

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
TRONOX INCORPORATED, <u>et al.</u> , <sup>1</sup>	)	Case No. 09-10156 (ALG)
Debtors.	)	Jointly Administered

**MONTHLY OPERATING STATEMENT  
FOR THE MONTH OF NOVEMBER, 2009**

DEBTORS' ADDRESS: One Leadership Square  
211 N. Robinson, Suite 300  
Oklahoma City, OK 73102

DEBTORS' ATTORNEY: KIRKLAND & ELLIS LLP  
Richard M. Cieri  
Jonathan S. Henes  
Patrick J. Nash, Jr.  
601 Lexington Avenue  
New York, NY 10022

CURRENT MONTH NET (LOSS): \$(11.9) million

REPORT PREPARER: Gary Barton

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE DEBTORS.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies, under penalty of perjury, that the information contained herein is complete, accurate and truthful to the best of my knowledge.

DATE: December 30, 2009

\_\_\_\_\_  
/s/ Gary Barton

Chief Restructuring Officer

Indicate if this is an amended statement by checking here:  X

<sup>1</sup> The debtors in these chapter 11 cases include: Tronox Luxembourg S.ar.l; Tronox Incorporated; Cimarron Corporation; Southwestern Refining Company, Inc.; Transworld Drilling Company; Triangle Refineries, Inc.; Triple S, Inc.; Triple S Environmental Management Corporation; Triple S Minerals Resources Corporation; Triple S Refining Corporation; Tronox LLC; Tronox Finance Corp.; Tronox Holdings, Inc.; Tronox Pigments (Savannah) Inc.; and Tronox Worldwide LLC.



TRONOX INCORPORATED, et al,  
Case No. 09-10156 (ALG)  
(Debtors in possession)

TRONOX INCORPORATED CHAPTER 11 DEBTORS  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In millions)  
(Unaudited)

	Month Ended <u>November 30, 2009</u>	Year to Date <u>November 30, 2009</u>
<b>Net sales</b>	\$ 46.7	\$ 583.1
Cost of goods sold	<u>37.7</u>	<u>496.6</u>
<b>Gross margin</b>	9.0	86.5
Selling, general and administrative expenses	2.0	42.7
Gain on land sales	-	(1.0)
Impairment of goodwill	-	-
Restructuring charges (Note 5)	12.9	19.6
Provision for doubtful notes and accounts of deconsolidated subsidiary (Note 4)	<u>-</u>	<u>14.8</u>
	(5.9)	10.4
Interest and debt expense (Note 2)	2.3	28.9
Other (income) expense, net	(1.8)	(18.9)
Reorganization items	<u>5.1</u>	<u>53.5</u>
<b>Income (loss) from continuing operations before income taxes</b>	(11.5)	(53.1)
Income tax provision (benefit)	<u>-</u>	<u>0.5</u>
<b>Income (loss) from continuing operations</b>	(11.5)	(53.6)
Loss from discontinued operations, net of tax	<u>(0.4)</u>	<u>(1.0)</u>
<b>Net Income (loss)</b>	<u><u>\$ (11.9)</u></u>	<u><u>\$ (54.6)</u></u>

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TRONOX INCORPORATED CHAPTER 11 DEBTORS  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In millions, except share data)  
(Unaudited)

	November 30 2009
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 59.0
Notes and accounts receivable intercompany	353.7
Accounts receivable, third parties	88.1
Inventories, net	102.0
Prepaid and other assets	16.2
Income tax receivable	0.5
Deferred income taxes	1.2
<b>Total current assets</b>	<b>620.7</b>
Property, plant and equipment, net	180.5
Note and advances receivable, intercompany	107.2
Other long-term assets	386.7
<b>Total Assets</b>	<b>\$ 1,295.1</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>Current liabilities:</b>	
Accounts payable, third parties	\$ 44.7
Accrued liabilities ( Note 3)	46.1
Long-term debt due within one year	10.0
Income taxes payable	1.4
Long-term debt classified as current	212.6
<b>Total current liabilities (Note 3)</b>	<b>314.8</b>
<b>Noncurrent liabilities:</b>	
Deferred income taxes	24.1
Environmental remediation and/or restoration (Note 3)	132.7
Notes and advances payable, intercompany	9.9
Other	124.8
<b>Total liabilities not subject to compromise (Note 3)</b>	<b>606.3</b>
<b>Minority Interest</b>	<b>3.4</b>
<b>Liabilities subject to compromise</b>	<b>436.6</b>
<b>Commitments and contingencies</b>	<b>-</b>
<b>Stockholders' equity</b>	
Common stock	0.4
Capital in excess of par value	496.2
Retained earnings (accumulated deficit)	(223.5)
Accumulated other comprehensive income	(17.1)
Treasury stock, at cost	(7.2)
<b>Total stockholders' equity</b>	<b>248.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,295.1</b>

