

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re	§	
	§	
BIGLER LP;	§	Case No. 09-38188
BIGLER LAND, LLC;	§	Case No. 09-38189
BIGLER PETROCHEMICAL, LP;	§	Case No. 09-38190
BIGLER PLANT SERVICES, LP;	§	Case No. 09-38192
BIGLER TERMINALS, LP	§	Case No. 09-38194
	§	
Debtors.	§	Chapter 11
	§	
	§	Jointly Administered Under
	§	Case No. 09-38188

**DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PLAN OF
LIQUIDATION UNDER CHAPTER 11 OF THE UNITED STATES
BANKRUPTCY CODE**

DATED FEBRUARY 26, 2010

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE COURT.

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DISCLAIMER

THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE COURT AS CONTAINING INFORMATION OF A KIND, AND IN SUFFICIENT DETAIL, TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED JUDGMENT IN VOTING TO ACCEPT OR REJECT THE PLAN. APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION OR RECOMMENDATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN, THE EXHIBITS ANNEXED TO THIS DISCLOSURE STATEMENT, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE AND PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF, OR ARE INCONSISTENT WITH, SUCH DOCUMENTS. FURTHERMORE, ALTHOUGH THE DEBTORS HAVE MADE EVERY EFFORT TO BE ACCURATE, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN THE SUBJECT OF AN AUDIT OR OTHER REVIEW BY AN ACCOUNTING FIRM. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY, OR DISCREPANCY BETWEEN THE TERMS AND PROVISIONS IN THE PLAN, THIS DISCLOSURE STATEMENT, THE EXHIBITS ANNEXED TO THIS DISCLOSURE STATEMENT, OR THE FINANCIAL INFORMATION INCORPORATED HEREIN OR THEREIN BY REFERENCE, THE PLAN SHALL GOVERN FOR ALL PURPOSES. ALL HOLDERS OF CLAIMS SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN, UNLESS SO SPECIFIED. ALTHOUGH THE DEBTORS HAVE MADE AN EFFORT TO DISCLOSE WHERE CHANGES IN PRESENT CIRCUMSTANCES COULD REASONABLY BE EXPECTED TO AFFECT MATERIALLY THE RECOVERY UNDER THE PLAN, THIS DISCLOSURE STATEMENT IS QUALIFIED TO THE EXTENT CERTAIN EVENTS DO OCCUR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING CLAIMS AGAINST THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

IN ACCORDANCE WITH THE BANKRUPTCY CODE, THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

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I. INTRODUCTION

A. Overview

Bigler LP, Bigler Land, LLC, Bigler Petrochemical, LP, Bigler Plant Services, LP, and Bigler Terminals, LP, each a debtor-in-possession (collectively, the “Debtors”), hereby submit this Disclosure Statement (the “Disclosure Statement”) with respect to the Debtor’s proposed Plan of Liquidation dated [_____, 2010] (the “Plan”). This Disclosure Statement is to be used in connection with the solicitation of votes on the Plan. Unless otherwise defined herein, terms used herein have the meaning ascribed to them in the Plan. In the event of any inconsistency between the Disclosure Statement and the Plan, the terms of the Plan shall govern and such inconsistency shall be resolved in favor of the Plan.

The purpose of this Disclosure Statement is to enable you, as a Creditor whose Claim is Impaired under the Plan, to make an informed decision in exercising your right to accept or reject the Plan. By order dated [____], 2010 (the “Disclosure Statement Approval Order”), a copy of which is attached hereto as Exhibit [____], the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”) has found that this Disclosure Statement provides adequate information to enable holders of Claims that are Impaired under the Plan to make an informed judgment in exercising their right to vote for acceptance or rejection of the Plan.

B. Summary of the Plan

With the assistance of their financial advisor, Parkman Whaling, LLC (“Parkman Whaling”), the Debtors marketed the sale of substantially all of their assets, consistent with the terms of their DIP Loan with Amegy Bank. The Debtors obtained an expression of interest from more than [____] parties, the majority of whom executed confidentiality agreements and conducted due diligence with the intention of submitting a bid.

While engaging the marketplace for potential purchasers, the Debtors, on [____], 2010, filed (i) a motion to, among other things, approve and establish procedures regarding the bidding and auction process for the Debtors’ assets, as described in greater detail below (the “Bid Procedures Motion”) and (ii) a motion to sell substantially all of their assets free and clear of all liens, claims, and encumbrances (the “Sale Motion”). The Bid Procedures Motion disclosed to the Bankruptcy Court and creditors that on [____, 2010], the Debtors entered into an asset purchase agreement (“APA”) with [____], wherein [____] agreed to provide cash consideration for the Debtors’ assets identified in the APA in the amount of \$[____] million (the “Stalking Horse Bid”). The Bid Procedures Motion further noted that the Stalking Horse Bid was subject to competitive bidding pursuant to procedures sought to be established under the Bid Procedures Motion. On [____, 2010], the Bankruptcy Court entered its order approving the Bid Procedures Motion (the “Bid Procedures Order”). Pursuant to the procedures established under the Bid Procedures Order, an auction will occur on [____].

Following the auction process and consummation of the Sale, the Debtors' Estates will be liquidated and the Sale Proceeds, along with the Debtors' other remaining Assets, will be distributed to creditors pursuant to the terms of the Plan. Thus, the Plan contemplates the winding down of the Debtors' Estates and the resolution of the outstanding Claims against the Debtors pursuant to sections 1129(a) and 1123 of the Bankruptcy Code.

The Plan constitutes a single plan of liquidation for all of the Debtors. **UPON THE EFFECTIVE DATE, ALL ASSETS NOT SUBJECT TO THE SALE (INCLUDING SALE PROCEEDS, CASH AND CAUSES OF ACTION) WILL BE TRANSFERRED TO A LIQUIDATING TRUST, AND THE LIQUIDATING TRUST WILL BE VESTED WITH THE SOLE AUTHORITY TO, AMONG OTHER THINGS, REVIEW, INITIATE, AND/OR PURSUE ANY AND ALL CAUSES OF ACTION (INCLUDING AVOIDANCE ACTIONS), FILE CLAIM OBJECTIONS, AND SET RESERVES, AND THE DEBTORS WILL HAVE NO RESPONSIBILITY TO REVIEW, INITIATE, AND/OR PURSUE ANY AND ALL CAUSES OF ACTION (INCLUDING AVOIDANCE ACTIONS). THE LIQUIDATING TRUST, WHICH WILL BE ADMINISTERED BY THE LIQUIDATING TRUSTEE, WILL SERVE PRIMARILY AS THE VEHICLE FOR MAKING THE DISTRIBUTIONS PROVIDED BY THE PLAN.** The Plan provides for the payment in full of Allowed Administrative Expense Claims, Allowed DIP Facility Claims, and Allowed Priority Tax Claims prior to any payment to other Creditors and/or Classes. After making such payments, the Plan further contemplates making payments to Allowed Claims in Classes 1-6 pursuant to the priorities set forth in the Plan, to the extent that any Trust Assets remain. Any remaining Cash in the Estates will thereafter be utilized by the Liquidating Trust, in its sole discretion, to review, initiate, and/or pursue causes of action (including Avoidance Actions) and/or file claim objections. To the extent there is Cash remaining in the Estates after the payment of fees and costs associated with the Liquidating Trust's review, initiation, and/or pursuit of Causes of Action (including avoidance actions) and/or claim objections, the remaining cash will be distributed by the Liquidating Trust pursuant to the Plan. **IT IS UNCERTAIN WHAT UNSECURED CREDITORS WILL RECEIVE, IF ANYTHING, FOLLOWING THE PROPOSED SALE, AND THE LIQUIDATING TRUST'S REVIEW, INITIATION, AND/OR PROSECUTION OF CAUSES OF ACTION (INCLUDING AVOIDANCE ACTIONS) AND/OR CLAIM OBJECTIONS.** The Debtors believe that any alternative to confirmation of the Plan, such as conversion of these cases to a Chapter 7 case under the Bankruptcy Code or attempts by another party in interest to file a plan, would result in significant delays, litigation, costs, and/or impaired recoveries. Moreover, the Debtors believe that the Debtors' creditors will receive greater and earlier recoveries under the Plan than those that would be achieved pursuant to a converted Chapter 7 case or under an alternative plan. **FOR THESE REASONS THE DEBTORS URGE YOU TO RETURN YOUR BALLOT "ACCEPTING" THE PLAN.**

The Plan classifies all Claims and Interests of the Debtors into 8 separate Classes and 3 unclassified groups of Claims. The following table summarizes the classification and treatment afforded under the Plan as further described in Section IV of the Disclosure Statement.¹ At this

¹ This summary contains only a brief description of the classification and treatment of Claims and Interests under the Plan. It does not describe every provision of the Plan. Accordingly, reference should be made to the entire

time, the Debtors cannot predict whether any additional Distributions will be made based on recoveries from the Causes of Action to be pursued by the Liquidating Trustee.

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
1	Allowed Pre-Petition Lender Secured Claim	Impaired	Yes
2	Allowed Scianna Trust Secured Claim	Impaired	Yes
3	Allowed Berryman Secured Claim	Impaired	Yes
4	Allowed M&M Lien Claims	Impaired	Yes
5	Allowed Other Secured Claims	Impaired	Yes
6	Allowed Priority Non-Tax Claims	Impaired	Yes
7	Allowed General Unsecured Claims	Impaired	Yes
8	Allowed Interests	Impaired	No

Until the Sale is completed and the Sale Order is entered, the Debtors cannot determine the amount of net proceeds available for Distributions under the Plan. Thus, the Plan treats all Classes as Impaired. Votes will be solicited from holders of Claims in Classes 1-7. Votes will not be solicited from holders of Interests in Class 8 pursuant to Bankruptcy Code section 1126(g).

Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Priority Tax Claims, and DIP Facility Claims against the Debtors are not classified for purposes of voting on, or receiving Distributions under, the Plan. Holders of such Claims are not entitled to vote on the Plan. All such Claims are instead treated separately in accordance with this Article IV and in accordance with the requirements set forth in section 1129(a)(9)(A) of the Bankruptcy Code. A more complete description of the treatment of Administrative Expense Claims and Priority Tax Claims is provided in Article IV of the Plan.

C. Voting and Confirmation Procedures

Accompanying this Disclosure Statement are copies of the following documents: (1) the Plan; (2) the Disclosure Statement exhibits, including a liquidation analysis; (3) the Disclosure Statement Approval Order (a) approving this Disclosure Statement as containing adequate information pursuant to Section 1125 of the Bankruptcy Code, (b) approving the form of Ballot, and (c) approving the notice of and fixing the time for (i) submitting acceptances or rejections of the Plan, (ii) the hearing to consider confirmation of the Plan, and (iii) filing objections to confirmation of the Plan; and (4) for creditors in Classes 1 through 7, a Ballot for voting to accept or reject the Plan.

If you did not receive a Ballot in your Solicitation Materials and believe that you should have, please contact

BMC Group, Inc.
Attn: Bigler LP Ballot Processing

Disclosure Statement (including exhibits) and the entire Plan for a complete description of the classification and treatment of Claims and Interests.

[Address]

1. Who May Vote

Pursuant to the provisions of the Bankruptcy Code, only Classes of Claims or Interests that are “impaired” and that are not deemed as a matter of law to have rejected a plan of reorganization under Section 1126(g) of the Bankruptcy Code are entitled to vote to accept or reject the Plan. Any class that is “unimpaired” is not entitled to vote to accept or reject a plan of reorganization and is conclusively presumed to have accepted the Plan. As set forth in Section 1124 of the Bankruptcy Code, a class is “impaired” if legal, equitable, or contractual rights attaching to the claims or equity interests of that class are modified or altered. Holders of Interests (Class 8) will not receive or retain any property under the Plan on account of such Interests and are, therefore, deemed to reject the Plan and are not entitled to vote.

