

**Petroplus Marketing AG in
debt restructuring liquidation**

Circular No. 5

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**Unofficial Translation
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To the Creditors of
Petroplus Marketing AG in debt restructuring liquidation

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Petroplus Marketing AG in debt restructuring liquidation Circular no. 5

Dear Sir or Madam

This circular provides information about the status of the debt restructuring liquidation of Petroplus Marketing AG ("PMAG") since December 2015, the presentation of the schedule of claims and the next steps planned in the debt restructuring liquidation in the coming months.

I. REPORT ON ACTIVITIES AS OF 31 DECEMBER 2015

After being acknowledged and approved by the Creditors' Committee, on 29 February 2016, the Liquidators' third report on activities for 2015 was submitted to the debt restructuring judge of the cantonal court of Zug. The report on activities will be available for inspection by creditors at the Liquidators' offices at Wenger Plattner, Seestrasse 39, Goldbach Center, 8700 Küsnacht. If you wish to inspect the report, please call the hotline on +41 43 222 38 30.

The following pages summarise the report on activities to the extent that its content has not already been disclosed to the creditors by way of previous circulars. They also incorporate developments since the beginning of this year.

II. OVERVIEW OF THE LIQUIDATION PROCESS

1. Activities of the Liquidators

The Liquidators' activities were focused on negotiations with the banks providing the syndicated loan of 16 October 2009 (hereinafter "RCF" or "RCF banks") regarding the release of surplus realisation proceeds and collateral, the pursuit of avoidance claims and the collection of claims for accounts receivable. Negotiations with the liquidators of other group companies in Germany, England and Switzerland were continued with the objective of achieving an amicable settlement of mutual claims. The Liquidators continued discussions with Deutsche Bank Trust Company Americas as security agent of the bond holders of the Petroplus group and other parties in relation to the treatment of subordinated claims in the schedule of claims proceedings of PMAG (see section IV.2 below). Finally, the assessment of the claims registered was continued in light of the publishing of the schedule of claims and has now been concluded.

2. Activities of the Creditors' Committee

The Creditors' Committee held a total of four meetings during the course of 2015. At its meetings, the Committee discussed the various proposals submitted by the Liquidators and passed resolutions on these accordingly. It also passed resolutions by circular on various proposals submitted by the Liquidators.

The Creditors' Committee focused its activity in the period under review on reviewing the Liquidators' assessments of the claims registered with regard to the approval of the schedule of claims. The Creditors' Committee also reviewed and approved numerous settlement agreements, in particular regarding avoidance claims and claims for accounts receivable.

III. LIQUIDATION OF ASSETS

1. Claims against RCF banks as well as against Petroplus Deutschland GmbH and Petroplus Raffinerie Ingolstadt GmbH

The settlement agreement of 14 October 2015 with the RCF banks and other affected parties ("Global Settlement Agreement") entered into force at the beginning of March 2016. The same applies to the bilateral agreements with Petroplus Deutschland GmbH ("PDG") and Petroplus Raffinerie Ingolstadt GmbH ("PRI"). The background to and subject matter of these agreements are presented in Circular no. 4 section I.1.

As agreed, ING Bank N.V. as security agent of the RCF banks paid around USD 211 million in surplus realisation proceeds to PMAG in March 2016, including USD 4.8 million from the assets of Petroplus Refining Teesside Ltd. ("PRTL") that the security agent paid to PMAG in accordance with the agreement between PMAG and PRTL. This amount was paid on account of PMAG's claim to the reimbursement of the proceeds from the sale of PMAG holdings in Teesside. To cover any future claims by the RCF banks under the Global Settlement Agreement, sums in various currencies totalling around CHF 80 million have been retained by the security agent for the time being. Where not used they are to be disbursed to PMAG. Based on current knowledge, it can be assumed that the vast majority of the sums retained will ultimately be disbursed to PMAG.

