

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re: HCL Liquidation Ltd
Debtors

Case No. 11-13012 (BLS)
Reporting Period: December 1 - December 31, 2011

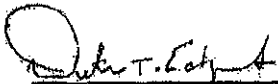
MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached and Explained in Checkboxes	Document Attached and Explained in Checkboxes	Document Attached and Explained in Checkboxes
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a		X	
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4		X	
Copies of IRS Form 970 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		X

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



Signature of Authorized Individual*

May 3, 2012

Date

Dalton T. Edgetomb
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

MOR-1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS ⁽¹⁾

		<u>Hussey Copper Ltd</u> <u>11-13012</u>	
Receipts			
A/R Collections	\$		21,816,863
Asset sales ⁽²⁾			26,656,801
Other cash receipts			92,393
Total Receipts		\$	48,566,058
Disbursements			
Metal Purchases			13,516,554
Payroll Funding & Payroll-Related Checks			1,805,310
Other Accounts Payable & Taxes			2,111,332
Insurance			670,681
Utility			616,165
Expense Reimbursement			27,098
Expense Reimbursement - Stalking Horse Bidder			1,037,500
Other Bank Fees			9,188
Professional Fees Escrow Deposit			681,000
DIP Interest & Related Fees			786,957
Total Disbursements		\$	21,261,786
Receipts Over (Under) Disbursements		\$	27,304,271

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES		<u>Hussey Copper Ltd</u> <u>11-13012</u>	
TOTAL DISBURSEMENTS	\$		21,261,786
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS			9,167
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)			-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$		21,252,620

Notes:

(1) The Debtors' accounting systems are designed to provide operating reports in accordance with GAAP. The accounting systems are not primarily designed to produce reports that are consistent with the requirements of the U.S. Trustee. The numbers presented in the cash flow are subject to change as additional information is made available. The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustments.

(2) Net of payment of secured debt and other obligations to PNC Bank, N.A. under the Revolving Credit, Term Loan and Security Agreement dated January 20, 2006 and Debtor in Possession Financing Agreement dated September 28, 2011.

MOR-1a
BANK ACCOUNTS*

Bank Name	Account Type	Debtor	Account Number	12/31/2011 Bank Balance **
PNC Bank, National Association	Collection Account	Hussey Copper Ltd	XXXXXX2278	\$ -
PNC Bank, National Association	Collection Account	Hussey Copper Ltd	XXXXXX2286	\$ -
PNC Bank, National Association	Master Operating / Funding Account	Hussey Copper Ltd	XXXXXX2294	\$ 22,453,981.89
PNC Bank, National Association	Controlled Disbursement Account	Hussey Copper Ltd	XXXXXX1057	\$ -
PNC Bank, National Association	Controlled Disbursement Account	Hussey Copper Ltd	XXXXXX1065	\$ -
PNC Bank, National Association	Controlled Disbursement Account	Hussey Copper Ltd	XXXXXX1129	\$ -
PNC Bank, National Association	Utility Deposit Account	Hussey Copper Ltd	XXXXXX1262	\$ 163,584.25
PNC Bank, National Association	Sale Proceeds Reserve Account	Hussey Copper Ltd	XXXXXX6637	\$ 2,400,000.00
Huntington National Bank	Checking Account	Hussey Copper Ltd	XXXXXX8299	\$ -
Huntington National Bank	Checking Account	Hussey Copper Ltd	XXXXXX8309	\$ -

*Due to the voluminous nature of the bank statements for this Debtor, bank statements are not attached to this MOR, but are available from the Debtors upon request.

**The utility deposit account is included as a prepaid asset.

BANK RECONCILIATIONS*

	Operating		Payroll		Tax		Other	
BALANCE PER BOOKS								
BANK BALANCE								
(+) DEPOSITS IN TRANSIT (ATTACH LIST)								
(-) OUTSTANDING CHECKS (ATTACH LIST)								
OTHER (ATTACH EXPLANATION)								
ADJUSTED BANK BALANCE*								
*Adjusted bank balance must equal balance per books								
DEPOSITS IN TRANSIT	Date	Amount	Date	Amount	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount

*The Debtors have completed bank reconciliations for the disbursement accounts listed above. Due to the voluminous nature of the bank statement reconciliations, the reconciliations are not attached to this MOR, but are available from the Debtors upon request.