A Claim must be “Allowed” for purposes of voting in order for such creditor to have the right to vote. Generally, for voting purposes a Claim is deemed “Allowed” absent an objection to the Claim if (i) a proof of claim was timely filed, or (ii) if no proof of claim was filed, the Claim is identified in the Debtors’ Schedules as other than “disputed,” “contingent,” or “unliquidated,” and an amount of the Claim is specified in the Schedules, in which case the Claim will be deemed allowed for the specified amount. In either case, when an objection to a Claim is filed, the creditor holding the Claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection, or allows the Claim for voting purposes. Accordingly, if you did not receive a Ballot and believe that you are entitled to vote on the Plan, you must file a motion pursuant to Federal Bankruptcy Rule 3018 with the Bankruptcy Court for the temporary allowance of your Claim for voting purposes by [____], 2010, at [____] p.m. Central Standard Time, or you will not be entitled to vote to accept or reject the Plan.

THE DEBTORS AND THE LIQUIDATING TRUSTEE RESERVE THE RIGHT THROUGH THE CLAIM OBJECTION PROCESS TO OBJECT TO OR SEEK TO DISALLOW ANY CLAIM FOR DISTRIBUTION PURPOSES UNDER THE PLAN.

2. Voting Instructions

All votes to accept or reject the Plan must be cast by using the Ballot enclosed with this Disclosure Statement. No votes other than ones using such Ballots will be counted, except to the extent the Court orders otherwise. The Court has fixed [____], 2010 as the time and date (the “Voting Record Date”) for the determination of the holders of Claims who are entitled to (a) receive a copy of this Disclosure Statement and all of the related materials and (b) vote to accept or reject the Plan. After carefully reviewing the Plan and this Disclosure Statement, including the annexed exhibits, please indicate your acceptance or rejection of the Plan on the Ballot and return such Ballot in the enclosed envelope to:

BMC Group, Inc.
Attn: Bigler LP Ballot Processing
[Address]

BALLOTS MUST BE COMPLETED AND RECEIVED NO LATER THAN 5:00 P.M. (CENTRAL STANDARD TIME) ON [_____] , 2010 (THE “VOTING DEADLINE”). ANY BALLOT THAT IS NOT EXECUTED BY A DULY AUTHORIZED PERSON WILL NOT BE COUNTED. ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM BUT THAT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DEEMED TO BE AN ACCEPTANCE. EXCEPT AS AGREED TO BY THE DEBTORS, ANY BALLOT THAT IS FAXED WILL NOT BE COUNTED IN THE VOTING TO ACCEPT OR REJECT THE PLAN.

If you have any questions about the procedure for voting your Claim or the packet of materials you received, please contact the Balloting and Claims Agent at the address indicated above or by telephone at [_____]. If you wish to obtain additional copies of the Plan, this Disclosure Statement, or the exhibits to those documents, at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d), please contact King & Spalding LLP, 1100 Louisiana St., Suite 4000, Houston, Texas 77002, Attn: Toni Silva. Copies of these documents may also be accessed on the website:

<http://www.bmcgroup.com/restructuring/GenInfo.aspx?ClientID=230>

3. Acceptance or Rejection of the Plan

The Bankruptcy Code requires, as a condition to confirmation of a plan, that each class of claims against, or equity interests in, the debtors that is impaired under a proposed plan vote to accept such plan. The Bankruptcy Code defines “acceptance” of a plan by a class of claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the allowed claims in that class that cast ballots for acceptance or rejection of the plan.

The Debtors will seek to confirm the Plan under Section 1129(b) of the Bankruptcy Code due to the deemed rejection of the Plan by Class 8 Interests. Section 1129(b) of the Bankruptcy Code permits the confirmation of a plan notwithstanding the rejection of the plan by one or more impaired classes of claims or equity interests. Under that Bankruptcy Code section, a plan may be confirmed if (a) the plan has been accepted by at least one impaired class of claims and (b) the Court determines that the plan does not discriminate unfairly and is “fair and equitable” with respect to the non-accepting classes.

4. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Court, after notice, to hold a Confirmation Hearing. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan. Pursuant to Section 1128 of the Bankruptcy Code and Rule 3017(c) of the Bankruptcy Rules, the Court has scheduled the Confirmation Hearing to commence on [_____], 2010 at [_____] a.m. (Central Standard Time), or as soon thereafter as counsel may be heard, before the Honorable Jeff Bohm, at the United States Bankruptcy Court, Courtroom 600, 515 Rusk Street, Houston, Texas 77002. A notice setting forth the time and date of the Confirmation Hearing has been included along with this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by the Court without

further notice, except for an announcement of such adjourned hearing date by the Court in open court at such hearing

5. Objections to Confirmation

Any objection to confirmation of the Plan must be in writing, must comply with the Bankruptcy Code, Bankruptcy Rules and the Local Bankruptcy Rules, and must be filed with the United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Street, Houston, Texas 77002, and served upon the following parties, so as to be received no later than [____], 2010 at [____] p.m. (Central Standard Time): (a) King & Spalding LLP, 1110 Louisiana Street, Houston, Texas, 77002, Attn: Henry J. Kaim (counsel for the Debtors); (b) Office of the United States Trustee, 515 Rusk Street, Houston, Texas 77002, Attn: Stephen Douglas Statham (counsel for the U.S. Trustee); (c) Greenburg Traurig LLP, 1000 Louisiana, Ste. 1700 Houston, Texas 77002, Attn: Shari L. Heyen (counsel for the Committee); and (d) Porter and Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attn: Matthew Vaughn (counsel for Amegy Bank).

II. GENERAL INFORMATION

A. Formation, Business, Debt Structure, and Other Pre-Petition Obligations

Bigler was founded in 1998 by Joel Herger under the name Bigler Trading Company, Inc. as a broker of bulk liquid inorganic chemicals. Bigler expanded to become a fully integrated marketing, logistics, tank leasing, and manufacturing company. Bigler Terminals LP provides tank leasing and logistics services for chemical, petrochemical, and refined products. Bigler Petrochemical LP operated a plant which manufactured high purity isobutylene. Bigler Land LLC leases property to the other Debtors and holds title to or leasehold interests in other valuable land located in the Houston Ship Channel. Bigler Plant Services provided utilities, maintenance and other support services to the other Debtors, but for fiscal year 2009, the Debtors combined, on a financial reporting basis, the assets, liabilities and operations of Bigler Plant Services LP into Bigler Petrochemicals LP and will continue to report on that basis. Bigler LP functions as the Debtors' principal operating entity. In addition to the five Debtors, Bigler operates two non-debtor entities. Bigler Chemical LP buys and sells basic inorganic and organic chemicals. Bigler Specialty Oils LP markets technical mineral oils, FDA white oils, and high purity hydrocarbon solvents.

Bigler's transition to a fully integrated manufacturer began with a commercial relationship with the BASF Corporation ("BASF") and the Lubrizol Corporation to become a producer of high purity isobutylene ("HPIB") and provide a total C4 processing solution to BASF and Lubrizol.² Bigler signed an agreement allowing it to use BASF's technology in the process of creating HPIB. Bigler believed that the domestic reduction in the use of methyl tertiary butyl ether ("MTBE") due to state legislation and environmental litigation would result

² HPIB is an olefinic hydrocarbon recovered from petrochemical or refinery manufacturing processes. HPIB is used in the production of alkylated phenols used as antioxidants, lube oil additives, butyl rubber and resins.

in a decrease in demand for Isobutylene (IB) as an alternative fuel additive. Bigler's plan was to leverage this opportunity to take advantage of an instable and growing HPIB market.

In January 2007, Bigler acquired the BP Amoco Linear Alfa Olefins plant site. The purchase included roughly 70 acres of land, assignment of the BP Title V Air Permit, existing process equipment, and logistical assets including 550,000 barrels of liquid storage, a sphere, pipeline, vessel, barge, rail, and truck infrastructure. In August 2007, Bigler purchased 145 acres of green field property adjacent to the existing facility from the Albemarle Corporation. Included with the real property purchase are service agreements with Albemarle which provide Bigler access to various facility services and utilities at favorable rates.

Prior to the acquisition of property from BP/Amoco and Albemarle, Bigler conducted Environmental Phase I and Phase II investigations. Bigler Land LLC holds several environmental and air permits issued by the Texas Commission on Environmental Quality (TCEQ) under which affiliates are authorized to operate the site and generate the emissions units listed in the permits. Additionally, Bigler is registered to dispose of solid, industrial and hazardous wastes and holds a permit to discharge wastewater into the Vince Bayou Receiving Station and to discharge storm water associated with industrial activities.

TCEQ has notified Bigler of certain air permit violations, several of which Bigler has since satisfactorily addressed. Bigler Land LLC has also submitted Incident Reports to TCEQ. On January 28, 2010, TCEQ approved an Affected Property Assessment Report (APAR) prepared by Albemarle Corporation for Bigler Land LLC's 145-acre tract situated east of the isobutylene operations, where the new terminal facilities and ship/barge dock are planned. Bigler Terminals LP has completed an application to the United States Department of Army, Corps of Engineers (USACE) to obtain a permit authorizing wetlands disturbances during planned construction of new terminal facilities, and dredging of a marine basin for a ship and barge dock. Bigler Terminals LP executed a final permit authorizing the requested work in February 2010, and has received final approval by the USACE.

After acquiring these properties, Bigler began construction of the HPIB processing plant. Final construction costs exceeded original expectations. Bigler has existing, pre-petition payables related to these construction costs exceeding \$40,000,000. The long-term financing for construction of the HPIB facility came from Amegy. Bigler's term loan with Amegy has two tranches, Term Loan 1 for \$40,000,000 and Term Loan 2 for \$20,000,000. Bigler also has a \$10,000,000 revolving line of credit with Amegy. Additionally, the Debtors have additional indebtedness and owe a \$10,000,000 debt to the Stephanie Elizabeth Scianna Investment Trust and the Ashley Elizabeth Scianna Arora Investment Trust and a \$5,000,000 debt to Robert Berryman. Both of these obligations were subordinated to the Amegy's Pre-Petition Credit Agreements.

B. Events Leading to the Commencement of the Chapter 11 Cases

In April 2009, the HPIB plant began operations; however, the supply of raw material for HPIB production lagged behind expectations. In August 2009, Bigler ceased operations at the plant due to current uneconomic conditions. Without sufficient liquidity or source of operating revenue, the Debtors were forced to file these Bankruptcy Cases.

III. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES

A. Filing and First Day Pleadings

1. Commencement of the Chapter 11 Cases

On October 30, 2009, Bigler LP, Bigler Land, LLC, Bigler Petrochemical, LP, Bigler Plant Services, LP, and Bigler Terminals, LP each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division. Their case numbers are 09-38188, 09-38189, 09-38190, 09-38192, and 09-38194, respectively. Pursuant to an order dated November 5, 2009 (Docket No. 31), the Bankruptcy Court approved the joint administration of the Debtors' cases, which are being jointly administered under case number 09-38188.

2. First Day Orders

On or shortly after the petition date, the Debtors filed certain "first day" motions and applications with the Bankruptcy Court seeking certain relief to aid in the efficient administration of their cases and to facilitate the Debtors' transition to debtor-in-possession status. The Bankruptcy Court held a hearing on these first-day motions on November 5, 2009. Among other things, the Bankruptcy Court entered orders which:

- authorized the joint administration of the Debtors' estates for procedural purposes only;
- authorized the Debtors to operate their consolidated cash management system during the Chapter 11 cases in substantially the same manner as it was operated prior to the commencement of the Chapter 11 cases;
- authorized payment of certain prepetition employee salaries, wages, and benefits and reimbursement of prepetition employee business expenses and ensured that payroll and benefits to employees during the chapter 11 cases would not be disrupted;
- authorized payments to ensure continuance of existing insurance policies;
- prohibited utilities from terminating services to the Debtors and provided a means for utilities to request deposits or other adequate protection mechanisms;
- established procedures for interim compensation and reimbursement of estate professionals;
- extended the time for the Debtors to file their schedules and statements of financial affairs.