The agreed payment from PDG of around EUR 56.5 million was also paid to PMAG in March 2016 (settlement payment in respect of the segregation claim asserted by PMAG in relation to the proceeds from the sale of PMAG's product holdings in Ingolstadt at the beginning of the insolvency proceedings; see Circular no. 4 section I.1.3 e)). Furthermore, PMAG's claim in the insolvency proceedings against PDG in the agreed amount of approx. EUR 290.6 million was ascertained in the insolvency schedule (comparable with the recognition in the schedule of claims in Swiss insolvency proceedings).

2. Accounts receivable

2.1 Preliminary remarks on collection of accounts receivable

Regarding the conditions for the collection of accounts receivable, in particular the joint collection efforts of PMAG, the security agent of the RCF banks and the Receiver appointed by it, please refer to Circular no. 4 section I.2.1.

2.2 Agreement with Helm AG

A propylene delivery in January 2012 resulted in outstanding accounts receivable due to PMAG from Helm AG ("Helm") in the amount of approx. EUR 780,000. A joint letter from PMAG, ING Bank N.V. as security agent and the Receiver was issued to Helm requesting payment of this amount to an escrow account in Switzerland. Helm took the position that PMAG and Helm had concluded an annual contract for 2012 according to which PMAG should have delivered certain minimum quantities each month. PMAG had breached this contract as a result of which Helm had suffered damage (due to additional expense for covering purchases and loss of earnings) amounting to approx. EUR 980,000 for the first quarter of 2012. PMAG disputed that a valid annual con-

tract had been concluded. The parties finally agreed to a settlement of the mutually asserted claims on the basis of which Helm agreed to pay PMAG the amount of EUR 525,000 in full and final settlement of all claims. The Creditors' Committee has approved the settlement. The payment was deposited on the escrow account in autumn 2015.

2.3 Agreement with Vitol SA, Vitol Bahrain EC, Petroned BV and Mansel Ltd.

PMAG was in business relationships with various companies of the Vitol group ("Vitol"). In particular, PMAG purchased crude oil from Vitol Bahrain EC and for its part sold refined products to Vitol SA. Various mutual claims resulting from these business relationships were still outstanding. PMAG asserted claims against Vitol SA amounting to a good USD 75 million. Vitol SA registered claims totalling around USD CHF 7.5 million in the debt restructuring proceedings against PMAG. Vitol Bahrain EC registered claims against PMAG of a good USD 15.5 million but stated that it would offset an amount of approx. USD 3.8 million against a credit in favour of PMAG as a precautionary measure. The claims registered by Petroned BV and Mansel Ltd. amounted to less than CHF 10,000 in each case. There was some dispute between PMAG and Vitol over whether and to what extent the mutual claims could be offset. Vitol asserted among other things that it was possible to offset the claims on a group basis, wherefore PMAG's claim against Vitol SA was reduced not only by the amount of the counterclaim of Vitol SA but also that of Vitol Bahrain EC. The parties finally reached a settlement according to which Vitol SA agreed to pay USD 70 million. PMAG for its part gave an assurance that the claims registered by the other Vitol companies would be included in the schedule of claims as third-class claims to a certain extent (Vitol Bahrain EC: CHF 10.9 million; Petroned BV: CHF 3,500; Mansel Ltd: CHF 6,500 – amounts rounded). The arrangement applied in full and final settlement of all claims between PMAG and the respective Vitol company. The Creditors' Committee approved the agreement. Vitol SA's payment was deposited on the escrow account in January 2016.

2.4 Disbursement of the escrow account balance to PMAG

With the implementation of the Global Settlement Agreement (see section III.1 above) the amounts collected via an escrow account equivalent to a total of approx. CHF 244 million were disbursed to PMAG in March 2016. In addition to various payments from debtors of accounts receivable, this amount also includes the claim against the group company Petroplus Marketing France S.A.S. of approx. EUR 51 million which was also collected via an escrow account (see Circular no. 3 section II. A. 4.).

