IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

In Re: International Energy Holdings Corp. fka International CRO Holdings Corp., fka The Cornerstone Brad, LLC, fka Bison Renewable Energy, LLC Debtor.	Case No. 11-01593 Chapter 11

PROPOSED DISCLOSURE STATEMENT FOR THE DEBTOR'S PLAN OF REORGANIZATION

Christopher C. Todd, Esquire
Florida Bar No. 72911
Chris@mcintyrefirm.com
McIntyre, Panzarella, Thanasides,
Hoffman, Bringgold & Todd, P.L.
400 N. Ashley Street, Ste. 1500
Tampa, Florida 33602
Telephone: (813) 899-6059
Facsimile: (813) 899-6069

and

Theodore E. Karpuk #AT0004085
The Law Office of Theodore E. Karpuk
P.O. Box 1166
Sioux City, IA 51102-1166
(712) 224-2930
(712) 224-2933 (F)
tekarpuk@aol.com

GENERAL REORGANIZATION COUNSEL FOR
THE DEBTOR AND DEBTOR IN POSSESSION

THIS IS NOT A SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN OF INTERNATIONAL ENERGY HOLDING CORP. IN ITS CHAPTER 11 CASE, ACCEPTANCES MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT AND IS SUBJECT TO AMENDMENT PRIOR TO SUCH APPROVAL BEING GRANTED.

TABLE OF CONTENTS

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS __ P.M. CENTRAL TIME ON _____, 20__ UNLESS EXTENDED BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF IOWA.

DISCLAIMER

THIS DISCLOSURE STATEMENT TO THE CHAPTER 11 PLAN OF THE DEBTOR DATED SEPTEMBER 23, 2011, THE OTHER EXHIBITS ANNEXED HERETO, THE ACCOMPANYING BALLOTS AND THE RELATED MATERIALS DELIVERED TOGETHER HEREWITH ARE BEING FURNISHED BY THE DEBTOR TO RECORD HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTERESTS KNOWN TO THE DEBTOR, PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE IN CONNECTION WITH THE SOLICITATION BY THE DEBTOR OF VOTES TO ACCEPT THE PLAN AS DESCRIBED HEREIN.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE SATISFIED. SEE "THE PLAN – CONDITIONS PRECEDENT TO EFFECTIVE DATE OF THE PLAN." THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF EQUITY INTERESTS IN, THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

ALL HOLDERS OF ELIGIBLE CLAIMS AND ELIGIBLE EQUITY INTERESTS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ALL SUMMARIES OF THE PLAN AND OTHER STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE PLAN DOCUMENTS, AND THE EXHIBITS ANNEXED TO THIS DISCLOSURE STATEMENT. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT,

THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE PLAN AND SUCH PLAN DOCUMENTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE INDICATED, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF AND THE DEBTOR UNDERTAKES NO DUTY TO UPDATE THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE LAW. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTOR IN THIS CHAPTER 11 CASE SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE NEW SECURITIES TO BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL NOT HAVE BEEN THE SUBJECT OF A REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER THE SECURITIES ACT OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE PLAN HAS NOT BEEN REVIEWED, APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL THE SECURITIES DESCRIBED HEREIN AND IS NOT A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY STATE WHERE SUCH OFFER OR SALE IS NOT PERMITTED**.**

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT, THE PLAN DOCUMENTS OR THE EXHIBITS ANNEXED TO THIS DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR SUCH OTHER DOCUMENT. THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTOR

FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS AND SHALL BE INADMISSIBLE FOR ANY PURPOSE ABSENT THE EXPRESS WRITTEN CONSENT OF THE DEBTOR AND THE PARTY AGAINST WHOM SUCH INFORMATION IS SOUGHT TO BE ADMITTED.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. THE DESCRIPTIONS SET FORTH HEREIN OF THE ACTIONS, CONCLUSIONS, OR RECOMMENDATIONS OF THE DEBTOR OR ANY OTHER PARTY IN INTEREST HAVE BEEN PASSED UPON BY SUCH PARTY, BUT NO SUCH PARTY MAKES ANY REPRESENTATION OR WARRANTY REGARDING SUCH DESCRIPTIONS. NO REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING THE DEBTOR, ITS BUSINESS OPERATIONS, THE VALUE OF ITS ASSETS OR THE VALUES OF THE SECURITIES DESCRIBED HEREIN TO BE ISSUED OR BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY THE BANKRUPTCY COURT. HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO CONSTITUTE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Disclosure Statement and its exhibits include projected financial information regarding the Reorganized Debtor and certain other "forward-looking statements" involving future events, future business and other conditions, future performance and expected operations of the Debtor and Reorganized Debtor within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, all of which are based upon various estimates and assumptions that the Debtor believe to be reasonable as of the date hereof. These statements are based on management's belief and expectations and on information currently available to management. Forward-looking statements may include statements in which we use words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "predict," "hope," "should," "could," "may," "future," "will," "potential," or the negatives of these words and all similar expressions.

These statements involve assumptions, risks and uncertainties that could cause the Debtor's and Reorganized Debtor's actual future outcomes to differ materially from those set forth in this Disclosure Statement. Such assumptions, risks and uncertainties include, but are not limited to:

- the Debtor's ability to effect its proposed restructuring, or any other restructuring on terms acceptable to the Debtor;
- the Debtor's ability to continue as a going concern;
- the Debtor's ability to generate sufficient liquidity meet debt service obligations and related financial and other covenants, any possible resulting material default under the Debtor's debt obligations that is not waived or rectified, fund its operations and capital expenditures;
- changes or limitations on the availability of sufficient credit to fund working capital;
- changes in general economic conditions and capital markets conditions, including fluctuations in interest rates, or the occurrence of certain events causing an economic impact in the agriculture, oil or automobile industries;
- distraction of management and costs associated with the Debtor's restructuring efforts, including its Chapter 11 filing;
- litigation risks and uncertainties;
- recent adverse publicity about the Debtor, including its Chapter 11 filing;
- changes uncertainties in reserve and production estimates, production expense and cash flow estimates, the Debtor's future financial performance or its planned capital expenditures
- volatility of natural gas, diesel, chemicals/enzymes and other commodities prices
- the impact of hedging transactions and other risk management strategies;
- Our inelastic demand for natural gas, as it is the only available major product from our plant;
- changes in the environmental regulations or in the Debtor's ability to comply with the environmental regulations that apply to its operations;
- the effects of mergers or consolidations in the natural gas industry;

- changes in or elimination of federal and/or state laws (including the elimination of any federal and/or state methane tax incentives);
- overcapacity within the natural gas industry;
- difficulties in managing its business operations or disruptions in operations or other unanticipated production problems;
- changes and advances in methane production technology that _ may make it more difficult for the Debtor to compete with other methane plants utilizing such technology;
- reliance on and/or loss of key personnel;
- development of infrastructure related to the sale and distribution of natural gas; and
- Competition in the natural gas industry and from other alternative fuels/gases.

You should understand that the foregoing as well as other risk factors discussed in this Disclosure Statement, including those listed under the heading "Certain Factors to be Considered," could cause future outcomes to differ materially from those expressed in such forward looking statements. Given the uncertainties, you are cautioned not to place undue reliance on any forward-looking statements in determining whether to vote in favor of the Plan or to take any other action. The Debtor undertakes no obligation to publicly update or revise information concerning the Debtor's restructuring efforts, borrowing availability, or their cash position or any forward-looking statements to reflect events or circumstances that may arise after the date of this Disclosure Statement, except as required by law. Forward-looking statements are provided in this Disclosure Statement pursuant to the safe harbor established under the private Securities Litigation Reform Act of 1995 and, to the extent applicable, Section 1125(e) of the Bankruptcy Code and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. BACKGROUND AND GENERAL INFORMATION

International Energy Holding Corp. (the "Debtor") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on March 28, 2011 in the United States Bankruptcy Court for the Middle District of Florida and then moved the case to the Northern District of Iowa on or around June 16, 2011.

The Debtor was originally incorporated with the name "International Energy Holdings Corp." in Nevada on November 2, 2007. Subsequently, the Debtor amended its articles and migrated to the State of Delaware on April 27, 2009, changing its name to International CRO Holdings Corp. Subsequently, Debtor amended its articles and migrated to the State of Florida on February 9, 2011, changing its name to International Energy Holdings Corp.

Bison Renewable Energy, LLC and The Cornerstone Brad, LLC, both limited liability companies organized under the laws of Minnesota to develop the methane plant in Hull, Iowa, merged into the Debtor on February 28, 2011. Following the merger Debtor filed its chapter-11 petition on March 28, 2011.

The Debtor is a development stage company and has been developing a methane plant in Hull, Iowa. Currently the plant is partially finished and the Debtor needs to raise additional funds to complete balance of the plant and to operate its business and to manage its assets as a debtor-in-possession during the pendency of the Chapter 11 Case.

Contemporaneously herewith, the Debtor has filed its "Chapter 11 Plan of Reorganization" (the "**Plan**"). The Plan represents a proposed compromise and settlement of various significant Claims against the Debtor. This Disclosure Statement describes the Debtor's current and future business operations, certain aspects of the Plan, including, but not limited to, the proposed reorganization of the Debtor upon consummation of the Plan, significant events occurring in its Chapter 11 Case and related matters.

This Disclosure Statement has been prepared to comply with Section 1125 of the Bankruptcy Code and is hereby transmitted by the Debtor to Holders of Eligible Claims and Eligible Equity Interests for use in the Solicitation of acceptances of the Plan. Unless otherwise defined in this Disclosure Statement, capitalized terms used herein have the meanings ascribed to them in the Plan.

The purpose of this Disclosure Statement is to provide "adequate information" to Entities who hold Eligible Claims and Eligible Equity Interests to enable them to make an informed decision before exercising their right to vote to accept or reject the Plan. This Disclosure Statement sets forth certain detailed information regarding the Debtor's history, its projections for future operations, and significant events expected to occur during the Chapter 11 Case. This Disclosure Statement also describes the Plan, alternatives to the Plan, effects of Confirmation of the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the Confirmation process and the voting procedures

that Holders of Eligible Claims and Eligible Equity Interests must follow for their votes to be counted.

The primary purpose of the Plan is to effectuate the restructuring of the Debtor's capital structure (the "Restructuring") to strengthen the balance sheet by reducing its overall indebtedness. Presently, the Debtor has a substantial amount of indebtedness outstanding with various secured and unsecured creditors. If the Debtor is not able to consummate the Restructuring proposed in the Plan, the Debtor will likely have to sell its assets through an auction process, thereby causing the Debtor's financial condition to be further materially adversely affected and resulting in less or no funds available to pay unsecured creditors. In contrast to the results of an auction sale of the Debtor's assets, the Debtors believe that the Plan will maximize the return to creditors on their Claims. ACCORDINGLY, THE DEBTOR URGES ALL CREDITORS TO SUPPORT THE PLAN.

Attached hereto as **Exhibit A** are the Financial Projections. The Debtor has prepared its projected operating and financial results on a consolidated basis for the period from January 1, 2013 to December 31, 2018 (the "Projections"). For purposes of the projections, the Debtor has also prepared a pro-forma balance sheet of the reorganized Debtor as though the effective date were January 1, 2013. The Financial Projections are based upon information available as of August 30, 2011 and numerous assumptions are an integral part of the Financial Projections, many of which are beyond the control of the Reorganized Debtor and some or all of which may not materialize. See "CERTAIN FACTORS TO BE CONSIDERED — INHERENT UNCERTAINTY OF FINANCIAL PROJECTIONS."

The information contained in this Disclosure Statement has been provided by the Debtors based upon their knowledge of the records, business and affairs of the Debtors. Except as otherwise expressly indicated, such information has not been subject to audit or independent review. Although great effort has been made to be accurate, the Debtors, their counsel and other professional advisors do not warrant the accuracy of the information contained herein.

The Chief Restructuring Officer of the Debtor approved the solicitation of acceptances of the Plan and all of the transactions contemplated thereby. In light of the benefits to be attained by the Holders of Eligible Claims and Eligible Equity Interests pursuant to consummation of the transactions contemplated by the Plan, the Debtor's Chief Restructuring Officer recommends that such Holders of Eligible Claims and Eligible Equity Interests vote to accept the Plan. The Debtor's Chief Restructuring Officer has reached this decision after considering the alternatives to the Plan that are available to the Debtor and the possible effect on the Debtor's business operations. These alternatives include liquidation under Chapter 7 of the Bankruptcy Code or a reorganization under Chapter 11 of the Bankruptcy Code with an alternative plan of reorganization. The Debtor's Chief Restructuring Officer determined, after consulting with financial and legal advisors, that the Restructuring Transactions contemplated in the Plan would likely result in a distribution of greater values to creditors and equity holders than would a liquidation under Chapter 7. For a comparison of estimated distributions under Chapter 7 of the Bankruptcy Code and under the Plan, see **Exhibit B** "FEASIBILITY OF THE PLAN AND THE BEST INTERESTS OF CREDITORS TEST— LIQUIDATION ANALYSIS."

Accompanying this Disclosure Statement for the purpose of soliciting votes on the Plan are copies of (i) the Plan, (ii) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time, and place of the hearing to consider the confirmation of the Plan and related matters, and the time for filing objections to the confirmation of the Plan, and (iii) a Ballot or Ballots (and return envelope(s)) that you may use in voting to accept or to reject the Plan, or a notice of non-voting status, as applicable. If you have any questions about the packet of materials that you have received or if you did not receive a Ballot and believe that you should have, please contact the Solicitation Agent (i) telephonically or (ii) in writing by (a) hand delivery, (b) overnight mail or (c) first class mail using the information below:

International Energy Holdings Corp.
8905 Regents Park Dr. Suite 210
Tampa, FL 33647
Attn: Ram Ajjarapu, Chief Restructuring Officer/Chief Executive Officer
Telephone: (813)-293-3534
Facsimile: (212)-202-3628
Email: ram@intlcap.net

B. THE DEBTOR'S PLAN OF REORGANIZATION

Under the Plan, Claims against and Equity Interests in the Debtor are divided into Classes. Certain Claims, including Administrative Claims and Priority Tax Claims are not classified and, if not paid prior, will receive payment in full in Cash on the Distribution Date, as such claims are liquidated, or as agreed with the Holders of such Claims. All other Claims and Equity Interests will receive the distributions described in the table below.

The table below summarizes the classification and treatment of the prepetition Claims and Equity Interests under the Plan. This summary is qualified in its entirety by reference to the provisions of the Plan.

Class	Claim/ Equity Interest	Impairment	Estimated Aggregate Amount of Allowed Claims or Equity Interests	Proposed Treatment of Allowed Claims or Equity interest
Class 1	Secured Tax claims	Impaired	$120,615	All Allowed Class 1 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 2	HCI Construction	Impaired	$5,248,821.62	All Allowed Class 2 will be paid 30% of

	Secured Claim			Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 3	The Next Phase LLC Secured Claim	Impaired	$1,500,000	All Allowed Class 3 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 4	All other Secured Claim	Impaired	$206,578.02	All Allowed Class 4 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 5	Green Capital, LLC Unsecured Claim	Impaired	$1,500,000	All Allowed Class 5 will be paid 15% of Allowed Claim over 6 years starting from January 31, 2013
Class 6	General Unsecured Claim	Impaired	$690,990.52	All Allowed Class 6 will be paid 15% of Allowed Claim over 6 years starting from January 31, 2013
Class 7	Equity Interests	Unimpaired	n/a	All Allowed Class 7 Equity Interests will be Reinstated

As indicated in the table above, the Debtor has a secured tax claim from the Sioux County for $120,615.

There is a secured claim from HCI Construction derived from mechanical liens for an amount of $5,248,821.62. HCI Construction is a member of The Next Phase LLC, which has lent money to the Debtor, along with other affiliated members including Green Capital LLC, Greg

Schipper, Don Nelson and Lance Morgan. One or more officers/members/founders of HCI Construction, The Next Phase LLC and Debtor, one time or other are the same. Hence, Pursuant to 11 U.S.C. §101(2), HCI Construction is an affiliate of the Debtor.

There is a secured interest for The Next Phase LLC for an amount of $1,500,000 however; this claim was not filed as of the date of this Disclosure statement filing. This security interest is as a result of an assignment of a judgment from Phase 3 Developments & Investments LLC against rights on Gas train equipment. The Next Phase LLC is owned by ex-officers/members/founders/directors/consultants/banker and one of secured creditors (HCI Construction) of the Debtor. Hence, Pursuant to 11 U.S.C. §101(2), The Next Phase LLC is an affiliate of the Debtor.

There are other secured claims aggregating $206,578.02.

There is an unsecured claim from Green Capital, LLC for $1,500,000. Green Capital LLC is more than 50% owned by ex-officer/directors/consultants/banker of the Debtor. Hence, Pursuant to 11 U.S.C. §101(2), Green Capital LLC is an affiliate of the Debtor.

In addition, there are General Unsecured claims aggregating $690,990.52.

The Debtor intends to implement its Plan in two ways: (a) by raising approximately $12,500,000 in credit; and (b) from the cash flow that will be generated from finishing the plant and its future business operations.

