UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SEA CONTAINERS LTD, et al.,[1]	Case No. 06-11156 (KJC)
Debtors.	Jointly Administered
	Objection Deadline September 20, 2007 at 4:00 p.m. (ET) **Hearing Date: September 27, 2007 at 3:00 p.m. (ET)**

NOTICE OF MOTION

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE, (II) COUNSEL TO THE COMMITTEES, (III) ALL PARTIES WHO HAVE PROPERLY FILED A NOTICE OF APPEARANCE IN THESE CHAPTER 11 CASES, AND (IV) THE BANK OF SCOTLAND.

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (the "Debtors") have filed the attached **DEBTORS' MOTION TO APPROVE AND AUTHORIZE SETTLEMENT WITH BANK OF SCOTLAND AND SALE OF COMPUTER EQUIPMENT** (the "Motion").

Responses, if any, to the Motion must be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **September 20, 2007 at 4:00 p.m. (ET)** (the "Objection Deadline"). At the same time, you must serve a copy of your response upon the undersigned counsel.

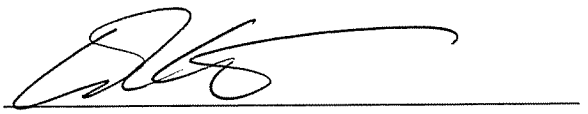
A HEARING ON THE MOTION WILL BE HELD ON SEPTEMBER 27, 2007 AT 3:00 P.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, WILMINGTON, DELAWARE 19801.

[1] The Debtors are the following three entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Sea Containers Ltd. (8412); Sea Containers Services Ltd. (9667); and Sea Containers Caribbean Inc. (4881). The address of Sea Containers Ltd. is 22 Victoria Street, P.O. Box HM 1179, Hamilton HMEX, Bermuda. The address of Sea Containers Services Ltd. is 20 Upper Ground, London SE1 9PF, United Kingdom. The address of Sea Containers Caribbean, Inc. is 1114 Avenue of the Americas, New York, NY 10036.

IF YOU FAIL TO RESPOND TO THE MOTION IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR A HEARING.

Dated: Wilmington, Delaware
September 7, 2007

YOUNG CONAWAY STARGATT & TAYLOR, LLP



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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
SEA CONTAINERS LTD., *et al.*,[1]	)	Case No. 06-11156 (KJC)
	)	(Jointly Administered)
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Debtors.	)	**Objection Deadline: September 20, 2007 at 4:00 p.m. (ET)**
	)	**Hearing Date: September 27, 2007 at 3:00 p.m. (ET)**

DEBTORS' MOTION TO APPROVE AND AUTHORIZE SETTLEMENT WITH BANK OF SCOTLAND AND SALE OF COMPUTER EQUIPMENT

The above-captioned debtors in possession (the "Debtors") submit this motion (this "Motion") for entry of an order, substantially in the form attached as Exhibit A, approving and authorizing the letter agreement attached as Exhibit B (the "Settlement Agreement") and the sale of SCSL's interests in certain computer equipment. The Settlement Agreement resolves the secured and unsecured claims of The Bank of Scotland ("BoS") against SCSL and provides for the re-assignment to SCSL from BoS of title to certain computers, monitors and other hardware (the "Computer Equipment") used by SCL and its subsidiaries. Title to the Computer Equipment previously was assigned to BoS under a financing arrangement. Once the Computer Equipment gets re-assigned to SCSL, SCSL seeks authority to transfer such equipment as part of certain going-concern sales. In support of this Motion, the Debtors respectfully represent as follows:

PRELIMINARY STATEMENT

1. As the Court knows, the SCL group is pursuing a restructuring strategy based on returning operational focus to its "core" container leasing business and evaluating and selling identified non-core assets. To maximize the value of these non-core assets, the Debtors are

[1] The Debtors in these chapter 11 cases are Sea Containers Caribbean Inc. ("SCC"), Sea Containers Ltd. ("SCL"), and Sea Containers Services Ltd. ("SCSL")

seeking to expeditiously dispose of non-core assets, including going-concern sales of SCL's subsidiary businesses where possible. The Computer Equipment, title to which was assigned to BoS to secure BoS's Term Loan (defined below) to SCSL, has been integrated into the business operations of the Debtors and their affiliates. Stripping the Computer Equipment from these businesses would significantly impair their operations and harm their value.