3. Avoidance claims in accordance with Art. 285 et seqq. SchKG

The realisation of avoidance claims by way of settlement was last reported on in Circular no. 4 section I.4. As of the end of March 2016, nine claims were still pending with a total amount in dispute of around CHF 100 million.

IV. SETTLEMENT OF LIABILITIES

1. General information

The appraisal of the registered claims by the Liquidators and the drawing up of the schedule of claims have now been completed. The appraisals carried out were reviewed by the Creditors' Committee. For the presentation of the schedule of claims, please refer to section VI below.

2. Agreement with Deutsche Bank Trust Company Americas and other parties on the settlement of claims relating to subordination

With the issue of bonds by the Petroplus group, various companies of the group concluded subordination agreements. These subordination agreements relate partly to claims that were registered in the debt restructuring proceedings of PMAG, therefore raising the question of whether and how these subordination agreements influence the schedule of claims proceedings of PMAG (for background information please see Circular no. 3 section V. D). The central question is to whom the PMAG dividend that is payable on the claims under the subordination agreements should be paid.

Deutsche Bank Trust Company Americas as security agent of the bond holders ("DBTCA") registered, among others, claims arising from loans in the debt restructuring proceedings against PMAG that Petroplus Finance 2 Ltd. and Petroplus International B.V. had transferred to it by way of security (hereinafter the "securing loans"). DBTCA took the position that the subordination agreements have such an influence in its favour that the PMAG dividend payable on the claims subject to the subordination agreements should be paid to it until the claims arising from the securing loans are satisfied in full (so-called relative subordination). PMAG was of the opinion, however, that the subordination agreements qualify as a subordination agreement in favour of all third-class claims without subordination. The effect of PMAG's position is that no dividend will be paid on the claims subject to the subordination agreements and that the dividend payable on all other third-class claims that have been included in the

schedule of claims, without subordination, will increase accordingly (so-called general subordination).

For the relevant matters relating to English law, both PMAG and DBTCA obtained expert opinions from respected specialists (Queen's Counsels), which produced different results. The Swiss courts have no known practice relating to the material issues here.

PMAG and DBTCA were in agreement that the wording of the subordination agreements was not entirely clear and that there was a need for interpretation and scope for different interpretations. It was then clear for both parties that in the event of a judicial assessment of the matter, the decision would be clear cut: one party would win the case outright, the other would lose entirely. It was not possible to reliably forecast the outcome as the opportunities and risks were more or less the same for both parties. As a result, PMAG and DBTCA entered into settlement negotiations in which creditors with claims under the subordination agreements were also included at a later date. The purpose of the negotiations was to reach an amicable settlement as to how the claims registered by the creditors involved are to be included in the schedule of claims and to whom the dividends payable on them are to be paid.

The following settlement agreement was signed with the following parties on 9 November 2015: DBTCA, Petroplus Holdings AG in liquidation ("PHAG"), Petroplus International B.V. in liquidation ("PPI"), the ancillary insolvency estate of Petroplus International B.V. ("PPI-CH"), Petroplus Finance 2 Ltd. in liquidation ("PF2"), the ancillary insolvency estate of Petroplus Finance 2 Ltd. ("PF2-CH") and Petroplus Switzerland Investment GmbH ("PSIG").

With respect to the settlement (incl. partial assignment to DBTDA) and inclusion in the schedule of claims of the claims registered by the contracting parties in the debt restructuring proceedings of PMAG, the settlement provides as follows:

- i. Creditors with claims under the subordination agreements will waive 45 % of these claims. Pursuant to the internal agreement between the respective creditor and DBTCA, the remaining 55 % will be partly assigned to DBTCA and, correspondingly, included in the schedule of claims partly in respect of the creditor and partly in respect of DBTCA.
- ii. With respect to the claims that PPI and PF2 as well as their respective ancillary insolvency estates have registered, they will be settled and included in the schedule of claims at the level of the ancillary insolvency estates. PPI and PF2 (i.e. the foreign main insolvency estates) will waive their claims.