**TRONOX INCORPORATED, et al,**  
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**Monthly Disbursements by Debtor**  
**For the month of November 2009**

		<u>Month</u>
Tronox Luxembourg S.ar.l		\$ 2,322.39
Tronox Incorporated	(1)	
Tronox Worldwide LLC		\$ 20,742,223.91
Tronox Finance Corporation	(1)	
Transworld Drilling Company	(1)	
Triple S Minerals Resources Corp.	(1)	
Trx Env Mgmt-(W.C.)-Rare Earths Facility	(1)	
Cimarron Corporation	(1)	
Triple S	(1)	
Triple S Refining Corporation	(1)	
Tronox LLC		\$ 35,814,675.19
Tronox Pigments (Savannah), Inc.		\$ 4,239,324.81
Tronox Holdings, Inc.	(1)	
Southwestern Refining Company, Inc.	(1)	
Triangle Refineries, Inc.	(1)	

(1) These entities do not make disbursements. The Company's integrated cash management system disburses funds from Tronox LLC, Tronox Worldwide LLC and Tronox Pigments (Savannah) Inc. on behalf of such entities.

TRONOX INCORPORATED, et al,  
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**PAYMENTS TO INSIDERS AND PROFESSIONALS**  
For the month and YTD period ended NOV 30, 2009

INSIDERS			
NAME	TYPE OF PAYMENT	CURRENT PERIOD AMOUNT PAID	TOTAL AMOUNT PAID TO DATE
Wanlass,Dennis L	Payroll and Exp reimbursement*	\$ 66,306.55	\$ 795,051.74
Green,Kelly A	Payroll and Exp reimbursement		46,037.16
Mikkelsen,Mary A	Payroll and Exp reimbursement		186,675.86
Romano,John D	Payroll and Exp reimbursement	20,461.54	235,500.70
Wachnowsky,Stephen T	Payroll and Exp reimbursement		99,625.00
Corbett,Patrick S	Payroll and Exp reimbursement		99,985.19
Foster,Michael J	Payroll and Exp reimbursement	21,277.36	243,975.38
Gibney,Robert C	Payroll and Exp reimbursement	18,784.62	216,737.69
Kinnear, Peter	Expense Reimbursement		78,375.00
Richardson, Brad	Expense Reimbursement		81,369.06
Adams, Jerome	Expense Reimbursement		80,625.00
Agdern, Bob	Expense Reimbursement	240.83	78,048.74
Mc Govern, Mike	Expense Reimbursement		72,000.00
Birney, David	Expense Reimbursement		75,000.00
<b>TOTAL PAYMENTS TO INSIDERS</b>		\$ 127,070.90	\$ 2,389,006.52

\* Includes Tax Gross-Up on expenses

PROFESSIONALS			
NAME		CURRENT PERIOD AMOUNT PAID	TOTAL AMOUNT PAID TO DATE
Kirkland & Ellis		\$ 765,863.42	\$ 7,810,573.72
Paul, Weiss Law Firm		\$ 113,684.67	\$ 1,324,948.37
Zolfo Cooper LLC		\$ 35,289.84	\$ 598,786.58
Rothschild Inc.		\$ 174,258.00	\$ 1,406,225.49
Alvarez and Marsal		\$ -	\$ 2,684,584.62
Ernst & Young		\$ 5,596.69	\$ 1,039,331.17
Kurtzman Carson Consultants		\$ 192,344.57	\$ 1,382,672.22
Jefferies & Co., Inc.		\$ 124,468.62	\$ 919,361.08
Pillsbury Winthrop Shaw Pittman		\$ 164,586.56	\$ 883,121.83
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		\$ 1,576,092.37	\$ 18,049,605.08