2. In the near term, SCSL seeks to sell certain of the Computer Equipment as part of the sales of Ferry and Port Holdings Limited (d/b/a Illustrated London News & Sketch) ("ILN") and Fairways & Swinford (Travel) Limited ("F&S"), both non-debtor subsidiaries of Sea Containers U.K. Limited, a non-debtor direct subsidiary of SCL. These sales are expected to be consummated in early September and provide significant value to the Debtors' estates. As a condition to closing, the purchasers of ILN and F&S each have required clean title to the Computer Equipment used by ILN and F&S. In addition to the sales of ILN and F&S, the Debtors are pursuing other going-concern sales where it is likely that Computer Equipment will be transferred along with the businesses.

3. Therefore, to maximize the value received from these non-core assets, the Debtors believe it is critical that BoS's interests in the subject Computer Equipment be extinguished so that SCSL can transfer clean title to purchasers. The Debtors are filing this Motion to obtain that outcome and resolve BoS's claims. This will ensure a smooth transition of operations and eliminate risk, thereby providing significant value to the Debtors.

JURISDICTION

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § § 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). In addition, venue is proper in this Court pursuant to 28 U.S.C. § § 1408 and 1409.

5. The bases for the relief sought in this Motion are section 363 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code") and FED. R. BANKR. P. 9019.

BACKGROUND

6. On October 15, 2006, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On October 17, 2006, the Court entered an order directing the joint administration and procedural consolidation of these chapter 11 cases.

7. The Debtors are continuing in possession of their respective properties and have continued to operate and maintain their respective businesses as debtors in possession pursuant to Bankruptcy Code § § 1107(a) and 1108.

8. On or about October 27, 2006, the Office of the United States Trustee for the District of Delaware (the "US Trustee") appointed an Official Committee of Unsecured Creditors of Sea Containers Ltd. (the "SCL Committee"). On or about January 23, 2007, the US Trustee appointed the Official Committee of Unsecured Creditors of Sea Containers Services Ltd. (the "SCSL Committee").

9. SCL is the ultimate parent of a group of affiliated companies that includes the other Debtors, as well as more than 100 non-debtor, wholly-owned foreign and U.S. subsidiaries (collectively, the "Company"). SCL primarily engages in the marine container leasing business, but it also has business interests in a diverse set of other industries, including container manufacturing and repairing, property investment, perishable commodity production and sales, and publishing. SCL operates as a global consolidated business and has employees, assets and creditors throughout the world.

A. The Computer Equipment and Term Loan

10. The Computer Equipment includes certain computers, monitors and related hardware purchased primarily between 2002 and 2005 by SCSL and used by the Company's

various businesses and subsidiaries. As stated, the Computer Equipment has been integrated into the information technology infrastructures of these businesses, including ILN and F&S.

11. In the aggregate, the Debtors' records reflect over 4,800 pieces of Computer Equipment financed by BoS, with an original purchase price of approximately £3,000,000. The Debtors believe the aggregate depreciated net book value of the Computer Equipment is approximately £150,000.

12. The purchase of the Computer Equipment was financed pursuant to an April 19, 2004 loan agreement between SCSL and BoS. SCSL made two draws on the BoS loan, on May 14, 2004 and September 30, 2004, in the aggregate amount of £3,423,790 (the "Term Loan"). While the SCL group continued to use the Computer Equipment, BoS took formal assignment of title to the Computer Equipment pursuant to certain mortgages executed by SCSL at the time of the draws.

