UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: Barzel Industries Inc.

Case No. 09-13204 (CSS)
Reporting Period: 11/28 - 12/25/10

MONTHLY OPERATING REPORT

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

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

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	No		Yes
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements		No	Yes	
Cash disbursements journals		No		Yes
Statement of Operations	MOR-2	Yes		
Balance Sheet	MOR-3	Yes		
Status of Postpetition Taxes	MOR-4	No		Yes
Copies of IRS Form 6123 or payment receipt		No	Yes	
Copies of tax returns filed during reporting period		None filed		
Summary of Unpaid Postpetition Debts	MOR-4	No		Yes
Listing of aged accounts payable	MOR-4	No		Yes
Accounts Receivable Reconciliation and Aging	MOR-5	No		Yes
Debtor Questionnaire	MOR-5	Yes		

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

Signature of Debtor — Date

Signature of Joint Debtor — Date

Signature of Authorized Individual* — 2/??/2011 Date

G. Wayne Day
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

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

In re: Barzel Industries Inc.
Debtor

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Cash Receipts & Disbursements (1)

MOR-1

($ in thousands)

Forecasted Cash	Actual
Collections	1,850
Total Cash Receipts	$ 1,850
Insurance	-
Collateralize Letters of Credit	-
Utilities	(1)
Bank Fees	(1)
Storage of files	-
Benefits and Related	-
Monthly Director Fees	(4)
Leases	-
Payment of 503(b)(9) claims	(359)
IT & Communications	-
Consulting and Professional Fees	(5)
Taxes	-
Other	(3)
Total Cash Disbursements	$ (373)
Subtotal Net Cash Flow	$ 1,477
Adjustments (including severance)	
Severance and other	-
U.S. Trustee fees	-
Legal advisors	(110)
Financial advisors	(47)
Total Adjustments	$ (157)
Net Cash Flow After Adjustments	$ 1,320
Opening Cash Balance	$ 581
Net Cash Flow	$ 1,320
Interfunds Transfer (to) from Canada	$ -
Borrowings	$ -
Repayments	$ (1,358)
Ending Cash Balance	**$ 543**

(1) These are receipts and disbursements for consolidated U.S. operations. Individual disbursements for the calculation of the quarterly fees are attached.

In re: Barzel Industries Inc.
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MOR 1 (Cont.)

THE FOLLOWING SECTION MUST BE COMPLETED (1)

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	$ 1,888,000.00
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	$ -
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	$ 1,888,000.00

Disbursements by debtor:	Case No.	Paid 12/1 to 12/31 (2)	Checks Cleared From November	Checks Cleared After 12/25	Adjusted Amount Paid 11/28 to 12/25
Barzel Industries Inc.	09-13204	$ -	$ -	$ -	$ -
Barzel Holdings Inc.	09-13205	-	-	-	-
Barzel Finco Inc.	09-13206	-	-	-	-
Barzel Industries U.S. Inc.	09-13207	-	-	-	-
American Steel and Aluminum Corporation	09-13208	1,519,443.15	513,772.49	(145,444.76)	1,887,770.88
Nova Tube and Steel Inc.	09-13209	-	-	-	-
Novamerican Tube Holdings, Inc.	09-13210	-	-	-	-
Nova Tube Indiana, LLC.	09-13211	-	-	-	-
Total		$ 1,519,443.15	$ 513,772.49	$ (145,444.76)	$ 1,887,770.88

(1) This reconciliation is provided as a proxy for a cash disbursements journal.
(2) These amounts were reported to and used to calculate and pay the quarterly U.S. Trustee Fees.
(3) These checks were included in the amount used for the calculation of the quarterly trustee fees.

UNITED STATES BANKRUPTCY COURT
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MOR - 1a

In re: Barzel Industries Inc.

Case No.09-13204 (CSS)
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Debtor	Account No.	12/24/10 Balance	Month Acct. Closed
American Steel & Aluminum Corp. - Case No. 09-13208	009428392253	$ -	Jan-11
American Steel & Aluminum Corp. - Case No. 09-13208	0080206761	542,824.50	N/A
American Steel & Aluminum Corp. - Case No. 09-13208	4426956035	-	Jan-11
Total		$ 542,824.50	

Note that all bank reconciliations were prepared on a monthly basis. The remaining balances were transferred to the main checking account - 0080206761 prior to closing the accounts.

