspondence carefully. In the Chapter 11 proceedings, failure to file a Proof of Claim may prevent creditors from participating in any dividend and from voting on any US Plan.

**If you have any queries in connection with this letter or its enclosures, you should contact Catherine Ridge of KPMG whose contact details are set out in the enclosed Bermudian Notice to Creditors.**

Yours faithfully

*Jane Moriarty*

Jane Moriarty  
*Joint Provisional Liquidator of  
the Bermudian Debtors*

**The Joint Provisional Liquidators of the Bermudian Debtors act without personal liability**

**IN THE SUPREME COURT OF BERMUDA**

**COMPANIES (WINDING UP)**

**2002: Nos. 28 to 39**

**IN THE MATTER OF GLOBAL CROSSING LTD.  
AND IN THE MATTER OF GLOBAL CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF ATLANTIC CROSSING LTD.  
AND IN THE MATTER OF ATLANTIC CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF MID-ATLANTIC CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF GLOBAL CROSSING INTERNATIONAL, LTD.  
AND IN THE MATTER OF GLOBAL CROSSING NETWORK CENTER LTD.  
AND IN THE MATTER OF MID-ATLANTIC CROSSING LTD.  
AND IN THE MATTER OF PAN AMERICAN CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF SOUTH AMERICAN CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF PAN AMERICAN CROSSING LTD.  
AND IN THE MATTER OF ATLANTIC CROSSING II LTD.**

**AND IN THE MATTER OF THE COMPANIES ACT 1981**

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**BERMUDIAN CLAIM FORM**

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*Defined terms herein have the same meaning as in the Bermudian Notice to Creditors*

1	Name(s) of Bermudian Debtor(s) against which claim is made:	
2	Name and Address of Creditor:  Contact name: Telephone and fax numbers: E-mail address: Account by which creditor identifies debtor:	
3	Have you submitted a claim, or are you deemed to have submitted a claim, in the Chapter 11 proceedings, according to the 16 August Order?	YES / NO
4	Nature of debt against each Bermudian Debtor referred to in section 1 above (e.g goods sold/ services performed/ guarantee claim etc):	
5	Date(s) the debt was incurred:	

6	Are any of the Debtor(s) who are not Bermudian Debtors jointly liable for the debt?	YES / NO
7	If so, identify the Debtor(s) in question and specify the nature of the claim against each one:	
8	Details of any documents by reference to which the claim can be substantiated:  (NB. the JPLs may call for any document or evidence to substantiate the claim at their discretion)	
9	Total amount of claim as at 28 January 2002:  Total amount of interest owed on the claim as at 28 January 2002:	
10	Is your claim secured?  If your claim is secured, please answer the next question, if unsecured, move onto question 12.	YES / NO
11	Please provide a brief particulars of the security, including the value of security, and the date it was given	
12	Have you obtained a court judgment in relation to your claim?  If so, please provide particulars, including the date of the judgment:	
13	So far as you are aware, has anyone else filed a Bermudian Claim Form relating to your claim?  If so, please provide particulars.	
14	Signature of the Creditor or person authorised to act on their behalf:  Name in BLOCK LETTERS:  Position in relation to the Creditor:  Date:	

Please return this form to Catherine Ridge of KPMG whose contact details are KPMG PO Box HM906 Hamilton HMDX Bermuda, fax number: +1 441 295 8280.

**THIS FORM MUST BE RETURNED BY 30 SEPTEMBER 2002**

**IN THE SUPREME COURT OF BERMUDA  
COMPANIES (WINDING UP)**

**2002: Nos. 28 to 39**

**IN THE MATTER OF GLOBAL CROSSING LTD.  
AND IN THE MATTER OF GLOBAL CROSSING HOLDINGS LTD.  
AND IN THE MATTER OF ATLANTIC CROSSING LTD.  
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AND IN THE MATTER OF PAN AMERICAN CROSSING LTD.  
AND IN THE MATTER OF ATLANTIC CROSSING II LTD.**

**AND IN THE MATTER OF THE COMPANIES ACT 1981**

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**BERMUDA NOTICE TO CREDITORS**

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- 1 This Notice applies to you only if you have a claim against any of the companies listed in the above caption.
  
- 2 This Notice has been prepared on behalf of Philip Wallace, Jane Moriarty and Malcolm Butterfield who were appointed as Joint Provisional Liquidators ("JPLs") of Global Crossing Ltd. and those of its Bermudian subsidiaries listed in the above caption (together, the "Bermudian Debtors") by Orders of the Supreme Court of Bermuda on 28 January 2002 ("the 28 January Orders").
  
- 3 Also on 28 January 2002, 55 members of the Global Crossing Group of companies, including the Bermudian Debtors, filed for protection in the United States under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Southern District of New York ("the US Court"). Since 28 January 2002, two further companies in the Group, GC UK Ltd and SAC Peru S.R.L., have filed for protection under Chapter 11 in the US Court. These 57 companies are referred to in this Notice as "the Debtors".
  