B. The BoS Claim

13. BoS filed proof of claim numbered 40 asserting a secured claim against SCSL for amounts outstanding under the Term Loan in the aggregate amount of £830,996.83 (the "BoS Claim"). While the Debtors dispute the value of BoS's security interest in the Computer Equipment, upon review of their books and records, the Debtors believe that the stated amount of the BoS Claims as of the bankruptcy petition date -- £830,996.83 -- approximates the aggregate amount outstanding on the Term Loan.

14. It clear that the optimal value the Debtors could hope to obtain for the Computer Equipment is through transferring it as part of the ILN and F&S sales and future non-core asset sales. In a worse case scenario, the cost to liquidate the Computer Equipment would nullify any proceeds received in a liquidation sale. The Computer Equipment is fully integrated into the information technology systems of multiple subsidiaries in multiple locations. To collect this

equipment would be a significant expense on its own. As stated, the majority of the equipment was purchased between 2002-2005 and has a net book value of only approximately £150,000. Even if the Debtors obtained the highest best value for the Computer Equipment in an auction or otherwise, it is unlikely that the proceeds of such sale would exceed the cost of collecting, marketing and selling the Computer Equipment.

15. In addition, any attempt to separate the Computer Equipment from the operating businesses would harm the value the Debtors hope to realize from its non-core asset sales. Neither the purchaser of ILN nor F&S has indicated what, if any, portion of the purchase price it ascribes to the related Computer Equipment. As a result, it is difficult to determine what, if any, value should be attributed to the Computer Equipment for purposes of BoS's secured claim. However, it is clear that the Debtors cannot consummate the ILN and F&S sales either with the subject Computer Equipment removed from the businesses or without obtaining clear title. The Debtors expect the same issues to arise in connection with other asset sales.

C. The Settlement Agreement

16. As stated, the Debtors are close to finalizing the sales of ILN and F&S. As part of these sales, the Debtors first sought assignment from BoS of only that portion of the Computer Equipment involved in these sales. However, no resolution could be reached regarding this portion of the Computer Equipment, and BoS expressed a desire to resolve the BoS Claim as a whole. The Debtors agreed that a global settlement would be preferable to: (a) allow the ILN and F&S sales to move forward; (b) avoid piecemeal settlements that could delay future sales; and (c) provide certainty regarding the continued use of the Computer Equipment by SCL and its subsidiaries.

17. After significant negotiation, the Debtors and BoS reached an agreement that provides for the assignment of the Computer Equipment back to SCSL, settles and pays the

secured portion of the BoS Claim and provides BoS with an unsecured claim for the remaining amounts due under the Term Loan.

18. The material terms of the Settlement Agreement are as follows:[2]

a. Payment to BoS: Upon approval of the Settlement Agreement, SCSL will pay £60,000 to BoS. The Payment shall be in full and final settlement of that portion of the Bank Claim that is secured. As discussed below, the £60,000 will be funded using proceeds from the ILN and F&S sales and an advance from SCL.

b. Assignment of Computer Equipment to SCSL: In exchange for the £60,000 payment, the Bank will irrevocably and unconditionally release its security under the Mortgages over the Computer Equipment and re-assign full and complete title and ownership of the Computer Equipment to SCSL.

c. Allowed Unsecured Claim: The Bank will have an allowed general unsecured claim against the SCSL estate of £770,996.83.

d. Mutual Release: Each party releases the other from any and all claims that arose prior to the effective date of the agreement, except for the Vehicle Finance Claim.