MOR-1b

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

Professional	Amount Paid This Period Fees & Expenses ⁽¹⁾	Cumulative Amount Paid Fees & Expenses
Saul Ewing LLP	\$ -	\$ -
SSG Capital Advisors, LLC	-	-
Huron Consulting Services, LLC	-	-
Donlin Recano & Company, Inc.	-	1,600.00
Blank Rome LLP	321,993.82	595,086.70
RAS Management Advisors, LLC	14,300.00	42,700.00
Lowenstein Sandler PC	-	-
Klehr Harrison Harvey Branzburg LLP	-	-
FTI Consulting, Inc.	-	-
Totals	\$ 336,293.82	\$ 639,386.70

(1) \$0.681 million has been funded into an escrow account held by Saul Ewing based on professional fee estimates included in the DIP Budget. Distributions from this account will be reflected in this Schedule in future months.

(2) Blank Rome and RAS Management Advisors fees were satisfied from the sale transaction proceeds, pursuant to the DIP Payoff Letter. The net proceeds from the sale after payment of all fees and expenses is reflected on MOR-1.

Professional	Role
Saul Ewing LLP	Debtors' Counsel
SSG Capital Advisors, LLC	Debtors' Investment Banker
Huron Consulting Services, LLC	Debtors' Chief Restructuring Officer and Additional Personnel
Donlin Recano & Company, Inc.	Debtors' Notice, Claims and Balloting Agent
Blank Rome LLP	Secured Lenders' Counsel
RAS Management Advisors, LLC	Secured Lenders' Financial Advisors
Lowenstein Sandler PC	Co-Counsel to the Official Committee of Unsecured Creditors
Klehr Harrison Harvey Branzburg LLP	Delaware Counsel to the Official Committee of Unsecured Creditors
FTI Consulting, Inc.	Restructuring and Financial Advisors to the Official Committee of Unsecured Creditors

MOR-2
STATEMENT OF OPERATIONS
(Income Statement)

Dollars in Thousands

	<u>Hussey Copper Ltd</u> <u>11-13012</u>
Revenue	
Spread Revenue	\$ 2,555
PPV	
Metal Sales	10,875
Metal Costs	<u>8,579</u>
Metal Margin	<u>2,295</u>
Rental Income	-
Other Income	-
Total Revenue	<u>4,850</u>
Operating Costs	
Casting	601
Leetsdale	902
Eminence	1,323
San Luis Potosi	(1)
Purchased Cake	2
Outside Fab / Bar Fab	34
Freight	214
Depreciation	-
Total Operating Costs	<u>3,075</u>
Gross Margin	1,775
S G & A	382
Amortization	-
Other Income / Expense	<u>989</u>
Operating Income	<u>404</u>
Restructuring Costs	3,823
Discontinued Operations	-
Other Non-Operating (Income) Expense	2,271
Interest (Income) Expense	2
Net Earnings	<u>\$ (5,692)</u>

Notes:

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognized revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

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**MOR-3
BALANCE SHEET**

Dollars in Thousands

	<u>Hussey Copper Ltd</u> <u>11-13012</u>	
CURRENT ASSETS		
Cash	\$	24,854
Accounts Receivable		3,610
Inventories		
Metal		-
Fab Costs		-
Total Inventories		<u>-</u>
Supplies		-
Prepaid Expenses & Assets		<u>1,562</u>
TOTAL CURRENT ASSETS		<u>30,025</u>
Net Property, Plant & Equipment		-
Other Long Term Assets		1,224
Investments & Advances to Affiliates		99
TOTAL ASSETS	\$	<u>31,348</u>
CURRENT LIABILITIES		
Accounts Payable Trade	\$	674
Other Accounts Payable		2,986
Other Accrued Expenses		1,765
Accrued Compensation		-
TOTAL CURRENT LIABILITIES		<u>5,425</u>
Book Overdraft (Outstanding Checks)		353
Revolving Line of Credit		-
Senior Term Debt		-
TOTAL SR SECURED DEBT		<u>353</u>
LIABILITIES SUBJECT TO COMPROMISE		
Accounts Payable Trade		29,384
Other Liabilities		660
Intercompany		150
Subordinated Debt		2,400
TOTAL LIABILITIES		<u>38,373</u>
Capital Stock		-
Additional Paid in Capital		-
Other Comprehensive Income		(76)
Contributed and Retained Earnings		<u>(6,948)</u>
TOTAL PARTNERS EQUITY		<u>(7,024)</u>
TOTAL LIABILITIES & EQUITY	\$	<u>31,348</u>

Notes:

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

MOR-4
Hussey Copper Ltd. (11-13012)
Status of Postpetition Taxes

This Debtor is current with respect to post-petition tax obligations.