Without the extension of the proposed terms and the substantial discount by the creditors, the Debtor would not be able to raise enough capital to fund the Plan. The Debtor strongly believes the Plan provides Creditors and holders of equity interests with a significantly larger distribution of estate proceeds than would be generated in Chapter 7 liquidation. In addition, the Reorganzied Debtor will provide all stakeholders and the community the following benefits:

- Create 20 permanent jobs to the economy
- Reduction of Environmental hazards (through getting rid of waste)
- Renewable/sustainable energy for foreseeable future
- Helps the nation move toward energy independence

C. VOTING AND PLAN CONFIRMATION

After carefully reviewing the Plan and this Disclosure Statement, and the exhibits thereto, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot. Please complete and sign your Ballot and return it in the envelope provided so that it is RECEIVED by the Voting Deadline (as defined below). See "THE SOLICITATION; VOTING PROCEDURES."

Each Ballot has been coded to reflect the Class of Claims or Equity Interests it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement.

If you have any questions about the procedure for voting your Eligible Claim or Eligible Equity Interest or with respect to the packet of materials that you have received, please contact the Solicitation Agent at the address listed above.

THE SOLICITATION AGENT MUST RECEIVE ORIGINAL BALLOTS ON OR BEFORE 5:00 P.M., PREVAILING CENTRAL TIME, ON _____, 20__ (THE "VOTING DEADLINE") AT THE ADDRESS FOR THE SOLICITATION AGENT ABOVE. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT, BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH THE DEBTOR'S REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION THEREOF.

The Debtor reserves the right to amend the Plan after the Petition Date. Amendments to the Plan that do not materially and adversely affect the treatment of Claims or Equity Interests may be approved by the Bankruptcy Court at the Confirmation Hearing without the necessity of re-soliciting votes. In the event re-solicitation is required, the Debtor will furnish new solicitation packets that will include new ballots to be used to vote to accept or reject the Plan, as amended.

THE BANKRUPTCY COURT HAS SET _____, _____, AT 5 P.M., PREVAILING CENTRAL TIME, AS THE DATE AND TIME FOR THE HEARING ON CONFIRMATION OF THE PLAN AND TO CONSIDER ANY OBJECTIONS TO THE PLAN. THE CONFIRMATION HEARING WILL BE HELD AT THE UNITED STATES BANKRUPTCY COURT, NORTHERN DISTRICT, IOWA. THE DEBTOR WILL REQUEST CONFIRMATION OF THE PLAN AT THE CONFIRMATION HEARING.

THE BANKRUPTCY COURT HAS FURTHER FIXED _____, 2011, AT _____ A/P.M., PREVAILING CENTRAL TIME, AS THE DEADLINE (THE "OBJECTION DEADLINE") FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN WITH THE BANKRUPTCY COURT. OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE SERVED SO AS TO BE RECEIVED BY THE FOLLOWING PARTIES ON OR BEFORE THE OBJECTION DEADLINE:

Counsel to the Debtor:

Christopher C. Todd, Esquire
Florida Bar No. 72911
Chris@mcintyrefirm.com
McIntyre, Panzarella, Thanasides,
Hoffman, Bringgold & Todd, P.L.
400 N. Ashley Street, Ste. 1500
Tampa, Florida 33602
Telephone: (813) 899-6059
Facsimile: (813) 899-6069

and

Theodore E. Karpuk #AT0004085
The Law Office of Theodore E. Karpuk
P.O. Box 1166
Sioux City, IA 51102-1166
(712) 224-2930
(712) 224-2933 (F)
tekarpuk@aol.com

United States Trustee:
United States Trustee Northern District of Iowa
Attn: John F. Schmillen
Law Building, Suite 400
225 Second Street S.E.
Cedar Rapids, IA 52401
(319)/364-2211, ext. 233
John.F.Schmillen@usdoj.gov

ANY OBJECTION TO CONFIRMATION OF THE PLAN MUST BE IN WRITING AND (A) MUST STATE THE NAME AND ADDRESS OF THE OBJECTING PARTY AND THE AMOUNT OF ITS CLAIM OR THE NATURE OF ITS EQUITY INTEREST AND (B) MUST STATE WITH PARTICULARITY THE NATURE OF ITS OBJECTION. ANY CONFIRMATION OBJECTION NOT TIMELY FILED AND SERVED AS SET FORTH HEREIN SHALL BE DEEMED WAIVED AND SHALL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

II. GENERAL INFORMATION REGARDING THE DEBTOR

A. OVERVIEW AND CAPITAL STRUCTURE OF THE DEBTOR

The Debtor "International Energy Holdings Corp." is a Florida Corporation which originally incorporated with a name "International Energy Holdings Corp." in Nevada on November 2, 2007. Then Debtor has changed its articles and migrated to the State of Delaware on April 27, 2009 and changed its name to International CRO Holdings Corp. Subsequently, Debtor has changed its articles and migrated to the State of Florida on February 9, 2011 and changed its name to International Energy Holdings Corp.

Bison Renewable Energy, LLC and The Cornerstone Brad, LLC, which both are limited liability companies organized under the laws of Minnesota and developing the methane plant in Hull, Iowa, merged in to the Debtor on February 28, 2011. Subsequent to the merger Debtor has filed chapter-11 protection on March 28, 2011.

After the merger, the Debtor owns the methane plant under development which began construction in 2008 and then halted in 2009. The plant is about 60% completed and per experts estimate, it needs additional $10 million to complete balance of the plant and need another $2.5 million working capital. The Debtor is seeking to raise the funding to finish balance of the plant. When operating at full capacity, the plant is expected to produce 450,000 MMBTUs of methane per year and employs around 20 full time employees.

The Debtor's methane plant under development is located at 3071 330th St., Hull, Iowa 51239. The location for the methane plant was selected due to its proximity to the feed stocks like manure, waste meat and cheese from existing feed lots, packing plants and cheese factory. In addition, it is also in close proximity to major highways.

Following are the equity shareholders of the Debtor:

SH No.	**Name**	***% of Equity Interest***	***# of shares owned***
1	International Capital Partners LLC	67.07%	48,000,000
2	Bison Energy Equity, LLC	20.00%	14,314,300
3	NE Brad, LLC	10.00%	7,157,150
4	A.S.N Murty	1.40%	1,000,000
5	Julie McAlinden	0.70%	500,000
6	James McAlinden	0.32%	229,000
7	Robert McAlinden	0.32%	229,000
8	All other 44 shareholders	0.20%	142,000
	Total issues & outstanding		71,571,450

Pursuant to 11 U.S.C. §101(2) International Capital Partners LLC and Bison Energy Equity, LLC are both affiliates of the Debtor as they hold at least 20 percent or more of the outstanding voting securities of Debtor. Furthermore, pursuant to 11 U.S.C. §101(31)(C), International Capital Partners LLC and Bison Energy Equity, LLC are defined as insiders of the Debtor. Additionally, pursuant to 11 U.S.C. §101(2) and §101(31)(C) HCI Construction, Green Capital, LLC, The Next phase, LLC and its members Greg Schipper, Don Nelson and Lance Morgan are defined as affiliates or insiders of the Debtor as they were once involved in raising capital and/or functioned as Advisor/consultant/employee or banker to the Debtor.

B. THE DEBTOR'S BUSINESS OPERATIONS

The Debtor's semi-finished plant is located on a 75-acre site in Hull, Iowa. The Debtor is planning both upstream and downstream strategies in producing Natural gas (biogas) and converting it in to transportation fuel (CNG). Debtor is raising another $12.50 million in debt to finish constructing balance of the plant and working capital.

Once Debtor's plant is completed and put in to operation, the plant is expected to produce 433,000 MMBTUs of methane from Waste-to-Energy. The plant is going to use feedstock of cow manure, waste meant and cheese from nearby feedlots, packing plants and a cheese factory. The Debtor is planning to connect it's production of methane to Northern natural gas pipeline which is already on the site.

The debtor estimates the methane will be sold at an average price of $4.00-$7.50/MMBTU. The Debtor is expected to generate $3.60 million revenue assuming a selling price of $7.50/MMBTU which is higher in the range.

C. RECENT DEVELOPMENTS AND INDUSTRY OUTLOOK

Millions of cubic meters of methane in the form of swamp gas or biogas are produced every year by the decomposition of organic matter, both animal and vegetable. It is almost identical to the natural gas pumped out of the ground by the oil companies and used by many of us for heating our houses and cooking our meals. In the past, however, biogas has been treated as a dangerous by-product that must be removed as quickly as possible, instead of being harnessed for any useful purposes. It is only really in very recent times that a few people have started to view biogas in an entirely different light, as a new source of power for the future.

Methane production is fragment around the world in a small scale and has not yet formed as an industry but its production is fast growing around the world due to lot of benefits to the environment and most importantly it's renewable Energy.

D. EVENTS LEADING TO THE DEBTOR'S BANKRUPTCY FILING

The Debtor has been developing a methane plant in Hull, IA. The construction began in October 2008 and halted in November 2009 due to cost overruns (all commodity prices went up including steel in 2008). The Founders could not raise additional capital as the financial difficulties plagued the markets. Subsequently, one of the original founders died due to ill health. These circumstances put a halt on the project, and by then the debtor had accumulated substantial payments to the contractors who pursued mechanics liens against the assets of the debtor.

In March 2011, the Debtor assembled a new management team through its merger with International Energy Holdings Corp. who has significant experience in raising capital and project development. The only way the project could be completed and be in production is through raising new capital and by capping the mechanics liens, so the Debtor filed Chapter-11 protection to re-organize the debt including the mechanics liens.

E. EVENTS DURING THE CHAPTER 11 CASE

On March 28, 2011, the Debtor, with the assistance of its counsel, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code and has been operating its business and managing its assets as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

The Debtor obtained unsecured DIP financing from "International Capital Partners, LLC" and has managed the estate using DIP funding since it has filed chapter-11 protection.

The Debtor has retained the law firms of McIntyre, Panzarella, Thanasides, Hoffman, Bringgold & Todd, P.L., and Theodore Karpuk, P.A., as its bankruptcy and restructuring counsel. In addition, the Debtor hired Timothy Griffith, CPA, to provide financial consulting services as well as other professionals who have assisted the Debtor in its reorganization efforts.

On and soon after the Petition Date, the Debtor sought certain relief from the Bankruptcy Court to ensure that its operations continue with the least possible disruption, including, but not limited to, the relief set forth below. The Debtor intends to seek all necessary and appropriate additional relief from the Bankruptcy Court in order to expedite the process and to minimize any adverse impact on its business that may result from the Chapter 11 Case.

Throughout the bankruptcy, the Debtor has used DIP financing to maintain the estate due to a lack of bank financing, which has enabled the Debtor to timely paying certain of its post-Petition obligations.

Since the time of the commencement of the case, the Debtor's primary initial focus has been on bringing a reputable technology provider, hire a construction partner, get the new required capital and get the balance of the plant constructed, start methane plant and producing the methane gas which can be supplied to northern border natural gas pipeline. The Debtor has successfully achieved majority of these tasks and will achieve the rest to maximize the benefit to all the creditors and equity holders.

The Debtor's Plan was reached after extensive discussions and negotiations with HCI Construction, who the Debtor believes will support the Plan. Given the aggregate amount of secured claims, as noted in Section I. B above, HCI Construction's willingness to exchange these claims for substantial discount in the reorganized Debtor is the lynchpin of the Debtor's plan, providing the Debtor with significant cash flow to fund the Plan and providing a framework for allowing the Debtor to pay unsecured creditors significantly more than they would receive under any reasonably imaginable alternative plan.

Prior to the Debtor's filing of the petition for relief under chapter-11, earlier management had numerous discussions with several sources of funding but it was not possible to attract capital on time while mechanical liens and lawsuits were mounting on one side and a financial tsunami was faced by the economy on the other side. Hence, chapter-11 relief was necessary to buy some time to protect the estate and coordinate the efforts of various construction and financial partners otherwise, the estate would have gone for auction in which case only certain movable assets would have been sold in which only secured creditors would have received a distribution of collateral and unsecured creditors would have received nothing as opposed to the 15% dividend provided in the Debtor's current Plan.

Despite these foregoing efforts and discussions, the Debtor is not aware of a potential investor or buyer whom the Debtor believes is ready, willing and financially able to invest in or purchase the Debtor as a whole, or to even purchase significant portions of the Debtor as ongoing business, on terms and conditions that are more favorable to the creditors than those proposed in the Debtor's Plan of Reorganization.

F. MANAGEMENT OF THE DEBTOR

Prior to the filing of the Debtor's Chapter 11 petition for relief on March 28, 2011, the Debtor was managed by Donald Nelson ("Nelson") under Bison Renewable Energy, LLC. Post-merger with the Debtor International Energy Holding Corp., the Debtor inherited an experienced management team including its Chairman/CEO Ram Ajjarapu ("Ajjarapu"), who has been a serial entrepreneur who started and sold several companies and raised substantial capital for renewable energy projects like the Debtor's project. Ajjarapu has Bachelor's in Electrical Engineering from The Institution of Engineers(India) and Masters in Business Administration from University of South Florida.

Similarly, the Debtor inherited another experienced management member Daniel Hernandez ("Hernandez") who has more than 30 years' experience in building and operating large businesses. Before joining IEH, Mr. Hernandez was the CEO of Midwest Grain Processors ("MPG"), in Lakota, Iowa. Dan successfully completed construction and began production of MGP's multi-million dollar farmer owned, 45 million gallon per year dry mill methane facility. Under his leadership MGP doubled the Lakota facility to 100 million gallons per year, restructured the business from a farmer co-operative to an LLC, and purchased a 55 million

gallon per year methane development project in Riga, Michigan which went into to operation in March 2007. During his tenure at MGP, he Controlled $110M in capital expenditures allocated for new construction and managed 90+ employees. Prior to MPG, Mr. Hernandez spent 16 years with ConAgra Foods as Vice President of Operation for ConAgra Trade Group. During that period he was responsible for the safe operation of over 80 grain elevators located throughout the United States and Canada including rail, river and export terminals. Mr. Hernandez's other assignments at ConAgra included managing export terminals in New Orleans, Louisiana and Kalama, Washington, and serving as regional manager for the mid-west region where he supervised the construction of four 100 car unit train grain terminals in Saskatchewan and Manitoba, Canada. Before joining ConAgra, Mr. Hernandez was an operations manager of seven inland rail and barge terminals for a grain marketing company. He holds a degree in Agricultural Mechanization from Louisiana State University.

Moving forward upon confirmation of the Plan the reorganized Debtor hire additional personnel for constructing the balance of the plant and operating it. The debtor will be controlled by a new board of directors and the Board will consist of four members.

The Plan has been developed in cooperation with International Capital Partners who has provided DIP financing, which should, following the confirmation of the Plan, have the ability to control the votes for the members of the Board of Directors given the amount of equity that it would hold in Debtor.

G. AVOIDANCE ACTIONS AND OTHER LITIGATION

The Debtor is in the process of completing an analysis of possible preferences under section 547 of the Bankruptcy Code. As the Debtor does not expect that there to be a significant number or dollar amount of potential preference actions. The Debtor will evaluate any potential preference actions and will pursue those, if any, in which the likelihood of recovery appears to outweigh the potential costs of bringing such actions.

The Debtor is not aware of any other avoidance actions pursuant to Chapter 5 of the Bankruptcy Code at this time, but will evaluate any potential avoidance actions if and when same become known, and will pursue those, if any, in which the likelihood of recovery appears to outweigh the potential costs of bringing such actions.

The Debtor does not have any pre or post-petition accounts receivable and the Debtor is otherwise unaware of any other litigation which may arise outside of bankruptcy.

III. SUMMARY OF THE PLAN

A. INTRODUCTION

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its creditors and shareholders. In addition to permitting rehabilitation of the debtor, Chapter 11 promotes equality of treatment of creditors and equity security holders who hold substantially similar claims against or interests in the debtor and its assets. In furtherance of these two goals, upon the filing of a petition for relief under Chapter 11, Section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the Chapter 11 case.

The consummation of a plan of reorganization is typically the principal objective of a Chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and equity interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any entity acquiring property under the plan, and any creditor of or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefore the obligations specified under the confirmed plan, and terminates all rights and interests of equity security holders.

THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN, AND OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN (AS WELL AS THE EXHIBITS ATTACHED THERETO AND DEFINITIONS THEREIN).

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR UNDER THE PLAN AND WILL, UPON OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR, ITS ESTATE, THE REORGANIZED DEBTOR, ALL PARTIES RECEIVING PROPERTY UNDER THE PLAN, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, ON THE OTHER HAND, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

B. SCHEDULE OF TREATMENT OF CLAIMS AND EQUITY INTERESTS

Class	Claim/ Equity Interest	Impairment	Estimated Aggregate Amount of Allowed Claims or Equity Interests	Proposed Treatment of Allowed Claims or Equity Interests
Class 1	Secured Tax claims	Impaired	$120,615	All Allowed Class 1 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 2	HCI Construction Secured Claim	Impaired	$5,248,821.62	All Allowed Class 2 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 3	The Next Phase LLC Secured Claim	Impaired	$1,500,000	All Allowed Class 3 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 4	All other Secured Claims	Impaired	$206,578.02	All Allowed Class 4 will be paid 30% of Allowed Claim over 6 years with simple interest of 5.25% starting from January 31, 2013
Class 5	Green Capital, LLC Unsecured Claim	Impaired	$1,500,000	All Allowed Class 5 will be paid 15% of Allowed Claim over 6 years starting from January 31, 2013
Class 6	General Unsecured Claims	Impaired	$690,990.52	All Allowed Class 6 will be paid 15% of Allowed Claim over 6 years starting from January 31, 2013
Class 7	Equity Interests	Unimpaired	n/a	All Allowed Class 7 Equity Interests will be Reinstated

C. TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are not entitled to vote on the Plan.

1. Administrative Expense Claims

Except to the extent that any Entity entitled to payment of any Allowed Administrative Expense Claim agrees to a less favorable treatment, each Holder of an Administrative Expense Claim shall receive Cash equal to the unpaid portion of its Allowed Administrative Expense Claim, on the latest of (i) the Effective Date, or as soon thereafter as practicable; (ii) 10 Business Days after the date on which its Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as practicable; (iii) such date as may be fixed by the Bankruptcy Court; or (iv) such date as the holder of such Allowed Administrative Expense Claim and the Reorganized Debtor agree otherwise.