19. SCSL's £60,000 payment to BoS will be funded as follows: (a) SCSL will receive £10,000 both from ILN and F&S, in each instance from the proceeds of the going-concern sales, in exchange for transfer of the ILN and F&S Computer Equipment by SCSL to those entities and ultimately to the purchasers; (b) SCL will advance £40,000 as a loan to SCSL with an administrative intercompany claim in the same amount in favor of the SCSL estate against the SCL estate arising once SCSL makes payment to BoS. This funding structure is not intended to reflect any waiver by SCSL or SCL regarding their rights and defenses with respect to: (a) the Services Agreement; (b) the appropriate allocation of costs or other obligations; (c) the

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[2] This Motion contains a summary of certain terms in the Settlement Agreement. If there is any variance between this summary and the Settlement Agreement, the terms of the Settlement Agreement shall control. Any capitalized terms not defined herein shall have the meanings ascribed in the Settlement Agreement.

appropriate allocation of proceeds realized from the F&S and ILN sales; or (d) any other intercreditor issues. Accordingly, the order attached as Exhibit A reflects that SCSL and SCL are preserving their rights and defenses in this regard.

RELIEF REQUESTED

20. By this Motion, the Debtors seek an order approving and authorizing the Debtors to enter into the Settlement Agreement and authorizing the Debtors to take all actions contemplated thereunder.

21. After consultations, the Debtors believe the SCL Committee and the SCSL Committee each support the relief requested in this Motion.

BASIS FOR RELIEF

A. The Settlement Agreement Should Be Approved under FED. R. BANKR. P. 9019

22. Compromises are tools for expediting the administration of the case and reducing administrative costs and are favored in bankruptcy. *See Protective Comm. of Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968) ("In administering reorganization proceedings in an economic and practical matter it will often be wise to arrange the settlement of claims."). In determining if a compromise or settlement should be approved under Bankruptcy Rule 9019(a), the Court of Appeals for the Third Circuit has held that, "[t]o minimize litigation and expedite the administration of a bankruptcy estate, '[c]ompromises are favored in bankruptcy.'" *In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9 Collier on Bankruptcy 9019.03[1] (15th Ed. 1993)). In so doing, the Third Circuit Court of Appeals adopted a balancing test incorporating four enumerated factors that the bankruptcy court should consider in determining whether to approve a particular compromise or settlement, regardless of whether the claim being settled belongs to the debtor or a creditor:

> This particular process of bankruptcy court approval [of a settlement under Fed.R.Bankr.P. 9019] requires a bankruptcy judge to assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal … Taking our cue from [*TMT Trailer Ferry*] … we recognize four criteria that a bankruptcy court should consider in striking this balance:
>
> (1) the probability of success in litigation;
>
> (2) the likely difficulties in collection;
>
> (3) the complexity of litigation involved, and the expense, inconvenience and delay necessarily attending it; and
>
> (4) the paramount interest of the creditors

In re Martin at 393 (formatting adjusted); *see also In re Nutraquest, Inc.*, 434 F.3d 639, 644-45 (3d Cir. 2006) ("Its primary argument is that *Martin* is only useful when analyzing a settlement of a claim belonging to the debtor, not a claim against the debtor. We disagree.").

23. Balanced against this standard, the Settlement Agreement should be approved. Most significantly, the Settlement Agreement will allow the F&S and ILN sales to be consummated. These sales will generate value for the Debtors' estates and any delay from not gaining clear title to the Computer Equipment could jeopardize the realization of this value. Further, the global settlement will facilitate future sales, with purchasers getting clear title, and resolve any uncertainties regarding the continued use of the Computer Equipment by SCL and its subsidiaries.

24. The amount of the payment to BoS on account of its secured claims is a reasonable reflection of the value of the Computer Equipment, as integrated into the businesses of SCL and its subsidiaries, and was determined after significant arms-length negotiations. As stated previously, the Debtors believe the book value of the Computer Equipment is approximately £150,000. The payment of £60,000 to BoS in full and final settlement of its

secured claim is considerably less than £150,000 and the asserted secured claim of £830,996.83. Were the parties to litigate regarding the fair market value of the Computer Equipment and the appropriate value measures for the secured portion of the BoS Claim, including any defenses the Debtors could raise, it undoubtedly would create a needless distraction to the restructuring, not to mention the inevitable costs that would far exceed £60,000. Moreover, the Debtors would have no guarantee of a better outcome than that reached under the Settlement Agreement.