- 4 The US Court has issued an Order dated 16 August 2002 ("the 16 August Order").  
The 16 August Order:



- (a) sets 30 September 2002 as the bar date for filing claims against the Debtors in the Chapter 11 proceedings; and
- (b) approves a Form of Notice ("the Bar Date Notice") in relation to this bar date.

The 16 August Order (which includes the Bar Date Notice) has been mailed to you separately within the Chapter 11 proceedings.

- 5 Under the 28 January Orders, the JPLs have power to take whatever steps they deem appropriate to deal with claims against the Bermudian Debtors, including the power to fix a final date for the submission of claims for the purposes of participation in any proposed schemes of arrangement in Bermuda pursuant to Section 99 of the Companies Act 1981, subject to a discretion to admit claims made after that date in special circumstances. The JPLs intend to propose schemes of arrangement in respect of the Bermudian Debtors ("the Schemes") shortly. They are currently considering with their advisors the precise form the Schemes should take, and will be notifying creditors in due course.
- 6 The JPLs wish to obtain as soon as possible details of all claims against the Bermudian Debtors in respect of which creditors may be entitled to vote on the Schemes.
- 7 In light of the above and in order to ensure there is minimal inconsistency between the Chapter 11 proceedings in respect of the Debtors and the provisional liquidation proceedings in respect of the Bermudian Debtors, the JPLs intend to adopt the procedures set out below, which have been approved by the Bermudian Court.
  - (a) Save for any claims which fall within paragraph 7(b) below, all claims against the Bermudian Debtors in respect of which a Proof of Claim is, or is deemed to have been, submitted to the Debtors in the Chapter 11 proceedings in accordance with the 16 August Order, are deemed to be claims for the purposes of participation in the Schemes. Consequently, if your claims falls into this category, you **DO NOT** need to take any action in connection with this Notice.
  - (b) All creditors who have a claim in respect of which two or more Debtors are jointly liable, where at least one of those Debtors is a Bermudian Debtor, should submit details of their claim to the JPLs in accordance with the instructions in paragraph 8 below. The following creditors are excused from this procedure:

- (i) those holders of the following debt securities issued by Global Crossing Holdings Ltd (a) 9.125% Senior Notes due 2006, (b) 9.5% Senior Notes due 2009, (c) 9.625% Senior Notes due 2008, and (d) 8.7% Senior Notes due 2007; and
  - (ii) those lenders who have a claim under the Credit Agreement dated 10 August 2000 between, among others, Global Crossing Ltd, Global Crossing Holdings Ltd, Global Crossing North America Inc., and JP Morgan Chase Bank as administrative agent.
- (c) Creditors of the Bermudian Debtors who:
- (i) do not submit, or are not deemed to have submitted, claims in the Chapter 11 proceedings in accordance with the 16 August Order, and
  - (ii) do not fall within paragraph 7(b) above,

and who nevertheless wish to submit a claim to the JPLs in the Bermudian proceedings for the purposes of participation in the Schemes, should submit details of their claim to the JPLs in accordance with the instructions in paragraph 8 below.

- 8 The manner in which any creditor should submit a claim to the JPLs is by completing the attached Bermudian Claim Form and sending it to Catherine Ridge of KPMG whose contact details appear below. As the JPLs will in due course ask the Bermudian court to recognise the US bar date, the deadline for the submission of claims is 30 September 2002, although this is subject to a discretion to admit claims made after that date upon proof of special circumstances<sup>1</sup>. **Therefore, you should ensure that any completed Bermudian Claim Form which you are required by this Notice to submit to the JPLs reaches the JPLs by 30 September 2002.**
- 9 Submitting a claim to the JPLs in accordance with this Notice will not govern or protect your claim in the Chapter 11 proceedings. In the Chapter 11 proceedings, failure to file a claim form may prevent creditors from participating in any dividends or from voting on any plan of reorganisation. Therefore, notwithstanding your option

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<sup>1</sup> It is expected that this discretion to admit claims made after 30 September 2002 will cease on the date creditors vote on the Schemes. If this is the case, no claims will be admitted after the date upon which the creditors vote on the Schemes. More details will be provided to creditors at the time the Schemes are proposed.

to submit a claim in the Bermudian proceedings only, we would strongly urge you to lodge your claim within the Chapter 11 proceedings in the US Court according to the terms of the 16 August Order. Your claim will then be deemed to have been lodged in both the Bermudian proceedings and the Chapter 11 proceedings.

- 10 Please note that if you are dissatisfied with the procedure referred to above you have the right to apply to the Bermuda Court for relief.
- 11 If you have any queries about the above please contact Catherine Ridge of KPMG whose contact details are:

KPMG  
PO Box HM906  
Hamilton HMDX  
Bermuda  
Tel: +1 441 294 2617  
Fax: +1 441 295 8280

**Attride-Stirling & Woloniecki**  
**Attorneys for the Joint Provisional Liquidators**  
**whose address for service is Crawford House,**  
**50 Cedar Avenue, Hamilton HM11, Bermuda**