B. Use of Cash Collateral/Debtor-in-Possession Financing

As part of the "first day" motions, the Debtors filed a motion seeking authorization to use cash collateral. The Debtors and Amegy reached an agreement, which the Court approved on November 5, 2009, permitting the Debtors to use cash collateral on an interim basis.

On November 17, 2009, the Debtors filed an emergency motion seeking authorization to obtain debtor-in-possession financing in the aggregate amount of up to \$10,000,000.00 subject to the terms and conditions of the Debtor-in-Possession Credit Agreement with Amegy. On November 24, 2009, the Court entered an interim agreed order permitting the Debtors to draw up to \$2,400,000.00 prior to the entry of a final order. On December 9, 2009, the Court entered the final order approving the DIP Facility.

Borrowings under the DIP Facility were used to fund general operations of the Debtor and the costs related to administration of these bankruptcy cases. The DIP Facility was secured by, among other things, first priority senior priming liens on substantially all of the Debtors' assets, excluding Avoidance Actions, and subject to a Carve-Out for payment of Professional Fee Claims. The DIP Facility imposed numerous restrictions on the Debtors, including a provision that required the Debtors to sell substantially all of their Assets.

C. Retention of Debtors' Professionals

During these Chapter 11 Cases, the Court has authorized the Debtors to retain certain professionals. On November 3, 2009, the Debtors filed an application to retain King & Spalding LLP ("K&S") as their bankruptcy counsel. No objections were filed by any parties, and the Court approved the retention of K&S on December 2, 2009.

On November 10, 2009, the Debtors filed an application to employ BMC Group, Inc. as claims, noticing, and balloting agent. No objections were filed by any parties, and the Court approved the retention of BMC on December 2, 2009. On November 10, 2009, the Debtors filed an application to retain Strategic Capital Corporation to provide the services of H. Malcolm Lovett, Jr. as the Debtors' Chief Restructuring Officer. No objections were filed by any parties, and the Court approved the retention of Lovett on December 2, 2009. On November 25, 2009, the Debtors filed an application to employ Parkman Whaling, LLC as financial advisors to the Debtors. On December 2, 2009, the Court entered an interim order authorizing the Debtors to retain Parkman Whaling. The Court entered a final order authorizing the retention of Parkman Whaling on December 21, 2009.

On January 9, 2010, the Debtors filed an application to employ Tatum LLC as a professional services firm to the Debtors. No objections were filed by any parties, and the Court approved the retention of Tatum on February 3, 2010.

In addition, the Debtors retained certain attorneys and accountants in the ordinary course of their business to provide services relating to, among other things audits, tax returns, environmental permitting, various legal services, and other matters requiring the advice and assistance of professionals.

D. Appointment of Committee

On November 19, 2009, the U.S. Trustee filed its notice of appointment of official unsecured creditors committee (the "Committee"). The members of the Committee are: BASF Corporation; Billipp/Portwest, L.P. (J.A. Billipp Company); and Intertek USA.

By orders dated January 6, 2010, the Court authorized the Committee to retain Greenburg Traurig, LLP as counsel to the Committee and Mesirow Financial Consulting, LLC as financial advisors to the Committee.

On November 20, 2009, four M&M lien claimants filed an emergency motion seeking the appointment of an official committee of M&M lien claimants. The Debtors, the Committee, Amegy Bank, and counsel for two creditors objected to this motion and the Court denied the motion after a hearing on November 24, 2009.

E. United States Trustee

The U.S. Trustee has assigned Stephen Douglas Statham to oversee these Chapter 11 Cases.

F. Rejection and Assumption of Executory Contracts and Unexpired Leases

The Debtors reviewed certain of their executory contracts and unexpired leases to determine those contracts that were no longer beneficial to their business operations. As a result of this analysis, the Debtors obtained approval from the Bankruptcy Court to reject certain of their executory contracts and unexpired leases. The Debtors rejected, among other things, several vehicle leases, a lease of office space at 6925 Portwest Drive, Houston, Texas 77024, employment agreements, leases of numerous railcars, and certain other executory contracts the Debtors determined, in their business judgment, were no longer needed by the estates.

Many of the executory contracts and unexpired leases to which a Debtor is a party will be assumed and assigned to the Purchaser in connection with the Sale. The Plan shall not affect the rejection or assumption of executory contracts and unexpired leases in connection with any Sale.

TO THE EXTENT THERE ARE ANY CONTRACTS AND LEASES REMAINING IN THE DEBTORS' ESTATES THAT HAVE NOT BEEN (I) PREVIOUSLY REJECTED OR (II) ASSUMED AND ASSIGNED PURSUANT TO THE SALE ORDER, SUCH CONTRACTS AND LEASES SHALL BE REJECTED UNDER THE PLAN. PROOFS OF CLAIM FOR DAMAGES ALLEGEDLY ARISING FROM THE REJECTION PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE TO WHICH A CLAIMANT IS A PARTY MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE DEBTORS AND THE LIQUIDATING TRUST NOT LATER THAN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE. ALL PROOFS OF CLAIM FOR SUCH DAMAGES NOT TIMELY FILED AND PROPERLY SERVED AS SET FORTH HEREIN SHALL BE FOREVER BARRED AND DISCHARGED AND THE HOLDER OF SUCH A CLAIM SHALL NOT BE ENTITLED TO PARTICIPATE IN ANY DISTRIBUTION UNDER THE PLAN

G. The Marketing and Sales Process

In 2010, the Debtors took the beginning steps to effectuate a sale of substantially all of their assets, pursuant to the terms of the DIP Facility. With the assistance of their financial advisor, Parkman Whaling, the Debtors, in an effort to obtain the best price for their assets, engaged the marketplace for potential Purchasers. More than [] parties expressed initial interest in the Debtors' assets, the majority of whom executed confidentiality agreements and conducted due diligence for purposes of potentially submitting a bid on the Debtors' assets.

In conjunction with this process, the Debtors anticipate proposing certain bid procedures ("Bid Procedures") that are consistent with commercial transactions of this type, which may include some or all of the following terms:

- The Debtors, after consultation with Amegy, will determine the highest, best financial or otherwise superior offer for substantially all of the Debtors' assets. The Debtors and their advisors, after consultation with Amegy and the Creditors' Committee, shall, in their sole discretion: (a) determine whether a potential bidder is a qualified bidder; (b) coordinate the efforts of bidders in conducting their due diligence investigations; (c) receive offers from qualified bidders; and (d) negotiate any offers made to purchase the assets.
- In order to participate in the bidding process, a potential bidder must first deliver to the Debtors and their counsel an executed confidentiality agreement. In order to become a qualified bidder, a potential bidder must submit (a) a good faith deposit; (b) a bid which exceeds the initial minimum overbid increment; (c) a bid that is irrevocable; (d) a bid that is all cash and on terms that are the substantially the same or better than the terms of the agreement with the proposed purchaser; (e) contemplated transaction documents; (f) a bid that is not conditioned on obtaining financing or internal approval or on the outcome or review of due diligence; (g) a bid that does not request or entitle the potential bidder, other than the proposed purchaser, any breakup fee, termination fee, expense reimbursement or similar type of payment; and (h) written evidence that demonstrates that the potential bidder has the necessary financial ability to close the contemplated transaction. After submission of (a) through (h), the Debtors in their sole discretion, after consultation with Amegy and the Creditors' Committee, will determine whether a potential bidder is reasonably likely to submit a bona fide offer that would exceed the sale as negotiated with the proposed purchaser and be able to consummate a sale.
- In order to be a qualified bid, qualified bidders must submit bids prior to the bid deadline. A qualified bid will be evaluated by the Debtors based upon factors such as (a) the amount of the qualified bid, (b) the financial certainty of the qualified bid, including a requirement to have committed capital to purchase the acquired assets, (c) the risks associated with consummating a transaction with the potential bidder, (d) the timing associated with consummating a transaction with the potential bidder, (e) the intent of the qualified bidder with respect to disposition of employees and intent to operate as a going concern, (f) any excluded assets or executory contracts and leases

and (g) any other factors which the Debtors may deem relevant to the proposed sale.

- If a proposed purchaser is identified and an agreement has been reached, the Debtors will conduct an auction only if a qualified bid is received. If no proposed purchaser is identified, the Debtors will conduct an auction if more than one qualified bid is submitted. If a proposed purchaser is identified but no qualified bid is received, then the Debtors will not hold the auction and the proposed purchaser will be the successful bidder.
- Only qualified bidders will be able to participate at the auction. The Debtors may conduct the auction, after consultation with Amegy and the Creditors' Committee, in the manner they determine will result in the highest, best, financial, or otherwise superior offer for the Assets. All overbids must comply with a subsequent minimum overbid increment and the remaining conditions for a qualified bid.
- Upon conclusion of the bidding, the auction shall be closed, and the Debtors, after consultation with Amegy and the Creditors' Committee, shall immediately (i) review each qualified bid and, upon such review, immediately identify the highest, best, financial or otherwise superior offer for the assets and the next highest or otherwise best offer after the successful bid, which will be the backup bid. The Debtors shall sell the assets to the successful bidder upon the approval of the successful bid by the Bankruptcy Court.

H. Dissemination of Information About the Case

The Debtors have been actively engaged in providing information about the Debtors' businesses and proceedings in these cases to various parties-in-interest. The Debtors provided creditors extensive information about the Debtors' financial, corporate, and operational status in their schedules and in the monthly reports filed with the Bankruptcy Court throughout these cases. The Debtors also have provided regular updates to the Committee through its counsel and its financial professional. In addition, the Debtors have provided formal and informal updates to various creditors through email, mail and various unscheduled calls over the course of these cases. Finally, BMC has made all pleadings filed in the case available on its website, <http://www.bmcgroup.com/restructuring/GenInfo.aspx?ClientID=230>

I. Avoidance Actions

On and after the Effective Date, the Liquidating Trustee will be a representative of the Debtors' Estates pursuant to Bankruptcy Code section 1123(b)(3) and as such will have the power to prosecute, in the name of the Liquidating Trust, the Debtors' Estates, or otherwise, any claims of the Debtors' Estates, including Avoidance Actions (which include preference actions and fraudulent transfer actions, as described in more detail below). **UPON THE EFFECTIVE DATE, ALL OF THE DEBTORS' AVOIDANCE ACTIONS WILL BE TRANSFERRED TO THE LIQUIDATING TRUST, AND THE LIQUIDATING TRUST WILL BE**

VESTED WITH THE SOLE AUTHORITY TO REVIEW, INITIATE, AND/OR PURSUE ANY AND ALL AVOIDANCE ACTIONS.

1. Preferences

Under federal bankruptcy law, a debtor-in-possession may avoid pre-petition transfers of assets of a debtor as “preferential transfers.” To constitute a preferential transfer, the transfer must be (1) of the debtor’s property; (2) to or for an antecedent debt; (3) made while the debtor was insolvent; (4) made within 90 days before the filing of a bankruptcy petition or made within one year if to an “insider”³; and (5) a transfer that enables the creditor to receive more than it would receive under chapter 7 liquidation of the debtor’s assets. For this purpose, the Bankruptcy Code creates a rebuttable presumption that the debtor was insolvent during the 90 days immediately before the filing of the bankruptcy petition. All payments made by the Debtors to creditors within 90 days prior to the filing of the bankruptcy petition are listed under question 3(b) of the Debtors’ statements of financial affairs. A copy of the relevant portions of the Debtors’ statements of financial affairs relating to payments made within 90 days prior to the filing of the bankruptcy petition are attached hereto as Exhibit B. All payments made by the Debtors to “insiders” within one year prior to the filing of the bankruptcy petition are listed under question 3(c) of the Debtors’ statements of financial affairs. A copy of the relevant portions of the Debtors’ statements of financial affairs relating to payments made to insiders within one year prior to the filing of the bankruptcy petition are attached hereto as Exhibit C. **UPON THE EFFECTIVE DATE, THE LIQUIDATING TRUST WILL BE VESTED WITH THE SOLE AUTHORITY TO REVIEW, INITIATE, AND/OR PURSUE ANY AND ALL PREFERENCE ACTIONS.**

2. Fraudulent Transfers

Fraudulent transfer law generally is designed to avoid two types of transactions: (i) conveyances that constitute “actual fraud” upon creditors, and (ii) conveyances that constitute “constructive fraud” upon creditors. In the bankruptcy context, fraudulent transfer liability arises under sections 548 and 544 of the Bankruptcy Code. Section 548 permits the debtor-in-possession to “reach back” for a period of two years to avoid fraudulent transfers made by the debtors or fraudulent obligations incurred by the debtors, and Section 544 permits the debtor-in-possession to apply applicable state fraudulent transfer law to any such action. Assuming that Texas state law were to apply, the debtor-in-possession could challenge conveyances, transfers,

³ Section 101(31) of the Bankruptcy Code defines an “insider”, in relevant part, as:

- (B) if the debtor is a corporation—
 - (i) director of the debtor;
 - (ii) officer of the debtor;
 - (iii) person in control of the debtor;
 - (iv) partnership in which the debtor is a general partner;
 - (v) general partner of the debtor; or
 - (vi) relative of a general partner, director, officer, or person in control of the debtor.