- iii. PHAG will waive the claims arising from guarantees and accept the inclusion of the loan of USD 1 billion in the schedule of claims as a subordinated loan within the meaning of Art. 725 para 2 CO.
- iv. The other claims will be included in the schedule of claims as third-class claims, as registered.
- v. With the inclusion of the claims in the schedule of claims and the payment of the dividend payable on them as agreed, all claims between PMAG and the other contracting parties will be deemed to be settled, with the exception of any potential responsibility claims.

The settlement can be summarised in table form as follows (conversion of amounts in foreign currency at the rate in the schedule of claims, rounded to CHF).

Creditor	Claims registered	Waiver	admitted in the Schedule of Claims		
			cl.	for the Creditor	for DBTCA
DBTCA (PM00540)	2'098'032'492	419'854'661	3	1'678'177'831	(see Creditor)
PHAG (PM00399)	1'733'547'666	484'601'234	3	117'782'746	207'863'686
			4	923'300'000	-
PPI (PM00404)	198'817'266	198'817'266		-	-
PPI-CH (PM00615)	9'233'000	4'154'850	3	5'078'150	-
PF2 (PM00343)	72'073'490	72'073'490		-	-
PF2-CH (PM00612)	72'073'490	32'433'070	3	11'892'126	27'748'294
PSIG (PM00502)	69'284'701	-	3	69'284'701	-

In addition to the settlement and inclusion in the schedule of claims of registered claims as described above, the settlement contains provisions for various side issues.

Overall, the settlement is commensurate and reasonable in light of the circumstances. The claims relating to subordination in the PMAG schedule of claims can therefore be settled to a very large degree and without lengthy legal proceedings. The settlement is in the interests of PMAG's creditors. The Creditors' Committee has approved the agreement. After the fulfilment of all conditions precedent, the agreement entered into force in March 2016.

V. ASSET STATUS OF PETROPLUS MARKETING AG AS OF 31 MARCH 2016

1. Introductory remarks

Both a liquidation status and a commercial law balance sheet and income statement had again been drawn up as of 31 December 2015. In light of the presentation of the schedule of claims, the liquidation status was updated as of 31 March 2016. The liquidation status of PMAG as of 31 March 2016 is commented on briefly below.

2. Assets

2.1 Cash and cash equivalents

PMAG's liquid funds are mainly in accounts held at Zuger Kantonalbank, the legal depository, as well as in time deposits at a reduced negative interest rate at Zürcher Kantonalbank. Smaller amounts also remain on the former administrator's accounts at UBS AG and Zürcher Kantonalbank, in particular for processing international payments.

2.2 Assets as yet unrealised

Assets as yet unrealised consist primarily of claims against ING Bank N.V. as security agent of the RCF banks (disbursement of the amounts retained for the time being by the security agent under the Global Settlement Agreement) as well as claims against group companies (in particular dividend claims in the insolvency proceedings against Petroplus Deutschland GmbH).

3. Debts incurred in the course of the liquidation process

3.1 Payables

The debts incurred in the course of the liquidation process as reported on 31 March 2016 consist of accrued expenses and costs over the first quarter of 2016.

3.2 Provisions

Provisions of CHF 20 million have been set aside for future liquidation costs as of 31 March 2016. Furthermore, around CHF 46 million has been set aside for German VAT in connection with the implementation of the settlement agreement with PDG (cf. section III.1 above).

4. Creditors' claims

The appraisal of claims registered under the schedule of claims proceedings has now been completed. See also the information under section VI. below.