2. Priority Tax Claims

Except to the extent that any Holder entitled to payment of any Allowed Priority Tax Claim and the Debtor or the Reorganized Debtor, as the case may be, shall have agreed upon in writing, pursuant to Section 1129(a)(9)(C) of the Bankruptcy Code, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, Cash equal to the unpaid portion of such Allowed Priority Tax Claim on the later of (i) the Effective Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim.

The Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty will be subject to treatment in Class 6 or 7, as may be applicable.

3. Professional Fee Claims

- *Pre-Confirmation Professional Fees*

  Unless otherwise ordered by the Bankruptcy Court, the Holders of Professional Fee Claims shall file their respective final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date by no later than the date that is sixty (60) days after the Confirmation Date, or such other date that may be fixed by the Bankruptcy Court. If granted by the Bankruptcy Court, such Professional Fee Claim shall be paid in full in such amount as is Allowed by the Bankruptcy Court either (a) on the date such Professional Fee Claim becomes an Allowed Professional Fee Claim, or as soon as reasonably practicable thereafter, or (b) upon such other terms as may be

mutually agreed upon between such Holder of an Allowed Professional Fee Claim and the Reorganized Debtor.

- *Post-Confirmation Professional Fees*

  All Professional Fees for services rendered in connection with the Chapter 11 Case and the Plan after the Confirmation Date including, without limitation, those relating to the occurrence of the Effective Date, the prosecution of Causes of Action preserved under the Plan, and the resolution of Disputed Claims, are to be paid by Reorganized Debtor upon receipt of an invoice for such services, or on such other terms as Reorganized Debtor may agree to, without the need for further Bankruptcy Court authorization or entry of a Final Order. If Reorganized Debtor and any Professional cannot agree on the amount of post-Confirmation Date fees and expenses to be paid to such Professional, such amount is to be determined by the Bankruptcy Court.

D. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

1. Class 1 – Secured Tax Claims.

- *Claims in Class*:

  Secured Tax Claims are Claims of any state or local governmental unit or associated political subdivision that is secured by a Lien on property of the Estate by operation of applicable law including, without limitation, every Claim for unpaid real, personal property or *ad valorem* taxes.

- *Treatment*:

  Except to the extent that a Holder of an Allowed Secured Tax Claim has been paid prior to the Effective Date or agrees to a different treatment, each Holder of an unpaid Allowed Secured Tax Claim shall retain any prepetition Lien, if any, securing its Allowed Secured Tax Claim as of the Effective Date until full and final payment of such Allowed Secured Tax Claim is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void and shall be unenforceable for all purposes. As to any holder of an Allowed Secured Tax Claim that has been paid prior to the Effective Date, such Liens shall be deemed null and void and shall be unenforceable for all purposes. The Debtor and Reorganized Debtor reserve the right to object to any Secured Claim asserted by such Holders and to avoid any prepetition Lien asserted by such Holders.

The Debtor and Reorganized Debtor reserve the right to object to Secured Tax Claim asserted by such Holders and to avoid any prepetition lien asserted by such Holders.

Except to the extent that a Holder of an Allowed Secured Tax Claim has been paid prior to the Effective Date or agrees to a different treatment, commencing on the last Business Day of the first month after the latest of: (x) starting from January 2013, or as soon thereafter as practicable, with such payments continuing on the last Business Day of each month thereafter; (y) 10 Business Days after the date on which a Secured Tax Claim becomes an Allowed Secured Tax Claim, or as soon thereafter as practicable; or (z) such other date as may be ordered by the Bankruptcy Court; and continuing on the last Business Day of each month thereafter for a period not exceeding six years after the Effective Date, each Holder of an unpaid Allowed Secured Tax Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim, equal monthly Cash payments in an aggregate amount equal to 30% of the amount of such Allowed Secured Tax Claim, together with simple interest, without penalty of any kind, at the rate of 5.25% per annum, or as otherwise established by the Bankruptcy Court on the unpaid portion of such Allowed Secured Tax Claim; provided, however, that the Debtor or the Reorganized Debtor shall have the right to prepay such Allowed Secured Tax Claim or any remaining balance thereof, in part or in full, at any time.

- *Voting*:

Class 1 is impaired by the Plan. Each Holder of an Allowed Secured Tax Claim in Class 1 is entitled to vote to accept or reject the Plan.

2. Class 2 – HCI Construction Secured Claim

- *Claims in Class*:

The sole Claim in the Class is the HCI Construction Secured Claim. HCI Construction is the sole Holder of the HCI Construction Secured Claim.

- *Treatment*:

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, the HCI Construction Secured Claim shall be Allowed in 30% of the aggregate amount of $5,248,821.62 and shall constitute an allowed HCI Construction Secured Claim for all purposes of this Plan and the Chapter 11 Case, not subject to defense, offset, counterclaim, recoupment,

reduction, subordination or recharacterization by the Debtor, the Reorganized Debtor or any party in interest.

The Debtor and Reorganized Debtor reserve the right to object to HCI Construction Secured Claim asserted by such Holders and to avoid any prepetition lien asserted by such Holders.

The HCI Construction Secured Claim shall be reinstated as of the Effective Date, which shall include payment over time and payment in accordance with the terms and conditions here of the Effective Date, in their entirety, unaltered except as provided below:

(a) As of the Effective Date, the aggregate principal balance owing to the HCI Construction shall be set at an amount equal to 30% of aggregate principal amount of the HCI Construction Secured Claim.

(b) As of the Effective Date, principal and interest payments will be made monthly based upon a 6-year amortization schedule with the first such payment due on the last Business Day starting from January 2013, or as soon thereafter as practicable, with such payments continuing on the last Business Day of each month thereafter.

(c) As of the Effective Date, the allowed claim will be paid in 6-years starting from January 2013 in 72 months along with principal and interest due. The allowed claim may be prepaid in part or in full on or before its maturity date without penalty or service charge.

(d) As of the Effective Date, the interest rate accruing on the allowed claim owing to HCI Construction Secured Credit Agreement shall be reset to fixed rate of 5.25% per annum.

(f) HCI Construction shall retain the Liens, if any, securing the allowed HCI Construction Secured Claim as of the Effective Date until full and final payment of such allowed HCI Construction Secured Claim is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void and shall be unenforceable for all purposes.

- *Voting*:

Class 2 is impaired by the Plan. HCI Construction Secured Claim is entitled to vote to accept or reject the Plan.

3. Class 3 – Next Phase LLC Secured Claim

- *Claims in Class*:

The sole Claim in the Class is the Next Phase LLC Secured Claim. Next Phase LLC is the sole Holder of the Next Phase LLC Secured Claim.

- *Treatment*:

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, the Next Phase LLC Secured Claim shall be allowed 30% in the aggregate amount of $1,700,776.88 and shall constitute an allowed Next Phase LLC Secured Claim for all purposes of this Plan and the Chapter 11 Case, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtor, the Reorganized Debtor or any party in interest.

Next Phase LLC Secured Claim is secured by the Gas Train equipment of the Debtor. This right of secured claim was obtained from assignment of rights from a judgment obtained by Phase 3 Development and Investments, LLC in the circuit court. Phase 3 Development and Investments, LLC was the original creditor of the Debtor. However, Next Phase LLC did not file a claim as of the date of the filing of this Disclosure statement.

The Debtor and Reorganized Debtor reserve the right to object to The Next Phase LLC Secured Claim asserted by such Holders and to avoid any prepetition lien asserted by such Holders.

The Next Phase LLC Secured Claim shall be Reinstated as of the Effective Date, which shall include payment over time and payment in accordance with the terms and conditions as provided herein in their entirety, unaltered except as provided below:

(a) As of the Effective Date, the aggregate principal balance owing to Next Phase LLC shall be set at an amount equal to 30% of the aggregate principal amount of the Next Phase LLC Secured Claim.

(b) As of the Effective Date, principal and interest payments will be made monthly based upon a 6-year amortization schedule with the first such payment due on the last Business Day of the first month after the Effective Date starting from January 2013, or as soon thereafter as practicable, with such payments continuing on the last Business Day of each month thereafter.

(c) As of the Effective Date, the allowed may be prepaid in part or in full on or before its maturity date without penalty or service charge.

(d) As of the Effective Date, the interest rate accruing on the principal balance of the allowed claim shall be reset to fixed rate of 5.25% per annum.

(e) Next Phase LLC shall retain the Liens, if any, securing the allowed Next Phase LLC Secured Claim as of the Effective Date until full and final payment of such allowed Next Phase LLC Secured Claim is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void and shall be unenforceable for all purposes.

- *Voting*:

Class 3 is impaired by the Plan. Next Phase LLC is entitled to vote to accept or reject the Plan.

4. Class 4 – All Other Secured Claims

- *Claims in Class*:

All Other Miscellaneous Secured Claims are all Secured Claims, other than Claims in Classes 1, 2, or 3. Class 4 includes Wunderlich-Malec Engineering claim for $108,128.20, Resource Engineering's claim for $83,902.49 and Valley's sand & Gravel's claim for $14,547.33.

Wunderlich-Malec Engineering's claim is secured by the equipment of the Debtor. Resource Engineering's claim is secured by an Equipment of the Debtor. Valley's sand & Gravel's claim is secured by the equipment of the Debtor.

- *Treatment*:

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, All other Secured Claims shall be allowed 30% in the aggregate amount of $206,578.02 and shall constitute an allowed All other Secured Claims for all purposes of this Plan and the Chapter 11 Case, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtor, the Reorganized Debtor or any party in interest.

Except to the extent that a Holder of an allowed all other Secured Claim has been paid prior to the Effective Date or agrees to a different treatment, each Holder of an allowed all other Secured Claim shall retain the Liens, if any, securing its allowed all other Secured Claim as of the Effective Date until full and final payment of such allowed all other Secured Claims is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void and shall be unenforceable for all purposes. As to any Holder of an allowed all other Secured Claim that has been paid prior to the Effective Date, such Liens shall be deemed null and void and shall be unenforceable for all purposes.

The Debtor and Reorganized Debtor reserve the right to object to any all other Secured Claim asserted by such Holders and to avoid any prepetition lien asserted by such Holders.

Any all other Secured Claim shall be Reinstated as of the Effective Date, which shall include payment over time and payment in accordance with the terms and conditions as provided herein in their entirety, unaltered except as provided below:

(a) As of the Effective Date, the aggregate principal balance owing to All other Secured Claims shall be set at an amount equal to 30% of the aggregate principal amount of the All other Secured Claims.

(b) As of the Effective Date, principal and interest payments will be made monthly based upon a 6-year amortization schedule with the first such payment due on the last Business Day of the first month after the Effective Date starting from January 2013, or as soon thereafter as practicable, with such payments continuing on the last Business Day of each month thereafter.

(c) As of the Effective Date, the allowed may be prepaid in part or in full on or before its maturity date without penalty or service charge.

(d) As of the Effective Date, the interest rate accruing on the principal balance of the allowed claim shall be reset to fixed rate of 5.25% per annum.

(e) All other Secured Claims shall retain the Liens, if any, securing the allowed All other Secured Claims as of the Effective Date until full and final payment of such allowed All other Secured Claims is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void and shall be unenforceable for all purposes.

Except to the extent that a Holder of an Allowed all other Secured Claim has been paid prior to the Effective Date or agrees to a Different treatment, on the latest of (x) starting from January 2013, or as soon thereafter as practicable; or (y) such other date as may be ordered by the Bankruptcy Court, each Allowed all other Secured

Claim shall be, at the election of the Debtor or Reorganized Debtor, as the case may be: (1) Reinstated; (2) paid in Cash, in full satisfaction, settlement, release and discharge of such Allowed all other Secured Claim, (3) satisfied by the Debtor's surrender of the collateral securing such Allowed all other Secured Claim, or (4) offset against, and to the extent of, the Debtor's claims against the Holder of such Allowed all other Secured Claim. The manner and treatment of each Allowed all other Secured Claim shall be determined by the Debtor and transmitted, in writing, to the holder of such all other Secured Claim on or prior to the deadline to vote to accept or reject the Plan.

- *Voting*:

Class 4 is impaired by the Plan. All Allowed all other Secured Claim in Class 4 is entitled to vote to accept or reject the Plan.

5. Class 5 – Green Capital LLC Unsecured Claim

- *Claims in Class*:

The sole Claim in the Class is the Green Capital LLC unsecured Claim. Green Capital LLC is the sole Holder of Green Capital LLC unsecured Claim for $1,500,000.

- *Treatment*:

Except to the extent that a Holder of an Allowed Green Capital LLC Unsecured Claim has been paid prior to the Effective Date or agrees to a different treatment, commencing on the last Business Day of the first month after the latest of: (x) January 2013, or as soon thereafter as practicable; or (y) such other date as may be ordered by the Bankruptcy Court; and continuing on the last Business Day of each month thereafter for a period not exceeding 6-years after the Effective Date, each Holder of an unpaid Allowed Green Capital LLC Unsecured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Green Capital LLC Unsecured Claim, equal monthly Cash payments in an Aggregate amount equal to 15% of the amount of such Allowed Green Capital Unsecured Claim of $1,500,000, provided, however, that the Debtor or the Reorganized Debtor shall have the right to pay such amount of such Allowed General Unsecured Claim or any remaining balance thereof, in part or in full, at any time, without premium or penalty of any kind.

The Debtor and Reorganized Debtor reserve the right to object to Green Capital unsecured Claim asserted by such Holders and to avoid any prepetition lien asserted by such Holders.

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, the Green Capital LLC Unsecured Claim shall be deemed Allowed in the amount of 15% of the allowed claim of $1,500,000 for all purposes of this Plan and this Chapter 11 Case, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtor, the Reorganized Debtor or any party in interest. Commencing on the last Business Day of the first month after the January 2013, or as soon thereafter as practicable, and continuing on the last Business Day of each month thereafter for a period not exceeding 6- years after the Effective Date, Green Capital LLC unsecured claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for its Allowed Green Capital LLC Unsecured Claim, equal monthly Cash payments in an aggregate amount equal to 15% of the amount of such Allowed Green Capital LLC Unsecured Claim, without interest.

- *Voting*:

Class 5 is impaired by the Plan. Holder of an Allowed Green Capital LLC unsecured Claim in Class 5 is entitled to vote to accept or reject the Plan.

6. Class 6 – General Unsecured Claims

- *Claims in Class*:

General Unsecured Claims are all Unsecured Claims over $1,000, other than Claims in Class 4 or 5.

- *Treatment*:

(a) Treatment of Allowed General Unsecured Claims

Except to the extent that a Holder of an Allowed General Unsecured Claim has been paid prior to the Effective Date or agrees to a different treatment, commencing on the last Business Day of the first month after the latest of: (x) starting from January 2013, or as soon thereafter as practicable; or (y) such other date as may be ordered by the Bankruptcy Court; and continuing on the last Business Day of each month thereafter for a period not exceeding 6-years after the Effective Date, each Holder of an unpaid Allowed General Unsecured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, equal monthly Cash payments in an Aggregate amount equal to 15% of the amount of such Allowed General Unsecured Claim; provided, however, that the Debtor or the Reorganized Debtor shall have the right to pay such amount of such Allowed General Unsecured Claim

or any remaining balance thereof, in part or in full, at any time, without premium or penalty of any kind.

The Debtor and Reorganized Debtor reserve the right to object to any General unsecured Claim asserted by such holders.

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, all the allowed General Unsecured Claims shall be deemed Allowed 15% of the aggregate amount of $690,990.52 for all purposes of this Plan and this Chapter 11 Case, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtor, the Reorganized Debtor or any party in interest. Commencing on the last Business Day of the first month after the January 2013, or as soon thereafter as practicable, and continuing on the last Business Day of each month thereafter for a period not exceeding 6-years after the Effective Date, all allowed General unsecured shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for its Allowed General Unsecured Claim, equal monthly Cash payments in an aggregate amount equal to 15% of the amount of such Allowed General Unsecured Claim, without interest.

- *Voting*:

Class 6 is impaired by the Plan. Each Holder of an Allowed General Unsecured Claim in Class 6 is entitled to vote to accept or reject the Plan.

7. Class 7 – Equity Interests

- *Claims in Class*:

Equity Interests are all common stock Interest in the corporation and Equity Related Claims.