In re: Barzel Industries Inc.
Debtor

MOR -1b

Case No. 09-13204 (CSS)
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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

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

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Year To Date	
				Number	Date	Fees	Expenses	Fees	Expenses
Kelley, Drye & Warren (1)	Pre-petition	None	American Steel & Aluminum			-	-	150,000.00	-
Strook & Strook			American Steel & Aluminum					862,611.56	3,322.05
Loughlin Meghji & Co.			American Steel & Aluminum					161,460.00	3,873.94
Cole Schotz	1/1-3/31/10 Holdback & 8/1 -9/30/10	$ 73,660.52	American Steel & Aluminum	5181 & 5218	11/30 & 12/8/10	72,933.80	726.72	950,739.70	26,889.20
Kelley, Drye & Warren	1/1-3/31/10 Holdback	$ 26,345.10	American Steel & Aluminum	5219	12/7/10	26,345.10	-	1,017,707.30	28,745.17
Richards, Layton & Finger			American Steel & Aluminum					60,177.00	474.94
McDonald Hopkins LLC	1/1-3/31/10 Holdback	$ 8,583.87	American Steel & Aluminum	5220 & 5234	12/7 & 12/23/10	8,135.90	447.97	224,438.00	14,237.40
Day Seckler LLP	1/1-3/31/10 Holdback	$ 32,338.50	American Steel & Aluminum	Wire	11/30/10	32,338.50	-	785,414.70	25,320.14
Houlihan Lokey			American Steel & Aluminum					1,967,000.00	9,091.95
FTI Consulting, Inc.	1/1-3/31/10 Holdback	$ 15,000.00	American Steel & Aluminum	5218	12/6/10	15,000.00	-	245,000.01	3,661.25
Morris, Nichols, Arsht	1/1-3/31/10 Holdback	$ 1,638.80	American Steel & Aluminum	5221	12/2/10	1,638.80		34,374.30	3,595.21

(1) This wire was initiated pre-petition and due to an error by Bazel's Treasurer did not clear until post-petition.

UNITED STATES BANKRUPTCY COURT
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(Accrual Basis)

MOR -2 - INCOME STATEMENT

In re: Barzel Industries Inc. **Case No.09-13204 (CSS)**
(in $'s) **Reporting Period: 11/28 - 12/25/10**

Debtor Name	American Steel and Aluminum Corporation	Nova Tube and Steel Inc.	Nova Tube Indiana, LLC	Novamerican Tube Holdings, Inc.	Barzel Industries U.S. Inc.	Barzel Finco Inc.	Barzel Holdings Inc.	Barzel Industries Inc.
Case No.	09-13208	09-13209	09-13211	09-13210	09-13207	09-13206	09-13205	09-13204
Gross revenues	-	-	-					
COGS	-	-	-					
Gross Profit	-	-	-	-	-	-	-	-
Plants	-	-	-			-		
Delivery	-	-	-			-		
Selling	-	-	-			-		
Administrative and general	37,734	-	-			-		
Amortization of intangibles	-	-	-			-		
Total Expenses	**37,734**	-	-	-	-	-	-	-
Operating Income	**(37,734)**	-	-	-	-	-	-	-
Interest expenses	-	-				-		
Restructuring costs	346,913	5,669	2,835			-		
Rental & Interest income (expense)	269	-				-		
Asset Impairment expense	205,000	-				-		-
Other Expense (Income)	**551,644**	**5,669**	**2,835**	-	-	-	-	-
Earnings before taxes	**(589,378)**	**(5,669)**	**(2,835)**	-	-	-	-	-
Income taxes - Current	(45)	-	-					
Income taxes - Deferred		-	-					
Income Taxes	(45)	-	-	-	-	-	-	-
Net Income	**(589,333)**	**(5,669)**	**(2,835)**	-	-	-	-	-

UNITED STATES BANKRUPTCY COURT
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(Accrual Basis)

MOR - 3 - BALANCE SHEET

In re: Barzel Industries Inc.
(in $'s)