VI. PRESENTATION OF THE SCHEDULE OF CLAIMS FOR INSPECTION BY THE CREDITORS

1. Procedure

The schedule of claims and current liquidation status of Petroplus Marketing AG as of 31 March 2016, including the inventory, will be available for inspection by creditors between 11 May and 31 May 2016 at the offices of the Liquidators, attorney at law Brigitte Umbach-Spahn and attorney at law Karl Wüthrich, Wenger Plattner, Seestrasse 39, Goldbach-Center, 8700 Küsnacht. If you wish to inspect the documents, please call the hotline on +41 43 222 38 30.

Actions to contest the schedule of claims must be lodged with the cantonal court of Zug, Aabachstrasse 3, P.O. Box 760, 6301 Zug, within 20 days of official notice in the Swiss Official Gazette of Commerce dated 11 May 2016, that is, until 31 May 2016 (date of postmark by a Swiss post office). If no objections are lodged, the schedule of claims will become legally binding.

Each creditor whose claims have been wholly or partly rejected, or not admitted in the class in which they were submitted, will receive a personal notification of the Liquidators' decision enclosed with this Circular. These decisions are rendered in German as the official language of the proceedings and will not be translated by the Liquidators. Legal proceedings in connection with objections to the schedule of claims will also be conducted exclusively in German.

2. Schedule of claims

An overview of the schedule of claims proceedings is given in Appendix 1. In particular, the following facts are stated:

2.1 Claims secured by rights of lien

Twelve creditors registered claims secured by rights of lien totalling CHF 1,664,231, which have been admitted in the schedule of claims in the amount of CHF1,547,409 and rejected in the amount of CHF 116,822.

2.2 First-class claims

First-class claims totalling CHF 11,673,951 were registered by 170 creditors. Claims to the value of CHF 4,384,178 have been admitted. The decision on claims to the value of CHF 2,740,376 has been suspended until the claims have been clarified. Remaining claims to the value of CHF 4,549,398 have been rejected.

2.3 Second-class claims

Second-class claims totalling CHF 590,996,532 were registered by four creditors, of which claims to the value of CHF 60,637,110 have been admitted. Claims to the value of CHF 494,283,129 have been rejected. The decision on claims to the value of CHF 36,076,292 has been suspended until the claims have been clarified.

2.4 Third-class claims:

Third-class claims totalling CHF 4,360,691,508 were registered by 305 creditors, of which claims to the value of CHF 2,900,347,827 have been admitted. Further claims to the value of CHF 19,164,267 have been admitted conditionally. Claims to the value of CHF 1,361,275,377 have been rejected. The decision on claims to the value of CHF 79,904,037 has been suspended or the respective claims have been recorded pro memoria until the claims have been clarified.

Furthermore, a claim of CHF 923,300,000 has been included in the schedule of claims as a subordinated claim pursuant to Art. 725 para. 2 CO (i.e. subordinated to the other third-class claims).

3. Estimated dividend

The liquidation status of PMAG as of 31 March 2016 provides information on current disposable assets (Appendix 2).

On the basis of the disposable assets shown in the liquidation status, the maximum dividend for third-class claims will amount to 23.64 %, provided no objections are lodged against the rejection of registered claims or provided that any such objections are unsuccessful. This calculation factors in, at a rate of 70 %, the third-class claims that have been suspended or included pro memoria in the schedule of claims. It is also to be anticipated that the Swiss ancillary insolvency estates of two foreign group companies will still register claims in the debt restructuring proceedings against PMAG. In this context, an amount of CHF 420 million was taken into account in the same way as suspended claims for the es-

timate of the maximum dividend. Should all of the creditors concerned successfully object against the rejection of their claims and the claims be included correspondingly in the schedule of claims, however, the minimum third-class dividend would be 5.91 %. A more accurate assessment of the situation will be possible once the period to lodge objections has expired and it has been established whether or not any objections to the schedule of claims were lodged.

VII. NEXT STEPS IN THE PROCESS

Once the deadline for the lodging of objections to the schedule of claims has expired and the extent to which the schedule is legally binding will be established, a decision will be made regarding a first interim payment. The creditors will be notified again after the summer holidays. The avoidance claims will be pursued further and the clarifications on the issue of responsibility continued.