**TRONOX INCORPORATED, et al,**  
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**Tronox Chapter 11 Debtors**  
**Schedule of Federal, State and Local Taxes Collected, Withheld or Paid**  
**Month Ended November 30, 2009**

	<u>Pre-Petition Amount</u>	<u>Post-Petition Amount</u>	<u>Total Amount</u>
1 Gross Salaries and Wages	\$ -	\$ 4,178,595.35	\$ 4,178,595.35
2 Payroll Taxes Withheld	\$ -	\$ 918,164.91	\$ 918,164.91
3 Employer Payroll Tax contributed	\$ -	\$ 268,241.35	\$ 268,241.35
4 Use tax Paid	\$ -	\$ 142,480.51	\$ 142,480.51
5 Property Taxes Paid	\$ -	\$ 159,591.11	\$ 159,591.11
6 Franchise Taxes Paid	\$ -	\$ 39,776.00	\$ 39,776.00
7 Other Taxes Paid	\$ -	\$ 70.00	\$ 70.00

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**Tronox Chapter 11 Debtors**  
**Schedule of Federal, State and Local Taxes Collected, Withheld or Paid**  
**Month Ended November 30, 2009**

Debtor Entity	Date	Pre-Petition Amount	Post-Petition Amount	Total Amount	Description	Item Number
TRXINC	11/20/09		\$ 33,000.00	\$ 33,000.00	Franchise Tax Return	6
TRXLLC	11/05/09		\$ 6,776.00	\$ 6,776.00	Commercial Activity Tax	6
TRXLLC	11/02/09		\$ 35.00	\$ 35.00	2008 Form 8802 - See TRXLLC GN05 File	7
TRXPL	11/02/09		\$ 35.00	\$ 35.00	2008 Form 8802 - See TRXPL GN05 File	7
TWLLC	11/10/09		\$ 350.89	\$ 350.89	Hutchinson	5
TRIPS	11/10/09		\$ 392.73	\$ 392.73	Hutchinson	5
TRIPS	11/11/09		\$ 478.24	\$ 478.24	Franklin	5
TRXLLC	11/16/09		\$ 99.57	\$ 99.57	Los Angeles	5
TRIPS	11/16/09		\$ 342.83	\$ 342.83	Duval	5
TWLLC	11/16/09		\$ 11,627.57	\$ 11,627.57	Bowie	5
TRIPS	11/18/09		\$ 1,462.75	\$ 1,462.75	Fulton	5
TRIPS	11/18/09		\$ 144.44	\$ 144.44	McCracken	5
TWLLC	11/18/09		\$ 56,658.32	\$ 56,658.32	Duval	5
TRIPS	11/18/09		\$ 2,101.54	\$ 2,101.54	Duval	5
TRIPS	11/18/09		\$ 7,354.53	\$ 7,354.53	Hillsborough	5
TWLLC	11/18/09		\$ 6,382.10	\$ 6,382.10	Polk	5
TRIPS	11/18/09		\$ 101.92	\$ 101.92	Franklin	5
TRIPS	11/18/09		\$ 78.65	\$ 78.65	Graves	5
TWLLC	11/18/09		\$ 617.83	\$ 617.83	Jefferson	5
TRIPS	11/18/09		\$ 4,648.11	\$ 4,648.11	Jefferson	5
TSRC	11/18/09		\$ 482.16	\$ 482.16	Washington	5
TRXLLC	11/18/09		\$ 65,069.39	\$ 65,069.39	Marion	5
TRIPS	11/18/09		\$ 746.29	\$ 746.29	Marion	5
TRIPS	11/25/09		\$ 451.25	\$ 451.25	McCracken	5
GEORGIA DEPT OF REVENUE	11/20/09		\$ 10,928.17	\$ 10,928.17	GEORGIA DEPT OF REVENUE	4
MISSISSIPPI DEPT OF REVENUE	11/20/09		\$ 121,601.56	\$ 121,601.56	MISSISSIPPI DEPT OF REVENUE	4
NEVADA DEPT OF TAXATION	11/25/09		\$ 9,506.40	\$ 9,506.40	NEVADA DEPT OF TAXATION	4
OKLAHOMA TAX COMMISSION	11/20/09		\$ 444.38	\$ 444.38	OKLAHOMA TAX COMMISSION	4
Tronox Pigments (Savannah)	11/06/09		\$ 7,444.61	\$ 7,444.61	employer payroll taxes contributed	3
Triple S Environmental	11/13/09		\$ 236.90	\$ 236.90	employer payroll taxes contributed	3
Tronox LLC	11/13/09		\$ 121,766.49	\$ 121,766.49	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	11/13/09		\$ 5,931.71	\$ 5,931.71	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	11/20/09		\$ 7,485.69	\$ 7,485.69	employer payroll taxes contributed	3
Triple S Environmental	11/27/09		\$ 236.91	\$ 236.91	employer payroll taxes contributed	3
Tronox LLC	11/27/09		\$ 120,622.64	\$ 120,622.64	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	11/27/09		\$ 4,516.40	\$ 4,516.40	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	11/06/09		\$ 20,363.99	\$ 20,363.99	payroll taxes withheld	2
Triple S Environmental	11/13/09		\$ 670.59	\$ 670.59	payroll taxes withheld	2
Tronox LLC	11/13/09		\$ 415,076.49	\$ 415,076.49	payroll taxes withheld	2
Tronox Pigments (Savannah)	11/13/09		\$ 26,873.02	\$ 26,873.02	payroll taxes withheld	2
Tronox Pigments (Savannah)	11/20/09		\$ 22,002.08	\$ 22,002.08	payroll taxes withheld	2
Triple S Environmental	11/27/09		\$ 670.60	\$ 670.60	payroll taxes withheld	2
Tronox LLC	11/27/09		\$ 408,854.59	\$ 408,854.59	payroll taxes withheld	2
Tronox Pigments (Savannah)	11/27/09		\$ 23,653.55	\$ 23,653.55	payroll taxes withheld	2