... (E) affiliate or insider of an affiliate as if such affiliate were the debtor.

11 U.S.C. § 101(31).

or obligations made or incurred by the Debtors within the past four (4) years if similar requirements are met. **UPON THE EFFECTIVE DATE, THE LIQUIDATING TRUST WILL BE VESTED WITH THE SOLE AUTHORITY TO REVIEW, INITIATE, AND/OR PURSUE ANY AND ALL FRAUDULENT TRANSFER ACTIONS.**

IV. THE PLAN

THE SUMMARY OF THE PLAN SET FORTH HEREIN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS OF THE PLAN AND THE SUMMARY CONTAINED HEREIN, AND REGARDLESS OF WHETHER ANY SUCH INCONSISTENCY IS A STATEMENT OR OMISSION, THE TERMS OF THE PLAN WILL GOVERN.

A. Overview of the Plan

The Debtors are actively engaged in the process of marketing all or substantially all of their Assets and intend to seek approval of a sales process for the sale of all or substantially all of their Assets concurrently with seeking confirmation of the Plan. The Sale Proceeds, in addition to proceeds from any remaining Assets and Causes of Action, will be distributed in order of legal priority pursuant to the terms of the Plan.

B. Classification, Treatment and Impairment of Claims and Interests

The Classes of Claims and Interests set forth below classify all Claims against and Interests in the Debtors for all purposes of the Plan. The Classes do not include any Intercompany Claims, all of which will be cancelled on the Effective Date. The Plan constitutes a single plan of liquidation, for administrative convenience purposes, for all Debtors. A Claim or Interest shall be deemed classified in a particular Class only to the extent the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid, released, or otherwise settled prior to the Effective Date. **THE TREATMENT WITH RESPECT TO EACH CLASS OF CLAIMS AND INTERESTS PROVIDED FOR IN THE PLAN SHALL BE IN FULL AND COMPLETE SATISFACTION, RELEASE AND DISCHARGE OF SUCH CLAIMS AND INTERESTS.**

The classification of Claims discussed in Article II of the Plan can be summarized as follows:

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
1	Allowed Pre-Petition Lender Secured Claim	Impaired	Yes
2	Allowed Scianna Trust Secured Claim	Impaired	Yes
3	Allowed Berryman Secured Claim	Impaired	Yes
4	Allowed M&M Lien Claims	Impaired	Yes

5	Allowed Other Secured Claims	Impaired	Yes
6	Allowed Priority Non-Tax Claims	Impaired	Yes
7	Allowed General Unsecured Claims	Impaired	Yes
8	Allowed Interests	Impaired	No

The Classes of Claims and Interests, as well as their treatment and an analysis of whether they are impaired or unimpaired, are discussed in Article III of the Plan and in more detail as follows:

1. Class 1 - Allowed Pre-Petition Lender Secured Claim. The holder of the Allowed Pre-Petition Lender Secured Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of the Allowed Pre-Petition Lender Secured Claim in full, to the extent that sufficient Trust Assets exist after full payment of Allowed Unclassified Claims, within thirty 30 days following resolution of the Scianna Trust Adversary, but if insufficient Trust Assets remain to pay the Allowed Pre-Petition Lender Secured Claim in full, then the holder of the Allowed Pre-Petition Lender Secured Claim shall receive the remaining Trust Assets, if any, subject to the provisions of Section 3.3 regarding the Scianna Trusts Adversary; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and the holders of an Allowed Pre-Petition Lender Secured Claim have agreed upon in writing.

2. Class 2 - Allowed Scianna Trusts Secured Claim. The holder of the Allowed Scianna Trusts Secured Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of the Allowed Scianna Trusts Secured Claim in full, if sufficient Trust Assets exist after full payment of Allowed Claims in Class 1, within thirty (30) days after Allowed Claims in Class 1 have been paid in full, but if insufficient Trust Assets remain after Allowed Claims in Class 1 have been paid in full, then the holder of the Allowed Scianna Trusts Secured Claim shall receive the remaining Trust Assets, if any; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and the holder of the Allowed Scianna Trusts Secured Claim have agreed upon in writing.

However, if the Bankruptcy Court determines, in connection with the Scianna Trusts Adversary or otherwise (or if the parties to the Scianna Trust Adversary so agree), that the Scianna Trusts hold a lien that is superior to the liens held by the Pre-Petition Secured Lenders, then the Allowed Scianna Trusts Secured Claim will be accorded the treatment of a Class 1 Claim and the Allowed Pre-Petition Lender Secured Claim will be accorded the treatment of a Class 2 Claim, at least as to the applicable assets subject to the Allowed Scianna Trusts Secured Claim.

3. Priority of Payment of Liens on Specific Assets in Classes 3-5. The Debtor and the Liquidating Trust shall examine the priority of liens on specific assets in Classes 3-5 and first priority claims on specific assets will be paid first from the proceeds of the sale of those specific assets, regardless of the ordering of Classes 3-5.

4. ***Class 3 - Allowed Berryman Secured Claim.*** The holder of the Allowed Berryman Secured Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed Berryman Secured Claim in full, if sufficient Trust Assets exist after full payment of Allowed Claims in Classes 1 and 2, within thirty (30) days after Allowed Claims in Class 2 have been paid in full, but if insufficient Trust Assets remain after Allowed Claims in Classes 1 and 2 have been paid in full, then the holder of the Allowed Berryman Secured Claim shall receive the remaining Trust Assets, if any; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any a holder of an Allowed Other Secured Claim have agreed upon in writing.

5. ***Class 4 - Allowed M&M Lien Claims.*** Each holder of an Allowed M&M Lien Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed M&M Lien Claim in full, if sufficient Trust Assets exist after full payment of Allowed Claims in Classes 1-3, within thirty (30) days after Allowed Claims in Class 3 have been paid in full, but if insufficient Trust Assets remain after Allowed Claims in Classes 1-3 have been paid in full, then each holder of Allowed M&M Lien Claims shall receive its Pro Rata share of the remaining Trust Assets, if any; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any holder of an Allowed M&M Lien Claim have agreed upon in writing.

6. ***Class 5 - Allowed Other Secured Claims.*** Each holder of an Allowed Other Secured Claim, if any, shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed Other Secured Claim in full, if sufficient Trust Assets exist after full payment of Allowed Claims in Classes 1-4, within thirty (30) days after Allowed Claims in Class 4 have been paid in full, but if insufficient Trust Assets remain after Allowed Claims in Classes 1-4 have been paid in full, then each holder of an Allowed Other Secured Claim shall receive its Pro Rata share of the remaining Trust Assets, if any; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any holder of an Allowed Other Secured Claim have agreed upon in writing.

7. ***Class 6 - Allowed Priority Non-Tax Claims.*** Each holder of an Allowed Priority Non-Tax Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed Priority Non-Tax Claim in full, if sufficient Trust Assets exist after full payment of Allowed Claims in Classes 1-5, within thirty (30) days after Allowed Claims in Class 5 have been paid in full, but if insufficient Trust Assets remain after Allowed Claims in Classes 1-5 have been paid in full, then each holder of an Allowed Priority Non-Tax Claim shall receive its Pro Rata share of the remaining Trust Assets, if any; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any a holder of an Allowed Priority Non-Tax Claim have agreed upon in writing.

8. ***Class 7 - Allowed General Unsecured Claims.*** Each holder of an Allowed General Unsecured Claim shall receive, in full satisfaction, settlement, release

and discharge of and in exchange for such Claim, one of the following treatments: (i) its Pro Rata share of Trust Assets, if any, remaining after Allowed Claims in Classes 1-6 have been paid in full, within thirty (30) days after Allowed Claims in Class 6 have been paid in full; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any a holder of an Allowed General Unsecured Claim have agreed upon in writing.

9. Class 8 - Allowed Interests. On the Effective Date, all Interests of the Debtors shall be cancelled and extinguished, and the holders of Allowed Interests shall not receive or retain any Distribution on account of such Allowed Interests.

C. Treatment of Unclassified Claims

The treatment of Unclassified Claims is discussed in Article IV of the Plan and in more detail as follows:

1. Summary. Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Priority Tax Claims, and DIP Facility Claims against the Debtors are not classified for purposes of voting on, or receiving Distributions under, the Plan. Holders of such Claims are not entitled to vote on the Plan. All such Claims are instead treated separately in accordance with Article IV and in accordance with the requirements set forth in section 1129(a)(9)(A) of the Bankruptcy Code. The term Trust Assets, as used in Section 4.5, shall not include the Carve-Out.

2. Allowed Administrative Expense Claims other than Professional Fee Claims. Subject to the provisions of sections 330(a), 331, and 503(b) of the Bankruptcy Code, and the bar date provisions of the Plan, each holder of an Allowed Administrative Expense Claim, other than holders of Professional Fee Claims, shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed Administrative Expense Claim in Cash upon the later of (a) the Effective Date, or (b) the date on which such Administrative Expense Claim becomes an Allowed Claim; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any a holder of an Allowed Administrative Expense Claim have agreed upon in writing. Only to the extent applicable, Allowed Administrative Expense Claims may be paid from the Carve-Out, as provided in the Final DIP Order. Unpaid Ordinary Course Administrative Claims as of the Effective Date shall be assumed and paid by the Purchaser in the ordinary course of business and will not be paid by the Debtors.

3. Allowance and Payment of Professional Fee Claims. All unpaid Professional Fee Claims incurred prior to and including the Effective Date shall be subject to final allowance or disallowance upon application to the Bankruptcy Court pursuant to sections 330 or 503(b)(4) of the Bankruptcy Code, and orders of the Bankruptcy Court authorizing interim compensation. Application by Professionals for final allowance of Professional Fee Claims shall be submitted no later than thirty (30) days after the Effective Date. In accordance with the procedures established by prior Bankruptcy Court orders, the Allowed amounts of Professional Fee Claims shall be

determined by the Bankruptcy Court. Any Allowed Professional Fee Claims unpaid as of the Effective Date shall be paid according to the terms of the Carve-Out in the Final DIP Order.

4. Bar Date for Filing Administrative Expense Claims But Excluding Professional Fee Claims. All requests for payment or assertion of an Administrative Expense Claim, other than Professional Fee Claims that have not been paid, released, satisfied or otherwise settled, must be filed with the Bankruptcy Court no later than (i) the date established by the Bankruptcy Court as the Administrative Expense Claim Bar Date; or (ii) thirty (30) days after the Effective Date, if the Bankruptcy Court does not establish an Administrative Expense Claim Bar Date. Any request for payment of an Administrative Expense Claim that is not timely filed, as set forth above, will be forever disallowed and barred. In such event, Claimants will not be able to assert such Claims, in any manner whatsoever, against any Debtor, the Liquidating Trustee, or the Liquidating Trust.