MOR-4
Hussey Copper Ltd. (11-13012)
Listing of Aged Accounts Payable
As of December 31, 2011

	Notes	Number of Days Outstanding					Totals
		Current	1-30	31-60	61-90	Over 90	
Accounts Payable	(1)	\$ 674,390.16	\$ -	\$ -	\$ -	\$ -	\$ 674,390.16
Other Payables	(2)	2,986,046.20	-	-	-	-	2,986,046.20
Totals		\$ 3,660,436.36	\$ -	\$ -	\$ -	\$ -	\$ 3,660,436.36
		100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Notes:

- (1) All information contained herein is unaudited and subject to future adjustments. The post-petition accounts payable reported represents open and outstanding trade vendor invoices, aged based on invoice due date, that have been entered into the Debtors' accounts payable system. These amounts do not include any payables based on accruals for which invoices have not been received nor services performed.
- (2) Substantially represents amounts payable based on the purchase price allocation in the Asset Purchase Agreement with Libertas Copper, LLC.

MOR-5
Hussey Copper Ltd. (11-13012)
Listing of Aged Accounts Receivable
As of December 31, 2011

Notes	Number of Days Outstanding					Totals
	Current	1-30	31-60	61-90	Over 90	
Accounts Receivable (1)	\$ 2,546,395.87	\$ -	\$ -	\$ -	\$ -	\$ 2,546,395.87
Other Receivables	1,063,197.32	-	-	-	-	1,063,197.32
Subtotal	\$ 3,609,593.19	\$ -	\$ -	\$ -	\$ -	\$ 3,609,593.19
	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Allowance Reserve & Other Reconciling Items

-

Total

\$ 3,609,593.19

Notes:

(1) All information contained herein is unaudited and subject to future adjustments.

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below. Following a Court-approved auction held on November 14, 2011, HCL Liquidation Ltd. ("HCL") entered into an Asset Purchase Agreement (the "APA") with Libertas Copper, LLC ("Libertas"), the highest and best bidder for HCL's assets at auction. Thereafter, on November 18, 2011, the Court entered an order approving the sale of substantially all of HCL's assets to Libertas pursuant to the terms of the APA [Docket No. 300].	X	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3 PNC Bank Account XXXXXX6637 (Schneider Electric Reserve Account)	X	

Notes to the Monthly Operating Report

1. Background and Basis of Presentation: On September 27, 2011, Hussey Copper Corp. and certain of its affiliates (collectively, the "Debtors" or "Debtor Entities") filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") seeking relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code").

The unaudited financial statements included herein include the accounts and results of operations. The information contained in this Monthly Operating Report ("MOR") is provided to fulfill the reporting requirements set forth by the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment.

These financial statements include the results of operations for the period from December 1, 2011 through December 31, 2011. These financial statements are not intended to be prepared in conformity with U.S. GAAP, because they do not include all of the information and footnote disclosures required by U.S. GAAP for complete financial statements. The information contained in this MOR (i) has not been audited or reviewed by independent registered public accountants, (ii) is limited to the time period indicated.

Preparation of the MOR requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The Debtors cannot determine future events and their effects with certainty, particularly while the Chapter 11 cases are proceeding. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions, and other factors such as historical experience, current and expected economic conditions, and in some cases, actuarial calculations. The Debtors periodically review these significant factors and make adjustments when appropriate.

The statements of operations and cash flows presented in the MOR for any interim period are not necessarily indicative of the results that may be expected for a full quarter, full year, or any future interim period. While every effort has been made to assure the accuracy and completeness of this MOR, errors or omissions may have inadvertently occurred and the Debtors reserve the right to amend the MOR as necessary. In particular, the Debtors are in the process of reconciling pre-petition and post-petition liabilities, as well as liabilities subject to compromise and such amounts are subject to reclassification and/or adjustment in the future.

For the reasons discussed above, the Debtors caution readers not to place undue reliance upon information contained in the MOR.

2. Eliminations: The balance sheets and statements of operations for the Debtors are presented on an entity basis and do not account for eliminations of intercompany sales, receivables, and payables, or certain other reclassification transactions.