25. The amount of the allowed unsecured portion of the BoS Claim also is reasonable. The Debtors have reviewed their books and records and believe that the outstanding amount owing under the Term Loan on the bankruptcy petition date was approximately £830,996.83. The amount of £770,996.83 is net of the £60,000 paid to BoS under the Settlement Agreement.

B. Execution and Consummation of the Settlement Agreement Are Authorized by § 363(b) as a Sound Exercise of the Debtor's Business Judgment

26. Section 363(b)(1) provides, in relevant part, that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." Under § 363(b)(1), the Court should approve a non-ordinary course transaction if the proposed use of estate assets is within the debtor's legitimate business judgment. *See e.g.*, *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (stating that the court generally defers to the trustee's judgment so long as there is a legitimate business justification); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (noting that courts have applied the "sound business purpose" test to evaluate motions brought pursuant to section 363(b)); *In re Delaware & Hudson R.R. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (same).

27. As stated, to consummate the sales of ILN and F&S, future sales and the Settlement Agreement, the Debtors seek authority to: (a) pay the secured portion of the BoS Claim outside a plan of reorganization; (b) sell the ILN and F&S Computer Equipment to ILN

and F&S respectively, and then to the purchasers of those business in exchange for £10,000 from the proceeds of each of the ILN and F&S sales; and (c) transfer £40,000 from SCL as a loan to SCSL with an administrative intercompany claim in the same amount in favor of the SCSL estate against the SCL estate arising once SCSL makes payment to BoS.

28. The payment of £60,000 to BoS outside of a plan of reorganization is within the Debtors' sound business judgment. In addition to the aforementioned rationale for entry into the Settlement Agreement, the secured portion of the BoS Claim would likely have to be paid in full under any plan of reorganization in any event. BoS insisted upon immediate payment. In addition, the settlement amount reflects the fact that the claim will be paid immediately, whereas, payment later may result in increased cost. Liquidating and paying the BoS Claim will allow for the ILN and F&S sales, future sales, and continued use of the Computer Equipment, all of which will benefit the Debtors and their estates. In similar situations, courts have approved payments to prepetition secured or priority creditors. *See, e.g.*, *In re Dura Automotive Systems, Inc.*, Case No. 06-11202 (Bankr. D. Del. Nov. 20, 2006) (authorizing payment to prepetition creditor shippers, warehousemen and other lien claimants); *In re J.L. French Automotive Castings, Inc.*, No. 06-10119 (MFW) (Bankr. D. Del. Mar. 6, 2006); *In re Ameriserve Food Distribution, Inc., et al.*, Case No. 00-0358 (PJW) (Bankr. D. Del. Feb. 2, 2000) (authorizing payment of prepetition expenses where a lien would otherwise arise); *In re Harnischfeger Industries, Inc.*, Case No. 99-2171 (PJW) (Bankr. D. Del. June 7, 1999) (same).

29. The transfer of the ILN and F&S Computer Equipment from SCSL to ILN and F&S for £10,000 each and payment of the remaining £40,000 by SCL for release of the remaining Computer Equipment also is within the Debtors' sound business judgment. The Debtors believe that the amount paid by ILN and F&S for the subject Computer Equipment is a

fair approximation of its value, as determined in discussions with BoS. The cost of the remaining £40,000 will be incurred by SCL. Although it will loan the £40,000 to SCSL for payment, SCSL will book a post-petition administrative intercompany claim against SCL once it pays BoS. As a result, pending resolution of intercompany issues, the transaction should have a net zero impact on SCSL from an accounting perspective.