5. Treatment of Allowed Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, one of the following treatments: (i) payment of its Allowed Priority Tax Claim in full within thirty (30) days after the Effective Date; or (ii) such other treatment to which the Debtors or the Liquidating Trustee and any a holder of an Allowed Priority Tax Claim have agreed upon in writing.

6. DIP Facility Claim. On the Effective Date, the Allowed DIP Facility Claim will be paid in full from the Trust Assets.

D. Means for Implementation of the Plan

1. Source of Funding

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for the Liquidating Trust to make Distributions pursuant to the Plan shall be obtained from the Trust Assets, including the Sale Proceeds. The Carve-Out shall not be used to make Distributions to Classes of Creditors, as described in Article III of the Plan, but shall be used only as provided under the terms of the Final DIP Order.

For administrative convenience purposes, all Distributions made pursuant to the Plan, including but not limited to Distributions made pursuant to Articles III and IV, shall be made by the Liquidating Trust on an aggregate Debtor basis from the Trust Assets, for administrative convenience purposes, without regard to which Debtor against whom a particular Claim is asserted. A significant portion of the Secured Claims against the Debtors are secured by specific assets, including Amegy's cross-collateralized senior debt under the DIP Facility and its pre-petition debt. Identification of specific debtors and specific assets for specific creditors would be too difficult and time consuming to yield appropriate results.

2. Creation of the Liquidating Trust

Prior to the Effective Date, the Debtors will retain power and control over the Debtors' Estates. On the Effective Date, the Liquidating Trust will be established and become effective and title to the Trust Assets will automatically vest in the Liquidating Trust, without the need to execute any documents or instruments of transfer. **THE TRUST ASSETS (INCLUDING WITHOUT LIMITATION ALL AVOIDANCE ACTIONS AND CAUSES OF ACTION, INCLUDING BUT NOT LIMITED TO THOSE CAUSES OF ACTION LISTED IN SECTION IV(H) HEREOF) WILL BE RESERVED, PRESERVED, ASSIGNED, TRANSFERRED, AND CONVEYED, AS THE CASE MAY BE, TO THE LIQUIDATING TRUST FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES OR INTERESTS EXCEPT TO THE EXTENT THAT SUCH LIENS AND CLAIMS ARE RETAINED UNDER THE PLAN.** H. Malcolm Lovett, Jr. will serve as the initial Liquidating Trustee of the Liquidating Trust and the Liquidating Trust will assume liability for and incur the obligation to make the Distributions required to be made under the Plan.

3. Powers and Duties of Liquidating Trustee

a. Maintenance, Safekeeping and Distribution of Assets

Subject to the provisions of the Liquidating Trust Agreement and the Plan, the Liquidating Trust will take possession of the Trust Assets and will conserve, protect, collect and liquidate or otherwise convert into cash all assets that constitute part of the Trust Assets. To the end of accomplishing the purposes of the Plan and the Liquidating Trust, after the Effective Date the Liquidating Trust will make Distributions to creditors and will have the authority to pursue or not to pursue Causes of Action, file claim objections and set reserves, and the Liquidating Trustee will have the sole right, power and discretion to manage the affairs of the Liquidating Trust. On and after the Effective Date, the Liquidating Trust will be a representative of the Debtors' Estates pursuant to Bankruptcy Code section 1123(b)(3) and as such the Liquidating Trustee will have the power to prosecute, in the name of the Liquidating Trust, the Debtors' Estates, or otherwise, any claims of the Debtors' Estates, including Avoidance Actions. Additionally, the Liquidating Trust will have the power to: (i) do all acts contemplated by the Plan to be done by the Liquidating Trust, (ii) do all other acts that may be necessary or appropriate for the final Distribution of Trust Assets, including the execution and delivery of appropriate agreements or other documents of disposition, liquidation, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable state law and such other terms to which the applicable entities may agree.

b. Assumption of Liabilities

Except as otherwise provided in the Plan, the Liquidating Trust shall assume liability for and incur the obligation to make the Distributions required to be made under the Plan and to handle all aspects of the claim contest and dispute process on and after the Effective Date, as described in Article IX of the Plan.

c. Proceeds of Litigation

Proceeds, if any, of litigation conducted by the Liquidating Trust will be added to the assets of the Liquidating Trust and administered pursuant to the Liquidating Trust Agreement and distributed pursuant to Article III and Article IV of the Plan.

d. Avoidance Actions

On and after the Effective Date, the Debtors will not be responsible for any review of Causes of Action, including Avoidance Actions. The Liquidating Trust will have all responsibility for reviewing, analyzing and prosecuting Avoidance Actions under the Plan and the Liquidating Trust Agreement. The Liquidating Trust will have the sole authority to prosecute Avoidance Actions, which include preferences and fraudulent transfers, as defined by the Bankruptcy Code and as discussed in more detail in this Disclosure Statement. **ALL CREDITORS AND RECIPIENTS OF PAYMENTS OR TRANSFERS WITHIN 90 DAYS OF THE PETITION DATE (OR WITHIN ONE YEAR FOR INSIDERS) OR WHO RECEIVED PAYMENTS OR TRANSFERS FOR LESS THAN REASONABLY EQUIVALENT VALUE WITHIN FOUR YEARS OF THE PETITION DATE, WITH ACTUAL OR CONSTRUCTIVE NOTICE OF THESE BANKRUPTCY CASES, ARE HEREBY PUT ON NOTICE THAT SUCH TRANSACTIONS WILL BE REVIEWED FOR POTENTIAL RECOVERY. THE PLAN IS NOT INTENDED AND DOES NOT WAIVE ANY OF THE DEBTORS' CHAPTER 5 CAUSES OF ACTION, AS ALL SUCH ACTIONS ARE EXPRESSLY PRESERVED FOR THE BENEFIT OF THE LIQUIDATING TRUST.**

e. Compensation of Liquidating Trustee

The Liquidating Trustee shall be entitled to receive compensation for services rendered and costs and expenses incurred at customary rates charged by the Liquidating Trustee for the Liquidating Trustee's services.

f. Reporting Duties

Forty-five (45) days after the end of each annual calendar quarter and forty-five (45) days after the Final Distribution Date, the Liquidating Trustee will file with the Court a written report showing (i) the assets and liabilities of the Debtors' Estates at the end of such quarter or upon termination and (ii) any material action taken by the Liquidating Trustee in the performance of his duties under the Liquidating Trust and under the Plan that has not been previously reported.

4. Cancellation of Debt and Ownership Interests

On the Effective Date, except as otherwise provided for herein, (a) the Prepetition Credit Agreements and any other notes, bonds (with the exception of surety bonds outstanding), letters of credit, indentures, or other instruments or documents evidencing or creating any indebtedness or obligations of a Debtor that are Impaired under the Plan shall be cancelled, and (b) all Interests in the Debtors shall be deemed cancelled and extinguished without any further action of any party.

5. Professional Fees

All unpaid Professional Fee Claims incurred prior to and including the Effective Date shall be subject to final allowance or disallowance upon application to the Bankruptcy Court pursuant to sections 330 or 503(b)(4) of the Bankruptcy Code. Application for final allowance of compensation and reimbursement of expenses shall be submitted no later than thirty (30) days after the Effective Date. All Allowed Professional Fee Claims shall be paid in full in Cash from the Carve-Out. The Debtors estimate that Professional Fees up to the Effective Date, including holdbacks, will range from approximately \$[] to \$[].

6. Termination of Liquidating Trust

The Liquidating Trust will terminate, subject to this Court's approval, no later than at the end of three years from the Effective Date. Upon the completion of the Liquidating Trustee's duties the Liquidating Trustee may terminate the Liquidating Trust. On the termination date of the Liquidating Trust, the Liquidating Trustee will execute and deliver any and all documents and instruments reasonably requested to evidence such transfer. Upon termination and complete satisfaction of its duties under the Liquidating Trust Agreement, the Liquidating Trustee will be forever discharged and released from all powers, duties, responsibilities, and liabilities pursuant to the Liquidating Trust other than those attributable to the gross negligence or willful misconduct of the Liquidating Trustee.

E. Provisions Regarding Distributions

1. Liquidating Trustee of the Liquidating Trust

Unless otherwise provided for in the Plan, all Distributions under the Plan shall be made by the Liquidating Trustee, H. Malcolm Lovett, Jr., or his successor.

2. Distributions of Cash

Any Distribution of Cash made by the Liquidating Trustee pursuant to the Plan shall, at the Liquidating Trustee's option, be made by check. The Liquidating Trustee shall not be required to make aggregate distributions of less than \$50 to any holder of an Allowed Claim, unless the Liquidating Trustee elects to do so.

3. No Interest or Penalties on Claims

Unless otherwise specifically provided for in the Plan, the Confirmation Order or other order of the Bankruptcy Court, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any unsecured Claims, and no holder of an unsecured Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the Final Distribution Date when and if such Disputed Claim becomes an Allowed Claim.

4. Delivery of Distributions

Except as otherwise agreed to by the holder of an Allowed Claim and the Liquidating Trust, the Liquidating Trust shall make Distributions to such Claimants as provided in the Plan at the address reflected in the books and records of Debtors or as otherwise reflected on any Proof of Claim, proof of Interest, or notice of address or change of address filed in these Chapter 11 Cases.

If any Distribution is returned as undeliverable, no further Distributions to that holder shall be made unless and until the Liquidating Trust receives notice of the holder's then-current address, at which time all outstanding Distributions shall be made to such Claimant. Undeliverable Distributions made through the Liquidating Trust shall be returned to the Liquidating Trust until such Distributions are claimed. The Liquidating Trustee shall establish a segregated account to serve as the Unclaimed Distribution Reserve, and all undeliverable and unclaimed Distributions shall be deposited therein, for the benefit of all similarly situated Persons until such time as a Distribution becomes deliverable or is claimed.

Any undeliverable or unclaimed Distribution under the Plan that does not become deliverable on or before six months after the applicable Distribution Date shall be deemed to have been forfeited and waived, and the Person otherwise entitled thereto shall be forever barred and enjoined from asserting that Claim and all other Claims against, or seeking to recover its Distribution from, the Debtors, any Estate, the Liquidating Trustee, the Liquidating Trust, or their respective property. After six months following the applicable Distribution Date, the Liquidating Trustee shall withdraw any amounts remaining in the Unclaimed Distribution Reserve for Distribution in accordance with the Plan.

5. Withholding and Reporting Requirements

In connection with the Plan and all Distributions thereunder, the Liquidating Trust shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions thereunder shall be subject to those requirements. The Liquidating Trust shall be authorized to take all actions necessary or appropriate to comply with those withholding and reporting requirements. Notwithstanding any other provision of the Plan, the holders of Claims or Interests of the Debtors shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority, including income, withholding and other tax obligations, on account of the provisions of the Plan. Neither the Debtors nor the Liquidating Trust shall have any liability to either the holder of a Claim or Interest or any Governmental Authority with respect to any such tax or similar obligation owed by such holder.

6. Duty to File Tax Returns

The Liquidating Trust shall be obligated to file all applicable state and federal tax returns on behalf of the Estates.

7. Setoffs

The Liquidating Trust may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy laws, but shall not be required to, set off against any Claim, the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, or claims of any nature whatsoever that the Liquidating Trust or the Debtors may have against the holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidating Trust of any such Claim that the Debtors or the Liquidating Trust may have against such holder.

