

**Petroplus Marketing AG in
debt restructuring liquidation**

Circular No. 1

www.liquidator-petroplus.ch

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in debt restructuring liquidation**

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**Unofficial Translation
of German Original**

To the creditors of
Petroplus Marketing AG
in debt restructuring liquidation

Küsnacht, May 2014

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**Petroplus Marketing AG in debt restructuring liquidation;
Circular no. 1**

Dear Sir or Madam,

This circular provides information about the status of the debt restructuring liquidation of Petroplus Marketing AG ("PMAG") up to 31 December 2013 and the next steps planned in the debt restructuring liquidation proceedings in the coming months.

I. REPORT ON ACTIVITIES AS OF 31 DECEMBER 2013

Although a year had not yet passed from the start of the debt restructuring liquidation on 18 February 2013 to the end of December 2013, the Liquidators issued a report on activities pursuant to Art. 330 SchKG (Swiss Federal Debt Enforcement and Bankruptcy Act) as of 31 December 2013. Following approval by the Creditors' Committee, the Liquidators submitted the report on activities to the debt restructuring judge at the Cantonal Court of Zug on 17 April 2014. The report on activities will be available for inspection by the creditors at the Liquidator's offices at Seestrasse 39, Goldbach Center, 8700 Küsnacht until 11 June 2014. Appointments should be made in advance with Christian Rysler (phone +41 43 222 38 00).

The following pages summarize the content of the report on activities.

II. OVERVIEW OF THE LIQUIDATION PROCESS

A) Activities of the Liquidators

At the start of the liquidation, the Liquidators implemented the necessary organisational measures for an orderly debt restructuring liquidation process and collaboration with the Creditors' Committee.

To protect PMAG and its creditors, the Liquidators took steps to ensure that the Swiss debt restructuring liquidation proceedings of PMAG were recognized in the UK and France in special court proceedings.

During the realisation of PMAG's assets, consideration has and will continue to be given to the fact that the banks behind the revolving credit facility ("RCF") and their security agent, respectively, ("RCF banks") are asserting security rights to a large proportion of PMAG's assets (especially oil and product inventories and accounts receivable). The realisation of these assets therefore often requires collaboration between PMAG and the RCF banks. Already during the debt-restructuring moratorium, PMAG and the RCF banks reached various agreements to govern their joint realisation efforts. Among other things, it was determined what percentage of the realisation proceeds would be payable to the RCF banks (and offset against their secured claims) and what percentage would be payable to PMAG (for unencumbered property).

In the context of this realisation agreement and as a result of realisation measures without involvement of PMAG (especially through the offsetting of bank deposits prior to the granting of the debt restructuring moratorium), the RCF banks have to date achieved realisation proceeds that exceed the current estimate of secured claims by some CHF 200 million. Additionally, the RCF banks have realized proceeds from the realisation of assets from other Petroplus group companies that were involved in the RCF as guarantors. There is as yet no formal statement available from the RCF banks on the proceeds of the realisation and their use. The

Liquidators are in negotiation with the RCF banks and the relevant guarantors with the aim of obtaining a release of the excess and the security rights still valid in favour of the entitled parties in the near future.

Due to the interests involved, an amicable settlement with the RCF banks and the guarantors can only be achieved if an agreement can be reached regarding the amount of the costs that may be deducted from the proceeds of the realisation of oil and product inventories of PMAG in the UK. Even before the debt-restructuring moratorium was granted, the RCF banks had used a receiver to realise these inventories and some accounts receivable of PMAG based on existing agreements. While PMAG did not have precise details about the circumstances and results of the receivership for a long time at the start of the insolvency, productive talks took place between the Liquidators of PMAG and the receiver last year. PMAG, the receiver and the security agent intend to reach an agreement that governs the exchange of information and the joint collection of outstanding accounts receivable.

In France, several court proceedings are still pending. They relate to attachments that the operating company of Petroplus refinery in Petit-Couronne (Petroplus Raffinage Petit-Couronne SAS, "PRPC") has obtained on a claim PMAG holds against Petroplus Marketing France SAS ("PMF") in the amount of EUR 58 million. In justification of the latest attachment request, PRPC asserted claims against the bankruptcy assets of PMAG of over EUR 300 million. PMAG disputes both the existence of the claims asserted and also their classification as claims against the bankruptcy estate and has initiated proceedings to end the attachment. In parallel to the court proceedings, PMAG's Liquidators are trying to find an amicable solution to the dispute with PRPC.

The Liquidators are also in negotiation with the insolvency administrators of various other group companies regarding the amicable settlement of mutual claims. In the past year, talks took place with the insolvency administrator of Petroplus Deutschland GmbH and Petroplus Raffinerie Ingolstadt GmbH as well as the joint liquidator of Petroplus Refining and Marketing Ltd. and Petroplus Refining Teesside Ltd.