- *Treatment*:

On the Effective Date or as soon thereafter as is practicable, the Allowed Equity Interests representing an Old common stock Interests shall be Reinstated and shall vest in the Reorganized Debtor as New common stock Interests in the Debtor. Such holders need not file any claim. The debtor will follow its original shareholder ledger to reinstate as per their original shareholding in the Debtor. Such Reinstated and revested Equity Interests shall not, in the aggregate, exceed 100% of the New Common stock Interests of the Reorganized Debtor calculated as of the Effective Date.

- *Voting*:

  Class 7 is unimpaired by the Plan. Pursuant to Section 1126(f) of the Bankruptcy Code, each Holder of an Equity Interest in Class 7 is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

E. ALLOWED CLAIMS AND EQUITY INTERESTS

Notwithstanding any provision in the Plan to the contrary, the Debtor or Reorganized Debtor shall only make Distributions on account of Allowed Claims and Allowed Equity Interests. A Claim that is Disputed by the Debtor as to its amount only shall be deemed Allowed in the amount the Debtor admit owing and Disputed as to the remainder.

F. ALTERNATIVE TREATMENT

Notwithstanding any provision in the Plan to the contrary, any Holder of an Allowed Claim may receive, instead of the Distribution or treatment to which it is entitled under the Plan, any other Distribution or treatment to which it and the Debtor may agree to in writing; provided, however, that such other Distribution or treatment shall not provide a return having a present value in excess of the present value of the Distribution or treatment that otherwise would be given such Holder pursuant to the Plan.

G. ALLOCATION

The value of any new equity interest received by Holders of Allowed Claims, if any, in satisfaction of interest-bearing obligations shall be allocated first to the full satisfaction of principal of such interest-bearing obligations and second in satisfaction of any accrued and unpaid interest.

H. POSTPETITION INTEREST

In accordance with Section 502(b)(2) of the Bankruptcy Code, the amount of all prepetition Unsecured Claims against the Debtor shall be calculated as of the Petition Date. Except as otherwise explicitly provided in the Plan, in Section 506(b) of the Bankruptcy Code, or by Final Order, no Holder of a prepetition Claim shall be entitled to or receive interest or fees relating to such Claim.

I. MEANS FOR IMPLEMENTATION OF THE PLAN

1. Continued Corporation Existence

Except as otherwise provided in the Plan, the Reorganized Debtor shall continue to exist after the Effective Date in accordance with Florida law and Iowa law pursuant to which it

was formed and license to do business respectively, under its articles of corporation and by-laws of the corporation, each as in effect before the Effective Date, except to the extent such organizational documents may be amended pursuant to this Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be pursuant to the Plan and require no further action or approval.

2. Restructuring Transactions

On the Effective Date, and pursuant to the Plan, the following transactions shall occur:

(A) Reorganization of the Debtor's Capital Structure.

On the Effective Date, the Corporation equity capitalization of the Reorganized Debtor will be reorganized as follows:

- *Reinstatement of Old Equity Interests*

All of the Old corporation equity Interest will be Reinstated; provided, however, that such Old equity Interest shall be converted into and vest in the Reorganized Debtor as a New equity Interest as of the Effective Date as set forth in the chart below, with the rights and obligations associated with such New Equity Interest as set forth in the governing documents of the Reorganized Debtor (as they may be modified by the Plan), and the ownership percentage of such New equity Interest with no dilution.

The Old equity Interests of the shareholders Reinstated and retained as New equity Interests as provided above shall not, in the aggregate, exceed 100% of the New equity Interests calculated as of the Effective Date and shall be represented by New equity shares as set forth below:

SH No.	**Name**	***% of Old Equity Interest***	***% of New Equity Interest***	***# of shares owned***
1	International Capital Partners LLC	67.07%	67.07%	48,000,000
2	Bison Energy Equity, LLC	20.00%	20.00%	14,314,300
3	NE Brad, LLC	10.00%	10.00%	7,157,150
4	A.S.N Murty	1.40%	1.40%	1,000,000
5	Julie McAlinden	0.70%	0.70%	500,000
6	James McAlinden	0.32%	0.32%	229,000
7	Robert McAlinden	0.32%	0.32%	229,000
8	All other 44 shareholders	0.20%	0.20%	142,000
	Total issues & outstanding			71,571,450

- *Capitalization After the Effective Date*.

After the Effective Date, the Reorganized Debtor will have the flexibility to issue additional units of the New equity Interests from time to time in the future as provided in the Reorganized Debtor articles of corporation, based on its business needs, which could dilute the respective ownership percentage of the Holders of Equity Interests receiving New equity interest pursuant to this Section 3.02.

(B) Management of the Reorganized Debtor.

(i) Governance and Board of Directors

On the Effective Date, there will be no change in board of Directors of the corporation. However, the Debtor may induct more independent Directors as and when needed as per the by-laws of the corporation.

(ii) Executive Officers.

On the Effective Date, the members of existing Debtor management shall maintain their current positions, including those serving also serving as executive officers, in the Reorganized Debtor on and after the Effective Date.

(iii) Modification of Governing Documents.

The following discussion summarizes the material amendments to the Debtor's Articles of Corporation and by-laws of the Corporation. This summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan and Reorganized Debtor's Articles of Corporation, Statement of Qualification and By-laws of the Corporation.

Without any further board meeting or similar action, the governing documents of the Reorganized Debtor will be altered, modified, amended and/or restated as follows:

- *General Amendments to the Articles of the Corporation*

Each of the governing documents of the Reorganized Debtor, as applicable, shall be amended to provide for the authorization of all acts necessary to implement the Plan including, without limitation: (x) the issuance of the New Equity Interest, New International Holdings Corp. Common stock, and (y) qualification as a Corporation under Florida law and license to do business in Iowa State.

- *Reorganized Debtor by-laws*

The by-laws of the Debtor dated November 2, 2007, shall be amended and restated in its entirety to:

Delete any provisions, and remove and terminate any obligations of the Debtor and/or Reorganized Debtor specifically not mentioned in this document or re-organization plan.

- *Amendments after the Effective Date*.

After the Effective Date, the Reorganized Debtor may amend and Restate its Reorganized Debtor Articles of Corporation, and Reorganized Debtor by-laws as permitted by applicable law, without application by or on behalf of any such parties to the Bankruptcy Court, and without notice and a hearing, unless specifically required by the Bankruptcy Court.

(iv) Issuance of New Equity Interests.

The issuance of the New Equity Interests by the Reorganized Debtor contemplated by the Plan is hereby authorized without further act by the Board of Directors' approval or action under applicable law, regulation, order, or rule. All New Equity Interests issued under the Plan shall be exempt from registration under the Securities Act or any applicable state or local law pursuant to Section 1145 of the Bankruptcy Code.

(v) Cancellation of Claims and Certificates Representing Old Equity Interests

Except (i) as otherwise expressly provided in the Plan, (ii) with respect to Executory Contracts that have been rejected by the Debtor, (iii) for purposes of evidencing a right to Distributions under the Plan, or (iv) with respect to any Claim that is Allowed under the Plan, on the Effective Date, all Certificates and any other instruments or documents evidencing any Claims or Equity Interests shall be deemed automatically cancelled and deemed surrendered without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtor under the agreements, instruments, and other documents, indentures, and certificates of designations governing such Claims and Equity Interests, as the case may be, shall be discharged.

(vi) Effectuating Documents and Further Transactions

On and after the Effective Date, the Reorganized Debtor, the Board of Direcotrs and the officers of the Reorganized Debtor are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities

issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtor, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

(vii) Funding of the Plan.

The Reorganized Debtor will obtain the funds necessary for the payment Of Allowed Claims that are to be paid in Cash as provided in the Plan through Cash on hand from Debtor's and Reorganized Debtor's operations and through raising additional new debt.

The debtor has engaged professional firms and is in the process of raising up to $12,500,00.00 in debt to complete balance of the plant and commence commercial operations by December 2012.

(viii) Distributions to Holders of Allowed Claims.

Cash and New Securities will be distributed to holders of Allowed Claims and equity holders respectively as provided in Article II of the Plan.

3. Corporate Action

All actions contemplated by the Plan shall be deemed authorized and approved in all respects, including (a) the issuance and distribution of the New Equity interest; and (b) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the equity structure of the Debtor or the Reorganized Debtor and any corporate action required by the Debtor or the Reorganized Debtor in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtor, the Reorganized Debtor, or equity holders. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtor, the Reorganized Debtor, as applicable, shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtor, including the New equity interest and any and all other agreements, documents, securities, and instruments relating to the foregoing.

4. Revesting of Assets

The property of the Debtor's Estate shall revest in the Reorganized Debtor on the Effective Date. Thereafter, the Reorganized Debtor may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all property of the Reorganized

Debtor shall be free and clear of all Claims, encumbrances, Equity Interests, charges and Liens except as provided or contemplated herein or in the Confirmation Order. Without limiting the generality of the foregoing, the Reorganized Debtor may, without application to or approval by the Bankruptcy Court, pay professional fees and expenses incurred after the Effective Date.

5. Preservation of Rights of Action; Settlement of Litigation Claims

Except as otherwise provided herein or in the Confirmation Order, or in any contract, instrument, release, indenture, or other agreement entered into in connection with this Plan, in accordance with Section 1123(b) of the Bankruptcy Code, following the Confirmation Date, the Reorganized Debtor shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Causes of Action that the Debtor or its Estate may hold against any Person or Entity without further approval of the Bankruptcy Court. The Reorganized Debtor or its successor may pursue such retained Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtor or its successor who hold such rights.

6. Exemption from Certain Transfer Taxes

Pursuant to Section 1146(a) of the Bankruptcy Code, the following will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment: (a) the issuance, transfer or exchange of New equity interest; (b) the creation of any mortgage, deed of trust, lien or other security interest under or pursuant to this Plan; (c) the making or assignment of any lease or sublease under or pursuant to this Plan; (d) any Restructuring Transaction; or (e) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any of the foregoing or pursuant to this Plan.

J. PROVISIONS GOVERNING DISTRIBUTIONS

1. DISTRIBUTIONS FOR CLAIMS AND EQUITY INTERESTS ALLOWED AS OF THE EFFECTIVE DATE

Except as otherwise provided herein or as ordered by the Bankruptcy Court, Distributions, including the issuances of New Equity Interests, to be made in exchange for or on account of Claims or Equity Interests that are Allowed Claims or Allowed Equity Interests as of

the Effective Date shall be made as provided in Article II. All Cash Distributions shall be made by the Disbursing Agent from available Cash on hand from Debtor's or Reorganized Debtor's operations, as the case may be. Any Distribution hereunder of property other than Cash shall be made by the Disbursing Agent or the transfer agent in accordance with the terms of this Plan.

2. DISBURSING AGENT

The Disbursing Agent shall make all Distributions required hereunder, except with respect to a Holder of a Claim whose Distribution is governed by an indenture or other agreement and is administered by an indenture trustee, agent, or servicer, which Distributions shall be delivered to the Holders of such Allowed Claims at the direction of the appropriate indenture trustee, agent, or servicer in accordance with the provisions hereof and the terms of the relevant indenture or other governing agreement.

If the Disbursing Agent is an independent third party designated by the Reorganized Debtor to serve in such capacity, such Disbursing Agent shall receive, without further Bankruptcy Court approval, reasonable compensation for Distribution services rendered pursuant to this Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized Debtor on terms acceptable to the Reorganized Debtor. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. If otherwise so ordered, all costs and expenses of procuring any such bond shall be paid by the Reorganized Debtor.

3. SURRENDER OF EXISTING SECURITIES OR INSTRUMENTS

On or before the Distribution Date, or as soon as reasonably practicable thereafter, each Holder of a Certificate shall surrender such Certificate, to the Disbursing Agent and each Certificate shall be cancelled. No Distribution of property hereunder shall be made to or on behalf of any such Holder unless and until such Certificate is received by the Disbursing Agent or the unavailability of such Certificate is reasonably established to the satisfaction of the Disbursing Agent. Any such Holder who fails to surrender or cause to be surrendered such Certificate or fails to execute and deliver an affidavit of loss and indemnity reasonably satisfactory to the Disbursing Agent, prior to the first anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims or Equity Interests in respect of such Certificate and shall not participate in any Distribution hereunder, and all New Equity Interests in respect of such forfeited Distribution shall be cancelled notwithstanding any federal or escheat laws to the contrary.

4. MEANS OF CASH PAYMENT

Cash payments hereunder shall be in U.S. funds by check, wire transfer, or such other commercially reasonable manner as the payor shall determine in its sole discretion.

5. DELIVERY OF DISTRIBUTIONS; UNDELIVERABLE OR UNCLAIMED DISTRIBUTIONS

Distributions to Holders of Allowed Claims and Allowed Equity Interests shall be made by the Disbursing Agent (a) at the Holder's last known address, (b) at the address in any written notice of address change delivered to the Disbursing Agent, or (c) at the address set forth in a properly completed letter of transmittal accompanying a Certificate properly remitted in accordance with the terms hereof. If any Holder's Distribution is returned as undeliverable, no further Distributions to such Holder shall be made, unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions made through the Disbursing Agent shall be returned to the Reorganized Debtor until such Distributions are claimed. All claims for undeliverable Distributions must be made on or before the first anniversary of the Effective Date, after which date (x) all Cash in respect of such forfeited Distribution including interest accrued thereon shall revert to the Reorganized Debtor and (y) all New Equity Interests in respect of such forfeited Distribution shall be cancelled, in each case, notwithstanding any federal or state escheat laws to the contrary.

6. WITHHOLDING AND REPORTING REQUIREMENTS

In connection with this Plan and all Distributions hereunder, the Disbursing Agent 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 hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements.

7 SETOFFS

The Reorganized Debtor may, but shall not be required to, set off against any Claim, and the payments or other Distributions to be made pursuant to this Plan in respect of such Claim, claims of any nature whatsoever that the Debtor or Reorganized Debtor 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 Reorganized Debtor of any claim that the Debtor or Reorganized Debtor may have against such Holder. Nothing in this Plan shall be deemed to expand rights to setoff under applicable non-bankruptcy law.

K. PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS

The Debtor intends to make Distributions, as required by the Plan, in accordance with the Schedules, if any, and the books and records of the Debtor. Unless disputed by a Holder of a Claim or Equity Interest, the amount determined from the books and records of the Debtor shall constitute the amount of the Allowed Claim or Allowed Equity Interest of such Holder.

1. OBJECTIONS TO CLAIMS; DISPUTED CLAIMS

A Claim or Equity Interest shall be deemed a Disputed Claim or a Disputed Equity Interest to the extent: (i) any Holder of a Claim or Equity Interest advises the Debtor in writing that such Holder disagrees with the Debtor's determination of the amount of such Claim or Equity Interest; and (ii) the Debtor or the Reorganized Debtor objects to the allowance of a Claim or Equity Interest, or any portion thereof, with respect to which the Debtor or the Reorganized Debtor disputes liability, priority, and/or amount, including, without limitation, objections to Claims or Equity Interests which have been assigned and the assertion of the doctrine of equitable subordination with respect thereto.

The Debtor or the Reorganized Debtor, as the case may be, intend to attempt to resolve any such Disputed Claims consensually; provided, however, that the Debtor or Reorganized Debtor may, in their discretion, file with the Bankruptcy Court (or any other court of competent jurisdiction) an action relating to the allowance of any Claim or Equity Interest, or any other appropriate motion or adversary proceeding with respect thereto. All objections, affirmative defenses, and counterclaims shall be litigated to Final Order; provided, however, that the Debtor or Reorganized Debtor shall have the authority to file, compromise and settle, withdraw or resolve by any other method, without requirement of Bankruptcy Court approval, any objections to Claims or Equity Interests. Unless otherwise ordered by the Bankruptcy Court, the Debtor or Reorganized Debtor shall file and serve all objections to Claims and Equity Interests as soon as practicable, but, in each instance, not later than 180 days following the Confirmation Date or such later date as may be approved by the Bankruptcy Court.

2. ESTIMATION OF CLAIMS

Unless otherwise limited by an order of the Bankruptcy Court, the Debtor or the Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate, for final Distribution purposes, any contingent, unliquidated or Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code or other applicable law regardless of whether the Debtor or the Reorganized Debtor have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Unless otherwise provided in an order of the Bankruptcy Court, in the event the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the

Debtor or the Reorganized Debtor, as the case may be, may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another and are not intended to limit the rights granted by Section 502(j) of the Bankruptcy Code. Claims may be estimated and thereafter resolved by any permitted mechanism.

3. NO DISTRIBUTION PENDING ALLOWANCE

Notwithstanding any other provision herein, if any portion of a Claim is a Disputed Claim or any portion of an Equity Interest is a Disputed Equity Interest, no payment or Distribution provided hereunder shall be made on account of or in exchange for such portion of such Claim or Equity Interest unless and until such Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or an Allowed Equity Interest.

4. DISTRIBUTIONS AFTER ALLOWANCE

To the extent that a Disputed Claim or Disputed Equity Interest ultimately becomes an Allowed Claim or Allowed Equity Interest, a Distribution shall be made to the Holder of such Allowed Claim or Allowed Equity Interest in accordance with the provisions of this Plan. The Disbursing Agent shall provide to the Holder of such Claim or Equity Interest the Distribution to which such Holder is entitled hereunder on account of or in exchange for such Allowed Claim or Allowed Equity Interest either (i) as soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court or other applicable court of competent jurisdiction allowing any Disputed Claim or Disputed Equity Interest becomes a Final Order; (ii) as may be mutually agreed upon between such Holder of such Allowed Claim or Allowed Equity Interest.

L. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. ASSUMED EXECUTORY CONTRACTS

Except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with this Plan, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all Executory Contracts that exist between the Debtor and any Entity shall be deemed REJECTED by the Debtor, as of the Effective Date except for any Executory Contract that (a) that has been accepted pursuant to an order of the Bankruptcy Court entered prior to the Effective Date and for which the motion was filed prior to the Confirmation Date, (b) as to which a motion for approval of the acceptance of such Executory Contract has been filed and served prior to the Confirmation Date, or (c) that is specifically designated as a Executory Contract to be accepted on Schedule 4.01 of the Plan, and by this reference incorporated herein; provided, however, that the Debtor reserves the right, on or prior to the Confirmation Date, to amend Schedule 4.01 to delete any Executory Contract

therefrom or add any Executory Contract thereto, in which event such Executory Contract(s) shall be deemed to be, respectively, assumed or rejected. The Debtor shall provide notice of any amendments to Schedule 4.01 to the parties to the Executory Contracts affected thereby. The listing of a document on Schedule 4.01 shall not constitute an admission by the Debtor that such document is an Executory Contract or that the Debtor has any liability thereunder.

Each Executory Contract that is assumed and relates to the use, ability to acquire, or occupancy of real property shall include: (x) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such Executory Contract; and (y) all Executory Contract appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights related to such premises, unless any of the foregoing agreements has been rejected pursuant to an order of the Bankruptcy Court.

2. APPROVAL OF ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute: (i) the approval, pursuant to Sections 365 and 1123 (b)(2) of the Bankruptcy Code, of the Executory Contract assumptions or rejections pursuant to Section 4.01 of the Plan.

3. CURE OF DEFAULTS FOR ASSUMED EXECUTORY CONTRACTS

Any monetary amounts by which any Executory Contract to be assumed under the Plan is in default shall be Cured, under Section 365(b)(1) of the Bankruptcy Code, by the Debtor (a) on or before the Effective Date or (b) upon such other terms as may be mutually agreed upon between the Debtor and the Entity(ies) that are party to the Executory Contract to be assumed; provided, however, if there is a dispute regarding: (a) the nature or amount of any Cure; (b) the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the Executory Contract to be assumed; or (c) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be.

4. REJECTION CLAIMS RELATING TO REJECTED EXECUTORY CONTRACTS

All Rejection Claims arising out of the rejection of Executory Contracts pursuant to Section 4.01 of the Plan must be filed with the Bankruptcy Court and served upon the Debtor (or, on and after the Effective Date, Reorganized Debtor) and its counsel within 30 days after the earlier of: (a) the date of entry of an order of the Bankruptcy Court approving such rejection; (b) the Confirmation Date; or (c) notice of an amendment to Schedule 4.01 specifically designating

an Executory Contract as rejected. Any such Claims not filed within such time shall be forever barred from assertion against the Debtor and its Estate or the Reorganized Debtor and its property.

5. INDEMNIFICATION OF OFFICERS, EMPLOYEES, AND DIRECTORS

The obligations of the Debtor to indemnify any Released Party, to the extent provided in the Debtor's Articles and By-laws of the corporation or similar constitutive documents, or any specific agreement relating to any claims, demands, suits or proceedings against such Released Party based upon any act or omission related to service with or on behalf of any of the Debtor prior to the Effective Date, or under applicable state corporate law (to the maximum extent permitted thereunder), shall be deemed and treated as Executory Contracts, as to which no proofs of Claim need be filed, that are assumed by the Reorganized Debtor pursuant hereto and Section 365 of the Bankruptcy Code as of the Effective Date. Accordingly, such indemnification obligations shall survive Unimpaired and unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date, and shall not be discharged.

6. ASSUMPTION OF D&O INSURANCE

All directors' and officers' liability insurance policies maintained by the Debtor, if any, are hereby assumed. Entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) of the Bankruptcy Code. If such coverage exists as of the petition date, the Reorganized Debtor shall maintain for a period of not less than six (6) years from the Effective Date coverage for the individuals covered, as of the Petition Date, under policies on terms not substantially less favorable to such individuals than the terms provided for under the policies assumed pursuant to this Plan. No provision of this Plan shall limit any Released Party's rights to seek recovery or reimbursement under any directors' and officers' liability insurance policy.

M. ACCEPTANCE OR REJECTION OF THE PLAN

1. CLASSES ENTITLED TO VOTE

Each Holder, as of the Voting Record Date, of an Allowed Claim in Classes 1, 2, 3, 4, 5 and 6 is entitled to vote to accept or reject this Plan. Holders of Claims or Equity Interests in all other Classes are Unimpaired and shall not be entitled to vote because they are conclusively deemed, by operation of Section 1126(f) of the Bankruptcy Code, to have accepted this Plan.

2. ACCEPTANCE BY IMPAIRED CLASSES

An Impaired Class of Claims shall have accepted this Plan if the Holders of at least two thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in the Class actually voting have voted to accept this Plan, and an Impaired Class of Equity Interests, if

any, shall have accepted this Plan if the Holders of at least two-thirds (2/3) in amount of the Allowed Equity Interests in the Class actually voting have voted to accept this Plan, in each case not counting the vote of any Holder designated under Section 1126(e) of the Bankruptcy Code.

3. ELIMINATION OF CLASSES

Any Class that does not contain any Allowed Claims or Equity Interests or any Claims or Equity Interests temporarily allowed for voting purposes under Bankruptcy Rule 3018, as of the date of the commencement of the Confirmation Hearing, shall be deemed not included in this Plan for purposes of (a) voting to accept or reject this Plan and (b) determining whether such Class has accepted or rejected this Plan under Section 1129(a)(8) of the Bankruptcy Code.

4. NONCONSENSUAL CONFIRMATION

The Bankruptcy Court may confirm this Plan over the dissent of or rejection by any Impaired Class if all of the requirements for consensual confirmation under sub-Section 1129(a), other than sub-Section 1129(a)(8), of the Bankruptcy Code and for nonconsensual confirmation under sub-Section 1129(b) of the Bankruptcy Code have been satisfied. The Debtor reserves the right to seek Confirmation of this Plan to the extent it may be modified in accordance with Section 1127 of the Bankruptcy Code.

N. CONDITIONS PRECEDENT; WAIVER

1. CONDITIONS TO CONFIRMATION

The proposed Confirmation Order shall be in form and substance reasonably acceptable to the Debtor. This condition is subject to satisfaction or waiver in accordance with Article 7.04 of the Plan.

2. CONDITIONS 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 7.04 of the Plan:

- The Confirmation Order shall have been entered by the Bankruptcy Court.
- The Confirmation Order shall have become a Final Order.
- All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of the Plan shall have been obtained.
- The Debtor shall have executed and delivered all documents necessary to effectuate the issuance of the New Equity Interests.

- All other actions, documents, and agreements necessary to implement this Plan shall have been effected or executed.

- No stay of the consummation of the Plan shall be in effect.

3. EFFECT OF FAILURE OF CONDITIONS

In the event that one or more of the conditions specified in Article 7.02 of the Plan shall not have occurred or been waived pursuant to Article 7.04 of the Plan on or before June 30, 2012, (a) the Court may choose to vacate the Confirmation Order, (b) no Distributions under the Plan shall be made, (c) the Debtor and Holders of Claims and Equity Interests shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Order had never been entered, and (d) the Debtor' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtor or any Person or governmental Entity or to prejudice in any manner the rights of the Debtor or any Person or governmental Entity in any other or further proceedings involving the Debtor.

4. WAIVER OF CONDITIONS

Each of the conditions set forth in Article 7.01 and Article 7.02 above, other than as set forth in Article 7.02(a), may be waived in whole or in part by the Debtor without any other notice to parties in interest or the Bankruptcy Court and without hearing.

O. MODIFICATIONS AND AMENDMENTS; WITHDRAWAL

Subject to Section 1127 of the Bankruptcy Code and, to the extent applicable, Sections 1122, 1123 and 1125 of the Bankruptcy Code, the Debtor may alter, amend or modify this Plan at any time prior to or after the Confirmation Date, but prior to the substantial consummation of this Plan. The Debtor reserves the right to amend any exhibits or schedules to this Plan, whereupon each such amended exhibit or schedule shall be deemed substituted for the original of such exhibit. The Debtor shall provide notice of any amendments to any exhibit or schedule to the parties affected thereby. After the Confirmation Date, the Debtor or Reorganized Debtor may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies within or among this Plan, the Disclosure Statement, and the Confirmation Order, and to accomplish such matters as may be reasonably necessary to carry out the purposes and intent hereof. A Holder of a Claim or Equity Interest that has accepted this Plan shall be deemed to have accepted this Plan, as altered, amended or modified, if the proposed alteration, amendment, modification or remedy

does not materially and adversely affect the treatment of the Claim or Equity Interest of such Holder hereunder.

P. RETENTION OF JURISDICTION

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

Q. COMPROMISES AND SETTLEMENTS

Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), each of the Debtors may compromise and settle various Claims against it and/or claims it may have against other Persons. Each of the Debtors expressly reserves the right (and except as otherwise provided in the Plan, with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing) to compromise and settle Claims against it and claims that it may have against other Persons up to and including the Effective Date. After the Effective Date, such right shall transfer to the Reorganized Debtors pursuant to the Plan and no Bankruptcy Court approval of any such action, compromise or settlement shall be required.

R. EFFECT OF CONFIRMATION

1. DISCHARGE OF CLAIMS AND TERMINATION OF EQUITY INTERESTS

Except as otherwise provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the Distributions to be made hereunder shall be in exchange for and in complete satisfaction, discharge, and release of all existing debts and Claims, and shall terminate all Equity Interests, of any kind, nature, or description whatsoever, including any interest accrued on such Claims from and after the Petition Date, against or in the Debtor or any of its assets or properties to the fullest extent permitted by Section 1141 of the Bankruptcy Code. Except as provided in the Plan, on the Effective Date, all existing Claims against the Debtor and Equity Interests in the Debtor, shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtor, or any of their assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim or proof of Equity Interest.

2. DISCHARGE OF THE DEBTOR

Upon the Effective Date and in consideration of the Distributions to be made hereunder, except as otherwise expressly provided herein, each holder (as well as any trustees and agents on behalf of each holder) of a Claim or Equity Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtor, to the fullest extent permitted by Section 1141 of the Bankruptcy Code, of and from any and all Claims, Equity Interests, rights, and liabilities that arose prior to the Effective Date. Upon the Effective Date, all Persons and Entities shall be forever precluded and enjoined, pursuant to Section 524 of the Bankruptcy Code, from asserting against the Debtor, the Debtor in Possession, their successors or assigns, including, without limitation, the Reorganized Debtor or its assets, properties or interests in property, any discharged Claim against or terminated Equity Interest in the Debtor, any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not the facts or legal bases therefore were known or existed prior to the Confirmation Date regardless of whether a proof of Claim or Equity Interest was filed, whether the holder thereof voted to accept or reject the Plan, or whether the Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest.

3. INJUNCTION ON CLAIMS

Except as otherwise expressly provided in the Plan, the Confirmation Order, or such other order of the Bankruptcy Court that may be applicable, all Persons or Entities who have held, hold, or may hold Claims or other debt or liability that is discharged or Equity Interests or other right of equity interest that is terminated or cancelled pursuant to the Plan are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or other debt or liability or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan against the Debtor, the Debtor in Possession, or the Reorganized Debtor, the Debtor's Estate, or properties or interests in properties of the Debtor or the Reorganized Debtor, (b) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtor, the Debtor in Possession, or the Reorganized Debtor, the Debtor's Estate or properties, or interests in properties of the Debtor, the Debtor in Possession, or the Reorganized Debtor, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor, the Debtor in Possession, or the Reorganized Debtor, the Debtor's Estate or properties, or interests in properties of the Debtor, the Debtor in Possession, or the Reorganized Debtor, (d) except to the extent provided, permitted, or preserved by Sections 553, 555, 556, 559, or 560 of the Bankruptcy Code or pursuant to the common law right of recoupment, asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Debtor, the Debtor in Possession, or the Reorganized Debtor, the Debtor's Estate or properties, or interests in properties of the Debtor, the Debtor in Possession, or the Reorganized Debtor, with respect to any such Claim or other debt or liability that is discharged or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan, and (e) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that such injunction shall not preclude the United

States of America, any State, or any of their respective police or regulatory agencies from enforcing their police or regulatory powers; and, provided, further, that except in connection with a properly filed proof of claim, the foregoing proviso does not permit the United States of America, any state, or any of their respective police or regulatory agencies from obtaining any monetary recovery from the Debtor, the Debtor in Possession, or the Reorganized Debtor, or their respective property or interests in property with respect to any such Claim or other debt or liability that is discharged or Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan, including, without limitation, any monetary claim or penalty in furtherance of a police or regulatory power. Such injunction shall extend to all successors of the Debtor, the Debtor in Possession, and their respective properties and interests in property.

4. TERM OF EXISTING INJUNCTIONS OR STAYS

Unless otherwise provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Case pursuant to Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in such applicable order.

5. EXCUPLATION

None of the Debtor or the Reorganized Debtor and any of their respective directors, officers, employees, members, attorneys, consultants, advisors, and agents (but solely in their capacities as such), shall have or incur any liability to any holder of a Claim or Equity Interest of any other Entity for any act taken or omitted to be taken in connection with, related to, or arising out of, the Chapter 11 Case, the formulation, preparation, dissemination, implementation, confirmation, approval, or administration of the Plan or any compromises or settlements contained therein, the Disclosure Statement related thereto, the property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; provided, however, that the foregoing provisions of this Section 8.05 shall not affect the liability of (a) any Entity that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct, including, without limitation, fraud and criminal misconduct, (b) the professionals of the Debtor or the Reorganized Debtor, to their respective clients pursuant to applicable codes of professional conduct, or (c) any of such Persons with respect to any act or omission prior to the Petition Date, except as otherwise expressly set forth elsewhere in the Plan. Any of the foregoing parties in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

6. PRESERVATION OF CAUSES OF ACTION / RESERVATION OF RIGHTS

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of Action that the Debtor or the Reorganized Debtor may have or which the Reorganized Debtor may choose to assert on behalf of its Estate under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any Person or Entity, to the extent such Person or Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtor, the Reorganized Debtor, their officers, directors, or representatives, (ii) the turnover of any property of the Debtor's Estate, and (iii) Causes of Action against current or former directors, officers, professionals, agents, financial advisors, underwriters, lenders, or auditors relating to acts or omissions occurring prior to the Petition Date.

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any Cause of Action, right of setoff, or other legal or equitable defense which the Debtor had immediately prior to the Petition Date, against or with respect to any Claim left unimpaired by the Plan. The Reorganized Debtor shall have, retain, reserve, and be entitled to assert all such Claims, Causes of Action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the Chapter 11 Case had not been commenced, and all of the Reorganized Debtor's legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Case had not been commenced.

7. INJUNCTION ON CAUSES OF ACTION

Except as provided in the Plan, as of the Effective Date, all non-Debtor entities are permanently enjoined from commencing or continuing in any manner, any Causes of Action, whether directly, derivatively, on account of or respecting any debt or Cause of Action of the Debtor, the Debtor in Possession, or the Reorganized Debtor which the Debtor, the Debtor in Possession, or the Reorganized Debtor, as the case may be, retain sole and exclusive authority to pursue in accordance with Section 8.06 of the Plan or which has been released pursuant to the Plan.

IV. SECURITIES LAW MATTERS

Neither the offer nor the issuance of New Securities in exchange for certain Claims against, or Equity Interests in, the Debtor have been registered under the Securities Act or similar state statutes or "Blue Sky" laws. The Debtor will rely on Section 1145(a)(1) of the Bankruptcy Code to exempt the offer and issuance of the New Securities pursuant to the Plan from the registration requirements of the Securities Act and applicable state securities and "Blue Sky" laws.

Section 1145(a)(1) of the Bankruptcy Code exempts the offer or sale of securities pursuant to a plan of reorganization from the registration requirements of the Securities Act and from registration under state securities laws if the following conditions are satisfied: (i) the securities are issued by a company (a "debtor" under the Bankruptcy Code) (or its affiliates or successors) under a plan of reorganization; (ii) the recipients of the securities hold a claim against, an interest in, or a claim for an administrative expense against, the debtor; and (iii) the securities are issued in exchange for the recipients' claims against or interests in the debtor, or principally in such exchange and partly for cash or property. In general, offers and sales of securities made in reliance on the exemption afforded under Section 1145(a) of the Bankruptcy Code are deemed to be made in a public offering, so that the recipients thereof, other than underwriters, are free to resell such securities without registration under the Securities Act. In addition, such securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states.