F. Procedures for Treating and Resolving Disputed Claims

1. Objections to Claims

The Debtors, a Creditor or party-in-interest (as decided by the Bankruptcy Court upon dispute) may file objections to Claims prior to the Effective Date. **FROM AND AFTER THE EFFECTIVE DATE, THE LIQUIDATING TRUST SHALL HAVE THE EXCLUSIVE AUTHORITY TO OBJECT TO CLAIMS SO THAT THE BANKRUPTCY COURT CAN DETERMINE THE ALLOWED AMOUNT, IF ANY, OF SUCH CLAIMS.** The Liquidating Trust may file an objection at any time prior to the Final Distribution Date, and may reserve (in lieu of payment or Distribution of a Claim) for any Claim that the Liquidating Trust may, in good faith, dispute. A Claimant whose Claim is the subject of an objection must file with the Bankruptcy Court and serve upon the Debtors a response to the objection. Failure to file and serve a response within the applicable period required by the Bankruptcy Code and Bankruptcy Rules shall result in the entry of a default judgment against the non-responding Claimant and the granting of the relief requested in the objection. The Liquidating Trust's failure to object to a Claim shall be without prejudice to the Liquidating Trust's right to contest or otherwise defend against such Claim in the Bankruptcy Court or other appropriate non-bankruptcy forum when and if such Claim is sought to be enforced by the holder of such Claim.

2. Amendments to Claims; Claims filed after the Confirmation Date

All Proofs of Claim, and the assertion of any Claim, must be filed and occur by the applicable Bar Date or such Claim shall otherwise be barred. Moreover, any Proofs of Claim filed after the Bar Date shall be deemed Disallowed in full and expunged without any action by the Debtors or the Liquidating Trust, unless the Claimant obtains an order of the Bankruptcy Court authorizing a late filing. Nothing herein shall affect, amend or modify any Bar Date in these Chapter 11 Cases.

3. No Distributions until Claim is an Allowed Claim

Notwithstanding any other provision of the Plan, no payment or Distribution shall be made with respect to any Claim to the extent it is a Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

4. Estimation of Unliquidated or Contingent Claims

Pursuant to Bankruptcy Code Section 502(e), before the Effective Date, any Claimant or the Debtors may seek the estimation of any unliquidated Claim or contingent Claim. After the Effective Date, only the Liquidating Trust may seek the estimation of any unliquidated Claim or contingent Claim. To the extent an unliquidated Claim or a contingent Claim is estimated by Final Order of the Bankruptcy Court, it shall receive the treatment for the particular type of Claim set forth in this Article III of the Plan in the amount estimated by the Bankruptcy Court. If a Claimant fails to seek estimation of its Claim at any time prior to the Effective Date, such Claim shall be treated as a Disallowed Claim without further Order of the Bankruptcy Court at the Final Distribution Date. Any unliquidated Claim or contingent Claim shall be treated as a Disputed Claim until and unless it becomes an Allowed Claim pursuant to a Final Order of the Bankruptcy Court. This paragraph shall not affect any continued pursuit of the Scianna Trusts Adversary.

5. Voting

Holders of Disputed Claims shall not be entitled to vote with respect to the Plan unless such Claims are estimated, for voting purposes, by order of the Bankruptcy Court. The holder of any Claim that is not a Disputed Claims is entitled to vote on the Plan.

G. Conditions Precedent to the Effective Date

1. Conditions Precedent to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Article VII of the Plan:

a. The Confirmation Order confirming the Plan shall have been entered and become a Final Order in form and substance acceptable to the Debtors in their sole and absolute discretion.

b. All other Plan Documents and agreements necessary to implement the Plan on the Effective Date shall be reasonably acceptable to the Debtors and have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred.

c. The Sale Order shall have been entered in form and substance acceptable to the Debtors in their sole and absolute discretion.

2. Waiver of Conditions

Under Article VII, each of the conditions set forth above may be waived in whole or in part by the Debtors, without any other notice to parties in interest or the Bankruptcy Court and without a hearing.

3. Notice of Effective Date

Within ten (10) days after the occurrence of the Effective Date, the Liquidating Trustee shall file with the Bankruptcy Court and cause to be mailed to all holders of Claims and Interests a notice of (i) the Effective Date; (ii) the Bar Date for the filing of Administrative Expense Claims; and (iii) any other matters deemed appropriate by the Debtors.

H. Preservation of Causes of Action

ALL OF THE CAUSES OF ACTION AND POTENTIAL CAUSES OF ACTION HELD BY ANY OF THE DEBTORS, WHETHER OR NOT PREVIOUSLY ASSERTED, ARE PRESERVED, INCLUDING BUT NOT LIMITED TO CAUSES OF ACTION HELD BY THE DEBTORS AGAINST ENGLOBAL ENGINEERING, INC., AS ASSERTED IN LITIGATION STYLED *BIGLER L.P. F/K/A BIGLER TRADING CO. V. ENGLOBAL ENGINEERING, INC.*, PENDING IN THE 234TH HARRIS COUNTY DISTRICT COURT, CASE NUMBER 09-15676. THE LIQUIDATING TRUST SHALL CONTINUE TO ANALYZE ALL POTENTIAL CAUSES OF ACTION AND TAKE APPROPRIATE ACTION, INCLUDING BUT NOT LIMITED TO FILING A LAWSUIT IN THE APPROPRIATE VENUE. BY FILING THIS VERSION OF THE DISCLOSURE STATEMENT AND THE PLAN, THE DEBTORS DO NOT WAIVE ANY CAUSES OF ACTION OR POTENTIAL CAUSES OF ACTION.

V. CERTAIN EFFECTS OF CONFIRMATION

A. Release by Debtors of Certain Parties

ON THE EFFECTIVE DATE, THE INDIVIDUALS DESCRIBED IN THE FOLLOWING SENTENCE SHALL BE FOREVER IRREVOCABLY AND UNCONDITIONALLY RELEASED AND DISCHARGED FROM ANY AND ALL CLAIMS, ACTIONS, SUITS, DEBTS, ACCOUNTS, CAUSES OF ACTION, AGREEMENTS, PROMISES, DAMAGES, JUDGMENTS, DEMANDS AND LIABILITIES WHICH THE DEBTORS MAY HAVE AGAINST THEM, WHETHER HELD DIRECTLY, INDIRECTLY, OR DERIVATIVELY, WHICH ARE IN ANY WAY RELATED TO THE DEBTORS, AND ARISE FROM FACTS, CIRCUMSTANCES, EVENTS OR CONDITIONS OCCURRING OR OTHERWISE EXISTING PRIOR TO THE EFFECTIVE DATE. THE PERSONS RELEASED HEREBY ARE ALL THE DEBTORS' REPRESENTATIVES, INCLUDING ALL PERSONS WHO HAVE SERVED AS DIRECTORS OR OFFICERS OR PERSONS SERVING IN SIMILAR CAPACITIES OF ANY OF THE DEBTORS ON AND AFTER THE PETITION DATE, INCLUDING BUT NOT LIMITED TO JOEL HERGER, SETH BARON, SMITH HOWLAND, R.B. HERRSCHER, AND JONATHAN CRAIG.

B. Injunction

PROVIDED THAT THE EFFECTIVE DATE OCCURS, THE ENTRY OF THE CONFIRMATION ORDER SHALL BE DEEMED TO PERMANENTLY ENJOIN ALL PERSONS THAT HAVE HELD, CURRENTLY HOLD OR MAY HOLD A CLAIM AGAINST, OR BE OWED OBLIGATIONS BY, THE ESTATES, OR WHO HAVE HELD, CURRENTLY HOLD OR MAY HOLD AN INTEREST IN ANY DEBTOR,

FROM TAKING ANY OF THE FOLLOWING ACTIONS ON ACCOUNT OF SUCH CLAIM OR INTEREST: (I) COMMENCING, CONDUCTING, OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST ANY DEBTOR, ANY OF THEIR REPRESENTATIVES, OR THE LIQUIDATING TRUST; (II) ENFORCING, LEVYING, ATTACHING, COLLECTING, OR OTHERWISE RECOVERING IN ANY MANNER OR BY ANY MEANS, DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST ANY DEBTOR, ANY OF THEIR REPRESENTATIVES, OR THE LIQUIDATING TRUST; (III) CREATING, PERFECTING OR ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN, CHARGE, ENCUMBRANCE OR OTHER LIEN OF ANY KIND AGAINST ANY DEBTOR, THEIR PROPERTY, ANY OF THEIR REPRESENTATIVES, OR THE LIQUIDATING TRUST; (IV) ASSERTING ANY SETOFF, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO ANY DEBTOR, ANY OF THEIR REPRESENTATIVES, OR THE LIQUIDATING TRUST; AND (V) PROCEEDING IN ANY MANNER, DIRECTLY OR INDIRECTLY, IN ANY PLACE WHATSOEVER AGAINST ANY DEBTOR, ANY OF THEIR REPRESENTATIVES, OR THE LIQUIDATING TRUST.

C. No Liability for Solicitation or Participation

PURSUANT TO BANKRUPTCY CODE SECTION 1125, PERSONS THAT SOLICIT ACCEPTANCES OR REJECTIONS OF THE PLAN IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, SHALL NOT BE LIABLE, ON ACCOUNT OF SUCH SOLICITATION OR PARTICIPATION, FOR VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN.

D. Release of Liens

Except as otherwise specifically provided in the Plan or the Confirmation Order, all Liens, security interests, deeds of trust, or mortgages against any Debtor or property of the Estates shall and shall be deemed to be released, terminated, and nullified as of the Effective Date. Pursuant to Bankruptcy Code section 1142(b), the Debtors are authorized to execute and file any release of Lien, in their sole business judgment, to assist in consummation of the Plan if the holder of such Lien fails to execute such a release of Lien.

E. Pre-petition Lawsuits

On the Effective Date, all lawsuits, litigation, administrative actions or other proceedings, judicial or administrative, relating to pre-petition events or conduct of the Debtors, in connection with the assertion of a Claim, shall be dismissed as to the Debtors, excluding any claim asserted by the Debtors against a third party. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan.

F. Miscellaneous Plan Provisions

1. Modification of Plan

The Debtors reserve the right to modify the Plan either before or after Confirmation, to the fullest extent permitted under Bankruptcy Code section 1127 and Bankruptcy Rule 3019. The filing of any Plan or any version of the Disclosure Statement, or modification to the Plan or Disclosure Statement, shall not be construed to be a waiver of any rights of the Debtors, including any waiver of Causes of Action. After the Confirmation Date and prior to the substantial consummation of the Plan, any party in interest in these Chapter 11 Cases may, so long as the treatment of holders of Claims or Interests under the Plan are not materially adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

2. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan as to any or all of the Debtors, or if confirmation or consummation as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), rejection of executory contracts or leases affected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person, or (iii) constitute an admission of any sort by the Debtors or any other Person.

3. Retention of Jurisdiction

Pursuant to Bankruptcy Code sections 105(a) and 1142, and notwithstanding the Plan's Confirmation and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of or related to these Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including jurisdiction to:

a. allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim or Priority Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

b. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;

c. resolve any matters related to the rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;

d. ensure that Distributions to holders of Allowed Claims are accomplished by the Liquidating Trust pursuant to the provisions of the Plan and the Liquidating Trust Agreement;

e. decide or resolve any motions, adversary proceedings, contested, or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

f. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

g. resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to the Plan, or any entity's rights arising from or obligations incurred in connection with the Plan or such documents;

h. approve any modification of the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or approve any modification of the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;

i. hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 330, 331, 503(b), 1103, and 1129(c)(9) of the Bankruptcy Code, which shall be payable by the Liquidating Trust only upon allowance thereof pursuant to the order of the Bankruptcy Court, provided, however, that the fees and expenses of the Liquidating Trust, incurred after the Effective Date, including counsel fees, may be paid by the Liquidating Trust in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

j. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of the Plan or the Confirmation Order;

k. hear and determine Causes of Action by or on behalf of the Debtors or the Liquidating Trust;

l. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

m. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or Distributions pursuant to the Plan are enjoined or stayed;

n. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement, or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

o. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases;

p. hear and determine all matters related to (i) the property of the Liquidating Trust from and after the Confirmation Date and (ii) the activities of the Liquidating Trustee;

q. hear and determine disputes with respect to compensation of the Debtors' professional advisors;

r. hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and

s. enter an order closing the Chapter 11 Cases.