The Liquidators have begun to draw up the schedule of claims for the settlement of the liabilities. To date, around 550 creditors have filed claims amounting to an equivalent of just under CHF 9 billion. The claims filed are in some cases based on complex international legal situations which are time-consuming to process. Nevertheless, claims from around 450 creditors have been assessed so far and submitted to the Creditors' Committee for approval. The Creditors' Committee is still verifying them. Likewise, assessments of the other claims are continuing. It is intended to conclude the work on the schedule of claims in the current year and then submit the schedule of claims to the creditors for inspection.

B) Activities of the Creditors' Committee

The Creditors' Committee held three meetings in total in the course of 2013. On its founding, it appointed Daniel Hunkeler as chairperson and Birgit Sambeth Glasner as deputy chairperson. The other members of the Creditors' Committee are Raphael Brunner, Tanja Luginbühl und Peter Pirkl.

At its meetings, the Committee discussed the various proposals submitted by the Liquidators and passed resolutions accordingly.

C) Notification of the creditors

During the reporting period, the creditors were notified of the liquidation status as of 31 December 2012 and the further steps planned in the proceedings via the Liquidators' website (www.liquidator-petroplus.ch).

III. REALISATION OF ASSETS

A) Crude oil and oil products

PMAG used the Transalpine oil pipeline (TAL) to supply its refinery in Ingolstadt with crude oil. As a result of the use of the pipeline, PMAG had oil inventories in the TAL system that were classified by TAL as dead stocks. At the end of 2013, PMAG was able to sell these holdings to the new operator of the refinery in Ingolstadt. The proceeds amounted to some USD 21 million (around CHF 19.6 million).

Additionally, PMAG was able to sell its residual holdings of oil products in the plants of SAPPRO SA near Geneva. The proceeds amounted to some CHF 2 million.

B) Payments under realisation agreements with the RCF banks

In accordance with the above-mentioned realisation agreements with the RCF banks (see II.A above) both PMAG and the security agent received additional payments in the past year. In particular, PMAG received nearly CHF 3 million from the realisation of PMAG oil inventories in France and some CHF 5.5 million from Petrobel NV, Belgium.

C) IT hard- and software and office furnishings

By agreement with the Creditors' Committee, the Liquidators have realised a total of nearly CHF 200,000 for IT hardware and software and office furnishings.

IV. ASSET STATUS OF PETROPLUS MARKETING AG AS OF 31 DECEMBER 2013

A) Introductory remark

Enclosed is a report on the liquidation status of PMAG as of 31 December 2013, containing a statement of the assets of PMAG as of that date.

B) Assets

Liquid funds: PMAG's liquid funds are mainly in accounts held at the Zuger Kantonalbank, the legal depository.

As-yet unrealised assets: These are primarily claims against third parties that have arisen during the debt-restructuring moratorium or debt-restructuring liquidation (accounts receivable by the estate), claims against the RCF banks, claims against third parties and claims against group companies. The RCF banks continue to assert security rights to these assets in some cases. Irrespective of the existence of these security rights, the RCF banks' claims are

covered by previous realisations. The accounting and release of these collaterals are still pending, however (see II.A above).

C) Debts incurred in the course of the liquidation process

Accounts payable: The accounts payable incurred in the course of the liquidation process as reported as of 31 December 2013 consist of accrued expenses and costs, social insurance contributions and withholding taxes.

Provisions for future liquidation costs: Provisions of CHF 20 million have been set aside for future liquidation costs as of 31 December 2013.

D) Creditors' claims

The appraisal of claims under the schedule of claims proceedings has not yet been completed. The liquidation status as of 31 December 2013 therefore shows the total amounts of claims according to their classes and specifies those claims that have been recognised or disputed by PMAG. In this respect, it should be noted that the liquidation bodies are not bound by PMAG's assessment of claims filed in their decision whether to recognise or reject claims. Yet, for the purpose of estimating the dividends, PMAG's position on the claims filed was provisionally applied.

Claims secured by rights of lien: These are primarily claims that the RCF banks have filed, for which they are asserting security rights on various assets of PMAG.

First-class claims: To date, creditors have filed first-class claims totalling CHF 11,742,010.

Second-class claims: To date, creditors have filed second-class claims totalling CHF 590,998,976. CHF 494,283,129 of this is VAT claimed by the UK tax authority.

Third-class claims: To date, creditors have filed third-class claims totalling CHF 7,492,964,438. It should in particular be mentioned that one creditor has subordinated its claim in the amount of USD 1 billion (equivalent to approximately CHF 919 million) in accordance with Art. 725 OR (Swiss Code of Obligation). Thus, the

claim in the amount of CHF 919 million was not taken into account in the dividend estimate.