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**Note 1**

The Monthly Operating Statement is limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the U.S. Bankruptcy Court. The financial information in the Monthly Operating Statement is preliminary, unaudited, presented on a going-concern basis and does not purport to show the financial statements of any of the U.S. Debtors in accordance with GAAP, and therefore may exclude items required by GAAP, such as certain reclassifications, eliminations, accruals, valuations and disclosure items. We caution readers not to place undue reliance upon the Monthly Operating Statement. There can be no assurance that such information is complete and the Monthly Operating Statement may be subject to revision such as additional revisions that were made to the financial results for the year ended December 31, 2008, during 2009, that are now reflected in the Condensed Consolidated Balance Sheet presented herein. In addition, the Company expects that there will be changes to certain line items, in the future, including with respect to the impact of its environmental reserve analysis as discussed in Note 2 below. The Monthly Operating Statement is in a format required by the Bankruptcy Code and should not be used for investment purposes. As previously reported by the Company with the Securities and Exchange Commission (the "SEC"), the Company was unable to file its Annual Report on Form 10-K on March 16, 2009, for the year ended December 31, 2008, as additional time was necessary for a more thorough review of financial and other disclosures regarding potential asset impairments and environmental reserves. The Company has concluded its impairment analysis and has reflected the adjustments in the Condensed Consolidated Balance Sheets presented herein. The Company anticipates receiving from its auditor an opinion expressing substantial doubt about its ability to continue as a going concern.

The unaudited financial statements contained in the Monthly Operating Statement have been derived from the books and records of the Company. This information, however, has not been subject to procedures that would typically be applied to financial information presented in accordance with GAAP, and upon the application of such procedures, we believe that the financial information could be subject to changes, and these changes could be material. For instance, the Company has yet to implement the applicable accounting guidance with regard to classifying its assets as "held for sale" and making potential further adjustments to the carrying value of its assets based on information it has obtained from the ongoing sale process of its assets. The information furnished in this Monthly Operating Statement includes primarily normal recurring adjustments but does not include all of the adjustments that would typically be made for financial statements prepared in accordance with GAAP. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted.

**Note 2**

Interest expense for the eleven months ended November 30, 2009, excludes \$29.5 million of interest on the Company's \$350 million Senior Notes no longer being accrued subsequent to the Company's Chapter 11 filings.

