

MEMORANDUM OF UNDERSTANDING
FOR
THE PROVISION OF EQUIPMENT AND SERVICES
FOR THE ROYAL SAUDI AIR FORCE

Formal Understanding and signature

Annex A - Initial Arrangements

Annex B - List of Proposed LOAs

FORMAL UNDERSTANDING

The Government of the Kingdom of Saudi Arabia and the Government of the United Kingdom of Great Britain and Northern Ireland, Having regard to:

The friendly relations between the two countries, in various aspects.

The desire of the Kingdom of Saudi Arabia to continue its co-operation with the United Kingdom over the provision of defence equipment for the Royal Saudi Air Force.

Have reached the following understanding:

The Government of the Kingdom of Saudi Arabia will purchase, and the Government of the United Kingdom will supply 48 Tornado IDS aircraft, 24 Tornado ADV aircraft, 30 Hawk aircraft and 30 PC-9 basic training aircraft together with associated support services, equipment, weapons, ammunition and electronic warfare systems for the use of the Royal Saudi Air Force. The total costs of the programme will be of the order of three to four billion pounds sterling.

The Government of the United Kingdom, in the interests of continuing its long term association with the Saudi Arabian Government commits itself to the support of these aircraft throughout their service with the Royal Saudi Air Force and to make available future developments of the aircraft, systems and weapons to the Royal Saudi Air Force.

The Government of the United Kingdom undertakes to purchase the Lightning aircraft presently in service with the Royal Saudi Air Force, associated equipment, weapons and spare parts. The Government of the United Kingdom also undertakes to

purchase as many Strikemaster aircraft, presently in service with the Royal Saudi Air Force, equipment and spare parts, as may be offered by the Government of the Kingdom of Saudi Arabia.

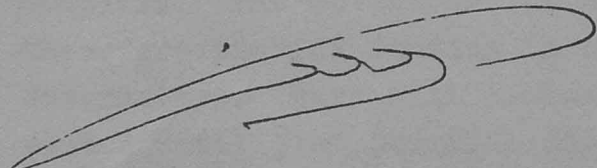
The two Governments hereby undertake to elaborate these arrangements in a formal Memorandum of Understanding to cover all aspects of the project. This, together with its associated Letters of Offer and Acceptance, will be complete by 31 March 1986. The initial arrangements are listed at Annex A and the proposed Letters of Offer and Acceptance at Annex B.

For and on behalf of the
Government of the Kingdom of
Saudi Arabia

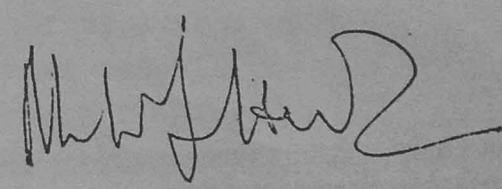
His Royal Highness
Prince Sultan Bin Abdul Aziz

For and on behalf of the
Government of the United
Kingdom of Great Britain
and Northern Ireland

The Right Honourable
Michael Heseltine MP



Second Deputy Prime Minister
and Minister of Defence and
Aviation and Inspector General



Secretary of State for
Defence

ANNEX A

INITIAL ARRANGEMENTS

1. The Government of the Kingdom of Saudi Arabia having undertaken to purchase, and the Government of the United Kingdom having undertaken to supply, aircraft together with support services, equipment, weapons and electronic warfare systems for the use of the Royal Saudi Air Force, recognise that the Formal Understanding will be followed by a programme of detailed planning, and accordingly instruct the Royal Saudi Air Force and the United Kingdom Ministry of Defence to complete this without delay.

2. The two Governments additionally recognise that, to achieve their common objective of providing the Royal Saudi Air Force with the required capability as soon as possible, production of Tornado aircraft and equipment must commence before detailed planning is complete. The Government of the Kingdom of Saudi Arabia will therefore provide funding in the manner decided between the two Governments. This will include adequate interim funding for the period until 31st December 1985 which will be arranged within sixty days of signature of this Formal Understanding.

ANNEX B

LIST OF PROPOSED LETTERS OF OFFER AND ACCEPTANCE

- LOA 1 - Supply of Tornado, Hawk, FC-9 aircraft and
role equipment
- LOA 2 - Initial spares, ground support equipment and
publications
- LOA 3 - Training
- LOA 4 - In-country facilities
- LOA 5 - Contractor maintenance and support services
- LOA 6 - Weapons
- LOA 7 - Spares and Repairs
- LOA 8 - Post Design Services
- LOA 9 - Future development
- LOA 10 - Buy-back of Lightning and Strikemasters
- LOA 11 - UKMOD Team
- LOA 12 - Programme Management and Administration