4. Limited Role of Committee on and after Effective Date

The Committee shall cease operating and dissolve on the Effective Date, except the Committee shall remain in existence for the limited purpose of filing a final fee application for fees incurred in these Cases. On the Effective Date, other than with respect to its duty to maintain the confidentiality of protected, confidential or commercially sensitive information concerning the debtors in accordance with applicable agreements, orders of the Bankruptcy Court or the Committee's by-laws (which duty shall continue), its members and their Representatives shall be deemed released of all of their duties, responsibilities and obligations in connection with the Chapter 11 Cases and the retention and employment of the Committee's Professionals shall terminate without further order of the Bankruptcy Court.

VI. CONFIRMATION AND CONSUMPTION OF THE PLAN

A. General Information

All creditors whose Claims are impaired by the Plan (except those parties holding Interests or who are unimpaired) may cast their votes for or against the Plan. As a condition to confirmation of the Plan, the Bankruptcy Code requires that one Class of Impaired Claims votes to accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a Class of Impaired Claims as acceptance by holders of at least two thirds of the dollar amount of the class and by more than one half in number of Claims. Holders of Claims who fail to vote are not counted as either accepting or rejecting a plan. Voting is accomplished by completing, dating, signing and returning the Ballot by the Voting Deadline. Ballots will be distributed to all creditors entitled to vote on the Plan and is part of the Solicitation Package accompanying the Disclosure Statement. The Ballot indicates (i) where the Ballot is to be filed and (ii) the deadline by which creditors must return their Ballots. See Article I of this Disclosure Statement for a more detailed explanation of who will receive Ballots and voting procedures.

B. Solicitation of Acceptances

This Disclosure Statement has been approved by the Bankruptcy Court as containing “adequate information” to permit creditors and equity interest holders to make an informed decision whether to accept or reject the Plan. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to, or concurrently with, such solicitation.

C. Considerations Relevant To Acceptance Of The Plan

The Debtors’ recommendation that all Creditors should vote to accept the Plan is premised upon the Debtors’ view that the Plan is preferable to other alternatives, such as conversion of the Bankruptcy Cases to a chapter 7 bankruptcy case which would likely be more time-consuming, more expensive, and likely result in lower Distributions to creditors. It appears unlikely to the Debtors that an alternate plan of reorganization or liquidation can be proposed that would provide for payments in an amount equal or greater than the amounts proposed under the Plan. If the Plan is not accepted, it is likely that the interests of all creditors will be further diminished.

VII. FEASIBILITY OF THE PLAN AND BEST INTERESTS TEST

A. Feasibility of the Plan

The Bankruptcy Code requires that, for the Plan to be confirmed, the Debtors must demonstrate that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors. The Plan contemplates the winding down of the Debtors’ Estates; therefore, no subsequent liquidation or reorganization will ensue after the Effective Date. The Debtors believe that they will be able to timely perform all obligations described in the Plan and, therefore, that the Plan is feasible.

HOLDERS OF CLAIMS AND INTERESTS ARE ADVISED TO REVIEW CAREFULLY THE RISK FACTORS INCLUDED IN ARTICLE IX OF THIS DISCLOSURE STATEMENT THAT MAY AFFECT THE FINANCIAL FEASIBILITY OF THE PLAN.

B. Best Interest of Creditors Test

In certain circumstances, to be confirmed, the Plan must pass the “Best Interest Of Creditors Test” incorporated in section 1129(a)(7) of the Bankruptcy Code. The test applies to individual creditors and Interest holders (stockholders) that are both (i) in Impaired Classes under the Plan, and (ii) do not vote to accept the Plan. Section 1129(a)(7) of the Bankruptcy Code requires that such Creditors and Interest holders receive or retain an amount under the Plan not less than the amount that such holders would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code.

In a typical chapter 7 case, a trustee is elected or appointed to liquidate the debtor’s assets for distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code. Secured creditors generally are paid first from the sales proceeds of properties securing their liens. If any assets are remaining in the bankruptcy estates after the satisfaction of secured creditors’ claims from their collateral, Administrative Claims generally are next to receive payment. Unsecured creditors are paid from any remaining sales proceeds, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same priority. Finally, equity interest holders receive the balance that remains, if any, after all creditors are paid.

C. Application of Best Interests Test to the Liquidation Analysis and Valuation of the Debtors

The Debtors believe that the Plan meets the “best interests” test of section 1129(a)(7) of the Bankruptcy Code because members of each Impaired Class will receive a more valuable Distribution under the Plan than they would in a liquidation in a hypothetical chapter 7 case. Creditors will receive a better recovery through the Distributions contemplated by the Plan because the professionals proposing the Plan have been working in these Bankruptcy Cases since their inception and are familiar with the background and progress of these bankruptcy cases. On the other hand, conversion of these Bankruptcy Cases to a chapter 7 liquidation proceeding will require the appointment of a trustee, who will likely will need additional time to become familiar with the Bankruptcy Cases, and a statutory fee will be paid to the chapter 7 trustee. While gaining familiarity with these cases, a chapter 7 trustee will expend time payable by the remaining cash on hand in the Debtors’ Estates, thereby reducing the potential distribution to creditors. Under the Plan, Distributions will be made as soon as practicable after the later of the Effective Date or the Allowance Date, whereas conversion of this case to a chapter 7 liquidation proceeding will substantially delay distributions and reduce the amount of distributions currently available to creditors. Thus, the Debtors believe that the Plan satisfies the “best interests” test.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMATION OF THE PLAN

The Debtors believe that the Plan affords holders of Claims the potential for the greatest return and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, the theoretical alternatives include: (a) an alternative plan or plans of liquidation; or (b) conversion of these Bankruptcy Cases to a chapter 7 bankruptcy case. The Debtors believe that the Plan provides a substantially greater return to holders of Claims than would an alternative plan of liquidation or conversion of these Bankruptcy Cases under chapter 7 of the Bankruptcy Code.

Underlying the liquidation analysis set forth in Exhibit D are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors, are inherently subject to significant economic uncertainties and contingencies beyond the control of the Debtors. The liquidation analysis is also based upon assumptions with regard to liquidation decisions that are subject to change.

IX. CERTAIN RISK FACTORS TO CONSIDER

The following disclosures are not intended to be inclusive and should be read in connection with the other disclosures contained in this Disclosure Statement and the exhibits attached hereto. You should carefully consider the risks described below in addition to the other information contained in this document. It is recommended that you consult your legal, financial, and tax advisors regarding the risks associated with the Plan and the Distributions you may receive thereunder.

A. Claims Estimation

There can be no assurance that the estimated Claim amounts assumed for the purposes of preparing the Plan are correct. The actual amount of Allowed Claims likely will differ in some respect from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual amount of Allowed Claims may vary from those estimated for the purpose of preparing the Plan.

B. Certain Risks of Nonconfirmation

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A rejecting Creditor or holder of an Interest might challenge the balloting procedures and results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court were to determine that the balloting procedures and results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it were to find that any of the statutory requirements for confirmation had not been met. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the confirmation of the Plan is not likely to be followed by a liquidation or a need for further financial reorganization.

X. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

A. General

The following discussion is a summary of certain U.S. federal income tax consequences of the Plan to the Debtors and to holders of Claims. This discussion is based on the Internal Revenue Code of 1986, as amended (the “IRC”), Treasury Regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service (“IRS”) as in effect on the date hereof. Due to the complexity of certain aspects of the Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the claims (including claims within the same class), the holders’ status and method of accounting (including holders within the same class) and the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are subject to significant uncertainties. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the IRS with respect to the any of the issues discussed below. Furthermore, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Debtors and the holders of Claims.

This summary does not apply to

(i) holders of Claims that are not United States persons (as defined in the IRC) or that are otherwise subject to special treatment under U.S. federal income tax law (including, for example, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, regulated investment companies, investors that hold the instruments as part of a straddle or hedging, constructive sale, integrated or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar), or

(ii) holders of Claims or Interests that are not entitled to vote on the Plan, including holders whose Claims are entitled to reinstatement or payment in full in cash under the Plan or holders whose Claims or Interests are to be extinguished without any distribution.

The following discussion assumes that holders of Claims hold their instruments as “capital assets” within the meaning of IRC Section 1221, and that holders of Claims hold only claims in a single class. Holders of multiples classes of Claims should consult their own tax advisors as to the effect such ownership may have on the federal income tax consequences described below. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to the Debtors and holders of Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under state, local, or foreign tax law.

If a partnership holds Claims, the tax treatment of the partners will generally depend upon the status of the partners and the activities of the partnership. Partners in partnerships that hold Claims should consult their tax advisors.

The following summary is not a substitute for careful tax planning and advice based upon the personal circumstances of each holder of a Claim or Interest. Each such holder is urged to consult with such holder's tax advisors regarding the U.S. federal, state, local and foreign tax consequences to such holder that result from the Plan.

B. Consequences to the Debtors and Holders of Interests in Debtors

The Debtors (other than Bigler Land, LLC) are classified as partnerships for U.S. federal income tax purposes. Consequently, the partnership Debtors are not taxpayers for U.S. federal income tax purposes, and instead each such Debtor's items of income gain, loss and deduction are allocated to its partners and reported on their federal income tax returns. Bigler Land, LLC is a disregarded entity of Bigler LP and thus all of its assets, liabilities and tax items are treated as assets, liabilities and tax items of Bigler LP. The tax consequences to holders of Interests in the Debtors resulting from the implementation of the Plan are complex and will depend, in large part, on the tax situation of each individual Interest holder. Accordingly, holders of Interests in the Debtors are urged to consult their own tax advisors regarding the tax consequences resulting from the implementation of the Plan.

The Debtors will recognize gain or loss to the extent that (i) the Debtors sell assets to pay Claims, or (ii) the Debtors convey assets (other than cash) to the Liquidating Trust to satisfy Claims. Any such gain or loss would be equal to the difference between the Debtor's basis in the assets sold or conveyed and the amount realized on such sale or conveyance, which will be deemed to be (i) the fair market value of such assets to the extent transferred to satisfy recourse indebtedness, and (ii) in the case of nonrecourse debt, the amount of the nonrecourse Claim secured by such assets. The character of such gains and losses as ordinary or capital will depend on the nature of the asset conveyed and the Debtor's holding period for such asset. Such gains and losses will be allocated to the holders of Interests in the Debtor in the manner provided in the applicable partnership agreement and in accordance with applicable Treasury Regulations under the IRC.

In addition, a Debtor will recognize cancellation of debt income ("COD income") to the extent a Creditor's recourse Claims against the Debtor are satisfied for less than their face amount. This COD income will be ordinary income for federal income tax purposes. The partnership agreements for those Debtors that are classified as partnerships for federal income tax purposes do not specifically address the manner in which such COD income is to be allocated among the holders of Interests in the Debtors. In the absence of a specific allocation provision, the partnership Debtors currently intend, based on certain published IRS rulings, applicable Treasury Regulations under IRC Section 704(b), and other authority, to allocate any such COD income recognized by them solely to the Debtor's general partner, to the extent such general partner bears the ultimate risk of loss as to the recourse Claim to which the COD income is attributable. To the extent a Debtor recognizes COD income that is attributable to the discharge of a nonrecourse Claim, and not in connection with a conveyance of the property securing the nonrecourse Claim to the Creditor, such COD income will be allocated in accordance with the

terms of the Debtor's partnership agreement and applicable federal income tax law.

To the extent COD income is required to be allocated to an Interest holder, certain relief provisions may apply. In particular, to the extent the Interest holder is insolvent or is itself a party to a partner-level bankruptcy proceeding under Title 11 immediately prior to the realization of COD income, such Interest holder can exclude its allocable share of such COD income from the holder's taxable income, although the holder will be required to reduce certain of its tax attributes in the manner required under IRC Section 108(b). If the Interest holder is an upper-tier entity that is classified as a partnership for tax purposes, the COD income exclusionary rules apply at the partner level. Alternatively, if a special election is made by the Debtor and if certain other requirements are met, COD income recognized in 2010 may be deferred and amortized into income ratably over the five-year period beginning in 2014 and ending in 2018, although the IRC Section 108 exclusions may not be claimed when such deferred income is ultimately required to be included in taxable income. Further, the deferral may be accelerated upon the occurrence of certain events. Each Interest holder is urged to consult its own tax advisor regarding the possible application of such relief provisions in the event any COD income is allocated to such Interest holder.