The exemption from the registration requirements of the Securities Act for resales provided by Section 1145(a) is not available to a recipient of New Securities if such individual or entity is deemed to be an "underwriter" with respect to such securities, as that term is defined in Section 1145(b) of the Bankruptcy Code. Section 1145(b) of the Bankruptcy Code defines the term "underwriter" as one who (a) purchases a claim with a view toward distribution of any security to be received in exchange for the claim, or (b) offers to sell securities issued under a plan for the Holders of such securities, or (c) offers to buy securities issued under a plan from persons receiving such securities, if the offer to buy is made with a view toward distribution, or (d) is a control person of the issuer of the securities. Notwithstanding the foregoing, statutory underwriters may be able to sell securities without registration pursuant to Rule 144 under the Securities Act (subject, however, to any resale limitations contained therein), which, in effect, permits the resale of securities (including those securities received by statutory underwriters pursuant to a Chapter 11 plan) subject to applicable volume limitations, notice and manner of sale requirements and certain other conditions.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTOR MAKES NO REPRESENTATIONS CONCERNING, AND DO NOT HEREBY PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE SECURITIES AND BANKRUPTCY MATTERS DESCRIBED HEREIN. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, THE DEBTOR ENCOURAGES EACH CREDITOR, EQUITY INTEREST HOLDER, AND PARTY IN INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, THE DEBTOR MAKES NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN.

V. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. GENERAL

The following discussion summarizes certain United States federal income tax consequences of the implementation of the Plan to the Debtor and certain Holders of Claims or Equity Interests for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to any particular Holder of a Claim or Equity Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service ("IRS") as in effect on the date hereof. Legislative, judicial or administrative changes or new interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or new interpretations may have retroactive effect and could significantly affect the federal income tax consequences of the Plan.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtor has not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this discussion does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to (i) special classes of taxpayers (such as Persons who are related to the Debtor within the meaning of the Tax Code, foreign taxpayers, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations, and investors in pass-through entities and Holders of Claims or Equity Interests who are themselves in bankruptcy) or (ii) Holders not entitled to vote on the Plan, including Holders whose Claims or Equity Interests are entitled to reinstatement or payment in full in cash under the Plan or Holders whose Claims or Equity Interests are to be extinguished without any Distribution.

This discussion assumes that Holders of Claims or Equity Interests hold only Claims or Equity Interests in a single Class. Holders of multiple Classes of Claims or Equity Interests should consult their own tax advisors as to the effect such ownership may have on the federal income tax consequences described below.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR EQUITY INTEREST. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

B. CANCELLATION OF INDEBTEDNESS INCOME

Under the Tax Code, a taxpayer generally must recognize income from the cancellation of its debt ("COD Income"). The Tax Code, however, provides various exceptions to COD Income recognition.

Pursuant to Section 108(e)(2) of the Tax Code provides that no COD Income is recognized upon the discharge of debt to the extent that the satisfaction of the debt would have given rise to a deduction for federal income tax purposes.

A recently enacted amendment to the COD Income rules, in Section 108(i) of the Tax Code, provides that taxpayers, including taxpayers operating under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code, that recognize COD Income in 2009 or 2010 may elect to forgo the COD Income exclusion and attribute reduction rules described above and instead take the COD Income into taxable income in equal installments in 2014 through 2018 (i.e., the taxpayer would report 20% of the COD Income in each such year). The irrevocable election to defer the taxable income, which may be made on an instrument-by-instrument basis, must be made on the taxpayer's tax return for the year which includes the transaction that creates the COD Income (in this case, the year in which the Effective Date occurs).

The Debtor will take the position that the treatment of any rejected contracts does not give rise to a taxable event, COD Income or otherwise.

C. CONSEQUENCES TO HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS

Pursuant to the Plan, each Holder of an Allowed General Unsecured Claim will receive cash, in full satisfaction and discharge of its Allowed Claim. Holders of Allowed General Unsecured Claims, therefore, are urged to consult their tax advisors with respect to their tax treatment of such receipts.

D. CONSEQUENCES TO HOLDERS OF ALLOWED REJECTION CLAIMS

The Debtor plans to take the position that the treatment of any Allowed Rejection Claim does not give rise to a taxable event under which the Debtor must realize income, COD income or otherwise. The Debtor's position would be that the exchange is a nontaxable contribution by the Holder of capital to the Debtor under Section 721 of the Tax Code. If any

Holder receives cash or other property from the Debtor, equal to and in full satisfaction of the Allowed Rejection Claim, the Holder would likely realize income under its normal accounting rules.

E. CONSEQUENCES TO HOLDERS OF EQUITY INTERESTS

The Debtor plans to take the position that the Restructuring Transactions by which the Old Equity Interests convert to New Equity Interests at 100% are not taxable exchanges of Old or New Equity Shares that would terminate the Debtor under Section 708(b)(1)(B) of the Tax Code. Accordingly, the Holders of Old Equity Interests would continue their ownership interest in the Debtor at a same percentage (represented by New Equity Interests) without an immediate federal income tax consequence to them.

F. INFORMATION REPORTING AND BACKUP WITHHOLDING

Certain payments, including the payments with respect to Claims pursuant to the Plan, may be subject to information reporting by the payor (the Debtor) to the IRS. The Debtor intends to comply with all applicable reporting withholding requirements of the Tax Code.

G. IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF FEDERAL 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 EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR EQUITY INTERESTS UNDER THE INTERNAL REVENUE CODE; (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 EQUITY INTERESTS SHOULD SEEK ADVICE BASED UPON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

VI. FEASIBILITY OF THE PLAN AND THE BEST INTERESTS OF CREDITORS TEST

A. FEASIBILITY OF THE PLAN

In connection with Confirmation of the Plan, Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor. This is the so-called "feasibility" test. To support their belief in the feasibility of the Plan, the Debtor, with the inputs from its technology provider ("NIRAS") and Methane marketer ("U.S. Energy Services"), has prepared the Financial Projections attached hereto as **Exhibit A** (the "Financial Projections").

The Financial Projections indicate that the Reorganized Debtor should have sufficient cash flow to make the payments required under the Plan on the Effective Date, repay and service debt obligations, and maintain operations on a going-forward basis. Accordingly, the Debtor believes that the Plan complies with Section 1129(a)(11) of the Bankruptcy Code. As noted in the Financial Projections, however, the Debtor caution that no representations can be made as to the accuracy of the Financial Projections or as to the Reorganized Debtor's ability to achieve the projected results. Many of the assumptions upon which the Financial Projections are based are subject to uncertainties outside the control of the Debtor. Some assumptions inevitably will not materialize, and events and circumstances occurring after the date on which the Financial Projections were prepared may be different from and may adversely affect the Reorganized Debtor's financial results. See "CERTAIN FACTORS TO BE CONSIDERED" for a discussion of certain risk factors that could affect financial feasibility of the Plan.

THE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING FINANCIAL PROJECTIONS. FURTHERMORE, THE FINANCIAL PROJECTIONS HAVE NOT BEEN AUDITED BY THE DEBTOR'S INDEPENDENT CERTIFIED ACCOUNTANTS. ALTHOUGH PRESENTED WITH NUMERICAL SPECIFICITY, THE FINANCIAL PROJECTIONS ARE BASED UPON A VARIETY OF ASSUMPTIONS, SOME OF WHICH HAVE NOT BEEN ACHIEVED TO DATE AND MAY NOT BE REALIZED IN THE FUTURE, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, LITIGATION, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY, IF NOT ALL, OF WHICH ARE BEYOND THE CONTROL OF THE DEBTOR. CONSEQUENTLY, THE FINANCIAL PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTOR, OR ANY OTHER PERSON, THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THE THOSE PRESENTED IN THE FINANCIAL PROJECTIONS.

B. BEST INTERESTS TEST

The Bankruptcy Code requires that the Bankruptcy Court find that the Plan is in the best interest of all Holders of Claims and Equity Interests that are Impaired by the Plan and that have not accepted the Plan as a requirement to confirm the Plan. The "best interests" test, as set forth in Section 1129(a)(11) of the Bankruptcy Code, requires the Bankruptcy Court to find either that all members of an impaired class of claims or equity interests have accepted the Plan or that the Plan will provide a member who has not accepted the Plan with a recovery of property of a value, as of the effective date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

To calculate the probable distribution to members of each impaired class of claims and equity interests if the Debtor were liquidated under Chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from the disposition of the Debtor's assets if liquidated in Chapter 7 case under the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the Debtor's assets by a Chapter 7 trustee.

The amount of liquidation value available to Holders of unsecured Claims against the Debtor would be reduced by, first, the claims of secured creditors (to the extent of the value of their collateral), and by the costs and expenses of liquidation, as well as by other administrative expenses and costs of the Chapter 7 case. Costs of a liquidation of the Debtor under Chapter 7 of the Bankruptcy Code would include the compensation of a Chapter 7 trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses and litigation costs. The liquidation itself would trigger certain priority payments that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay unsecured Claims or to make any distribution in respect of Equity Interests. The liquidation would also prompt the rejection of Executory Contracts and thereby create a significantly greater amount of unsecured Claims.

In a Chapter 7 liquidation, no junior class of Claims or Equity Interests may be paid unless all classes of Claims or Equity Interests senior to such junior class are paid in full. Section 510(a) of the Bankruptcy Code provides that subordination agreements are enforceable in a bankruptcy case to the same extent that such subordination is enforceable under applicable non-bankruptcy law. Therefore, no class of Claims or Equity Interests that is contractually subordinated to another class would receive any payment on account of its Claims or Equity Interests, unless and until such senior classes were paid in full.

Once the Bankruptcy Court ascertains the recoveries in liquidation of the Debtor's secured and priority creditors, it would then determine the probable distribution to unsecured creditors from the remaining available proceeds of the liquidation. If this probable distribution has a value greater than the value of distributions to be received by the unsecured creditors under the Plan, then the Plan is not in the best interests of creditors and cannot be confirmed by the

Bankruptcy Court. As shown in the Liquidation Analysis attached hereto as **Exhibit B**, the Debtor believes that each member of each Class of Impaired Claims and Equity Interests will receive at least as much, if not more, under the Plan as it would receive if the Debtor were liquidated.

C. LIQUIDATION ANALYSIS

The Debtor believes that under the Plan, all Holders of Impaired Claims and Equity Interests will receive property with a value significantly greater than the value each such Holder would receive in a liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. The Debtor's belief is based on the liquidation sale proceeds that the Debtor believes would be available to creditors in a Charter 7. In order to ascertain what the liquidation sale proceeds would be, the Debtor considered what can be sold in the liquidation process i.e. only movable assets like few equipment that is installed like Gas Train, boilers, electrical panels, etc. along with land. Majority of Investment that went in the infrastructure like Concrete tank farm, roads and semi-finished buildings, dirt work, pond, etc. can't be sold in the forced sale hence it will not have any value in the liquidation value.

Summary of Recent Plants' Forced Liquidation Auctions:

Following are summaries of recent liquidation sales of anaerobic digesters and Ethanol plants:

- The cattle manure digester in Stephenville Texas facility was operational for a while, but apparently went bankrupt due to the parent companies over expansion and over-leveraging of their entire operations which included projects in California, Colorado, and Wisconsin. The Huckabay Ridge project in Stephenville, TX was reportedly capable of producing up to 650,000 MMBtu per year from cattle manure and was liquidated in November, 2010 for $3.3 million, and the replacement cost was at least $18.4 million according to our information, but could have been higher including all of the costs.

- The former Renova Energy partially completed ethanol plant had an on-site anaerobic digester that was to produce biogas from the thick stillage, or syrup that comes from the back end of the ethanol processor. Construction on Renova Energy Idaho, LLC, a 20 MGY ethanol plant, was suspended in late 2007 after the project price tag grew from $45 million to $60 million. The goal was to feed the digester with syrup to power the facility. For $2.4 million, Natural Chem Holdings, LLC reportedly owns the entire facility, including the anaerobic and the underground tank farm. Natural Chem Holdings plans to upgrade the digester and it is not clear if they will bring the ethanol plant into operation because a number of the ethanol plant equipment components were sold off at the auction to highest bidders. According to Tyler Maas of Maas Companies, a large auction company specializing in this type liquidation, the anaerobic digester portion of the property was purchased on a bulk bid for $750,000. He felt that the replacement cost new of the equipment that was in place and sold was about $4,000,000.

These two facilities were sold on liquidation auctions for less than twenty cents on the dollar and both of them were plants that the buyer intended to operate them on their present site.

- One of the most recent liquidation auctions of a completed, nearly new, but non-operating plant took place on December 9, 2009 at the Cascade Grain Products, LLC ethanol plant near Clatskanie, Oregon. The plant is a 108 MGY facility that was designed by Delta-T Corporation and the construction contractor was J.H. Kelly. The plant construction was completed in 2008 but had failed to achieve stabilized operations and had been shut down, partly due to economic, and the company filed bankruptcy. A federal bankruptcy court judge approved the sale of the Cascade Grain ethanol plant to JH Kelly for $15 million.

- The partially completed Altra Nebraska, LLC 108 MGY facility located in Carleton, Nebraska was auctioned by MAAS Companies in October, 2009. The plant was about 50% complete, but most of the major equipment, piping, and building materials were on site. The detailed selling prices of the components have not been made public yet, but it has been reported that average selling prices for the major equipment components were about 10% of replacement cost, or less. The grain system portion of the plant was acquired by Cargill for $825,000. Cargill was going to use the grain handling and storage improvements in conjunction with a nearby facility they own already. The original replacement cost of the grain storage and handling equipment alone was estimated at over $8 million.

- The partially completed ethanol plant at Heyburn, Idaho (not including the digester system) reportedly brought a total of $3.06 million, or about $0.153 per gallon of annual production. This would be equivalent to less than ten cents on the dollar when you look at the replacement cost of items that were on site, and many items were still in crates. Our information was that about 85% of the equipment and building components were on site, but a much lower percentage was installed.

Therefore, based on the above mentioned recent liquidation sales and the fact that the construction of the plant halted 2-years ago and no takers for the plant for the last 2-years and current economy and so much real estate and surplus industrial equipment in the market, The Debtor believes that an appropriate reduction accounting for these factors would result in a Chapter 7 liquidation value of the plant between 10-12 cents per dollar. Thus, considering these factors, and as shown in the liquidation analysis attached hereto as Exhibit C the Debtor believes that creditors should expect that a Chapter 7 liquidation of the Debtor's assets would result in a recovery in the amount of between 10% and 12% of only secured creditors' claims. In the Liquidation process, there will be no money left to pay unsecured creditors and equity Interest Holders will not be paid anything. Therefore the Debtor's plan proposes to pay x) 30 cents per dollar with interest to Secured creditors which is three times as much as the Debtor expects that they would receive in a liquidation y) 15 cents per dollar to unsecured creditors z) Equity Interest Holders will be protected with the same Equity Interest percentage in the Reorganized Debtor.

The Debtor believes that any liquidation analysis includes some speculation as such an analysis necessarily is premised on assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtor. Thus, there can be no assurance as to values that would actually be realized in a Chapter 7 liquidation, nor can there be any assurance that a Bankruptcy Court would accept the Debtor's conclusions or concur with such assumptions in making its determinations under Section 1129(a)(11) of the Bankruptcy Code.

For example, the Liquidation Analysis necessarily contains an estimate of the amount of Claims which will ultimately become Allowed Claims. No order or finding has been entered by the Bankruptcy Court or any other court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtor has projected an amount of Allowed Claims within a reasonable range such that, for purposes of the Liquidation Analysis, the largest possible liquidation dividend to Holders of Allowed Claims can be assessed. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including any determination of the value of any distribution to be made on the account of Allowed Claims under the Plan.

To the extent that Confirmation of the Plan required the establishment of amounts for the Chapter 7 liquidation value of the Debtor, funds available to pay Claims, and the reorganization value of the Debtor, the Bankruptcy Court will determine those amounts at the Confirmation Hearing. Accordingly, the annexed Liquidation Analysis is provided solely to disclose to Holders of Eligible Claims and Eligible Equity Interests the effects of a hypothetical Chapter 7 liquidation of the Debtor, subject to the assumptions set forth therein.

VII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor believes that the Plan affords Holders of Claims and Equity Interests the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such Holders. If, however, the Requisite Acceptances to confirm the Plan are not received, or the Plan is not subsequently confirmed and consummated, the theoretical alternatives include: (i) formulation of an alternative plan or plans of reorganization or (ii) liquidation of the Debtor under Chapter 7 or 11 of the Bankruptcy Code.

A. ALTERNATIVE PLAN(S)

If the Requisite Acceptances to confirm the Plan are not received or if the Plan is not confirmed, the Debtor (or, if the Debtor's exclusive periods in which to file and solicit acceptances of a reorganization plan have expired, any other party in interest) could attempt to formulate and propose a different plan or plans of reorganization. Such a plan or plans might involve either a reorganization and continuation of the Debtor's businesses or an orderly liquidation of assets.

With respect to an alternative plan, the Debtor has had extensive discussions and negotiations with potential sources of financing concerning either the possible investment in the Debtor or the sale of the Debtor's assets. The Debtor has also explored various other alternatives in connection with the extensive negotiation process involved in the formulation and development of the Plan. The Debtor believes that the Plan, as described herein, enables Holders of Claims and Equity Interests to realize the greatest possible value under the circumstances, and that, as compared to available alternatives, the Plan has the greatest chance to be confirmed and consummated and will result in the best recovery for creditors.