E) Estimated dividend

Until the claims filed have been settled in the schedule of claims proceedings, the dividend for third-class claims cannot be reliably estimated. According to current estimates, the expected range is between 2.92 % and 16.6 %. This estimate takes full account of the second-class claim filed by the UK VAT authority, irrespective of the fact that according to the Swiss Federal Debt Enforcement and Bankruptcy Act (SchKG) priority is only given to claims under Swiss VAT law.

V. PLANNED NEXT STEPS IN THE PROCEEDINGS

In the course of 2014, the schedule of claims is planned to be presented to the creditors for inspection. Furthermore, the negotiations with the RCF banks and other involved parties for the release of excess collateral and excess realisation proceeds will be continued and if possible completed. Also, the collection of outstanding claims will be driven forward. Ultimately, the necessary clarifications on the issue of avoidance claims and responsibility will be advanced to the stage that a decision can be taken about the next steps before the end of 2014.

Sincerely

Petroplus Marketing AG in debt restructuring liquidation
The Liquidators

Brigitte Umbach-Spahn

Karl Wüthrich

Enc: Liquidation status of Petroplus Marketing AG in debt restructuring liquidation as at 31 December 2013

LIQUIDATION STATUS AS AT 31 DECEMBER 2013

	31.12.2013	31.12.2012	Change
	CHF	CHF	CHF
ASSETS			
Liquid Funds			
Portokasse, Zug	0	5'896	-5'896
Postfinance, CHF	0	14'264	-14'264
UBS AG CHF (Sachwalterkonto)	49'295	267'469	-218'174
UBS AG GBP (Sachwalterkonto)	501'811	97'461	404'350
UBS AG USD (Sachwalterkonto)	62'753	84'442	-21'689
UBS AG EUR (Sachwalterkonto)	200'572	839'340	-638'768
ZKB CHF (Sachwalterkonto)	34'140'598	162'633'456	-128'492'858
ZKB USD (Sachwalterkonto)	615'022	7'151'693	-6'536'671
ZKB EUR (Sachwalterkonto)	10'757'966	2'093'379	8'664'587
ZKB PMAG CHF	2'973	0	2'973
ZUGER KB CHF	149'999'500	0	149'999'500
Total Liquid Funds	196'330'490	173'187'400	23'143'090
Liquidation Positions			
Lease deposits	0	126'712	-126'712
Accounts Receivable*	79'404'330	138'390'549	-58'986'219
Claims against RCF-Banks*	214'232'912	200'424'187	13'808'725
Claims against Third Parties*	166'000'000	170'000'000	-4'000'000
Claims against Group Companies*	159'500'000	179'500'000	-20'000'000
Crude Oil and Oil Products	0	12'000'000	-12'000'000
Investments	0	0	0
IT Hard- and Software / Office Equipment	0	253'204	-253'204
Avoidance Claims	p.m.	p.m.	
Responsibility Claims	p.m.	p.m.	
Total Liquidation Positions	619'137'242	700'694'652	-81'557'410
TOTAL ASSETS	815'467'732	873'882'052	-58'414'320
LIABILITIES			
Debts of the Estate			
Accounts Payable	399'574	987'570	-587'996
Provision for Liquidation Costs	20'000'000	20'000'000	0
Total Debts of the Estate	20'399'574	20'987'570	-587'996
TOTAL DISPOSABLE ASSETS	795'068'158	852'894'482	-57'826'324

* The RCF-banks claim security rights with regard to parts of these assets. Irrespective of the validity of these security rights, the claims of the RCF-Banks are covered by recoveries made to date. Detailed accounting and the release of securities are still pending.

Overview of the Schedule of Claims Proceedings

Category	Evaluation of the Call to Creditors			Dividend in %	
	registered	Claims contested by PMAG**	Claims recognised by PMAG**	Total	
	CHF	CHF	CHF	minimum	maximum
Claims secured by pledge	834'821'942	84'843'531	749'978'411	100%	100%
First Class	11'742'010	5'781'654	5'960'356	100%	100%
Second Class*	590'998'976	534'667'306	56'331'669	100%	100%
Third Class	6'576'956'161	2'163'173'262	4'413'782'899	2.92%	16.60%
Third Class with subordination pursuant to Art. 725(2) CO	919'100'000	-	919'100'000	0.0%	0.0%
Total	8'933'619'088	2'788'465'753	6'145'153'335		

* The claim filed by the UK VAT-Authorities in Second Class has been taken into account in full for the purpose of calculating the dividend estimate, irrespective of the fact that under the DEBL only claims under the Swiss VAT Act are privileged.

** This statement by PMAG is not binding upon the liquidators in their decision on the admittance or rejection of the registered claims in the schedule of claims. The preparation of the schedule of claims is still on-going.

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