The transfer of the Debtors' assets to the Liquidating Trust and the extinguishment of the holders' Interests in the Debtors should be treated as effecting a termination of the Debtors for federal income tax purposes. Accordingly, holders of Interests in the Debtor who are properly regarded as continuing partners of a Debtor through the date of such termination will be allocated their respective portions of the Debtor's items of income, gain, loss and deduction for the final partnership taxable year ending on the date of such termination. Holders of Interests who are properly treated as having abandoned their Interests in a Debtor for federal income tax purposes will be allocated a share of the Debtor's taxable income, gain, loss and deduction for the taxable period ending on the date of such abandonment, with such share being determined under an appropriate allocation method in accordance with the partnership agreement and applicable federal income tax law.

A holder of an Interest that has not previously abandoned or otherwise disposed of its Interest will recognize a loss on the extinguishment of its Interest pursuant to the Plan equal to its adjusted basis in its Interest, after taking into account any allocable items of income, gain, loss and deduction from the Debtors' final partnership taxable year for federal income tax purposes. An Interest holder's tax basis in its Interest is increased by the amount of cash and the adjusted basis of any property contributed by the holder to the Debtor and by the holder's allocable share of partnership income and gain, including any COD income allocated to such holder, and decreased by the amount of cash and the adjusted basis of any property distributed to such holder by the Debtor and such holder's share of partnership loss and deduction. In addition, an increase in an Interest holder's allocable share of partnership liabilities under IRC Section 752 is treated as a contribution of money to the partnership, and a decrease in such holder's allocable share of liabilities (such as when partnership liabilities are satisfied, assumed, or discharged) is treated as a distribution of money to such holder. Any loss recognized by a holder on the worthlessness, abandonment, or extinguishment of an Interest may be an ordinary loss if there is neither an actual distribution nor a deemed distribution of money to such holder under IRC Section 752(b) as a result of a reduction in such holder's share of partnership liabilities that takes place in anticipation of, or in connection with, such worthlessness, abandonment or extinguishment.

To the extent a Debtor has items of loss or deduction from prior periods that were suspended as a result of the basis limitation under IRC Section 704(d), the at-risk rules of IRC Section 465 or the passive activity loss rules of IRC Section 469, these items of loss or deduction may become available as a result of the extinguishment of the holder's Interest and the transfer of the Debtor's assets to the Liquidating Trust. The tax rules related to the limitation on utilization of losses by owners of pass-through entities such as the Debtors are extremely complex and depend on the individual tax situation of the owner. Accordingly, each Interest holder is urged to consult its own tax advisor regarding the application of these rules.

C. Federal Income Tax Treatment of the Liquidating Trust

Pursuant to the Plan, the Debtors will transfer certain assets to the Liquidating Trust, which will become obligated to make distributions to holders of Claims in accordance with the Plan. The Plan provides, and this discussion assumes, that the Liquidating Trust will be treated for federal income tax purposes as a "liquidating trust," as defined in Treasury Regulation Section 301.7701-4(d), and will therefore be taxed as a grantor trust. The transfer of assets to the Liquidating Trust in accordance with the Plan will be treated for federal income tax purposes as a deemed transfer of assets to the holders of Claims, followed by a deemed transfer of such assets by such holders to the Liquidating Trust. The holders of Claims, as the beneficiaries of the Liquidating Trust, will be treated for federal income tax purposes as the grantors and deemed owners thereof. Accordingly, because a grantor trust is treated as a pass-through entity for federal income tax purposes, no tax should be imposed on the Liquidating Trust itself or on the income earned or gain recognized by the Liquidating Trust. Instead, the beneficiaries will be taxed on their allocable shares of such net income or gain in each taxable year (determined in accordance with the Liquidating Trust Agreement), whether or not they receive any distributions from the Liquidating Trust in such taxable year.

Although the Liquidating Trust has been structured with the intention of complying with guidelines established by the IRS in Rev. Proc. 94-45, 1994-2 C.B. 684, for the formation of liquidating trusts, it is possible that the IRS could require a different characterization of the Liquidating Trust, which could result in different and possibly greater tax liability to the Liquidating Trust and/or the holders of Allowed Claims. No ruling has been or will be requested from the IRS concerning the tax status of the Liquidating Trust and there can be no assurance the IRS will not assert an alternative characterization of the Liquidating Trust. If the Liquidating Trust were determined by the IRS to be taxable not as a liquidating trust, as described in Treasury Regulation Section 301.7701-4(d), the taxation of the Liquidating Trust and the transfer of assets by the Debtors to the Liquidating Trust could be materially different than is described herein and could have a material adverse effect on the holders of Allowed Claims.

The Liquidating Trustee will file tax returns with the IRS for the Liquidating Trust as a grantor trust in accordance with Treasury Regulation Section 1.671-4(a). The Liquidating Trustee will also send to each beneficiary of the Liquidating Trust a separate statement setting forth the beneficiary's allocable share of items of income, gain, loss, deduction or credit and will instruct the beneficiary to report such items on such beneficiary's federal income tax return.

D. Consequences to Holders of Claims

The federal income tax consequences of the Plan to a holder of a Claim will depend upon several factors, including but not limited to: (i) the origin of the holder's Claim, (ii) whether the holder is a nonresident of the United States for tax purposes or otherwise falls into any of the special classes of taxpayers excluded from this discussion as noted above, (iii) whether the holder reports income on the accrual or cash basis method, (iv) whether the holder has taken a bad debt deduction or worthless security deduction with respect to its Claim and (v) whether the holder receives distributions under the Plan in more than one taxable year.

Holders are strongly advised to consult their own tax advisors with respect to the tax treatment under the Plan of their particular Claims.

1. Gain or Loss Recognized by Holders of Claims

Generally, a holder of an Allowed Claim will recognize gain or loss equal to the difference between the amount realized by such holder and such holder's adjusted tax basis in the Allowed Claim. The amount realized is equal to the sum of the cash and the fair market value of any other consideration received under the Plan in respect of a holder's Claim, including, to the extent such holder is a beneficiary of the Creditors' Trust, the fair market value of each such holder's proportionate share of the assets transferred to the Creditors' Trust on behalf of and for the benefit of such holder (to the extent that such cash or other property is not allocable to any portion of the Allowed Claim representing accrued but unpaid interest (as discussed below)).

The transfer of the Trust Assets to the Liquidating Trust by the Debtors should be treated for federal income tax purposes as a transfer of such Trust Assets directly to the holders of Allowed Claims to the extent they are beneficiaries of the Liquidating Trust, followed by a deemed transfer of such Trust Assets by such beneficiaries to the Liquidating Trust. As a result of such treatment, such holders of Allowed Claims will be required to take into account the fair market value of their pro rata share, if any, of the proceeds of the Trust Assets transferred on their behalf to the Liquidating Trust in determining the amount of gain realized and required to be recognized upon consummation of the Plan on the Effective Date. In addition, since a holder's share of the assets held in the Trust may change depending upon the resolution of Disputed Claims, the holder may be prevented from recognizing any loss in connection with consummation of the Plan until all such Disputed Claims have been resolved. The Liquidating Trustee will provide the holders of Allowed Claims with valuations of the assets transferred to the Liquidating Trust on behalf of and for the benefit of such holders and such valuations should be used consistently by the Liquidating Trust and such holders for all federal income tax purposes.

2. Distributions in Discharge of Accrued but Unpaid Interest

Pursuant to the Plan, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claims, with any excess allocated to any allowed accrued but unpaid interest. However, there can be no assurance that the IRS will respect such allocation for federal income tax purposes. Holders of Allowed Claims that have not previously

included in their taxable income any accrued but unpaid interest on such Claims may be treated as receiving taxable interest to the extent the consideration they receive under the Plan is allocable to accrued but unpaid interest. Holders that have previously included in their taxable income any accrued but unpaid interest on such Allowed Claims may be entitled to recognize a deductible loss, to the extent that such accrued but unpaid interest is not satisfied under the Plan.

3. Character of Creditor's Gain or Loss; Tax Basis; Holding Period

The character of any gain or loss as capital or ordinary and, in the case of capital gain or loss, as long-term or short-term, recognized by a holder of Allowed Claims under the Plan will be determined by a number of factors, including, but not limited to, the status of the holder, the nature of the allowed claim in such holder's hands, the purpose and circumstances of its acquisition, the holder's holding period of the Allowed Claim, the extent to which the holder previously claimed a deduction for the worthlessness of all or a portion of the Allowed Claim, and the extent to which the holder acquired the Allowed Claim at a market discount. The holder's aggregate tax basis for any property received under the Plan will generally equal the fair market value of the property realized in the exchange, less any amount allocable to interest as described in the preceding paragraph. The holding period for any property received under the Plan will generally begin on the day following the receipt of such property.

4. Prior Bad Debt or Loss Deduction

Under certain circumstances, a holder of a Claim may recognize ordinary income to the extent that such holder is deemed on the Effective Date to have received consideration for such Claim that represents a recovery of a prior bad debt or loss deduction, regardless of whether gain or loss would have otherwise been realized or recognized by such holder on consummation of the Plan. Holders of Claims who have taken a bad debt or loss deduction with respect to their Claims should consult their own tax advisors as to the effect of such deduction in light of their particular circumstances.

E. Backup Withholding

Under the backup withholding rules, a holder of Claims may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless that holder (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax, but merely an advance payment that may be refunded to the extent it results in an overpayment of tax.

Debtors intend to withhold all amounts required by law to be withheld from payments of interest and will comply with all applicable reporting requirements of the IRC.

IRS CIRCULAR 230 NOTICE

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS OR INTERESTS ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF FEDERAL INCOME TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER OF A CLAIM OR INTEREST FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE IRC ON SUCH HOLDERS, (2) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE CONFIRMATION OF THE PLAN TO WHICH THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE ANCILLARY, AND (3) HOLDERS OF CLAIMS OR INTERESTS SHOULD SEEK ADVICE BASED UPON THEIR PARTICULAR CIRCUMSTANCES FROM THEIR OWN TAX ADVISOR.

XI. CONCLUSION AND RECOMMENDATION

Based on the foregoing analysis of the Debtors, their assets, and the Plan, the Debtors believe that the best interests of all parties would be served through confirmation of the Plan. **FOR THESE REASONS, THE DEBTORS URGE ALL CREDITORS TO VOTE TO "ACCEPT" THE PLAN.**

Dated: February 26, 2010


BIGLER, LP

By: 

Name: H. Malcolm Lovett, Jr.

Title: Chief Restructuring Officer

BIGLER LAND, LLC

By: 

Name: H. Malcolm Lovett, Jr.

Title: Chief Restructuring Officer

BIGLER PETROCHEMICAL, LP


By: 

Name: H. Malcolm Lovett, Jr.

Title: Chief Restructuring Officer

[signatures continue]

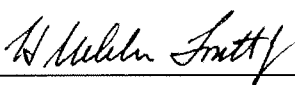
BIGLER PLANT SERVICES, LP

By: 

Name: H. Malcolm Lovett, Jr.

Title: Chief Restructuring Officer

BIGLER TERMINALS, LP

By: 

Name: H. Malcolm Lovett, Jr.

Title: Chief Restructuring Officer

EXHIBITS TO DISCLOSURE STATEMENT

- | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------|
| EXHIBIT A | Debtors' Joint Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code |
| EXHIBIT B | Debtors' Statement of Financial Affairs Question 3(b) -- Payments to Creditors within 90 Days Prior to the Petition Date |
| EXHIBIT C | Debtors' Statement of Financial Affairs Question 3(c) -- Payments to Insiders within One Year Prior to the Petition Date |
| EXHIBIT D | Liquidation Analysis |