C. Sale by SCSL of the ILN and F&S Computer Equipment Free and Clear of Liens, Claims and Encumbrances Is Appropriate Under § 363(f)

30. To effectuate the Settlement Agreement, SCSL proposes to sell the Computer Equipment used by ILN and F&S to ILN and F&S respectively, in exchange for £10,000 from the proceeds of the sales of each business. Although the Debtors believe that no liens will attach to the Computer Equipment once it is re-assigned to SCSL from BoS, out of an abundance of caution and to provide assurance to the purchasers, the Debtors seek an order under § 363(f) that this sale of equipment from SCSL to ILN and F&S will be free and clear of any liens.

31. Section 363(f) provides that a debtor may sell property free and clear of any lien, claim, encumbrance or other interest in such property (collectively, "Liens and Interests") if certain conditions are met. *See* 11 U.S.C. § 363(f); *see also In re Trans World Airlines, Inc.*, 2001 WL 1820325 (Bankr. D. Del. 2001) (noting authority of court to authorize sale of assets free and clear of liens pursuant to section 363(f) of the Bankruptcy Code prior to filing a plan of reorganization). Specifically, § 363(f) states:

> The [debtor] may sell property under subsection (b) or (c) of [section 363] free and clear of any interest in such property of an entity other than the estate, only if--
>
> (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
>
> (2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

32. Because § 363(f) is drafted in the disjunctive, meeting any one of its five requirements is sufficient to approve the sale pursuant to the Agreement free and clear of Liens and Interests. *See* 11 U.S.C. § 363(f); *In re Collins*, 180 B.R. 447, 449-50 (E.D. Va. 1995) (§ 363(f) written in disjunctive; court may approve sale "free and clear" provided at least one the subsections is met).

33. To the extent any Liens and Interests exist on the Computer Equipment after re-assignment to SCSL from BoS, the Debtors submit that the requirements of at least one subsection of § 363(f) are met to permit the sale free and clear of such Liens and Interests. The Debtors submit that section 363(f)(3) is satisfied in this instance for each of the sales to ILN and F&S because £10,000 is greater that the value all Liens and Interests on the Computer Equipment being sold. Accordingly, then, this Court has ample grounds to approve the proposed sale under § 363(f).

D. ILN and F&S are Good Faith Purchasers Under § 363(m)

34. Section 363(m) provides that if an entity purchases property pursuant to § § 363(b) or (c) in good faith, the reversal or modification on appeal of the authorization for such purchase does not affect the validity of such sale, unless such authorization is stayed pending appeal. *See* 11 U.S.C. § 363(m).

35. The transactions contemplated in the Sale Agreement have been bargained for, and undertaken in each case by SCSL, ILN and F&S without collusion and in good faith within the meaning of § 363(m). SCSL, ILN and F&S have not engaged in any conduct that would cause or permit the sale or any transaction consummated thereunder to be avoided. Therefore, the Debtors respectfully request that this Court grant ILN and F&S the protections provided to a good faith purchaser under § 363(m).

NOTICE

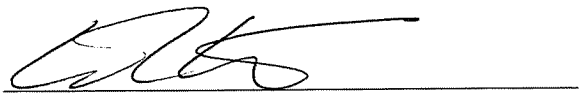
36. Notice of this Motion has been provided to BoS, the US Trustee, the SCL Committee, the SCSL Committee, and all parties who have properly filed a notice of appearance in the chapter 11 cases. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

NO PRIOR REQUEST

37. The Debtors have not previously sought the relief requested herein from this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached as Exhibit A, (a) approving and authorizing the Settlement Agreement; and (b) granting such other relief as may be just and proper.