**Note 3**

On May 5, 2009, the Company filed a statement of Non-Reliance on Previously Issued Financial Statements or Related Audit Report or Completed Interim Review on Form 8-K indicating that the Company's previously filed financial reports should no longer be relied upon because the Company failed to establish adequate reserves as required by applicable accounting pronouncements. In the report, the Company indicated that it has not yet completed its review of contingency reserves and other related liabilities. Therefore, the amount of any increase to its reserves that may need to be taken is not known at this time. However, the adjustments will be material. The Company continues to review its environmental and other contingent liability reserves. As a result, due to the further work being done on the environmental reserves, accrued liabilities, environmental remediation and/or restoration, total current liabilities and total liabilities not subject to compromise will be impacted.

**Note 4**

On March 13, 2009, the Company's German subsidiaries, Tronox GmbH and its wholly owned subsidiary, Tronox Pigments GmbH, filed applications with the Insolvency Court in Krefeld, Germany, to commence insolvency proceedings. The Company did not petition for self-administration during the insolvency proceedings and thus, has relinquished management control over these subsidiaries. The German subsidiaries have been deconsolidated from the Company's consolidated financial statements as of March 31, 2009. As a result of the deconsolidation, the U.S. Debtors have recognized a provision for the amount of notes and accounts receivable that it does not expect to collect from the deconsolidated subsidiaries.



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**Note 5**

On July 21, 2009, the Company announced its decision to idle the pigment production at its Savannah facility until a time when the TiO<sub>2</sub> market recovers and/or a sale of the plant is completed. Due to adverse economic conditions that contributed to the Company's bankruptcy filing, work at Savannah was significantly curtailed in late March of this year, pending Company efforts to attract business opportunities, including potential buyers. Thus far, no such opportunities have surfaced.

In connection with this action, the Company announced additional layoffs of the Savannah chloride and associated workforce beginning in the third quarter of 2009. Restructuring charges related to severance, special termination benefits under the pension plan and asset write-offs totaling \$16.6 million were recorded and are reflected herein. The process of bringing the chloride process down to a cold idle and activities associated with it will result in a phasing out of these operations throughout the fourth quarters of 2009. It is anticipated that the sulfuric acid plant will continue normal operations.

**Note 6**

On August 28, 2009, the Company executed a "stalking horse" asset and equity purchase agreement (Stalking Horse Agreement) for the sale of certain of its operating assets to Huntsman Pigments LLC and Huntsman Australia R&D Company Pty Ltd., which are affiliates of Huntsman Corporation, or to the winner of a public auction for the assets that the Company intends to hold in the fourth quarter of 2009. Pursuant to the Stalking Horse Agreement, the Company has agreed to sell the majority of its TiO<sub>2</sub> and Electrolytic operating facilities around the world, including the production facility in Botlek, The Netherlands; the production facility in Hamilton, Mississippi; the operating assets (but not the underlying real property) in Henderson, Nevada; the Oklahoma City Technical Center; and its 50% interest in the Tiwest Joint Venture. The Stalking Horse Agreement does not contemplate the sale of the Savannah facility.

Huntsman's agreement to buy these assets under the Stalking Horse Agreement sets a minimum floor price for the assets at a public auction, which will be conducted pursuant to section 363 of the U.S. Bankruptcy Code. At that auction, Huntsman's offer will be subject to higher or otherwise better offers from third parties. The Company's decision to sell the assets to Huntsman or to the winning bidder at that auction will be subject to Bankruptcy Court approval.

While the Company markets its assets in an effort to ensure a robust and competitive auction, the Company will continue to work with its official committees to evaluate the feasibility of a stand-alone plan of reorganization as an alternative to the sale. This process will involve, among other things, efforts to locate debt financing and negotiations with the United States and various state and local governments concerning a global resolution of the Company's legacy environmental liabilities. The Company will pursue both the sale and the reorganization paths into the fourth quarter of 2009 in an effort to determine which path will maximize the value of the estates. The Company intends to make that determination by the end of 2009.

No adjustments to the carrying value of the Company's assets, based upon the stalking horse bid, have been reflected in these financial statements.