Kind regards

Petroplus Marketing AG in debt restructuring liquidation
The Liquidators

Brigitte Umbach-Spahn

Karl Wüthrich

- Appendices:
1. Overview of the schedule of claims proceedings
 2. Liquidation status of Petroplus Marketing AG in debt restructuring liquidation as of 31 March 2016

Overview of the Schedule of Claims Proceedings

Category	registered	in the Schedule of Claims Proceedings				Dividend in %	
		admitted	conditionally admitted	decision suspended or pro memoria	rejected	Total	
		CHF	CHF	CHF	CHF	minimum ¹⁾	maximum ²⁾
Claims Secured by right of lien	1'664'231	1'547'409	-	-	116'822	100%	100%
First Class	11'673'951	4'384'178	-	2'740'376	4'549'398	100%	100%
Second Class	590'996'532	60'637'110	-	36'076'292	494'283'129	100%	100%
Third Class	4'360'691'508	2'900'347'827	19'164'267	499'904'037	1'361'275'377	5.91%	23.64%
Third Class with subordination pursuant to Art. 725(2) CO	923'300'000	923'300'000	-	-	-	0.00%	0.00%
Total	5'888'326'222	3'890'216'524	19'164'267	538'720'705	1'860'224'726		

¹⁾ For the calculation of the minimum dividend, 100 % of the conditionally accepted claims have been taken into account.

²⁾ For the calculation of the maximum dividend, 70 % of the claims for which the decision has been suspended or pro memoria have been taken into account, while the conditionally admitted claims have not been taken into account.

LIQUIDATION STATUS AS AT 31 MARCH 2016

	31.03.2016 CHF	31.12.2015 CHF	Change CHF
ASSETS			
Liquid Funds			
UBS AG CHF (Sachwalterkonto)	55'858	223'640	-167'782
UBS AG GBP (Sachwalterkonto)	22'143	1'956	20'187
UBS AG USD (Sachwalterkonto)	8'867	11'675	-2'808
UBS AG EUR (Sachwalterkonto)	88'414	87'262	1'152
ZKB CHF (Sachwalterkonto)	5'489'594	382'041	5'107'553
ZKB USD (Sachwalterkonto)	567'615	4'386'113	-3'818'498
ZKB EUR (Sachwalterkonto)	3'314'283	8'885'284	-5'571'002
ZKB GBP (Sachwalterkonto)	175'602	51'147	124'455
ZKB PMAG CHF	2'857	2'870	-13
ZKB FIXED DEPOSIT CHF	529'000'000	-	529'000'000
ZUGER KB CHF	178'027'948	178'029'467	-1'518
Total Liquid Funds	716'753'182	192'061'455	524'691'727
Liquidation Positions			
Lease deposits	46'639	46'639	-
Accounts Receivable	31'937	65'012'714	-64'980'777
Claims against RCF-Banks	68'004'270	281'353'026	-213'348'756
Escrow	-	183'056'411	-183'056'411
Claims against Third Parties	p.m.	70'070'000	-70'070'000
Claims against Group Companies	141'800'000	90'800'000	51'000'000
Investments	-	-	-
Prepaid court expenses	p.m.	p.m.	
Avoidance Claims	p.m.	p.m.	
Responsibility Claims	p.m.	p.m.	
Total Liquidation Positions	209'882'846	690'338'790	-480'455'944
TOTAL ASSETS	926'636'028	882'400'245	44'235'783
LIABILITIES			
Debts of the Estate			
Accounts Payable	217'908	200'728	17'180
Provision for German VAT	45'953'800	-	45'953'800
Provision for Liquidation Costs	20'000'000	20'000'000	-
Total Debts of the Estate	66'171'708	20'200'728	45'970'980
TOTAL DISPOSABLE ASSETS	860'464'320	862'199'517	-1'735'197

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