Dated: September 7, 2007



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Counsel to the Debtors

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
SEA CONTAINERS LTD., et al.,[1]	)	Case No. 06-11156 (KJC)
	)	(Jointly Administered)
	)	
Debtors.	)	
	)	

ORDER APPROVING AND AUTHORIZING SETTLEMENT WITH BANK OF SCOTLAND AND SALE OF COMPUTER EQUIPMENT

Upon the Motion[2] of the Debtors for an order pursuant to Bankruptcy Code § 363 and FED. R. BANKR. P. 9019, approving and authorizing the letter agreement, substantially in the form attached as Exhibit B to the Motion (the "Settlement Agreement") and the sale of SCSL's interests in certain computer equipment; and upon consideration of the Motion and all pleadings related thereto; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. § § 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby

ORDERED, that the Motion is granted; and it is further

[1] The Debtors are Sea Containers Caribbean Inc., Sea Containers Ltd. and Sea Containers Services Ltd.

[2] Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Motion.

ORDERED, that the Settlement Agreement is approved and the Debtors are authorized to execute the Settlement Agreement and to take all actions contemplated thereunder; and it is further

ORDERED that the Debtors are authorized to pay BoS £60,000 on account of the secured portion of the BoS Claim, which payment shall be in full and final satisfaction of the secured portion of such claim; and it is further

ORDERED that upon payment of £60,000, BoS shall transfer clear and good title to the Computer Equipment to SCSL and undertake all actions and execute all instruments reasonably necessary to effectuate such transfer; and it is further

ORDERED that SCSL is authorized to transfer and sell to F&S the Computer Equipment used by F&S for £10,000 and F&S shall take title to such equipment free and clear of all liens, claims, encumbrances and other interests, pursuant to Bankruptcy Code § 363(f); and it is further

ORDERED that SCSL is authorized to transfer and sell to ILN the Computer Equipment used by ILN for £10,000 and ILN shall take title to such equipment free and clear of all liens, claims, encumbrances and other interests, pursuant to Bankruptcy Code § 363(f); and it is further

ORDERED that SCL is authorized to (a) transfer £40,000 as a loan to SCSL and, upon payment by SCSL to BoS, (b) incur an administrative intercompany claim of £40,000 in favor of SCSL; and it is further

ORDERED that, notwithstanding anything in this Order to the contrary, all parties' rights and defenses are preserved with respect to (a) the Services Agreement, (b) the appropriate allocation of costs or other obligations, and (c) the appropriate allocation of proceeds

realized from the sale of assets by Fairways & Swinford (Travel) Limited and Ferry and Port Holdings Limited; and it is further

ORDERED that the releases by the Debtors contained in the Settlement Agreement are fair and equitable, reasonable, in good faith, given for valuable consideration, consistent with the Bankruptcy Code and in the best interests of the Debtors; and it is further

ORDERED, that notwithstanding the possible applicability of FED. R. BANKR. P. 6004(G), 7062, 9014, or otherwise, the terms and conditions of this order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, that the Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: Wilmington, Delaware
September _____, 2007

_____
KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

sea containers

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7 September, 2007

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Beehive Ring Road
Gatwick
RH6 0PA

Attention: Steve Lawrence

Dear Sirs

SECURITY OVER COMPUTER EQUIPMENT PURSUANT TO MORTGAGES DATED 14 MAY 2004 AND 29 SEPTEMBER 2004 MADE BETWEEN SEA CONTAINERS SERVICES LIMITED ("SCSL") AND THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (THE "BANK")

Reference is made to those certain mortgages entered into on 14 May 2004 and 29 September 2004 between SCSL and the Bank (the "**Mortgages**"), pursuant to which SCSL assigned to the Bank with full title guarantee by way of legal mortgage all such right, title and interest SCSL had in various goods and equipment (the "**Secured Equipment**"). The Mortgages were created in favour of the Bank to secure repayment of all monies loaned and liabilities under that certain loan agreement dated 19 April 2004, between SCSL and the Bank and the loan evidenced thereby (the "**Term Loan**").