B. LIQUIDATION UNDER CHAPTER 7

Proceeding under Chapter 7 would impose significant additional monetary and time costs on the Debtor's Estate. Under Chapter 7, one or more trustees would be elected or appointed to administer the Estate, to resolve pending controversies, including Disputed Claims against the Debtor and Claims of the Estate against other parties, and to make distributions to Holders of Claims. A Chapter 7 trustee would be entitled to compensation in accordance with the scale set forth in Section 326 of the Bankruptcy Code, and the trustee would also incur significant administrative expenses.

There is a strong probability that a Chapter 7 trustee in this case would not possess any particular knowledge about the Debtor. The Debtor asserts that the value of the Debtor's assets would be greatly diminished thereby. Additionally, a trustee would probably seek the assistance of professionals who may not have any significant background or familiarity with this case or the Waste-to-Energy industry. The trustee and any professionals retained by the trustee likely would expend significant time familiarizing themselves with this case. This would result in duplication of effort, increased expenses and delay in payments to creditors.

In an analysis of liquidation under Chapter 7, it must be recognized that additional costs in both time and money are inevitable. In addition to these time and monetary costs, there are other factors in a Chapter 7 liquidation that the Debtor believes would result in a substantially smaller recovery for Holders of Eligible Claims and Eligible Equity Interests than under the Plan. Primary among these factors is the Debtor's belief that the liquidation of the Debtor's assets in a Chapter 7 proceeding would result in significantly less proceeds available for distribution to creditors than under the proposed Plan or in a sale outside of bankruptcy.

Further, distributions under the Debtor's proposed Plan probably would be made earlier than would distributions in a Chapter 7 case. In contrast to the Plan, which contemplates distributions to Holders of Allowed Claims in the ordinary course, if approved by the Bankruptcy Court, but, in any event, as soon as practicable after the Effective Date, distributions of the proceeds of a Chapter 7 liquidation might not occur until one or more years after the completion of the liquidation in order to afford the trustee the opportunity to resolve claims and prepare for distributions.

The Liquidation Analysis, prepared by the Debtor, is premised upon a liquidation under a Chapter 7 case and is attached hereto as **Exhibit B**. In the analysis, the Debtor has taken

into account the nature, status, and underlying value of its assets, the ultimate realizable value of such assets, and the extent to which the assets are subject to liens and security interests.

The Debtor has no knowledge of a buyer whom the Debtor believes is ready, willing and financially able to purchase the Debtor as a whole or even to purchase significant portions of the Debtor as ongoing business on terms and conditions that are more favorable than the Plan to Holders of Claims and Equity Interests. Therefore, the likely form of any liquidation would be the sale of individual assets. Based upon this analysis, it is likely that a liquidation of the Debtor's assets would produce less value for distribution to creditors than that recoverable in each instance under the Plan. In the opinion of the Debtor, the recoveries projected to be available in liquidation will not afford Holders of Eligible Claims and Eligible Equity Interests as great a realization as does the Plan.

THE DEBTOR BELIEVES THAT THE PLAN AFFORDS SUBSTANTIALLY GREATER RECOVERY TO HOLDERS OF CLAIMS AND EQUITY INTERESTS THAN SUCH HOLDERS WOULD RECEIVE IF THE DEBTORS WERE LIQUIDATED UNDER CHAPTER 7 OF THE BANKRUPTCY CODE.

VIII. CERTAIN FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF ELIGIBLE CLAIMS AND ELIGIBLE EQUITY INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE DEBTORS OR THAT THEY CURRENTLY DEEM IMMATERIAL MAY ALSO HARM THEIR BUSINESSES.

A. CERTAIN BUSINESS AND INDUSTRY RISKS

CERTAIN FACTORS TO BE CONSIDERED

The risks and uncertainties described below are not the only ones the Debtor may face. The following risks, together with additional risks and uncertainties not currently known to the Debtor or that the Debtor currently deems immaterial could impair its financial condition and results of operation.

Risks Related to the New Shares

There has been no independent valuation of the new Shares. Existing equity holders will have or be granted the right to obtain new equity interests in Debtor in the same ratio. The Debtor did not obtain an independent appraisal opinion on the valuation of the Shares as they are getting in the same ratio.

Holders of the New Equity may be unable to liquidate their investment. Holders of the New Shares may not be able to liquidate their investment unless they can transfer the Shares. Therefore, holders of the New Shares may not be able to liquidate their investment and could bear the risk of this investment for an indefinite period of time.

No public trading market exists for the Debtor's Shares, and the Debtor may or may not create such a market, which means that it will be difficult for you to liquidate your investment. There is currently no established public trading market for the Debtor's units, and an active trading market will not develop. Equity holders may not trade the Shares on an established securities exchange or readily trade the Shares on a secondary market (or the substantial equivalent thereof). The Debtor may not apply for listing of the Shares on any national securities exchange or on the NASDAQ Stock Market. As a result, Shareholders will not be able to readily sell their Shares. This may decrease or eliminate the value of the Shares.

The Debtor has placed significant restrictions on transferability of the Shares. The new Shares will be subject to substantial transfer restrictions pursuant to the Articles of Corporation and By-laws of the Corporation. In addition, transfers of the Shares may be restricted by state and federal securities and tax laws. As a result, Shareholders may not be able to liquidate their investment in the Shares and, therefore, may be required to assume the risks of an investment in the Debtor for an indefinite period of time.

Shareholders may not receive cash distributions from the Debtor, which could result in such holders receiving little or no return. Distributions are payable at the sole discretion of the Debtor's Board of Directors, subject to the provisions of the Articles of Corporation and By-Laws of the Corporation and the requirements of the Debtor's creditors. The Debtor does not know the amount of cash that it will generate, if any, in the future. Therefore, the Debtor may never be in a position to make distributions. The Debtor may elect to retain future profits to provide operational financing for its Methane plant or debt retirement. This means that Shareholders may receive little or no return on their investments.

The Shares will be subordinate to the Debtor's debts and other liabilities, resulting in a greater risk of loss for Shareholders. The Shares are unsecured equity interests and are subordinate in right of payment to all of the Debtor's current and future debt. In the event of the Debtor's insolvency, liquidation, dissolution or other winding up of the Debtor's affairs, all of the Debtor's debts, including winding-up expenses, must be paid in full before any payment is made to the holders of the Debtor's Shares. In the event of the Debtor's bankruptcy, liquidation, or reorganization, all Shareholders will be paid ratably with the Debtor's other Shareholders in proportion to the number of Shares held by the Shareholder compared to the total number of

outstanding Shares. There may not be any remaining funds after the payment of all of the Debtor's debts for any distribution to the Shareholders.

Risks Related to the Debtor's Business

The Debtor's forecasted financial statements are based on various assumptions and actual results of operations may materially differ from the forecasted results. Forecasted financial statements and related projections are for a period which extends several years from the date of this disclosure statement. The Debtor's forecasted financial statements are based on various assumptions including, but not limited to, the price of Methane (Natural Gas) which is the main source of income and tipping fee. The Debtor assumes receiving the tipping fee based on the discussions we had however they may not pay the tipping fee in the future. The price of the natural gas commodity is volatile, making it difficult to accurately forecast the profitability of the Debtor's Methane plant. The price assumptions used in the forecasted financial statements are based upon the current prices of the commodities involved and may be significantly different from prices going forward. Future commodity prices may not remain the same as, or similar to, those prices currently assumed by the Debtor's forecasted financial statements and related projections. Actual results of operations may materially differ from the forecasted results. Accordingly, undue reliance should not be placed on the forecasted financial statements or the related projections.

The Debtor's limited liquidity could require it to cease operations. The Debtor is experiencing limited liquidity and has exhausted the funds available under its debt facilities and does not have further commitments for funds from any lender. The Debtor's lack of funds could cause it to cease operations altogether. Should the Debtor not be able to generate the cash it requires to operate the plant and pay its obligations as they become due, the Debtor may have to cease operations, either on a permanent or temporary basis.

If it is necessary to cease developing the Methane plant for any reason, the Debtor may not be able to meet its current liabilities and its losses may be increased. If the Debtor is forced to cease developing methane plant due to insufficient capital raise, excessive feedstock costs, its lack of working capital and available credit, defects in its equipment at the plant, violations of environmental law, or any other reason, its ability to produce revenue would be adversely affected. The Debtor does not have any source of revenues other than projected revenue from its developing methane plant. If the Debtor's plant were to cease developing the methane plant, the Debtor would not generate any revenue and the Debtor might not be able to pay its debts as they become due, including payments required under this plan. Failure to make the payments required under its creditors' agreements would constitute an event of default, entitling the Debtor's creditors to exercise any number of remedies, including foreclosure on its security interest in all of the Debtor's assets.

The Debtor's financial performance is significantly dependent on natural gas prices. The Debtor's results of operations and financial condition are significantly affected by the cost of natural gas. Methane (natural gas) is only the product the Debtor is anticipated to produce after completing the development of the balance of the plant. The prices for and availability of

natural gas are subject to volatile market conditions, including supply shortages and infrastructure incapacities. Significant disruptions in the supply of natural gas could impair the Debtor's ability to sell its methane gas for its customers. During the end of 2005 and early 2006, natural gas supply disruptions occurred as a result of hurricanes in the Gulf Coast. At any time, similar supply disruptions may increase volatility in the prices the Debtor is going to get for natural gas. Furthermore, changes in the Debtor's natural gas production costs relative to natural gas market prices may adversely affect its results of operations and financial condition.

Increases in the price the Debtor pays its raw material, without corresponding increases in the price the Debtor receives for its methane, may make its methane plant operate unprofitably.

The spread between natural gas and raw material prices can vary significantly which could prevent the Debtor from operating the methane plant profitably. Raw material costs significantly impact the Debtor's cost of goods sold. The spread between the price of natural gas and the price the Debtor pays for raw material may fluctuate significantly in the future. The spread between the price of natural gas and price of raw material may lead to volatility in the Debtor's net income and could lead to negative operating margins in the future and could prevent the Debtor from operating the methane plant profitably.

The Debtor's revenues will be greatly affected by the price at which the Debtor can sell its methane which could result in its inability to operate the methane plant profitably. The prices of methane can be volatile as a result of a number of factors. These factors include overall supply and demand, commodity prices generally, including the price of Crude Oil and gasoline, government mandates for methane use such as green gas, levels of government support and the availability and price of competing products.

The selling price of methane peaked in the middle of 2008 and was significantly lower by the end of 2008 and into the beginning of 2009. The Debtor anticipates the price of methane to be volatile as a result of the current economic uncertainty along with changes in the relationship between methane supply and demand. The interaction of the new methane supply and demand will likely create swings in the price of methane into the foreseeable future. Should methane demand continue to expand at a slower pace than increases in methane supply, the Debtor anticipates the selling price of methane to continue to decrease. As the methane industry continues to grow, the Debtor anticipates volatility in the price of methane which makes future price projections unreliable. Any downward changes in the price of methane may result in less revenue and may impact its ability to operate profitably.

The Debtor's business is not diversified. The Debtor's success depends largely upon its ability to develop and profitably operate its methane plant. The Debtor does not have any other lines of business or other sources of revenue if the Debtor is unable to develop and operate its methane plant and manufacture methane. If economic or political factors adversely affect the market for methane, the Debtor has no other line of business on which to fall back. The Debtor's business would also be significantly harmed if its methane plant could not operate at full capacity for any extended period of time.

The Debtor may require additional debt financing to develop and operate its methane plant. The methane industry is experiencing difficult economic conditions which have affected the Debtor. As a result of these economic conditions, the Debtor may require additional financing in the future in order to develop and operate the methane plant. However, due to current conditions in the credit markets, the Debtor may not be able to secure such additional financing or the Debtor may not be able to secure such financing on favorable terms. If the Debtor is unable to secure the additional financing the Debtor may need in the future on favorable terms, it may not be able to develop the methane plant, operate and produce methane at the plant, either on a short term basis or permanently.

Advances in methane production technology could require the Debtor to incur costs to update its plant or could otherwise hinder its ability to compete or operate profitably. Advances and changes in the technology of methane production are expected to occur. Such advances and changes may make the methane production technology installed in the Debtor's plant less desirable or obsolete. These advances could also allow the Debtor's competitors to produce methane at a lower cost than the Debtor. If the Debtor is unable to adopt or incorporate technological advances, its methane production methods and processes could be less efficient than its competitors, which could cause its plant to become uncompetitive or completely obsolete. The Debtor may be required to incur significant costs to enhance or acquire new technology so that its methane production remains competitive. Alternatively, the Debtor may be required to seek third-party licenses, which could also result in significant expenditures. These third-party licenses may not be available or, once obtained, may not continue to be available on commercially reasonable terms. These costs could negatively impact the Debtor's financial performance by increasing its operating costs and reducing its net income.

The Debtor's product marketer may fail to market the Debtor's products at competitive prices which may cause the Debtor to operate unprofitably. U.S Energy Services will be the sole marketer of all of the Debtor's methane and the Debtor relies heavily on its marketing efforts to successfully sell its methane product. Because US Energy Services sells methane for a number of other producers, the Debtor has limited control over its sales efforts. The Debtor's financial performance is dependent upon the financial health of US Energy Services as most of its revenues are attributable to its sales. If US Energy Services breaches the Debtor's marketing agreements or it cannot market all of the methane the Debtor produces, the Debtor may not have any readily available means to sell its methane and its financial performance will be adversely and materially affected. If its agreements with US Energy Services terminate, the Debtor may seek other arrangements to sell its methane, including selling its own product, but the Debtor may not be able to achieve results comparable to those achieved by US Energy Services.

The Debtor sells commodity which involve risks that could harm its business. The Debtor is exposed to market risk from changes in commodity prices. Exposure to commodity price risk results from the Debtor's dependence on natural gas price. The Debtor may not be able to minimize the risks from fluctuations in the prices of Natural Gas through the use of hedging instruments due to its lack of additional lending facilities. If the Debtor does not engage in hedging transactions in the future its operations and financial conditions may be adversely affected during periods in which natural gas prices increase.

Risks Related to Methane Industry

Involvement in the Natural Gas (methane) industry by large oil companies which may influence the methane industry in ways that harm the Debtor's business. Big Oil companies are involved in producing Natural Gas. They realize economies in the production and sale that the Debtor is not able to realize. Many of these oil companies have significantly greater resources than the Debtor has. The Debtor may not be able to compete effectively with large oil companies which may result in its inability to operate its methane plant profitably.

The Debtor operates in an intensely competitive industry and competes with larger, better financed entities. There is significant competition among Natural Gas (methane) producers. There are numerous producer-owned and privately-owned Natural Gas (methane) wells planned and operating throughout the United States. The Debtor also faces competition from outside of the United States. The Debtor may not be able to compete effectively with these larger methane producers. These larger Natural Gas (methane) producers may be able to affect the methane market in ways that are not beneficial to the Debtor which could affect its financial performance.

Competition from the advancement of alternative gases/fuels may lessen the demand for methane. Alternative gases/fuels, and methane production methods are continually under development. A number of automotive, industrial and power generation manufacturers are developing alternative clean power systems using fuel cells or clean burning gaseous fuels. Like methane, the emerging fuel cell industry offers a technological option to address increasing worldwide energy costs, the long-term availability of petroleum reserves and environmental concerns. Fuel cells have emerged as a potential alternative to certain existing power sources because of their higher efficiency, reduced noise and lower emissions. Fuel cell industry participants are currently targeting the transportation, stationary power and portable power markets in order to decrease fuel costs, lessen dependence on crude oil and reduce harmful emissions. If the fuel cell and hydrogen industries continue to expand and gain broad acceptance, and hydrogen becomes readily available to consumers for motor vehicle use, the Debtor may not be able to compete effectively. This additional competition could reduce demand for methane, resulting in lower methane prices that might adversely affect the Debtor's results of operations and financial condition.

Natural Gas (Methane) in LNG form imported from middle-east countries may be a less expensive alternative to the Debtor's methane. Natural Gas (methane) produced and imported from middle-east countries in the form of LNG may be less expensive than Debtor's methane. Competition from imported LNG may affect the Debtor's ability to sell its methane profitably and adversely affect its results of operations and financial condition.

Risks Related to Regulation and Governmental Action

A change in government policies less favorable to methane may cause demand for methane to decline. Growth and demand for methane may be driven primarily by federal and state government policies, national tax incentives. The continuation of these policies is uncertain, which means that demand for methane may decline if these policies change or are discontinued. A decline in the demand for methane is likely to cause lower methane prices which in turn will negatively affect the Debtor's results of operations, financial condition and cash flows.

Government incentives for methane production, including federal tax incentives, may be eliminated in the future. The methane industry is assisted by various federal methane production and tax incentives, including in the Energy Policy Act of 2005 and increased by the Energy Independence and Security Act of 2007. The demand for methane that might disappear without this incentive could negatively impact the Debtor's results of operations.

Also, elimination of the tariffs that protect the United States methane industry could lead to the importation of methane produced in other countries, especially in areas of the United States that are easily accessible by international shipping ports which could lead to increased methane supplies and decreased methane prices that could negatively impact the Debtor's results of operations.