Case No.09-13204 (CSS)
Reporting Period: 11/28 - 12/25/10

Debtor Name	American Steel and Aluminum Corporation	Nova Tube and Steel Inc.	Nova Tube Indiana, LLC	Novamerican Tube Holdings, Inc.	Barzel Industries U.S. Inc.	Barzel Finco Inc.	Barzel Holdings Inc.	Barzel Industries Inc.
Case No.	09-13208	09-13209	09-13211	09-13210	09-13207	09-13206	09-13205	09-13204
Cash and cash equivalents	288,476	-	-	-	-	-	-	-
Account receivable	189,112	-	-	-	-	2,163,295	-	-
Deposits	5,000	1,848	-	-	-	-	-	-
Prepaid expenses and other	175,385	-	-	-	-	-	-	-
Prepaid taxes	-	-	-	-	-	-	-	-
Assets Held for Sale	-	-	-	-	-	-	-	-
Deferred Income taxes S/T	-	-	-	-	-	-	-	-
Income taxes receivable	-	-	-	-	-	-	-	-
Total Current Assets	**657,973**	**1,848**	**-**	**-**	**-**	**2,163,295**	**-**	**-**
Property, Plant and equipment - cost	-	-	-	-	-	-	-	-
Property, Plant and equipment - accum. deprec.	-	-	-	-	-	-	-	-
Property, Plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Advances Intercompany	73,289,873	28,006,650	6,964,190	4,358,666	(1,109)	175,680,575	(209)	3,712
Investment in Subsidiairies	-	-	-	10,950,764	131,038,670	268,568,002	126,968,002	126,968,001
Goodwill	-	-	-	-	-	-	-	1,711,851
Deferred financing fees	-	-	-	-	-	10,647,907	-	-
Total assets	**73,947,846**	**28,008,498**	**6,964,190**	**15,309,430**	**131,037,561**	**457,059,779**	**126,967,793**	**128,683,563**
Accounts payable and accrued liabilities	2,047,162	1,662,561	449,817	-	-	31,059,731	-	-
Due to ASA II/Allied Tube (lockbox collections)	2,323	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Total Current Liabilities	**2,049,485**	**1,662,561**	**449,817**	**-**	**-**	**31,059,731**	**-**	**-**
Long term debt	-	-	-	-	-	281,459,579	-	-
Loan - Intercompany	33,400,000	-	323,884	4,535,365	-	83,738,281	-	699,734
Defered Income taxes L/T	-	-	-	-	-	-	-	-
Restructuring charges reserve - LT	-	-	-	-	-	-	-	-
Total Long-term and other liabilities	33,400,000	-	323,884	4,535,365	-	365,197,860	-	699,734
Total Liabilities	**35,449,485**	**1,662,561**	**773,701**	**4,535,365**	**-**	**396,257,591**	**-**	**699,734**
Share Capital	5,000,000	1	5,000,000	10	10	126,968,002	126,968,002	26,304
Additional Paid-up Capital	-	7,000,999	-	990	11,999,990	-	-	128,310,846
Retained earnings	33,498,361	19,344,937	1,190,489	10,773,065	119,037,561	(66,165,814)	(209)	(353,321)
Total Equity	**38,498,361**	**26,345,937**	**6,190,489**	**10,774,065**	**131,037,561**	**60,802,188**	**126,967,793**	**127,983,829**
Total Liabilities and Equity	**73,947,846**	**28,008,498**	**6,964,190**	**15,309,430**	**131,037,561**	**457,059,779**	**126,967,793**	**128,683,563**

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

All post-petition taxes were timely paid for the reporting period.

SUMMARY OF UNPAID POSTPETITION DEBTS

The Debtor timely paid all post-petition debts for the reporting period or the debts were satisfied by the working capital adjustments that were part of the sale of the majority of its operating assets as part of a 363 bankruptcy auction.

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Debtor

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

The Debtor recorded all receivables collected during the reporting period. The majority of receivables still outstanding on November 13, 2009 were sold as part of the working capital adjustments that were component of the sale of the majority of its operating assets as part of a 363 bankruptcy auction.

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.	X	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

Question 1 - during the period the facilities in Albany and Hartford were sold for $1.475 million in cash.