Reference is also made to those certain cases initiated by SCSL and its affiliated debtors under chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") (jointly administered under Case No. 06-11156) (collectively, the "**Bankruptcy Cases**") and the Bank's claim relating to the Term Loan evidenced by that certain proof of claim numbered 40 filed by the Bank in the Bankruptcy Cases alleging a secured claim in the amount of £830,996.83 (the "**Bank Claim**").

The purpose of this letter is to set out the terms of a settlement between SCSL and the Bank for (1) the release of the Mortgages and the reassignment of the Secured Equipment from the Bank to SCSL; and (2) the determination of the Bank Claim.

Terms of Settlement

1. Within ten calendar days after entry of an order of the Bankruptcy Court approving this agreement (the "**Effective Date**"), payment of £60,000 shall be made to the Bank by way of consideration (the "**Payment**") and the Bank agrees forthwith to irrevocably and unconditionally release its security under the Mortgages over the

Secured Equipment and re-assign full and complete title and ownership of the Secured Equipment to SCSL, and to sign all documentation required to effect such release and reassignment, including a Deed of Release substantially in the form of Exhibit A hereto (the "Deed of Release"). The Payment shall be in full and final settlement of that portion of the Bank Claim that is secured.

2. As of the Effective Date, in full and final settlement of the remainder of the Bank Claim, the Bank shall have an allowed general unsecured claim against the SCSL estate in the Bankruptcy Cases in the amount of £770,996.83 (the "**Allowed Unsecured Claim**"). Subject to the conditions set forth herein, the amount and priority of the Bank Claim is binding on the parties hereto for all purposes in the Bankruptcy Cases. SCSL makes no representation herein as to the plan classification of or consideration to be distributed on account of the Allowed Unsecured Claim under any chapter 11 plan in the Bankruptcy Cases.

3. In exchange for the foregoing, as of the Effective Date, each of the Parties and each of their respective directors, officers, agents, employees, partners, members, stockholders, attorneys, legal representatives, financial advisors, subsidiaries, successors, assigns and other affiliates shall release each other from any and all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured, that they may have against each other prior to the Effective Date, whether individual, class, derivative, representative, legal, equitable or any other type or in any other capacity, except for the obligations arising out of this Agreement (collectively, the "**Released Claims**"); provided however, the Released Claims shall not include those claims evidenced by that certain proof of claim numbered 39 filed by the Bank in the Bankruptcy Cases in the amount of £30,822.03 (the "**Vehicle Finance Claim**"). The parties waive the benefits of any and all statutes or common law principles of similar effect that can be construed to impose any limitation on the scope of the release set forth herein to the extent such statutes or common law principles of similar effect may otherwise apply.

4. The Bank further agrees (the "**Covenant Not To Sue**") never to institute, revive or continue any suit, complaint, proceeding, grievance or action of any kind (at law, in equity, or otherwise) in any court, or in any other public or private tribunal on account of the Released Claims.

5. As of the Effective Date, proof of claim numbered 40 that evidences the Bank Claim and shall be deemed to be an unsecured claim in the amount of £770,996.83.

Bankruptcy Court Approval

SCSL and the Bank acknowledge that the terms of this settlement are conditional upon approval of the Bankruptcy Court in the Bankruptcy Case (the "Approval").

Bankruptcy Court Jurisdiction

SCSL and the Bank acknowledge and consent that the Bankruptcy Court has jurisdiction to resolve any disputes or controversies arising from or related to this agreement.

Governing Law

This agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflict of laws of the State of Delaware.

Authority

Each of the parties hereto represents and warrants to the other party that it has full power, authority and legal right to execute, deliver and comply with this Agreement.

No Admission

SCSL and the Bank acknowledge that this is a compromise and settlement of disputed claims and causes of action, and nothing contained herein may construe as an admission of liability or damages by, on behalf of or against any of the parties.

Please acknowledge your agreement to these terms by signing and returning a copy of this letter.

Yours faithfully

Sea Containers Services Limited

Accepted and agreed 2007

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The Governor and Company of the Bank of Scotland