Changes in environmental regulations or violations of the regulations could reduce the Debtor's profitability. The Debtor is subject to extensive air, water and other environmental laws and regulations. In addition, some of these laws require the Debtor's plant to operate under a number of environmental permits. These laws, regulations and permits can often require expensive pollution control equipment or operation changes to limit actual or potential impacts to the environment. A violation of these laws and regulations or permit conditions can result in substantial fines, damages, criminal sanctions, permit revocations and/or plant shutdowns. In the future, permit requirements may change or the Debtor may exceed certain limits in its permits that may lead to regulatory actions by the State of Iowa or the EPA. Further, the Debtor may be required to secure additional permits in the future which may be costly and may affect its ability to operate the methane plant. The Debtor may also be subject to litigation by environmental advocacy groups and other parties based on actual or alleged violations of environmental laws. Additionally, any changes in environmental laws and regulations, both at the federal and state level, could require the Debtor to spend considerable resources in order to comply with future environmental regulations. The expense of compliance with environmental laws as well as litigation concerning environmental laws could be significant and reduce the Debtor's profitability and negatively affect its financial condition.

Carbon dioxide will be regulated in the future by the EPA as an air pollutant and the Debtor may be required to obtain additional permits and install additional environmental mitigation equipment. In 2007, the Supreme Court decided a case in which it ruled that carbon dioxide is an air pollutant under the Clean Air Act for the purposes of motor vehicle emissions. The Supreme Court directed the EPA to regulate carbon dioxide from vehicle emissions as a pollutant under the Clean Air Act. Similar lawsuits have been filed seeking to require the EPA to regulate carbon dioxide emissions from stationary sources such as the Debtor's methane plant

under the Clean Air Act. The Debtor's plant produces a significant amount of carbon dioxide that the Debtor is planning to vents into the atmosphere. While there are currently no regulations applicable to the Debtor concerning carbon dioxide, if the EPA or the State of Iowa were to regulate carbon dioxide emissions by plants such as ours, the Debtor may have to apply for additional permits or the Debtor may be required to install carbon dioxide mitigation equipment or take other as yet unknown steps to comply with these potential regulations. Compliance with any future regulation of carbon dioxide, if it occurs, could be costly and may prevent the Debtor from operating the methane plant profitably.

Tax Risks

The Debtor's income will be taxed. The Debtor is a corporation, there would be a corporate-level tax imposed on the Debtor's income, which would reduce potential distributions to Shareholders.

Potential Conflicts of Interest

Management and the Debtor may enter into agreements or other arrangements with the Debtor from time to time. The Debtor may enter into agreements with individuals and entities that are considered "related parties" due to the individuals or entities' ownership or management interest. Any related party transactions may prove to be less favorable to the Debtor that the Debtor could have received from independent third parties, which may result in less revenue or greater expenses for the Debtor which could reduce potential distributions to the its Shareholders and reduce the value of the Debtor's Shares.

B. CERTAIN BANKRUPTCY LAW CONSIDERATIONS

1. PARTIES-IN-INTEREST MAY OBJECT TO THE PLAN AND CONFIRMATION

Section 1129 of the Bankruptcy Code provides certain requirements for a Chapter 11 plan to be confirmed, parties-in-interest may object to confirmation of a plan based on an alleged failure to fulfill these requirements or other reasons. The Debtor believes that the Plan complies with the requirements of the Bankruptcy Code.

2. PARTIES-IN-INTEREST MAY OBJECT TO THE DEBTOR'S CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class.

The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because each class of Claims and Equity Interests encompass Claims or Equity Interests that are substantially similar to the other Claims or Equity Interests in each such class.

3. UNDUE DELAY IN CONFIRMATION MAY DISRUPT THE DEVELOPMENT/OPERATIONS OF THE DEBTOR AND HAVE POTENTIAL ADVERSE EFFECTS

The Debtor cannot accurately predict or quantify the impact on its business operations of prolonging the Chapter 11 Case. A lengthy time in bankruptcy could adversely affect the Debtor's relationships with its customers, vendors, and employees, which, in turn, could adversely affect the Debtor's competitive position, financial condition, results of operations and cash flows.

Furthermore, prolonging the Chapter 11 Cases could adversely affect the Debtor's ability to maintain its existing development and completing the plant and to seek out and take advantage of new business opportunities. So long as the Chapter 11 Case continues, the Debtor's senior management will be required to spend a significant amount of time and effort dealing with the Debtor's reorganization instead of focusing exclusively on its current development, business and developing future business opportunities for the Debtor.

4. THE DEBTOR MAY NOT BE ABLE TO OBTAIN CONFIRMATION OF THE PLAN

The Debtor cannot ensure it will receive the Requisite Acceptances to confirm the Plan. But, even if the Debtor does receive the Requisite Acceptances, there can be no assurance that the Bankruptcy Court will confirm the Plan. Even if the Requisite Acceptances are received and, with respect to those Classes deemed to have rejected the Plan, the requirements for "cramdown" are met, the Bankruptcy Court, which as a court of equity may exercise substantial discretion, may choose not to confirm the Plan or may require additional solicitations or consents prior to confirming the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that Confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtor and that the value of distributions to dissenting Holders of Claims and Equity Interests may not be less than the value such Holders would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. See "FEASIBILITY OF THE PLAN AND THE BEST INTERESTS OF CREDITORS TEST—BEST INTERESTS TEST." Although the Debtor believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Debtor's ability to propose and confirm an alternative reorganization plan is uncertain. Confirmation of any alternative reorganization plan under Chapter 11 of the Bankruptcy Code would likely take significantly more time and result in delays in the ultimate distributions to the Holders of Eligible Claims and Eligible Equity Interests. If confirmation of an alternative plan of reorganization is not possible, the Debtor could be liquidated. Based upon the Debtor's analysis, liquidation under Chapter 7 would result in distributions of reduced value,

if any, to Holders of Eligible Claims and Eligible Equity Interests. See "FEASIBILITY OF THE PLAN AND THE BEST INTERESTS OF CREDITORS TEST." In a liquidation under Chapter 11, the Debtor's assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under Chapter 7. However, it is unlikely that any liquidation would realize the full going concern value of its business. Consequently, the Debtor believes that a liquidation under Chapter 11 would also result in smaller distributions to the Holders of Eligible Claims than those provided for in the Plan and no distributions to the Holders of Eligible Unsecured Creditors and Equity Interests.

5. FAILURE TO CONSUMMATE THE PLAN

Consummation of the Plan is conditioned upon, among other things, entry of the Confirmation Order and an order (which may be the Confirmation Order) approving the assumption and assignment of all Executory Contracts (other than those specifically rejected by the Debtor) to the Reorganized Debtor or its assignees. As of the date of this Disclosure Statement, there can be no assurance that any or all of the foregoing conditions will be met (or waived) or that the other conditions to consummation, if any, will be satisfied. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the Restructuring completed. For risks associated with failure to consummate the Plan, see ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN.

6. RISK OF NON-OCCURRENCE OF THE EFFECTIVE DATE

Although the Debtor believes that the Effective Date may occur within a reasonable time following the Confirmation Date, there can be no assurance as to such timing.

7. RISK OF POST-CONFIRMATION DEFAULT

At the Confirmation Hearing, the Bankruptcy Court will be required to make a judicial determination that the Plan is feasible, but that determination does not serve as any guarantee that there will not be any post-confirmation defaults.

The Debtor believes that the cash flow generated from development financing/operations and the extension of the terms of the Banks' Notes will be sufficient to meet the Debtor's operating requirements, their debt-service obligations, and other post-confirmation obligations under the Plan.

8. CLAIMS ESTIMATION

There can be no assurance that the estimated amount of Claims and Equity Interests are correct, and the actual Allowed amounts of Claims and Equity Interests may differ from 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 Allowed amounts of Claims and Equity Interests may vary from those estimated therein.

C. CERTAIN TAX CONSIDERATIONS

THERE ARE A NUMBER OF MATERIAL INCOME TAX CONSIDERATIONS, RISKS AND UNCERTAINTIES ASSOCIATED WITH CONSUMMATION OF THE PLAN. INTERESTED PARTIES SHOULD READ CAREFULLY THE DISCUSSION SET FORTH IN "**CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**" FOR A DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED UNDER THE PLAN BOTH TO THE DEBTOR AND TO HOLDERS OF CLAIMS THAT ARE IMPAIRED UNDER THE PLAN.

D. INHERENT UNCERTAINTY OF FINANCIAL PROJECTIONS

The Financial Projections cover the Debtor's operations as of January 2013 and through the period ending December 2018. These Financial Projections are based upon numerous assumptions that are an integral part of the Financial Projections, including Confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of Reorganized Debtor, industry performance, general business and economic conditions, competition, adequate financing, absence of material contingent or unliquidated litigation or indemnity claims, and other matters, many of which are beyond the control of Reorganized Debtor and some or all of which may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the date of this Disclosure Statement may affect the actual financial results of Reorganized Debtor's operations. These variations may be material and may adversely affect the ability of the Reorganized Debtor to pay the obligations owing to certain Holders of Claims entitled to distributions under the Plan and other post-Effective Date indebtedness. Because the actual results achieved throughout the periods covered by the Financial Projections may vary from the projected results, the Financial Projections should not be relied upon as a guaranty, representation, or other assurance of the actual results that will occur.

IX. THE SOLICITATION; VOTING PROCEDURES

A. VOTING DEADLINE

The period during which Ballots with respect to the Plan will be accepted by the Debtor will terminate on the Voting Deadline. Except to the extent permitted by the Bankruptcy Court, Ballots that are received after the Voting Deadline will not be counted or otherwise used by the Debtor in connection with the Debtor's request for Confirmation of the Plan (or any permitted modification thereof).

B. VOTING PROCEDURES

Under the Bankruptcy Code, for purposes of determining whether the Requisite Acceptances have been received, only Holders of Eligible Claims or Eligible Equity Interests who actually vote will be counted. The failure of a Holder to deliver a duly executed Ballot will be deemed to constitute an abstention by such Holder with respect to voting on the Plan and such abstentions, will not be counted as votes for or against the Plan.

Holders of Eligible Claims and Eligible Equity Interests should provide all of the information requested by the Ballots and return all Ballots in the return envelope provided with each such Ballot.

Except as provided below, unless the applicable Ballot is timely submitted to the Solicitation Agent before the Voting Deadline together with any other documents required by such Ballot, the Debtor may, in its sole discretion, reject such Ballot as invalid, and therefore decline to utilize it in connection with seeking Confirmation of the Plan.

In the event of a dispute with respect to any Equity Interest, any vote to accept or reject the Plan cast with respect to such Claim or Equity Interest will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Bankruptcy Court orders otherwise.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another acting in a fiduciary or representative capacity, such Person should indicate such capacity when signing and, unless otherwise determined by the Debtor, must submit proper evidence satisfactory to the Debtor of authority to so act. Authorized signatories should submit the separate Ballot of each beneficial owner for whom they are voting.

UNLESS THE APPLICABLE BALLOT BEING FURNISHED IS TIMELY SUBMITTED TO THE SOLICITATION AGENT ON OR PRIOR TO THE VOTING DEADLINE, SUCH BALLOT WILL BE REJECTED AS INVALID AND WILL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN. IN NO CASE SHOULD A BALLOT BE DELIVERED TO ANY ENTITY OTHER THAN THE SOLICITATION AGENT.

C. PARTIES ENTITLED TO VOTE

Under Section 1124 of the Bankruptcy Code, a class of claims or equity interests is deemed to be "Impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or equity interest entitles the Holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or equity interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or equity interest as it existed before the default.

In general, a Holder of a claim or equity interest may vote to accept or to reject a plan if the claim or equity interest is "allowed," which means generally that no party-in-interest has objected to such claim or equity interest, and the claim or equity interest is Impaired by the plan. If, however, the Holder of an Impaired claim or equity interest will not receive or retain any distribution under the plan on account of such claim or equity interest, the Bankruptcy Code deems such Holder to have rejected the plan, and, accordingly, Holders of such claims and equity interests do not actually vote on the plan. If a claim or equity interest is not Impaired by the plan, the Bankruptcy Code deems the Holder of such claim or equity interest to have accepted the plan and, accordingly, Holders of such claims and equity interests are not entitled to vote on the plan.

Classes 7 of the Plan is Unimpaired. Accordingly, under Section 1126(f) of the Bankruptcy Code, all such Classes of Claims are deemed to have accepted the Plan and are not entitled to vote in respect of the Plan.

Classes 1, 2, 3, 4, 5, and 6 of the Plan are Impaired. Therefore, the Holders of Claims in such Classes are being solicited for votes in favor of the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to Section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

D. AGREEMENTS UPON FURNISHING BALLOTS

The delivery of an accepting Ballot to the Solicitation Agent by a Holder of Eligible Claims and Eligible Equity Interests pursuant to one of the procedures set forth above will constitute the agreement of such Holder to accept (i) all of the terms of, and conditions to, the Solicitation and (ii) the terms of the Plan; provided, however, all parties in interest retain their right to object to Confirmation of the Plan pursuant to Section 1128 of the Bankruptcy Code.

E. WAIVERS OF DEFECTS, IRREGULARITIES, ETC.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots will be determined by the Solicitation Agent and the Debtor in their sole discretion, which determination will be final and binding. Effective withdrawals of Ballots must be delivered to the Solicitation Agent prior to the Voting Deadline. The Debtor reserves the absolute right to contest the validity of any such withdrawal. The Debtor also reserves the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtor or its counsel, be unlawful. The Debtor further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation (including of the Ballot and the respective instructions thereto) by the Debtor, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtor (or the Bankruptcy Court) determines. Neither the Debtor nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of

Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

F. WITHDRAWAL OF BALLOTS; REVOCATION

Any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Solicitation Agent at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, must (i) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claim(s) and possesses the right to withdraw the vote sought to be withdrawn and (iv) be received by the Solicitation Agent in a timely manner at the address set forth below. Prior to the filing of the Plan with the Bankruptcy Court, the Debtor intends to consult with the Solicitation Agent to determine whether any withdrawals of Ballots were received and whether the Requisite Acceptances of the Plan have been received. As stated above, the Debtor expressly reserve the absolute right to contest the validity of any such withdrawals of Ballots.

A purported notice of withdrawal of Ballots which is not received in a timely manner by the Solicitation Agent will not be effective to withdraw a previously cast Ballot.

Any party who has previously submitted to the Solicitation Agent prior to the Voting Deadline a properly completed Ballot may revoke such Ballot and change his or its vote by submitting to the Solicitation Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed Ballot is received, only the Ballot which bears the latest date will be counted for purposes of determining whether the Requisite Acceptances have been received.

The Debtor will pay all costs, fees and expenses relating to the Solicitation, including customary mailing and handling costs.

G. DELIVERY OF EXISTING SECURITIES

The Debtor is not at this time requesting the delivery of, and neither the Debtor nor the Solicitation Agent will accept, certificates representing any Existing Securities. In connection with the Effective Date, the Debtor will furnish all record Holders of Existing Securities with appropriate letters of transmittal to be used to remit their Existing Securities in exchange for the distribution under the Plan. Information regarding such remittance procedure (together with all appropriate materials) will be distributed by the Reorganized Debtor after the Confirmation Date.

H. FURTHER INFORMATION; ADDITIONAL COPIES

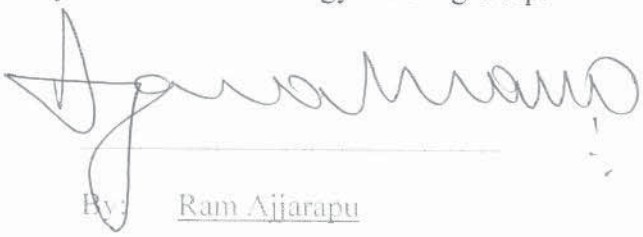
If you have any questions or require further information about the voting procedure for voting your Claim or Equity Interest, or about the Solicitation Package, or if you wish to obtain an additional copy of the Plan, the Disclosure Statement or any exhibits to such documents (at your own expense, unless otherwise specifically required by Federal Rule of Bankruptcy Procedure 3017(d)), please contact the Solicitation Agent:

Ram Ajjarapu, CRO/CEO
International Energy Holdings Corp.
8905 Regents Park Dr. Suite 210
Tampa, FL 33647
Tel: (813)-293-3534
Fax: (212)-202-3628
Email: ram@intlcap.net

X. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtor believes that Confirmation and consummation of the Plan is preferable to all other alternatives discussed herein. Consequently, the Debtor urges all Holders of Eligible Claims to vote to accept the Plan, and to complete and return their Ballots so that they will be received by the Solicitation Agent on or before 5 p.m., Central Standard Time, on _____, 2011.

By: International Energy Holding Corp.



By: Ram Ajjarapu

Its: CRO/CEO

Christopher C. Todd, Esquire
Florida Bar No. 72911
Chris@mcintyrefirm.com
McIntyre, Panzarella, Thanasides,
Hoffman, Bringgold & Todd, P.L.
400 N. Ashley Street, Ste. 1500
Tampa, Florida 33602
Telephone: (813) 899-6059
Facsimile: (813) 899-6069

Theodore E. Karpuk #AT0004085
The Law Office of Theodore E. Karpuk
P.O. Box 1166
Sioux City, IA 51102-1166
(712) 224-2930
(712) 224-2933 (F)
tekarpuk@aol.com

GENERAL REORGANIZATION COUNSEL FOR THE DEBTOR
AND DEBTOR IN POSSESSION